MLP GROUP S.A. GROUP CONSOLIDATED

HALF-YEAR REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2023

This document is a translation. Polish version prevails.

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www.mlpgroup.com

Contents:

I. Letter from President & CEO to Shareholders

Dear Fellow Shareholders,

Let me start the 1H 2023 letter with adage – scepticism and pessimism are not synonymous. Scepticism calls for pessimism when optimism is excessive. But it also calls for optimism when pessimism is excessive – that defined our way of operations in 1H 2023 and paved the way we will operate in through 2H 2023 and onwards.

Euro area economic activity slightly declined at the turn of the year, but has remained relatively resilient to the large negative supply shocks that have been hitting the economy. The economy is expected to return to growth in the coming quarters as energy prices moderate, foreign demand strengthens and supply bottlenecks are resolved, allowing firms to continue to work through their significant order backlogs. Furthermore, real incomes are set to improve, underpinned by a robust labour market, with unemployment hitting new historical lows. In summary, central banks have completed the cycle of interest rate hikes, rather bad scenarios have not materialized, it seems that we will have the so-called soft economic landing and in 2024 we should expect interest rate cuts - **which will translate, among other things, into lower yields and an increase in the valuation of real estate.**

In 1H 2023 we turned very conservative to face precarious/uncertain economy and potential risks aligned with economical slow-down.

Although I begin this letter to shareholders in a challenging landscape, I remain proud of what had been achieved in 1H 2023. We had a very successful six months. We delivered excellent results, both from an operational and financial point of view driven by strong leasing performance across Europe. **MLP Group has one of the best and most modern pan-European industrial warehouse portfolios, through which we can serve our customers' entire regional and local needs.**

Looking back on 1H 2023, our main highlights include:

- **Revenues amounted to PLN 185.7 million,** +51% YoY
- **EBITDA without revaluation** amounted to PLN 97.2 million, (+ 63% vs 1H2022), EUR 21.1 million (+64% vs 1H2022),
- **Value of investment properties** reached PLN 4.3 billion (- 3% vs 31 December 2022), EUR 963.1 million (+2% vs 31 December 2022),
- **Net Assets Value (NAV)** reached PLN 2 394.3 million (- 4% vs 31 December 2022), EUR 538.0 million (+1% vs 31 December 2022),
- **NAV per share** PLN 99.8 (- 4% vs 31 December 2022), EUR 22.4 (+1% vs 31 December 2022),
- **FFO** amounted to PLN 58.0 million (+ 57% vs 1H2022), EUR 12.6 million (+58% vs 1H2022),
- **Net loss** amounted to PLN -82.7 million (EUR -17.9 million),
- **Lease agreements** signed in 1H 2023 or in signing process by September 2023 approx. 161 thousand sqm,
- BREEAM/ DGNB 85% of our portfolio is certified with very good by 3Q 2023.

(all data in PLN thousand, unless stated otherwise)

Key ratio performance metrics in 1H 2023 compared to our competitors

	Country of origin	Like-for-Like rental growth	Rental revenue growth y/y	LTV
MLP GROUP		+15.1%	+49%	35.7%
ctp		+7.5%	+26.8%	45.9%
SEGRO		+5.1%	+12%	34.0%
WDP		+6.1%	+15.3%	38.3%
LOGICOR		+4.3%	+2.4%	48%

** Data as of December 31, 2022 due to lack of published Financial Statement for 1H 2023*

The quality and location of our portfolio is important to our tenants, but in our DNA we believe the high level of service we provide is crucial to maintaining high customer retention as well as low vacancy and the most importantly satisfaction. According to our recurring satisfaction survey 94% (increase by +1 vs 2022) of tenants said that they considered MLP as the most professional business partner. Customer relationship management helps us develop long-term relations reaching even over 20 years with the retention rate of 100%**.** We continue to learn about and from our tenants to understand their businesses, improve our services and stand out from the competition.

General leasing outlook in 1H 2023

- **In 1H 2023 leasing take-up pipeline is approx. 20% lower vs supply is 40-50% lower accompanied with low vacancy rate, it creates pricing and leasing opportunities for MLPG,**
- Occupiers taking longer to make final decisions – majority of the new deals in MLPG will be concluded in Q3 and Q4 2023,
- Lower demand generated by e-commerce companies,
- Strong demand by light industry tenants => reflecting MLPG strategy focus,
- Change in the size of the demand. Last years demand for 50-100k sqm for fulfillment centres, now the standard size of the lease is in the range of 5-15k sqm, reflecting MLPG strategy focus,
- Strong reshoring trend, companies are bringing production back home due to the Ukraine war and China's slowdown => reflecting MLPG strategy focus,
- **General contractors pricing y/y +10-12% vs rental growth +20-25%**

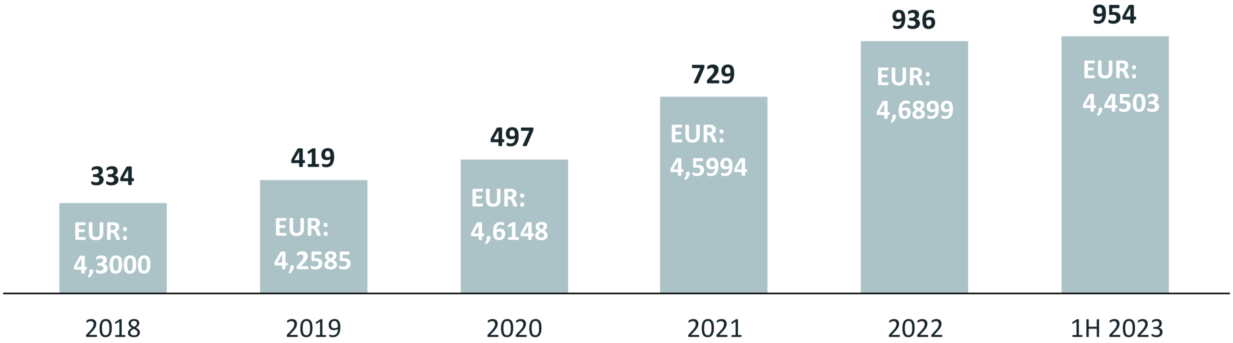
MLP GROUP – key developments in 1H 2023

Value of investment properties

Despite of the challenging economic landscape 1H2023 was successful period for us - we continued our strategy deployed in 2021 but from a much stronger equity position than we had in the past years.

PLN/EUR strengthening had the greatest impact on the value of investment property. Due to the strengthening of PLN in the reporting period - as at December 31, EUR 1 = PLN 4.6899 as at the reporting date of June 30, EUR 1 = PLN 4.4503, a decrease of PLN 0.2396 (-5%). As a consequence, the value of our investment properties decreased by PLN 224,316 thousand.

Gross Asset Value (in mn EUR)*



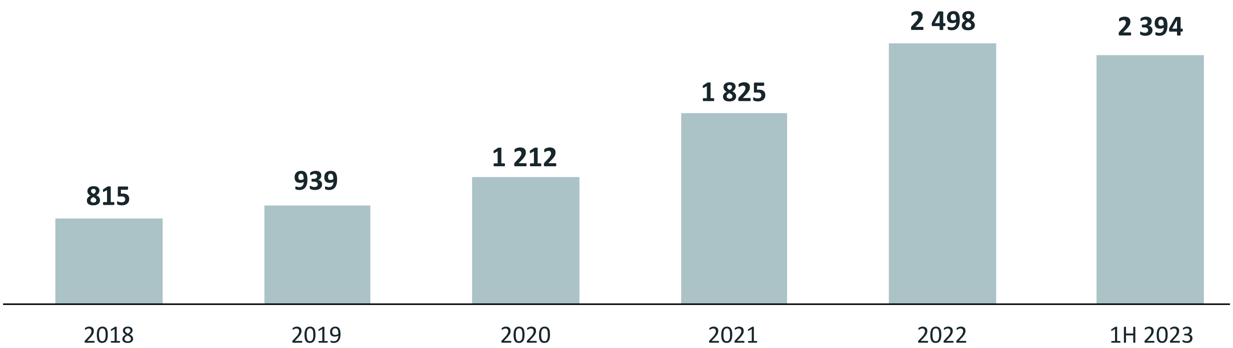
**Gross Asset Value without Perpetual Usufruct*

MLP's Portfolio is valued in EUR and for the presentation in Financial Statement is translated into PLN with the exchange rate (EUR/PLN) at the balance date.

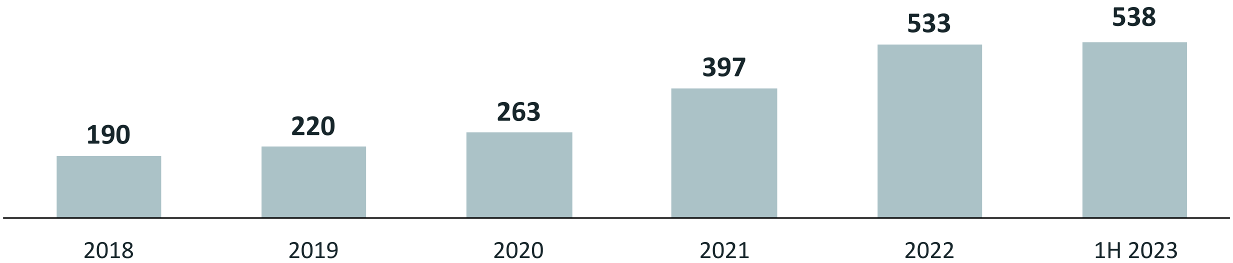
Despite slightly widening Yields (on average 25%), we were able to slightly increase the Gross/Net Asset Value (+1%), which was related to the handover of newly leased space to tenants and an significant increase in rental rates.

Net Assets Value (NAV) reached PLN 2 394.3 million (- 4% vs 31 December 2022), EUR 538.0 million (+1% vs 31 December 2022).

Net Assets Value (in mn PLN)

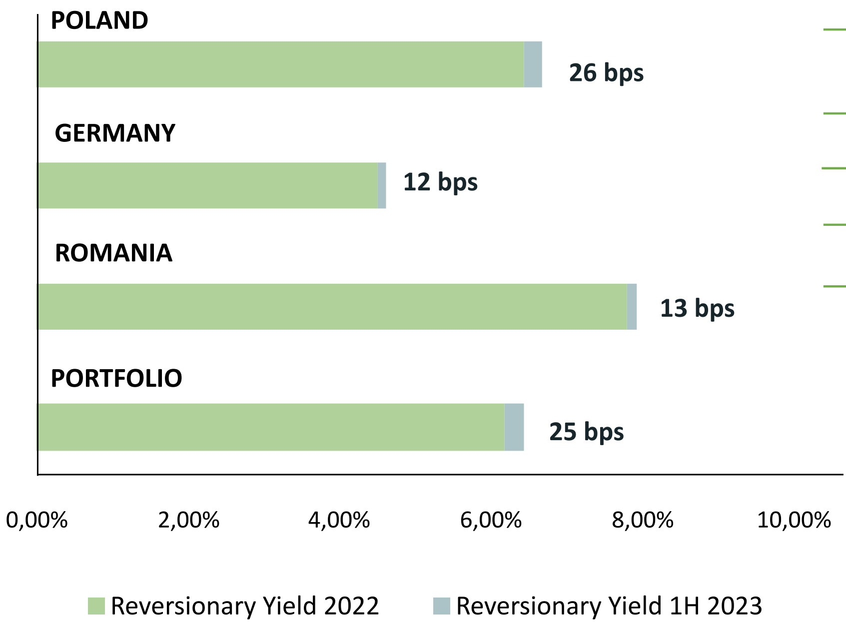


Net Assets Value (in mn EUR)



(all data in PLN thousand, unless stated otherwise)

Yield widening significantly offset with increase in ERVS and rents in MLP's portfolio



ERV growth per country

POLAND	+1.6%
GERMANY	+3.3%
ROMANIA	+0.2%

Value of investment properties reached PLN 4.3 billion (- 3% vs 31 December 2022), EUR 963.1 million (+2% vs 31 December 2022). The slight yield expansion in 1H 2023 in Poland, Romania and Germany was offset against growth in ERV (estimated rental values).

Leasing results

Lease agreements signed in 1H 2023 or in signing process by Sep 2023 approx. 161 thousand sqm.

As occupier demand remains robust and the supply of new industrial & logistics space is decreasing, vacancies stay low, allowing us to continue to drive rental growth. **On contrary, occupiers taking longer to make final decisions thus majority of the new deals in MLPG will be concluded in Q3 and Q4 2023**. The industrial & logistics sector in Europe benefits from structural demand drivers, such as further improvement of supply chains, increasing interest for the nearshoring and friend-shoring projects in Europe.

In 1H2023 we started speculative development across all countries 108,110 sqm i.e. in Poland we started 92,110 sqm and in Romania 16,000 sqm of spec development. The completion of all started speculative development is expected by YE 2023/1Q 2024. We leased in the construction stage already 26%, which reconfirms the robustness of the occupier market. We expect to lease all those are by YE, the average rental rate is 16% higher vs 1H 2022 and the lease WAULT will be close to 10 years.

Our total portfolio reached 1 066 146 sqm with 97.4% occupancy across all our assets and new space under speculative development amounts to 108 thousand sqm.

In 1H 2023, we successfully continued our efforts to diversify our assets (Big-box logistic and Urban Logistic), tenants and geographies.

Our customer base remains well diversified, reflecting the multitude of uses of warehouse space. Top 10 tenants provide 35% of annual rental income. Customers from the light manufacturing and logistics sector were the largest takers of our space during 1H 2023. We strongly believe that the trend of near-shoring will be maintained in 2023. In the last year, 65% of new leases was generated by existing MLPG tenants.

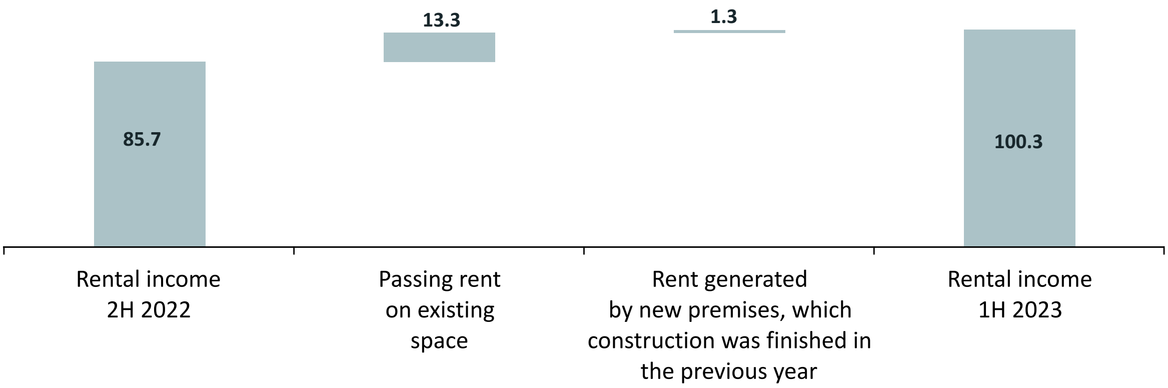
In 1H 2023, we saw strong like-for-like rental growth of 15.1% during the year. We continue to see robust occupier demand combined with market vacancies close to historic lows in supply-constrained markets.

Moreover 1H 2023 saw the delivery of approx. 97 thousands sqm of GLA in MLP Group portfolio, adding PLN 14.6 mn of contracted rent with the rent generated by the construction finished in previous year. Thanks to our profitable pipeline we continue to deliver positive revaluations with the high level of yield on cost – exceeding on average 10%, mobilizing our industry leading landbank, which we have been able to acquire at attractive prices.

Existing portfolio continues to perform well and delivered another set of strong operating metrics.

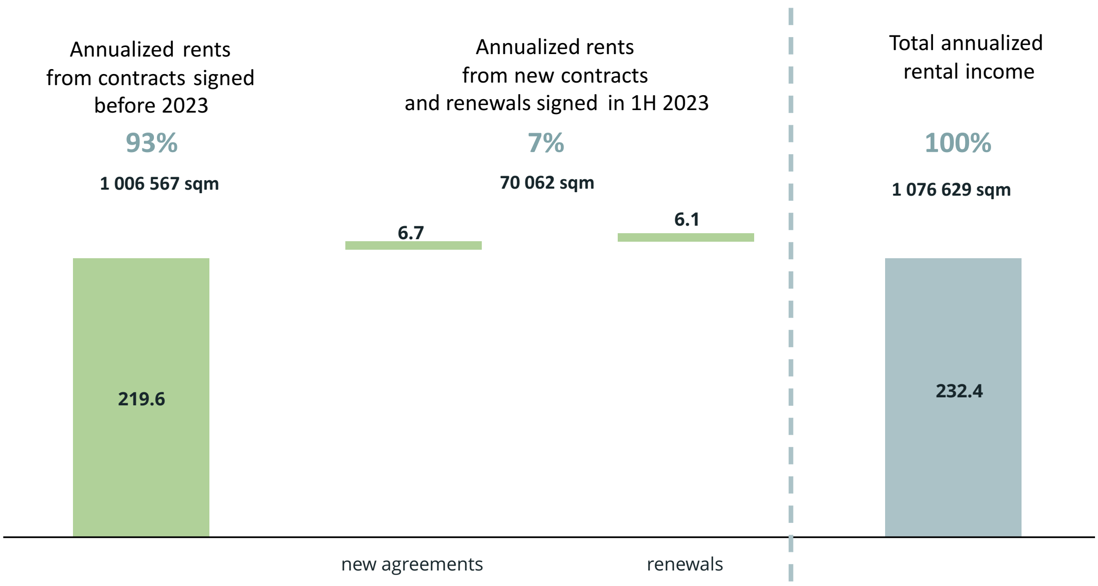
Strong tenants' portfolio – none of MLPG's tenants run into insolvency nor significant liquidity problems - very restrictive and conservative tenants acceptance policy brings sufficient level of comfort for economic slowdown. In addition, based on the tenant stress test we conducted, we do not expect any tenants to have any problems with paying rent on time - which only further confirms our very conservative customer acceptance policy brings expected results.

Break-down of the rental income of 1H2023 (in mn PLN)



At 30 June 2023, our portfolio generated rental income of PLN 100.3 million. During the year, we contracted PLN 1.3 million of new rent. We increased the rent from our existing space significantly by capturing reversionary potential and due to the impact of indexation by PLN 13.3 million.

Annualized future rental income based on all signed contracts (in mn PLN)



- PLN 219.6 million of rent from existing assets from contracts signed by 1H 2023.
- Rental growth from new lease reviews and renewals generated PLN 12.8 million.
- **Customer retention rate stayed at 100%**

PV/ Solar energy

Roll-out of solar energy investments on track MLPG is on track with its expansion plan for the roll-out of photovoltaic systems over the course of 2023. With an average cost of app EUR 770,000 per MWp, MLP Group targets a YoC of 15% for these investments. MLP Group sustainability ambition goes hand in hand with more and more tenants requesting photovoltaic systems, as they provide them with i) improved energy security, ii) a lower cost of occupancy, iii) compliance with increased regulation and / or their clients requirements and iv) the ability to fulfil their own ESG ambitions.

MLPG has already assembled 4.67 MWp of photovoltaic systems on the top of the roof and plans to increase this amount to 6.46 MWp by the end of this year. The goal is to install a photovoltaic system on every building and treat it as a standard for constructing new properties.

Financial standing of MLP Group

In line with our conservative financial approach, MLP Group benefits from a solid liquidity position to fund its growth ambitions, with a fixed cost of debt and conservative repayment profile. Considering the current geopolitical situation and high volatility in the economy, we are very well prepared for the current challenges.

- **100% lease agreements indexed with CPI for EUR without any cap (indexed once a year in February).**
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk.
- Almost 80% of loans are hedged with IRS for the next 5 years, resulting in limited interest rates' exposure.
- 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
- 98% rent collection across our portfolio
- Strong cash flow position
  - **LTV at 35.7%,** the highest interest coverage **ratio at 3.0 x ICR**
  - **Long debt maturity** ratio of 4.3 years
  - **FFO** amounted to PLN 58.0 million (+ 57% vs 1H 2022), EUR 12.6 million (+58% vs 1H 2022).

MLP Group has a very good financial standing and a safe capital structure enabling the implementation of long-term strategic goals. With the modest leverage, long-average debt maturity of 4.3 years, no near-term refinancing requirements and virtually entire debt at fixed or capped rates, we have significant financial flexibility to continue to invest capital in the development and acquisition opportunities that offer the most attractive risk-adjusted returns.

MLP Group plans for 2023

Let me start with this adage - all of our knowledge is about the past and all our decisions are about the future, which is unknown by definition.

Occupier demand for warehouse space across all markets where we operate, is robust and the combination of near-shoring, enhancing resilience of supply chains are expected to further drive the demand. We expect this contrast between positive demand and limited supply to drive further growth in rental levels.

Key challenges for 2H 2023 and 1H 2024 are focused on:

– **deploying acquired plots:**

- **MLP Wrocław West** (2nd stage) - building permit for the buildings expected 1Q/Q2 2024 and subsequent possible start of construction 2Q/Q3 2024,
- **MLP Łódź** | remaining development part of approx. 36,000 sqm of warehouse and office area – building permit for the bridge building expected 2Q 2024 and subsequent construction starting 2Q/3Q 2024,
- **MLP Zgorzelec** | building permit in place, construction start of ca. 30,000 sqm for Auto Partner (prelease) and 22,000 sqm speculative buildings in September 2023,
- **MLP Poznan West III** (extension) | 21,000 sqm - building permit for the building expected 4Q2023 and subsequent construction starting 4Q 2023 / 1Q 2024,
- **MLP Pruszkow II** (extension) | approx. 65,000 sqm (30,000 sqm already developed) - building permit for the building expected 1Q 2024 and construction 1Q 2024,
- **MLP Idstein** | approx. 20,000 sqm of warehouse and office area - building permit for the building expected 4Q 2024 and subsequent construction starting 4Q 2024,
- **MLP Gelsenkirchen** | approx. 51,000 sqm of warehouse and office area 4Q 2023 start of demolishment, building permit for the building expected 2Q 2024 and subsequent construction start 2Q 2024.

– **start next Urban/City logistics projects (MLP Business Park) in 2H 2023:**

- **MLP Business Park Poznań** | approx 32,000 sqm of warehouse and office area – building permit for the buildings expected by year end 2023 and subsequent demolishment & construction start in 1Q 2024,
- **MLP Business Park Łódź** | approx. 31,000 sqm of warehouse and office area - construction start in September 2023,
- **MLP Business Park Wien** | approx. 54,000 sqm of warehouse and office area – building permit expected in October/November and construction commencement in November/December 2023. The success of this project is already spectacular - before the start of construction, we see a huge interest in this project (demand exceeds 150% of lease area),

– **further continuous FFO increase.**

New plots acquisition

Our strategic goal is to constantly expand the warehouse portfolio. MLP Group replenishes its landbank on a continual basis. Until the date of issue this report, among others, we have been in the process of the following plots reflecting our strategic development goals:

- **MLP Berlin Spreenhagen** – size of the plot 8,4 ha | approx. 40,000 sqm of warehouse and office area | planned acquisition in 3Q 2023. The project goes on to build over the previous success of MLP Business Park Berlin (Ludwigsfelde) which was super successful and is fully rented (100%), by offering midsized boxes which shall be complementary to MLP Business Park Berlin (Ludwigsfelde). MLP Business Park Berlin is/was 100% leased. The project shall strengthen our position in Brandenburg/German market.
- **MLP Bieruń** – size of the plot 11,6 ha | approx. 60,000 sqm of warehouse and office area | planned acquisition in September 2023.

  The project will increase our presence in Silesia / South of Poland. Additionally we will capitalise on the success of previously disposed to logistic projects in 2016 i.e. MLP Tychy and MLP Bieruń. The project will be located along A1 motorway.

- Additionally we acquired in 1H 2023 adjacent plots to MLP Poznań West & MLP Pruszków II cementing our leading position on those markets.

Valuation: what to expect in 2023 – after slight increase in 2Q 2023 averaging by 25 bp, market expects yield decompression in YE 2023 ranging between 10bp to 35bp and continue further decompression trend in 2024 - Yields/Valuation have bottomed.

We expect further growth in rental rates and ERV (estimated rental values supported by structural drivers of occupational demand and limited supply (vacancy rate at the lowest level ever.

In 2023, capital expenditure (CAPEX will amount to approximately EUR 100-150 million, of which approximately 30% will be allocated to plots' purchases. We plan to lease app 200-300 thousand sqm of the new warehouse space.

Most importantly, we will continue our development in Germany, where we are systematically increasing our portfolio of projects. We plan to strengthen and expand our presence in the regions where we are already present i.e. Ruhr area, Brandenburg and Hessen land. Further development on the German market is a key point of our strategy.

Urban/City logistics projects (MLP Business Park) as **will be of our focused in 2023 a** high growth potential, high profitability and resilient to economic downturns products.

In closing

I have been always saying that there are 2 kinds of times - the times when we know what is going to happen and the times where uncertainties are => the main difference is that in the first times we are continuously wrong but even bearing in mind the precarious economy we were able to deliver very good results but we can not abdicate our responsibility to grow MLP Group business.

