



MLP
GROUP



MLP Group S.A. Group Consolidated Half-Year Report

FOR THE SIX MONTHS ENDED 30 JUNE 2022

This document is a translation. Polish version prevails.

published pursuant to Par. 60.1.1 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz. U. of 2018, item 757)

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I. Letter from CEO to Shareholders

Dear Shareholders,

MLP Group had a very successful 1H2022 period despite of the challenging economic and political environment. We have delivered excellent results, both from an operational and financial point of view. **I am pleased to present you with the 1H2022 financial report, in which we describe the work done, our business achievements and development plans. We are proud that the results for 1H2022 exceeded market expectations and MLP Group strategic goals for 2021-2024.**

MLP Group enters the second half of 2022 well positioned to navigate economic headwinds, and ready to continue the execution of the strategic goals set in 2021, underpinned by its high-quality income producing investment portfolio and solid capital structure, which have delivered excellent results in the first six months of the year.

1H2022 Financial highlights:

- **Net rental income up by 22.2 % to PLN 90.4 million (EUR 19.5 million) vs 30 June 2021: PLN 74.0 million (EUR 16.3 million)**, supported by new rent arising from development completions and active management of the Group's investment portfolio
- **Net profit amounted to PLN 433.9 million (EUR 93.5 million)**, +160,6% yoy, driven by strong growth in rental income and very strong performance in letting recently completed speculatively developed space across the portfolio and an increase in valuation driven by rising ERVs (Estimated Rental Value) **while generally in the existing yielding portfolio yields stayed unchanged**
- **Gross Value of investment properties increased to PLN 4.2 billion (EUR 905.6 million)**, +24.9% vs 31 December 2021
- **NAV increased to PLN 2 298.2 million (EUR 491.0 million)**, +26,0% vs 31 December 2021
- **NAV per share PLN 107.5 (EUR 23.0)**, +26,0% vs 31 December 2021
- **Annualized FFO YE 2022 PLN 74.0 million (EUR 16.0 million) vs YE 2021 PLN 55.8 million (EUR 12.0 million) +32,5%**
- **FFO amounted to 1H2022 PLN 37.0 million (EUR 8.0 million) vs 1H2021 PLN 25.8 million (EUR 5.7 million) +43,2%**

1H2022 Operational highlights:

- **Lease agreements in 1H2022 for approx. 214 thousand sqm**, +91% yoy
- **Material rental growth in leasing rates by approx. 24% yoy**
- **The vacancy rate** on our standing stock remains low at 1.2 per cent
- Delivering on our responsible MLP Group commitments including progress with our renewable energy strategy and broadly **our ESG strategy announced in 3Q2022**
- Strong tenants' retention rate across our **European portfolio at 99%**, combined with the very high tenants satisfaction



MLP Group plans for 2H2022

I employ a great many adages, one is widely attributed to Mark Twain – “history does not repeat itself, but it does rhymes”. I predict, that in the near future, we will face a challenging current macroeconomic environment like we experienced in the past during economical slow-downs. As MLP Group, we are well prepared for potential economic challenges. We are confident that by continuing to follow our well-proven strategy combined with our strategic goals, disciplined capital allocation and operational excellence, we will be able to navigate the more challenging current macroeconomic environment and drive further sustainable growth in rental income and earnings over the coming months and years.

We are noticing strong demand for MLP Group new and existing assets across Europe, as companies increasingly seek a cost-effective means of enhancing the resilience of their supply chains and manufacturing capabilities, onshoring. Together with the ongoing constrained supply of high-quality industrial assets, these sector fundamentals are translating into material rental growth not noticed in the last years. The increase in rental rates was much greater than the increase in construction costs, which would also positively affect the results of MLP Group.

We as MLP Group, as I wrote, are very well poised to a potential economic slowdown, we have practically 100% of the leased space, very good tenant diversification, both geographically and industry-wise. Our focus on maintaining close relationships with our customers, **our well-located land bank** and our prudent capital structure, provide significant opportunities for further profitable growth.

Our strategic goal is to constantly expand the warehouse portfolio. We will continue to develop rapidly, above all in Germany, where we are systematically increasing our portfolio of projects predominantly in Ruhr area, Hessen region and Brandenburg. We also plan to strengthen our position on the Austrian market. Additionally, we are analysing our entrance to new countries i.e. Benelux and Hungary. The Polish market is still very important for us, and we will consistently increase our offer in key logistics regions. In 2022, capital expenditure (CAPEX) will amount to approximately EUR 150-200 million, of which approximately 30% will be allocated to plots' purchases. We plan to lease 250 thousand sqm of the new warehouse space this year.

We pursue our strategic goal by developing BigBox buildings and Urban / City Logistics projects (MLP Business Park – small business units), which will remain in our strategic focus as the product resilient to volatile economy and less exposed to rental competition with a high growth potential – addressing the retail evolution (e-commerce) and significantly contributing to our growth.

MLP Group activities are particularly focused on environmental protection and achieving zero CO2 emissions by 2026. As part of the existing and emerging facilities, a project to build photovoltaic farms on the roofs of logistics parks is being implemented, which should allow us to generate between 12 to 14 GWh of green energy in 2024.

We are aiming at 80% of our projects to obtain BREEAM certificate at the Excellent or Very Good level, and DGNB Gold or Platinum certificate on the German and Austrian market by 2022.

MLP Group – key developments in 1H2022

1H2022 was a very successful period across all markets in where we operate.

In 1H2022, MLP Group signed lease contracts for 214 thousand sqm, which is about 91% more than in the 1H2021 – **that was our record ever result in leasing**. We are seeing strengthening demand for MLP Group new and existing industrial area across Europe, as companies increasingly seek a cost-effective means of enhancing the resilience of their supply chains and manufacturing capabilities, onshoring. Together with the ongoing constrained supply of high-quality industrial assets, these sector fundamentals are translating into material rental growth not noticed in the last years and **strong, record leasing results in 1H2022 and constitutes strong leasing pipeline for upcoming years**.

The increase in rental rates was much greater than the increase in construction costs, which would also positively affect the results of MLP Group.

In 2022, MLP Group acquired several new plots, among others in Zgorzelec, Pruszków, Gorzów Wielkopolski and significantly increased our reservations for new plots in Poland and Germany.

MLP Group currently operates 22 logistics parks in Poland and abroad. In addition, in 2022 MLP Group concluded several reservation agreements for new plots for further logistics parks in Poland and Europe. **Based on the current land banks and reserved plots, MLP Group secured development potential for another 1 million sqm, with the area of the secured land of approximately 200 ha.**

Financial standing of MLP Group

Considering the current geopolitical situation and high volatility in the economy, we are very well prepared for the current challenges.

- All lease contracts are indexed to European inflation rates. Thus, an increase in inflation causes an automatic increase in revenues.
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk.
- Almost 100% of loans are IRS hedged for the next 5 years, resulting in limited interest rates' exposure.
- The geographical diversification of our business across Europe, combined with the diverse tenant base and the average lease term of more than 8.6 years, provides significant operational stability.
- Diversification of energy sources and implementation of solutions having a positive impact on the protection of the natural environment.
- 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
- Strong cash flow position
 - LTV at modest level of 34.9%, the strong interest coverage ratio at 3.6x ICR
 - Interest-bearing debt with average maturity of 5.0 years

MLP Group has a very good financial standing, a safe capital structure enabling the implementation of long-term strategic goals, its own land bank located in attractive locations and highly qualified management team.

Radosław T. Krochta

President & CEO

MLP Group S.A.

II. Selected financial data of the MLP Group S.A. Group

Average exchange rates of the Polish złoty against the euro during the reporting period:

	30 June 2022	31 December 2021	30 June 2021
Average mid exchange rate during the reporting period*	4,6427	4,5775	4,5472
Mid exchange rate on the last day of the reporting period	4,6806	4,5994	4,5208

*Arithmetic mean of the mid exchange rates effective as at the last day of each month in the reporting period.

Key items of the condensed consolidated statement of financial position translated into the euro:

	as at	30 June 2022		31 December 2021	
		EUR			
		PLN thousand (unaudited)	thousand (unaudited)	PLN thousand	EUR thousand
Non-current assets		4 348 147	928 972	3 457 071	751 635
Current assets		223 777	47 810	328 483	71 419
Total assets		4 571 924	976 782	3 785 554	823 054
Non-current liabilities		2 037 714	435 353	1 722 350	374 473
Current liabilities		235 986	50 418	238 683	51 894
Equity, including:		2 298 224	491 011	1 824 521	396 687
Share capital		5 344	1 142	5 344	1 162
Total equity and liabilities		4 571 924	976 782	3 785 554	823 054
Number of shares		21 373 639	21 373 639	21 373 639	21 373 639
Book value per share and diluted book value per share attributable to owners of the parent (PLN)		107,53	22,97	85,36	18,56

The data in the interim condensed consolidated statement of financial position was translated at the mid exchange rate quoted by the National Bank of Poland for the last day of the reporting period.

Key items of the interim condensed consolidated statement of profit or loss and other comprehensive income converted into the euro:

<i>for the six months ended 30 June</i>	2022		2021	
	PLN thousand	EUR	PLN thousand	EUR thousand
		thousand		thousand
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	123 247	26 546	97 565	21 456
Other income	684	147	715	157
Gain on revaluation of investment property	517 808	111 532	160 167	35 223
Distribution costs and administrative expenses	(63 629)	(13 705)	(51 626)	(11 353)
Operating profit	577 172	124 318	205 500	45 193
Profit before tax	539 040	116 105	204 709	45 019
Net profit	433 913	93 461	166 515	36 619
Total comprehensive income	473 703	102 032	166 756	36 672
Net profit attributable to owners of the parent	433 913	93 461	166 515	36 619
Earnings per share and diluted earnings per share attributable to owners of the parent (PLN)	20,30	4,37	8,33	1,83

The data in the interim condensed consolidated statement of profit or loss and other comprehensive income was translated at the average euro exchange rate calculated as the arithmetic mean of the mid exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period.

Key items of the condensed consolidated statement of cash flows converted into the euro:

<i>for the six months ended 30 June</i>	2022		2021	
	PLN thousand	EUR	PLN thousand	EUR thousand
		thousand		thousand
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net cash from operating activities	71 409	15 381	120 940	26 597
Cash from investing activities	(254 623)	(54 844)	(349 395)	(76 837)
Cash from financing activities	123 977	26 704	236 926	52 104
Total cash flows, net of exchange differences	(59 237)	(12 759)	8 471	1 864
Total cash flows	(57 788)	(12 447)	7 505	1 650

The data in the condensed consolidated statement of cash flows was translated at the average euro exchange rate calculated as the arithmetic mean of the mid exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period.

<i>as at</i>	30 June 2022		31 December 2021	
	PLN thousand	EUR	PLN thousand	EUR thousand
		thousand		thousand
	(unaudited)	(unaudited)		
Cash at beginning of period	177 234	38 534	163 009	35 323
Cash at end of period	119 446	25 519	177 234	38 534

The following exchange rates were used to translate the presented data from the condensed consolidated statement of cash flows:

- Item Cash at end of period – the mid exchange rate quoted by the National Bank of Poland (NBP) for the last day in the reporting period
- Item Cash at beginning of period – the mid exchange rate quoted by the National Bank of Poland (NBP) for the last day of the period preceding the reporting period

The EUR/PLN exchange rate on the last day of the reporting period ended 31 December 2020 was 4.6148.



The Group **MLP Group S.A.**

**Interim condensed consolidated
financial statements**

**for the six months ended 30 June 2022
prepared in accordance with EU IFRS**

III. Interim condensed consolidated financial statements

Authorisation of the interim condensed consolidated financial statements

On 23 August 2022, the Management Board of the Parent, i.e. MLP Group S.A., authorised for issue the interim condensed consolidated financial statements (the "Consolidated Financial Statements") of the MLP Group S.A. Group (the "Group") for the period from 1 January to 30 June 2022.

These interim consolidated financial statements for the period from 1 January to 30 June 2022 have been prepared in accordance with the International Financial Reporting Standards, as endorsed by the European Union ("EU IFRS"), applicable to interim reporting (IAS 34). In this report, information is presented in the following sequence:

1. Interim condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January to 30 June 2022, showing a net profit of PLN 433,913 thousand.
2. Condensed consolidated statement of financial position as at 30 June 2022, showing total assets and total equity and liabilities of PLN 4,571,924 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January to 30 June 2022, showing a net decrease in cash of PLN 57,788 thousand.
4. Condensed statement of changes in consolidated equity for the period from 1 January to 30 June 2022, showing an increase in consolidated equity of PLN 473,703 thousand.
5. Notes to the interim condensed consolidated financial statements.

These interim condensed consolidated financial statements have been prepared in thousands of PLN, unless stated otherwise.

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

Tomasz Zabost
Member of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Góźdź
Member of the Management Board

Interim condensed consolidated statement of profit or loss and other comprehensive income

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
	Note				
Revenue	4	123 247	60 670	97 565	47 625
Other income	5	684	283	715	410
Gain on revaluation of investment property	10	517 808	489 515	160 167	146 650
Distribution costs and administrative expenses	7	(63 629)	(31 311)	(51 626)	(25 226)
Other expenses	6	(938)	(367)	(1 321)	(609)
Operating profit		577 172	518 790	205 500	168 850
Finance income	8	328	188	18 882	18 612
Finance costs	8	(38 460)	(17 393)	(19 673)	(4 302)
Net finance costs		(38 132)	(17 205)	(791)	14 310
Profit before tax		539 040	501 585	204 709	183 160
Income tax	9	(105 127)	(97 325)	(38 194)	(32 766)
Profit from continuing operations		433 913	404 260	166 515	150 394
Net profit		433 913	404 260	166 515	150 394
Net profit attributable to:					
Owners of the parent		433 913	404 260	166 515	150 394
Other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		3 291	1 534	(1 884)	(2 309)
Effective portion of changes in fair value of cash flow hedges		45 061	16 682	2 623	714
Other comprehensive income that will be reclassified to profit or loss, before tax		48 352	18 216	739	(1 595)
Other comprehensive income, gross		48 352	18 216	739	(1 595)
Income tax on other comprehensive income that will be reclassified to profit or loss		(8 562)	(3 170)	(498)	(136)
Other comprehensive income, net		39 790	51 478	241	(4 921)
Total comprehensive income		473 703	455 738	166 756	145 473
Comprehensive income attributable to:					
Owners of the parent		473 703	455 738	166 756	145 473

Earnings per share

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Earnings per ordinary share:

- Basic earnings per share from continuing operations	20,30	18,91	8,33	7,53
- Earnings per ordinary share	20,30	18,91	8,33	7,53

Diluted earnings per ordinary share:

- Diluted earnings per share from continuing operations	20,30	18,91	8,33	7,53
- Diluted earnings per ordinary share	20,30	18,91	8,33	7,53

Interim condensed consolidated statement of financial position

	as at Note	30 June 2022 (unaudited)	31 December 2021
Non-current assets			
Property, plant and equipment		9 336	3 276
Intangible assets		168	138
Investment property	10	4 238 538	3 394 504
Other long-term financial investments	12	96 954	53 887
Other non-current assets		1 023	939
Deferred tax assets	11	2 128	4 327
Total non-current assets		4 348 147	3 457 071
Current assets			
Inventories		150	19
Short-term investments	12	19 777	71 380
Income tax receivable	14	2 563	2 003
Trade and other receivables	14	78 641	74 346
Other short-term investments	12	3 200	3 501
Cash and cash equivalents	15	119 446	177 234
Current assets other than held for sale or distribution to owners		223 777	328 483
Total current assets		223 777	328 483
TOTAL ASSETS		4 571 924	3 785 554
Equity	17		
Share capital		5 344	5 344
Share premium		304 025	304 025
Cash flow hedge reserve		32 465	(4 034)
Translation reserve		3 571	726
Capital reserve		83 680	83 680
Statutory reserve funds		154 575	154 575
Retained earnings, including:		1 714 564	1 280 205
Profit (loss) brought forward		1 280 651	799 735
Net profit		433 913	480 470
Equity attributable to owners of the parent		2 298 224	1 824 521
Total equity		2 298 224	1 824 521
Non-current liabilities			
Borrowings and other debt instruments	19.1	1 580 250	1 369 873
Deferred tax liability	11	401 104	294 180
Other non-current liabilities	19.1	56 360	58 297
Total non-current liabilities		2 037 714	1 722 350

Current liabilities			
Borrowings and other debt instruments	19.2	81 419	121 222
Employee benefit obligations	20	3 043	5 928
Income tax payable	21	3 501	3 210
Trade and other payables	21	148 023	108 323
Current liabilities other than held for sale		235 986	238 683
Total current liabilities		235 986	238 683
Total liabilities		2 273 700	1 961 033
TOTAL EQUITY AND LIABILITIES		4 571 924	3 785 554

Interim condensed consolidated statement of cash flows

	for the six months ended 30 June	Note	2022 (unaudited)	2021 (unaudited)
Cash flows from operating activities				
Profit before tax			539 040	204 709
Total adjustments			(462 796)	(77 511)
Depreciation and amortisation			197	167
Change in fair value of investment property			(517 808)	(160 167)
Net interest			16 668	16 210
Exchange differences			20 600	(19 838)
Other			(683)	159
Change in receivables		16.2	4 110	39 873
Change in current and other liabilities		16.3	14 120	46 085
Cash from operating activities			76 244	127 198
Income tax paid			(4 835)	(6 258)
Net cash from operating activities			71 409	120 940
Cash flows from investing activities				
Interest received			1 956	1 508
Repayment of loans		16.1	2 818	8 547
Purchase of investment property, property, plant and equipment and intangible assets			(303 462)	(252 155)
Proceeds from disposal of other investments in financial assets			51 057	18 000
Purchase of other financial assets			-	(132 700)
Other proceeds from (expenditure on) investments			(6 992)	7 405
Cash from investing activities			(254 623)	(349 395)
Cash flows from financing activities				
Increase in borrowings		16.1	254 044	342 810
Repayment of borrowings, including refinanced bank borrowings		16.1	(16 852)	(211 483)
Net proceeds from issue of shares			-	123 585
Redemption of bonds			(94 118)	-
Interest paid			(19 097)	(17 986)
Cash from financing activities			123 977	236 926
Total cash flows, net of exchange differences			(59 237)	8 471
Effect of exchange differences on cash and cash equivalents			1 449	(966)
Total cash flows			(57 788)	7 505
Cash and cash equivalents at beginning of period		15	177 234	163 009
Cash and cash equivalents at end of period		15	119 446	170 514

Interim condensed statement of changes in consolidated equity

	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
As at 1 January 2022	5 344	304 025	(4 034)	726	83 680	154 575	1 280 205	1 824 521	1 824 521
<u>Comprehensive income:</u>									
Net profit/(loss)*	-	-	-	-			433 913	433 913	433 913
Total other comprehensive income*	-	-	36 499	2 845			446	39 790	39 790
Comprehensive income for the year ended 30 June 2022*	-	-	36 499	2 845			434 359	473 703	473 703
Changes in equity*	-	-	36 499	2 845	-	-	434 359	473 703	473 703
As at 30 June 2022*	5 344	304 025	32 465	3 571	83 680	154 575	1 714 564	2 298 224	2 298 224

	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
As at 1 January 2021	4 931	180 853	(12 719)	2 095	83 680	154 575	798 317	1 211 732	1 211 732
<u>Comprehensive income:</u>									
Net profit/(loss)*	-	-	-	-			166 515	166 515	166 515
Total other comprehensive income*	-	-	2 125	(3 300)			1 416	241	241
Comprehensive income for the year ended 30 June 2021*	-	-	2 125	(3 300)			167 931	166 756	166 756
Distribution of net profit for 2019 ¹⁾	-	-	-	-				-	-
Increase in equity due to share issue ²⁾	413	123 172	-	-			-	123 585	123 585
Changes in equity*	413	123 172	2 125	(3 300)	-	-	167 931	290 341	290 341
Balance as at 30 June 2021*	5 344	304 025	(10 594)	(1 205)	83 680	154 575	966 248	1 502 073	1 502 073

* Unaudited.

Notes to the interim condensed consolidated financial statements

1. General information

1. 1 The Parent

The Parent of the Group is MLP Group S.A. (the "Company", the "Parent", or the "Issuer"), a listed joint-stock company registered in Poland. The Company's registered office is located at ul. 3-go Maja 8 in Pruszków, Poland.

The Parent was established as a result of transformation of the state-owned enterprise Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy into a state-owned joint-stock company. The deed of transformation was drawn up before a notary public on 18 February 1995. Pursuant to a resolution of the General Meeting of 27 June 2007, the Company trades as MLP Group S.A. The Company continued to trade under this business name as at the date of issue of these consolidated financial statements.

At present, the Company is registered with the National Court Register maintained by the District Court for the Capital City of Warsaw, 14th Commercial Division, under No. KRS 0000053299.

As at the date of preparation of these consolidated financial statements, the composition of the Parent's Management and Supervisory Boards is as follows:

Management Board:

- | | |
|-----------------------|--|
| • Radosław T. Krochta | - President of the Management Board |
| • Michael Shapiro | - Vice President of the Management Board |
| • Tomasz Zabost | - Member of the Management Board |
| • Monika Dobosz | - Member of the Management Board |
| • Agnieszka Gózdź | - Member of the Management Board |

On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Gózdź as Members of the Company's Management Board.

Supervisory Board:

- | | |
|----------------------|--|
| • Shimshon Marfogel | - Chairman of the Supervisory Board |
| • Eytan Levy | - Deputy Chairman of the Supervisory Board |
| • Oded Setter | - Member of the Supervisory Board |
| • Guy Shapira | - Member of the Supervisory Board |
| • Piotr Chajderowski | - Member of the Supervisory Board |
| • Maciej Matusiak | - Member of the Supervisory Board |

1. 2 The Group

As at the reporting date, the MLP Group S.A. Group (the "Group") consisted of MLP Group S.A., i.e., the Parent, and 52 subsidiaries.

The parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

The Parent's and its subsidiaries' principal business activities comprise development, purchase and sale of own real estate, lease of own real estate, management of residential and non-residential real estate, general activities involving construction of buildings, and construction.

All subsidiaries listed below are fully consolidated. The financial year of the Parent and the Group companies is the same as the calendar year. The duration of the activities of all Group companies is not limited.

As at 30 June 2022, the Group consisted of the following entities:

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
Feniks Obrót Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAPOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAPOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%
MLP Wrocław West Sp. z o.o.	Poland	100%	100%	100%	100%

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
MLP Business Park Berlin I GP sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź II sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań East sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal LP sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal GP sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków VI Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Schwalmtal Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Wien GmbH	Austria	100%	100%	100%	100%
MLP Wrocław West I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Gorzów Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Trebur GP Sp. z o.o. ¹⁾	Poland	100%	-	100%	-
MLP Business Park Trebur LP Sp. z o.o. ²⁾	Poland	100%	-	100%	-

1. 3 Changes in the Group

¹⁾ On 16 February 2022, MLP Schwäbisch Gmünd GP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 22 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur GP Sp. z o.o. The change in the company's name was entered in the National Court Register on 23 June 2022.

²⁾ On 16 February 2022, MLP Schwäbisch Gmünd LP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur LP Sp. z o.o. The change in the company's name was entered in the National Court Register on 22 June 2022.

Pursuant to a notarial deed of 6 July 2022, MLP Business Park Trebur Sp. z o.o. & Co. KG was established, in which MLP Business Park Trebur LP Sp. z o.o. is a limited partner and MLP Business Park Trebur GP Sp. z o.o. is the general partner.

These interim condensed consolidated financial statements for the six months ended 30 June 2022 include financial statements of the Parent and of the subsidiaries controlled by the Parent ("the Group").

1. 4 Shareholding structure of the Parent

1. 4. 1 Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company

To the best of the Management Board's knowledge and belief, from the date of issue of the most recent interim report to the reporting date there were changes in direct or indirect holdings of 5% or more of total voting rights in the Company, and as at 30 June 2022 the holdings were as follows:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV	10 242 726	47,92%
Other shareholders	4 425 034	20,70%
THESINGER LIMITED	1 771 320	8,29%
MetLife OFE	1 656 022	7,75%
Israel Land Development Company Ltd. ²⁾	1 933 619	9,05%
GRACECUP TRADING LIMITED	641 558	3,00%
Shimshon Marfogel	149 155	0,70%
MIRO LTD.	552 125	2,58%
Oded Setter ¹⁾	2 080	0,01%
Total	21 373 639	100,00%

¹⁾ On 12 January 2022, 30 March 2022 and 8 January 2022, Oded Setter, a member of the Supervisory Board, acquired 420, 640 and 600 ordinary shares, respectively, representing in total 0.0077% of the share capital and 1,660 voting rights, or 0.0077% of total voting rights.

²⁾ Furthermore, on 13 May 2022 Israel Land Development Company Ltd. with its registered office in Bnei Brak, Israel acquired 100 ordinary shares increasing its holding to 1,933,619 Company shares, which after the changes constitutes 9.05% of the share capital and carries 1,933,619 voting rights, i.e., 9.05% of the total number of voting rights.

1. 4. 2 Shares and rights to shares of the Parent held by members of management and supervisory bodies

As at 30 June 2022, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.58% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO Ltd. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 11.98% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 14.56% interest in the share capital of MLP Group S.A.

As at 30 June 2022, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.70% of the Company's share capital.

As at 30 June 2022, Oded Setter, a member of the Supervisory Board, held directly, through the Company shares acquired in September 2021, October 2021, January 2022, March 2022 and June 2022, 0.0077% of the Company's share capital.

The other members of the Supervisory Board have no direct holdings in the Company's share capital.

2. Basis of preparation of the interim condensed consolidated financial statements

2. 1 Statement of compliance

The Group prepared its condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting*, as endorsed by the European Union. The Group applied all standards and interpretations which are applicable in the European Union except those which are awaiting approval by the European Union and those standards and interpretations which have been approved by the European Union but are not yet effective.

2. 2 Status of standards approval in the European Union

2. 2. 1 Standards and interpretations endorsed by the European Union which were not yet effective as at the reporting date

The Group intends to adopt, as of respective effective dates, standards and amendments to the existing standards and interpretations which were published by the International Accounting Standards Board but were not yet effective as at the date of authorisation of these interim consolidated financial statements.

The impact of the amended and new standards on the Group's future consolidated financial statements is discussed in Note 2.2 to the full-year consolidated financial statements for 2021.

2. 3 Basis of preparation of the Consolidated Financial Statements

These interim consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future and in conviction that there are no circumstances which would indicate a threat to the Group's continuing as a going concern.

These interim condensed consolidated financial statements have been prepared in accordance with the accounting policies described in the full-year consolidated financial statements for 2021.

2. 4 Functional currency and presentation currency of the financial statements; rules applied to translate financial data

2. 4. 1 Functional currency and presentation currency

In these interim condensed consolidated financial statements all amounts are presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Parent and the presentation currency of the interim consolidated financial statements. The functional currencies of consolidated foreign entities are the euro (Germany and Austria) and the Romanian leu (Romania).

2. 4. 2 Rules applied to translate financial data

The following exchange rates (against PLN) were used to measure items of the consolidated statement of financial position denominated in foreign currencies:

Consolidated statement of financial position:

	30 June 2022	31 December 2021	30 June 2021
EUR	4,6806	4,5994	4,5208
USD	4,4825	4,0600	3,8035
RON	0,9466	0,9293	0,9174

2. 5 Use of estimates and judgements

In these interim consolidated financial statements, material judgements made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those presented in Note 2 to the full-year consolidated financial statements for 2021.

The preparation of interim condensed consolidated financial statements in accordance with IAS 34 requires that the Management Board makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are based on experience and other factors deemed reasonable under the circumstances, and their results provide a basis for judgement about carrying amounts of assets and liabilities that are not directly attributable to other sources. Actual results may differ from the estimates.

3. Segment reporting

The primary and sole business activity of the Group is construction and management of logistics space. The Group's revenue is derived from renting of own property and from property revaluation.

The Group operates in Poland, and abroad: since April 2017 in Germany, since October 2017 in Romania, and since October 2020 in Austria. Locations of the Group's assets coincide with the location of its customers. Operating segments are the same as the Group's geographical segments.

As at 30 June 2022 and in the reporting period then ended the Group had four geographical segments – Poland, Germany, Romania and Austria.

Operating segments

for the six months ended 30 June	2022*					Total
	Poland	Germany	Romania	Austria	Intersegment eliminations	
Revenue						
Sales to external customers	118 451	3 230	2 756	131	(1 321)	123 247
Gain/(loss) on revaluation of investment property	424 507	82 066	8 821	2 405	9	517 808
Segment's total revenue	542 958	85 296	11 577	2 536	(1 312)	641 055
Segment's operating profit/(loss)	486 189	78 643	10 295	2 299	1	577 426
Segment's other income/(expense)	(257)	38	(12)	(23)	-	(254)
Profit/(loss) before tax and net finance costs	485 932	78 681	10 283	2 276	1	577 172
Net finance income/(costs)	(28 067)	(4 964)	(296)	(1)	(4 804)	(38 132)
Profit/(loss) before tax	457 865	73 717	9 987	2 275	(4 803)	539 040
Income tax	(89 325)	(13 607)	(1 588)	(607)	-	(105 127)
Net profit/(loss)	368 540	60 110	8 399	1 668	(4 803)	433 913

for the six months ended 30 June	2021*					Total
	Poland	Germany	Romania	Austria	Intersegment eliminations	
Revenue						
Sales to external customers	94 624	688	2 131	122	-	97 565
Gain/(loss) on revaluation of investment property	59 638	73 428	722	26 379	-	160 167
Segment's total revenue	154 262	74 116	2 853	26 501	-	257 732
Segment's operating profit/(loss)	106 079	72 134	1 625	26 205	63	206 106
Segment's other income/(expense)	(698)	103	(11)	-	-	(606)
Profit/(loss) before tax and net finance costs	105 381	72 237	1 614	26 205	63	205 500
Net finance income/(costs)	(53)	(1 816)	(738)	(1 338)	3 154	(791)
Profit/(loss) before tax	105 328	70 421	876	24 867	3 217	204 709
Income tax	(21 420)	(12 307)	(291)	(4 176)	-	(38 194)
Net profit/(loss)	83 908	58 114	585	20 691	3 217	166 515

* Unaudited.

<i>as at</i>	<i>as at</i>	30 June 2022*				
	Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities						
Segment's assets	4 081 035	646 227	84 461	113 435	(353 234)	4 571 924
Total assets	4 081 035	646 227	84 461	113 435	(353 234)	4 571 924
Segment's liabilities	2 003 169	459 171	70 967	88 626	(348 233)	2 273 700
Equity	2 077 866	187 056	13 494	24 809	(5 001)	2 298 224
Total equity and liabilities	4 081 035	646 227	84 461	113 435	(353 234)	4 571 924
Expenditure on properties	238 119	69 578	800	5 982	-	314 479

as at	as at	31 December 2021					
		Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities							
Segment's assets		3 489 672	494 034	72 478	103 458	(374 088)	3 785 554
Total assets		3 489 672	494 034	72 478	103 458	(374 088)	3 785 554
Segment's liabilities		1 816 854	369 773	67 566	80 731	(373 891)	1 961 033
Equity		1 672 818	124 261	4 912	22 727	(197)	1 824 521
Total equity and liabilities		3 489 672	494 034	72 478	103 458	(374 088)	3 785 554
Expenditure on properties		243 445	213 867	4 284	62 917	-	524 513

* Unaudited.

Intersegment eliminations concern intra-Group loans advanced by the Group's Polish companies to the companies in Germany, Romania and Austria, as well as intra-Group services.

4. Revenue

	<i>for</i>	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Rental income		90 387	46 679	73 977	37 842
Other revenue		32 860	13 991	21 708	9 783
Revenue from development contract concluded by MLP Group S.A. ¹⁾		-	-	1 880	-
Total revenue		123 247	60 670	97 565	47 625

	<i>for</i>	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Recharge of utility costs		31 478	12 959	20 367	8 892
Rental income from residential units		30	15	41	21
Services provided to tenants		1 096	786	1 159	796
Other revenue		256	231	141	74
Other revenue		32 860	13 991	21 708	9 783

¹⁾MLP Group S.A. signed a property development contract with Westinvest Gesellschaft für Investmentfonds mbH, under which in 2020–2021 a warehouse was constructed on third-party land in Tychy. In 2021, the Company recognised revenue from the contract of PLN 1,880 thousand, calculated based on the percentage of completion of the work.

In accordance with the type of contract criterion (IFRS 15), revenue derived from the development contract 2021 is revenue from a fixed-price contract, of PLN 1,880 thousand. The asset was recognised in the Polish segment and was accounted for in 2021.

5. Other income

	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Reimbursement of court fees	-	-	24	21
Reversal of impairment losses on receivables	-	-	5	-
Contractual penalties received	423	140	106	19
Other	232	141	529	354
Gain on disposal of non-financial non-current assets	-	-	21	-
Reversal of provision for future costs	29	2	30	16
Other income	684	283	715	410

6. Other expenses

	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Loss on disposal of non-financial non-current assets	(158)	(84)	-	-
Impairment losses on receivables	-	-	-	-
Court fees	-	-	(4)	(4)
Costs of donations	(9)	(4)	(14)	(14)
Cost of gas infrastructure at MLP Bieruń Sp. z o.o.	-	-	-	-
Costs covered by insurance policies	(181)	(153)	(461)	(457)
Other	(110)	(55)	(521)	(62)
Cost of capital expenditure	(276)	(71)	(310)	(72)
Cost of gas infrastructure	-	-	-	-
Written-off statute-barred receivables	(204)	-	-	-
Other expenses	(938)	(367)	(1 321)	(609)

7. Distribution costs and administrative expenses

	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Depreciation and amortisation	(197)	(87)	(167)	(86)
Materials and consumables used	(25 678)	(11 072)	(18 987)	(7 935)
Services	(19 479)	(10 602)	(17 144)	(8 881)
Taxes and charges	(14 023)	(7 187)	(11 419)	(5 738)
Wages and salaries	(2 506)	(1 264)	(2 884)	(1 996)
Social security and other employee benefits	(849)	(570)	(551)	(352)
Other expenses by nature	(897)	(529)	(474)	(238)
Distribution costs and administrative expenses	(63 629)	(31 311)	(51 626)	(25 226)

Distribution costs and administrative expenses for the three months ended 30 June 2022 were PLN 63,629 thousand, and for the most part included expenses related to the maintenance of revenue-generating investment properties. Costs which are not directly related to these properties are depreciation expense on property, plant and equipment which are used in operating activities but do not generate rental income, and property tax in the part relating to undeveloped land.

The cost of raw materials and consumables used in the six months to 30 June 2021 and six months to 30 June 2022 included cost of electricity, gas and related certificates, and amounted to PLN 11,210 thousand and PLN 19,551 thousand, respectively.

Cost of services in 2021 included costs of the development project carried out at MLP Group S.A. of PLN 1,517 thousand.

The Group's administrative expenses include costs of developing new projects in foreign markets, which in the first half of 2022 amounted to PLN 1,474 thousand (H1 2021: PLN nil).

8. Finance income and costs

	<i>for</i>	6 months ended	3 months ended	6 months ended	3 months ended
		30 June	30 June	30 June	30 June
		2022	2022	2021	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on loans		235	141	132	62
Interest on bank deposits		-	-	104	97
Sale of receivables		-	-	-	-
Net exchange differences		-	-	18 428	26 748
Other interest		1	-	-	-
Interest on receivables		9	5	25	24
Revenue from investment fund units		63	22		
Other finance income		20	20	193	1
Total finance income		328	188	18 882	26 932

	<i>for</i>	6 months ended	3 months ended	6 months ended	3 months ended
		30 June	30 June	30 June	30 June
		2022	2022	2021	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on borrowings		(9 350)	(5 091)	(6 787)	(3 507)
Other interest		(624)	(316)	(7)	(4)
Interest paid on swap contracts		(2 557)	(1 184)	(5 304)	(4 196)
Net interest on cash flow hedge		-	-	42	32
Net exchange differences		(18 803)	(7 271)	-	-
Interest on bonds		(4 879)	(2 330)	(4 293)	(2 115)
Other finance costs		(1 347)	(922)	(249)	(116)
Debt service costs		(900)	(279)	(3 075)	(2 716)
Total finance costs		(38 460)	(17 393)	(19 673)	(12 622)

Exchange differences are mainly attributable to the effect of measurement of liabilities under EUR-denominated borrowings at the end of the reporting period. In the period from 31 December 2021 to 30 June 2022, the Polish currency depreciated by PLN 0.0812, or 1.73%. The depreciation of the złoty against the euro resulted in foreign exchange losses of PLN 18,803 thousand, which affected the Group's net finance income/(costs).

9. Income tax

In accordance with Polish laws, in 2022 and 2021, the consolidated entities calculated their corporate income tax liabilities at 9% or 19% of taxable income. The lower tax rate was applicable to small taxpayers.

In 2022 and 2021, the following tax rates were applied by the Group's foreign operations to calculate current income tax liabilities: in Germany: 15.825%, in Romania: 16%, and in Austria: 25%.

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Current income tax		5 414	3 316	3 514	2 063
Temporary differences/reversal of temporary differences		99 713	94 009	34 680	30 703
Income tax		105 127	97 325	38 194	32 766

Effective tax rate

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Profit before tax		539 040	501 585	204 709	183 160
Tax at the applicable tax rate (19%)		(102 418)	(95 302)	(38 895)	(34 801)
Difference due to different rate of tax paid by the Austrian company		8	3	-	-
Difference due to 9% rate of tax rate paid by companies qualifying as small taxpayers		112	84	1 692	1 722
Non-taxable income		947	902	(395)	(394)
Difference due to different rates of tax paid by the German and Romanian companies		(322)	(256)	785	785
Unrecognised asset for tax loss		(1 644)	(1 295)	(1 532)	(978)
Write off of unused deferred tax asset for tax loss		(54)	(16)	-	-
Expenses not deductible for tax purposes		(1 755)	(1 444)	151	900
Income tax		(105 126)	(97 324)	(38 194)	(32 766)

Tax laws relating to value added tax, corporate and personal income tax, and social security contributions are frequently amended. Therefore, it is often the case that no reference can be made to established regulations or legal precedents. The laws tend to be unclear, thus leading to differences in opinions as to legal interpretation of fiscal regulations, both between different state authorities and between state authorities and businesses. Tax and other settlements (customs duties or foreign exchange settlements) may be inspected by authorities empowered to impose significant penalties, and any additional amounts assessed following an inspection must be paid with interest. Consequently, tax risk in Poland is higher than in countries with more mature tax systems.

Tax settlements may be subject to inspection over a period of five years following the end of the following tax year. As a result, the amounts disclosed in the financial statements may change at a later date, once their final amount is determined by the tax authorities.

10. Investment property

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Gross amount at beginning of period		3 394 504	2 330 899
Decrease during the year		-	-
Expenditure on properties		314 479	524 513
Sale of investment property		-	-
Exchange differences on translating foreign operations		11 747	(1 231)
Change in fair value		517 808	540 323
Properties classified as held for sale		-	-
Gross amount at end of period		4 238 538	3 394 504

Investment property includes warehouses and land for development. Rental income from lease of warehouse space is the key source of the Group's revenue. Investment property as at 30 June 2022 included a perpetual usufruct asset of PLN 42,600 thousand.

In the period from 31 December 2021 to 30 June 2022, the carrying amount of investment property increased by EUR 180,326 thousand, to EUR 905,554 thousand. The change was mainly attributable to the expenditure on the construction work at new parks, execution of new contracts for lease of space in the new facilities, and obtaining a building permit for new facilities. The depreciation of the Polish currency by PLN 0.0812 (1.73%) also contributed to the change in the carrying amount of investment property as translated from the euro into the złoty and an increase in its fair value by PLN 59,171 thousand as at 30 June 2022.

The Group is a party to litigation concerning revision of the perpetual usufruct charges for some of the land of MLP Pruszków I, MLP Pruszków II and MLP Pruszków III logistics parks. As at the date of issue of this report, the Management Board of MLP Group S.A. was not able to estimate the amount of the charge. The amount determined by the court may affect the carrying amount of investment property and finance lease liabilities.

Investment property by country

	as at	30 June 2022 (unaudited)	31 December 2021
Poland		3 428 733	2 766 095
	Fair value of properties	3 386 133	2 723 068
	Perpetual usufruct	42 600	42 915
	Expenditure on properties not included in the valuation	-	112
Germany		615 546	455 397
	Fair value of properties	615 546	424 755
	Expenditure on properties		30 642
Austria		113 271	103 026
	Fair value of properties	113 271	103 026
Romania		80 988	69 986
	Fair value of properties	80 988	69 986
Gross amount at end of period		4 238 538	3 394 504

Fair value of properties by country and type of space as at 30 June 2021

	Total	Existing buildings	Projects under construction*	Land reserve
Poland	3 386 133	2 733 438	541 124	111 571
Germany	615 546	483 506	37 445	94 595
Austria	113 271	-	-	113 271
Romania	80 988	53 279	-	27 709
Gross amount at end of period	4 195 938	3 270 223	578 569	347 146

*) Projects under construction include developments being constructed at any stage of completion, projects that are in the pipeline, and land with building permits secured.

Fair value of property by country and type of facility as at 31 December 2021.

	Total	Existing buildings	Projects under construction	Land reserve
Poland	2 723 068	2 307 098	349 462	66 508
Germany	424 755	108 546	253 657	62 552
Austria	103 026	-	-	103 026
Romania	69 986	46 483	-	23 503
Gross amount at end of period	3 320 835	2 462 127	603 119	255 589

10. 1 Fair value of the Group's investment property

The fair value of investment property was calculated based on expert reports issued by independent expert appraisers, with recognised professional qualifications and with experience in investment property valuation (based on inputs that are not directly observable – Level 3).

Property valuations have been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Standards. They comply with the International Valuation Standards (IVS) as published by the International Valuation Standards Committee (IVSC).

The layer (or hardcore) method was applied to the valuation of buildings. In this method, rental income that is considered sustainable (i.e. all passing rent that is at or below market rent levels) is capitalised at an appropriate yield, with any 'top slice' or 'froth' rent, i.e. rental income from over-rented units, capitalised at a separate yield until expiry of the lease. This enables assigning a separate risk profile to the "riskier" over-rented component of the property, as appropriate. The yields applied take into account the terms of rent increases, vacancy risk, and expenses.

The valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market's general perception of their credit-worthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. In accordance with the hardcore valuation method, the higher the rent rate and the lower the yield rate are, the higher the fair value of the property is.

The residual method of property valuation is applied to valuing investment properties under development. In this method, the value of a property is estimated based on its developed value (i.e. on completion of the development project) using the income/market approach taking into account the development budget, including the developer's profit. Development costs include total construction costs, including fit-out costs, professional fees, financing costs and the developer's profit. In accordance with the residual method, the higher the rent rate and the lower the yield rate are, the higher the fair value of the property is, and the higher the estimated

Land is valued using the market approach, whereby the likely value of a given piece of land is determined by reference to recent land sale transactions.

The market approach consists in estimating the value of properties (i.e. undeveloped land in this case) by comparing them with identical or similar undeveloped properties for which information on their prices is available.

In order to arrive at an accurate estimate of the property's value, the appraiser may apply price adjustments as required. In accordance with the market approach, the higher the price per m², the higher the fair value.

The Group measures the fair value of its property portfolio twice a year, i.e., as at 30 June and 31 December, unless changes occur which require remeasurement. The fair value of properties, which is expressed in the euro in valuation reports, is translated at the mid rates quoted by the National Bank of Poland at the end of the reporting period.

The valuation method did not change relative to previous periods.

In the period ended 30 June 2022, there were no reclassifications between levels.

10. 2 Assumptions adopted by independent expert appraisers for valuation of existing buildings and buildings under construction

as at	30 June 2022					
	Core Yield (%)			Reversion Yield (Exit Yield) (%)		
	mean	minimum	maximum	mean	minimum	maximum
Poland	5,56%	5,00%	7,69%	6,61%	5,15%	8,06%
Germany	3,90%	3,46%	4,05%	4,10%	3,60%	4,20%
Austria	n/a	n/a	n/a	n/a	n/a	n/a
Romania	7,10%	7,10%	7,10%	7,60%	7,60%	7,60%

as at	31 December 2021					
	Core Yield (%)			Reversion Yield (Exit Yield) (%)		
	mean	minimum	maximum	mean	minimum	maximum
Poland	5,61%	5,00%	7,82%	6,89%	5,35%	8,42%
Germany	4,00%	3,60%	4,10%	4,20%	3,60%	4,40%
Austria	n/a	n/a	n/a	n/a	n/a	n/a
Romania	8,00%	8,00%	8,00%	8,10%	8,10%	8,10%

Average estimated rental value (ERV) per m²

as at	30 June 2022		31 December 2021	
	warehouse space	office space	warehouse space	office space
Poland	3,60 EUR	9,50 EUR	3,30 EUR	9,00 EUR
Germany	4,90 EUR	9,10 EUR	4,60 EUR	8,70 EUR
Austria	n/a	n/a	n/a	n/a
Romania	3,50 EUR	7,50 EUR	3,25 EUR	7,50 EUR

11. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	30 June	31 December	30 June	31 December	30 June	31 December
	<i>as at</i> 2022 (unaudited)	2021	<i>as at</i> 2022 (unaudited)	2021	<i>as at</i> 2022 (unaudited)	2021
Investment property	-	-	413 546	310 697	413 546	310 697
Borrowings and loans	8 183	6 535	-	-	(8 183)	(6 535)
Derivatives	-	950	7 612	-	7 612	(950)
Other	6 181	6 646	-	-	(6 181)	(6 646)
Tax losses deductible in future periods	7 384	6 231	-	-	(7 384)	(6 231)
Interest on bonds	434	482	-	-	(434)	(482)
Deferred tax assets / liabilities	22 182	20 844	421 158	310 697	398 976	289 853

	<i>as at</i> 30 June 2022 (unaudited)	31 December 2021
Including:		
Deferred tax asset	(2 128)	(4 327)
Deferred tax liability	401 104	294 180
	398 976	289 853

As at 30 June 2022, the unrecognised deferred tax asset for tax loss was PLN 18,405 thousand.

Based on the tax budgets prepared by the Group, the Management Board considers it justified to recognise a deferred tax asset on tax loss in the amount disclosed in the statement of financial position.

	1 January 2021	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2021
Investment property	194 100	116 552	-	45	310 697
Borrowings and loans	(11 276)	4 741	-	-	(6 535)
Derivatives	(2 987)	-	2 037	-	(950)
Other	(1 713)	(4 918)	-	(15)	(6 646)
Tax losses deductible in future periods	(2 842)	(3 389)	-	-	(6 231)
Interest on bonds	(459)	(23)	-	-	(482)
	174 823	112 963	2 037	30	289 853

	1 January 2022	changes recognised in profit or loss <i>(unaudited)</i>	changes recognised in other comprehensive income <i>(unaudited)</i>	currency translation differences <i>(unaudited)</i>	30 June 2022 <i>(unaudited)</i>
Investment property	310 697	102 003	-	846	413 546
Borrowings and loans	(6 535)	(1 648)	-	-	(8 183)
Derivatives	(950)	-	8 562	-	7 612
Other	(6 646)	463	-	2	(6 181)
Tax losses deductible in future periods	(6 231)	(1 153)	-	-	(7 384)
Interest on bonds	(482)	48	-	-	(434)
	289 853	99 713	8 562	848	398 976

12. Investments and other investments

	as at	30 June 2022 (unaudited)	31 December 2021
Receivables from measurement of Swap transactions		40 081	-
Other long-term investments		40 608	33 315
Long-term loans to related entities		16 265	20 572
Other long-term investments		96 954	53 887
Money fund units		19 777	71 380
Short-term investments		19 777	71 380
Restricted cash		3 200	3 501
Other short-term investments		3 200	3 501

Other long-term investments comprised non-current portion of restricted cash of PLN 40,608 thousand, including: (i) cash of PLN 27,748 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) PLN 6,122 thousand, a deposit created from a security deposit retained from a tenant, (iii) cash of PLN 1,562 thousand set aside on the CAPEX account, (iv) other retained security deposits of PLN 2,449 thousand, and (v) a PLN 2,728 thousand deposit for a bank guarantee.

Money fund units is cash invested in a specialised open-end investment fund.

Other short-term investments comprise the current portion of restricted cash of PLN 3,200 thousand, including: (i) a short-term portion of retained security deposit of PLN 1,583 thousand and (ii) a short-term portion of funds set aside pursuant to the terms of credit facility agreements of PLN 1,617 thousand.

12. 1 Change in financial assets attributable to financing and other activities

	Loan assets
Amount as at 31 December 2021	20 572
Interest accrued	235
Payment of interest on loan	(1 892)
Repayment of principal	(2 818)
Realised foreign exchange gains/(losses)	311
Change in carrying amount	(143)
Amount as at 30 June 2022*	16 265

* Unaudited.

13. Other non-current assets

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Non-current prepayments and accrued income		2	17

14. Trade and other receivables

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Trade payables		16 171	18 104
Investment settlements		629	2 147
Prepayments and accrued income		10 341	8 046
Advance payment for purchase of land		15 950	9 294
Taxes and social security receivable		35 550	36 755
Trade and other receivables		78 641	74 346
Income tax receivable		2 563	2 003
Short-term receivables		81 204	76 349

For more information on receivables from related entities, see Note 24.

The Group uses the impairment loss matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables were grouped on the basis of similarity between credit risk characteristics and past due periods. The Group has concluded that its receivables comprise a homogeneous group, i.e. receivables from tenants.

The ageing structure of trade receivables and impairment losses are presented in the table below.

	<i>as at</i>	30 June 2022		31 December 2021	
		Gross receivables <i>(unaudited)</i>	Impairment loss <i>(unaudited)</i>	Gross receivables	Impairment loss
Not past due		9 780	-	10 978	-
Past due:					
1 to 90 days		3 491	-	4 205	-
91 to 180 days		437	-	295	-
over 180 days		5 170	(2 707)	5 333	(2 707)
Total receivables		18 878	(2 707)	20 811	(2 707)

	2022 <i>(unaudited)</i>	2021
Impairment losses on receivables as at 1 January	(2 707)	(4 517)
Use of impairment loss	-	1 810
Impairment losses on receivables as at 30 June*/31 December	(2 707)	(2 707)

* Unaudited.

15. Cash and cash equivalents

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Cash in hand		54	44
Cash at banks		119 392	177 190
Cash in transit		-	-
Cash and cash equivalents in the consolidated statement of financial position		119 446	177 234
Cash and cash equivalents in the consolidated statement of cash flows		119 446	177 234

Cash and cash equivalents in the condensed consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

Indications of impairment of cash and cash equivalents were determined separately for each balance held with the financial institutions. Credit risk was assessed using external credit ratings and publicly available information on default rates set by external agencies for a given rating. The analysis showed that the credit risk of the assets as at the reporting date was low. The amount of impairment losses is immaterial.

All the banks which the Group holds cash with are rated at least A- (according to Fitch Ratings).

16. Notes to the condensed consolidated statement of cash flows

16. 1 Cash flows from borrowings

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Proceeds from bank borrowings		254 044	342 810
Cash flows from borrowings		254 044	342 810
Cash flows from borrowings – amount disclosed in the condensed consolidated statement of cash flows		254 044	342 810

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Repayment of bank borrowings, including refinanced bank borrowings ^{*)}		(14 314)	(207 737)
Repayment of non-bank borrowings		(2 538)	(3 746)
Total cash flows from borrowings		(16 852)	(211 483)
Cash flows from repayment of borrowings		(16 852)	(211 483)
Cash flows from repayment of borrowings – amount disclosed in the condensed consolidated statement of cash flows		(16 852)	(211 483)

*) In the first half of 2021, the Group contracted a PLN 194,722 thousand credit facility to refinance four projects, whereby it repaid PLN 193,840 thousand in liabilities under existing bank borrowings.

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Total cash flows from repayment of loans		2 818	8 547
Total cash flows from repayment of loans		2 818	8 547
Total cash flows from repayment of loans – amount disclosed in the condensed consolidated statement of cash flows		2 818	8 547

16. 2 Change in receivables

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in inventories		(131)	32
Change in trade and other receivables		(4 295)	23 829
Change in assets from ongoing construction contracts		-	6 403
Elimination of advance payment for land purchase		8 536	9 609
Change in receivables		4 110	39 873
Change in receivables disclosed in the consolidated statement of cash flows		4 110	39 873

16. 3 Change in current and other liabilities

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in trade and other payables		39 700	17 735
Change in employee benefit obligations		(2 885)	(821)
Change in current liabilities under performance bonds and security deposits		3 419	564
Change in finance lease liabilities		(376)	(270)
Elimination of changes in investment commitments		(25 738)	28 877
Change in current and other liabilities		14 120	46 085
Change in current and other liabilities disclosed in the consolidated statement of cash flows		14 120	46 085

17. Equity

17. 1 Share capital

	<i>as at</i>	30 June	31 December
		2022	2021
Share capital		<i>(unaudited)</i>	
Series A ordinary shares		11 440 000	11 440 000
Series B ordinary shares		3 654 379	3 654 379
Series C ordinary shares		3 018 876	3 018 876
Series D ordinary shares		1 607 000	1 607 000
Series E ordinary shares		1 653 384	1 653 384
Ordinary shares – total		21 373 639	21 373 639
Par value per share		0,25	0,25

As at 30 June 2022, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

	as at		30 June 2022*		31 December 2021	
			number of shares	Par value	number of shares	Par value
Number/value of shares at beginning of period			21 373 639	5 344	19 720 255	4 931
Issue of shares			-		1 653 384	413
Number/value of shares at end of period			21 373 639	5 344	21 373 639	5 344

* Unaudited.

18. Earnings and dividend per share

Earnings per share for each reporting period are calculated as the quotient of net profit for the period attributable to owners of the Parent and the weighted average number of shares outstanding in the reporting period.

for	6 months ended	3 months ended	6 months ended	3 months ended
	30 June	30 June	30 June	30 June
	2022	2022	2021	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net profit(loss) for period	433 913	404 260	166 515	150 394
Number of outstanding shares	21 373 639	21 373 639	21 373 639	21 373 639
Number of outstanding shares	21 373 639	21 373 639	20 001 330	20 265 872
Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):				
- basic	20,30	18,91	8,33	7,42
- diluted	20,30	18,91	8,33	7,42

There were no dilutive factors in the presented periods.

19. Liabilities under borrowings and other debt instruments, and other liabilities

19. 1 Non-current liabilities

	30 June 2022 (unaudited)	31 December 2021
<i>as at</i>		
Borrowings secured with the Group's assets	1 259 730	1 004 285
Bonds	304 239	344 955
Non-bank borrowings	16 281	20 633
Non-current liabilities under borrowings and other debt instruments	1 580 250	1 369 873

	30 June 2022 (unaudited)	31 December 2021
<i>as at</i>		
Finance lease liabilities (perpetual usufruct of land) ¹⁾	42 597	42 915
Liabilities from measurement of SWAP transactions	-	4 980
Performance bonds	5 600	2 625
Security deposits from tenants and other deposits	8 163	7 719
Finance lease liabilities (vehicles)	-	58
Other non-current liabilities	56 360	58 297

¹⁾ The Group is a party to pending court proceedings concerning revision of the usufruct charge rate. The Management Board of MLP Group S.A. estimated, as at the date of release of the financial statements and with respect to justified cases, the amount of provision for some potential claims against MLP Pruszków III Sp. z o.o. The amount determined by the court may affect the carrying amount of investment property and finance lease liabilities.

19. 2 Current liabilities

	30 June 2022 (unaudited)	31 December 2021
<i>as at</i>		
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	32 333	26 702
Bonds	49 086	94 520
Current liabilities under borrowings and other debt instruments	81 419	121 222

Liabilities under borrowings secured with the Group's assets and under borrowings not secured with the Group's assets comprise liabilities to both related and unrelated parties.

On 10 May 2022, the Group redeemed EUR 20,000 thousand worth of Series A bonds, thus reducing its leverage as at 30 June 2022 relative to the comparative period.

19. 3 Change in financial liabilities attributable to financing and other activities

	Bonds
Amount as at 31 December 2021	439 475
Interest accrued on bonds	4 879
Interest paid on bonds	(5 124)
Redemption of Series A bonds	(94 118)
Change in carrying amount	8 213
Amount as at 30 June 2022*	353 325

* Unaudited.

	Non-bank borrowings
Amount as at 31 December 2021	20 633
Interest accrued	241
Payment of interest on loan	(1 943)
Realised foreign exchange gains/(losses)	-
Change in carrying amount	(112)
Amount as at 30 June 2022*	16 281

	Liabilities under bank borrowings
Amount as at 31 December 2021	1 030 987
including derecognised commission fee as at 31 December 2021	2 354
Interest accrued	9 118
Interest paid	(9 183)
IRS interest accrued	2 729
IRS interest paid	(2 847)
Increase in bank borrowings	254 044
Repayment of principal	(14 314)
Realised foreign exchange gains/(losses)	641
Change in carrying amount	21 437
Interest capitalised	51
Amount as at 30 June 2022*	1 292 063
including derecognised commission fee as at 30 June 2022*	2 954

	Finance lease (perpetual usufruct of land)
Amount as at 31 December 2021	42 915
Annual depreciation expense	(318)
Amount as at 30 June 2022*	42 597

* Unaudited.

19. 4 Liabilities under bonds

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Private bonds – Series B	EUR	10 000 000	11.05.2023	6M EURIBOR + margin	none	Catalyst
Public bonds – Series C	EUR	45 000 000	19.02.2025	6M EURIBOR + margin	none	Catalyst
Public bonds – series D	EUR	20 000 000	17.05.2024	6M EURIBOR + margin	none	Catalyst

The Company redeemed Series A bonds with a total par value of EUR 20,000,000 on their maturity date, i.e. May 10th 2022.