I would like to express my deep gratitude and appreciation to all employees. From this letter, I hope shareholders and all readers gain an appreciation for the tremendous character and capabilities of MLP Group's team and I hope you are as proud of them as I am.

1H 2023 might not have been the time that we all expected, but our business has shown its quality and resilience and has continued to deliver value. I am proud of how everyone at MLP Group has come together and worked hard to make this happen.

Radosław T. Krochta
President & CEO of MLP Group

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 2023	31 December 2022	30 June 2022
Average mid exchange rate during the reporting period*	4,6130	4,6883	4,6427
Mid exchange rate on the last day of the reporting period	4,4503	4,6899	4,6806

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

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

as at	30 June 2023		31 December 2022	
	PLN thousand *(unaudited)*	**EUR thousand** *(unaudited)*	**PLN thousand**	**EUR thousand**
Non-current assets	4 426 379	994 625	4 575 262	975 557
Current assets	572 153	128 565	414 876	88 462
Total assets	**4 998 532**	**1 123 190**	**4 990 138**	**1 064 019**
Non-current liabilities	2 303 201	517 538	2 219 946	473 347
Current liabilities	301 036	67 644	272 241	58 048
Equity, including:	2 394 295	538 008	2 497 951	532 624
Share capital	5 999	1 348	5 999	1 279
Total equity and liabilities	**4 998 532**	**1 123 190**	**4 990 138**	**1 064 019**
Number of shares	23 994 982	23 994 982	23 994 982	23 994 982
Book value per share and diluted book value per share attributable to owners of the parent (PLN)	99,78	22,42	104,10	22,20

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 translated into the euro:

for the six months ended 30 June	2023		2022	
	PLN thousand *(unaudited)*	**EUR thousand** *(unaudited)*	**PLN thousand** *(unaudited)*	**EUR thousand** *(unaudited)*
Revenue	185 697	40 255	123 247	26 546
Other income	4 057	879	684	147
Gain/(loss) on revaluation of investment property	(227 747)	(49 371)	517 808	111 532
Operating expenses	(89 910)	(19 491)	(63 629)	(13 705)
Operating profit/(loss)	(130 897)	(28 376)	577 172	124 318
Profit/(loss) before tax	(102 507)	(22 221)	539 040	116 105
Net profit/(loss)	**(82 740)**	**(17 936)**	**433 913**	**93 461**
Total comprehensive income	(103 620)	(22 463)	473 703	102 032
Net profit/ (loss) attributable to owners of the parent	(82 740)	(17 936)	433 913	93 461
Earnings per share and diluted earnings per share attributable to owners of the parent (PLN)	(3,45)	(0,75)	20,30	4,37

The data in the interim condensed consolidated statement of profit or loss and other comprehensive income was translated at the mid exchange rate of the euro 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 interim condensed consolidated statement of cash flows translated into the euro:

for the six months ended 30 June	2023		2022	
	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*
Net cash from operating activities	43 564	9 444	71 409	15 381
Cash from investing activities	(177 013)	(38 373)	(254 623)	(54 844)
Cash from financing activities	297 893	64 577	123 977	26 704
Total cash flows, net of exchange differences	**164 444**	**35 648**	**(59 237)**	**(12 759)**
Total cash flows	**167 729**	**36 360**	**(57 788)**	**(12 447)**

The data in the interim condensed consolidated statement of cash flows was translated at the mid exchange rate of the euro 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.

as at	30 June 2023		31 December 2022	
	PLN thousand *(unaudited)*	EUR thousand *(unaudited)*	PLN thousand	EUR thousand
Cash at beginning of period	315 200	67 208	177 234	38 534
Cash at end of period	482 929	108 516	315 200	67 208

The following exchange rates were used to translate the data from the interim 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

MLP Group S.A.
Group

INTERIM CONDENSED CONSOLIDATED FINANCIAL

for the six months
ended 30 June 2023
prepared in accordance with EU IFRS

III. Interim condensed consolidated financial statements

Authorisation of the interim condensed consolidated financial statements

On 23 August 2023, the Management Board of the Parent, i.e., MLP Group S.A., authorised for issue these 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 2023.

These interim condensed consolidated financial statements for the period from 1 January to 30 June 2023 have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("EU IFRS"). In this report, information is presented in the following sequence:

1. Interim condensed statement of profit or loss and other comprehensive income for the period from 1 January to 30 June 2023, showing a net loss of PLN 82,740 thousand.
2. Interim condensed statement of financial position as at 30 June 2023, showing total assets and total equity and liabilities of PLN 4,998,532 thousand.
3. Interim condensed consolidated statement of cash flows for the period from 1 January to 30 June 2023, showing a net increase in cash of PLN 167,729 thousand.
4. Interim condensed consolidated statement of changes in equity for the period from 1 January to 30 June 2023, showing a decrease in consolidated equity of PLN 103,656 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 by the Management Board with qualified digital signatures.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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

for	Note	*6 months ended* 30 June 2023 *(unaudited)*	*3 months ended* 30 June 2023 *(unaudited)*	*6 months ended* 30 June 2022 *(unaudited)*	*3 months ended* 30 June 2022 *(unaudited)*
Revenue	4	185 697	90 989	123 247	60 670
Other income	5	4 057	3 591	684	283
Gain/(loss) on revaluation of investment	11	(227 747)	(217 442)	517 808	489 515
Operating expenses	7	(89 910)	(42 777)	(63 629)	(31 311)
Other expenses	6	(2 994)	(2 748)	(938)	(367)
Operating profit/(loss)		**(130 897)**	**(168 387)**	**577 172**	**518 790**
Finance income	8	62 291	57 402	328	188
Finance costs	8	(33 901)	(17 608)	(38 460)	(17 393)
Net finance income/(costs)		**28 390**	**39 794**	**(38 132)**	**(17 205)**
Profit (loss) before tax		**(102 507)**	**(128 593)**	**539 040**	**501 585**
Income tax	9	19 767	19 705	(105 127)	(97 325)
Net profit/(loss) from continuing operations		**(82 740)**	**(108 888)**	**433 913**	**404 260**
Net profit/(loss)		**(82 740)**	**(108 888)**	**433 913**	**404 260**
Net profit (loss) attributable to:					
Owners of the parent		(82 740)	(108 888)	433 913	404 260
Other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(9 377)	(8 768)	3 291	1 534
Effective portion of changes in fair value of cash flow hedges		(14 201)	(5 515)	45 061	16 682
Other comprehensive income that will be reclassified to profit or loss, before tax		(23 578)	(14 283)	48 352	18 216
Other comprehensive income, gross		(23 578)	(14 283)	48 352	18 216
Income tax on other comprehensive income		2 698	1 048	(8 562)	(3 170)
Other comprehensive income, net		**(20 880)**	**(41 801)**	**39 790**	**51 478**
Total comprehensive income		**(103 620)**	**(150 689)**	**473 703**	**455 738**
Comprehensive income attributable to:					
Owners of the parent		(103 620)	(150 689)	473 703	455 738
Earnings per share	19				
Earnings per ordinary share:					
- Basic earnings per share from continuing operations		(3,45)	(4,54)	20,30	18,91
- Earnings per ordinary share		(3,45)	(4,54)	20,30	18,91
Diluted earnings per ordinary share:					
- Diluted earnings per share from continuing operations		(3,45)	(4,54)	20,30	18,91
- Diluted earnings per ordinary share		(3,45)	(4,54)	20,30	18,91

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Interim condensed consolidated statement of financial position

as at	Note	30 June 2023 *(unaudited)*	31 December 2022
Non-current assets			
Property, plant and equipment	10	18 150	9 906
Intangible assets		63	59
Investment property	11	4 285 918	4 432 975
Other long-term financial investments	13	114 660	127 873
Other non-current assets	14	848	882
Deferred tax assets	12	6 740	3 567
Total non-current assets		**4 426 379**	**4 575 262**
Current assets			
Short-term investments	13	1 152	-
Income tax receivable	15	2 159	808
Trade and other receivables	15	75 324	91 810
Other short-term investments	13	10 589	7 058
Cash and cash equivalents	16	482 929	315 200
Total current assets		**572 153**	**414 876**
TOTAL ASSETS		**4 998 532**	**4 990 138**
Equity	18		
Share capital		5 999	5 999
Share premium		485 312	485 348
Cash flow hedge reserve		50 555	62 058
Translation reserve		(5 681)	3 696
Retained earnings, including:		*1 858 110*	*1 940 850*
Capital reserve		83 542	83 680
Statutory reserve funds		168 129	168 129
Profit/ (loss) brought forward		1 689 179	1 266 651
Net profit/(loss)		(82 740)	422 390
Equity attributable to owners of the parent		**2 394 295**	**2 497 951**
Total equity		**2 394 295**	**2 497 951**
Non-current liabilities			
Borrowings and other debt instruments	20.1	1 873 380	1 764 320
Deferred tax liability	12	369 633	400 567
Other non-current liabilities	20.1	60 188	55 059
Total non-current liabilities		**2 303 201**	**2 219 946**
Current liabilities			
Borrowings and other debt instruments	20.2	204 908	92 165
	20.2	39	-
Employee benefit obligations	21	1 882	2 071
Income tax payable	22	6 109	10 014
Trade and other payables	22	88 098	167 991
Current liabilities other than held for sale		**301 036**	**272 241**
Total current liabilities		**301 036**	**272 241**
Total liabilities		**2 604 237**	**2 492 187**
TOTAL EQUITY AND LIABILITIES		**4 998 532**	**4 990 138**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Interim condensed consolidated statement of cash flows

for the six months ended 30 June	**Note**	**2023** *(unaudited)*	**2022** *(unaudited)*
Cash flows from operating activities			
Profit before tax		**(102 507)**	**539 040**
Total adjustments		**163 043**	**(462 796)**
Depreciation and amortisation		322	197
Change in fair value of investment property		227 747	(517 808)
Net interest		28 379	16 668
Exchange differences		(78 272)	20 600
Other		36	(683)
Change in receivables	17.2	18 925	4 110
Change in current and other liabilities	17.3	(34 094)	14 120
Cash from operating activities		**60 536**	**76 244**
Income tax paid		(16 972)	(4 835)
Net cash from operating activities		**43 564**	**71 409**
Cash flows from investing activities			
Interest received		2 023	1 956
Loans	17.1	-	-
Repayment of loans	17.1	-	2 818
Purchase of investment property, property, plant and equipment and intangible assets		(173 711)	(303 462)
Proceeds from disposal of other investments in financial assets		-	51 057
Other proceeds from (expenditure on) investments		(5 325)	(6 992)
Cash from investing activities		**(177 013)**	**(254 623)**
Cash flows from financing activities			
Increase in borrowings	17.1	497 745	254 044
Repayment of bank and non-bank borrowings, including refinanced bank borrowings	17.1	(246 618)	(16 852)
Cost of new share issue		(36)	-
Redemption of bonds		(54 708)	(94 118)
Interest paid		(28 935)	(19 097)
Cash from financing activities		**297 893**	**123 977**
Total cash flows, net of exchange differences		**164 444**	**(59 237)**
Effect of exchange differences on cash and cash equivalents		3 285	1 449
Total cash flows		**167 729**	**(57 788)**
Cash and cash equivalents at beginning of period	16	**315 200**	**177 234**
Cash and cash equivalents at end of period	16	**482 929**	**119 446**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Interim condensed consolidated statement of changes in equity

	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Retained earnings	including capital reserve	including statutory reserve funds	including profit brought forward	including net profit	Total equity attributable to owners of the parent	Total equity
As at 1 January 2023	**5 999**	**485 348**	**62 058**	**3 696**	**1 940 850**	**83 680**	**168 129**	**1 266 651**	**422 390**	**2 497 951**	**2 497 951**
<u>Comprehensive income:</u>											
Net profit/(loss)*	-	-	-	-	(82 740)	-	-	-	(82 740)	(82 740)	(82 740)
Total other comprehensive income*	-	-	(11 503)	(9 377)	-	-	-	-		(20 880)	(20 880)
Comprehensive income for the six months ended 30 June 2023*	**-**	**-**	**(11 503)**	**(9 377)**	**(82 740)**	**-**	**-**	**-**	**(82 740)**	**(103 620)**	**(103 620)**
Increase in equity due to share issue	-	(36)	-	-	-	-	-	-	-	(36)	(36)
Net profit distribution	-	-	-	-	-	(138)	-	422 528	(422 390)	-	-
Changes in equity*	**-**	**(36)**	**(11 503)**	**(9 377)**	**(82 740)**	**(138)**	**-**	**422 528**	**(505 130)**	**(103 656)**	**(103 656)**
As at 30 June 2023*	**5 999**	**485 312**	**50 555**	**(5 681)**	**1 858 110**	**83 542**	**168 129**	**1 689 179**	**(82 740)**	**2 394 295**	**2 394 295**

	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Retained earnings	including capital reserve	including statutory reserve funds	including profit brought forward	including net profit	Total equity attributable to owners of the parent	Total equity
As at 1 January 2022	**5 344**	**304 025**	**(4 034)**	**726**	**1 518 460**	**83 680**	**154 575**	**799 735**	**480 470**	**1 824 521**	**1 824 521**
Comprehensive income:											
Net profit/(loss)*	-	-	-	-	433 913	-	-	-	433 913	433 913	**433 913**
Total other comprehensive income*	-	-	36 499	2 845	446	-	-	-		39 790	**39 790**
Comprehensive income in the six months ended 30 June 2022*	**-**	**-**	**36 499**	**2 845**	**434 359**	**-**	**-**	**-**	**433 913**	**473 703**	**473 703**
Changes in equity*	**-**	**-**	**36 499**	**2 845**	**434 359**	**-**	**-**	**-**	**433 913**	**473 703**	**473 703**
As at 30 June 2022*	**5 344**	**304 025**	**32 465**	**3 571**	**1 952 373**	**83 680**	**154 575**	**799 735**	**914 383**	**2 297 778**	**2 298 224**

** 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. As at the date of issue of these condensed consolidated financial statements, the Company continued to trade under this business name.

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 Góźdź - Member of the 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 55 subsidiaries.

The majority shareholder MLP Group S.A. is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

The Group's ultimate parent is Israel Land Development Company Ltd. (of Tel Aviv, Israel), whose shares are listed on the Tel Aviv Stock Exchange.

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.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

As at 30 June 2023, the Group consisted of the following entities:

Entity	Country of registration	Parent's direct and indirect interest in share capital 30 June 2023	Parent's direct and indirect interest in share capital 31 December 2022	Parent's direct and indirect interest in voting rights 30 June 2023	Parent's direct and indirect interest in voting rights 31 December 2022
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%
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%
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%

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
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 Zgorzelec Sp. z o.o.[1)]	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.	Poland	100%	100%	100%	100%
MLP Business Park Trebur LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Trebur Sp. z o.o. &Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź III Sp. z o.o.[2)]	Poland	100%	0%	100%	0%

1. 3 Changes in the Group

[1)] On 16 January 2023, the change of the name of MLP Poznań East sp. z o.o. to MLP Zgorzelec Sp. z o.o. was registered.

[2)] On 23 May 2023, MLP Łódź III Sp. z o.o. was incorporated pursuant to a notarial deed. 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 5 June 2023.

These interim condensed consolidated financial statements for the six months ended 30 June 2023 include financial statements of the Parent and of the subsidiaries controlled by the Parent ("the Group").

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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 periodic report to the reporting date there were no changes in direct holdings of 5% or more of total voting rights in the Company, and as at 30 June 2023 the holdings were as follows:

Shareholder	Number of shares and voting rights in the Company	% direct interest in share capital and voting rights
CAJAMARCA Holland BV	10 242 726	42,69%
Other shareholders	4 248 915	17,72%
Israel Land Development Company Ltd.	3 016 329	12,57%
THESINGER LIMITED	1 771 320	7,38%
Allianz OFE	1 713 881	7,14%
OFE NNLife [1)]	1 591 360	6,63%
GRACECUP TRADING LIMITED	641 558	2,67%
MIRO LTD.	617 658	2,57%
Shimshon Marfogel	149 155	0,62%
Oded Setter	2 080	0,01%
Total	**23 994 982**	**100,00%**

[1)] On 21 July 2023, OFE NNLife was wound up and its assets were transferred to Generali Powszechne Towarzystwo Emerytalne S.A.

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

As at 30 June 2023, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.57% 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 10.67% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 13.24% interest in the share capital of MLP Group S.A.

Eytan Levy indirectly holds a 10.67% interest in MLP Group S.A.'s share capital: Mr. Levy holds a 100% interest in N Towards the Next Millennium Ltd. This company holds a 33.33% (1/3) interest in RRN Holdings Ltd. which in turn holds a 75% interest in the share capital of Cajamarca Holland B.V., resulting in a 10.67% interest in MLP Group S.A.'s share capital.

As at 30 June 2023, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.62% of the Company's share capital.

As at 30 June 2023, 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, 0.0087% of the Company's share capital.

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

2. Basis of accounting used in preparing the interim condensed consolidated financial statements

2. 1 Statement of compliance

The Group prepared these interim 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 approved 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 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 2022.

2. 3 Basis of accounting used in preparing the interim condensed consolidated financial statements

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

These interim condensed consolidated financial statements were prepared in accordance with the accounting policies described in the full-year consolidated financial statements for 2022.

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 these interim condensed consolidated financial statements. The functional currencies of consolidated foreign entities are the euro (Germany and Austria) and the Romanian leu (Romania).

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

2. 4. 2 *Rules applied to translate financial data*

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

Consolidated statement of financial position:

	30 June 2023	31 December 2022	30 June 2022
EUR	4,4503	4,6899	4,6806
USD	4,1066	4,4018	4,4825
RON	0,8967	0,9475	0,9466

2. 5 *Use of estimates and judgements*

In these interim condensed 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 2022.

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 2023 and in the reporting period then ended the Group had four geographical segments – Poland, Germany, Romania and Austria.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Operating segments

for the six months ended 30 June	2023*					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Revenue from external customers	161 806	21 071	2 803	131	(114)	185 697
Gain/(loss) on revaluation of investment property	(200 030)	(30 075)	62	2 297	(1)	(227 747)
Segment's total revenue	**(38 224)**	**(9 004)**	**2 865**	**2 428**	**(115)**	**(42 050)**
Segment's operating profit/(loss)	(111 542)	(23 007)	1 478	1 111	-	(131 960)
Segment's other income/(expense)	828	234	1	-	-	1 063
Profit/(loss) before tax and net finance costs	**(110 714)**	**(22 773)**	**1 479**	**1 111**	**-**	**(130 897)**
Net finance income/(costs)	44 472	(8 025)	(932)	(4)	(7 121)	28 390
Profit/ (loss) before tax	**(66 242)**	**(30 798)**	**547**	**1 107**	**(7 121)**	**(102 507)**
Income tax	16 415	4 045	(138)	(555)	-	19 767
Net profit/(loss)	**(49 827)**	**(26 753)**	**409**	**552**	**(7 121)**	**(82 740)**

for the six months ended 30 June	2022*					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Revenue from 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	-	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**	**-**	**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**	**(4 804)**	**539 040**
Income tax	(89 325)	(13 607)	(1 588)	(607)	-	(105 127)
Net profit/(loss)	**368 540**	**60 110**	**8 399**	**1 668**	**(4 804)**	**433 913**

** Unaudited.*

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

as at	30 June 2023*					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Assets and liabilities						
Segment's assets	4 480 653	620 290	93 760	101 559	(297 730)	4 998 532
Total assets	**4 480 653**	**620 290**	**93 760**	**101 559**	**(297 730)**	**4 998 532**
Segment's liabilities	2 244 830	479 598	80 493	89 728	(290 412)	2 604 237
Equity	2 235 823	140 692	13 267	11 831	(7 318)	2 394 295
Total equity and liabilities	**4 480 653**	**620 290**	**93 760**	**101 559**	**(297 730)**	**4 998 532**
Expenditure on property	**112 658**	**2 920**	**5 877**	**1**	**-**	**121 456**

as at	31 December 2022					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Assets and liabilities						
Segment's assets	4 486 777	654 498	84 611	102 594	(338 342)	4 990 138
Total assets	**4 486 777**	**654 498**	**84 611**	**102 594**	**(338 342)**	**4 990 138**
Segment's liabilities	2 178 958	478 970	71 020	90 688	(327 449)	2 492 187
Equity	2 307 819	175 528	13 590	11 907	(10 893)	2 497 951
Total equity and liabilities	**4 486 777**	**654 498**	**84 610**	**102 595**	**(338 342)**	**4 990 138**
Expenditure on property	**459 552**	**96 590**	**1 531**	**10 927**	**-**	**568 600**

** 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

for	*6 months ended* *30 June* **2023** *(unaudited)*	*3 months ended* *30 June* **2023** *(unaudited)*	*6 months ended* *30 June* **2022** *(unaudited)*	*3 months ended* *30 June* **2022** *(unaudited)*
Rental income	136 486	71 649	90 387	46 679
Other revenue	49 211	19 340	32 860	13 991
Total revenue	**185 697**	**90 989**	**123 247**	**60 670**

	6 months ended *30 June* **2023** *(unaudited)*	*3 months ended* *30 June* **2023** *(unaudited)*	*6 months ended* *30 June* **2022** *(unaudited)*	*3 months ended* *30 June* **2022** *(unaudited)*
Recharge of utility costs	48 162	19 434	31 478	12 959
Rental income from residential units	28	15	30	15
Services provided to tenants	844	(170)	1 096	786
Other	177	62	256	231
Other revenue	**49 211**	**19 341**	**32 860**	**13 991**

In the six months ended 30 June 2023, revenue was PLN 185,697 thousand, up 51% year on year. The increase was due mainly to:

- delivery of approximately 97 thousand m^2 of new space to tenants;
- increase in rents.

Like-for-like growth for the six months ended 30 June 2023 was 15.1%, up 3.1pp year on year. The revenue generated from recharging costs of utilities and operating expenses is consistent with the costs of procuring utilities and maintaining the properties. Those revenue items went up by 53% and 56% relative to the six months ended 30 June 2022.

5. Other income

for	*6 months ended* *30 June* **2023** *(unaudited)*	*3 months ended* *30 June* **2023** *(unaudited)*	*6 months ended* *30 June* **2022** *(unaudited)*	*3 months ended* *30 June* **2022** *(unaudited)*
Reversal of impairment losses on receivables	9	8	-	-
Past due liabilities written off	75	-	-	-
Liquidated damages received	3 617	3 572	423	140
Other	134	13	232	141
Gain on disposal of non-financial non-current assets	22	-	-	-
Reversal of provision for future costs	200	(2)	29	2
Other income	**4 057**	**3 591**	**684**	**283**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

6. Other expenses

for	*6 months ended 30 June 2023 (unaudited)*	*3 months ended 30 June 2023 (unaudited)*	*6 months ended 30 June 2022 (unaudited)*	*3 months ended 30 June 2022 (unaudited)*
Loss on disposal of non-financial non-current assets	(44)	-	(158)	(84)
Costs of donations	(11)	(11)	(9)	(4)
Costs covered by insurance policies	(34)	(6)	(181)	(153)
Other	(2 790)	(2 635)	(110)	(55)
Investment site acquisition costs	(92)	(73)	(276)	(71)
Written-off statute-barred receivables	(21)	(21)	(204)	-
Damages and contractual penalties	(2)	(2)	-	-
Other expenses	**(2 994)**	**(2 748)**	**(938)**	**(367)**

7. Operating expenses

for	*6 months ended 30 June 2023 (unaudited)*	*3 months ended 30 June 2023 (unaudited)*	*6 months ended 30 June 2022 (unaudited)*	*3 months ended 30 June 2022 (unaudited)*
Depreciation and amortisation	(322)	(180)	(197)	(87)
Materials and consumables used	(41 266)	(18 110)	(25 678)	(11 072)
Services	(21 811)	(9 330)	(19 479)	(10 602)
Taxes and charges	(18 260)	(9 127)	(14 023)	(7 187)
Wages and salaries	(5 738)	(4 587)	(2 506)	(1 264)
Social security and other employee benefits	(1 185)	(757)	(849)	(570)
Other expenses by nature	(1 328)	(686)	(897)	(529)
Operating expenses	**(89 910)**	**(42 777)**	**(63 629)**	**(31 311)**

In the six months ended 30 June 2023, operating expenses were PLN 89,910 thousand, up 41% year on year. They grew more slowly than revenue, which rose by 51% year on year. Operating expenses include mainly: (i) costs of consumables and energy used, (ii) services, (iii) taxes and charges. The costs of consumables and energy used include the cost of utilities that are recharged to tenants. The main components of taxes and charges are property tax and usufruct charges, which are also recharged to tenants. Services include two cost groups: (i) property maintenance services, recharged to tenants, (ii) and services recognised as part of administrative expenses.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

8. Finance income and costs

for	*6 months ended* **30 June 2023** *(unaudited)*	*3 months ended* **30 June 2023** *(unaudited)*	*6 months ended* **30 June 2022** *(unaudited)*	*3 months ended* **30 June 2022** *(unaudited)*
Interest on loans	383	196	235	141
Ineffective portion of remeasurement of cash flow hedges	216	(119)	-	-
Interest on bank deposits	4 474	2 769	-	-
Net exchange differences	57 215	54 553	-	-
Other interest	1	1	1	-
Interest on receivables	2	2	9	5
Revenue from investment fund units	-	-	63	22
Other finance income	-	-	20	20
Total finance income	**62 291**	**57 402**	**328**	**188**

for	*6 months ended* **30 June 2023** *(unaudited)*	*3 months ended* **30 June 2023** *(unaudited)*	*6 months ended* **30 June 2022** *(unaudited)*	*3 months ended* **30 June 2022** *(unaudited)*
Interest on borrowings	(18 502)	(7 657)	(9 350)	(5 091)
Other interest	(69)	(50)	(624)	(316)
Interest paid on swap contracts	-	-	(2 557)	(1 184)
Ineffective portion of remeasurement of cash flow hedges	-	17	-	-
Net exchange differences	-	-	(18 803)	(7 271)
Interest on bonds	(10 476)	(5 905)	(4 879)	(2 330)
Other finance costs	(587)	(265)	(1 347)	(922)
Debt service costs	(4 267)	(3 748)	(900)	(279)
Total finance costs	**(33 901)**	**(17 608)**	**(38 460)**	**(17 393)**

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 2022 to 30 June 2023, the Polish currency appreciated by PLN 0.2396, or 5.38%. The appreciation of the złoty against the euro resulted in foreign exchange gains of PLN 57,215 thousand, which had an effect on the Group’s net finance income/(costs).

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

9. Income tax

In accordance with Polish laws, in 2023 and 2022, 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 2023 and 2022, 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 2023*** *(unaudited)*	***3 months ended 30 June 2023*** *(unaudited)*	***6 months ended 30 June 2022*** *(unaudited)*	***3 months ended 30 June 2022*** *(unaudited)*
Current income tax	8 906	4 817	5 414	3 316
Temporary differences/reversal of temporary	(28 673)	(24 522)	99 713	94 009
Income tax	**(19 767)**	**(19 705)**	**105 127**	**97 325**

Effective tax rate

for	***6 months 30 June 2023*** *(unaudited)*	***3 months 30 June 2023*** *(unaudited)*	***6 months 30 June 2022*** *(unaudited)*	***3 months 30 June 2022*** *(unaudited)*
Profit (loss) before tax	**(102 507)**	**(128 593)**	**539 040**	**501 585**
Tax at the applicable tax rate (19%)	19 476	24 432	(102 418)	(95 302)
Excess of commercial property tax over income tax	(330)	(169)	8	3
Difference due to income tax rate change from 19% to 9%	6 040	(626)	-	-
Differences in income tax for 2022 recognised in the separate financial statements after the issue of the consolidated financial statements for 2022	67	67	-	-
Difference between the calculation of income tax for the first six months of 2023 and the amount recognised on the basis of tax advances calculated on a simplified basis	571	571	-	-
Difference due to different rate of tax paid by the Austrian company	72	62	-	-
Difference due to 9% rate of tax rate paid by companies qualifying as small taxpayers	(224)	(287)	112	84
Non-taxable income	(238)	(259)	947	902
Difference due to different rates of tax paid by the German and Romanian companies	(141)	(72)	(322)	(256)
Unrecognised asset for tax loss	(261)	(726)	(1 645)	(1 296)
Write off of unused deferred tax asset for tax loss	(5)	-	(54)	(16)
Expenses not deductible for tax purposes	(5 260)	(3 287)	(1 755)	(1 444)
Income tax	**19 767**	**19 705**	**(105 127)**	**(97 325)**

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.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

10. Property, plant and equipment

	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment under construction	Total
Gross carrying amount as at 31 December 2022	**3 268**	**5 090**	**55**	**53**	**4 091**	**-**	**12 557**
Increase	**54**	**1 865**	**467**	**2**	**7 472**	**225**	**10 085**
Acquisition	20	346	256	2	7 472	225	8 321
Transfer from property, plant and equipment under construction	35	1 519		-	-	-	1 554
Finance leases	-	-	211	-	-	-	211
Exchange differences on translating foreign operations	(1)		-	-	-	-	(1)
Decrease	**-**	**(17)**	**(38)**	**-**	**(1 554)**	**-**	**(1 609)**
Transfer to property, plant and equipment	-	-	-	-	(1 554)	-	(1 554)
Retirement	-	-	-	-	-	-	-
Sale		(17)	(38)		-	-	(55)
Gross carrying amount as at 30 June 2023	**3 322**	**6 938**	**484**	**55**	**10 009**	**225**	**21 033**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment under construction	Total
Accumulated depreciation as at 31 December 2022	**1 810**	**754**	**46**	**41**	**-**	**-**	**2 651**
Increase	**60**	**182**	**53**	**2**	**-**	**-**	**297**
Depreciation	60	182	52	2	-	-	296
Exchange differences on translating foreign operations	-	-	1	-	-	-	1
							-
Decrease	**(2)**	**(26)**	**(37)**	**-**	**-**	**-**	**(65)**
Retirement	-	-	(1)	**-**	**-**	**-**	(1)
Sale	-	(17)	(36)	-	-	-	(53)
Exchange differences on translating foreign operations	(2)	(9)	-	-	-	-	(11)
Gross carrying amount as at 30 June 2023	**1 868**	**910**	**62**	**43**	**-**	**-**	**2 883**
Net carrying amount as at 31 December 2022	**1 458**	**4 336**	**9**	**12**	**4 091**	**-**	**9 906**
Net carrying amount as at 30 June 2023	**1 454**	**6 028**	**422**	**12**	**10 009**	**225**	**18 150**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

11. Investment property

as at	30 June 2023 *(unaudited)*	31 December 2022
Gross carrying amount at beginning of period	**4 432 975**	**3 394 504**
Expenditure on property	121 456	568 600
Exchange differences on translating foreign operations	(40 766)	14 306
Change in fair value	(227 747)	455 565
Gross carrying amount at end of period	**4 285 918**	**4 432 975**

Investment property comprises: completed warehouse and office buildings, warehouse and office buildings under construction, 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 2023 included a perpetual usufruct asset of PLN 41,962 thousand.

Change during 2023 in the value of assets recognised as part of investment property in accordance with IFRS 16

As at 1 January 2023	Increase	decrease (depreciation)	As at 30 June 2023
42 280	-	(318)	41 962

In the period from 31 December 2022 to 30 June 2023, the carrying amount of investment property went down by PLN 147,057 thousand, to EUR 963,063 thousand.

This change was chiefly attributable to the appreciation of the Polish złoty by PLN 0.2396. The appreciation of the Polish currency contributed to the change in the carrying amount of investment property as translated from the euro into the złoty and a PLN 224,316 thousand decrease in the property’s fair value as at 30 June 2023.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Investment property by country

as at	30 June 2023 *(unaudited)*	31 December 2022
Poland	**3 529 256**	**3 619 775**
Fair value of property	3 479 515	3 577 495
Perpetual usufruct of land	41 962	42 280
Expenditure on property not included in the valuation	7 779	-
Germany	**572 041**	**630 239**
Fair value of property	572 041	630 230
Expenditure on property not included in the valuation	-	9
Austria	**101 467**	**101 771**
Fair value of property	101 467	101 771
Expenditure on property not included in the valuation	-	-
Romania	**83 154**	**81 190**
Fair value of properties	83 154	81 190
Gross carrying amount at end of period	**4 285 918**	**4 432 975**

11. 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 valuation method, the higher the rent rate is, the higher the fair value of the property; the lower the yield rate – the higher the fair value of the property is, and the higher the estimated construction costs – the lower the fair value of the

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 m^2, 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 property, 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 2023, there were no reclassifications between fair value hierarchy levels.

11. 2 Assumptions adopted by independent expert appraisers for valuation of existing buildings and buildings under construction

as at	*30 June 2023*		
	Reversionary Yield		
	mean	**minimum**	**maximum**
Poland	6,84%	6,18%	9,22%
Germany	4,62%	4,61%	4,63%
Austria	n/a	n/a	n/a
Romania	7,91%	7,91%	7,91%

	Net true equivalent yield		
	mean	**minimum**	**maximum**
Poland	5,98%	5,48%	8,72%
Germany	4,39%	4,33%	4,42%
Austria	n/a	n/a	n/a
Romania	0,00%	0,00%	0,00%

The project located in Austria is currently in the process of obtaining a building permit.
Therefore, the land owned is being valued using the comparative method.

	Average estimated rental value (ERV) per m^2		
	average for warehouse and	**warehouse space**	**office space**
Poland	EUR 4.37	EUR 3.90	EUR 11.00
Germany	EUR 5.86	EUR 5.36	EUR 9.13
Austria	n/a	n/a	n/a
Romania	EUR 3.54	EUR 3.50	EUR 8.00

as at	*31 December 2022*		
	Reversionary Yield		
	mean	**minimum**	**maximum**
Poland	6,84%	5,83%	8,91%
Germany	4,50%	4,43%	4,46%
Austria	n/a	n/a	n/a
Romania	7,78%	7,78%	7,78%

	Net true equivalent yield		
	mean	**minimum**	**maximum**
Poland	5,08%	4,95%	6,50%
Germany	4,32%	4,26%	4,35%
Austria	n/a	n/a	n/a
Romania	9,45%	9,45%	9,45%

The project located in Austria is currently in the process of obtaining a building permit. Therefore, the land owned is being valued using the comparative method.

	Average estimated rental value (ERV) per m^2		
	average for warehouse and office space	**warehouse space**	**office space**
Poland	EUR 4.30	EUR 3.90	EUR 11.00
Germany	EUR 5.67	EUR 5.20	EUR 9.10
Austria	n/a	n/a	n/a
Romania	EUR 3.53	EUR 3.50	EUR 7.00

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12. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
as at	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**	**30 June 2023**	**31 December 2022**
	(unaudited)		*(unaudited)*		*(unaudited)*	
Investment property [1)]	-	-	363 524	408 332	363 524	408 332
Borrowings and loans	(1 803)	8 282	-	-	1 803	(8 282)
Derivatives	-	-	11 953	14 643	11 953	14 643
Other	9 908	13 869	-	-	(9 908)	(13 869)
Tax losses deductible in future periods	5 082	3 823	-	-	(5 082)	(3 823)
Interest on bonds	(603)	1	-	-	603	(1)
Deferred tax assets / liabilities	**12 584**	**25 975**	**375 477**	**422 975**	**362 893**	**397 000**

	as at	**30 June 2023**	**31 December 2022**
Including:		*(unaudited)*	
Deferred tax asset		(6 740)	(3 567)
Deferred tax liability		369 633	400 567
		362 893	**397 000**

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) Deferred tax on investment property relates fully to a long period, which is why at least 97% of the deferred tax liability shown above is a long-term deferred tax liability.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	1 January 2022	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2022
Investment property	310 697	96 840	-	795	408 332
Borrowings and loans	(6 535)	(1 747)	-	-	(8 282)
Derivatives	(950)	90	15 503	-	14 643
Other	(6 646)	(7 226)	-	3	(13 869)
Tax losses deductible in future periods	(6 231)	2 408	-	-	(3 823)
Interest on bonds	(482)	481	-	-	(1)
	289 853	**90 846**	**15 503**	**798**	**397 000**

	1 January 2023	changes recognised in profit or loss *(unaudited)*	changes recognised in other comprehensive income *(unaudited)*	currency translation differences *(unaudited)*	30 June 2023 *(unaudited)*
Investment property	408 332	(42 078)	-	(2 730)	363 524
Borrowings and loans	(8 282)	10 085	-	-	1 803
Derivatives	14 643	8	(2 698)	-	11 953
Other	(13 869)	3 967	-	(6)	(9 908)
Tax losses deductible in future periods	(3 823)	(1 259)	-	-	(5 082)
Interest on bonds	(1)	604	-	-	603
	397 000	**(28 673)**	**(2 698)**	**(2 736)**	**362 893**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

13. Investments and other investments

as at	30 June 2023 (unaudited)	31 December 2022
Receivables from measurement of Swap transactions	61 552	76 615
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – long-term portion	23 840	19 763
Bank deposits comprising security deposits from tenants	8 046	8 072
Cash set aside in CAPEX account	214	214
Long-term performance bonds retained	4 190	6 447
Deposit under bank guarantee	136	136
Long-term loans to related entities	16 682	16 626
Other long-term investments	**114 660**	**127 873**
Other current financial assets	1 152	-
Short-term investments	**1 152**	**-**
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – short-term portion	2 215	1 620
Short-term performance bonds retained	8 078	5 438
Deposit under bank guarantee	296	-
Other short-term investments	**10 589**	**7 058**

13. 1 Change in financial assets attributable to financing and other activities

	Loan assets
As at 31 December 2022	**16 626**
Interest accrued	383
Change in carrying amount	(327)
Amount as at 30 June 2023*	**16 682**

** Unaudited.*

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

14. Other non-current assets

as at	31 December 2023 *(unaudited)*	31 December 2022
Non-current prepayments and accrued income	848	882

15. Trade and other receivables

as at	30 June 2023 *(unaudited)*	31 December 2022
Trade payables	25 821	31 050
Investment settlements	882	2 314
Prepayments and accrued income	17 828	10 223
Prepayments for property, plant and equipment and investment property under construction	244	252
Advance payment for purchase of land	9 024	11 503
Taxes and social security payable*	21 525	36 468
Trade and other receivables	**75 324**	**91 810**
Income tax receivable	2 159	808
Short-term receivables	**77 483**	**92 618**

* As at 30 June 2023 (and as at 31 December 2022), tax and social security receivable comprised VAT receivable of PLN 14,835 thousand (PLN 26,896 thousand) as disclosed in the VAT returns filed, and input VAT of PLN 6,690 thousand (PLN 9,572 thousand) to be deducted in future periods.

The decrease in trade receivables was mainly attributable to lower receivables relating to consumption of utilities.

The rent collection ratio was 98%, largely unchanged year on year.

For more information on receivables from related entities, see Note 25.

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.

as at	**30 June 2023**		**31 December 2022**	
	Gross receivables *(unaudited)*	**Impairment losses** *(unaudited)*	**Gross receivables**	**Impairment losses**
Not past due	14 772	-	19 950	-
Past due from 1 to 30 days	6 878	-	6 988	-
Past due from 31 to 60 days	1 068	-	997	-
Past due from 61 to 90 days	373	-	120	-
Past due from 91 to 180 days	85	-	331	(12)
Pas due over 181 days	5 361	(2 716)	5 380	(2 704)
Total receivables	**28 537**	**(2 716)**	**33 766**	**(2 716)**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	2023 (unaudited)	2022
Impairment losses on receivables as at 1 January	**(2 716)**	**(2 707)**
Recognition of impairment losses	-	(12)
Use of impairment losses	-	3
Impairment losses on receivables as at 30 June*/ 31 December	**(2 716)**	**(2 716)**

** Unaudited.*

16. Cash and cash equivalents

as at	30 June 2023 (unaudited)	31 December 2022
Cash in hand	141	118
Cash at banks	353 521	145 789
Short-term deposits	129 267	169 000
Cash in transit	-	293
Cash and cash equivalents in the consolidated statement of financial position	**482 929**	**315 200**
Cash and cash equivalents in the consolidated statement of cash flows	**482 929**	**315 200**

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.

All banks with which the Group holds cash have investment grade ratings.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

17. Notes to the interim condensed consolidated statement of cash flows

17. 1 Cash flows from borrowings

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Proceeds from bank borrowings	497 745	254 044
Cash flows from proceeds from borrowings	**497 745**	**254 044**
Cash flows from proceeds from borrowings – amount disclosed in the condensed consolidated statement of cash flows	**497 745**	**254 044**

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Repayment of bank borrowings, including refinanced bank borrowings *)	(246 479)	(14 314)
Repayment of non-bank borrowings	(139)	(2 538)
Total repayment of borrowings	**(246 618)**	**(16 852)**
Cash flows from repayment of borrowings	**(246 618)**	**(16 852)**
Cash flows from repayment of borrowings – amount disclosed in the condensed consolidated statement of cash flows	**(246 618)**	**(16 852)**

*) In the second quarter of 2023, the Group refinanced two projects and repaid borrowings under credit facilities of PLN 224,604 thousand with proceeds from a newly contracted facility of PLN 327,733 thousand.

17. 2 Change in receivables

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Change in inventories	-	(131)
Change in trade and other receivables	16 486	(4 295)
Elimination of advance payment for land purchase	2 439	8 536
Change in receivables	**18 925**	**4 110**
Change in receivables disclosed in the condensed consolidated statement of cash flows	**18 925**	**4 110**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

17. 3 Change in current and other liabilities

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Change in trade and other payables	(79 893)	39 700
Change in employee benefit obligations	(189)	(2 885)
Change in current liabilities under performance bonds and security deposits	5 078	3 419
Change in finance lease and SWAP liabilities	90	(376)
Elimination of changes in investment commitments	40 820	(25 738)
Change in current and other liabilities	**(34 094)**	**14 120**
Change in current and other liabilities disclosed in the condensed consolidated statement of cash flows	**(34 094)**	**14 120**

18. Equity

18. 1 Share capital

as at **Share capital**	**30 June 2023** *(unaudited)*	**31 December 2022**
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
Series F ordinary shares	2 621 343	2 621 343
Ordinary shares – total	**23 994 982**	**23 994 982**
Par value per share	0,25	0,25

As at 30 June 2023, the Parent's share capital amounted to PLN 5,998,745.50 and was divided into 23,994,982 shares conferring 23,994,982 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 2023***		**31 December 2022**	
	number of shares	**Par value**	**number of shares**	**Par value**
Number/value of shares at beginning of period	**23 994 982**	**5 999**	**21 373 639**	**5 344**
Issue of shares	-	-	2 621 343	655
Number/value of shares at end of period	**23 994 982**	**5 999**	**23 994 982**	**5 999**

** Unaudited.*

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19. 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 30 June* **2023** *(unaudited)*	*3 months ended 30 June* **2023** *(unaudited)*	*6 months ended 30 June* **2022** *(unaudited)*	*3 months ended 30 June* **2022** *(unaudited)*
Net profit(loss) for period	**(82 740)**	**(108 888)**	**433 913**	**404 260**
Number of outstanding shares	23 994 982	23 994 982	21 373 639	21 373 639
Weighted average number of outstanding shares	23 994 982	23 994 982	21 373 639	21 373 639
Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):				
- basic	(3,45)	(4,54)	20,30	18,91
- diluted	(3,45)	(4,54)	20,30	18,91

There were no dilutive factors in the presented periods.

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

20. 1 Non-current liabilities

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Bank borrowings secured with the Group's assets	1 527 347	1 414 683
Bonds	329 322	332 983
Non-bank borrowings	16 711	16 654
Non-current liabilities under borrowings and other debt instruments	**1 873 380**	**1 764 320**

as at	**2023** *(unaudited)*	**2022**
Finance lease liabilities (perpetual usufruct of land) [1)]	41 962	42 280
Liabilities from measurement of SWAP transactions	205	-
Performance bonds	9 058	4 272
Security deposits from tenants and other deposits	8 799	8 507
Finance lease liabilities (vehicles)	164	-
Other non-current liabilities	**60 188**	**55 059**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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 I, MLP Pruszków II, 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.

20. 2 Current liabilities

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	91 808	41 269
Bonds	113 100	50 896
Current liabilities under borrowings and other debt instruments	**204 908**	**92 165**

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.

as at	**30 June 2023** *(unaudited)*	**30 June 2022**
Liabilities under lease of vehicles	39	-
Other current liabilities	**39**	**-**

20. 3 Change in financial liabilities attributable to financing and other activities

	Bonds
As at 31 December 2022	**383 879**
Issue of bonds	130 445
Interest accrued on bonds	10 477
Interest paid on bonds	(8 026)
Redemption of Series B bonds and portion of Series E bonds	(54 708)
Change in carrying amount	(19 645)
Amount as at 30 June 2023*	**442 422**

** Unaudited.*

	Non-bank borrowings
As at 31 December 2022	**16 654**
Repayment of principal	(139)
Interest accrued	392
Change in carrying amount	(196)
Amount as at 30 June 2023*	**16 711**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	Liabilities under bank borrowings
As at 31 December 2022	**1 455 952**
including derecognised commission fee as at 31 December 2022	2 991
Interest accrued	31 959
Interest paid	(35 211)
IRS interest accrued	(13 160)
IRS interest paid	14 302
Increase in bank borrowings	497 744
Repayment of principal	(246 479)
Realised foreign exchange gains/(losses)	(2 290)
Change in carrying amount	(78 657)
Interest capitalised	(274)
Amount as at 30 June 2023*	**1 619 155**
including derecognised commission fee as at 30 June 2023*	**7 722**

	Finance lease (perpetual usufruct of land)
As at 31 December 2022	**42 280**
Annual amortisation expense	(318)
Amount as at 30 June 2023*	**41 962**

** Unaudited.*

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20. 4 Liabilities under bonds

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
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
Public bonds – Series E	EUR	4 000 000	21.01.2024	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series F	EUR	29 000 000	26.05.2025	6M EURIBOR + margin	*none*	Catalyst

20. 5 *Borrowings secured and not secured with the Group's assets*

	currency	effective interest rate (%)	as at 30 June 2023* matures in	EUR thousand*	PLN thousand	as at 31 December 2022 matures in	EUR thousand*	PLN thousand
Bank borrowings secured with the Group's assets								
Working capital (VAT) facility	PLN	1M WIBOR + margin	-	327	1 456	-	80	377
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2028	-	-	2028	2 737	12 835
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	-	-	2027	1 720	8 065
Investment credit facility PEKAO S.A.	EUR	3M EURIBOR + margin	2029	10 321	45 930		-	-
Investment credit facility BNP Paribas S.A.	EUR	3M EURIBOR + margin	2029	10 053	44 549	2029	10 336	48 271
Investment credit facility ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	3M EURIBOR + margin	2027	98 621	437 455	2027	99 690	465 724
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	-	-	2027	934	4 382
Investment credit facility Aareal Bank AG	EUR	fixed interest rate/6M EURIBOR + margin	2028	60 800	265 990	-	-	-
Investment credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	2026	-	-	2026	6 630	30 885
Investment credit facility PKO BP S.A. and BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2027	62 564	278 259	2027	64 158	300 702
Investment credit facility BNP Paribas S.A.	EUR	3M EURIBOR + margin	2029	6 996	31 134	2029	7 182	33 681
Investment credit facility BGŻ BNP Paribas	EUR	3M EURIBOR + margin	2030	7 155	31 466	-	-	-
Construction credit facility BGŻ BNP Paribas	EUR	3M EURIBOR + margin	2030	3 865	17 201	-	-	-
Construction credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	2029	10 653	47 189	2029	16 204	75 750
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 228	18 816	2024	4 234	19 859
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	1 664	7 405	2024	1 675	7 853
Working capital (VAT) facility	PLN	1M WIBOR + margin	-	-	-	2023	321	1 504
Construction credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	-	-	-	2028	34 328	160 996
Investment credit facility Santander	EUR	3M EURIBOR + margin	2027	5 507	24 054	-	-	-
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	7 577	33 722	2024	7 763	36 411
Construction credit facility Santander	EUR	3M EURIBOR + margin	2027	8 982	39 975	-	-	-
Investment credit facility Bayerische Landesbank	EUR	fixed interest rate	2031	19 647	87 190	2031	19 648	91 867
Investment credit facility OTP Bank Romania S.A.	EUR	3M EURIBOR + margin	2031	5 561	24 707	2031	5 707	26 704
Construction credit facility Bayerische Landesbank	EUR	fixed interest rate	2030	41 044	182 657	2030	27 738	130 086
Total bank borrowings:					**1 619 155**			**1 455 952**

**Amounts of credit facilities in EUR thousand, inclusive of commission fees.*

	currency	effective interest rate (%)	*as at* matures in	30 June 2023* EUR thousand	PLN thousand	*as at* matures in	31 December 2022 EUR thousand	PLN thousand
Non-bank borrowings not secured with the Group's assets:								
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2029	1 389	6 244	2029	1 377	6 459
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	1 042	2032	-	1 014
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	7 349	2032	-	7 162
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2032	-	968	2032	-	942
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2032	-	650	2032	-	633
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	135	2026	-	130
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2032	-	323	2032	-	314
Total non-bank borrowings:					**16 711**			**16 654**
Total borrowings secured and not secured with the Group's assets					**1 635 866**			**1 472 606**

** Unaudited.*

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21. Employee benefit obligations

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Special accounts	157	157
Provision for variable remuneration	1 725	1 914
Employee benefit obligations	**1 882**	**2 071**

22. Trade and other payables

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Trade payables	19 354	22 915
Deferred income	4 032	4 222
Taxes and social security payable	6 863	6 461
Unbilled trade payables	18 826	20 788
Investment commitments, security deposits and other obligations	39 023	113 605
Trade and other payables	**88 098**	**167 991**
Income tax payable	6 109	10 014
Current liabilities	**94 207**	**178 005**

As at 30 June 2023, the Group did not have any past due trade payables owed to related parties.
The decrease in trade payables is primarily attributable to the settlement of liabilities disclosed as at 31 December 2022 and owed to tenants under the Act of 27 October 2022, which mandates emergency measures to curb electricity prices and support certain consumers in 2023.
The decrease in non-invoiced trade payables is due to the payment of a portion of amounts recognised as accruals and deferrals related to variable remuneration of the management personnel for 2022.