19. 5 Borrowings secured and not secured with the Group's assets

		effective interest rate	as at	30 June 2022*		as at	31 December 2021	
	currency	(%)	matures	EUR thousand**	PLN thousand	matures	EUR thousand**	PLN thousand
Bank borrowings secured with the Group's assets								
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2028	2 807	13 140	2028	2 893	13 305
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	1 761	8 242	2027	1 813	8 341
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	955	4 471	2027	981	4 513
Investment credit facility ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	3M EURIBOR + margin	2027	100 760	469 417	2025	88 764	406 729
Investment credit facility from PKO BP S.A. and BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2027	64 221	300 364	2027	65 050	298 930
Kredyt inwestycyjny Bayern LB	EUR	fixed rate	2031	12 405	58 061	-	-	-
Investment credit facility BNP Paribas Bank Polska S.A.	EUR	3M EURIBOR + margin	2029	7 283	34 088	2029	7 423	34 142
Investment credit facility BNP Paribas Bank Polska S.A.	EUR	3M EURIBOR + margin	2029	10 499	48 920	2029	10 717	49 057
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	3 168	14 827	2024	3 234	14 875
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	2029	11 107	51 748	2029	11 362	51 982
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	1 685	7 887	2024	1 696	7 799
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 241	19 850	2024	4 247	19 535
Investment credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	2026	6 773	31 699	2026	6 915	31 807
Construction credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	2031	15 148	70 901	-	-	-
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 769	22 320	2024	4 882	22 453
Investment credit facility OTP Bank Romania S.A.	EUR	3M EURIBOR + margin	2031	5 851	27 338	2031	4 056	18 595
Construction credit facility Bayerische Landesbank	EUR	3M EURIBOR + margin	2029	23 243	108 790	2029	10 637	48 924
Total bank borrowings:					1 292 063			1 030 987

* Unaudited.

**Borrowing amounts in thousands of EUR are presented inclusive of commission fees.

			as at	30 June 2022*		as at	31 December 2021	
	effective interest rate		matures in	EUR '000	PLN thousand	matures in	EUR '000	PLN thousand
	currency	(%)						
Non-bank borrowings not secured with the Group's assets:								
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	1 899	2032	-	1 861
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	7 582	2032	-	7 735
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	-	2025	-	12
Fenix Polska S.A.	PLN	3M WIBOR + margin	2027	-	-	2027	-	1 632
Fenix Polska S.A.	PLN	3M WIBOR + margin	2026	-	126	2026	-	123
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	305	2025	-	300
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2029	1 361	6 369	2029	1 950	8 970
Total non-bank borrowings:					16 281			20 633
Total borrowings secured and not secured with the Group's assets					1 308 344			1 051 620

* Unaudited.

20. Employee benefit obligations

	30 June	31 December
<i>as at</i>	2022	2021
	<i>(unaudited)</i>	
Special accounts	157	157
Provision for variable remuneration	2 886	5 771
Employee benefit obligations	3 043	5 928

21. Trade and other payables

	30 June	31 December
<i>as at</i>	2022	2021
	<i>(unaudited)</i>	
Trade payables	9 847	12 135
Deferred income	4 403	3 321
Taxes and social security payable	4 222	5 251
Unbilled trade payables	10 873	11 578
Investment commitments, security deposits and other obligations	118 678	76 038
Trade and other payables	148 023	108 323
Income tax payable	3 501	3 210
Current liabilities	151 524	111 533

As at 30 June 2022, the Group did not carry any past due trade payables towards related parties.

The table below presents the ageing structure of trade and other payables.

	30 June	31 December
<i>as at</i>	2022	2021
	<i>(unaudited)</i>	
Not past due	111 983	101 604
Past due from 1 to 90 days	34 459	8 122
Past due from 91 to 180 days	-	1
Pas due over 180 days	6 719	368
Total trade and other payables	153 161	110 095

The ageing structure presented above includes non-current liabilities.

Trade payables are non-interest bearing and are typically settled within 30 to 60 days. Other payables are non-interest bearing, with average payment period of one month. Amounts resulting from the difference between input and output value added tax are paid to the relevant tax authorities in the periods prescribed by the relevant tax laws. Interest payable is generally settled on the basis of accepted interest notes.

22. Financial instruments

22. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2022 and 31 December 2021 was equal to the respective amounts disclosed in the consolidated statement of financial position.

The following assumptions were made for the purpose of fair value measurement:

- **cash and cash equivalents:** the carrying amount corresponds to the amortised cost value,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount corresponds to the amortised cost value,
- **loans:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate,
- **bank and non-bank borrowings and bonds:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rates on these instruments which are close to market interest rates,
- **receivables and liabilities from measurement of SWAP and CAP transactions:** measured at fair value through other comprehensive income, determined by reference to instruments quoted in an active market.

22. 1. 1 Financial assets

	as at	30 June 2022 (unaudited)	31 December 2021
Hedging financial instruments measured at fair value through other comprehensive income			
Receivables from measurement of Swap transactions		40 081	-
		40 081	-
Financial assets measured at amortised cost:			
Cash and cash equivalents		119 446	177 234
Loans and receivables, including:			
• Trade and other receivables		16 800	20 251
• Loans		16 265	20 572
• Money fund units		19 777	71 380
• Other long-term investments		40 608	33 315
• Other short-term investments		3 200	3 501
		216 096	326 253
Total financial assets		256 177	326 253

As at 30 June 2022, the fair value of hedging instruments was PLN 40,081 thousand, measured on the basis of other directly or indirectly observable quotations (Level 2). The information is provided by banks and is based on reference to instruments traded on an active market.

In the six months ended 30 June 2022, there were no reclassifications between the fair value hierarchy levels.

Measurement of assets at amortised cost as at 30 June 2022*:

<i>* Unaudited.</i>	Stage 1	Stage 2	Stage 3
Gross carrying amount	199 296	19 507	-
Cash and cash equivalents	119 446	-	-
Loans and receivables, including:			
• Trade and other receivables	-	19 507	-
• Loans	16 265	-	-
• Money fund units	19 777	-	-
• Other long-term investments	40 608	-	-
• Other short-term investments	3 200	-	-
Impairment losses (IFRS 9)	-	(2 707)	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2 707)	-
Carrying amount (IFRS 9)	199 296	16 800	-

Measurement of assets at amortised cost as at 31 December 2021:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	306 002	22 958	-
Cash and cash equivalents	177 234	-	-
Loans and receivables, including:			
• Trade and other receivables	-	22 958	-
• Loans	20 572	-	-
• Money fund units	71 380	-	-
• Other long-term investments	33 315	-	-
• Other short-term investments	3 501	-	-
Impairment losses (IFRS 9)	-	(2 707)	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2 707)	-
Carrying amount (IFRS 9)	306 002	20 251	-

22. 1. 2 Financial liabilities

	as at	30 June 2022 (unaudited)	31 December 2021
Hedging financial instruments measured at fair value through other comprehensive income			
Liabilities from measurement of SWAP transactions		-	4 980
		-	4 980
Financial liabilities measured at amortised cost:			
Bank borrowings		1 292 063	1 030 987
Non-bank borrowings		16 281	20 633
Trade and other payables		153 161	110 095
Lease liabilities		42 597	42 973
Bonds		353 325	439 475
		1 857 427	1 644 163
Total financial liabilities		1 857 427	1 649 143

22. 2 Other disclosures relating to financial instruments

Hedging

For information on collateral, see Note 23.

Hedge accounting

On 22 June 2022, MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with Powszechna Kasa Oszczędności Bank Polski S.A.

On 21 June 2022, MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with ING BANK ŚLĄSKI S.A.

Under the existing contracts, future interest payments on variable-rate credit facilities will be effectively exchanged for interest payments calculated according to schedules defined in the swap contracts.

23. Contingent liabilities and security instruments

In the period ended 30 June 2022, the Group recognised the following changes in contingent liabilities and security instruments:

- On 14 January 2022, MLP Group S.A. provided an up to PLN 1,800,000 surety to MLP Łódź II Sp. z o.o. to secure fulfilment by the latter of its project developer commitments under a road redevelopment agreement with the City of Łódź.
- On 27 January 2022, an annex was signed to the credit facility agreement of 10 February 2021 between MLP Poznań West II sp. z o.o. and PKO BP S.A. to increase the amounts of the credit facilities available under the agreement, whereby the following security interests were modified, with their amounts increased, as follows:
 - (a) the contractual mortgage securing claims under the credit facility agreement was replaced with a joint contractual mortgage of up to EUR 76,662,271.50; entry in Land and Mortgage register on 1 March 2022
 - (b) the contractual mortgage securing claims under hedging contracts was replaced with a joint contractual mortgage, with the amount of the mortgage increased to EUR 74,705,494.50 for claims under the credit facility agreement with respect to the VAT facility; entry in Land and Mortgage register on 1 March 2022
 - (c) the amount of the registered pledge over MLP Group S.A. shares was increased to EUR 76,662,271.50;
 - (d) the amount of the ten registered pledges over bank accounts was increased to EUR 76,662,271.50;
 - (e) the amount of the registered pledge over the borrower's assets was increased to EUR 76,662,271.50;
 - (f) the amount of the sponsor's obligations under the Support Agreement was increased to EUR 5,767,885.20;
 - (g) the amounts enforceable under the statements of voluntary submission to enforcement by the borrower and the sole shareholder in the borrower were increased as appropriate.
- In connection with the execution of a new credit facility agreement on 21 March 2022 by MLP Business Park Berlin I Sp. & Co. KG of Munich (Germany) with Bayerische Landesbank of in Munich, the following security interests were established for the lender's receivables under the agreement:
 - (a) mortgage for up to EUR 19,646,550.00, securing claims under the credit facility agreement;
 - (b) statement of voluntary submission to enforcement by the borrower for up to EUR 1,964,655.00;
 - (c) assignment of any rights and claims of the borrower arising on sale of the property financed with the facility,
 - (d) assignment of rights under lease contracts;
 - (e) subordination of MLP Group S.A.'s receivables from the borrower under the Subordination Agreement.
- Following the acquisition on 24 May 2022 by MLP Poznań West II sp. z o.o. of an additional property (plot No. 141) and its re-entry in the Land and Mortgage Register jointly with other properties under already existing No. KW PO1P/00325364/7, the joint contractual mortgages created to secure claims under the credit facility agreement of February 10th 2021 between MLP Poznań West II sp. z o.o. and PKO BP S.A. also attached to the newly acquired property.

- Under the amendment agreement of 2 June 2022 to the credit facility agreement of May 9th 2019 between MLP Pruszków I sp. z o.o., MLP Pruszków III sp. z o.o., and MLP Pruszków IV sp. z o.o. and a syndicate of ING Bank Śląski S.A., PKO BP S.A., and Industrial and Commercial Bank of China (Europe) S.A. Poland Branch, the amounts of the available credit facility limits were increased by EUR 13,000,000.00, and the amounts of the following security interests were increased accordingly:

(a) the amounts enforceable under the statements of voluntary submission to enforcement by the borrowers were increased as appropriate;(b) the amounts enforceable under the statements of voluntary submission to enforcement by all the shareholders in the borrowers were increased as appropriate.

24. Related-party transactions

24. 1 Trade and other receivables and payables

The balances of trade and other payables and receivables from related-party transactions as at 30 June 2022* were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
Parent		
CAJAMARCA HOLLAND B.V., Delft		
The Israel Land Development Company Ltd.	8	-
Other related parties		
Fenix Polska Sp. z o.o.	-	-
Total	8	-

* Unaudited.

The balances of trade and other payables and receivables arising from related-party transactions as at 31 December 2021 were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
The Israel Land Development Company Ltd.	43	-
Other related parties		
Fenix Polska Sp. z o.o.	1	-
Total	44	-

¹⁾ Trade and other payables do not include the remuneration of key management personnel and the share-based payments disclosed in Note 26.

24. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and borrowings from related parties as at 30 June 2022*

	Loans	Non-bank borrowings
Other related parties		
Fenix Polska Sp. z o.o.	16 173	(16 281)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	92	-
Total	16 265	(16 281)

* Unaudited.

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 December 2021:

	Loans	Non-bank borrowings
Other related parties		
Fenix Polska Sp. z o.o.	20 483	(20 633)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	89	-
Total	20 572	(20 633)

24. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the three months ended 30 June 2022*:

Below are presented income and expenses under related-party transactions for the three months ended 30 June 2022*:

	Revenue	Purchase of services and salaries	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd.	86	-	-	-
	86	-	-	-
Other related parties				
Fenix Polska Sp. z o.o.	-	-	232	(241)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	3	-
	1	-	235	(241)
Key management personnel				
RTK CONSULTING, Radosław T. Krochta	-	(313)	-	-
ROMI CONSULTING, Michael Shapiro	-	(292)	-	-
PROFART, Tomasz Zabost	-	(242)	-	-
PEOB, Marcin Dobieszewski	-	(136)	-	-
Other key management personnel	-	(480)	-	-
	-	(1 463)	-	-
Total	87	(1 463)	235	(241)

In addition to the figures disclosed in the table above, a provision for estimated variable remuneration of PLN 2,885 thousand was recognised in the first half of 2022. Variable remuneration is determined and paid following receipt by the General Meeting of the full-year financial statements.

* Unaudited.

Below are presented income and expenses under related-party transactions for the three months ended 30 June 2021*:

	Revenue	Purchase of services and salaries	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd.	110	-	-	-
	110	-	-	-
Other related parties				
Fenix Polska Sp. z o.o.	-		130	(137)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	2	-
	1	-	132	(137)
Key management personnel				
RTK CONSULTING, Radosław T. Krochta	-	(303)	-	-
ROMI CONSULTING, Michael Shapiro	-	(278)	-	-
PROFART, Tomasz Zabost	-	(235)	-	-
PEOB, Marcin Dobieszewski	-	(138)	-	-
Other key management personnel	-	(482)	-	-
	-	(1 436)	-	-
Total	111	(1 436)	132	(137)

* Unaudited.

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B. V., which as at 31 June 2022 held 100% of shares in Fenix Polska Sp. z o.o. and 47.92% of the Group's share capital.

25. Significant events during and subsequent to the reporting period

- On 17 February 2022 and 31 March 2022, PKO BP S.A. disbursed further tranches of the facility to MLP Poznań West II Sp. z o.o.
- On 21 March 2022, a credit facility agreement was executed by MLP Business Park Berlin I Sp. z o.o. & Co. KG with Bayerische Landesbank. On 20 April 2022, the first tranche of the facility was disbursed.
- On 28 January, 1 March and 28 April 2022, Bayerische Landesbank disbursed further tranches of the facility to MLP Logistic Park Germany I Sp. z o.o. & Co.
- On May 10th 2022, MLP Group S.A. redeemed the entire issue of Series A notes on maturity.
- With respect to the credit facility agreement of 23 July 2021 executed by MLP Pruszków II sp. z o.o. with Bank Polska Kasa Opieki S.A.: on 26 April 2022, three contractual mortgages were entered in Land and Mortgage Register No. WA1P/00073303/3 for the benefit of the lending bank.
- On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Gózdź as Members of the Management Board of MLP Group S.A.
- On 22 July 2022, the Company issued, by way of public offering for qualified investors, 6,000 Series E bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 6,000,000. The bonds were issued as unsecured instruments. The objective of the issue was not specified. The bonds were registered with the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00108, and the bonds have been traded in the Catalyst alternative trading system since 22 July 2022. The bonds pay variable interest at 3M EURIBOR plus margin. The Series E bonds mature on 22 January 2024.

In the period from the end of the reporting period to the date of authorisation of these interim consolidated financial statements for issue, no events occurred which should have been but were not included in the accounting books of the reporting period and the consolidated financial statements of the Group.

25. 1 Effect of the COVID-19 epidemic on the operations of the MLP Group S.A. Group

The SARS-CoV-2 virus was first reported in late 2019. In subsequent periods, the virus spread across the world. In response, governments issued stay-at-home orders, introduced lockdowns and imposed other restrictions on business activities. In Poland, infections peaked in the first quarter of 2022, during the fifth wave of the pandemic, which was attributable primarily to the Omicron variant of the virus. According to experts, transmission of SARS-CoV-2 in the human population will continue in the foreseeable future. However, thanks to widespread vaccination and increasing herd immunity, the effects of the pandemic on national economies will gradually wane.

The warehousing sector has proven its high resilience to the recent COVID-19-related difficulties. The pandemic has changed the shopping habits of customers, benefitting primarily the e-commerce and logistics/courier industries. Demand for warehouse space, including in large distribution centres, BTS (build to suit) projects, SBU facilities (small city warehouses), and courier hubs, has grown. Due to congestion in global supply chains caused by the pandemic, a trend to nearshore certain manufacturing operations has also emerged. For the warehousing industry, this has translated into record-high numbers of new leases, amounts of new warehouse space delivered, and volume of new projects.

25. 2 Impact of the political and economic situation in Ukraine on the operations of the MLP Group S.A. Group.

In the second half of February 2022, Russia launched a military attack on Ukraine. At the time of issue of this report, the Management Board of the Company saw no major impact of the war in Poland's eastern neighbour on the Company's Polish, German, Romanian or Austrian operations. At the same time, it is difficult to predict long-term effects of the war. The armed conflict in Ukraine may have an adverse impact on local economies and the construction industry, manifesting itself in depreciation of local currencies, rising inflation, growing raw material and construction costs, staff shortages, disrupted supplies of products and materials, etc. On the other hand, it may increase demand for warehouse and manufacturing space. The war in Poland's eastern neighbour will certainly add pressure to further shorten supply chains, increase warehouse stock levels and relocate production from areas where the armed conflict is taking place. Ukrainian companies and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, international firms will be leaving Russia in protest against the invasion. In the opinion of the Management Board of the Parent, this may increase demand for warehouse and logistics space offered by the Company.

In March 2022, the Group decided to provide tangible aid to refugees seeking a safe haven in Poland. MLP Group has converted one of its unoccupied facilities into a place of accommodation for people fleeing the war in Ukraine. The more than 820 sqm two-storey office building has been properly refurbished and refitted and currently features 14 single-room dwellings, three fully equipped kitchens, four bathrooms, a laundry room, a dining room, a playroom for children, and a TV room. The aid was coordinated with the authorities of the town of Pruszków, which, having been notified of available space in the building, directed refugees there. MLP Group's suppliers and tenants were also involved in preparing the accommodation.

26. Remuneration paid to members of management and supervisory bodies

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Fixed remuneration of the Management Board:			
Radosław T. Krochta		313	303
Michael Shapiro		292	278
Tomasz Zabost		242	235
Marcin Dobieszewski		136	138
		983	954

Variable remuneration paid to the Management Board

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Radosław T. Krochta		2 779	783
Michael Shapiro		1 496	422
Tomasz Zabost		1 496	422
		5 771	1 627

The variable remuneration paid in the first half of 2022 was determined and paid following receipt by the General Meeting of the Group's full-year consolidated financial statements for 2021, which included a PLN 5,771 thousand provision for that purpose.

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration of the Supervisory Board:			
• Remuneration and other benefits			
Maciej Matusiak		27	24
Eytan Levy		27	24
Shimshon Marfogel		27	24
Guy Shapira		27	24
Piotr Chajderowski		27	24
Oded Setter		27	24
		162	144
Total remuneration paid to members of management and supervisory bodies			
		6 916	2 725

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
Other key management personnel:			
• Remuneration and other benefits			
		480	482
		480	482
Total remuneration paid to members of management and supervisory bodies and key management personnel			
		7 396	3 207

The note presents remuneration of members of the management and supervisory bodies for discharging the responsibilities of Management or Supervisory Board members, as well as the costs of services provided to other companies in the Group, and other management personnel.

Apart from the transactions described in the note above, members of the Management Board, the Supervisory Board and the other management personnel did not receive any other benefits from any of the Group companies.

27. Employees

	<i>for the six months ended 30 June</i>	2022 <i>(unaudited)</i>	2021 <i>(unaudited)</i>
Average headcount in period		29	27

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

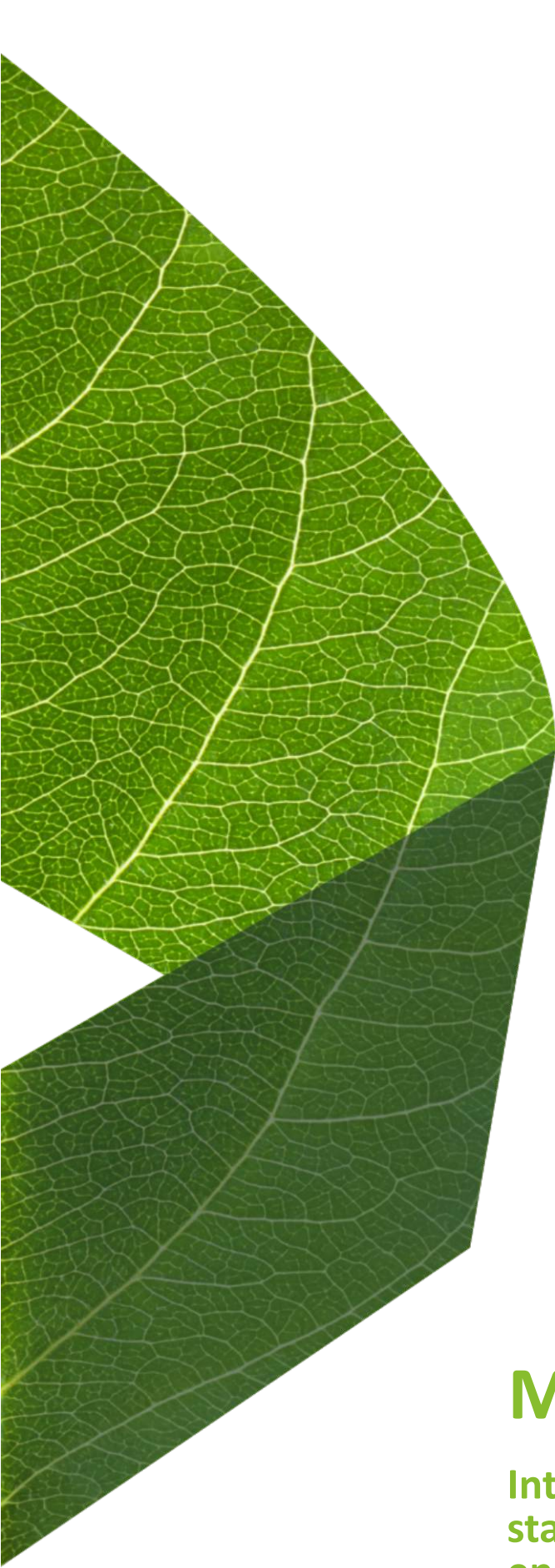
Tomasz Zabost
Member of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Gózdź
Member of the Management Board

Maria Ratajczyk
Signature of the person preparing the financial statements

Pruszków, 23 August 2022



MLP Group S.A.

**Interim condensed separate financial
statements for the six months
ended 30 June 2022**

prepared in accordance with EU IFRS

Authorisation of the interim condensed separate financial statements

On 23 August 2022, the Management Board of MLP Group S.A. authorised for issue these interim condensed separate financial statements (the “condensed financial statements”) of MLP Group S.A. for the period from 1 January 2022 to 30 June 2022.

These interim condensed separate financial statements for the period from 1 January 2022 to 30 June 2022 have been prepared in accordance with the requirements of IAS 34 Interim Financial Reporting as endorsed by the European Union. In this report, information is presented in the following sequence:

1. Condensed statement of profit or loss and other comprehensive income for the period from 1 January to 30 June 2022, showing a net profit of PLN 10,413 thousand.
2. Condensed statement of financial position as at 30 June 2022, showing total assets and total equity and liabilities of PLN 1,007,936 thousand.
3. Condensed statement of cash flows for the period from 1 January 2022 to 30 June 2022, showing a net decrease in cash of PLN 68,822 thousand.
4. Condensed statement of changes in equity for the period from 1 January to 30 June 2022, showing an increase in equity of PLN 10,413 thousand.
5. Notes to the separate financial statements

These Interim Condensed Separate Financial Statements have been prepared in thousands of PLN, unless otherwise stated.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

Tomasz Zabost
Member of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Gózdź
Member of the Management Board

Pruszków, 23 August 2022

Interim condensed separate statement of profit or loss and other comprehensive income

	for		6 months ended	3 months ended	6 months ended	3 months ended
	for the six months ended 30 June	Note	30 June 2022	30 June 2022	30 June 2021	30 June 2021
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	4		7 759	4 488	11 126	5 900
Other income	5		1	-	38	13
Other expenses	6		(34)	(1)	(284)	(7)
Distribution costs and administrative expenses	7		(9 886)	(4 989)	(9 763)	(5 749)
Operating profit/(loss)			(2 160)	(502)	1 117	157
Finance income	8		22 370	14 395	21 336	15 438
Finance costs	8		(8 434)	(4 454)	(6 084)	(3 011)
Net finance income/(costs)			13 936	9 941	15 252	12 427
Profit/(loss) before tax			11 776	9 439	16 369	12 584
Income tax	9		(1 363)	(741)	(1 203)	(741)
Profit from continuing operations			10 413	8 698	15 166	11 843
Net profit			10 413	8 698	15 166	11 843
Net profit attributable to:						
Shareholders			10 413	8 698	15 166	11 843
Total comprehensive income			10 413	8 698	15 166	11 843
Comprehensive income attributable to:						
Shareholders			10 413	8 698	15 166	11 843
Earnings per share	18					
Earnings per ordinary share:						
- Basic earnings per share from continuing operations			0,49	0,41	0,76	0,58

Interim condensed separate statement of financial position

	as at	Note	30 June 2022 (unaudited)	31 December 2021
Non-current assets				
Intangible assets			77	79
Property, plant and equipment			180	206
Non-current financial assets in related entities		10	123 460	123 450
Long-term financial investments		11	852 096	768 959
Deferred tax assets		14	1 489	2 846
Other long-term investments			3 394	3 666
Total non-current assets			980 696	899 206
Current assets				
Short-term investments		12	-	49 480
Income tax receivable		15	283	186
Trade and other receivables		15	3 587	3 059
Cash and cash equivalents		16	23 370	92 192
Current assets other than held for sale or distribution to owners			27 240	144 917
Total current assets			27 240	144 917
TOTAL ASSETS			1 007 936	1 044 123
Equity		17		
Share capital			5 344	5 344
Share premium			304 025	304 025
Capital reserve			4 194	4 194
Statutory reserve funds			65 097	65 097
Retained earnings, including:			45 079	34 666
Profit (loss) brought forward			34 666	16 688
Net profit			10 413	17 978
Equity attributable to shareholders			423 739	413 326
Total equity			423 739	413 326
Non-current liabilities				
Non-bank borrowings and other debt instruments		19	527 157	527 333
Total non-current liabilities			527 157	527 333
Current liabilities				
Non-bank borrowings and other debt instruments		19	49 086	94 520
Employee benefit obligations		20	3 043	4 432
Trade and other payables		21	4 911	4 512
Current liabilities other than held for sale			57 040	103 464
Total current liabilities			57 040	103 464
Total liabilities			584 197	630 797
TOTAL EQUITY AND LIABILITIES			1 007 936	1 044 123

Interim condensed separate statement of cash flows

	<i>for the six months ended 30 June</i>	Note	2022	2021
			<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from operating activities				
Profit before tax			11 776	16 369
<i>Total adjustments, including:</i>			(15 461)	(6 635)
Depreciation and amortisation			76	53
Net interest			(8 598)	(3 588)
Exchange differences			(1 321)	(1 623)
Dividend income			(4 793)	(10 586)
Other			693	222
Change in receivables			(528)	11 401
Change in current and other liabilities			(990)	(2 514)
Cash from operating activities			(3 685)	9 734
Income tax (paid)/refunded			(103)	(1 554)
Net cash from operating activities			(3 788)	8 180
Cash flows from investing activities				
Repayment of loans			122 150	184 818
Dividends received			4 793	3 931
Interest received			4 055	8 621
Acquisition of shares		10	(10)	(15)
Purchase of investment property, property, plant and equipment and intangible assets			(48)	(151)
Disposal of investment property, property, plant and equipment and intangible assets			-	18 000
Proceeds from disposal of other investments in financial assets			49 059	-
Purchase of other financial assets			-	(132 796)
Loans			(184 281)	(170 344)
Cash from investing activities			(4 282)	(87 936)
Cash flows from financing activities				
Proceeds from non-bank borrowings			35 038	-
Net proceeds from issue of shares and other equity instruments and contributions to equity			-	123 585
Interest paid on bonds			(5 124)	(4 358)
Cash from financing activities			(64 204)	119 227
Total cash flows, net of exchange differences			(72 274)	39 471
Effect of exchange differences on cash and cash equivalents			3 452	(69)
Total cash flows			(68 822)	39 402
Cash and cash equivalents at beginning of period			92 192	6 468
Cash and cash equivalents at end of period		16	23 370	45 870

Interim condensed separate statement of changes in equity

	Share capital	Share premium	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
As at 1 January 2022	5 344	304 025	4 194	65 097	34 666	413 326	413 326
<u>Comprehensive income:</u>							
Net profit/(loss)	0	0	0	0	10 413	10 413	10 413
Comprehensive income for the year ended 30 June 2022*	0	0	0	-	10 413	10 413	10 413
Increase in equity due to share issue		0	0	0	0	0	0
Changes in equity	0	0	-	-	10 413	10 413	10 413
As at 30 June 2022	5 344	304 025	4 194	65 097	45 079	423 739	423 739

	Share capital	Share premium	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
As at 1 January 2021	4 931	180 853	4 194	65 097	16 688	271 763	271 763
<u>Comprehensive income:</u>							
Net profit/(loss)	0	0	0	0	15 166	15 166	15 166
Comprehensive income for the year ended 30 June 2021*	0	0	0	-	15 166	15 166	15 166
Increase in equity due to share issue	413	123 172			-	123 585	123 585
Distribution of net profit for 2021	0	0	0	0	-	-	-
Changes in equity	413	123 172	0	0	15 166	138 751	138 751
As at 30 June 2021	5 344	304 025	4 194	65 097	31 854	410 514	410 514

* Unaudited.