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

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Not past due	91 788	166 960
Past due from 1 to 90 days	3 139	2 979
Past due from 91 to 180 days	63	2
Pas due over 180 days	70	146
Total trade and other payables	**95 060**	**170 087**

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.

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23. Financial instruments

23. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2022 and 31 December 2022 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.

23. 1. 1 Financial assets

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Hedging financial instruments measured at fair value through other comprehensive income		
Receivables from measurement of Swap transactions	62 704	76 615
	62 704	**76 615**
Financial assets measured at amortised cost:		
Cash and cash equivalents	482 929	315 200
Loans and receivables, including:		
• Trade and other receivables	26 947	33 616
• Loans	16 682	16 626
• Other long-term investments	36 426	34 632
• Other short-term investments	10 589	7 058
	573 573	**407 132**
Total financial assets	**636 277**	**483 747**

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As at 30 June 2023, the fair value of hedging instruments was PLN 73,293 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 reporting period ended 30 June 2023, there were no reclassifications between fair value hierarchy levels.

Measurement of assets at amortised cost as at 30 June 2023*

** Unaudited.*	Stage 1	Stage 2	Stage 3
Gross carrying amount	**546 626**	**29 663**	**-**
Cash and cash equivalents	482 929	-	-
Loans and receivables, including:			
• Trade and other receivables	-	29 663	-
• Loans	16 682	-	-
• Other long-term investments	36 426	-	-
• Other short-term investments	10 589	-	-
Impairment losses (IFRS 9)	**-**	**(2 716)**	**-**
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2 716)	-
Carrying amount (IFRS 9)	**546 626**	**26 947**	**-**

Measurement of assets at amortised cost as at 31 December 2022

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**373 516**	**36 332**	**-**
Cash and cash equivalents	315 200	-	-
Loans and receivables, including:			
• Trade and other receivables	-	36 332	-
• Loans	16 626	-	-
• Money fund units	-	-	-
• Other long-term investments	34 632	-	-
• Other short-term investments	7 058	-	-
Impairment losses (IFRS 9)	**-**	**(2 716)**	**-**
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2 716)	-
Carrying amount (IFRS 9)	**373 516**	**33 616**	**-**

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23. 1. 2 Financial liabilities

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Hedging financial instruments measured at fair value through other comprehensive income		
Liabilities from measurement of SWAP transactions	205	-
	205	**-**
Financial liabilities measured at amortised cost:		
Bank borrowings	1 619 155	1 455 952
Non-bank borrowings	16 711	16 654
Trade and other payables	95 060	170 087
Lease liabilities	42 165	42 280
Bonds	442 422	383 879
	2 215 513	**2 068 852**
Total financial liabilities	**2 215 718**	**2 068 852**

23. 2 Other disclosures relating to financial instruments

Hedging

For information on collateral, see Note 24.

Hedge accounting

On 9 February 2023, MLP Łódź II Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Santander Bank Polska 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.

24. Contingent liabilities and security instruments

In the period ended 30 June 2023, the Group recognised the following changes in contingent liabilities and security instruments:

- In connection with the execution on 30 December 2022 of the credit facility agreement between MLP Łódź II Sp. z o.o. and Santander Bank Polska S.A. (Santander), on 10 January 2023 the following security interests were established to secure the lender's receivables under the facility agreement as well as the master agreement and hedging transactions:

  (a) contractual mortgage of up to EUR 28,648,630.50, securing claims under the credit facility agreement with respect to construction and investment credit facilities;

  (b) contractual mortgage of up to PLN 6,000,000.00, securing claims under the credit facility agreement with respect to the VAT facility;

  (c) contractual mortgage of up to EUR 2,700,000.00, securing Santander's claims under the master agreement and hedging transactions;

  (d) two registered pledges over MLP Group S.A.'s shares up to the maximum secured amount of EUR 28,648,630.50 (as security for the construction and investment credit facilities) and PLN 6,000,000.00 (as security for the VAT facility), and three financial pledges over MLP Group S.A.'s shares up to the maximum secured amount of EUR 20,166,382.50 (as security for the construction credit facilities), EUR 28,648,630.50 (as security for the investment credit facility), PLN 6,000,000.00 (as security for the VAT facility);

  (e) pledges over bank accounts: 24 registered pledges (12 pledges up to the amount of EUR 28,648,630.50 as security for the construction and investment credit facilities, and 12 pledges up to the amount of PLN 6,000,000.00 as security for the VAT facility) and 33 financial pledges (as security for the construction credit facilities (12) up to EUR 20,166,382.50, for the investment credit facility (12) up to EUR 28,648,630.50, and for the VAT facility (12) of PLN 6,000,000.00;

  (f) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction;

  (g) statement of voluntary submission to enforcement;

  (h) statement of voluntary submission to enforcement by the borrower's sole shareholder;

  (i) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;

  (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of Buildings B and Building C;

  (k) sponsor's commitments under the Letter of Comfort to address the borrower's liquidity shortfalls to ensure the Projected DSCR ratio;

  (l) subordination of claims under the Subordination Agreement;

  (m) deposit in the Debt Service Reserve Account.

- On 20 February 2023, MLP Group S.A. issued a guarantee of up to PLN 5,000,000 to support MLP Wrocław West Sp. z o.o. (as the project developer) in connection with a road construction contract concluded by the latter with the Kąty Wrocławskie Municipality.

- In connection with the execution on 29 March 2023 of the credit facility agreement between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A. (BNP Paribas), the following security interests were established to secure the lender's receivables under the facility agreement as well as the master agreement and hedging transactions:

  (a) contractual mortgage of up to EUR 29,598,000.00, securing claims under the credit facility agreement with respect to construction and investment credit facilities;

  (b) contractual mortgage of up to PLN 7,500,000.00, securing claims under the credit facility agreement with respect to the VAT facility;

  (c) contractual mortgage of up to PLN 12,750,000.00, securing BKP Paribas' claims under the master agreement and hedging transactions;

  (d) two registered pledges over MLP Group S.A.'s shares up to the maximum secured amount of EUR 29,598,000.00 (as security for the construction and investment credit facilities) and PLN 7,500,000.00 (as security for the VAT facility), and three financial pledges over MLP Group S.A.'s shares up to the maximum secured amount of EUR 18,798,000.00 (as security for the construction credit facility), EUR 29,598,000.00 (as security for the investment credit facility), PLN 7,500,000.00 (as security for the VAT facility);

  (e) pledges over bank accounts: 16 registered pledges (8 pledges up to the amount of EUR 29,598,000.00 as security for the construction and investment credit facilities, and 8 pledges up to the amount of PLN 7,500,000.00 as security for the VAT facility) and 24 financial pledges (as security for the construction credit facility (8) up to EUR 18,798,000.00, for the invstment credit facility (8) up to EUR 29,598,000.00, and for the VAT facility (8) of PLN 7,500,000.00;

  (f) two registered pledges over an organised set of movables and rights up to the maximum secured amount of EUR 29,598,000.00 (as security for the construction and investment credit facilities) and PLN 7,500,000.00 (as security for the VAT facility);

  (g) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction;

  (h) statement of voluntary submission to enforcement;

  (i) statement of voluntary submission to enforcement by the borrower's sole shareholder;

  (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of buildings with statement of voluntary submission to enforcement;

  (k) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;

  (l) subordination of claims under the Subordination Agreement.

- In connection with the execution on 28 April 2023 of a new credit facility agreement between MLP Poznań West II Sp. z o.o. and Aareal Bank AG (Aareal), the following security interests were established to secure the lender's receivables under the refinancing facility agreement:
  (a)joint contractual mortgage of up to EUR 95,250,000.00;
  (b) registered pledge over MLP Group S.A.'s shares up to the maximum secured amount of EUR 95,250,000.00 and two financial pledges over MLP Group S.A.'s shares up to the maximum secured amount of 95,250,000.00;
  (c) pledges over bank accounts: 9 registered pledges of up to EUR 95,250,000.00 and 18 financial pledges of up to EUR 95,250,000.00;
  (e) registered pledge over an organised set of movables and rights up to the maximum secured amount of EUR 95,250,000.00;
  (f) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction;
  (g) duty of care agreement for property management;
  (h) statement of voluntary submission to enforcement;
  (i) statement of voluntary submission to enforcement by the borrower's sole shareholder;
  (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of Building A1.1;
  (k) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;
  (l) subordination of claims under the Subordination Agreement.

- Following repayment of the credit facility granted by Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP) to MLP Czeladź Sp. z o.o. under the credit facility agreement of 14 December 2018, on 4 May 2023 PKO BP released all the existing security interests established in favour of PKO BP as the lender. All registered pledges created in favour of PKO BP were deleted from the pledge register in May 2023, and mortgages created in favour of PKO BP were deleted in June 2023.
- Following repayment of the credit facility granted by Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP) to MLP Poznań West II sp. z o.o. under the credit facility agreement of 10 February 2021, on 1 June 2023 PKO BP released all the existing security interests established in favour of PKO BP as the lender. All registered pledges created in favour of PKO BP were deleted from the pledge register in June 2023.
- On 9 February 2023, a conditional agreement was signed for the sale of perpetual usufruct rights to land and ownership of buildings and structures, in which a Group company was the buyer.

In the period from 30 June 2023 to the date of issue of these financial statements, the Group recognised the following changes in contingent liabilities and security instruments:

- On 8 August 2023, a conditional agreement was signed for the purchase of a property in Sprenhagen, Germany.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

25. Related-party transactions

25. 1 Trade and other receivables and payables

The balances of trade and other payables and receivables from related-party transactions as at 30 June 2023* were as follows:

	Trade and other receivables	Trade and other payables[1)]
Parent		
The Israel Land Development Company Ltd.	156	-
Total	**156**	**-**

** Unaudited.*

The balances of trade and other payables and receivables arising from related-party transactions as at 31 December 2022 were as follows:

	Trade and other receivables	Trade and other payables[1)]
The Israel Land Development Company Ltd.	8	-
Other related parties		
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	2	-
Fenix Polska Sp. z o.o.	4	-
Total	**14**	**-**

[1)] Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 28.

25. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and borrowings from related parties as at 30 June 2023*.

	Loans	Borrowings
Other related parties		
Fenix Polska Sp. z o.o.	16 583	(16 711)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	99	-
Total	**16 682**	**(16 711)**

** Unaudited.*

Below are presented the balances of loans to and borrowings from related parties as at 31 December 2022:

	Loans	Borrowings
Other related parties		
Fenix Polska Sp. z o.o.	16 531	(16 654)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	95	-
Total	**16 626**	**(16 654)**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

25. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the period ended 30 June 2023*:

	Revenue	Procurement of services and cost of	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd.	50	-	-	-
	50	**-**	**-**	**-**
Other related parties				
Fenix Polska Sp. z o.o.	-	-	379	(391)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	4	-
	1	**-**	**383**	**(391)**
Key management personnel				
Radosław T. Krochta	-	(1 535)	-	-
Michael Shapiro	-	(898)	-	-
Tomasz Zabost	-	(924)	-	-
Agnieszka Góźdź	-	(870)	-	-
Monika Dobosz	-	(893)	-	-
Marcin Dobieszewski	-	(647)	-	-
Other key management personnel	-	(641)	-	-
	-	**(6 408)**	**-**	**-**
Total	**51**	**(6 408)**	**383**	**(391)**

** Unaudited.*

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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

	Revenue	Procurement of services and cost of wages and	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				
Radosław T. Krochta	-	(1 702)	-	-
Michael Shapiro	-	(1 040)	-	-
Tomasz Zabost	-	(990)	-	-
Marcin Dobieszewski	-	(136)	-	-
Other key management personnel	-	(480)	-	-
	-	**(4 348)**	**-**	**-**
Total	**87**	**(4 348)**	**235**	**(241)**

** Unaudited.*

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B.V., which as at held 100% of shares in Fenix Polska Sp. z o.o. and 42.69% of the Group's share capital.

26. Significant litigation and disputes

After the date of issue of the consolidated report for the year ended 31 December 2022, there were no changes in significant litigation and disputes described in the consolidated financial statements of the MLP Group S.A. Group for the financial year 2022.

27. Significant events during and subsequent to the reporting period

- On 9 February 2023, Santander Bank Polska S.A. disbursed the first tranche of the credit facility to MLP Łódź II Sp. z o.o.
- On 17 March 2023, Bank Pekao S.A. disbursed another tranche of the credit facility to MLP Pruszków II Sp. z o.o.
- On 29 March 2023, a credit facility agreement was executed between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A. On 27 April 2023, the first tranche of the facility was disbursed.
- On 31 March 2023, Bayerische Landesbank disbursed the last tranche of the credit facility to MLP Logistic Park Germany I Sp. z o.o. & Co.
- On 28 April 2023, a credit facility agreement was executed between MLP Poznań West II Sp. z o.o. and Aareal Bank AG.

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

- On 15 May 2023, the Management Board of MLP Group S.A. passed a resolution on the issue, by way of a public offering to qualified investors, of up to 29,000 Series F bearer bonds of the Company with a nominal value of EUR 1,000 per bond and total nominal value of up to EUR 29,000,000 (the "Bonds"). The Bonds will be issued on 24 May 2023 at an issue price of EUR 1,000 per Bond. The Bonds will pay variable interest at 6M EURIBOR plus a margin.
  They were issued as unsecured instruments. The objectives of the issue were not specified.
  The Bonds are due on 26 May 2025.
  The Bonds were registered in the depository maintained by the Central Securities Depository of Poland and introduced to trading in the alternative trading system organised by the Warsaw Stock Exchange on 20 July 2023, as announced by the Company in a current report.

28. Variable remuneration and remuneration paid to members of management and supervisory bodies

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Fixed remuneration of the Management Board:		
Radosław T. Krochta	388	313
Michael Shapiro	298	292
Tomasz Zabost	297	242
Marcin Dobieszewski	210	136
Monika Dobosz	270	-
Agnieszka Góźdź	270	-
	1 733	**983**

Provision for variable remuneration of the Management Board

	2023 *(unaudited)*	**2022** *(unaudited)*
Radosław T. Krochta	1 147	1 389
Michael Shapiro	600	748
Tomasz Zabost	627	748
Marcin Dobieszewski	437	-
Monika Dobosz	623	-
Agnieszka Góźdź	600	-
	4 034	**2 885**

Wykorzystana rezerwa z roku ubiegłego na zmienne wynagrodzenie Zarządu

	2023 *(unaudited)*	**2022** *(unaudited)*
Radosław T. Krochta	2 327	2 779
Michael Shapiro	1 201	1 496
Tomasz Zabost	1 246	1 496
Marcin Dobieszewski	-	
Monika Dobosz	1 265	-
Agnieszka Góźdź	1 226	-
	7 265	**5 771**

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Remuneration of the Supervisory Board:		
• **Remuneration and other benefits**		
Maciej Matusiak	30	27
Eytan Levy	30	27
Shimshon Marfogel	30	27
Guy Shapira	30	27
Piotr Chajderowski	30	27
Oded Setter	30	27
	180	**162**
Total remuneration paid to members of management and supervisory bodies	**9 178**	**6 916**

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Other key management personnel:		
• Remuneration and other benefits paid	641	480
	641	**480**
Total remuneration paid to members of management and supervisory bodies and key management personnel	**9 819**	**7 396**

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.

29. Employees

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Average headcount in period	39	29

Interim condensed consolidated financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

30. Auditor's fees

for the six months ended 30 June	**2023**	**2022**
Statutory audit withing the meaning of Article 2(1) of the Act on Statutory Auditors	-	-
Review withing the meaning of Article 2(1) of the Act on Statutory Auditors	40	30
Other assurance services	-	-
Tax advisory services	-	-
Other services	85	85

** the given amount relates to the review of interim condensed separate financial statement and interim condensed consolidated financial statement*

Signed by the Management Board and the person responsible for keeping books of account with qualified digital signatures.

Pruszków, 23 August 2023

MLP Group S.A.

INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

for the six months
ended 30 June 2023
prepared in accordance
with EU IFRS

IV. Interim condensed separate financial statements

Authorisation of the interim condensed separate financial statements

On 23 August 2023, 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 to 30 June 2023.

These interim condensed separate financial statements for the period from 1 January to 30 June 2023 have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("EU IFRS"). 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 2023, showing a net profit of PLN 13,546 thousand.
2. Condensed statement of financial position as at 30 June 2023, showing total assets and total equity and liabilities of PLN 1,345,306 thousand.
3. Condensed statement of cash flows for the period from 1 January to 30 June 2023, showing a net increase in cash of PLN 120,375 thousand.
4. Condensed statement of changes in equity for the period from 1 January to 30 June 2023, showing an increase in equity of PLN 13,510 thousand.
5. Notes to the separate financial statements

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

Signed with a qualified digital signature.

Pruszków, 23 August 2023

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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

for	Note	*6 months* **ended 30 June 2023** *(unaudited)*	*3 months* **ended 30 June 2023** *(unaudited)*	*6 months* **ended 30 June 2022** *(unaudited)*	*3 months* **ended 30 June 2022** *(unaudited)*
Revenue	4	11 588	6 741	7 759	4 488
Other income	5	5 008	4 865	1	-
Other expenses	6	(156)	147	(34)	(1)
Operating expenses	7	(9 250)	(4 173)	(9 886)	(4 989)
Operating profit/(loss)		**7 190**	**7 580**	**(2 160)**	**(502)**
Finance income	8	34 873	18 252	22 370	14 395
Finance costs	8	(26 182)	(17 540)	(8 434)	(4 454)
Net finance income/(costs)		**8 691**	**712**	**13 936**	**9 941**
Profit/(loss) before tax		**15 881**	**8 292**	**11 776**	**9 439**
Income tax	9	(2 335)	(741)	(1 363)	(741)
Profit from continuing operations		**13 546**	**7 551**	**10 413**	**8 698**
Net profit		**13 546**	**7 551**	**10 413**	**8 698**
Net profit attributable to:					
Shareholders		13 546	7 551	10 413	8 698
Total comprehensive income		**13 546**	**7 551**	**10 413**	**8 698**
Comprehensive income attributable to:					
Shareholders		13 546	7 551	10 413	8 698
Earnings per share	17				
Earnings per ordinary share:					
- Basic and diluted earnings per share (PLN) for the year attributable to holders of ordinary shares of the Parent		0,56	0,31	0,49	0,41

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Interim condensed separate statement of financial position

as at	Note	30 June 2023 *(unaudited)*	31 December 2022
Non-current assets			
Intangible assets		18	29
Property, plant and equipment		615	273
Non-current financial assets in related entities	10	123 470	123 465
Long-term financial investments	11	893 986	942 187
Deferred tax assets	13	-	-
Other long-term investments		644	632
Total non-current assets		**1 018 733**	**1 066 586**
Current assets			
Income tax receivable	14	878	8
Trade and other receivables	14	5 278	5 392
Cash and cash equivalents	15	320 417	200 042
Current assets other than held for sale or distribution to owners		**326 573**	**205 442**
Total current assets		**326 573**	**205 442**
TOTAL ASSETS		**1 345 306**	**1 272 028**
Equity	16		
Share capital		5 999	5 999
Share premium		485 312	485 348
Capital reserve		4 194	4 194
Statutory reserve funds		65 097	65 097
Retained earnings, including:		71 234	57 688
Profit/ (loss) brought forward		57 688	34 666
Net profit		13 546	23 022
Equity attributable to shareholders		**631 836**	**618 326**
Total equity		**631 836**	**618 326**
Non-current liabilities			
Non-bank borrowings and other debt instruments	18	593 910	586 751
Deferred tax liability	13	3 119	784
Total non-current liabilities		**597 029**	**587 535**
Current liabilities			
Non-bank borrowings and other debt instruments	18	113 116	57 044
Employee benefit obligations	19	1 394	1 065
Trade and other payables	20	1 931	8 058
Current liabilities other than held for sale		**116 441**	**66 167**
Total current liabilities		**116 441**	**66 167**
Total liabilities		**713 470**	**653 702**
TOTAL EQUITY AND LIABILITIES		**1 345 306**	**1 272 028**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Interim condensed separate statement of cash flows

for the six months ended 30 June	Note	2023 *(unaudited)*	2022 *(unaudited)*
Cash flows from operating activities			
Profit before tax		**15 881**	**11 776**
Total adjustments, including:		**(16 373)**	**(15 461)**
Depreciation and amortisation		53	76
Net interest		(12 545)	(8 598)
Exchange differences		1 839	(1 321)
Dividend income		-	(4 793)
Net gain/(loss) on investing activities		(22)	-
Other		(12)	693
Change in receivables		114	(528)
Change in current and other liabilities		(5 800)	(990)
Cash from operating activities		**(492)**	**(3 685)**
Income tax (paid)/refunded		(870)	(103)
Net cash from operating activities		**(1 362)**	**(3 788)**
Cash flows from investing activities			
Repayment of loans		211 456	122 150
Dividends received		-	4 793
Interest received		9 127	4 055
Acquisition of shares	10	(5)	(10)
Purchase of investment property, property, plant and equipment and intangible assets		(288)	(48)
Disposal of investment property, property, plant and equipment and intangible assets		35	-
Proceeds from disposal of other investments in financial assets		-	49 059
Loans		(173 646)	(184 281)
Cash from investing activities		**46 679**	**(4 282)**
Cash flows from financing activities			
Proceeds from non-bank borrowings		12 178	35 038
Repayment of non-bank borrowings		(6 000)	-
Issue of bonds		130 445	-
Net proceeds from issue of shares and other equity instruments and contributions to equity		(36)	-
Interest paid on non-bank borrowings		(193)	-
Interest paid on bonds		(8 026)	(5 124)
Redemption of bonds		(54 708)	(94 118)
Payment of finance lease liabilities		(13)	-
Cash from financing activities		**73 647**	**(64 204)**
Total cash flows, net of exchange differences		**118 964**	**(72 274)**
Effect of exchange differences on cash and cash equivalents		1 411	3 452
Total cash flows		**120 375**	**(68 822)**
Cash and cash equivalents at beginning of period		**200 042**	**92 192**
Cash and cash equivalents at end of period	15	**320 417**	**23 370**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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 2023	**5 999**	**485 348**	**4 194**	**65 097**	**57 688**	**618 326**	**618 326**
Comprehensive income:							
Net profit/(loss)	-	-	-	-	13 546	13 546	**13 546**
Comprehensive income for the six months ended 30 June 2023*	**-**	**-**	**-**	**-**	**13 546**	**13 546**	**13 546**
Increase in equity due to share issue	-	(36)	-	-	-	(36)	(36)
Changes in equity	**-**	(36)	**-**	**-**	**13 546**	**13 510**	**13 510**
As at 30 June 2023*	**5 999**	**485 312**	**4 194**	**65 097**	**71 234**	**631 836**	**631 836**

	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**
Comprehensive income:							
Net profit/(loss)	-	-	-	-	10 413	10 413	**10 413**
Comprehensive income for the six months ended 30 June 2022*	**-**	**-**	**-**	**-**	**10 413**	**10 413**	**10 413**
Changes in equity	**-**	**-**	**-**	**-**	**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**

** Unaudited.*

Notes to the 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 Warsaw 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 55 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., Lokafop 201 Sp. z o.o. SKA, Lokafop 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., MLP Business Park Trebur LP Sp. z o.o., MLP Trebur Sp. z o.o. & Co. KG, MLP Poznań West III and MLP Łódź III.

For more information on subordinated entities, see Note 10.

1. 3 Management Board

As at the date of these interim condensed 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 Góźdź - Member of the 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 accounting used in preparing the separate financial statements

2. 1 Statement of compliance

MLP Group S.A. has prepared these 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 accounting

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

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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 these interim condensed 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 separate statement of financial position denominated in foreign currencies:

Interim condensed separate statement of financial position

	30 June 2023	31 December 2022	30 June 2022
EUR	4,4503	4,6899	4,6806
USD	4,1066	4,4018	4,4825
RON	0,8967	0,9475	0,9466

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 variable remuneration of the Management Board.

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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 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:

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
MLP Poznań West II Sp. z o.o.	32%	5%
MLP Pruszków I Sp. z o.o.	13%	18%
MLP Pruszków III Sp. z o.o.	6%	9%
MLP Wrocław Sp. z o.o.	5%	6%
MLP Lublin Sp. z o.o.	5%	7%
MLP Gliwice Sp. z o.o.	4%	6%
MLP Pruszków IV Sp. z o.o.	4%	6%

4. Revenue

for	***6 months ended 30 June*** **2023** *(unaudited)*	***3 months ended 30 June*** **2023** *(unaudited)*	***6 months ended 30 June*** **2022** *(unaudited)*	***3 months ended 30 June*** **2022** *(unaudited)*
Property management	3 477	1 832	2 833	1 445
Project management	471	251	388	196
Advisory services	7 347	4 564	4 050	2 653
Agency services	-	-	-	(294)
Recharge of services	293	94	488	488
Total revenue	11 588	6 741	7 759	4 488
- including from related entities	*11 566*	6 730	*7 739*	4 477

For more information on income from related entities, see Note 23.3.

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5. Other income

for	6 months ended 30 June 2023 (unaudited)	3 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)
Reversal of provision for bonuses	4 865	4 865	-	-
Proceeds from sale of property, plant and equipment	22	-	-	-
Past due liabilities written off	19	-	-	-
Other	102	-	1	-
Other income	**5 008**	**4 865**	**1**	**-**

6. Other expenses

for	6 months ended 30 June 2023 (unaudited)	3 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)
Other expenses	(153)	150	(29)	(1)
Donations made	(3)	(3)	(5)	-
Other expenses	**(156)**	**147**	**(34)**	**(1)**

7. Operating expenses

for	6 months ended 30 June 2023 (unaudited)	3 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)
Depreciation and amortisation	(53)	(32)	(76)	(24)
Materials and consumables used	(277)	(170)	(150)	(90)
Services	(4 405)	(1 047)	(7 329)	(3 577)
Taxes and charges	(177)	(101)	(121)	(65)
Wages and salaries	(3 274)	(2 150)	(1 314)	(606)
Social security and other employee benefits	(742)	(504)	(577)	(407)
Other expenses by nature	(322)	(169)	(319)	(220)
Operating expenses	**(9 250)**	**(4 173)**	**(9 886)**	**(4 989)**

Operating expenses for the six months ended 30 June 2023 were PLN 9,250 thousand. Most of the above costs incurred by the Company relate to the operations of the Group and services rendered to the Group.

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8. Finance income and costs

for	***6 months ended 30 June 2023*** *(unaudited)*	***3 months ended 30 June 2023*** *(unaudited)*	***6 months ended 30 June 2022*** *(unaudited)*	***3 months ended 30 June 2022*** *(unaudited)*
Interest on loans to related entities	30 399	15 483	16 195	9 082
Interest on bank deposits	-	(1 705)	-	-
Dividend income	-	-	4 793	4 793
Interest on bank deposits	4 474	4 474	-	-
Net exchange differences	-	-	1 321	499
Revenue from investment fund units	-	-	61	21
Total finance income	**34 873**	**18 252**	**22 370**	**14 395**
Interest expense on borrowings from related entities	(7 367)	(3 840)	(2 779)	(1 610)
Interest paid to state budgets	(4)	(4)	(5)	(5)
Interest on bonds	(10 477)	(5 906)	(4 879)	(2 330)
Net exchange differences	(8 014)	(7 613)	-	-
Other finance costs	(320)	(177)	(771)	(509)
Total finance costs	**(26 182)**	**(17 540)**	**(8 434)**	**(4 454)**

Foreign exchange losses are mainly attributable to the period-end measurement of receivables under non-bank borrowings, bonds and receivables under non-bank borrowings denominated in EUR.
For more information on finance income and expenses of related entities, see Note 23.3.

9. Income tax

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Current income tax	-	6
Temporary differences/reversal of temporary differences	2 335	1 357
Income tax	**2 335**	**1 363**

Effective tax rate

for the six months ended 30 June	**2023** *(unaudited)*	**2022** *(unaudited)*
Profit before tax	**15 881**	**11 776**
Tax at the applicable tax rate (19%)	(3 017)	(2 237)
Dividend income	-	911
Use of tax loss for which no asset was recognised	745	-
Non-taxable income	1	-
Expenses not deductible for tax purposes	(64)	(37)
Income tax	**(2 335)**	**(1 363)**

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.

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10. Non-current financial assets in related entities

as at	30 June 2023 *(unaudited)*	31 December
Gross carrying amount at beginning of period	**123 465**	**123 450**
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
Acquisition of shares in MLP Poznań West III	-	5
Acquisition of shares in MLP Łódź III	5	-
Gross carrying amount at end of period	**123 470**	**123 465**
Net amount at end of period	**123 470**	**123 465**

As at 30 June 2023, 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 2023 *(unaudited)*	31 December 2022	30 June 2023 *(unaudited)*	31 December 2022
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%
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%

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Entity	Country of registration	Direct and indirect equity interest		Direct and indirect voting interest	
		30 June 2023 *(unaudited)*	31 December 2022	30 June 2023 *(unaudited)*	31 December 2022
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 Zgorzelec Sp. z o.o.[1)]	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.	Poland	100%	100%	100%	100%
MLP Business Park Trebur LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Trebur Sp. z o.o. &Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź III Sp. z o.o.[2)]	Poland	100%	-	100%	-

[1)] On 16 January 2023, the change of the name of MLP Poznań East sp. z o.o. to MLP Zgorzelec Sp. z o.o. was registered.

[2)] On 23 May 2023, MLP Łódź III Sp. z o.o. was incorporated pursuant to a notarial deed. 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 5 June 2023.

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11. Long-term investments

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Long-term loans to related entities	893 986	942 187
Long-term investments	**893 986**	**942 187**

For more information on loans to related parties, see Note 23.2.

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 2023, there were no indications of impairment of long-term investments.

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

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

	Shares
As at 31 December 2022	**123 465**
Subscription for shares	5
Amount as at 30 June 2023*	**123 470**

	Loan assets
As at 31 December 2022	**942 187**
Loan advanced	173 646
Repayment of principal	(211 456)
Interest accrued	30 397
Payment of interest on loan	(9 127)
Realised foreign exchange gains/(losses)	3 269
Change in carrying amount	(34 930)
Amount as at 30 June 2023*	**893 986**

** Unaudited.*

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13. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
as at	**30 June 2023** *(unaudited)*	**31 December 2022**	**30 June 2023** *(unaudited)*	**31 December 2022**	**30 June 2023** *(unaudited)*	**31 December 2022**
Loans and non-bank borrowings	-	-	7 304	5 036	7 304	5 036
Tax loss	2 343	467	-	-	(2 343)	(467)
Other	151	3 369	-	-	(151)	(3 369)
Bonds	1 691	416	-	-	(1 691)	(416)
Deferred tax assets / liabilities	**4 185**	**4 252**	**7 304**	**5 036**	**3 119**	**784**

	1 January 2022	**changes recognised in profit or loss**	**31 December 2022**	**changes recognised in profit or loss**	**30 June 2023** *(unaudited)*
Loans and non-bank borrowings	**(351)**	5 387	**5 036**	2 268	7 304
Tax loss	**(430)**	(37)	**(467)**	(1 876)	(2 343)
Other	**(1 584)**	(1 785)	**(3 369)**	3 218	(151)
Bonds	**(481)**	65	**(416)**	(1 275)	(1 691)
	(2 846)	**3 630**	**784**	**2 335**	**3 119**

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.

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14. Trade and other receivables

as at	30 June 2023 *(unaudited)*	31 December 2022
Trade receivables from related entities	2 731	3 117
Trade receivables from other entities	7	4
Taxes and social security payable	241	56
Prepayments and accrued income	2 098	1 969
Other	201	246
Trade and other receivables	**5 278**	**5 392**
Income tax receivable	878	8
Short-term receivables	**6 156**	**5 400**

For more information on receivables from related entities, see Note 23.

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 had the following homogeneous groups of receivables from subsidiaries.

Days past due of trade and other receivables as well as impairment losses are presented in the table below.

	30 June 2023*		31 December 2022	
	Gross receivables	Impairment losses	Gross receivables	Impairment losses
Not past due	2 155	-	2 964	-
Past due from 1 to 90 days	340	-	60	-
Past due from 91 to 180 days	60	-	44	-
Pas due over 180 days	384	-	299	-
Total receivables	**2 939**	**-**	**3 367**	**-**

** Unaudited.*

15. Cash and cash equivalents

as at	30 June 2023 *(unaudited)*	31 December 2022
Cash in hand	21	11
Cash at banks	191 129	31 031
Short-term deposits	129 267	169 000
Cash and cash equivalents in the separate statement of financial position	**320 417**	**200 042**
Cash and cash equivalents in the separate statement of cash flows	**320 417**	**200 042**

The Company has no restricted cash.

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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. All banks with which the Company holds cash have investment grade ratings.

16. Equity

16. 1 Share capital

Share capital	*as at*	**30 June 2023** *(unaudited)*	**31 December 2022**
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
Series F ordinary shares		2 621 343	2 621 343
Ordinary shares – total		**23 994 982**	**23 994 982**
Par value per share		0,25	0,25

As at 30 June 2023, the Parent's share capital amounted to PLN 5,998,745.5 and was divided into 23,994,982 shares conferring 23,994,982 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	**30 June 2023**		**31 December 2022**	
	number of shares *(unaudited)*	**Par value**	**number of shares**	**Par value**
Number/value of shares at beginning of period	**23 994 982**	**5 999**	**21 373 639**	**5 344**
Issue of shares	-	-	2 621 343	655
Number/value of shares at end of period	**23 994 982**	**5 999**	**23 994 982**	**5 999**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

16. 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, there were changes in direct holdings of 5% or more of total voting rights in the Company in the period from the date of issue of the most recent periodic report to the reporting date, and as at 30 June 2023 the holdings were as follows:

Shareholder	Number of shares and voting rights	% direct interest in share capital and voting rights
CAJAMARCA Holland BV	10 242 726	42,69%
Pozostali akcjonariusze	4 248 915	17,72%
Israel Land Development Company Ltd.	3 016 329	12,57%
THESINGER LIMITED	1 771 320	7,38%
Allianz OFE	1 713 881	7,14%
OFE NNLife [1)]	1 591 360	6,63%
GRACECUP TRADING LIMITED	641 558	2,67%
MIRO LTD.	617 658	2,57%
Shimshon Marfogel	149 155	0,62%
Oded Setter	2 080	0,01%
Total	**23 994 982**	***100,00%***

[1)] On 21 July 2023, OFE NNLife was wound up and its assets were transferred to Generali Powszechne Towarzystwo Emerytalne S.A.

16. 1. 2 Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies

As at 30 June 2023, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.57% 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 10.67% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 13.24% interest in the share capital of MLP Group S.A.

As at 30 June 2023, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.62% of the Company's share capital.

As at 30 June 2023, 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, 0.0087% of the Company's share capital.

Eytan Levy indirectly holds a 10.67% interest in MLP Group S.A.'s share capital: Mr. Levy holds a 100% interest in N Towards the Next Millennium Ltd. This company holds a 33.33% (1/3) interest in RRN Holdings Ltd. which in turn holds a 75% interest in the share capital of Cajamarca Holland B.V., resulting in a 10.67% interest in MLP Group S.A.'s share capital.
The other members of the Supervisory Board have no direct holdings in the Company's share capital.

16. 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)

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17. 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 2023 *(unaudited)*	3 months ended 2023 *(unaudited)*	6 months ended 2022 *(unaudited)*	3 months ended 2022 *(unaudited)*
Net profit/ (loss) for period	**13 546**	**7 551**	**10 413**	**8 698**
Number of outstanding shares	23 994 982	23 994 982	21 373 639	21 373 639
Weighted average number of outstanding shares	23 994 982	23 994 982	21 373 639	21 373 639
Earnings per share for period (PLN per share):				
- basic	0,56	0,31	0,49	0,41
- diluted	0,56	0,31	0,49	0,41

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.

18. Non-bank borrowings and other debt instruments

18. 1 Non-current liabilities

as at	30 June 2023 *(unaudited)*	31 December 2022
Bonds	329 322	332 983
Liabilities under lease of vehicles	83	-
Borrowings from related entities	264 505	253 768
Non-current liabilities under non-bank borrowings and other debt instruments	**593 910**	**586 751**

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18. 2 Current liabilities

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Bonds	113 100	50 896
Borrowings from related entities	-	6 148
Liabilities under lease of vehicles	16	-
Current liabilities under non-bank borrowings and other debt instruments	**113 116**	**57 044**

For more information on borrowings from related entities, see Note 23.2.

18. 3 Change in financial liabilities attributable to financing and other activities

	Bonds
As at 31 December 2022	**383 879**
Issue of bonds	130 445
Redemption of bonds	(54 708)
Interest accrued on bonds	10 477
Interest paid on bonds	(8 026)
Change in carrying amount	(19 645)
Amount as at 30 June 2023*	**442 422**

	Borrowings from related entities
As at 31 December 2022	**259 916**
Increase in non-bank borrowings	12 178
Repayment of principal	(6 000)
Interest accrued	7 366
Payment of interest on loan	(189)
Unrealised foreign exchange gains/(losses)	(8 766)
Amount as at 30 June 2023*	**264 505**

** Unaudited.*

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

18. 4 Liabilities under bonds

Instrument	currency	nominal value	maturity date	interest rate	guarantees and collateral	Listing venue
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
Public bonds – Series E[1)]	EUR	4 000 000	21.01.2024	3M EURIBOR + margin	*none*	Catalyst
Public bonds – Series F	EUR	29 000 000	26.05.2025	6M EURIBOR + margin	*none*	Catalyst

[1)] On 17 May 2023, the Company redeemed early Series E bonds with a total nominal value of EUR 2,000,000.
On 11 May 2023, the Company redeemed Series B bonds with a total nominal value of EUR 10,000,000 at maturity.

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18. 5 Non-bank borrowings not secured over the Company's assets

			as at	30 June 2023*			31 December 2022	
Loan from	**currency**	**effective interest rate (%)**	**matures in**	**in foreign currency**	**in PLN**	**matures in**	**in foreign currency**	**in PLN**
LOKAFOP 201 Sp. z o.o. S.K.A.	PLN	3M WIBOR + margin	2025	-	12 917	2025	-	12 494
MLP BIERUŃ Sp. z o.o.	EUR	3M EURIBOR + margin	2027	7	30	2027	7	31
MLP BIERUŃ Sp. z o.o.	EUR	3M EURIBOR + margin	2028	31	137	2028	-	-
MLP PRUSZKÓW I Sp. z o.o.	EUR	3M EURIBOR + margin	2026	303	1 349	2026	298	1 397
MLP PRUSZKÓW I Sp. z o.o.	EUR	3M EURIBOR + margin	2027	15 556	69 228	2027	15 186	71 223
MLP PRUSZKÓW I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	7 485	33 310	2025	7 366	34 547
MLP PRUSZKÓW I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	529	2 354	2025	519	2 436
MLP PRUSZKÓW I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	47 145	2026	-	45 454
MLP PRUSZKÓW I Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	3 179	2027	-	3 028
MLP PRUSZKÓW I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	8 716	2025	-	8 445
MLP TEMP Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2 257	10 045	2027	2 213	10 378
MLP TEMP Sp. z o.o.	EUR	3M EURIBOR + margin	2027	62	276	2027	60	284
MLP TEMP Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1 132	5 039	2025	1 110	5 206
MLP TEMP Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	182	2027	-	173
MLP PRUSZKÓW III Sp. z o.o.	EUR	3M EURIBOR + margin	2027	4 646	20 678	2027	4 526	21 228
MLP PRUSZKÓW III Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	3 098	2027	-	2 956
MLP BUSINESS PARK BERLIN I LP Sp. z o.o	PLN	3M WIBOR + margin	2027	-	107	2027	-	102
MLP POZNAŃ II Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	-	2026	-	5
MLP POZNAŃ II Sp. z o.o.	PLN	3M WIBOR + margin	2023	-	-	2023	-	6 148
Feniks Obrót Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	12 191	2027	-	11 615
MLP PRUSZKÓW IV Sp. z o.o.	EUR	3M EURIBOR + margin	2027	3 318	14 765	2027	3 232	15 157
MLP PRUSZKÓW IV Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	7 602	2027	-	7 254
MLP TERESIN II Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	374	2027	-	355
MLP DORTMUND LP Sp. z o.o.	EUR	3M EURIBOR + margin	2028	82	365	2028	-	-
MLP LOGISTIC PARK GERMANY I SP.Z O.O.& CO KG	EUR	3M EURIBOR + margin	2028	2 566	11 418	2028	-	-
Total				**37 974**	**264 505**		**34 517**	**259 916**

** Unaudited.*

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

19. Employee benefit obligations

as at	30 June 2023 *(unaudited)*	31 December 2022
Special accounts	157	157
Provision for variable remuneration	1 237	908
Employee benefit obligations	**1 394**	**1 065**

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

20. Trade and other payables

as at	30 June 2023 *(unaudited)*	31 December 2022
Trade payables to related entities	215	-
Trade payables to other entities	412	666
Taxes and social security payable	870	211
Accrued expenses	339	7 059
Investment and other commitments	95	122
Trade and other payables	**1 931**	**8 058**
Current liabilities	**1 931**	**8 058**

For information on liabilities to related parties, see Note 23.

The table below presents days past due of trade and other payables:

as at	30 June 2023 *(unaudited)*	31 December 2022
Not past due	1 007	7 739
Past due from 1 to 90 days	53	92
Past due from 91 to 180 days	-	-
Pas due over 180 days	1	16
Total trade and other payables	**1 061**	**7 847**

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.

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

21. Financial instruments

21. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2023 and 31 December 2022 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 Company 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:

21. 1. 1 Financial assets

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Financial assets measured at amortised cost:		
Cash and cash equivalents	320 417	200 042
Loans and receivables, including:		
• Trade and other receivables	2 939	3 367
• Loans	893 986	942 187
Total financial assets measured at amortised cost	**1 217 342**	**1 145 596**
Total financial assets	**1 217 342**	**1 145 596**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Measurement of assets at amortised cost as at 30 June 2023*:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**1 214 403**	**2 939**	**-**
Cash and cash equivalents	320 417	-	-
Loans and receivables, including:			
• Trade and other receivables	-	2 939	-
• Loans	893 986	-	-
Impairment losses (IFRS 9)	**-**	**-**	**-**
Carrying amount (IFRS 9)	**1 214 403**	**2 939**	**-**

** Unaudited*

Measurement of assets at amortised cost as at 31 December 2022:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**1 142 229**	**3 367**	**-**
Cash and cash equivalents	200 042	-	-
Loans and receivables, including:			
• Trade and other receivables	-	3 367	-
• Money fund units	-	-	-
• Loans	942 187	-	-
Impairment losses (IFRS 9)	**-**	**-**	**-**
Carrying amount (IFRS 9)	**1 142 229**	**3 367**	**-**

21. 1. 2 Financial liabilities

as at	**30 June 2023** *(unaudited)*	**31 December 2022**
Financial liabilities measured at amortised cost:		
Non-bank borrowings	264 505	259 916
Trade and other payables	1 061	7 847
Bonds	442 422	383 879
Lease liabilities	99	-
Total financial liabilities measured at amortised cost	**708 087**	**651 642**
Total financial liabilities	**708 087**	**651 642**

22. Contingent liabilities and security instruments

The contingent liabilities and security instruments disclosed in the separate financial statements for 2022 did not change in the six months ended 30 June 2023 and remain effective as at 30 June 2023.

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

23. Related-party transactions

23. 1 Trade and other receivables and payables

The balances of trade and other receivables and payables under related-party transactions as at 30 June 2023* were as follows:

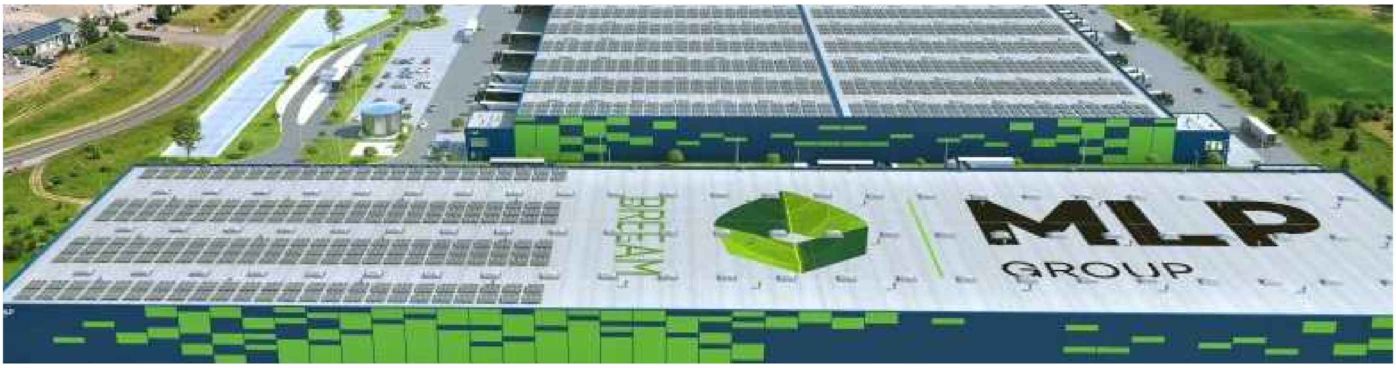
	Trade and other receivables	Trade and other payables[1)]
Parent		
The Israel Land Development Company Ltd., Tel-Awiw	156	-
	156	**-**
Other related parties		
MLP Pruszków I Sp. z o.o.	313	-
MLP Pruszków II Sp. z o.o.	79	-
MLP Pruszków III Sp. z o.o.	132	-
MLP Pruszków IV Sp. z o.o.	73	-
MLP Pruszków V Sp. z o.o.	78	-
MLP Poznań Sp. z o.o.	30	-
MLP Poznań II Sp. z o.o.	27	-
MLP Lublin Sp. z o.o.	222	-
MLP Teresin Sp. z o.o.	105	-
Feniks Obrót Sp. z o.o.	38	-
MLP Wrocław Sp. z o.o.	200	-
MLP Czeladź Sp z o.o.	38	-
MLP Gliwice Sp. z o.o.	199	-
MLP Business Park Poznań Sp. z o.o.	18	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	171	-
MLP Teresin II Sp. z o.o.	-	1
MLP Wrocław West Sp. z o.o.	18	-
MLP Łódź II Sp. z o.o.	62	-
MLP Zgorzelec Sp. z o.o.	6	-
MLP Pruszków VI Sp. z o.o.	12	-
MLP Wrocław West I Sp. z o.o.	234	-
MLP Gorzów Sp. z o.o.	15	1
MLP Łódź III Sp. z o.o.	14	-
MLP Trebur Sp. z o.o.&Co.KG	1	-
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	-	213
MLP Bucharest West SRL	484	-
MLP Germany Management GmbH	5	-
	2 575	**215**
Total	**2 731**	**215**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

The balances trade and other payables and receivables under related-party transactions as at 31 December 2022 were as follows:

	Trade and other receivables	Trade and other payables
Parent		
The Israel Land Development Company Ltd., Tel-Aviv	8	-
Other related parties		
MLP Pruszków I Sp. z o.o.	293	-
MLP Pruszków II Sp. z o.o.	85	-
MLP Pruszków III Sp. z o.o.	145	-
MLP Pruszków IV Sp. z o.o.	95	-
MLP Pruszków V Sp. z o.o.	56	-
MLP Poznań Sp. z o.o.	29	-
MLP Poznań II Sp. z o.o.	25	-
MLP Lublin Sp. z o.o.	107	-
MLP Teresin Sp. z o.o.	49	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	122	-
MLP Wrocław Sp. z o.o.	91	-
MLP Czeladź Sp z o.o.	43	-
MLP Gliwice Sp. z o.o.	95	-
MLP Property Sp. z o.o.	2	-
MLP Business Park Poznań Sp. z o.o.	21	-
MLP Temp Sp. z o.o.	4	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	2	-
MLP Bieruń Sp. z o.o.	2	-
MLP Bieruń I Sp. z o.o.	5	-
MLP Sp. z o.o.	2	-
MLP FIN Sp. z o.o.	2	-
LOKAFOP 201 Sp. z o.o.	2	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	2	-
MLP Poznań West II Sp. z o.o.	180	-
MLP Bucharest West Sp. z o.o.	2	-
MLP Dortmund LP Sp. z o.o.	2	-
MLP Dortmund GP Sp. z o.o.	2	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	17	-
MLP Łódź II Sp. z o.o.	1 142	-
MLP Zgorzelec Sp. z o.o.	11	-
MLP Pruszków VI Sp. z o.o.	11	-
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 Gelsenkirchen GP Sp. z o.o.	4	-
MLP Gelsenkirchen LP Sp. z o.o.	4	-
MLP Gorzów Sp. z o.o.	5	-
MLP Wrocław West I Sp. z o.o.	4	-

	Trade and other receivables	Trade and other payables
MLP Idstein GP Sp. z o.o.	4	-
MLP Idstein LP Sp. z o.o.	4	-
MLP Business Park Trebur GP Sp. z o.o.	2	-
MLP Business Park Trebur LP Sp. z o.o.	2	-
MLP Bucharest West SRL	413	-
MLP Germany Management GmbH	4	-
MLP FIN Sp. z o.o. Spółka Komandytowa	2	-
Fenix Polska Sp. z o.o.	4	-
	3 109	**-**
Total	**3 117**	**-**



Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

23. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and borrowings from related parties as at 30 June 2023*.