Notes to the interim condensed separate financial statements

1. General information

1. 1 MLP Group S.A.

MLP Group S.A. (the "Company" or the "Issuer") is a listed joint-stock company registered in Poland. The Company's registered office is located at ul. 3-go Maja 8 in Pruszków, Poland.

The Company was established as a result of transformation of the state-owned enterprise Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy into a state-owned joint-stock company. The deed of transformation was drawn up before a notary public on 18 February 1995. Pursuant to a resolution of the General Meeting of 27 June 2007, the Company trades as MLP Group S.A.

At present, the Company is registered with the National Court Register maintained by the District Court for the Capital City of Warsaw, 14th Commercial Division, under No. KRS 0000053299.

The Company's principal business activities comprise development, purchase and sale of own real estate, lease of own real estate, management of residential and non-residential real estate, general activities involving construction of buildings, and construction. The PKD code of the principal business activity is: 7032Z, i.e. property management services.

The Company's financial year is the same as the calendar year.

The Company was established for an indefinite period.

1. 2 MLP Group S.A. Group

The parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

At the end of the reporting period, MLP Group S.A. was the parent of 52 subsidiaries: MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o., MLP Pruszków III Sp. z o.o., MLP Pruszków IV Sp. z o.o., MLP Spółka z ograniczoną odpowiedzialnością SKA, Feniks Obrót Sp. z o.o., MLP Poznań Sp. z o.o., MLP Lublin Sp. z o.o., MLP Poznań II Sp. z o.o., MLP Bieruń Sp. z o.o., MLP Bieruń I Sp. z o.o., MLP Sp. z o.o., MLP Property Sp. z o.o., MLP Teresin Sp. z o.o., MLP Business Park Poznań Sp. z o.o., MLP Fin Sp. z o.o., Lokafo 201 Sp. z o.o. SKA, Lokafo 201 Sp. z o.o., MLP Wrocław Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Business Park Berlin I LP Sp. z o.o., MLP Czeladź Sp. z o.o., MLP Temp Sp. z o.o., MLP Dortmund LP Sp. z o.o., MLP Dortmund GP Sp. z o.o., MLP Logistic Park Germany I Sp. z o.o. & Co. KG, MLP Poznań West II Sp. z o.o., MLP Bucharest West Sp. z o.o., MLP Teresin II Sp. z o.o., MLP Bucharest West SRL, MLP Pruszków V Sp. z o.o., MLP Germany Management GmbH, MLP Wrocław West Sp. z o.o., MLP Business Park Berlin I GP sp. z o.o., MLP Łódź II sp. z o.o., MLP Poznań East sp. z o.o., MLP Schwalmtal LP sp. z o.o., MLP Schwalmtal GP sp. z o.o., MLP Pruszków VI sp. z o.o., MLP Business Park Berlin I Sp. z o.o. & Co. KG, MLP Schwalmtal Sp. z o.o. & Co. KG, MLP Business Park Wien GmbH, MLP Wrocław West I Sp. z o.o., MLP Gelsenkirchen GP Sp. z o.o., MLP Gelsenkirchen LP Sp. z o.o., MLP Gelsenkirchen Sp. z o.o. & Co. KG, MLP Gorzów Sp. z o.o., MLP Idstein GP Sp. z o.o., MLP Idstein LP Sp. z o.o., MLP Idstein Sp. z o.o. & Co. KG, MLP Business Park Trebur GP Sp. z o.o., and MLP Business Park Trebur LP Sp. z o.o.

For more information on subordinated entities, see Note 10.

1. 3 **Management Board**

As at the date of these separate financial statements, the composition of the Company's Management Board was as follows:

- Radosław T. Krochta - President of the Management Board
- Michael Shapiro - Vice President of the Management Board
- Tomasz Zabost - Member of the Management Board
- Monika Dobosz - Member of the Management Board
- Agnieszka Gózdź - Member of the Management Board

On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Gózdź as Members of the Company's Management Board.

1. 4 **Supervisory Board**

As at the date of these separate financial statements, the composition of the Company's Supervisory Board was as follows:

- Shimshon Marfogel - Chairman of the Supervisory Board
- Eytan Levy - Deputy Chairman of the Supervisory Board
- Oded Setter - Member of the Supervisory Board
- Guy Shapira - Member of the Supervisory Board
- Piotr Chajderowski - Member of the Supervisory Board
- Maciej Matusiak - Member of the Supervisory Board

2. **Basis of preparation of the interim condensed separate financial statements**

2. 1 **Statement of compliance**

The Company prepared the separate financial statements in accordance with the accounting standards issued by the International Accounting Standards Board as endorsed by the European Union, referred to as the International Financial Reporting Standards ("EU IFRS"). The Company applied all standards and interpretations which are applicable in the European Union except for those which are awaiting approval by the European Union and those standards and interpretations which have been approved by the European Union but are not yet effective.

2. 2 **Basis of preparation**

These interim condensed separate financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future and in conviction that there are no circumstances which would indicate a threat to the Company's continuing as a going concern.

These separate financial statements have been prepared on the historical cost basis.

2. 3 Functional currency and presentation currency of the financial statements; rules applied to translate financial data

2. 3. 1 Functional currency and presentation currency

In these interim condensed separate financial statements all amounts are presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Company and the presentation currency of the separate financial statements.

2. 3. 2 Rules applied to translate financial data

The following exchange rates (in PLN) were used to measure items of the interim condensed separate statement of financial position denominated in foreign currencies:

Interim condensed separate statement of financial position

	30 June 2022 (unaudited)	31 December 2021	30 June 2021 (unaudited)
EUR	4,6806	4,5994	4,5208
USD	4,4825	4,0600	3,8035
RON	0,9466	0,9293	0,9174

2. 4 Use of estimates and judgements

The preparation of financial statements in accordance with EU IFRS requires that the Management Board makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are based on experience and other factors deemed reasonable under the circumstances, and their results provide a basis for judgement about carrying amounts of assets and liabilities that are not directly attributable to other sources. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. A change in accounting estimates is recognised in the period in which the estimate is revised, or in the current and future periods if the revised estimate relates to both the current and future periods. In material matters, the Management Board makes estimates based on opinions and valuations prepared by independent experts.

The following estimates were made for the purpose of the separate financial statements: estimate of expected credit loss (ECL) against financial assets, provision for bonuses for the Management Board.

3. Segment reporting

An operating segment is a separate part of the Company which is engaged in providing certain products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and which is exposed to other risks and derives other benefits than the other segments.

The primary and sole business activity of MLP Group S.A is management of logistics space.

Pursuant to IFRS 8.4, segment reporting is presented in Note 5 to the interim condensed consolidated financial statements of the Group.

3. 1. Key customers of the Company

The share of key customers in the Company's revenue was as follows:

	<i>for the six months ended 30 June</i>	2022	2021
		<i>(unaudited)</i>	<i>(unaudited)</i>
MLP Pruszków I Sp. z o.o.		18%	10%
WestInvest Gesellschaft für Investmentfonds mbH sp. z o.o. Polish Branch		0%	65%
MLP Pruszków II Sp. z o.o.		4%	1%
MLP Lublin Sp. z o.o.		7%	2%
MLP Wrocław Sp. z o.o.		6%	2%
MLP Gliwice Sp. z o.o.		6%	10%
MLP Pruszków III Sp. z o.o.		9%	4%
MLP Poznań West II Sp. z o.o.		5%	2%
MLP Pruszków IV Sp. z o.o.		6%	4%

4. Revenue

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Property management		2 833	1 445	2 454	1 246
Project management		388	196	368	169
Advisory services		4 050	2 653	6 111	4 403
Recharge of services		488	488	313	313
Revenue from development contract ¹⁾		-	-	1 880	-
Total revenue		7 759	4 488	11 126	5 900
- including from related entities		7 739	4 477	9 227	5 889

¹⁾ The Company signed a property development contract with Westinvest Gesellschaft für Investmentfonds mbH, under which in 2020-2021 a warehouse was constructed on third-party land in Tychy. In the first half of 2021, the Company recognised PLN 1,880 thousand in revenue from that contract.

In accordance with the type of contract criterion (IFRS 15), the revenue derived from the development contract is revenue from a fixed-price contract in the six months ended 30 June 2021, of PLN 1,880 thousand.

For more information on income from related entities, see Note 24.3.

5. Other income

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Reversal of provision for future costs		-	-	11	11
Proceeds from sale of property, plant and equipment		-	-	21	-
Other		1	-	6	2
Other income		1	-	38	13

6. Other expenses

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Other expenses		(29)	(1)	(284)	(7)
Donations made		(5)	-	-	-
Other expenses		(34)	(1)	(284)	(7)

7. Distribution costs and administrative expenses

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Depreciation and amortisation		(76)	(24)	(53)	(28)
Materials and consumables used		(150)	(90)	(153)	(56)
Services		(7 329)	(3 577)	(6 823)	(3 771)
Taxes and charges		(121)	(65)	(139)	(58)
Wages and salaries		(1 314)	(606)	(1 751)	(1 160)
Social security and other employee benefits		(577)	(407)	(353)	(225)
Other expenses by nature		(319)	(220)	(491)	(451)
Distribution costs and administrative expenses		(9 886)	(4 989)	(9 763)	(5 749)

Distribution costs and administrative expenses for the six months ended 30 June 2022 were PLN 9,886 thousand. In most part they included costs of servicing and maintenance of income-generating investment properties owned by the subsidiaries, and costs of banking and advisory services. The Company recovers these amounts by issuing invoices for managing the properties.

8. Finance income and costs

	for	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Interest on loans to related entities		16 195	9 082	9 443	4 686
Interest on bank deposits		-	-	104	97
Dividend income		4 793	4 793	10 586	10 586
Other		-	-	1	1
Net exchange differences		1 321	499	1 202	68
Revenue from investment fund units		61	21	-	-
Total finance income		22 370	14 395	21 336	15 438
Interest expense on non-bank borrowings from related entities		(2 779)	(1 610)	(1 562)	(783)
Interest paid to state budgets		(5)	(5)	(3)	(3)
Interest on bonds		(4 879)	(2 330)	(4 293)	(2 115)
Other finance costs		(771)	(509)	(226)	(110)
Total finance costs		(8 434)	(4 454)	(6 084)	(3 011)

Exchange differences are mainly attributable to the effect of measurement as at the end of the reporting period of liabilities and receivables under non-bank borrowings and EUR-denominated bonds.

For more information on finance income and expenses of related entities, see Note 24.3.

9. Income tax

	for the six months ended 30 June	2022	2021
		(unaudited)	(unaudited)
Current income tax		6	1 732
Temporary differences/reversal of temporary differences		1 357	(529)
Income tax		1 363	1 203

Effective tax rate

	for the six months ended 30 June	2022	2021
		(unaudited)	(unaudited)
Profit before tax		11 776	16 369
Tax at the applicable tax rate (19%)		(2 237)	(3 110)
Dividend income		911	2 011
Expenses not deductible for tax purposes		(37)	(104)
Income tax		(1 363)	(1 203)

Calculation of corporate income tax

Tax laws relating to value added tax, corporate and personal income tax, and social security contributions are frequently amended. Therefore, it is often the case that no reference can be made to established regulations or legal precedents. The laws tend to be unclear, thus leading to differences in opinions as to legal interpretation of fiscal regulations, both between different state authorities and between state authorities and businesses. Tax and other settlements (customs duties or foreign exchange settlements) may be inspected by authorities empowered to impose significant penalties, and any additional amounts assessed following an inspection must be paid with interest. Consequently, tax risk in Poland is higher than in countries with more mature tax systems.

Tax settlements may be subject to inspection over a period of five years following the end of the following tax year. As a result, the amounts disclosed in the financial statements may change at a later date, once their final amount is determined by the tax authorities.

10. Non-current financial assets in related entities

	as at	30 June 2022 (unaudited)	31 December 2021
Gross amount at beginning of period		123 450	123 420
Acquisition of shares in MLP Wrocław West I Sp. z o.o.		-	5
Acquisition of shares in MLP Gelsenkirchen GP Sp. z o.o.		-	5
Acquisition of shares in MLP Gelsenkirchen LP Sp. z o.o.		-	5
Acquisition of shares in MLP Gorzów Sp. z o.o.		-	5
Acquisition of shares in MLP Idstein LP Sp. z o.o.		-	5
Acquisition of shares in MLP Idstein GP Sp. z o.o.		-	5
Acquisition of shares in MLP Business Park Trebur GP Sp. z o.o. (formerly: MLP Schwäbisch Gmünd GP Sp. z o.o.)		5	-
Acquisition of shares in MLP Business Park Trebur LP Sp. z o.o. (formerly: MLP Schwäbisch Gmünd LP Sp. z o.o.)		5	-
Gross amount at end of period		123 460	123 450
Net amount at end of period		123 460	123 450

As at 30 June 2022, the Company held directly or indirectly interests in the following entities:

Entity	Country of registration	Direct and indirect equity interest		Direct and indirect voting interest	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
Feniks Obrót Sp. z o.o. ¹⁰⁾	Poland	100%	100%	100%	100%
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%

Entity	Country of registration	Direct and indirect equity interest		Direct and indirect voting interest	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(unaudited)		(unaudited)	
MLP Business Park Berlin I LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%
MLP Wrocław West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź II sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań East sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmthal LP sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmthal GP sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków VI Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Schwalmthal Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Wien GmbH	Austria	100%	100%	100%	100%
MLP Wrocław West I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Gorzów Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Trebur GP Sp. z o.o. ¹⁾	Poland	100%	-	100%	-
MLP Business Park Trebur LP Sp. z o.o. ²⁾	Poland	100%	-	100%	-

¹⁾ On 16 February 2022, MLP Schwäbisch Gmünd GP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 22 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur GP Sp. z o.o. The change in the company's name was entered in the National Court Register on 23 June 2022.

²⁾ On 16 February 2022, MLP Schwäbisch Gmünd LP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur LP Sp. z o.o. The change in the company's name was entered in the National Court Register on 22 June 2022.

11. Long-term investments

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Long-term loans to related entities		852 096	768 959
Long-term investments		852 096	768 959

For more information on receivables from related entities, see Note 24.2.

At each reporting date, the Company measures expected credit losses of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount of credit losses that is determined by evaluating a range of possible outcomes;
- b) time value of money and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

As at 30 June 2022, there were no indications of impairment of long-term investments.

12. Short-term investments

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Money fund units		-	49 480
Short-term investments		-	49 480

Units held in a cash fund were redeemed by the fund in the first half of 2022.

13. Change in financial assets attributable to financing and other activities

	<i>Shares</i>
Amount as at 31 December 2021	123 450
Subscription for shares	10
Amount as at 30 June 2022	123 460
	<i>Loan assets</i>
Amount as at 31 December 2021	768 959
Loan advanced	184 281
Repayment of principal	(122 150)
Interest accrued	16 195
Payment of interest on loan	(3 993)
Realised foreign exchange gains/(losses)	3 326
Change in carrying amount	5 478
Amount as at 30 June 2022	852 096

14. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	30 June	31 December	30 June	31 December	30 June	31 December
	as at 2022 (unaudited)	2021	2022 (unaudited)	2021	2022 (unaudited)	2021
Loans and non-bank borrowings	-	351	2 577	-	2 577	(351)
Tax loss	2 329	430	-	-	(2 329)	(430)
Other	1 305	1 584	-	-	(1 305)	(1 584)
Bonds	432	481	-	-	(432)	(481)
Deferred tax assets / liabilities	4 066	2 846	2 577	-	(1 489)	(2 846)

	1 January 2021	changes recognised in profit or loss	31 December 2021	changes recognised in profit or loss	30 June 2022 (unaudited)
Loans and non-bank borrowings	(234)	(117)	(351)	2 928	2 577
Tax loss	(1 141)	711	(430)	(1 899)	(2 329)
Other	(782)	(802)	(1 584)	279	(1 305)
Bonds	(459)	(22)	(481)	49	(432)
	(2 616)	(230)	(2 846)	1 357	(1 489)

MLP Group S.A. does not recognise deferred tax related to its shares in subsidiaries as the Company fully controls its subsidiaries and does not expect to sell its interests in subsidiaries in the foreseeable future.

Based on the tax budgets prepared by the Company, the Management Board considers it justified to recognise a deferred tax asset on tax loss.

15. Trade and other receivables

	as at 30 June 2022 (unaudited)	31 December 2021
Trade receivables from related entities	1 809	1 662
Trade receivables from other entities	5	38
Taxes and social security payable	69	108
Prepayments and accrued income	1 483	1 212
Other	221	39
Trade and other receivables	3 587	3 059
Income tax receivable	283	186
Short-term receivables	3 870	3 245

For more information on receivables from related entities, see Note 24.

The Company uses the impairment loss matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables were grouped on the basis of similarity between credit risk characteristics and past due periods. The Company concluded that it has the following homogeneous groups of receivables: receivables from subsidiaries and receivables arising under development contracts.

The time past due structure of trade and other receivables and impairment losses are presented in the table below.

	30 June 2022*		31 December 2021	
	Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due	1 602	-	1 370	-
Past due from 1 to 90 days	161	-	153	-
Past due from 91 to 180 days	51	-	39	-
Pas due over 180 days	221	-	177	-
Total receivables	2 035	-	1 739	-

* Unaudited.

16. Cash and cash equivalents

	as at 30 June 2022 (unaudited)	31 December 2021
Cash in hand	3	6
Cash at banks	23 367	92 186
Cash and cash equivalents in the separate statement of financial position	23 370	92 192
Cash and cash equivalents in the separate statement of cash flows	23 370	92 192

The Company has no restricted cash.

Impairment losses on cash and cash equivalents were determined separately for each balance held with the financial institutions. Credit risk was assessed using external credit ratings and publicly available information on default rates set by external agencies for a given rating. The analysis showed that the credit risk of the assets as at the reporting date was low. The Company used the practical expedients permitted under the standard, and the impairment loss was determined on the basis of 12-month expected credit losses. The amount of impairment losses is immaterial.

17. Equity

17. 1 Share capital

	as at 30 June 2022 (unaudited)	31 December 2021
Share capital		
Series A ordinary shares	11 440 000	11 440 000
Series B ordinary shares	3 654 379	3 654 379
Series C ordinary shares	3 018 876	3 018 876
Series D ordinary shares	1 607 000	1 607 000
Series E ordinary shares	1 653 384	1 653 384
Ordinary shares – total	21 373 639	21 373 639
Par value per share	0,25	0,25

As at 30 June 2022, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

Changes in the share capital in the reporting period:

	as at number of shares (unaudited)	30 June 2022 Par value	31 December 2021 number of shares Par value
Number/value of shares at beginning of period	21 373 639	5 344	19 720 255 4 931
Issue of shares	-	-	1 653 384 413
Number/value of shares at end of period	21 373 639	5 344	21 373 639 5 344

17. 1. 1 Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company

To the best of the Management Board's knowledge and belief, from the date of issue of the most recent interim report to the reporting date there were changes in direct or indirect holdings of 5% or more of total voting rights in the Company, and as at 30 June 2022 the holdings were as follows:

Shareholder	Number of shares and voting rights	% of ownership interest
CAJAMARCA Holland BV	10 242 726	47,92%
Other shareholders	4 425 034	20,70%
THESINGER LIMITED	1 771 320	8,29%
MetLife OFE	1 656 022	7,75%
Israel Land Development Company Ltd. ¹⁾	1 933 619	9,05%
GRACECUP TRADING LIMITED	641 558	3,00%
Shimshon Marfogel	149 155	0,70%
MIRO LTD.	552 125	2,58%
Oded Setter ²⁾	2 080	0,01%
Total	21 373 639	100,00%

¹⁾ On 13 May 2022, Israel Land Development Company Ltd acquired 100 ordinary shares, representing 0.0005% of the share capital and 100 voting rights, or 0.0005% of total voting rights.

²⁾ On 12 January 2022, 30 March 2022 and 8 January 2022, Oded Setter, a member of the Supervisory Board, acquired 420, 640 and 600 ordinary shares, respectively, representing in total 0.0077% of the share capital and 1,660 voting rights, or 0.0077% of total voting rights.

17. 1. 2 Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies

As at 30 June 2022, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.58% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO Ltd. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 11.98% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 14.56% interest in the share capital of MLP Group S.A.

As at 30 June 2022, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.70% of the Company's share capital.

As at 30 June 2022, Oded Setter, a member of the Supervisory Board, held directly 0.0077% of the Company's share capital following share purchase transactions executed in 2021 and 2022.

The other members of the Supervisory Board have no direct holdings in the Company's share capital.

17. 2 Capital reserve

The capital reserve was created from profit earned in 2010. (PLN 1,470 thousand) and profit earned in 2012 (PLN 2,724 thousand)

18. Earnings and dividend per share

Earnings per share for each reporting period are calculated as the quotient of net profit (loss) for the period and the weighted average number of shares outstanding in the reporting period. Diluted earnings per share for each period are calculated as quotient of the net profit/(loss) the period by the sum of the weighted average number of ordinary shares in the reporting period and all potential dilutive shares.

	6 months ended for 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)
Net profit(loss) for period	10 413	8 698	15 166	11 843
Number of outstanding shares	21 373 639	21 373 639	21 373 639	21 373 639
Weighted average number of outstanding shares	21 373 639	21 373 639	20 001 331	20 265 872
Earnings per share for period (PLN per share):				
- basic	0,49	0,41	0,76	0,58
- diluted	0,49	0,41	0,76	0,58

There were no dilutive factors in the presented periods.

Dividend per share for each reporting period is calculated as quotient of the dividend paid in the period and the weighted average number of shares outstanding in the reporting period.

19. Non-bank borrowings and other debt instruments

19. 1 Non-current liabilities

	as at 30 June 2022 (unaudited)	31 December 2021
Bonds ¹⁾	304 239	344 955
Non-bank borrowings from related entities	222 918	182 378
Non-current liabilities under non-bank borrowings and other debt instruments	527 157	527 333

¹⁾ The Company redeemed Series A bonds with a total nominal value of EUR 20,000,000 on their maturity date, i.e. 10 May 2022.

19. 2 Current liabilities

	as at 30 June 2022 (unaudited)	31 December 2021
Bonds	49 086	94 520
Current liabilities under non-bank borrowings and other debt instruments	49 086	94 520

For more information on borrowings from related entities, see Note 24.2.

19. 3 Change in financial liabilities attributable to financing and other activities

	Bonds
Amount as at 31 December 2021	439 475
Redemption of bonds	(94 118)
Interest accrued on bonds	4 879
Interest paid on bonds	(5 124)
Change in carrying amount	8 213
Amount as at 30 June 2022*	353 325

	Non-bank borrowings from related entities
Amount as at 31 December 2021	182 378
Repayment of principal	35 038
Payment of interest on loan	2 779
Unrealised foreign exchange gains/(losses)	2 723
Amount as at 30 June 2022*	222 918

* Unaudited.

19. 4 Liabilities under bonds

Instrument	currency	nominal value	maturity date	interest rate	guarantees and collateral	Listing venue
Private bonds – Series B	EUR	10 000 000	11.05.2023	6M EURIBOR + margin	none	Catalyst
Public bonds – Series C	EUR	45 000 000	19.02.2025	6M EURIBOR + margin	none	Catalyst
Public bonds – Series D ¹⁾	EUR	20 000 000	17.05.2024	6M EURIBOR + margin	none	Catalyst

The Company redeemed Series A bonds with a total nominal value of EUR 20,000,000 on their maturity date, i.e. 10 May 2022.

19. 5 Non-bank borrowings not secured on the Company's assets:

Loan from	currency	effective interest rate (%)	as at	30 June 2022*		31 December 2021		
				matures in foreign currency	in PLN	matures in foreign currency	in PLN	
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2027	14 944	69 948	2027	14 772	67 941
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2026	295	1 380	2026	294	1 350
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	514	2 406	2025	512	2 354
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	8 161	2025	-	7 970
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	43 685	2026	-	42 465
MLP Pruszków I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	7 307	34 203	2025	7 280	33 483
MLP Pruszków III Sp. z o.o.	EUR	3M EURIBOR + margin	2027	4 447	20 813	2027	-	-
MLP Poznań II Sp. z o.o.	PLN	3M WIBOR + 3.25%	2026	-	5	2026	-	5
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2 187	10 238	2027	2 176	10 010
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1 097	5 136	2025	1 092	5 020
MLP Pruszków IV Sp. z o.o.	EUR	3M EURIBOR + margin	2027	3 175	14 862	2027	-	-
MLP Bieroń Sp. z o.o.	EUR	3M EURIBOR + margin	2027	6	30	2027	6	29
LOKAFOP 201 Sp. z o.o. SKA	PLN	3M WIBOR + margin	2025	-	12 051	2025	-	11 751
Total				33 972	222 918		26 132	182 378

* Unaudited.

20. Employee benefit obligations

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Special accounts		157	157
Provision for bonuses		2 886	4 275
Employee benefit obligations		3 043	4 432

The provision for bonuses has been recognised under distribution costs and administrative expenses in the statement of profit or loss.

21. Trade and other payables

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Trade payables to other entities		588	393
Taxes and social security payable		227	134
Accrued expenses		3 960	3 979
Investment and other commitments		136	6
Trade and other payables		4 911	4 512
Current liabilities		4 911	4 512

For information on liabilities to related parties, see Note 24.

The table below presents the aging of trade and other payables:

	<i>as at</i>	30 June 2022 <i>(unaudited)</i>	31 December 2021
Not past due		4 467	4 260
Past due from 1 to 90 days		201	104
Past due from 91 to 180 days		-	-
Pas due over 180 days		16	14
Total trade and other payables		4 684	4 378

Trade payables are non-interest bearing and are typically settled within 30 to 60 days.

Amounts resulting from the difference between input and output value added tax are paid to the relevant tax authorities in the periods prescribed by the relevant tax laws. Interest payable is generally settled on the basis of accepted interest notes.

22. Financial instruments

22. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2022 and 31 December 2021 was equal to the respective amounts disclosed in the separate statement of financial position.

The following assumptions were made for the purpose of fair value measurement:

- **cash and cash equivalents:** the carrying amount corresponds to the amortised cost value,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount corresponds to the amortised cost,
- **loans:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate,
- **non-bank borrowings:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rates on these instruments which are close to market interest rates,
- **bonds:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate,

Financial assets are classified by the Group into the following categories:

- measured at amortised cost;
- measured at fair value through profit or loss;
- measured at fair value through other comprehensive income.

Debt instruments held to collect contractual cash flows which comprise solely payments of principal and interest ("SPPI") are measured at amortised cost.

Debt instruments giving rise to cash flows which are solely payments of principal and interest and which are held to collect contractual cash flows and for sale are measured at fair value through other comprehensive income. Instruments that do not qualify for measurement at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Below is presented the structure of the Financial Instruments by category of instruments listed above:

22. 1. 1 Financial assets

	as at	30 June 2022 (unaudited)	31 December 2021
Financial assets measured at amortised cost:			
Cash and cash equivalents		23 370	92 192
Loans and receivables, including:			
Trade and other receivables		2 035	1 739
Money fund units		-	49 480
Loans		852 096	768 959
Total financial assets measured at amortised cost		877 501	912 370
Total financial assets		877 501	912 370

Measurement of assets at amortised cost as at 30 June 2022*

	Stage 1	Stage 2	Stage 3
Gross carrying amount	875 466	2 035	-
Cash and cash equivalents	23 370	-	-
Loans and receivables, including:			
Trade and other receivables	-	2 035	-
Loans	852 096	-	-
Impairment losses (IFRS 9)	-	-	-
Carrying amount (IFRS 9)	875 466	2 035	-

* Unaudited.

Measurement of assets at amortised cost as at 31 December 2021:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	910 631	1 739	-
Cash and cash equivalents	92 192	-	-
Loans and receivables, including:			
Trade and other receivables	-	1 739	-
Money fund units	49 480	-	-
Loans	768 959	-	-
Impairment losses (IFRS 9)	-	-	-
Carrying amount (IFRS 9)	910 631	1 739	-

22. 1. 2 Financial liabilities

	as at	30 June 2022 (unaudited)	31 December 2021
Financial liabilities measured at amortised cost:			
Non-bank borrowings		222 918	182 378
Trade and other payables		4 684	4 378
Bonds		353 325	439 475
Total financial liabilities measured at amortised cost		580 927	626 231
Total financial liabilities		580 927	626 231

23. Contingent liabilities and security instruments

In the period ended 30 June 2022, the Company recognised the following changes in contingent liabilities and security instruments:

- Under the amendment agreement of 2 June 2022 to the credit facility agreement of May 9th 2019 between MLP Pruszków I sp. z o.o., MLP Pruszków III sp. z o.o., and MLP Pruszków IV sp. z o.o. and a syndicate of ING Bank Śląski S.A., PKO BP S.A., and Industrial and Commercial Bank of China (Europe) S.A. Poland Branch, the amounts of the available credit facility limits were increased by EUR 13,000,000.00, and the amounts of the following security interests were increased accordingly:
 - (a) the amounts enforceable under the statements of voluntary submission to enforcement by the borrowers were increased as appropriate;
 - (b) the amounts enforceable under the statements of voluntary submission to enforcement by all the shareholders in the borrowers were increased as appropriate;
- Following the acquisition on 24 May 2022 by MLP Poznań West II sp. z o.o. of an additional property (plot No. 141) and its re-entry in the Land and Mortgage Register jointly with other properties under already existing No. KW PO1P/00325364/7, the joint contractual mortgages created to secure claims under the credit facility agreement of February 10th 2021 between MLP Poznań West II sp. z o.o. and PKO BP S.A. also attached to the newly acquired property.

On 14 January 2022, MLP Group S.A. provided an up to PLN 1,800,000 surety to MLP Łódź II Sp. z o.o. to secure fulfilment by the latter of its project developer commitments under a road redevelopment agreement with the City of Łódź.

24. Related-party transactions

24. 1 Trade and other receivables and payables

The balances of trade and other receivables and payables under related-party transactions as at 30 June 2022* were as follows:

<i>* Unaudited.</i>	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd., Tel-Awiw	8	-
Other related parties		
MLP Pruszków I Sp. z o.o.	285	-
MLP Pruszków II Sp. z o.o.	94	-
MLP Pruszków III Sp. z o.o.	166	-
MLP Pruszków IV Sp. z o.o.	117	-
MLP Pruszków V Sp. z o.o.	52	-
MLP Poznań Sp. z o.o.	43	-
MLP Poznań II Sp. z o.o.	26	-
MLP Lublin Sp. z o.o.	108	-
MLP Teresin Sp. z o.o.	48	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	29	-
MLP Wrocław Sp. z o.o.	72	-
MLP Czeladź Sp. z o.o.	50	-
MLP Gliwice Sp. z o.o.	95	-
MLP Business Park Poznań Sp. z o.o.	111	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	86	-
MLP Wrocław West Sp. z o.o.	16	-
MLP Łódź II Sp. z o.o.	83	-
MLP Poznań East Sp. z o.o.	5	-
MLP Pruszków VI Sp. z o.o.	2	-
MLP Bucharest West SRL	309	-
MLP Germany Management GmbH	3	-
	1 801	-
Total	1 809	-

The balances trade and other payables and receivables under related-party transactions as at 31 December 2021 were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd., Tel-Awiw	43	-
Other related parties		
MLP Pruszków I Sp. z o.o.	269	-
MLP Pruszków II Sp. z o.o.	139	-
MLP Pruszków III Sp. z o.o.	140	-
MLP Pruszków IV Sp. z o.o.	92	-
MLP Pruszków V Sp. z o.o.	57	-
MLP Poznań Sp. z o.o.	31	-
MLP Poznań II Sp. z o.o.	26	-
MLP Lublin Sp. z o.o.	108	-
MLP Teresin Sp. z o.o.	48	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	26	-
MLP Wrocław Sp. z o.o.	79	-
MLP Czeladź Sp. z o.o.	27	-
MLP Gliwice Sp. z o.o.	95	-
MLP Business Park Poznań Sp. z o.o.	33	-
MLP Temp Sp. z o.o.	4	-
MLP Bieruń I Sp. z o.o.	19	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	65	-
MLP Bucharest West Sp. z o.o.	5	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	7	-
MLP Łódź II Sp. z o.o.	70	-
MLP Poznań East Sp. z o.o.	5	-
MLP Pruszków VI Sp. z o.o.	5	-
MLP Wrocław WEST I sp. z o.o.	3	-
MLP Gelsenkirchen GP Sp. z o.o.	3	-
MLP Gelsenkirchen LP Sp. z o.o.	3	-
MLP Gorzów Sp. z o.o.	9	-
MLP Idstein GP Sp. z o.o.	1	-
MLP Idstein LP Sp. z o.o.	1	-
MLP Bucharest West SRL	224	-
MLP Germany Management GmbH	3	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	13	-
Fenix Polska Sp. z o.o.	4	-
Total	1 662	-

¹⁾ Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 27.

24. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 30 June 2022*.

* Unaudited.		
	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	-	159 783
MLP Pruszków II Sp. z o.o.	41 302	-
MLP Pruszków III Sp. z o.o.	-	20 813
MLP Pruszków IV Sp. z o.o.	-	14 862
MLP Pruszków V Sp. z o.o.	23 842	-
MLP Poznań Sp. z o.o.	4 087	-
MLP Poznań II Sp. z o.o.	180	5
MLP Czeladź Sp. z o.o.	24 761	-
MLP Gliwice Sp. z o.o.	10 727	-
MLP Business Park Poznań Sp. z o.o.	40 383	-
MLP Temp Sp. z o.o.	-	15 374
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	12 051
MLP Bieruń Sp. z o.o.	-	30
MLP Bieruń I Sp. z o.o.	3 112	-
Fenix Polska Sp. z o.o.	6 443	-
MLP FIN Sp. z o.o.	105	-
MLP Business Park Berlin I GP Sp. z o.o.	94	-
MLP Poznań East Sp. z o.o.	13 273	-
MLP Property I Sp. z o.o.	46 226	-
MLP Poznań West II Sp. z o.o.	106 580	-
MLP Bucharest West Sp. z o.o.	22 435	-
MLP MLP Dortmund LP Sp. z o.o.	88	-
MLP MLP Dortmund GP Sp. z o.o.	68	-
MLP Wrocław West Sp. z o.o.	76 427	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	92	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	66 580	-
MLP Bucharest West SRL	14 078	-
MLP Business Park Berlin I LP Sp. z o.o.	91 507	-
MLP Germany Management GmbH	8 540	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	46 969	-
MLP Schwalmtal Sp. z o.o. & Co. KG	9 022	-
MLP Schwalmtal LP Sp. z o.o.	51	-
MLP Schwalmtal GP Sp. z o.o.	44	-
MLP Wrocław West I Sp. z o.o.	42	-
MLP Gelsenkirchen GP Sp. z o.o.	42	-
MLP Gelsenkirchen LP Sp. z o.o.	42	-
MLP Gorzów Sp. z o.o.	17 212	-
MLP Business Park Wien GmbH	78 763	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	66 579	-
MLP Idstein Sp. z o.o. & Co. KG	32 345	-
Total	852 096	222 918

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 December 2021:

	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	-	155 563
MLP Pruszków II Sp. z o.o.	10 858	-
MLP Pruszków III Sp. z o.o.	10 423	-
MLP Pruszków IV Sp. z o.o.	6 888	-
MLP Pruszków V Sp. z o.o.	23 072	-
MLP Poznań Sp. z o.o.	3 951	-
MLP Poznań II Sp. z o.o.	176	5
MLP Czeladź Sp. z o.o.	18 073	-
MLP Gliwice Sp. z o.o.	10 470	-
MLP Business Park Poznań Sp. z o.o.	38 132	-
MLP Temp Sp. z o.o.	-	15 030
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11 751
MLP Bieruń Sp. z o.o.	-	29
MLP Bieruń I Sp. z o.o.	3 919	-
Fenix Polska Sp. z o.o.	9 327	-
MLP FIN Sp. z o.o.	102	-
MLP Business Park Berlin I GP Sp. z o.o.	42	-
MLP Poznań East Sp. z o.o.	2 349	-
MLP Pruszków VI Sp. z o.o. (poprzednio MLP Property I Sp. z o.o.)	17 019	-
MLP Poznań West II Sp. z o.o.	106 818	-
MLP Bucharest West Sp. z o.o.	21 775	-
MLP MLP Dortmund LP Sp. z o.o.	85	-
MLP MLP Dortmund GP Sp. z o.o.	66	-
MLP Wrocław West Sp. z o.o.	73 788	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	89	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	64 490	-
MLP Bucharest West SRL	22 119	-
MLP Business Park Berlin I LP Sp. z o.o.	61 936	-
MLP Germany Management GmbH	5 075	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	87 009	-
MLP Schwalmtal Sp. z o.o. & Co. KG	8 406	-
MLP Schwalmtal LP Sp. z o.o.	49	-
MLP Schwalmtal GP Sp. z o.o.	42	-
MLP Wrocław West I Sp. z o.o.	40	-
MLP Gelsenkirchen GP Sp. z o.o.	40	-
MLP Gelsenkirchen LP Sp. z o.o.	40	-
MLP Gorzów Sp. z o.o.	301	-
MLP Business Park Wien GmbH	71 285	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	63 548	-
MLP Idstein Sp. z o.o. & Co. KG	27 157	-
	768 959	182 378
Total	768 959	182 378

24. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the six months ended 30 June 2022*:

* Unaudited.	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd.	86	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	1 429	-	4 793
MLP Pruszków II Sp. z o.o.	336	301	-
MLP Pruszków III Sp. z o.o.	728	134	-
MLP Pruszków IV Sp. z o.o.	474	98	-
MLP Poznań Sp. z o.o.	164	66	-
MLP Poznań II Sp. z o.o.	151	4	-
MLP Lublin Sp. z o.o.	546	-	-
MLP Teresin Sp. z o.o.	256	-	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	205	-	-
MLP Wrocław Sp. z o.o.	478	-	-
MLP Czeladź Sp. z o.o.	157	281	-
MLP Gliwice Sp. z o.o.	488	246	-
MLP Business Park Poznań Sp. z o.o.	121	1 102	-
MLP Bieruń I Sp. z o.o.	3	124	-
MLP FIN Sp. z o.o.	-	3	-
MLP Business Park Berlin I LP Sp. z o.o.	3	-	-
MLP Poznań West II Sp. z o.o.	359	2 364	-
MLP Bucharest West Sp. z o.o.	-	360	-
MLP Dortmund LP Sp. z o.o.	-	3	-
MLP Dortmund GP Sp. z o.o.	-	2	-
MLP Pruszków V Sp. z o.o.	276	543	-
MLP Wrocław West Sp. z o.o.	43	2 259	-
MLP Łódź II sp. z o.o.	115	1 771	-
MLP Poznań East sp. z o.o.	6	403	-
MLP Pruszków IV Sp. z o.o.	-	764	-
MLP Business Park Berlin I GP sp. z o.o.	-	2	-
MLP Schwalmtal LP sp. z o.o.	-	2	-
MLP Schwalmtal GP sp. z o.o.	-	2	-
MLP Wrocław West I Sp. z o.o.	-	2	-
MLP Gelsenkirchen GP Sp. z o.o.	-	2	-
MLP Gelsenkirchen LP Sp. z o.o.	-	2	-
MLP Gorzów Sp. z o.o.	-	313	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	-	941	-
MLP Bucharest West SRL	81	294	-
MLP Germany Management GmbH	-	98	-
MLP Schwalmtal Sp. z o.o. & Co. KG	-	139	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	1 234	1 004	-
MLP Business Park Wien GmbH	-	1 291	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	-	824	-
MLP Idstein Sp. z o.o. & Co. KG	-	401	-
MLP FIN Sp. z o.o. Sp.k.	-	3	-
Fenix Polska Sp. z o.o.	-	47	-
	7 653	16 195	4 793
Total income	7 739	16 195	4 793

	Purchase of services and salaries	Interest expense
Other related parties		
MLP Pruszków I Sp. z o.o.	(24)	(2 356)
MLP Teresin Sp. z o.o.	(3)	-
MLP Wrocław Sp. z o.o.	(3)	-
MLP Gliwice Sp. z o.o.	(3)	-
MLP Temp Sp. z o.o.	-	(77)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(300)
MLP Poznań West II Sp. z o.o.	(6)	-
	(39)	(2 779)

		Purchase of services and salaries	Interest expense
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>see Note 27</i>	(251)	-
RTK CONSULTING, Radosław T. Krochta	<i>see Note 27</i>	(61)	-
PROFART, Tomasz Zabost	<i>see Note 27</i>	(50)	-
Pozostały kluczowy personel kierowniczy	<i>see Note 27</i>	(306)	-
		(668)	-
Total revenue		(707)	(2 779)

In addition to the figures disclosed in the table above, a provision for estimated variable remuneration of PLN 2,885 thousand was recognised in the first half of 2022. Variable remuneration is determined and paid following receipt by the General Meeting of the full-year financial statements.

Below are presented income and expenses under related-party transactions for the six months ended 30 June 2021*:

* Unaudited.	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd.	110	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	1 272	-	-
MLP Pruszków II Sp. z o.o.	287	782	-
MLP Pruszków III Sp. z o.o.	642	146	3 931
MLP Pruszków IV Sp. z o.o.	426	111	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	3	611	-
MLP Poznań Sp. z o.o.	148	60	-
MLP Poznań II Sp. z o.o.	128	1	-
MLP Lublin Sp. z o.o.	1 296	217	-
MLP Teresin Sp. z o.o.	540	47	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	78	-	-
MLP Wrocław Sp. z o.o.	1 450	136	-
MLP Czeladź Sp. z o.o.	105	247	-
MLP Gliwice Sp. z o.o.	1 131	342	-
MLP Property Sp. z o.o.	-	1	6 655
MLP Business Park Poznań Sp. z o.o.	150	342	-
MLP Temp Sp. z o.o.	-	1	-
MLP Bieruń Sp. z o.o.	-	1	-
MLP Schwalmtal LP Sp. z o.o.	-	1	-
MLP Schwalmtal GP Sp. z o.o.	-	1	-
MLP Bieruń I Sp. z o.o.	14	82	-
MLP Spółka z o.o.	-	1	-
MLP FIN Sp. z o.o.	-	2	-
Lokafo 201 Sp. z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	3	1	-
MLP Business Park Berlin I GP Sp. z o.o.	-	1	-
MLP Poznań West II Sp. z o.o.	1 031	774	-
MLP Bucharest West Sp. z o.o.	-	354	-
MLP Dortmund LP Sp. z o.o.	-	1	-
MLP Dortmund GP Sp. z o.o.	-	1	-
MLP Teresin II Sp. z o.o.	-	1	-
MLP Pruszków V Sp. z o.o.	257	340	-
MLP Wrocław West Sp. z o.o.	45	948	-
MLP Łódź II Sp. z o.o.	45	493	-
MLP Poznań East Sp. z o.o.	-	1	-
MLP Property I Sp. z o.o.	-	214	-
MLP FIN Sp. z o.o. Sp.k.	-	2	-
Fenix Sp. z o.o.	-	63	-
MLP BUCHAREST WEST SRL	60	578	-
MLP Germany Management GmbH	3	31	-
MLP Schwalmtal Sp. z o.o. & Co. KG	3	123	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	-	1 046	-
MLP Business Park Wien GmbH	-	1 338	-
	9 117	9 443	10 586
Total income	9 227	9 443	10 586

		Purchase of services and salaries	Interest expense
Other related parties			
MLP Pruszków I Sp. z o.o.		(24)	(1 400)
MLP Teresin Sp. z o.o.		(3)	-
MLP Wrocław Sp. z o.o.		(3)	-
MLP Gliwice Sp. z o.o.		(3)	-
MLP Temp Sp. z o.o.		-	(72)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(90)
		(33)	(1 562)
		Purchase of services and salaries	Interest expense
Key management personnel			
ROMI CONSULTING, Michael Shapiro	see Note 27.	(246)	-
RTK CONSULTING, Radosław T. Krochta	see Note 27.	(55)	-
PROFART, Tomasz Zabost	see Note 27.	(47)	-
Other key management personnel	see Note 27.	(308)	-
		(656)	-
Total expenses		(689)	(1 562)

25. Significant litigation and disputes

As at 30 June 2022, the Company was not party to any material litigation.

26. Significant events during and subsequent to the reporting period

- On 14 January 2022, MLP Group S.A. provided an up to PLN 1,800,000 surety to MLP Łódź II Sp. z o.o. to secure fulfilment by the latter of its project developer commitments under a road redevelopment agreement with the City of Łódź.
- On 22 July 2022, the Company issued, by way of public offering for qualified investors, 6,000 Series E bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 6,000,000. The bonds were issued as unsecured instruments. The objective of the issue was not specified. The bonds were registered with the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00108, and the bonds have been traded in the Catalyst alternative trading system since 22 July 2022. The bonds pay variable interest at 3M EURIBOR plus margin. The Series E bonds mature on 22 January 2024.
- On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Gózdź as Members of the Company's Management Board.

In the period from the end of the reporting period to the date of authorisation of these separate financial statements for issue, no events occurred which should have been but were not included in the accounting books of the reporting period and the Company's separate financial statements of the Group.

26. 1 Effect of the COVID-19 pandemic on the activities of MLP Group S.A.

The SARS-CoV-2 virus was first reported in late 2019. In subsequent periods, the virus spread across the world. In response, governments issued stay-at-home orders, introduced lockdowns and imposed other restrictions on business activities. In Poland, infections peaked in the first quarter of 2022, during the fifth wave of the pandemic, which was attributable primarily to the Omicron variant of the virus. According to experts, transmission of SARS-CoV-2 in the human population will continue in the foreseeable future. However, thanks to widespread vaccination and increasing herd immunity, the effects of the pandemic on national economies will gradually wane.

The warehousing sector has proven its high resilience to the recent COVID-19-related difficulties. The pandemic has changed the shopping habits of customers, benefitting primarily the e-commerce and logistics/courier industries. Demand for warehouse space, including in large distribution centres, BTS (build to suit) projects, SBU facilities (small city warehouses), and courier hubs, has grown. Due to congestion in global supply chains caused by the pandemic, a trend to nearshore certain manufacturing operations has also emerged. For the warehousing industry, this has translated into record-high numbers of new leases, amounts of new warehouse space delivered, and volume of new projects.

26. 2 Impact of the political and economic situation in Ukraine on the operations of the MLP Group S.A.

In the second half of February 2022, Russia launched a military attack on Ukraine. At the time of issue of this report, the Management Board of the Company saw no major impact of the war in Poland's eastern neighbour on the Company's Polish, German, Romanian or Austrian operations. At the same time, it is difficult to predict long-term effects of the war. The armed conflict in Ukraine may have an adverse impact on local economies and the construction industry, manifesting itself in depreciation of local currencies, rising inflation, growing raw material and construction costs, staff shortages, disrupted supplies of products and materials, etc. On the other hand, it may increase demand for warehouse and manufacturing space. The war in Poland's eastern neighbour will certainly add pressure to further shorten supply chains, increase warehouse stock levels and relocate production from areas where the armed conflict is taking place. Ukrainian companies and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, international firms will be leaving Russia in protest against the invasion. In the opinion of the Management Board of the Company, this may increase demand for warehouse and logistics space offered by the Company.

Witnessing the unfolding events in Ukraine, in March 2022 the Group decided to provide tangible aid to refugees seeking a safe haven in Poland. MLP Group has converted one of its unoccupied facilities into a place of accommodation for people fleeing the war in Ukraine. The more than 820 sqm two-storey office building has been properly refurbished and refitted and currently features 14 single-room dwellings, three fully equipped kitchens, four bathrooms, a laundry room, a dining room, a playroom for children, and a TV room. The aid was coordinated with the authorities of the town of Pruszków, which, having been notified of available space in the building, directed refugees there. MLP Group's suppliers and tenants were also involved in preparing the accommodation.

27. Remuneration paid or due to Management and Supervisory Board members

	as at 30 June	2022	2021
		(unaudited)	(unaudited)
Fixed remuneration of the Management Board:			
Radosław T. Krochta	see Note 24.3	61	55
Michael Shapiro	see Note 24.3	251	246
Tomasz Zabost	see Note 24.3	50	47
		362	348
Variable remuneration of the Management Board:			
Radosław T. Krochta	see Note 24.3	2 779	783
Tomasz Zabost	see Note 24.3	1 496	422
		4 275	1 205
The variable remuneration paid in the first half of 2022 was determined and paid following receipt by the General Meeting of the Company's full-year financial statements for 2021, which included a PLN 4,275 thousand provision for that purpose.			
Remuneration of the Supervisory Board:			
• Remuneration and other benefits			
Matusiak Maciej		27	24
Levy Eytan		27	24
Shimshon Marfogel		27	24
Daniel Nimrodi		-	-
Guy Shapira		27	24
Piotr Chajderowski		27	24
Oded Setter		27	24
		162	144
Total remuneration paid or due to Management and Supervisory Board members		4 799	492
Other management personnel:			
• Remuneration and other benefits	see Note 24.3	306	308
		306	308
Total remuneration paid or due to Management and Supervisory Board members		5 105	800

Apart from the transactions described in the note above, members of the Management Board and the Supervisory Board and other management personnel did not receive any other benefits from the Company.

28. Employees

	as at	30 June 2022 (unaudited)	31 December 2021
Number of employees		18	19

Signed with a qualified digital signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

Tomasz Zabost
Member of the of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Gózdź
Member of the Management Board

Maria Ratajczyk
Signature of the person preparing the financial statements

Pruszków, 23 August 2022



Management Board's Report on the activities of the MLP Group S.A. Group

for the six months ended 30 June 2022

This Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2022 has been prepared in accordance with the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz. U. of 2018, item 757).

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Authorisation by the MLP Group S.A. Management Board Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2022

This Management Board's report on the activities of the MLP Group S.A. Group in the six months ended 30 June 2022 was prepared and authorised for issue by the Management Board of MLP Group S.A. on 23 August 2022.

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

Tomasz Zabost
Member of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Góźdź
Member of the Management Board

Pruszków, 23 August 2022

Introduction

MLP Group S.A. (the “Company”, the “Issuer”, the “Parent”) is the parent of the MLP Group S.A. Group (the “Group”). The Company is entered in the National Court Register maintained by the District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register, under No. 0000053299. The Company's registered office is located at ul. 3-go Maja 8, 05-800 Pruszków, Poland.

The Company was established on 18 February 1995 (based on a deed of transformation) and was incorporated for an indefinite term.

The Parent's and its subsidiaries' business activities comprise development, purchase and sale of own real estate, lease of own real estate, management of residential and non-residential real estate, general activities involving construction of buildings, and construction. The PKD code of the principal business activity is: 7032Z, i.e. property management services.

The parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

1. General information on the Group and MLP Group S.A.

1. 1 Structure of the Group

As at 30 June 2022, the Group consisted of the following entities:

No.	Entity	Country of registration	Parent's direct and indirect interest in equity	Parent's direct and indirect interest in voting rights
1	MLP Pruszków I Sp. z o.o.	Poland	100%	100%
2	MLP Pruszków II Sp. z o.o.	Poland	100%	100%
3	MLP Pruszków III Sp. z o.o.	Poland	100%	100%
4	MLP Pruszków IV Sp. z o.o.	Poland	100%	100%
5	MLP Poznań Sp. z o.o.	Poland	100%	100%
6	MLP Lublin Sp. z o.o.	Poland	100%	100%
7	MLP Poznań II Sp. z o.o.	Poland	100%	100%
8	MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
9	Fenix Obrót Sp. z o.o.	Poland	100%	100%
10	MLP Property Sp. z o.o.	Poland	100%	100%
11	MLP Bieruń Sp. z o.o.	Poland	100%	100%
12	MLP Bieruń I Sp. z o.o.	Poland	100%	100%
13	MLP Sp. z o.o.	Poland	100%	100%
14	MLP Teresin Sp. z o.o.	Poland	100%	100%
15	MLP Business Park Poznań Sp. z o.o.	Poland	100%	100%
16	MLP FIN Sp. z o.o.	Poland	100%	100%
17	LOKAFOP 201 Sp. z o.o.	Poland	100%	100%
18	LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
19	MLP Wrocław Sp. z o.o.	Poland	100%	100%
20	MLP Gliwice Sp. z o.o.	Poland	100%	100%
21	MLP Business Park Berlin I LP Sp. z o.o.	Poland	100%	100%
22	MLP Czeladź Sp. z o.o.	Poland	100%	100%
23	MLP Temp Sp. z o.o.	Poland	100%	100%
24	MLP Dortmund LP Sp. z o.o.	Poland	100%	100%
25	MLP Dortmund GP Sp. z o.o.	Poland	100%	100%
26	MLP Logistic Park Germany I Sp. z o.o. &Co KG.	Germany	100%	100%
27	MLP Poznań West II Sp. z o.o.	Poland	100%	100%
28	MLP Bucharest West Sp. z o.o.	Poland	100%	100%
29	MLP Bucharest West SRL	Romania	100%	100%
30	MLP Teresin II Sp. z o.o.	Poland	100%	100%
31	MLP Pruszków V Sp. z o.o.	Poland	100%	100%
32	MLP Germany Management GmbH	Germany	100%	100%
33	MLP Wrocław West Sp. z o.o.	Poland	100%	100%
34	MLP Business Park Berlin I GP sp. z o.o.	Poland	100%	100%

No.	Entity	Country of registration	Parent's direct and indirect interest in equity	Parent's direct and indirect interest in voting rights
35	MLP Łódź II sp. z o.o.	Poland	100%	100%
36	MLP Poznań East sp. z o.o.	Poland	100%	100%
37	MLP Schwalmtal LP sp. z o.o.	Poland	100%	100%
38	MLP Schwalmtal GP sp. z o.o.	Poland	100%	100%
39	MLP Pruszków VI sp. z o.o.	Poland	100%	100%
40	MLP Business Park Berlin I sp. z o.o. & Co. KG	Germany	100%	100%
41	MLP Schwalmtal Sp. z o.o. & Co. KG	Germany	100%	100%
42	MLP Business Park Wien GmbH	Austria	100%	100%
43	MLP Wrocław West I Sp. z o.o.	Poland	100%	100%
44	MLP Gelsenkirchen GP Sp. z o. o.	Poland	100%	100%
45	MLP Gelsenkirchen LP Sp. z o. o.	Poland	100%	100%
46	MLP Gelsenkirchen Sp. z o.o. & Co.KG	Germany	100%	100%
47	MLP Gorzów Sp. z o.o.	Poland	100%	100%
48	MLP Idstein LP Sp. z o.o.	Poland	100%	100%
49	MLP Idstein GP Sp. z o.o.	Poland	100%	100%
50	MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%
51	MLP Business Park Trebur GP Sp. z o.o. ¹⁾	Poland	100%	100%
52	MLP Business Park Trebur LP Sp. z o.o. ²⁾	Poland	100%	100%

Changes in the Group

¹⁾ On 16 February 2022, MLP Schwäbisch Gmünd GP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 22 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur GP Sp. z o.o. The change in the company's name was entered in the National Court Register on 23 June 2022.

²⁾ On 16 February 2022, MLP Schwäbisch Gmünd LP Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur LP Sp. z o.o. The change in the company's name was entered in the National Court Register on 22 June 2022.

Pursuant to a notarial deed of 6 July 2022, MLP Business Park Trebur Sp. z o.o. & Co. KG was established, in which MLP Business Park Trebur LP Sp. z o.o. is a limited partner and MLP Business Park Trebur GP Sp. z o.o. is the general partner.

1. 2 Principal business of the Company and the Group

The MLP Group S.A. Group is one of the leading European logistics platforms, offering clients a complete range of services, from site identification, through land acquisition, to property management. The unique Build & Hold business model enables the Group to stay in close touch with clients, which helps to keep tenant satisfaction levels high and ultimately translates into excellent occupancy rates.

The Group specialises in the construction, holding and management of customer-oriented Class A warehouse, manufacturing, and business parks. Their target tenants are leading multinational and local companies that are strategically investing in new or expanding projects. The Group operates on the Polish, German, Austrian and Romanian markets and holds a portfolio of properties with approximately 1.232 thousand m² of existing, under construction or permitted ready to build rental space. As at 30 June 2022, the Group's net asset value exceeded PLN 2.2bn.

The Group currently manages a total of 22 logistics parks in all of its geographies, MLP Group operates 14 logistics parks in key locations in Poland: MLP Pruszków I, MLP Pruszków II, MLP Poznań, MLP Lublin, MLP Teresin, MLP Wrocław, MLP Gliwice, MLP Czeladź, MLP Poznań West, MLP Wrocław West, MLP Łódź, MLP Zgorzelec, MLP Gorzów and MLP Poznań Business Park.

In Germany, the Group currently operates six logistics parks: MLP Unna, MLP Business Park Berlin, and MLP Business Park Niederrhein, MLP Business Park Trebur, MLP Business Park Schalke, and MLP Idstein. The Group owns the logistics park MLP Bucharest West in Romania and MLP Business Park Vienna in Austria.

The Group currently operates two types of warehouse space formats:

(1) big-box (i.e. large-scale) warehouse facilities, primarily addressing e-commerce growth and increased demand from light industry customers, driven by such factors as relocation of production from Asia to Europe; and

(2) City Logistics facilities, operated as MLP Business Parks and offering small warehouse units (ranging from 700 m² to 2.5 thousand m²). MLP Business Parks are City 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. The first such projects are MLP Business Park Berlin, MLP Business Park Schalke, MLP Business Park Niederrhein, MLP Business Park Vienna, and MLP Business Park Poznań.

The Group's key customers include logistics, manufacturing and e-commerce companies. The structure of tenants is distributed proportionally across the business segments.

The total area of new land acquired by the Group in Poland in the first half of 2022 is approximately 34.2 ha.

The Group has also signed a number of reservation agreements to purchase new land for planned logistics parks in Poland, Germany and Austria with a total area of approximately 200 ha.

The Group's strategic objectives until 2024 include:

- Building economic scale in the existing strategic markets – Poland, Germany, Austria, and Romania through developing City Logistics and big-box projects
- Investing in new potential markets addressing the tenants' needs and ecommerce development
- Maintaining stable occupancy rate averaging ~ 95% of total existing portfolio with speculative development component of up to 20 thousand m² per project
- Increasing the amount of space leased under new contracts to 250 thousand m² per year
- Securing new plots for future development in existing and new markets
- 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
- Focusing on City Logistics projects as a high growth potential product – addressing the retail evolution (e-commerce) with: smaller units, less than 5 thousand m², located within or close to city boundaries with easy access to labour and public transportation
- Rental growth from existing lease renewals
- Creating value through re-development of brown plots
- Disposal of BTS projects as a source of additional equity
- Developing of class A high-quality assets, with strong commitment to sustainability: 80% to be certified BREEAM Excellent or Very Good / DGNB Gold or Platinum (in Germany and Austria) and to achieve Zero CO₂ emission by 2022.