	Loans	Borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	-	165 281
MLP Pruszków II Sp. z o.o.	31 344	-
MLP Pruszków III Sp. z o.o.	-	23 776
MLP Pruszków IV Sp. z o.o.	-	22 367
MLP Pruszków V Sp. z o.o.	35 360	-
MLP Poznań Sp. z o.o.	4 082	-
MLP Poznań II Sp. z o.o.	191	-
Feniks Obrót Sp. z o.o.	-	12 191
MLP Wrocław Sp. z o.o.	38 425	-
MLP Czeladź Sp z o.o.	40 808	-
MLP Gliwice Sp. z o.o.	11 403	-
MLP Business Park Poznań Sp. z o.o.	44 546	-
MLP Temp Sp. z o.o.	-	15 542
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	12 917
MLP Bieruń Sp. z o.o.	-	167
MLP Bieruń I Sp. z o.o.	16 097	-
MLP Sp. z o.o.	10	-
MLP FIN Sp. z o.o.	114	-
LOKAFOP 201 Sp. z o.o.	11	-
MLP Business Park Berlin I LP Sp. z o.o.	-	107
MLP Spółka z ograniczoną odpowiedzialnością SKA	-	-
MLP Poznań West II Sp. z o.o.	53 694	-
MLP Bucharest West Sp. z o.o.	22 281	-
MLP Dortmund LP Sp. z o.o.	96	365
MLP Dortmund GP Sp. z o.o.	72	-
MLP Teresin II Sp. z o.o.	-	374
MLP Wrocław West Sp. z o.o.	80 495	-
MLP Łódź II Sp. z o.o.	87 314	-
MLP Zgorzelec Sp. z o.o.	15 866	-
MLP Pruszków VI Sp. z o.o.	124 719	-
MLP Business Park Berlin I GP Sp. z o.o.	103	-
MLP Schwalmtal LP sp. z o.o.	55	-
MLP Schwalmtal GP sp. z o.o.	58	-
MLP Wrocław West I Sp. z o.o.	321	-
MLP Gelsenkirchen LP Sp. z o.o.	46	-
MLP Gelsenkirchen GP Sp. z o.o.	46	-
MLP Gorzów Sp. z o.o.	16 768	-
MLP Idstein GP Sp. z o.o.	-	-
MLP Idstein LP Sp. z o.o.	60	-
MLP Business Park Trebur GP Sp. z o.o.	16	-
MLP Business Park Trebur LP Sp. z o.o.	16	-
MLP Poznań West III Sp. z o.o.	-	-
MLP FIN Sp. z o.o. Spółka Komandytowa	99	-
Fenix Polska Sp. z o.o.	6 313	-
The Israel Land Development Company Ltd., Tel-Awiw	-	-

	Loans	Borrowings
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	-	11 418
MLP Bucharest West SRL	20 217	-
MLP Germany Management GmbH	15 657	-
MLP Schwalmtal Sp. z o.o. & Co. KG	10 952	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	27 379	-
MLP Business Park Wien GmbH	84 151	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	69 930	-
MLP Idstein Sp. z o.o.&Co.KG	34 781	-
MLP Trebur Sp. z o.o.&Co.KG	90	-
Total	**893 986**	**264 505**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

Below are presented the balances of loans to and borrowings from related parties as at 31 December 2022.

	Loans	Borrowings
Other related parties		
MLP Pruszków II Sp. z o.o.	31 970	-
MLP Pruszków V Sp. z o.o.	27 750	-
MLP Poznań Sp. z o.o.	4 181	-
MLP Poznań II Sp. z o.o.	186	6 153
LOKAFOP 201 Sp. z o.o.	10	-
MLP Wrocław Sp. z o.o.	16 080	-
MLP Czeladź Sp z o.o.	64 700	-
MLP Gliwice Sp. z o.o.	11 087	-
MLP Business Park Poznań Sp. z o.o.	42 221	-
MLP Bieruń I Sp. z o.o.	6 496	-
Fenix Polska Sp. z o.o.	6 526	-
MLP FIN Sp. z o.o.	110	-
MLP Business Park Berlin I GP Sp. z o.o.	98	-
MLP Zgorzelec Sp. z o.o.	15 040	-
MLP Pruszków VI Sp. z o.o.	65 152	-
MLP Poznań West II Sp. z o.o.	113 784	-
MLP Bucharest West Sp. z o.o.	22 941	-
MLP Dortmund LP Sp. z o.o.	92	-
MLP Dortmund GP Sp. z o.o.	71	-
MLP Wrocław West Sp. z o.o.	78 548	-
MLP FIN Sp. z o.o. Spółka Komandytowa	95	-
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	51 309	-
MLP Bucharest West SRL	14 347	-
MLP Business Park Berlin I LP Sp. z o.o.	116 560	102
MLP Germany Management GmbH	11 540	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	25 075	-
MLP Schwalmtal Sp. z o.o. & Co. KG	10 787	-
MLP Schwalmtal LP Sp. z o.o.	53	-
MLP Schwalmtal GP Sp. z o.o.	46	-
MLP Wrocław West I Sp. z o.o.	44	-
MLP Gelsenkirchen GP Sp. z o.o.	44	-
MLP Gelsenkirchen LP Sp. z o.o.	44	-
MLP Gorzów Sp. z o.o.	18 759	-
MLP Idstein LP Sp. z o.o.	57	-
MLP Business Park Trebur GP Sp. z o.o.	15	-
MLP Business Park Trebur LP Sp. z o.o.	15	-
MLP Business Park Wien GmbH	83 460	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	69 105	-
MLP Idstein Sp. z o.o. & Co. KG	33 789	-
MLP Pruszków I Sp. z o.o.	-	166 530
MLP Pruszków III Sp. z o.o.	-	24 184
MLP Pruszków IV Sp. z o.o.	-	22 411
MLP Temp Sp. z o.o.	-	16 041
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	12 494
MLP Bieruń Sp. z o.o.	-	31
MLP Teresin II Sp. z o.o.	-	355
Feniks Obrót Sp. z o.o.	-	11 615
	942 187	**259 916**
Total	**942 187**	**259 916**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

23. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the six months ended 30 June 2023*.

	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd.	50	-	-
	50	**-**	**-**
Other related parties			
MLP Pruszków I Sp. z o.o.	1 564	-	-
MLP Pruszków II Sp. z o.o.	388	940	-
MLP Pruszków III Sp. z o.o.	699	-	-
MLP Pruszków IV Sp. z o.o.	476	-	-
MLP Poznań Sp. z o.o.	148	118	-
MLP Poznań II Sp. z o.o.	130	5	-
MLP Lublin Sp. z o.o.	556	-	-
MLP Teresin Sp. z o.o.	263	-	-
Feniks Obrót Sp. z o.o.	335	-	-
MLP Wrocław Sp. z o.o.	526	962	-
MLP Czeladź Sp z o.o.	1 117	1 726	-
MLP Gliwice Sp. z o.o.	493	349	-
MLP Business Park Poznań Sp. z o.o.	88	1 596	-
MLP Bieruń I Sp. z o.o.	-	391	-
MLP FIN Sp. z o.o.	-	4	-
LOKAFOP 201 Sp. z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	3	-	-
MLP Poznań West II Sp. z o.o.	3 711	3 430	-
MLP Bucharest West Sp. z o.o.	-	620	-
MLP Dortmund LP Sp. z o.o.	-	4	-
MLP Dortmund GP Sp. z o.o.	-	3	-
MLP Pruszków V Sp. z o.o.	291	1 029	-
MLP Wrocław West Sp. z o.o.	89	3 119	-
MLP Łódź II Sp. z o.o.	192	3 108	-
MLP Zgorzelec Sp. z o.o.	27	706	-
MLP Pruszków VI Sp. z o.o.	85	3 895	-
MLP Business Park Berlin I GP Sp. z o.o.	-	5	-
MLP Schwalmtal LP sp. z o.o.	-	2	-
MLP Schwalmtal GP sp. z o.o.	-	2	-
MLP Wrocław West I Sp. z o.o.	190	4	-
MLP Gelsenkirchen LP Sp. z o.o.	-	2	-
MLP Gelsenkirchen GP Sp. z o.o.	-	2	-
MLP Gorzów Sp. z o.o.	20	776	-
MLP Idstein LP Sp. z o.o.	-	3	-
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	-	673	-
MLP Bucharest West SRL	108	339	-
MLP Germany Management GmbH	6	356	-
MLP Schwalmtal Sp. z o.o. & Co. KG	-	304	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	-	601	-
MLP Business Park Wien GmbH	-	2 504	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	-	1 807	-
MLP Idstein Sp. z o.o.&Co.KG	-	890	-

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	Sale of services	Interest income	Other finance income
MLP FIN Sp. z o.o. Spółka Komandytowa	-	4	-
Fenix Polska Sp. z o.o.	-	117	-
MLP Business Park Trebur GP Sp. z o.o.	-	1	-
MLP Business Park Trebur LP Sp. z o.o.	-	1	-
MLP Łódź III Sp. z o.o.	11	-	-
	11 516	**30 399**	**-**
Total income	**11 566**	**30 399**	**-**

	Purchase of services and salaries	Interest expense
Other related parties		
MLP Pruszków I Sp. z o.o.	(24)	(4 430)
MLP Pruszków III Sp. z o.o.	-	(696)
MLP Pruszków IV Sp. z o.o.	-	(744)
MLP Poznań II Sp. z o.o.	-	(36)
MLP Teresin Sp. z o.o.	(3)	-
MLP Energy Sp. z o.o.	-	(576)
MLP Wrocław Sp. z o.o.	-	-
MLP Gliwice Sp. z o.o.	-	-
MLP Poznań West Sp. z o.o.	(3)	-
MLP Temp Sp. z o.o.	-	(322)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(423)
MLP Bieruń Sp. z o.o.	-	(4)
MLP Łódź Sp. z o.o.	-	(5)
MLP Poznań West II Sp. z o.o.	-	-
MLP Dortmund LP Sp. z o.o.	-	(9)
MLP Teresin II Sp. z o.o.	(8 348)	(18)
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	-	(104)
	(8 378)	**(7 367)**

		Purchase of services and salaries	Interest expense
Key management personnel			
Radosław T. Krochta	*see Note 26*	(492)	-
Michael Shapiro	*see Note 26*	(459)	-
Tomasz Zabost	*see Note 26*	(287)	-
Monika Dobosz	*see Note 26*	(293)	-
Agnieszka Góźdź	*see Note 26*	(480)	-
Other key management personnel	*see Note 26*	(516)	-
		(2 527)	**-**
Total expenses		**(10 905)**	**(7 367)**

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

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

	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 VI 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	-

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

	Sale of services	Interest income	Other finance income
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**

** Unaudited.*

	Purchase of services and salaries	Interest expense
Other related parties		
MLP Pruszków I Sp. z o.o.	(24)	(2 356)
MLP Pruszków III Sp. z o.o.	-	-
MLP Pruszków IV Sp. z o.o.	-	(27)
MLP Pruszków II Sp. z o.o.	-	(19)
MLP Poznań Sp. z o.o.	-	-
MLP Teresin Sp. z o.o.	-	-
MLP Lublin Sp. z o.o.	-	-
MLP Wrocław Sp. z o.o.	(3)	-
MLP Gliwice Sp. z o.o.	-	-
MLP Temp Sp. z o.o.	(3)	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	-
MLP Poznań West II Sp. z o.o.	(3)	-
	(39)	**(2 779)**

		Purchase of services and salaries	Interest expense
Key management personnel			
Radosław T. Krochta	*see Note 26*	(1 450)	-
Michael Shapiro	*see Note 26*	(251)	-
Tomasz Zabost	*see Note 26*	(798)	-
Other key management personnel	*see Note 26*	(306)	-
		(2 805)	**-**
Total expenses		**(2 844)**	**(2 779)**

24. Significant litigation and disputes

As at 30 June 2023, the Company was not party to any material litigation.

25. Significant events during and subsequent to the reporting period

- On 15 May 2023, the Management Board of MLP Group S.A. passed a resolution on the issue, by way of a public offering to qualified investors, of up to 29,000 Series F bearer bonds of the Company with a nominal value of EUR 1,000 per bond and total nominal value of up to EUR 29,000,000 (the "Bonds"). The Bonds will be issued on 24 May 2023 at an issue price of EUR 1,000 per Bond. The Bonds will pay variable interest at 6M EURIBOR plus a margin.

  They were issued as unsecured instruments. The objectives of the issue were not specified.

  The Bonds are due on 26 May 2025.

  The Bonds were registered in the depository maintained by the Central Securities Depository of Poland and introduced to trading in the alternative trading system organised by the Warsaw Stock Exchange on 20 July 2023, as announced by the Company in a current report.

  There were no events between the end of the reporting period and the date of authorisation of these interim condensed separate financial statements for issue which should have been, but were not, included in the accounting records for the reporting period or these interim condensed separate financial statements of the Company.

25. *1* Impact of the political and economic situation in Ukraine on the operations of 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, predicting the long-term effects of the war is difficult. 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 converted one of its unoccupied facilities into a place of accommodation for people fleeing the war in Ukraine. The more than 820 m^2 two-storey office building was 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.

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

26. Variable remuneration paid to Management and Supervisory Board members

	as at 30 June	**2023**	**2022**
Fixed remuneration of the Management Board:			
Radosław T. Krochta	*see Note 23.3*	61	61
Michael Shapiro	*see Note 23.3*	249	251
Tomasz Zabost	*see Note 23.3*	50	50
Monika Dobosz	*see Note 23.3*	60	-
Agnieszka Góźdź	*see Note 23.3*	270	-
		690	**362**
Provision for variable remuneration of the Management Board			
Radosław T. Krochta	*see Note 23.3*	431	1 389
Michael Shapiro	*see Note 23.3*	210	-
Tomasz Zabost	*see Note 23.3*	237	748
Monika Dobosz	*see Note 23.3*	233	-
Agnieszka Góźdź	*see Note 23.3*	210	-
		1 321	**2 137**
Use of previous year's provision for variable remuneration of the Management Board			
Radosław T. Krochta		740	2 779
Michael Shapiro		-	-
Tomasz Zabost		406	1 496
Monika Dobosz		399	-
Agnieszka Góźdź		360	-
		1 905	**4 275**
Remuneration of the Supervisory Board:			
• **Remuneration and other benefits**			
Matusiak Maciej		30	27
Levy Eytan		30	27
Shimshon Marfogel		30	27
Guy Shapira		30	27
Piotr Chajderowski		30	27
Oded Setter		30	27
		180	**162**
Total remuneration paid to Management and Supervisory Board members		**2 775**	**4 799**
Other management personnel:			
• Remuneration and other benefits	*see Note 23.3*	516	306
		516	**306**
Total remuneration paid to Management and Supervisory Board members and management personnel of the Company		**3 291**	**5 105**

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.

Interim condensed separate financial statements for the six months ended 30 June 2023 (all data in PLN thousand, unless stated otherwise)

27. Employees

for the six months ended 30 June	**2023** *(unaudited)*	**2022**
Average headcount in period	23	18

28. Information on the auditor

for the six months ended 30 June	**2023**	**2022**
Statutory audit within the meaning of Art. 2.1 of the Act on Statutory Auditors	-	-
Review within the meaning of Art. 2.4 of the Act on Statutory Auditors	40	30
Other assurance services	-	-
Tax advisory services	-	-
Other services	-	-

* *The amount is for the review of the separate and consolidated financial statements.*

Signed with a qualified digital signature.

Radosław T. Krochta
President of the

Tomasz Zabost
Member of the Management

Michael Shapiro
Vice President of the Management Board

Monika Dobosz
Member of the Management Board

Agnieszka Góźdź
Member of the Management Board

Nina Warzycka
Signature of the person responsible for keeping books of account.

Pruszków, 23 August 2023

MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF THE MLP GROUP S.A. GROUP

for the six months
ended 30 June 2023

Contents

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 2023

This Management Board's report on the activities of the MLP Group S.A. Group in the six months ended 30 June 2023 was prepared and authorised for issue by the Management Board of MLP Group S.A. on 23 August 2023.

Signed with qualified electronic signature.

Pruszków, 23 August 2023

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 majority shareholder MLP Group S.A. is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.
The Group's ultimate parent is Israel Land Development Company Ltd. (of Tel Aviv, Israel), whose shares are listed on the Tel Aviv Stock Exchange.

(all data in PLN thousand, unless stated otherwise)

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

1. 1 Structure of the Group

As at 30 June 2023, 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 S.K.A.	Poland	100%	100%
9	Feniks 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 S.K.A.	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%

(all data in PLN thousand, unless stated otherwise)

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 Zgorzelec Sp. z o.o.[1)]	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.	Poland	100%	100%
52	MLP Business Park Trebur LP Sp. z o.o.	Poland	100%	100%
53	MLP Business Park Trebur Sp. z o.o. &Co. KG	Germany	100%	100%
54	MLP Poznań West III Sp. z o.o.	Poland	100%	100%
55	MLP Łódź III sp. z o.o.[2)]	Poland	100%	100%

Changes in the Group

[1)] On 16 January 2023, the change of the name of MLP Poznań East sp. z o.o. to MLP Zgorzelec Sp. z o.o. was registered.

[2)] MLP Łódź III Sp. z o.o. was incorporated pursuant to a notarial deed of 23 May 2023. 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 5 June 2023.

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 business model is based on the "Build & Hold" strategy, which allows the Company to establish and maintain direct, long-term customer relationships. As a result, the Company achieves high tenant satisfaction levels, which translates into excellent occupancy rates.

The Group specializes in constructing and managing modern warehouse centers. All facilities are strategically located near large urban areas and major road junctions. The Group offers modern spaces to companies investing in new or expanded projects. MLP Group operates on the Polish, German, Austrian and Romanian markets.

Its property portfolio, which includes finished buildings, buildings under construction, or those with building permits, amounts to over 1.2 million m^2 of total leasable area. The Group's net asset value as at the end of June 2023 was PLN 2.4m.

The total area of new land acquired by the Group in Poland in the first half of 2023 is approximately 5.03 ha. The Group companies also signed several reservation agreements to acquire new land for planned logistics parks in Poland, Germany, and Austria, with a total area of approximately 200 hectares.

The Group currently operates 21 logistics parks located in 4 European countries. In Poland, the Group has 14 logistic parks in strategic locations. The Group operates 5 logistics parks in Germany, and 1 in each of Romania and Austria.

The Group operates two types of warehouse space formats:
(1) large-scale warehouse facilities, commonly referred to as big-box facilities, primarily constructed to meet the growing demand from e-commerce and light industry customers, driven by factors such as the 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 m^2 to 2.5 thousand m^2). MLP Business Park projects are urban logistics developments that are gaining popularity. They cater to the evolution of retail commerce (e-commerce) and are located within or close to city boundaries, with easy access to labour and public transport. 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, production and e-commerce companies. The structure of tenants is distributed proportionally across the business segments.

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;

• Increasing the share of city logistics projects;

• Maintaining stable occupancy rate averaging ~ 97% of total existing portfolio with speculative development component of up to 20 thousand m^2 per project;

• Increasing the amount of space leased under new contracts to 250 thousand m^2 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 m^2, located within or close to city boundaries with easy access to labour and public transport;

• Rental growth from existing lease renewals;

• Creating value through re-development of brown plots;

• Disposal of BTS projects as a source of additional equity;

• Constructing high-quality Class A assets with a strong focus on sustainable development: the Group plans to obtain BREEAM Excellent or Very Good / DGNB Gold or Platinum certificates for 80% of its leasable space (for the German and Austrian markets), and achieve zero carbon emissions by 2026.

1. 3 The Group's property portfolio

The Group classifies its portfolio properties into the following main categories:

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

Structure of the Group's property portfolio by property category and segment as at 30 June 2023:

Property portfolio by segment	Total land area (m^2)	Development potential for the total land area (m^2)	Existing leasable space (m^2)	Space under construction and in the pipeline (m^2)	Planned buildings (m^2)
POLAND	3 283 584	1 403 444	968 122	104 772	330 550
GERMANY	454 575	206 851	75 347	-	131 503
AUSTRIA	98 249	52 500	-	-	52 500
ROMANIA	188 045	99 000	22 677	16 905	59 418
TOTAL	**4 024 453**	**1 761 795**	**1 066 146**	**121 677**	**573 971**

As at 30 June 2023, the Company had reservation agreements for the purchase of approximately 200 hectares of land, which will enable the construction of approximately 1 million m^2 of space.

Summary of the leasable space owned by the Group as at 30 June 2023 (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)	Existing space, space under construction and in the pipeline
POLAND	968 122	940 135	27 987	104 772	38 470	1 072 894
GERMANY	75 347	75 347	-	-	-	75 347
AUSTRIA	-	-	-	-	-	-
ROMANIA	22 677	22 677	-	16 905	-	39 582
TOTAL	**1 083 073**	**1 038 159**	**27 987**	**121 677**	**38 470**	**1 187 823**

**Existing lease area does not include the area of buildings intended for demolition construction of new warehouse buildings.*

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.

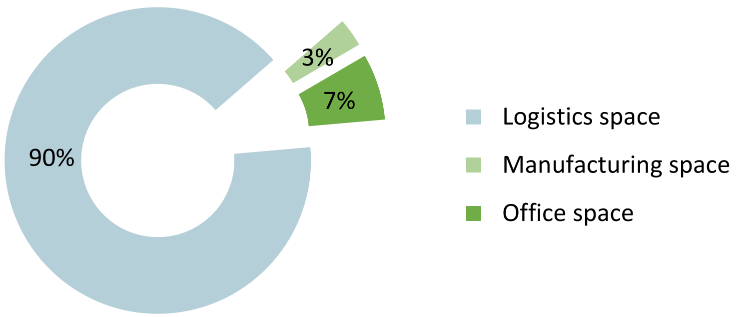
The Group also provides its tenants with support office space. The final division of leased space depends on tenants' requirements.

The space is available in two formats:

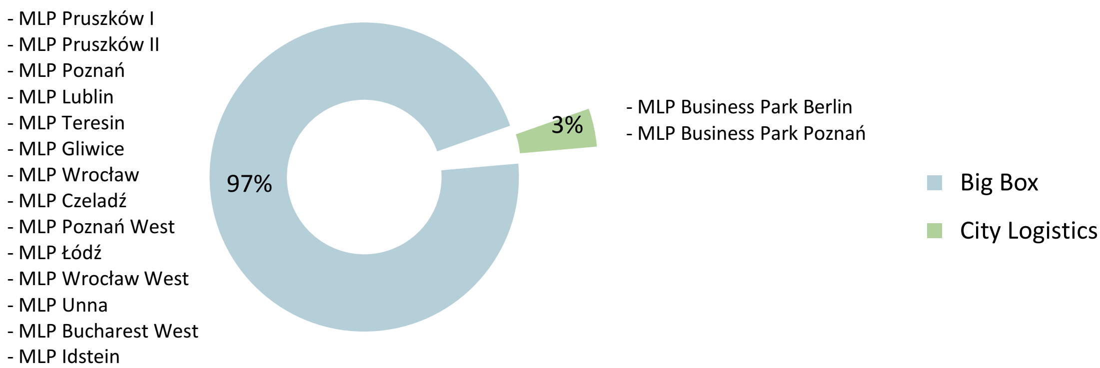
- city logistics projects;
- big box projects.

Space completed at the Group's parks as at 30 June 2023:

Space completed at the Group by type of facility as at 30 June 2023

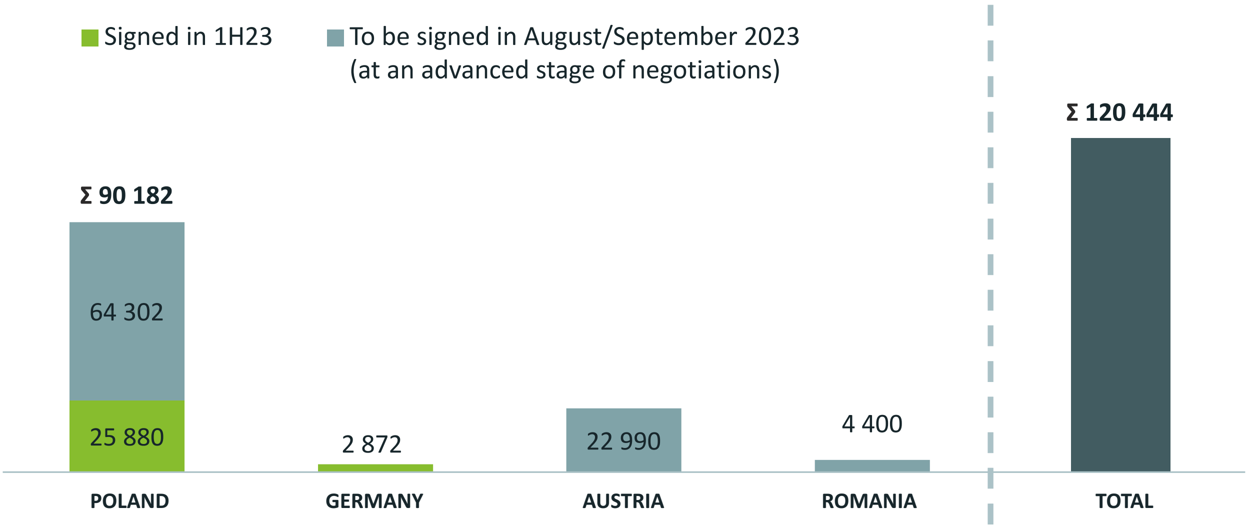


Space completed at the Group by format as at 30 June 2023



One of the primary drivers of the Group's growth is the advancement of the share of the city logistics project portfolio in the Group's total business. 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.

New lease contracts in 2023 [m^2]



The value of investment property portfolio disclosed in the consolidated financial statements as at 30 June 2023 included: (i) market value of investment property of PLN 4,243,673 thousand, (ii) perpetual usufruct right to land of PLN 41,962 thousand, and (iii) the value of Feniks Obrót Sp. z o.o.'s apartments of PLN 283 thousand.