1. 3 The Group's property portfolio

The Group classifies its portfolio properties into two main categories:

- properties generating rental income,
- projects under construction or in the pipeline,
- land bank (area).

The structure of the Group's property portfolio by property category and segment as at 30 June 2022 is presented below.

Property portfolio by segment	Total land area (m ²)	Land bank (area) (m ²)	Target capacity (m ²)	Target area (m ²)	Existing leasable space (m ²)	Space under construction and in the pipeline (m ²)
POLAND:	3 188 030	866 530	1 299 997	1 298 796	784 108	197 205
GERMANY:	454 575	278 841	206 851	206 851	73 470	5 986
AUSTRIA:	98 249	98 249	52 500	52 500	-	-
ROMANIA:	188 045	148 704	99 000	99 000	22 677	-
TOTAL	3 928 899	1 392 324	1 658 348	1 657 147	880 255	203 191

Summary of the leasable space owned by the Group as at 30 June 2022 (m²):

Target space upon completion (m ²)	Target capacity (m ²)	Space completed (m ²)	Space completed and leased out (m ²)	Space completed but not leased out (m ²)	Space under construction and in the pipeline (m ²)	Pre-leased space under construction and in the pipeline (m ²)
POLAND:						
1 298 796	1 299 997	784 108	769 985	14 123	197 205	141 243
GERMANY:						
206 851	206 851	73 470	71 360	2 110	5 986	4 114
AUSTRIA:						
52 500	52 500	-	-	-	-	-
ROMANIA:						
99 000	99 000	22 677	22 677			
1 657 147	1 658 348	880 255	864 022	16 233	203 191	145 357

Types of rental space offered:

The Group offers two types of space to its tenants:

- warehouse space, i.e. space for storing goods, and
- manufacturing space, i.e. space designated for light industrial production.

The Group also provides its tenants with support office space. The final division of leased space depends on tenants' requirements.

The space is available in two formats:

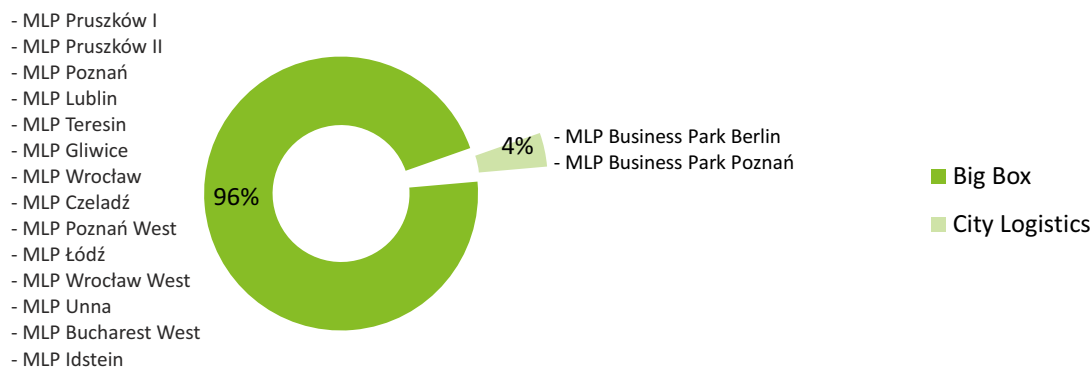
- City Logistics
- Big Box.

Space completed at the Group's parks as at 30 June 2022:

Space completed at the Group by type of facility as at 30 June 2022



Space completed at the Group by format as at 30 June 2022



As one of the key growth levers for the Group's business, it will seek to achieve a significant share in the portfolio of City Logistics projects. The format is currently being implemented by developing the MLP Business Park Berlin I and MLP Business Park Poznań projects. In the near future, the Group plans to develop City Logistics projects also in other locations, including: MLP Business Park Niederrhein, MLP Business Park Vienna and MLP Business Park Schalke.

Fair value of the Group's property portfolio by logistics park as at 30 June 2022:

Logistics park	Fair value EUR '000	Fair value PLN '000
MLP Pruszków I	97 440	456 077
MLP Pruszków II	222 190	1 039 981
MLP Poznań	46 100	215 776
MLP Lublin	40 523	189 672
MLP Teresin	19 660	92 021
MLP Wrocław	41 260	193 122
MLP Czeladź	29 100	136 205
MLP Gliwice	44 270	207 210
MLP Business Park Poznań	10 910	51 065
MLP Poznań West	108 230	506 581
MLP Wrocław West	16 640	77 885
MLP Łódź	36 294	169 878
MLP Gorzów	8 080	37 819
MLP Poznań East	2 700	12 638
MLP Unna	78 000	365 087
MLP Business Park Berlin	33 300	155 864
MLP Business Park Schalke	13 600	63 656
MLP Idstein	6 610	30 939
MLP Business Park Vienna	24 200	113 271
MLP Bucharest West	17 300	80 988
Total	896 407	4 195 735

The value of investment property portfolio disclosed in the consolidated financial statements as at 30 June 2022 included: (i) market value of investment property of PLN 4,195,735 thousand, (ii) perpetual usufruct right to land of PLN 42,600 thousand, and (iii) the value of Fenix Obrót Sp. z o.o.'s apartments of PLN 203 thousand.

Fair value of the Group's property portfolio by segment and property category as at 30 June 2022:

Segment	Currency	Fair value of developed properties	Fair value of properties under construction	Fair value of projects in the pipeline	Fair value of land reserve	Total fair value
Poland	EUR '000	583 950	88 020	27 590	23 837	723 397
	PLN '000	2 733 236	411 985	129 138	111 571	3 385 930
Germany	EUR '000	103 300	8 000	-	20 210	131 510
	PLN '000	483 506	37 445	-	94 595	615 546
Austria	EUR '000	-	-	-	24 200	24 200
	PLN '000	-	-	-	113 271	113 271
Romania	EUR '000	11 380	-	-	5 920	17 300
	PLN '000	53 275	-	-	27 713	80 988
Total	EUR '000	698 630	96 020	27 590	74 167	896 407
Total	PLN '000	3 270 017	449 430	129 138	347 150	4 195 735

1. 4 Market, customers and suppliers

The Group's property portfolio in Poland currently comprises fourteen logistics parks at the following key locations: MLP Pruszków I, MLP Pruszków II, MLP Poznań, MLP Lublin, MLP Teresin, MLP Wrocław, MLP Gliwice, MLP Czeladź, MLP Poznań West, MLP Wrocław West, MLP Łódź, MLP Business Park Poznań, MLP Poznań East and MLP Gorzów. In Germany, the Group currently has five logistics parks: MLP Unna, MLP Business Park Berlin, and MLP Business Park Niederrhein, MLP Business Park Schalke, and MLP Idstein. The Group operates the logistics park MLP Bucharest West in Romania and the logistics park MLP Business Park Vienna in Austria.

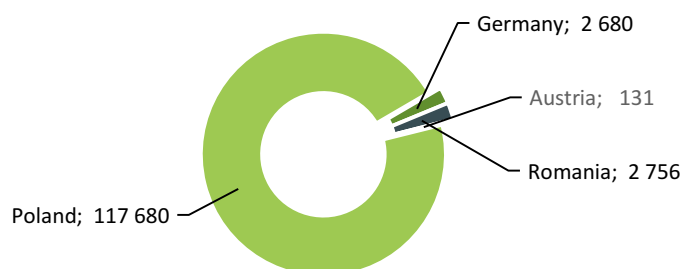
The Group has signed agreements granting options to purchase land in new locations in Poland and Germany, which would allow it to expand the selection of available locations for tenants.

1. 4.1 Structure of the Group's sales

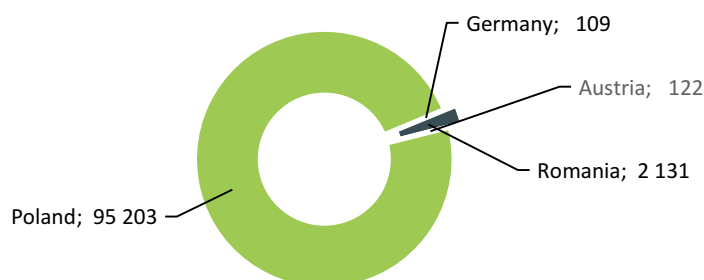
The Group earns revenue from lease of investment property in logistics parks in Poland, Germany, and Romania. The table below presents the types of revenue derived from lease of the properties.

Revenue for the six months ended 30 June	2022	2021	change (%)
Sales to external customers:			
Rental income from investment property	67 177	54 118	24,1%
Recharge of service charges	23 210	19 859	16,9%
Recharge of utility costs	31 478	20 367	54,6%
Other revenue	1 382	1 341	3,1%
Rental income	123 247	95 685	28,8%
Revenue from development contract concluded by MLP Group S.A.	-	1 880	-100,0%
Total revenue	123 247	97 565	26,3%

H1 2022 revenue by geography



H1 2021 revenue by geography



In Germany, rental income in the six months ended 30 June 2022 was generated mainly by MLP Business Park Berlin. In the second half of 2021, the Group completed the construction and then leased out more than 12 thousand m² of space. These lease contracts were a source of rental income for the Group in the reporting period.

In the six months ended 30 June 2022, the Group completed the construction of approximately 57 thousand m² of new space at the MLP Unna logistics park, leasing it out in July 2022.

The revenue growth in Romania in the first half of 2022 was driven by a lease contract signed in 2021, which began to generate rental income for the Group in the second half of 2021.

The Group's tenant mix is highly diversified and therefore the Group is not exposed to any material risk related to a single tenant or group of tenants. As at 30 June 2022, the average space of income-generating properties per tenant was approximately 6.4 thousand m² (30 June 2021: 5.3 thousand m²).

As at 30 June 2022, the 10 largest tenants occupied about 37% of the total leased space at all of the Group's parks (30 June 2021: 32%).

1. 4.2 Key trading partners

In the reporting period, the Group's companies cooperated mainly with providers of the following services:

- construction services (as part of investment and development projects),
- supply of utilities,
- consulting and advisory services – business and legal,
- maintenance of the properties,
- security services.

For construction services, general contractors are selected in internally organised tender procedures. In the six months ended 30 June 2022, the Group cooperated with Wielkopolskie Przedsiębiorstwo Inżynierii Przemysłowej Spółka Komandytowa, Bln- Biuro Inżynierskie Sp z o.o. and Eastwave Building Company Sp. z o.o. under the general contractor system, and the Group's turnover with these companies exceeded 10% of the Group's revenue in the six months ended 30 June 2022.

The other services are procured from a broad base of suppliers, and therefore the Group is not dependent on any single supplier. In 2021, none of the Group's other suppliers accounted for more than 10% of the Group's revenue.

2. Activities of the MLP Group S.A. Group

2. 1 Activities of the MLP Group S.A. Group in 2022

In the six months ended 30 June 2022, the Group continued its principal business activity consisting in the construction and lease of warehouse and manufacturing properties and business parks. Construction work was mainly outsourced to specialist third-party service providers on a general contractor basis.

In the reporting period, the Group carried out several property development projects. As at the end of June 2022, the Group's property portfolio included more than 1,009 thousand m² of leased or pre-leased space. The Company's Management Board reviewed and assessed on an ongoing basis:

- current construction projects in terms of their progress,
- actual and expected revenue,
- use of the Group's existing land resources and its ability to tailor the offering to meet the anticipated market expectations and demand,
- available opportunities to purchase land for new projects to be implemented in subsequent years,
- the Group's efforts to optimise financing of its investing activities.

2. 1.1 Projects started and projects completed

In the six months ended 30 June 2022, the Group was engaged in construction of projects with a total area of 279 thousand m², with a further 33 thousand m² in the pipeline as at 30 June 2022, i.e. the total area of projects under development was 312 thousand m².

Out of the total area under construction or in the pipeline, 75 thousand m² was attributable to projects commenced in 2021 and completed in the first half of 2022. In the six months ended 30 June 2022, the Group commenced projects with a total area of 62 thousand m², of which 34 thousand m² will be completed in 2022.

2. 1.2 Projects under construction and in the pipeline

In the six months to 30 June 2022, the Group worked on development of projects with a total area of 312 thousand m². Out of the total, projects completed in the first half of 2022 comprised a total area of 109 thousand m², located in Germany (MLP Unna) and Poland (MLP Poznań West and MLP Łódź).

As at 30 June 2022, 171 thousand m² of space was under construction.

In connection with leases signed and the ongoing commercialisation processes, the Group began preparations for the construction of ca. 33 thousand m² of space. The permitting process also continued to enable the construction of new warehouse space on land reserved by the Group.

The Group has also signed a number of reservation agreements to purchase new land for planned logistics parks in Poland, Germany and Austria with a total area of approximately 200 ha.

Projects are carried out on a pre-lease basis, i.e. launch of the investment process is conditional upon execution of a lease contract with a potential tenant. In 2021, at selected locations the Group launched big-box speculative projects, which, together with pre-lease projects, constitute larger investment projects implemented in response to the present market situation. These projects have already been almost fully taken up by tenants, and their construction has been completed or will be completed within several months.

2. 1.3 Material agreements

Material suppliers with whom agreements with a total value exceeding 10% of the Group's equity were concluded in the first half of 2022.

In April 2022, MLP Czeladź, a subsidiary, concluded an agreement with JOKA Budownictwo Sp. z o.o. to construct at the MLP Czeladź logistics park a new warehouse and office building with a floor area of 19 thousand m², which has been largely pre-leased.

In June 2022, MLP Wrocław Sp. z o.o., a subsidiary, concluded an agreement with W.P.i.P. Sp. z o.o. Sp. k. to construct at the MLP Wrocław logistics park a new warehouse and office building with a floor area of approximately 19 thousand m², which has been partly pre-leased.

2. 1.4 Shareholder agreements

The Group is not aware of any agreements between the Company's shareholders.

Further, the Group has no knowledge of any agreements (including those concluded after the reporting date) which could result in future changes in the proportions of shares held by the current shareholders.

2. 1.5 Partnership or cooperation agreements

In the first half of 2022, the Group did not enter into any significant cooperation or partnership agreements with other entities.

2. 1.6 Related-party transactions

All transactions executed by the Company or its subsidiaries with related parties were executed on an arm's length basis.

For description of related-party transactions, see Note 24 to the Group's condensed consolidated financial statements for the six months ended 30 June 2022.

2. 1.7 Litigation

Proceedings pending before courts, arbitration bodies or public administration bodies

As at 30 June 2022, the Group was party to proceedings with a total amount of liabilities and claims under litigation of approximately PLN 6,045 thousand, including liabilities under litigation of approximately PLN 3,995 thousand (all relating to the Depenbrock Polska Sp. z o.o. sp.k. case), and claims under litigation of approximately PLN 2,050 thousand.

On 12 January 2012 the Regional Court in Warsaw issued a judgment awarding the then MLP Tychy Sp. z o.o. (currently MLP Sp. z o.o. SKA) the amount of PLN 2,005 thousand with contractual interest from CreditForce Holding B.V. with its registered office in Houten (the Netherlands) jointly and severally with European Bakeries Sp. z o.o., in respect of which a default judgment was issued on 16 March 2011.

The amount includes receivables due as payment for capital expenditure incurred by the lessor on the leased property, including construction work to improve the technical standard of the property.

Currently, an appeal against the default judgment is pending before the District Court in Warsaw (the proceedings have been suspended due to CreditForce Holding B.V. being declared bankrupt). The Group recognized an impairment allowance of the abovementioned receivables.

On 31 January 2020, MLP Gliwice Sp. z o.o. was served a default judgment dated 22 January 2020, in which the court awarded the amount of EUR 865,777.48 plus interest from the Company to DEPENDBROCK Polska Sp. z o.o. sp. k. The court also ordered the Company to reimburse the costs of the court proceedings and made the judgment immediately enforceable. The Company filed an opposition to the default judgment with a motion for stay of execution. The claim should be dismissed on the grounds that it is premature. From August 2020 to February 2021, mediation was held, however the parties failed to reach an agreement. On 14 December 2021, the first hearing was held, at which the Court ruled that the claims were actionable and ordered to admit oral evidence from witnesses. The case is still pending as no resolution was arrived at at last hearing on 17 May 2022.

2. 2 Development of the Group and risk factors

2. 2.1 Key risk factors relevant to the development of the Group

The Group's business is exposed to the following risks arising from holding of financial instruments:

- Credit risk,
- Liquidity risk,
- Market risk.

The Management Board is responsible for establishing and overseeing the Group's risk management functions, including the identification and analysis of the risks to which the Group is exposed, determining appropriate risk limits and controls, as well as risk monitoring and matching of the limits. The risk management policies and procedures are reviewed on a regular basis, to reflect changes in market conditions and the Group's business.

Credit risk

Credit risk is the risk of financial loss to the Company and the Group companies if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from debt instruments. The objective of risk management is to maintain, in terms of quality and value, a stable and sustainable portfolio of loans and other investments in debt instruments, by operating an appropriate credit limit policy.

Liquidity risk

Liquidity risk is the risk of the Group not being able to meet in a timely manner its liabilities that are to be settled by delivery of cash or other financial assets. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without risking unacceptable losses or damage to the Group's reputation. To this end, the Group monitors its cash flows and secures access to sufficient cash to cover anticipated operating expenses and expected cash outflows for current financial liabilities, and maintains anticipated liquidity ratios.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Group's results or the value of financial instruments it holds. The Group mitigates the risk by constantly monitoring the Group's exposures, maintaining the exposures them within assumed limits, and seeking to optimise the rate of return on investment. The risk mitigating measures include applying hedge accounting to minimise the impact of volatility of market prices on financial results.

Currency risk

The consolidated financial statements of the Group are prepared in PLN, which is the functional currency of the Group. Most of the Group's rental income is denominated in EUR and occasionally in PLN. Some of the Group's costs, such as certain construction costs, labour costs and wages, are denominated in PLN, but the vast majority of construction costs are denominated in EUR.

To mitigate the currency risk, the Group companies use primarily natural hedging by raising debt financing denominated in EUR. To reduce the volatility of returns on investment caused by exchange rate fluctuations, the Group companies may also enter into contracts hedging against such risks, including derivative contracts, or may enter into contracts with contractors and service providers (project contracts with general contractors) denominated in EUR. If the Group's currency position is short in the EUR-PLN pair, depreciation of the Polish currency against the euro may adversely affect the Group's results by driving up debt service costs.

Interest rate risk

Credit facilities used by the Group bear interest at variable rates. Interest rates depend, to a significant degree, on many factors, including the monetary policy of central banks, national and international economic and political conditions, as well as other factors beyond the Group's control. Changes in interest rates may increase the Group's borrowing costs under the financial liabilities and thus affect the Group's profitability. Any need to hedge interest rate risk is considered by the Group on a case-by-case basis. In order to mitigate the interest rate risk, the Group companies enter into Interest Rate Swap transactions with their financing banks. Changes in interest rates may have a material adverse effect on the financial position and results of the Group.

In addition to the risks listed above, the Group's business is also exposed to the following risks:

Risk related to the Group's dependence on macroeconomic conditions

The development of the commercial real estate market on which the Group operates depends on changes in the construction and real estate industries, trends in the manufacturing, commerce, industry, services, and transport sectors, and on the development of the economy in general, which is driven by a number of macroeconomic factors, including economic growth rate, inflation rate, interest rates, the situation on the labour market and the amount of direct foreign investments. Also, the Group's business depends indirectly on changes in the global economy. It is affected in particular by gross domestic product, inflation rate, currency exchange rates, interest rates, unemployment rates, average wages, as well as the government's fiscal and monetary policies. The rate of growth of the domestic economy, and thus the Group's business and results, may be affected by slowdown of the global economy. Adverse changes in the macroeconomic conditions and economic and monetary policies in Poland and other countries may have a material adverse effect on the Group's financial results and its ability to implement its plans.

Risks related with factors specific to the real estate sector

The Group is exposed to risks related to property development, acquisition, ownership and management of real estate on the commercial real estate market.

The Group's revenue and the value of its properties may be affected by a number of factors, including: (i) changes in the legal and administrative regulations governing the real estate market, including permits and consents, land use planning, taxes and other public charges; (ii) cyclical changes in the real estate market on which the Group operates; (iii) the Group's ability to procure appropriate construction, management, maintenance and insurance services. Although the Group takes specific measures to protect its business from the negative impact of these risks, it is impossible to eliminate them entirely. The occurrence of any of the risks will have a material adverse effect on the Group's business, financial condition, results or growth prospects.

Risk related to a possible downturn on the real estate market and general economic slowdown

Downturn on the property market may adversely affect the Group's performance in terms of profits from lease of warehouse space. If tenants default on their obligations or if the Group is not able to attract tenants, the Group will not earn rental income but will incur costs related to the property. Such costs may include legal costs and valuation expenses, maintenance costs, insurance and property taxes. As a rule, lease rents and market prices of property depend on economic conditions. Consequently, a decrease in market prices may result in lease rents being set at levels lower than those originally planned, may lead to losses on individual projects, or may result in a need to find an alternative use of the purchased land. The occurrence of such events may have a material adverse effect on the Group's business, financial position and results.

Insurance risk

The Group's properties may be destroyed or damaged due to many foreseeable or unforeseeable circumstances. In addition, third parties may suffer damage as a result of events for which the Group is liable. Given the scope of the Group's existing insurance cover, there is a risk that such damage or claims will not be covered by the insurance or that they will be covered only in part. Some risks are not insured/insurable, and for other risks the cost of insurance premiums is disproportionate to the likelihood of the risk occurring. The Group's insurance cover may not protect the Group against all losses that the Group may incur in connection with its business, and some types of insurance may not be available on commercially reasonable terms or at all. Accordingly, the Group's insurance cover may not be sufficient to fully compensate for losses incurred in connection with its real estate.

Risk related to the nature of the Group's business

Development of the Group's business involves risks inherent in the process of construction of warehousing and production parks. During the construction of warehousing and production parks, delays or technical problems may occur that are beyond the developer's control and may result in the Group's failure or inability to obtain in a timely manner permits or administrative decisions required by law, which in turn may have an adverse effect on the Group's business, financial condition or results.

Risk of failure to successfully complete profitable investments, in particular in the property development business

The Group's ability to start and complete development, reconstruction or upgrade projects depends on a number of factors, some of which are beyond its control. These factors include, in particular, the Group's ability to obtain all of the necessary administrative decisions, to raise external financing on satisfactory terms or at all, to hire reliable contractors, and to attract suitable tenants.

The following factors, over which the Group has limited or no control, that may result in a delay or otherwise adversely affect the development or upgrade of the Group's properties include:

- increase in the cost of materials, labour costs or other expenses that may cause the completion of a project to be unprofitable;
- actions of public authorities and local governments resulting in unexpected changes in the land use planning and architectural requirements;
- defects or limitations of legal title to plots or buildings acquired by the Group, or defects, limitations or conditions related to administrative decisions concerning the plots of land owned by the Group;
- changes in applicable laws, rules or standards which take effect after the Group commences the planning or construction phase of a project, resulting in the Group incurring additional costs or resulting in delays in the project or its interpretation or application;
- violations of building standards, incorrect methods of construction or faulty construction materials;
- industrial accidents, previously unknown existing soil contamination or potential liability under environmental and other relevant legislation, for example relating to archaeological finds or unexploded ordnance, or building materials which will be regarded as harmful to health;
- forces of nature, such as bad weather, earthquakes and floods, which may cause damage or delay execution of projects;
- acts of terrorism or riots, revolts, strikes or civil unrest.

The Group's projects may be carried out only if the land has appropriate technical infrastructure required by law (e.g. access to internal roads, access to utilities, certain procedures for fire protection and adequate facilities to ensure this protection). Competent authorities may oblige the Group to create additional infrastructure required by law as part of the construction works before relevant administrative decisions are issued. Such additional work may significantly affect the cost of construction.

Further, certain projects may become unprofitable or impracticable for reasons beyond the Group's control, such as slowdown in the real estate market. The Group may not be able to complete these projects on time, within budget or at all, due to any of the above or other factors, which may increase the costs, delay the implementation of the project or cause the project to be abandoned.

Risk relating to general contractors

The Group outsources the execution of its projects to general contractors or other third parties. The successful completion of construction projects depends on the ability of the Group to employ general contractors who carry out projects in accordance with established standards of quality and safety, on commercially reasonable terms, within the agreed deadlines and within the approved budget. Inability to employ general contractors on commercially reasonable terms and the failure of general contractors to meet accepted standards of quality and safety, or non-completion of construction or repairs on time or within the agreed budget may increase the cost of the project, lead to project delays, or result in claims against the Group. In addition, such circumstance may adversely affect the Group's image and ability to sell the completed projects.

The financial strength and liquidity of the general contractors employed by the Group may not be sufficient in the event of a severe downturn in the property market, which in turn could lead to their bankruptcy, thus adversely affecting the execution of the Group's strategy. Any security that is typically provided by general contractors to secure the performance of their contractual obligations towards the Group may not cover the total costs and damages incurred by the Group in these circumstances.

The Group's dependence on general contractors also exposes the Group to all risks arising from poor quality of work of such general contractors, their subcontractors and employees, and from construction defects. In particular, the Group may incur losses due to the need to engage other contractors to correct defective work done or to pay damages to persons who incurred losses due to the faulty execution of work. Furthermore, there is a risk that such losses or costs will not be covered by the Group's insurance, by the contractor or the relevant subcontractor.

Risk related to obtaining administrative decisions

As part of its activities and in the course of managing its assets, the Group is legally required to obtain a number of licenses, consents, administrative decisions or other decisions from public administration bodies, including in particular permits for execution, construction and use of its properties. No assurance can be given by the Group that all such permits, consents, administrative decisions or other decisions of public administration bodies concerning the existing properties or new projects will be obtained on time (including due to the recurring risk of the COVID-19 pandemic, as described above) or that they will be obtained at all, or that the permits, consents, administrative decisions or other decisions of public administration bodies held or obtained in the future will not be revoked or their validity will be extended on time. Moreover, certain administrative or other decisions of public administration authorities may be subject to satisfaction of additional conditions by the Group (including the provision of appropriate infrastructure by the Group), or such authorities may impose additional conditions and obligations on the Group, which may entail additional costs, protract the proceedings and result in temporary inability to earn revenue due to such delays.

The Group may also seek changes in some of the Group's projects or facilities, as well as changes in the use of the properties to make them more effective or aligned with current trends in the real estate market. Implementing such changes may prove impossible due to difficulties in obtaining or amending the terms of the required permits, consents, administrative decisions and other decisions of public administration bodies, in particular in the case of properties entered in the register of historical places.

In addition, social organisations and organisations dealing with the protection of the environment, as well as adjacent property owners and local residents can take action to prevent the Group from obtaining the required permits, consents, administrative decisions or other decisions of public administration bodies, including through participation in administrative and judicial proceedings involving the Group, challenging decisions, regulations and rulings issued in the course of such proceedings, as well as disseminating negative and defamatory information about the Group and its projects. Such activities may significantly affect the time needed by the Group to execute its projects, delay expected revenue and result in additional costs the Group will have to incur in connection with its projects.

Risk related to land acquisition

The effectiveness and scale of the Group's operations depend, among other factors, on the supply of appropriate properties for development, their prices and legal status. The ability to find and acquire appropriate real estate at competitive prices and to obtain financing on appropriate terms is a prerequisite for efficient execution of the adopted strategy and delivery of the planned results. Opportunities to acquire land at attractive locations depend on the Group's effectiveness, the legal aspects of the Group's operations, and the objective factors of the market environment (i.e. strong competition in the land market, long time necessary to change intended use of the land caused by delays in adoption of the local zoning plans or the absence of such plans, as well as limited supply of land with appropriate infrastructure). The Group has a team of professionals responsible for searching for suitable land, analysis of its legal status and prospects, and managing the administrative processes. The Group also cooperates with a group of reputable market and legal advisors.

The price of land is driven indirectly by such factors as demand for lease of warehouse, manufacturing and office space, as well as macroeconomic conditions, availability of financing, supply of warehouse, manufacturing and office space in a given area, and tenants' expectations as to the standard and location of the properties. The Group seeks to effectively respond to changes in the macroeconomic environment through such measures as phased approach to project execution.

An increase in future land prices may also adversely affect the competitiveness and profitability of the Group's new projects. This is because the cost of land is a major factor determining the viability of a given project. On the other hand, increase in land prices may improve the competitiveness of the Group's projects on land which had already been purchased at lower prices. In order to minimise the impact of the risk of land price increases, the Group has a land bank for prospective projects with a total area of approximately 139.2 ha. Decline in the value of land may result in lower valuations of the investment properties, and may adversely affect the competitiveness and profitability of some of the Group's projects on land owned by the Group.

Risk of the actual and potential influence of COVID-19 on the Group's business

The COVID-19 pandemic, which began in the first quarter of 2020, has had and may continue to have an impact on the Group's operations. The effective and potential future changes to work policies of public administration authorities (partial remote work and temporary closures of certain offices) may delay the issuance of administrative decisions, including permits and consents material to the Group's operations. This may delay the start and execution of projects pursued by the Company and the Group companies, not only in the Polish market but also in foreign markets where the Group operates. Delays may also result from disruptions in the work of notarial offices, contractors, subcontractors and suppliers of materials and equipment working with the Group on its projects. The risk of delays caused by the pandemic may lead to the Company and Group companies defaulting under contracts and agreements they have signed (for instance, as a result of failure to deliver a project on schedule), including agreements with banks. The COVID-19 pandemic and restrictions on business activity and freedom of movement implemented by government authorities to stop the disease, have had and may continue to have an adverse impact on the economic situation in Poland and globally, including on the financial standing of tenants and other trading partners of the Company or other Group companies and, consequently, on the Group's financial performance. The pandemic restrictions may be reintroduced in the future should pathogens other than those causing COVID-19 spread on a large scale in countries where the Group operates.

Risk of the actual and potential impact of Russia's invasion of Ukraine on the operations of the Company and its Group

In connection with Russia's invasion of Ukraine in late February 2022, the Company would like to stress that it does not conduct any business operations on the Ukrainian or Russian markets. Also, the armed conflict has not had any impact so far on the Company's Polish, German, Austrian or Romanian operations. However, as severe and extensive economic sanctions were imposed on Russia for the invasion, the country is likely to retaliate, which could affect the economic activity in Poland and globally, including the condition of tenants and other trading partners of the Company.

Risk of negative impact on the demand for warehouse space from possible adverse changes in the nature of economic activity and changes in supply chains caused by the full-scale military aggression launched by Russia in the territory of Ukraine

On 24 February 2022, armed forces of the Russian Federation launched a full-scale invasion of the Ukrainian territory, turning the limited hostilities that had been going on since 2014 into the largest armed conflict on the European continent since 1945. The effective resistance by the Ukrainian military and decisive response of the member states of the European Union and the North Atlantic Treaty Organization (NATO) in the form of military assistance to Ukraine have caused, among other things, major changes in the economic situation of all European countries and significantly affected the directions of supply and transport of both raw materials and products. The EU and a number of non-EU member states have imposed sanctions on Russia, Belarus and on their leadership and business elites. The sanctions are unprecedented in relations between European countries. Given the volume of trade with Russia until that time and, most of all, the dependence of EU countries on natural resources, including gas and crude oil, imported from Russia, as well as the role of Russia and Ukraine as food exporters, both the imposed sanctions and Russia's retaliation have had a significant impact on the global economy and are causing far-reaching changes in the directions of the flow of raw materials and products, particularly by limiting the exchange of goods with Russia and Belarus and restricting transit between Europe and Asia via Russia, Belarus and Ukraine. This is causing changes for the logistics industry as well.

Currently, it is not yet possible to assess the impact of the war in Ukraine, the sanctions and changes in economic activity that have been taking place in the countries where the Group operates, or changes in the flow of goods and related shift in demand for warehouse and manufacturing space, on the Group.

It should be noted that the Company is not currently seeing any significant negative impact of the geopolitical situation on its business.

Risks related to operating in multiple jurisdictions

The Group has been present in the warehouse markets of Germany and Romania (Bucharest area) since 2017, and in Austria since 2021. Having expanded its business into those countries, it operates in four jurisdictions – Polish, German, Romanian and Austrian. Therefore, it needs to appropriately adjust its internal regulations, including those related to monitoring and reporting. Improper handling of foreign projects, or inadequate adjustment of internal regulations.

Risk of dependence on management personnel and key employees

The success of the Group's business depends to a large extent on its management staff, who have the knowledge and experience in running the business of developing, leasing and operating warehouse and manufacturing centres. Given that the people in management positions have the expertise necessary to run and develop the Group's business, with respect to search for and acquisition of new development sites and tenants with established standing on the market, as well as the development, marketing and management of logistics parks, the departure of any member of the Management Board or any key employee of the Group may have a negative impact on the Group's business and financial results. These factors may adversely affect the Group's ability to further develop its business or even complete projects already under way.

Risks related to the Group's dependence on its ability to actively manage assets

An important part of the Group's business is active asset management, which includes managing the vacancy rates and rent levels and the terms and conditions of lease contracts for all properties, as well as ensuring the desired tenant mix. Beside legal restrictions, the Group's ability to lease vacant space, renegotiate rents and achieve a desired tenant mix depends on market factors. Some of these factors, such as the general economic environment, consumer confidence, inflation and interest rates, are beyond the Group's control. During recessions or economic downturns, competition among investors and developers makes it more difficult to retain existing tenants and attract new ones. If the Group is unable to generate or capitalise on demand for its properties, it may be impossible for it to reduce vacancy rates or renegotiate rents to preferred levels.

If the vacancy rates are persistently high for a longer period of time, this could result in an overall reduction of rents paid by tenants, making it much more difficult to increase the average rents planned by the Group. Vacant space also increases the Group's overall operating expenses due to the need to cover costs generated by unoccupied properties or space. Any such decrease in rental income or increase in operating expenses may have a material adverse effect on the Group's financial condition and results of operations.

Risks related to environmental liability

Under the applicable laws, an entity using the natural environment is obliged to take preventive and remedial measures to avoid or eliminate environmental damage. In addition, if an imminent threat of environmental damage or actual environmental damage were caused with the consent or knowledge of the landowner, the landowner is obliged to take preventive and remedial measures bearing joint and several liability with the entity using the environment that caused the damage. Failure to take appropriate action may result in an obligation to reimburse the cost that administrative bodies have incurred for preventive or remedial measures, and pay administrative fines. Furthermore, in order to carry out its projects, the Group must obtain a number of environmental permits and authorisations, waste management permits and water permits, and is required to pay charges for use of the environment.

The Company may be exposed to damage resulting from sudden and unforeseen environmental pollution caused by events related to civilizational progress (primarily technical disasters) or caused by forces of nature (natural disasters).

So far, the Company and the Group companies have complied with all environmental protection requirements stipulated in applicable laws, and tenants of their warehouse and manufacturing space have not conducted any activities harmful to the environment within the meaning of the environmental protection regulations. However, one cannot rule out the risk that in the future the Group companies may be required to pay damages, administrative fines or remediation costs as a result of environmental pollution on any land they own or have acquired. This could have a negative impact on the Group's business, financial condition or results of operations.

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Risk related to loss of anchor tenants

Attracting solid tenants, especially anchor tenants, for the Group's logistics parks is critical to achieving its commercial success. Anchor tenants are vitally important for further growth of its logistics parks. The Group may have difficulty attracting tenants during economic downturns or when competing with other parks. Moreover, the termination of a lease contract by any of the anchor tenants may diminish a park's attractiveness. If a tenant defaults on the lease contract, is declared bankrupt or placed under restructuring, there may be (temporary or long-term) delays in rent payments or a decline in rental income, which the Group may be unable to offset due to difficulty in finding a suitable replacement tenant. If the Group is unable to renew the existing lease contracts with anchor tenants or quickly replace them with new tenants of a comparable quality, it may incur significant additional costs or lose some of its income, which in turn could have an adverse effect on the Group's business, financial condition and results of operations.

Risk of deterioration of tenants' financial condition due to external factors

The financial condition of tenants may deteriorate due to a negative change in their economic situation regardless of the quality of their own operations. This may result from an overall deterioration in the economic climate on the market where they operate, a decline in demand, as well as their deteriorated payment position or insolvency, including due to revaluation of assets or remeasurement of liabilities or an increase in cost burden resulting from a depreciation of the currency in which they settle accounts with their customers, an increase in interest rates or other events beyond their control which affect the entire group of tenants given the type of their business, the market where they operate, or the manner in which their assets are financed. This may render them unable to meet their obligations under the lease contracts with Group companies. The materialisation of this risk may lead to a significant deterioration of the Group's financial condition and the Company's ability to make payments under the Bonds.

Risks associated with tenants' operations in logistics parks

The Group companies lease warehouse and manufacturing space to tenants engaged in various businesses. In their lease contracts, tenants agree to hold business liability insurance policies. However, it cannot be ruled out that aggrieved parties may experience problems in pursuing claims for damages against tenants for damage caused in connection with their business, in particular any business activities that may cause environmental damage, or damage resulting from defective workmanship of warehouse units. Such a situation may give rise to civil claims against Group companies as the owners of land and facilities where business activities giving rise to third-party damage claims are conducted, and may have an adverse effect on the Group's business, financial condition or results of operations. As at the date of signing these risk factors, none of the tenants of real property located on the premises of active logistics parks is engaged in business activities which are considered dangerous.

Risk related to the supply of utilities to properties leased by Group companies

All the logistics parks have access to utilities adequate to meet the tenants' current demand. Also properties purchased by the Company or Group companies can be connected to utilities of a similar type. However, it cannot be ruled out that in the future, due to an increase in demand for utilities, the current volumes will prove insufficient, while the volumes planned for new projects may turn out to be underestimated. This could have a negative impact on the Group's business, financial condition or results of operations.

2. 2.2 Business development prospects

The strategic goal of MLP Group is to keep expanding its warehouse space portfolio on the European market, i.e. in Poland, Germany, Austria and Romania, as well as on new markets, i.e. in Benelux and Hungary.

The Group's strategic objectives are pursued through the construction of the following types of buildings:

- (1) big-box warehouse facilities, primarily addressing e-commerce growth and increased demand from light industry customers, driven by such factors as relocation of production from Asia to Europe; and
- 2) City Logistics projects as assets with a high potential for growth driven by rapid growth of the e-commerce business; The Group responds to this demand by offering: smaller warehouse units (ranging from 700 m² to 2.5 thousand m²), located within or close to city boundaries with easy access to labour and public transportation.

The strategic objectives of MLP Group were announced in Current Reports No. 35/2021 and 36/2021 of 18 November 2021.

According to the National Bank of Poland, Poland's GDP growth in the second quarter of 2022 was 5.5%, down from 8.5% in the first quarter. According to the central bank's forecast, Poland's GDP is expected to grow at 4.7% in 2022. Since last year inflation has significantly gathered pace, to reach 15.5% at the end of June 2022. This is the highest reading since 1997.

MLP Group positively views the growth prospects of the warehouse market in all countries where it operates. Demand for state-of-the-art warehouse and manufacturing space remains high. The Russian invasion and ongoing war in Ukraine will certainly contribute to further shortening of supply chains, increased stockpiling and relocating of production from areas affected by the armed conflict. Ukrainian businesses and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, international firms have been leaving Russia in protest against the invasion. Such activities are gaining pace. This will increase demand for warehouse and logistics space in Poland and other markets served by MLP Group.

Warehouse space market in H1 2022

• Poland

Throughout the first half of 2022, the warehouse market in Poland continued to develop at pace. A surge in demand for warehouse space was seen, with the volume of leases reaching 3.6 million m², up 6% year on year. The strong demand for warehouse space is driven by the need to diversify logistics networks and tailor them to the needs of e-commerce, as well as by continued constraints within global supply chains. Strong activity is displayed mainly by retail, logistics, courier service, manufacturing and automotive companies.

At the end of June 2022, vacancy rates fell 2.4pp year on year, to a record low of 3.2%. The rapidly falling vacancy rates, combined with rising property development costs, are increasing pressure to raise rents for warehouse space. Prime rent rates have increased by EUR 0.7 quarter on quarter, to EUR 5.30/m²/month.

In the six months ended 30 June 2022, property developers delivered over 2.2 million m² of new warehouse space to the market, marking record-high development activity in Poland. As a result, the total stock of modern warehouse space reached 26.1 million m². In response to the strong demand growth and falling vacancy rates, property developers launched a number of new projects with a total area close to 2 million m² in the first half of 2022. At the end of June, the total area of warehouse space under construction was 4.4 million m².

Source: Market View Poland, Industrial & Logistics Poland, Q2 2022, CBRE

● Germany

The volume of transactions on the German warehouse and logistics markets reached a record 4.78 million m² in the first half of 2022, having increased 39% year on year.

The current geopolitical and economic challenges (such as the war in Ukraine, disruptions within global supply chains, shortages of materials and the Covid-19 pandemic) have not eroded demand. In fact, many companies are expanding their storage capacities in Germany to minimise exposure to external risks. As a result, demand for warehouse space remains high, with supply failing to keep up in many regions. More often than not, lease renewals are the only option available to business operators. The development of post-industrial land is gaining prominence.

In the first half of 2022, total demand on the five largest markets (Berlin, Düsseldorf, Frankfurt, Hamburg and Munich) was record-high at approximately 1.51 million m², up by 35% on the same period the year before.

The highest demand was recorded in Berlin (789 thousand m²), followed by Hamburg (248 thousand m²) and Frankfurt (181 thousand m²), which however saw a marked decrease compared with the previous year. On the other hand, Düsseldorf and Munich saw a significant increase in demand, by 60% (to 180 thousand m²) and by 34% (to 111 thousand m²), respectively.

Inquiries for available space came largely from the manufacturing sector (31%) and retail operators (30%). The distribution and logistics industries accounted for approximately 26% of total demand.

Although in the first half of 2022 much more warehouse space was delivered to the market in the Big Five cities than in the same period of the year before (approximately 835 thousand m² in H1 2022 vs 191 thousand m² in H1 2021), only 4% of that space remains vacant. Of approximately 1.1 million m² currently under construction, 19% is still available to the market.

In addition to the shortage of space, an increase in construction costs pushed up rents for prime warehouse locations with an area of > 5 thousand m² across all regions of the Big Five cities over the last 12 months. The steepest rent growth was recorded in Hamburg (up 17%, to EUR 7.50 per m²) and Berlin (up 14%, to EUR 6.25 per m²). In Frankfurt and Düsseldorf, prime rents went up by 13% and 8% over the last 12 months, to EUR 7.00/m² and EUR 6.50/m², respectively. The highest rent rates were paid in Munich, of EUR 7.75 per m², representing an increase of 9%. Rents for prime facilities are expected to grow further in the coming months.

In the first half of 2022, the volume of transactions in the other parts of Germany, outside the five largest markets, was 3.27 million m², an increase of 13% compared with the first six months of 2021. The strongest interest came from distribution, logistics and retail operators, accounting for approximately 32% of total demand. Another 29% was attributable to manufacturing firms.

The highest volume of transactions outside the Big Five regions was recorded in the Ruhr (approximately 374 thousand m²),

Source: JLL, Logistics and Industrial Market Overview, Germany, H1 2022

● Romania

Supply and demand continue to see fast growth in the Romanian market for industrial and logistics space.

As at the end of June 2022, Romania's stock of modern industrial and logistics space exceeded 6 million m², reaching 6.03 million m².

Over the first two quarters of 2022, approximately 373 thousand m² of modern warehouse space was delivered. With 48% of the new supply, Bucharest maintains its leading position as the country's most developed industrial hub. The capital city claims half of the country's logistics stock, while the other four regions jointly accommodate the other half of modern space.

Slightly more than 0.5 million m² of space is under development, at different stages of the construction process, expected to be delivered at the end of 2023. In addition, industrial and logistics property developers plan to build a further 1 million m² or so across the country.

As at the end of June 2022 the vacancy rate was 3.1%, making it increasingly difficult for tenants to find space suited to their needs. Bucharest recorded an even lower vacancy rate of only 2.8%.

Source: Market Outlook H1 2022 Romania Real Estate, CBRE Research

● Austria

Despite weaker economic forecasts, demand for warehouse space remains solid, especially from the e-commerce and courier service business. The future is in converting post-industrial sites, with B locations also gaining in prominence.

2021 was another very successful year for the Austrian warehouse market. Until a few years ago there was hardly any rental space in Austria that met the requirements of a modern logistics property. For some time now large-scale project developments for third-party users have dominated the market, demonstrating that increased supply also generates greater demand.

In the first half of 2022, the logistics market of Vienna and the surrounding area hit another record, with leases signed up for some 100 thousand m² of space.

The current state of demand suggests that this trend will continue over the next few years. By restructuring supply chains to avoid further supply shortages, retailers, logistics service providers and manufacturing companies have increased their need for additional logistics space.

The prime rent for logistics properties rose to approximately EUR 6.5/m²/month and continues to follow an upward trend. The vacancy rate in modern logistics space reached a new record low, amounting to just 0.5% for Class A and B logistics properties in Vienna and the Vienna region.

We also see a similar development in the federal provinces and especially around the logistics hotspots of Graz and Linz. The rents there are currently lower than in Vienna, but several new projects are to be implemented, which together will create a larger modern supply.

Source: Market Outlook 2022, Austria Real Estate, CBRE Research

3. Financial condition of the Group; management of financial resources

3. 1 Key economic and financial data disclosed in the Group's full-year consolidated financial statements for 2022

3. 1.1 Selected financial data from the consolidated statement of financial position

Structure of the consolidated statement of financial position (selected material items):

	as at	30 June 2022	% share	31 December 2021	% share	Change (%)
ASSETS		4 571 924	100%	3 785 554	100%	21%
Non-current assets		4 348 147	95%	3 457 071	91%	26%
Including:						
Investment property		4 238 538	93%	3 394 504	90%	25%
Other long-term investments		96 954	3%	53 887	2%	80%
Current assets		223 777	5%	328 483	9%	-32%
Including:						
Short-term investments		19 777	0%	71 380	2%	-72%
Trade and other receivables		78 641	2%	74 346	2%	6%
Other short-term investments		3 200	0%	3 501	0%	-
Cash and cash equivalents		119 446	3%	177 234	5%	-33%

	as at	30 June 2022	% share	31 December 2021	% share	Change (%)
EQUITY AND LIABILITIES		4 571 924	100%	3 785 554	100%	21%
Total equity		2 298 224	50%	1 824 521	48%	26%
Non-current liabilities		2 037 714	45%	1 722 350	46%	18%
Including:						
Borrowings and other debt instruments, and other non-current liabilities		1 636 610	36%	1 428 170	38%	15%
Current liabilities		235 986	5%	238 683	6%	-1%
Including:						
Borrowings and other debt instruments		81 419	2%	121 222	3%	-33%
Trade and other payables		148 023	3%	108 323	3%	37%

As at 30 June 2022, the Group's investment property, comprising logistics parks, continued to be the key item of the Group's assets, accounting for 93% of the total. While non-current liabilities under borrowings and other debt instruments and equity were the largest items of total equity and liabilities, representing 36% and 50% of the total, respectively. The increase in equity was attributable to net profit earned in the six months ended 30 June 2022 (PLN 433,913 thousand). On the other hand, the increase in non-current liabilities under borrowings and other debt instruments was largely attributable to the contracting of new credit facilities and disbursement of further tranches under existing ones:

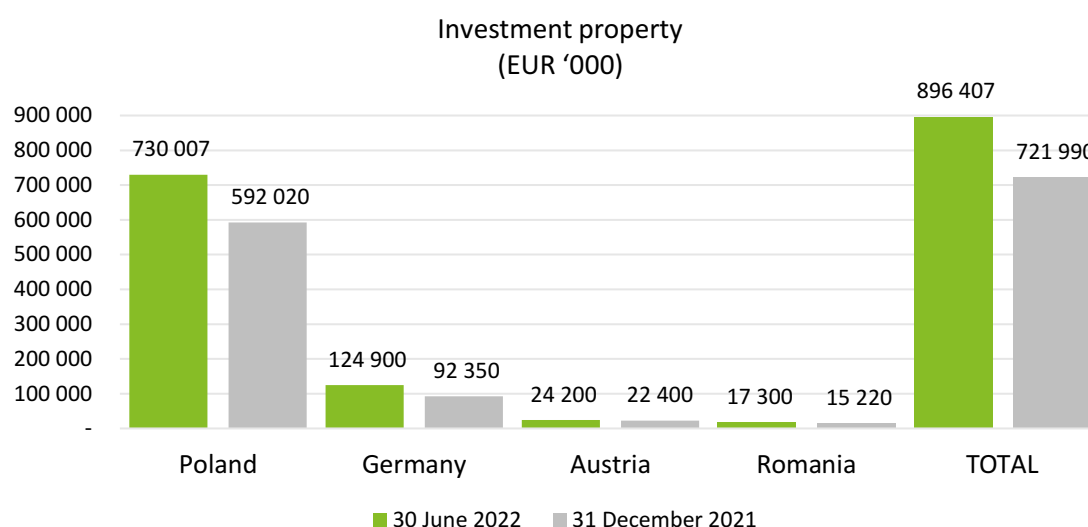
- a new credit facility agreement executed in March 2022 by MLP Business Park Berlin I Sp. z o.o. & Co. KG, a subsidiary, with Bayerische Landesbank – with the first tranche disbursed in April 2022,
- another tranche of an existing credit facility disbursed in February and March 2022 to MLP Poznań West II Sp. z o.o.,
- further tranches of an existing credit facility disbursed in March and April 2022 to MLP Logistic Park Germany I Sp. z o.o. & Co.

Current liabilities under borrowings and other debt instruments represented 2% of total equity and liabilities, having decreased year on year following redemption on maturity of Series A bonds by MLP Group S.A.

Investment property

	as at	30 June 2022	30 June 2022	31 December 2021	31 December 2021	Change
		[EUR '000]	[PLN '000]	[EUR '000]	[PLN '000]	[EUR '000]
MLP Pruszków I		97 440	456 077	94 910	436 529	2 530
MLP Pruszków II		222 190	1 039 981	183 200	842 610	38 990
MLP Poznań		46 100	215 776	39 820	183 148	6 280
MLP Lublin		40 523	189 672	37 690	173 351	2 833
MLP Teresin		19 660	92 021	18 840	86 653	820
MLP Wrocław		41 260	193 122	36 780	169 166	4 480
MLP Czeladź		29 100	136 205	25 000	114 985	4 100
MLP Gliwice		44 270	207 210	37 760	173 673	6 510
MLP Business Park Poznań		10 910	51 065	10 770	49 536	140
MLP Poznań West		108 230	506 581	71 270	327 799	36 960
MLP Wrocław West		16 640	77 885	15 760	72 487	880
MLP Łódź		36 294	169 878	20 220	93 000	16 074
MLP Gorzów		8 080	37 819	-	-	8 080
MLP Poznań East		2 700	12 638	-	-	2 700
MLP Unna		78 000	365 087	51 800	238 249	26 200
MLP Business Park Berlin		33 300	155 864	26 950	123 954	6 350
MLP Business Park Schalke		13 600	63 656	13 600	62 552	-
MLP Idstein		6 610	30 939	-	-	6 610
MLP Business Park Vienna		24 200	113 271	22 400	103 026	1 800
MLP Bucharest West		17 300	80 988	15 220	69 986	2 080
Valuation of the property portfolio		896 407	4 195 735	721 990	3 320 704	174 417

According to valuations made as at 30 June 2022, the total value of the Group's property portfolio was EUR 896,407 thousand (PLN 4,195,735 thousand), having increased by EUR 174,417 thousand on 31 December 2021. The change was mainly driven by: (i) completion and delivery of 109 thousand m² of new space in Poland and Germany, (ii) construction of new buildings with a total area of 171 thousand m² in Poland and Germany, (iii) purchase of new land for the construction of new logistics parks in Poland, and (iv) compression of yield rates resulting from rapid growth of the warehouse space market across all of the Group's geographies.



Investments and other investments

	as at	30 June 2022	31 December 2021
Other long-term investments		40 608	33 315
Long-term loans		16 265	20 572
Money fund units		19 777	71 380
Receivables from measurement of Swap transactions		40 081	-
Other short-term investments		3 200	3 501
Total investments and other investments		119 931	128 768

Other long-term investments comprised non-current portion of restricted cash of PLN 40,608 thousand, including: (i) cash of PLN 27,748 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) PLN 6,122 thousand, a deposit created from a security deposit retained from a tenant, (iii) cash of PLN 1,562 thousand set aside on the CAPEX account, (iv) other retained security deposits of PLN 2,449 thousand, and (v) a PLN 2,728 thousand bank guarantee.

As at 30 June 2022, receivables under loans decreased by PLN 4,307 thousand relative to the end of 2021 following repayment of loans by related parties.

In the first half of 2022, the Group sold some of its money fund units to finance new investment projects.

Other short-term investments comprise the current portion of restricted cash of PLN 3,200 thousand, including: (i) a short-term portion of retained security deposit of PLN 1,583 thousand and (ii) a short-term portion of funds set aside pursuant to the terms of credit facility agreements of PLN 1,617 thousand.

Cash

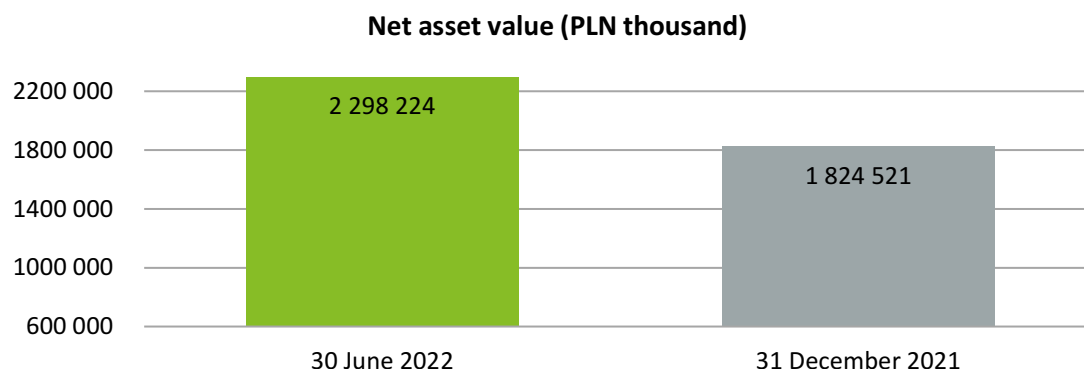
	as at 30 June 2022	31 December 2021
Cash in hand	54	44
Cash at banks	119 392	177 190
Cash and cash equivalents in the consolidated statement of financial position	119 446	177 234
Cash and cash equivalents in the consolidated statement of cash flows	119 446	177 234

Cash and cash equivalents disclosed in the consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

As at 30 June 2022, the balance of cash was PLN 119,446 thousand, having decreased by PLN 57,788 thousand on 31 December 2021.

Equity

Net assets (NAV)



As at 30 June 2022, the net asset value was PLN 2,298,224 thousand, having increased by PLN 473,703 thousand (or 25.96%).

The increase in NAV was driven primarily by the net profit of PLN 433,913 thousand earned in the six months ended 30 June 2022, increased by a gain on the measurement of hedging instruments recognised in other comprehensive income.

Share capital

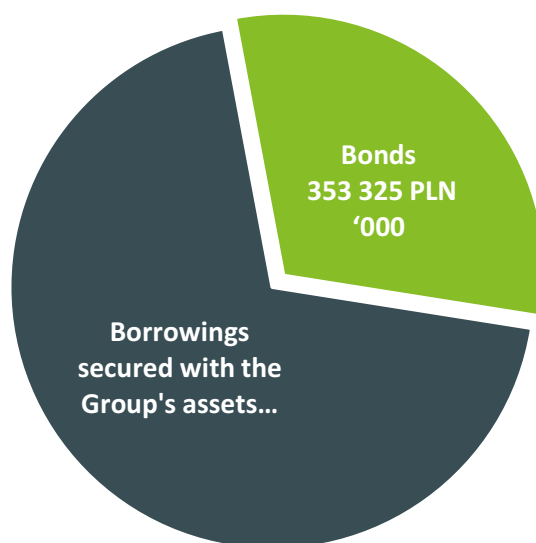
	as at 30 June 2022	31 December 2021
Series A shares	11 440 000	11 440 000
Series B shares	3 654 379	3 654 379
Series C shares	3 018 876	3 018 876
Series D shares	1 607 000	1 607 000
Series E shares	1 653 384	1 653 384
Total	21 373 639	21 373 639
Par value per share	0,25 zł	0,25 zł

As at 30 June 2022, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

Liabilities under borrowings and other debt instruments, and other liabilities

	as at 30 June 2022	31 December 2021
Borrowings secured with the Group's assets	1 259 730	1 004 285
Bonds	304 239	344 955
Non-bank borrowings	16 281	20 633
Total non-current liabilities under borrowings and other debt instruments	1 580 250	1 369 873
Finance lease liabilities (perpetual usufruct of land)	42 597	42 915
Liabilities from measurement of interest rate hedges	-	4 980
Performance bonds, security deposits from tenants and other deposits	13 763	10 344
Total other non-current liabilities	56 360	58 239
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	32 333	26 702
Bonds	49 086	94 520
Total current liabilities under borrowings and other debt instruments, and other current liabilities	81 419	121 222
Liabilities under borrowings and other debt instruments, and other liabilities	1 718 029	1 549 334

Liabilities under borrowings and other debt instruments represent a significant portion of the Group's total equity and liabilities. The Group uses bank credit mainly to finance construction of new facilities in the existing logistics parks. Proceeds from the issue of corporate bonds are invested in new land assets.