Fair value of the Group's property* portfolio by segment and property category as at 30 June 2023:

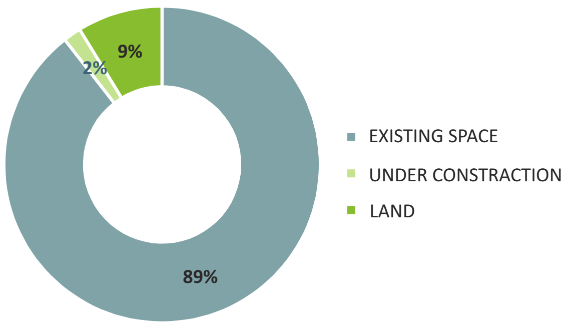
Segment	Currency	Fair value of developed properties	Fair value of properties under construction	Fair value of projects in the pipeline	Fair value of land reserve	Total fair value
Poland	EUR ths.	727 470	14 820	16 730	24 525	783 545
	PLN ths.	3 237 460	65 953	74 454	109 144	3 487 011
Germany	EUR ths.	112 200	-	-	16 340	128 540
	PLN ths.	499 323	-	-	72 718	572 041
Austria	EUR ths.	-	-	-	22 800	22 800
	PLN ths.	-	-	-	101 467	101 467
Romania	EUR ths.	11 165	2 597	-	4 921	18 683
	PLN ths.	49 694	11 558	-	21 902	83 154
Total	**EUR ths.**	**850 835**	**17 417**	**16 730**	**68 586**	**953 568**
Total	**PLN ths.**	**3 786 477**	**77 511**	**74 454**	**305 231**	**4 243 673**

**the value does not include PWUG and residential real estate*

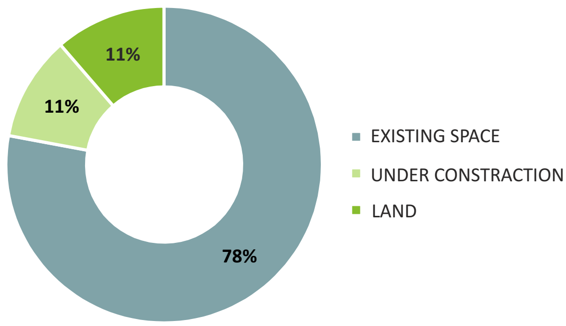
Fair value of the Group's properties

a) by type

as at 30.06.2023

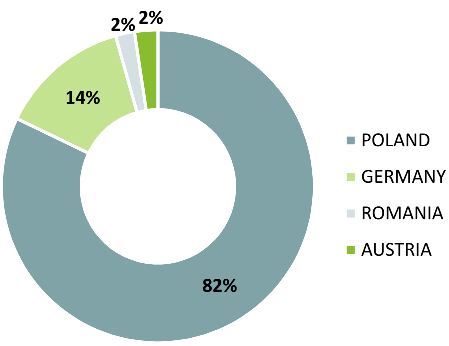


as at 30.06.2022

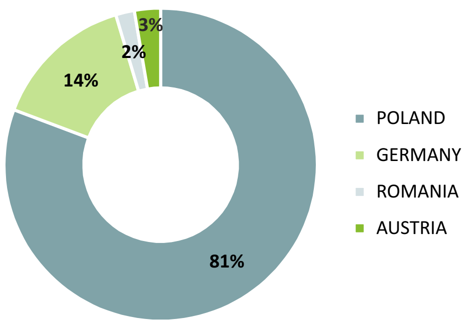


b) by country

as at 30.06.2023



as at 30.06.2022



(all data in PLN thousand, unless stated otherwise)

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 Zgorzelec and MLP Gorzów Wielkopolski. In Germany, the Group currently has five logistics parks: MLP Unna, MLP Business Park Berlin, MLP Business Park Niederrhein-Schwalmtal, MLP Business Park Schalke, MLP Idstein. The Group operates the logistics park MLP Bucharest West in Romania and the logistics park MLP Business Park Vienna in Austria.

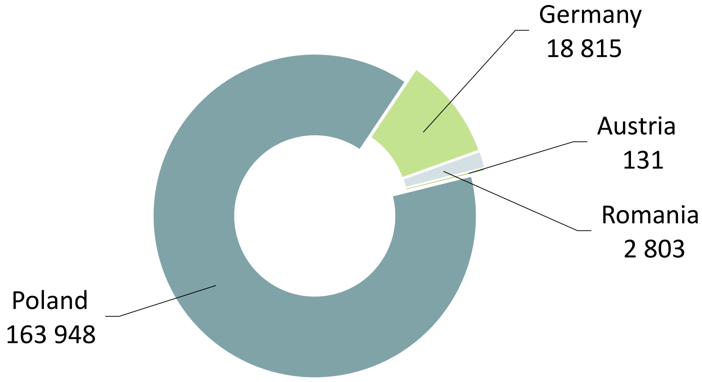
The Group has signed agreements grating options to purchase land in new locations in Poland and Germany, which would allow it to expand the selection of available locations for tenants.

1. 4.1 Structure of the Group's sales

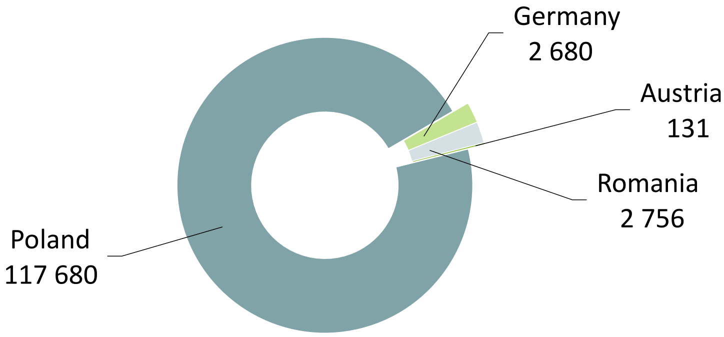
The Group earns rental income from investment property in logistics parks in Poland, Germany, and Romania. The table below presents the types of revenue derived from lease of the properties.

Revenue ***for the six months ended 30 June*** **Revenue from external customers:**	**2023**	**2022**	***change (%)***
Rental income from investment property	100 254	67 177	*49,2%*
Recharge of service charges	36 232	23 210	*56,1%*
Recharge of utility costs	48 162	31 478	*53,0%*
Other revenue	1 049	1 382	*-24,1%*
Rental income	**185 697**	**123 247**	***50,7%***

Rental income in the six months ended 30 June 2023



Rental income in the six months ended 30 June 2022



In the six months ended 30 June 2023, the Group reported rental income of PLN 185 697 thousand, a 51% increase on the corresponding period of the previous year. Rental income was the primary source of revenue. It rose by 49% relative to the six months ended 30 June 2022.

Of the increase in rental income, 91% was derived from existing buildings that were already under lease, while the remaining 9% was generated by newly constructed buildings that were leased to new tenants in 2023.

Like-for-like growth was 15.1%, up 3.1pp relative to the first half of 2022. This increase was attributable to the following factors: (i) indexation of rents, and (ii) renewal of existing contracts at higher rates, and was offset by (iii) a decrease in the EUR/PLN exchange rate at which revenue is recognised in the financial statements.

Poland was the Group's main business segment and accounted for 88% of its rental income. The share decreased by 7pp relative to the first half of 2022 as a result of the Group's expansion on the German market. The completion of two projects, in Unn and Berlin, resulted in higher revenue from that market.
Rental income on the Romanian market came in at PLN 2.8m, similar to the previous year.

As at 30 June 2023, the 10 largest tenants occupied about 39% of the total leased space at all of the Group's parks (30 June 2022: 37%).

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 2023, the Group cooperated with PEKABEX BET SPÓŁKA AKCYJNA, Wielkopolskie Przedsiębiorstwo Inżynierii Przemysłowiej Spółka Komandytowa, and Eastwave Building Company Sp. z o.o. under the general contractor system, and the Group's turnover with these companies exceeded 10% of its revenue in the six months to 30 June 2023.

The other services are procured from a broad base of suppliers, and therefore the Group is not dependent on any single supplier. In 2023, 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 the six months ended 30 June 2023

In the first six months of 2023, the Group continued its principal business activity consisting in the construction and lease of warehouse and manufacturing and business parks. Construction work was mainly outsourced to specialist third-party service providers on a general contractor basis.

During the reporting period, the Group was simultaneously engaged in more than a dozen development projects. As at the end of June 2023, the Group's portfolio comprised more than 1,066 thousand m^2 of completed space and 122 thousand m^2 of space under construction.

- 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 2023, the Group was engaged in construction of projects with a total area of 188 thousand m^2, with a further 31 thousand m^2 in the pipeline as at 30 June 2023, i.e. the total area of projects under development was 219 thousand m^2.

Of the total area of 219 thousand m^2 of projects under construction or in the pipeline in the six months ended 30 June 2023, 66 thousand m^2 was attributable to projects commenced in 2022 and completed in 2023 (including MLP Pruszków II: 37 thousand m^2, MLP Wrocław: 19 thousand m^2, and MLP Czeladź: 9 thousand m^2). In the six months ended 30 June 2023, the Group commenced projects with a total area of 98 thousand m^2, of which 23 thousand m^2 will be completed in the second half of 2023 (7 thousand m^2 was already completed this year), and 68 thousand m^2 is scheduled to be delivered at the beginning of 2024.

2. 1.2 Projects under construction or in the pipeline

Of the 188 thousand m^2 of projects carried out in the six months ended 30 June 2023, a total of 97 thousand m^2 was completed. All of these projects are located in Poland (including 47 thousand m^2 at MLP Pruszków II, 20 thousand m^2 at MLP Wrocław, and 12 thousand m^2 at MLP Poznań West II), and 76% of the space was leased out.

As at 30 June 2023, 91 thousand m^2 of space was under construction.

Furthermore, the Group has a pipeline of projects, covered by construction permits, with a total area of 31 thousand m^2. The Group is in the process of gradually obtaining the necessary approvals and permits to commence the construction of new warehouse spaces on land that it already owns or has reserved.

The Group companies have also entered into several reservation agreements to acquire new land with a total area of 200 hectares.

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 2023, the Group continued big-box speculative projects at selected locations, which, together with pre-lease projects, constitute larger investment projects implemented in response to the present market situation.

2. 1.3 Material agreements

Material suppliers with whom agreements with a total value exceeding 10% of the MLP GROUP S.A.'s equity were concluded in H1 2023

In the six months ended 30 June 2023, the Group did not enter into any agreement with a single supplier with a total value exceeding 10% of MLP Group S.A.'s equity.

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 six months ended 30 June 2023, 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 25 to the Group's condensed consolidated financial statements for the six months ended 30 June 2023.

2. 1.7 Litigation

Proceedings pending before courts, arbitration bodies or public administration bodies

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. S.K.A.) 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.

In 2012-2014, MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o. and MLP Pruszków III received decisions concerning change of perpetual usufruct charge. As per these decision, the total potential amount to be paid, calculated as of 31 June 2022, is PLN 32,240 thousand. The management board of the companies does not accept the amount of the fees, and the matter has been referred to court. The District Governor did not take into account the expenses incurred by the companies.

In previous years and in the current year, the Group recognised a provision for a portion of potential claims by the Pruszków governor due to changes in the perpetual usufruct fee, in the total amount of PLN approximately 9,950 thousand.

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 represents the potential financial loss that the Company and the Group companies may incur in the event that a counterparty of a financial instrument fails to fulfill its contractual obligations. Credit risk arises principally from debt instruments. The objective of risk management is to establish and maintain a stable and sustainable portfolio of loans and other investments in debt instruments in terms of both quality and value. This is achieved by implementing 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 mitigation measures involve using hedge accounting to reduce the influence of market price volatility 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 123.03 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 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.

There is a risk that the demand for warehouse space may decrease due to potential negative effects of the full-scale military aggression launched by Russia in Ukraine, such as changes in the nature of economic activity and disruptions in supply chains

On 24 February 2022, the armed forces of the Russian Federation initiated a full-scale invasion of Ukrainian territory, escalating the limited hostilities that began in 2014 into the largest armed conflict on the European continent since 1945. The Ukrainian military's effective resistance and the decisive response of the European Union and NATO member states, in the form of military assistance to Ukraine, have brought about significant changes in the economic situation of all European countries. This has also had a significant impact on the directions of supply and transport of both raw materials and products. The European Union, along with several non-EU member states, have imposed sanctions on Russia, Belarus, as well as their leadership and business elites. The sanctions are unprecedented in relations between European countries. Due to the amount of trade with Russia and the reliance of EU countries on natural resources such as gas, crude oil, and food exports from Russia and Ukraine, the sanctions imposed and Russia's response have had a significant impact on the global economy. These actions have caused changes in the direction 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. The logistics industry is also affected by these changes.

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.

Risk of legislative changes affecting the Group's market that may adversely affect the Company's business and financial condition

The Group's business is subject to numerous laws and regulations, such as spatial planning and land development requirements (including local laws on zoning plans), construction codes, requirements for real property trade, seller's liability and land use restrictions. Changes in the legal system and frequency with which they are introduced may significantly affect the manner in which businesses operate and their financial results. This also applies to the Group's business, as investment projects in the property development industry depend on the fulfilment of numerous requirements under civil and administrative law (construction law, planning regulations, consumer law, local laws on zoning plans, etc.). The entry into force of any new regulation with a significant impact on business activity may cause direct and significant changes on the real property market through a substantial rise in project costs (e.g. a change in technical standards applicable to buildings) or a change in contracts with property buyers or tenants. Furthermore, the enactment of any new laws that are open to conflicting interpretations may give rise to uncertainty as to the actual legal situation, which may in turn entail temporary suspension of many projects prompted by concerns about the possible adverse consequences of applying such ambiguous regulations (such as financial losses or even criminal sanctions for actions or omissions made under the applicable laws which are then construed by courts or public administration authorities to the disadvantage of the business). These factors may have a material adverse effect on the Company's and the Group's business, financial condition and results of operations, and consequently on the Company's ability to perform its obligations under the Bonds.

Risk of changes in and unfavourable interpretation of tax laws

The Polish tax regime is highly unstable. The interpretation of those regulations by tax authorities and administrative courts is also subject to significant changes, which may have negative consequences for businesses which follow their previous known interpretations. The Group also operates in Romania, Germany, and Austria. Especially in Romania, the tax laws have undergone significant changes in recent years. They have been frequently changed, often to the disadvantage of taxpayers. The interpretation of tax regulations may be subject to similar changes. Such changes may not only involve increasing the applicable tax rates, but also introducing new specific legal instruments, expanding the scope of taxation, or even imposing new tax burdens, or limiting the ability to reduce the tax base. The changeable character of tax laws is also due to the need for countries in which the Group operates to implement new measures provided for in the EU law or obligations assumed by OECD countries. Frequent changes in the laws governing business taxation, as well as their divergent and changing interpretations by tax authorities, may prove unfavourable to Bondholders and the Company.

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

MLP Group's strategic goal is to continuously expand its warehouse space portfolio in the European market, specifically in Poland, Germany, Austria, and Romania, and to enter new markets, i.e., the Benelux countries.

The Group aims to achieve its strategic objectives by constructing 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 2,500 m2), located within or close to city boundaries with easy access to labour and public transport.

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

Experts of the Polish Economic Institute forecast Poland's GDP growth in 2023 at 0.7%. According to the National Bank of Poland's July projection, the average annual inflation rate will reach 11.9% in 2023 and is expected to go down to 5.2% in 2024. Statistics Poland has announced that the annual inflation rate in June 2023 fell from 13% to 11.5% quarter on quarter. The most significant driver of the consumer price index was food.

MLP Group has taken measures to mitigate various risks, including the current high prices. The Group's commercial rents are automatically adjusted based on the HICP inflation index, as stipulated in the contracts with tenants. MLP Group is also resilient to currency risk thanks to a natural hedging strategy, as rents are expressed or denominated in the euro, which is also the currency of contracts with general contractors and financial liabilities. Moreover, the property portfolio is also valued in the euro. With respect to its interest rate risk exposure, the Group has in place an IRS or fixed interest rate locked in for five years to hedge cash flows related to repayment of its credit facilities. The hedging covers 80% of liabilities under the Group's credit facility agreements.

MLP Group is optimistic about the future of the warehouse market in all the countries where it operates. Demand for state-of-the-art warehouse and manufacturing space remains high. Russia's aggression in Ukraine is leading to shorter supply chains, higher levels of warehouse stocks, and relocation of production from conflict zones. Ukrainian businesses and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, international firms have been leaving Russia. This will increase demand for warehouse and logistics space in Poland and other markets served by MLP Group.

Warehouse space market in H1 2023

- **Poland**

In the first six months of 2023, Poland's warehouse market continued to grow despite the challenging market situation and the war in Ukraine. The total stock of warehouse space in Poland increased 17.3% year on year.

The deceleration of the global economy and the low industrial output in Poland were reflected in demand, which showed a notable decrease compared with prior periods. Demand levels in the first half of 2023 witnessed a decline of over 50% year on year.

In the first six months of 2023, a total of 2.55 million m2 of modern warehouse space was delivered to the market in Poland. The supply of new warehouse space remained high throughout the period under review. However, a major decrease in property developer activity resulted in a small number of facilities under construction.

As at the end of the second quarter of 2023, the area under construction was estimated at 2.1 million m2. However, this volume was over 50% lower than in the previous year and close to the pre-pandemic levels.

The expansion of key logistics hubs is expected to continue, albeit at a less vigorous pace than last year.

Further development of last mile logistics and city logistics projects located on the outskirts and periphery of cities is expected. Warehouse location as close as possible to the end customer is becoming increasingly important.

Asking rents will stabilise in 2023, but will remain high due to growing costs of construction and operation of warehouse facilities. In response to the scarcity of available land for warehouse construction, the technical standard of completed facilities is undergoing notable changes.

Property developers more frequently opt to build higher warehouses to increase storage capacity.

Green solutions that fit in with the ESG strategy may be gaining increasing importance on the warehouse space market.

At the end of the first half of 2023, the vacancy rate rose by 3.6pp, to 6.7%.

Source: Knight Frank, Warehouse market in Poland, 1H 2023

- **Germany**

The German warehouse and logistics space market experienced strong growth in the second quarter, which translated into a demand of 2.9 million m2 at the end of the first half of the year. As expected, the market was unable to match last year's excellent result of 4.8 million m2. The current figures still fall short of the ten-year average of around 3.2 million m2 (-10%).

However, in addition to the ongoing economic downturn, the fundamental problem underlying the declining demand is the persistent shortage of supply. The low supply of space that can be leased out in the short term or at least later on during the year continues to be the most significant and increasingly structural challenge for the market.

The continuing shortage of supply has led to a sustained increase in rents over the year. The largest logistics markets of Berlin, Düsseldorf, Frankfurt, Hamburg, Cologne and Munich have seen average prime rents rise by 11% to their current level of EUR 7.61/m2. The average rent has also experienced a sustained increase of 9%, to EUR 6.08/m2.

Logistics markets are expected to rebound in the second half of the year, propelled by a return to a more robust economic growth. Rents are likely to continue in their upward trajectory due to the persistent scarcity of supply, alongside the growing ESG requirements.

Source: Logistics market Germany, At a Glance Q2 2023, BNP Paribas Real Estate; Germany Logistics Market Q2 2023, CBRE Research

- **Romania**

  In the first half of 2023, modern industrial and logistics space in Romania reached 6.91 million m2 after 223,000 m2 was delivered from the beginning of the year.

  What is new is that 73% of the new supply was delivered in regional cities compared with 27% delivered in the capital city. Nonetheless, based on the overall distribution of modern stock Bucharest remains the main logistics centre, accounting for 48% of the country's total modern stock. The new supply in the first half of 2023 confirms that both local and foreign property developers operating in Romania seek to diversify their portfolio and extend their presence throughout the country in step with the development of road infrastructure.

  As at the end of the first half of 2023, 3.34 million m2 of modern space was available in the Bucharest region, with around 60,000 m2 added from the beginning of the year. The vast majority of stock (91%) is concentrated in the western and northern parts of the city. The new supply delivered in the first half of the year was also distributed mainly in these areas, with just over a quarter of the total space delivered in the southern part of the city.

  As at the end of the first half of 2023, the vacancy rate for the entire market was 5.0%, while in Bucharest it was 5.8%. The overall vacancy rate recorded a slight increase of 0.4pp.

  The asking rent started to rise at the beginning of the year, reaching EUR 4.25/m2 a month by the end of the first half of 2023, with the effective net rent around EUR 3.75/m2 a month for a standard unit of 5,000 m2. The rent increase can easily be attributed to inflation/indexation and rising construction costs, as well as strong demand and limited availability. In the short and medium term, asking rents for industrial and logistics space are expected to continue to grow.

  Source: Market Outlook H1 2023 Romania Real Estate, CBRE Research

- **Austria**

  The logistics property market in Austria is thriving. The amount of space leased out in the first half of 2023 hit an all-time high of approximately 210,000 m2.

  Given the shortage of space, it is essential for tenants to become involved at an early stage. The number of reservation agreements for new projects is still high. The vacancy rate has stabilised at an exceptionally low level and is not expected to change in the near term.

  As in the case of other asset classes, yields for prime logistics properties increased in the second quarter of 2023 to 4.6%. They are expected to grow in the second half of the year, but only to a moderate extent. Compared with other asset classes, the favourable market environment is conducive to a quicker stabilisation of the logistics property market.

  Source: Austria Logistics Snapshot H1 2023, CBRE Research

(all data in PLN thousand, unless stated otherwise)

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

3. 1 Key economic and financial data disclosed in the Group's consolidated financial statements for the six months ended 30 June 2023

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 2023	% share	31 December 2022	% share	Change (%)
ASSETS	**4 998 532**	**100%**	**4 990 138**	**100%**	**0%**
Non-current assets	**4 426 379**	**89%**	**4 575 262**	**92%**	**-3%**
Including:					
Investment property	4 285 918	86%	4 432 975	89%	-3%
Other long-term investments	114 660	3%	127 873	4%	-10%
Current assets	**572 153**	**11%**	**414 876**	**8%**	38%
Including:					
Short-term investments	1 152	0%	-	0%	-
Trade and other receivables	75 324	2%	91 810	2%	-18%
Other short-term investments	10 589	0%	7 058	0%	-
Cash and cash equivalents	482 929	9%	315 200	6%	53%

as at	30 June 2023	% share	31 December 2022	% share	Change (%)
EQUITY AND LIABILITIES	**4 998 532**	**100%**	**4 990 138**	**100%**	**0%**
Total equity	**2 394 295**	**48%**	**2 497 951**	**50%**	**-4%**
Non-current liabilities	**2 303 201**	**46%**	**2 219 946**	**45%**	**4%**
Including:					
Borrowings and other debt instruments, and other non-current liabilities	1 933 568	39%	1 819 379	36%	6%
Current liabilities	**301 036**	**6%**	**272 241**	**5%**	**11%**
Including:					
Borrowings and other debt instruments	204 908	4%	92 165	2%	122%
Trade and other payables	88 098	3%	167 991	3%	-48%

As at 30 June 2023, the Group's investment property, comprising logistics parks, continued to be the key item of the Group's assets, accounting for 86% 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 48% and 43% of the total, respectively. Operating income grew faster (up 51%) than operating expenses (up 41%), driving up operating profit (loss) excluding the effect of revaluation by PLN 37,486 thousand, to PLN 96,850 thousand for the first half of 2023 (PLN 59,364 thousand for the first half of 2022). Despite robust operating performance, equity went down by approximately 4%, mainly as a result of the appreciation of the złoty, which led to a PLN 224m decrease in property revaluation. The loss on revaluation of investment property was partly offset by foreign exchange gains on measurement of liabilities under borrowings and other financial instruments.

The increase in non-current liabilities under borrowings and other debt instruments was mainly attributable to the issue of new Series F bonds worth EUR 29,000 thousand. At the same time, the Group redeemed EUR 10,000 thousand worth of Series B bonds on maturity, made an early redemption of EUR 2,000 thousand worth of Series E bonds, contracted new credit facilities and made further drawdowns under existing credit facility agreements:

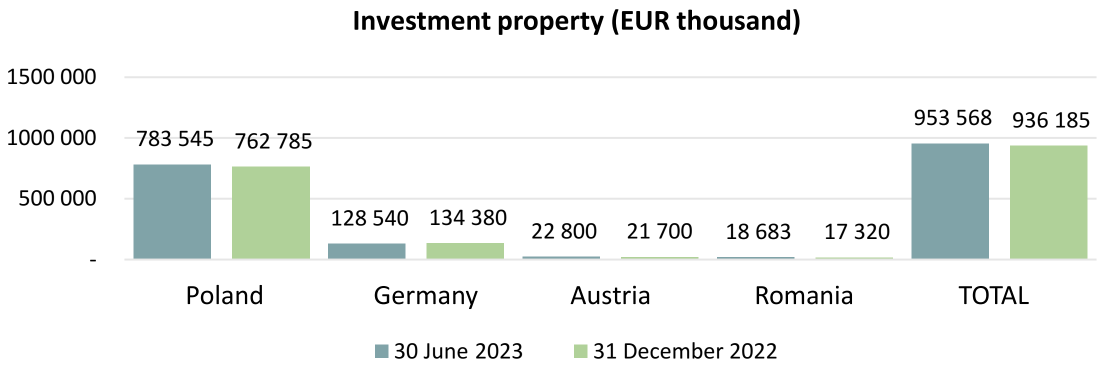
- a new credit facility agreement executed in December 2022 by MLP Łódź II Sp. z o.o., a subsidiary, with Santander Bank Polska; in 2023, tranches totalling EUR 14,489 thousand were disbursed under this agreement;
- a new credit facility agreement executed in March 2023 by MLP Czeladź Sp. z o.o., a subsidiary, with BNP Paribas S.A. In the first half of 2023, drawdowns totalling EUR 11,020 thousand were made, and the proceeds were used to repay existing liabilities to PKO BP S.A. in the amount of EUR 5,391 thousand;
- a new credit facility agreement executed in April 2023 by MLP Poznań West II Sp. z o.o., a subsidiary, with Areal Bank A. G. In the first half of 2023, drawdowns under the facility totalled EUR 60,800 thousand. The proceeds were used to repay existing liabilities to PKO BP S.A. in the amount of EUR 40,958 thousand;
– further credit facility tranches disbursed to MLP Logistic Park Germany I Sp. z o.o. & Co. in 2023 for a total amount of EUR 13,306 thousand.