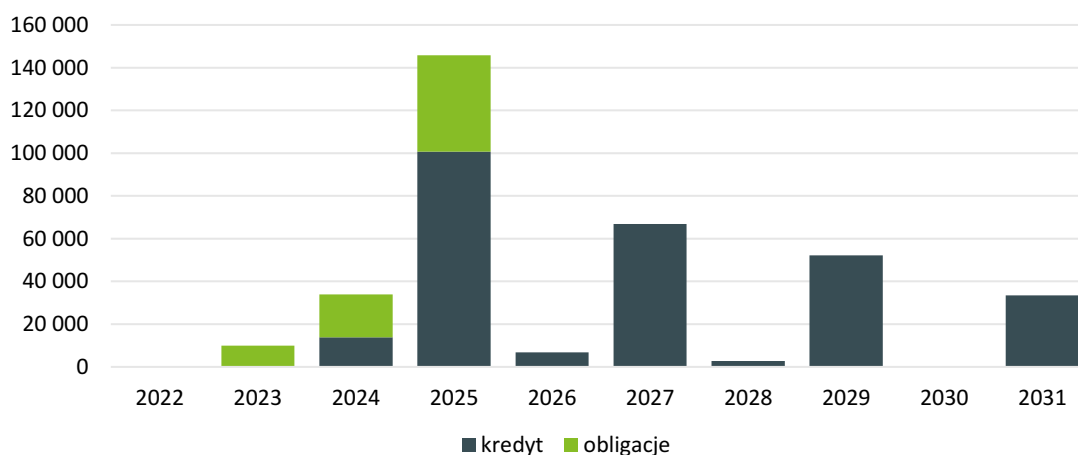


New credit facilities taken out by the Group companies and further tranches disbursed under existing credit facilities were the key source of increase in the amount of borrowings, other debt instruments, and other liabilities:

- a new credit facility agreement executed in March 2022 by MLP Business Park Berlin I Sp. z o.o. & Co. KG, a subsidiary, with Bayerische Landesbank – with the first tranche disbursed in April 2022 (EUR 12,405 thousand),
- another tranche of an existing credit facility disbursed in February and March 2022 to MLP Poznań West II Sp. z o.o. (EUR 15,139 thousand)
- further tranches of an existing credit facility disbursed in March and April 2022 to MLP Logistic Park Germany I Sp. z o.o. & Co. (EUR 12,568 thousand)
- another tranche of an existing credit facility disbursed by OTP Bank to MLP Bucharest West SRL (EUR 1,900 thousand).

The decrease in liabilities under bonds was due to the redemption on maturity of Series A bonds.

Bank borrowings and other debt instruments by maturity EUR '000

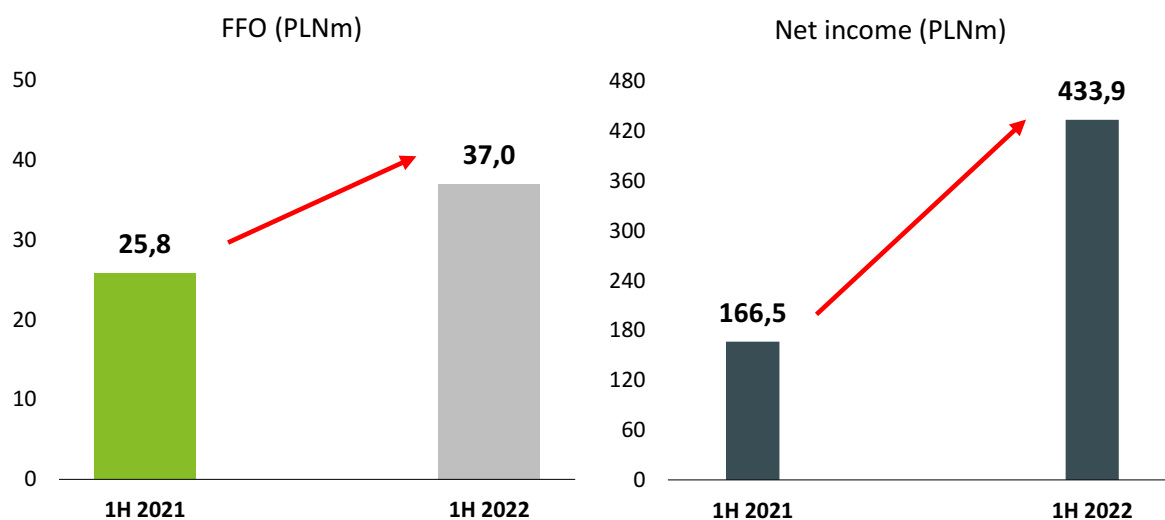


3. 1.2 Selected financial data from the consolidated statement of profit or loss

Consolidated statement of profit or loss for the six months ended 30 June 2022 and 2021

	<i>for the six months ended 30 June</i>	2022	% sales	2021	% sales	Change (%)
Revenue		123 247	100%	97 565	100%	26%
<i>including:</i>						
Revenue from development contract		-	0%	1 880	2%	-
Other income		684	1%	715	1%	-4%
Distribution costs and administrative expenses		(63 629)	52%	(51 626)	53%	23%
<i>including:</i>						
Costs related to property development contract		-	0%	(1 517)	-2%	-
Other expenses		(938)	1%	(1 321)	1%	-29%
Operating profit before gain/(loss) on valuation of investment property		59 364	48%	45 333	46%	31%
Gain on revaluation of investment property		517 808	420%	160 167	164%	223%
Operating profit		577 172	468%	205 500	211%	181%
Net finance costs		(38 132)	31%	(791)	1%	4721%
Profit before tax		539 040	437%	204 709	210%	163%
Income tax		(105 127)	85%	(38 194)	39%	175%
Net profit		433 913	352%	166 515	171%	161%
EPRA Earnings		31 355		26 251		
EPRA Earnings per share		1,47 zł		1,23 zł		
FFO		36 991		25 838		

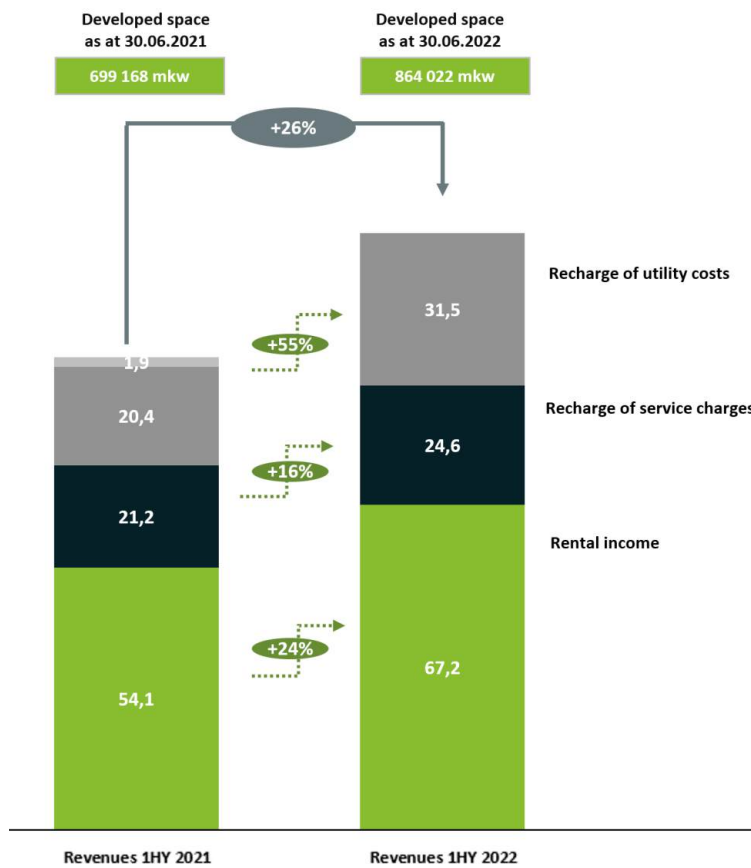
	<i>for the six months ended 30 June</i>	2022	2021
Earnings per share:			
- Basic earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent		20,30	8,33
Diluted earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent		20,30	8,33



	for the six months ended 30 June	2022	2021	change (%)
Rental income from investment property		67 177	54 118	24,1%
Recharge of service charges		23 210	19 859	16,9%
Recharge of utility costs		31 478	20 367	54,6%
Other revenue		1 382	1 341	3,1%
Rental income		123 247	95 685	28,8%
Revenue from development contract		-	1 880	-100,0%
Total revenue		123 247	97 565	26,3%

Rental income from investment properties is the main source of the Group's revenue. In the first six months of 2022, rental income was PLN 67,177 thousand, having increased by 24% year on year. The increase in rental income (up PLN 13,059 thousand) was chiefly an effect of a total of 137 thousand m² of completed space having been delivered under leases between 30 June 2021 and 30 June 2022 as well as of renewal of leases expiring in the first half of 2022.

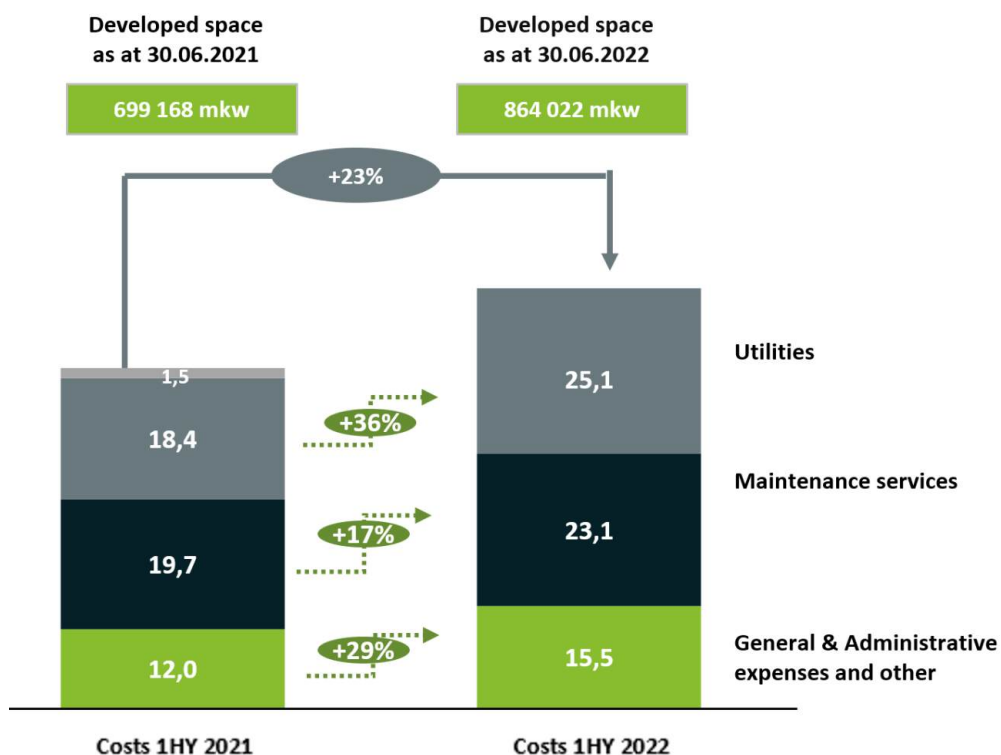
Change in key items of revenue in H1 2021 and H1 2022:



	<i>for the six months ended 30 June</i>	2022	2021	change (%)
Depreciation and amortisation		(197)	(167)	18,0%
Property maintenance services		(21 645)	(17 803)	21,6%
Utilities		(25 098)	(18 395)	36,4%
Administrative expenses and development costs		(15 235)	(11 866)	28,4%
Other recharged costs		(1 454)	(1 878)	-22,6%
Distribution costs and administrative expenses		(63 629)	(50 109)	27,0%
Development contract costs		-	(1 517)	-100,0%
Total operating expenses		(63 629)	(51 626)	23%

In the six months ended 30 June 2022, operating expenses amounted to PLN 63,629 thousand, having increased by 23% year on year. The item comprises six major cost categories, of which the most important one are costs directly associated with the Group's business (i.e. property maintenance costs and utility costs, accounting for 73% of total distribution costs and administrative expenses), both of which are fully offset by recharge of service charges and recharge of utilities.

Change in key items of distribution costs and administrative expenses in H1 2021 and H1 2022:



The 17% (PLN 3,418 thousand) increase in property maintenance costs was mainly attributable to an increase in property tax expense by PLN 1,870 thousand, of which 67% was due to growth in space delivered from 30 June 2021 to 30 June 2022 and 33% was attributable to higher property tax rates. The rise in property maintenance costs can also be explained by a PLN 770 thousand increase in technical maintenance costs and a PLN 800 thousand increase in security and cleaning costs, correlated with a rise in the volume of completed space and parks.

The Group also incurs administrative expenses and development costs related to its development activities. In the first six months of 2022, administrative expenses and development costs amounted to PLN 15,235 thousand, having increased by PLN 3,369 thousand (28,4%) year on year. Administrative expenses and development costs in the first half of 2022 included costs related to the development of new projects of PLN 1,474 thousand. Items recognised by the Group under administrative expenses and development costs include the costs of advisory, banking and consulting services, which also rose relative to the first half of 2021 reflecting an increased scale of the Group's operations.

In the six months ended 30 June 2022, the Group's net finance costs totalled PLN 38,132 thousand, mainly as a result of foreign exchange losses (PLN 18,803 thousand), interest on borrowings (PLN 9,350 thousand), and interest on bonds (PLN 4,879 thousand). However, the most significant factor behind the change in this item compared with the first half of 2021 were exchange differences (as foreign exchange gains were reported in the comparative period).

In the six months ended 30 June 2022, the Group recognised a gain on revaluation of investment properties of PLN 517,808 thousand (H1 2021: a gain of PLN 160,167 thousand). The main sources of the gain on revaluation of investment properties for the first half of 2022 included completion of new space and delivery of a total of 137 thousand m² of space in the period from 30 June 2020 to 30 June 2021 and launch in the first half of 2022 of new projects at MLP parks with a total space of 62 thousand m², to be completed in the second half of 2022 (48 thousand m²) and in the first half of 2023 (14 thousand m²). The increase in the gain on revaluation of investment properties is also attributable to land purchased in the first half of 2022 (MLP Gorzów, MLP Poznań East and MLP Idstein).

3. 1.3 Selected data from the consolidated statement of cash flows

	<i>for the six months ended 30 June</i>	2022	2021
Net cash from operating activities		71 409	120 940
including:			
<i>income from property development contract</i>		-	9 480
Net cash from investing activities		(254 623)	(349 395)
Net cash from financing activities		123 977	236 926
Total net cash flows		(59 237)	8 471
Cash at beginning of period		177 234	163 009
Effect of exchange differences on cash and cash equivalents		1 449	(966)
Cash and cash equivalents at end of period		119 446	170 514

In the first six months of 2022, the Group reported positive operating cash flows of PLN 71,409 thousand, a decrease of PLN 49,531 thousand on the first half of 2021.

The change in cash flows from operating activities between the comparative periods was largely attributable to changes in the amounts of receivables and liabilities in the periods. The change in liabilities booked by the Group in the six months ended 30 June 2022 was lower than in the comparative period of 2021, as a result of settlement of liabilities outstanding as at the end of the previous reporting periods.

The change in receivables in the first six months of 2022 was also lower relative to the comparative period of 2021, translating into a lower amount of cash in the first half of 2022.

The largest expenditure in both periods was capital expenditure on projects implemented by the Group.

In the six months to 30 June 2022, the Group reported positive cash flows from financing activities of PLN 123,977 thousand. The amount (despite PLN 94,118 thousand spent on the redemption on maturity of Series A bonds) was attributable mainly to disbursements of tranches of credit facilities to Group companies, the largest of which were received under a credit facility agreement between MLP Business Park Berlin I Sp. z o.o. & Co. KG and Bayerische Landesbank (in the first half of 2022, a tranche of EUR 12,405 thousand was disbursed), disbursement of subsequent tranches: 1) by Bayerische Landesbank to MLP Logistic Park Germany I Sp. z o.o. & Co. (EUR 12,568 thousand) and 2) by OTP Bank to MLP Bucharest West SRL (EUR 1,900 thousand), as well as disbursement of the construction facility to MLP Poznań West II Sp. z o.o. (EUR 15,139 thousand).

3. 2 Management Board's position on published forecasts

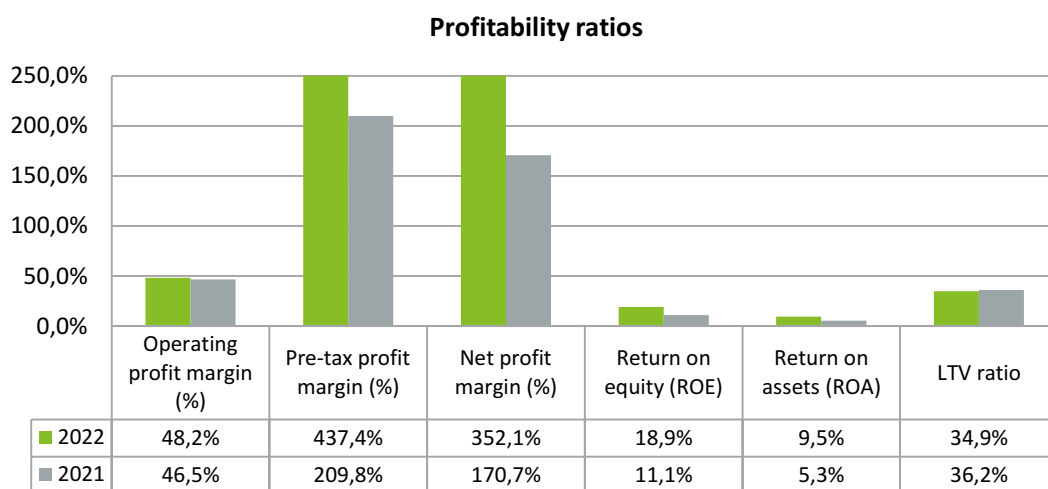
The Management Board of MLP Group S.A. has not published any financial forecasts for 2022.

3. 3 Management of the Group's financial resources

In the first half of 2022, in connection with its investment projects involving construction of storage and office space, the Group's efforts in the area of managing its financial resources were mainly focused on securing and appropriately structuring the financing sources, and on maintaining safe liquidity ratios. The Management Board analyses and plans the Group's financing structure on an ongoing basis to deliver the budgeted ratios and financial results while ensuring that the Group's liquidity and wider financial security are maintained.

The Management Board believes that as at 30 June 2022 the Group's assets and financial position were stable, thanks to the Group's well-established position on the warehouse space market, combined with the relevant experience and operational capabilities in managing property development projects and leasing commercial space. Further in this report the Group's financial condition and assets are discussed in the context of the liquidity and debt ratios.

3. 3.1 Profitability ratios



The profitability analysis is based on the following ratios:

- **operating profit margin:** operating profit before investment property valuation/revenue;
- **pre-tax profit margin:** profit/(loss) before tax / revenue;
- **net profit margin:** net profit (loss)/revenue;
- **return on equity (ROE):** net profit/(loss) / equity;
- **return on assets (ROA):** net profit (loss) / total assets.
- **LTV ratio:** [(interest-bearing debt - (cash and cash equivalents + money fund units + restricted cash to secure repayment of loans)]/Investment property

In the six months ended 30 June 2022, the operating profit margin increased year on year. The operating profit margin in the reporting period was mainly driven by completion and delivery to tenants of 137 thousand m² of new space between 1 July 2021 and 30 June 2022.

In the first half of 2022, the pre-tax profit margin was 437,4 %, having increased by 227,6pp. The change was primarily attributable to operating profit, as well as higher revaluation of investment property.

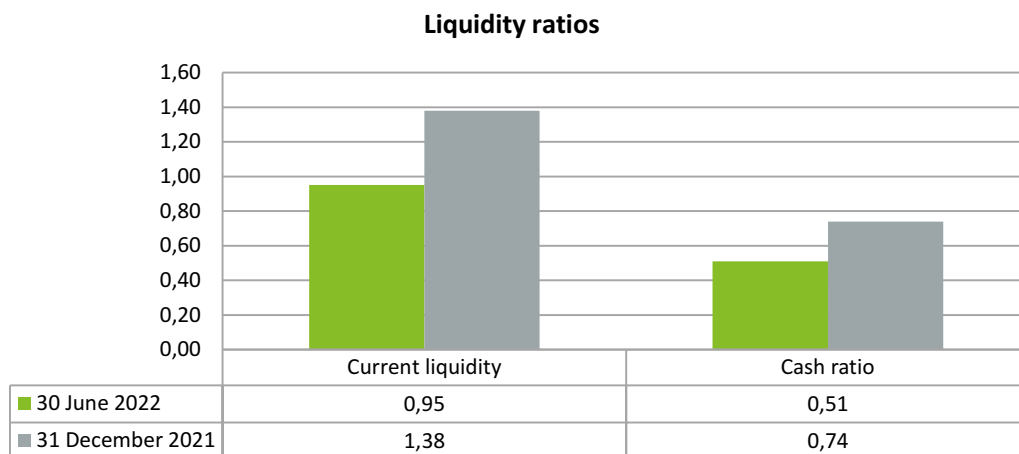
The net margin rose year on year by 181,4pp, to 352,1% in the reporting period.

Return on equity increased to 18.9% in the first six months of 2022, up 7.8pp year on year.

Return on assets increased year on year, by 4,2pp.

In the first half of 2022, the LTV ratio was 34.9%, 1.3pp lower than the year before (36.2%), which is considered a safe level. The change was attributable to the higher value of investment property held by the Group.

3. 3.2 Liquidity ratios



The liquidity analysis is based on the following ratios:

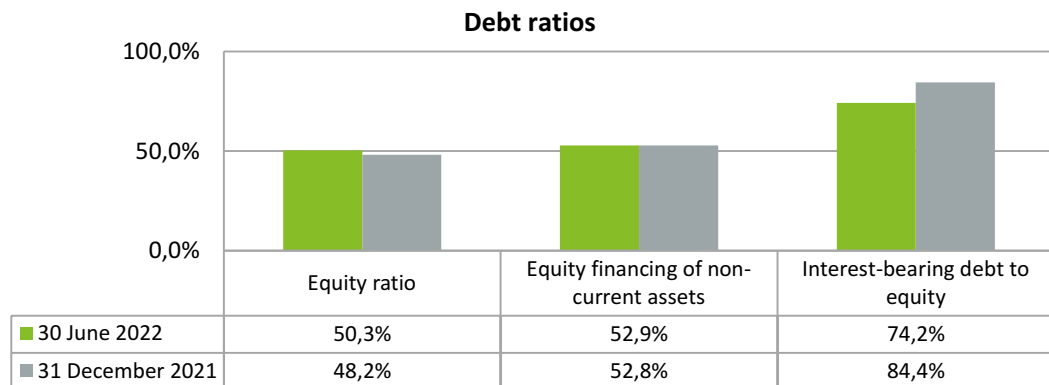
- **current ratio:** current assets / current liabilities;
- **cash ratio:** cash and cash equivalents / current liabilities.

As at 30 June 2022, the current ratio decreased relative to year-end 2021 (by 0.43pp), due mainly to a decrease in current assets.

The cash ratio as at 30 June 2022 decreased relative to the end of 2021 by 0.23pp.

The change in both ratios is mainly attributable to a significant decrease in current assets. The decrease resulted from a lower amount of cash and lower short-term investments – in the first half of the year, the Group sold its money fund units worth PLN 51,603 thousand.

3. 3.3 Debt ratios



The debt analysis is based on the following ratios:

- **equity ratio:** total equity / total assets;
- **equity to non-current assets ratio:** total equity / non-current assets;
- **financial liabilities to equity ratio:** financial liabilities¹⁾ / total equity.

¹⁾ Financial liabilities include non-current and current liabilities under borrowings and other debt instruments, as well as finance lease liabilities and liabilities on measurement of swap transactions.

As at 30 June 2022, the equity ratio increased (by 2.0pp), to 50.2%. In accordance with the terms and conditions of the Series B, Series C and Series D bonds, the equity ratio may not be less than 35%. The equity to non-current assets ratio fell slightly, by 0.1pp. The interest-bearing debt-to-equity ratio also declined (by 9.8pp), which was linked to new credit facilities, with a simultaneous increase in retained earnings and cash flow hedging reserve.

3. 4 Borrowings, bonds, sureties and guarantees

3. 4.1 New and terminated non-bank borrowings

In the six months ended 30 June 2022, the Group did not take out any new non-bank borrowings.

3. 4.2 New and terminated bank borrowings

- **New credit facility agreements executed in the six months ended 30 June 2022**

On 28 January, 1 March and 28 April 2022, Bayerische Landesbank disbursed further tranches of the facility to MLP Logistic Park Germany I Sp. z o.o. & Co. (EUR 12,568 thousand)

On 17 February 2022 and 31 March 2022, PKO BP S.A. disbursed further tranches of the facility to MLP Poznań West II Sp. z o.o. (EUR 15,139 thousand)

On 23 May 2022, OTP Bank disbursed another tranche of the facility to MLP Bucharest West SRL (EUR 1,900 thousand).

On 21 March 2022, a credit facility agreement was executed by MLP Business Park Berlin I Sp. z o.o. & Co. KG with Bayerische Landesbank. On 20 April 2022, the first tranche of the facility was disbursed (EUR 12,405 thousand).

- **Repayment of bank borrowings in the six months ended 30 June 2022**

In the six months ended 30 June 2022, the Group made all due and scheduled payments under its credit facility agreements.

No credit facilities were terminated in the reporting period.

3. 4.3 Bonds

On 9 December 2019, the Management Board of MLP Group S.A. passed Resolution No. 3/12/2019 to establish a bond issue programme (the "Programme"), pursuant to which on 18 December 2019 the Company entered into an agreement with Bank Polska Kasa Opieki S.A. of Warsaw, as the arranger, paying agent, dealer, technical agent, offering agent and bookrunner, and Pekao Investment Banking S.A. of Warsaw as the arranger, technical agent, offering agent and dealer (the "Agreement").

The Company redeemed Series A bonds with a total nominal value of EUR 20,000,000 on their maturity date, i.e. 10 May 2022.

On 22 July 2022, the Company issued, by way of public offering for qualified investors, 6,000 Series E bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 6,000,000. The bonds were issued as unsecured instruments. The objective of the issue was not specified. The bonds were registered with the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00108, and the bonds have been traded in the Catalyst alternative trading system since 22 July 2022. The bonds pay variable interest at 3M EURIBOR plus margin. The Series E bonds mature on 22 January 2024.

The bonds of MLP Group S.A. outstanding as at 30 June 2022 are presented below.

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	ISIN
Obligacje niepubliczne - seria B	EUR	10 000 000	11.05.2023	6M EURIBOR + margin	none	PLMLPGR00041
Obligacje publiczne - seria C	EUR	45 000 000	19.02.2025	6M EURIBOR + margin	none	PLMLPGR00058
Obligacje publiczne - seria D	EUR	20 000 000	17.05.2024	6M EURIBOR + margin	none	PLMLPGR00090

3. 4.4 Loans

In 2021, the Group did not grant any new loans.

3. 4.5 Sureties issued and received

On 14 January 2022, MLP Group S.A. provided an up to PLN 1,800,000 surety to MLP Łódź II Sp. z o.o. to secure fulfilment by the latter of its project developer commitments under a road redevelopment agreement with the City of Łódź.

3. 4.6 Guarantees provided and received

In the first half of 2022, the Group neither provided nor received any guarantees.

3. 5 Feasibility of investment plans

The Group has adequate capital resources to meet its strategic objectives and finance its day-to-day operations.

The Group finances its investments (both acquisitions of new properties as well as extension of the existing logistics parks) with the Group's own resources and long-term borrowings, including credit facilities, non-bank borrowings and issues of commercial paper.

The Group assumes that the share of debt financing in the financing of the planned projects will be approximately 70%.

3. 6 Non-recurring factors and events with a bearing on the consolidated financial result for the six months ended 30 June 2022

In the six months ended 30 June 2022, there were no non-recurring factors or events that would have a material effect on the consolidated profit or loss for the financial period.

3. 7 Issue, redemption, cancellation and repayment of non-equity and equity securities

On 9 December 2019, the Management Board of MLP Group S.A. passed Resolution No. 3/12/2019 to establish a bond issue programme (the "Programme"), pursuant to which on 18 December 2019 the Company entered into an agreement with Bank Polska Kasa Opieki S.A. of Warsaw, as the arranger, paying agent, dealer, technical agent, offering agent and bookrunner, and Pekao Investment Banking S.A. of Warsaw as the arranger, technical agent, offering agent and dealer (the "Agreement"). For more information, see Note 3.4.3.

3. 8 Material achievements and failures in the six months ended 30 June 2022

There were no material achievements or failures other than those described in this Management Board's report on the activities of the MLP Group S.A. Group.

3. 9 Seasonality and cyclicity

The Group's business is not seasonal or cyclical.

4. Statement of the Management Board

We represent that, to the best of our knowledge, the interim condensed consolidated and separate financial statements and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the assets, financial position and results of the Company and the Group.

We further represent that the half-year Management Board's report on the activities of the MLP Group S.A. Group presents a true view of the development, achievements and condition of the Company and the Group, including a description of key threats and risks.

We represent that the statutory auditor of financial statements who reviewed the interim condensed consolidated financial statements and audited the separate financial statements for the period from 1 January to 30 June 2022, namely PWC Polska Sp. z o.o. Audyt Sp.k., was appointed in accordance with the applicable laws.

We further represent that both the auditing firm and the qualified auditor who performed the review met the conditions required to issue an impartial and independent report from the review of the full-year consolidated financial statements and the audit of the interim condensed separate financial statements, in accordance with the applicable provisions of law and professional standards.

Radosław T. Krochta
*President of the
Management Board*

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
*Member of the
Management Board*

Monika Dobosz
*Member of the
Management Board*

Agnieszka Góźdź
*Member of the
Management Board*

Pruszków, 23 August 2022