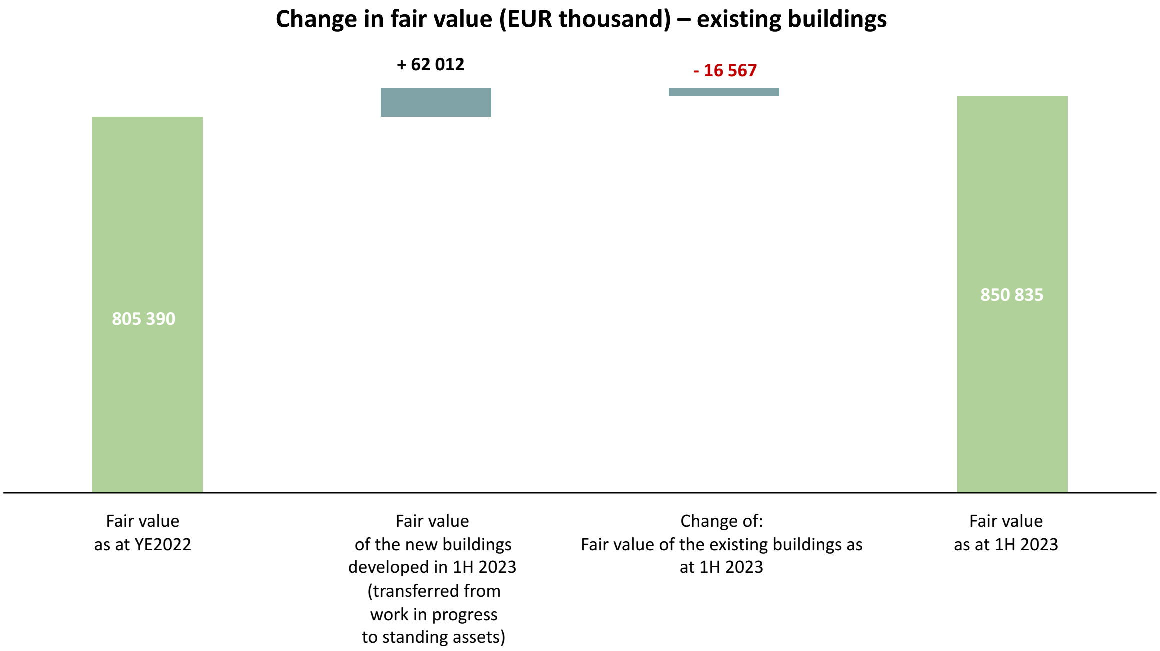
Investment property*

Logistics park	30 June 2023 [EUR thousand]	30 June 2023 [PLN thousand]	31 December 2022 [EUR thousand]	31 December 2022 [PLN thousand]	Change [EUR thousand]
POLAND	**783 545**	**3 487 011**	**762 785**	**3 577 384**	**20 760**
GERMANY	**128 540**	**572 041**	**134 380**	**630 230**	**(5 840)**
AUSTRIA	**22 800**	**101 467**	**21 700**	**101 771**	**1 100**
ROMANIA	**18 683**	**83 154**	**17 320**	**81 190**	**1 363**
Total	**953 568**	**4 243 673**	**936 185**	**4 390 575**	**17 383**

**the value does not include PWUG and residential real estate*

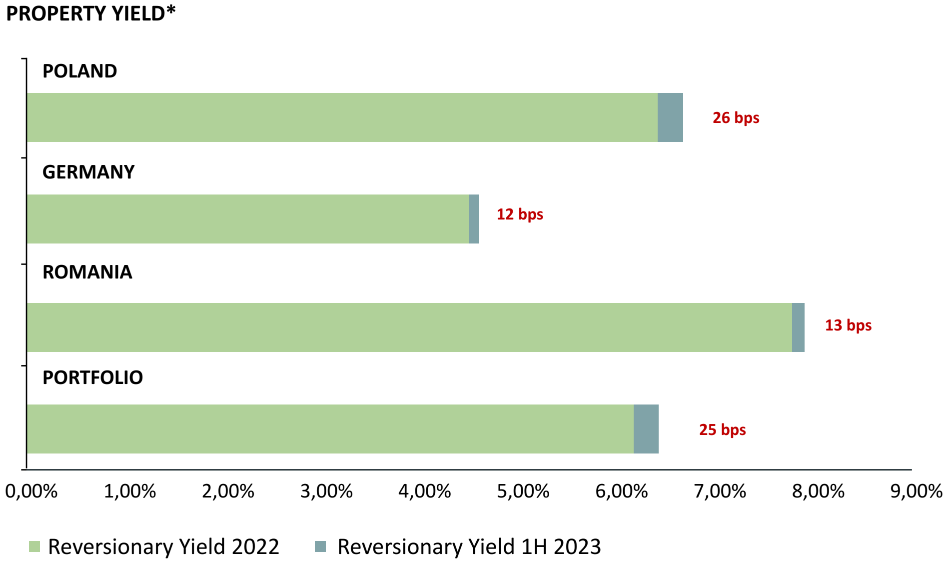
According to valuations made as at 30 June 2023, the total value of the Group's property portfolio was EUR 953,568 thousand (PLN 4,243,673 thousand), having increased by EUR 17,383 thousand on 31 December 2022. The change was primarily driven by (i) the completion and delivery of 97 thousand m^2 of new space in Poland and Germany, (ii) the construction of new buildings with a total area of 98 thousand m^2 in Poland and Germany, and (iii) the acquisition of new land for the construction of new logistics parks in Poland. In the first half of 2023, the yield rate for the Group's appraised portfolio increased by 25 p.p. on average relative to 2022. This increase was partially offset by an increase in rental rates, which rose by approximately 1.61% across the entire portfolio.





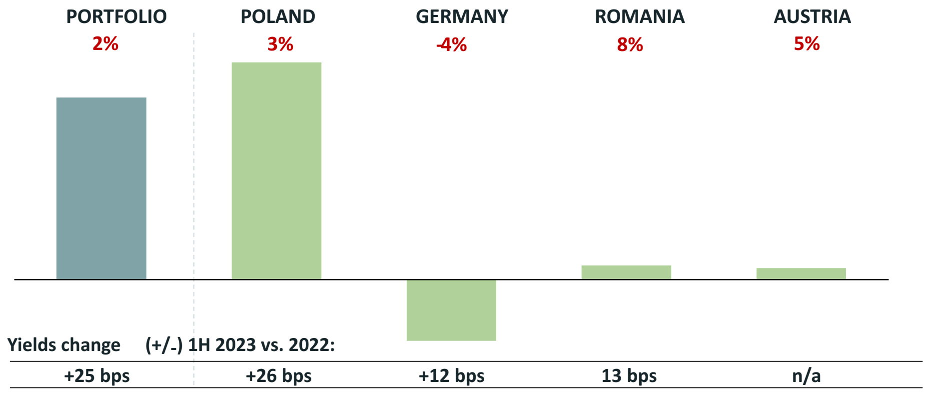
The higher valuation of existing buildings in the first half of 2023 was driven by: (i) valuation of properties that were transferred from properties under construction in 2022 to existing properties (EUR 62,012 thousand), and (ii) an EUR 16,567 thousand decrease in the valuation of existing buildings.

Growth in yields significantly mitigated by increase in market rents (ERV)



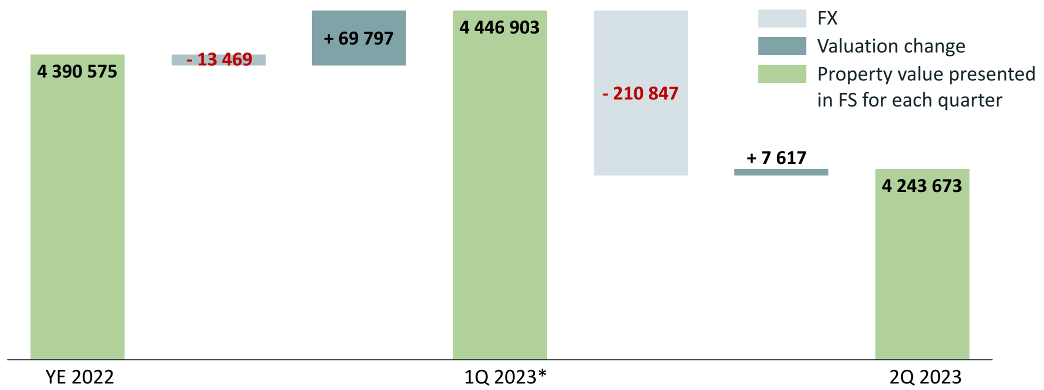
ERV growth per country	
POLAND	+1.6%
GERMANY	+3.3%
ROMANIA	+0.2%

Change in valuation of investment property by country in H1 2023



The chart above does not include the value of perpetual usufruct.

Change in property valuation in the six months ended 30 June 2023 (PLN thousand) – quarterly



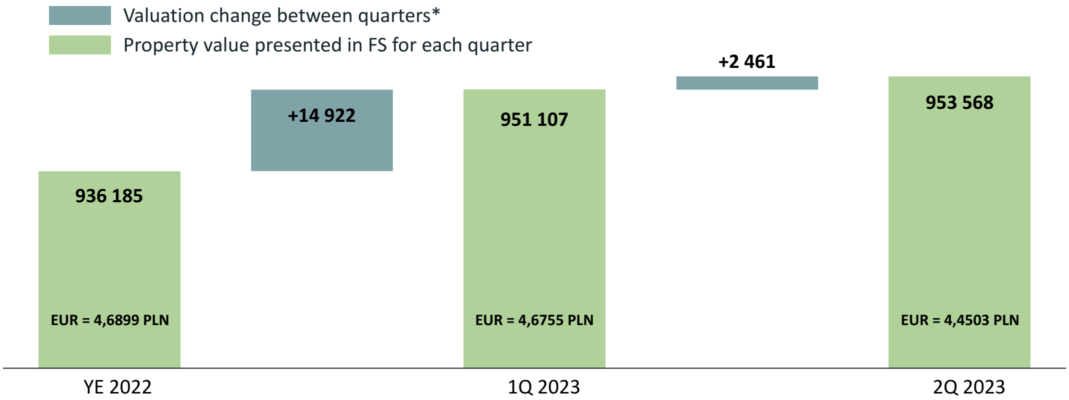
The chart above does not include the value of perpetual usufruct.

* As MLP Group measures its property portfolio twice a year, i.e. as at 30 June and 31 December, the valuation change in the first quarter of 2023 is equal to the carrying amount. The PLN 77,360 thousand change in the valuation reported in the first half of 2023 (first quarter of 2023 + second quarter of 2023) corresponds to the increase in the valuation performed by an independent appraiser.

A negative effect of currency translation differences of PLN 224,316 thousand was reflected:

- directly in equity, in the amount of PLN 40,766 thousand (exchange differences on foreign operations);
- statement of profit or loss, in the amount of PLN 183,550 thousand (exchange differences on the Polish portfolio).

Change in property valuation in the six months ended 30 June 2023 (EUR thousand) – quarterly



The chart above does not include usufruct rights.
The entire MLP portfolio is valued in the euro. For the purposes of the financial statements, fair value is translated into the złoty at the EUR/PLN exchange rate effective as at the reporting date.
In the first quarter of 2023, the Group did not revise any valuations and the valuations as at the end of 2022 were maintained. Additionally, capital expenditure was disclosed at cost. As at 30 June 2023, the Group revised the valuations.

Investments and other investments

as at	**30 June 2023**	**31 December 2022**
Other long-term investments	36 426	34 632
Long-term loans	16 682	16 626
Receivables from measurement of Swap transactions	62 704	76 615
Other short-term investments	10 589	7 058
Total investments and other investments	**126 401**	**134 931**

Other long-term investments comprised non-current portion of restricted cash of PLN 36,426,00 thousand, including: (i) cash of PLN 23,840 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) PLN 8,046 thousand, a deposit created from a security deposit retained from a tenant, (iii) cash of PLN 214 thousand set aside on the CAPEX account, (iv) other retained security deposits of PLN 4,190 thousand, and (v) a PLN 136 thousand bank guarantee.

Other short-term investments comprise the current portion of restricted cash of PLN 10,589 thousand, including: (i) a short-term portion of retained security deposit of PLN 8,078 thousand, (ii) a short-term portion of funds set aside pursuant to the terms of credit facility agreements of PLN 2,215 thousand and (iii) a bank guarantee of PLN 296 thousand.

Cash

as at	**30 June 2023**	**31 December 2022**
Cash in hand	141	118
Cash at banks	353 521	145 789
Short-term deposits	129 267	169 000
Cash in transit	-	293
Cash and cash equivalents in the consolidated statement of financial position	**482 929**	**315 200**
Cash and cash equivalents in the consolidated statement of cash flows	**482 929**	**315 200**

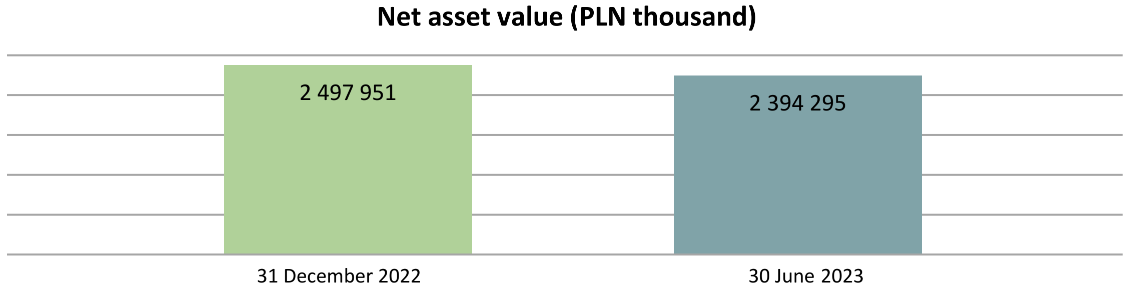
(all data in PLN thousand, unless stated otherwise)

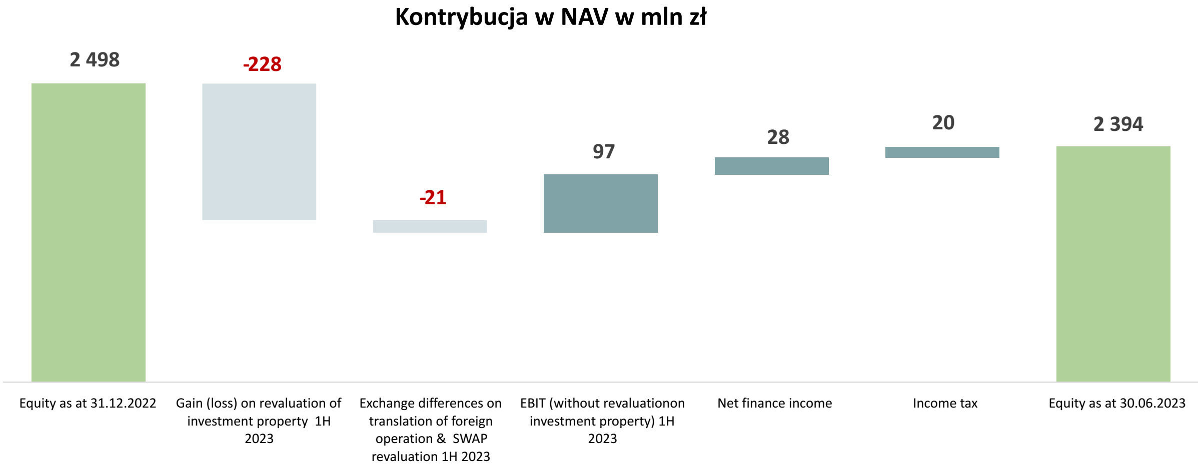
Cash and cash equivalents disclosed in the condensed interim consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

As at 30 June 2023, the balance of cash was PLN 482,929 thousand, having increased by PLN 167,729 thousand on 31 December 2022.

Equity

Net assets (NAV)





As at 30 June 2023, the net asset value was PLN 2,394,295 thousand, having decreased by PLN 103,656 thousand (-4.15%).

EBIT excluding the effect of revaluation as at 30 June 2023 was PLN 96,850 thousand, up 63% year on year (H1 2022: PLN 59,364 thousand). Despite strong operating performance and a gain on financing activities, equity decreased by approximately 4%, mainly on the back of appreciation of the złoty, which adversely affected the results of investment property revaluation.

Share capital

as at	**30 June 2023**	**31 December 2022**
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
Series F shares	2 621 343	2621343
Total	**23 994 982**	**23 994 982**
Par value per share	0,25 PLN	0,25 PLN

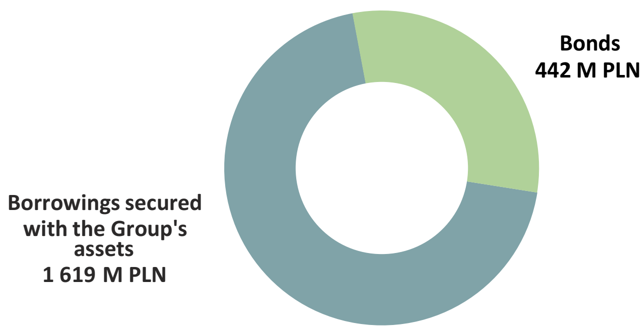
(all data in PLN thousand, unless stated otherwise)

As at 30 June 2023, the Parent's share capital amounted to PLN 5,998,745.50 and was divided into 23,994,982 shares conferring 23,994,982 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

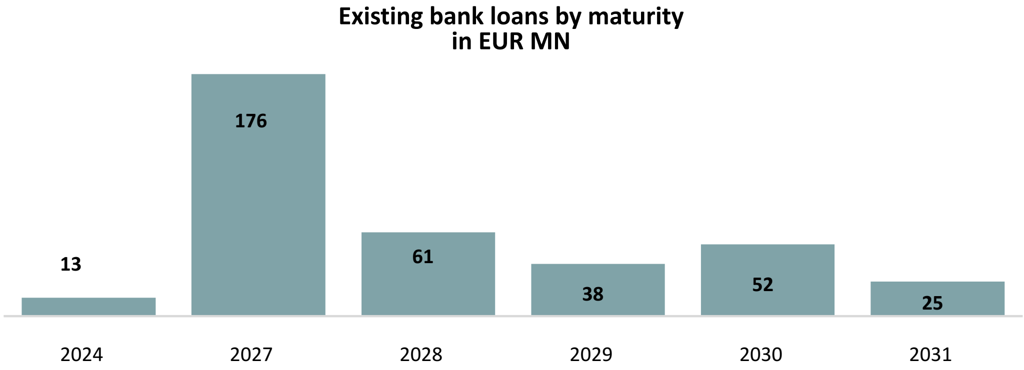
as at	**30 June 2023**	**31 December 2022**
Borrowings secured with the Group's assets	1 527 347	1 414 683
Bonds	329 322	332 983
Non-bank borrowings	16 711	16 654
Total non-current liabilities under borrowings and other debt instruments	**1 873 380**	**1 764 320**
Finance lease liabilities (perpetual usufruct of land)	41 962	42 280
Liabilities from measurement of interest rate hedges	205	-
Performance bonds, security deposits from tenants and other deposits	17 857	12 779
Total other non-current liabilities	**60 024**	**55 059**
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	91 808	41 269
Bonds	113 100	50 896
Non-bank borrowings	-	-
Total current liabilities under borrowings and other debt instruments, and other current liabilities	**204 908**	**92 165**
Liabilities under borrowings and other debt instruments, and other liabilities	**2 138 312**	**1 911 544**

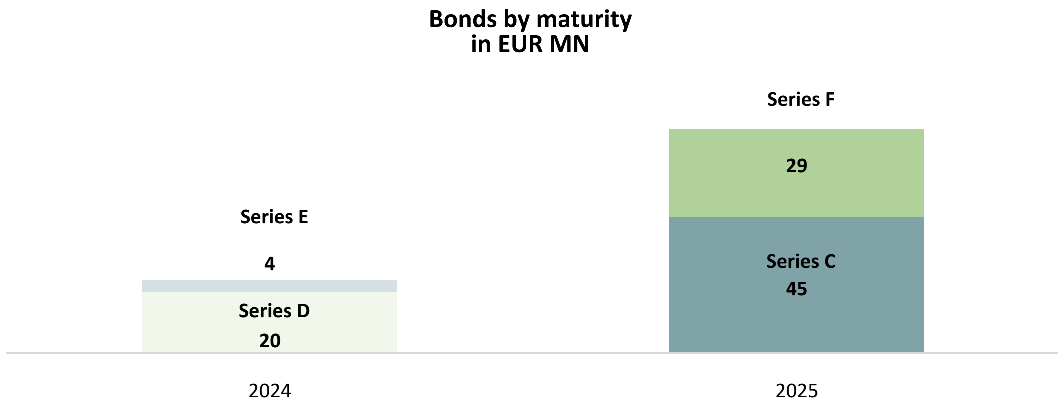
Liabilities under borrowings and other debt instruments represent a significant portion of the Group's total equity and liabilities. The Group uses bank credit mainly to finance construction of new facilities in the existing logistics parks. Proceeds from the issue of corporate bonds are invested in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



The following factors were the key drivers of liabilities under borrowings and other debt instruments, and other liabilities:
- EUR 29,000 thousand issue of new Series F bonds, partly offset by redemption of Series E bonds for EUR 2,000 thousand and Series B bonds for EUR 10,000 thousand,
as well as new credit facilities contracted and new drawdowns under existing credit facility agreements:
- a new credit facility agreement executed in December 2022 by MLP Łódź Sp. z o.o., a subsidiary, with Santander Bank Polska; in 2023, tranches totalling EUR 14,489 thousand were disbursed under this agreement;

- a new credit facility agreement executed in March 2023 by MLP Czeladź Sp. z o.o., a subsidiary, with BNP Paribas S.A. In the first half of 2023, drawdowns totalling EUR 11,020 thousand were made, and the proceeds were used to repay existing liabilities to PKO BP S.A. in the amount of EUR 5,391 thousand;
- a new credit facility agreement executed in April 2023 by MLP Poznań West II Sp. z o.o., a subsidiary, with Areal Bank A. G. In the first half of 2023, drawdowns under the facility totalled EUR 60,800 thousand. The proceeds were used to repay existing liabilities to PKO BP S.A. in the amount of EUR 40,958 thousand;
- further credit facility tranches disbursed to MLP Logistic Park Germany I Sp. z o.o. & Co. in 2023 for a total amount of EUR 13,306 thousand.





(all data in PLN thousand, unless stated otherwise)

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 2023 and the corresponding period of 2022

for the six months ended 30 June	**2023**	*% sales*	**2022**	*% sales*	*Change (%)*
Revenue	185 697	*100%*	123 247	*100%*	*51%*
Other income	4 057	*2%*	684	*1%*	*493%*
Distribution costs and administrative expenses	(89 910)	*48%*	(63 629)	*52%*	*41%*
Other expenses	(2 994)	*2%*	(938)	*1%*	*219%*
Operating profit before gain/(loss) on valuation of investment property	**96 850**	***52%***	**59 364**	***48%***	***63%***
Gain/loss on revaluation of investment property	(227 747)	*-123%*	517 808	*420%*	*-144%*
Operating profit	**(130 897)**	***-70%***	**577 172**	***468%***	***-123%***
Net finance costs	28 390	*-15%*	(38 132)	*31%*	*-174%*
Profit before tax	**(102 507)**	***-55%***	**539 040**	***437%***	***-119%***
Income tax	19 767	*-11%*	(105 127)	*85%*	*-119%*
Net profit	**(82 740)**	***-45%***	**433 913**	***352%***	***-119%***
EBITDA excluding effect of revaluation	**97 172**		**59 561**		
EPRA Earnings	**55 477**		**31 355**		
EPRA Earnings per share	**2,31 zł**		**1,47 zł**		
FFO*	**57 995**		**36 991**		

for the six months ended 30 June	**2023**	**2022**
Earnings per share:		
- Basic earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	(3,45)	20,30
Diluted earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	(3,45)	20,30

**FFO = revenue – operating expenses + depreciation and amortisation + net result on financial operations (excluding FX rates and interests on loans) - current tax*

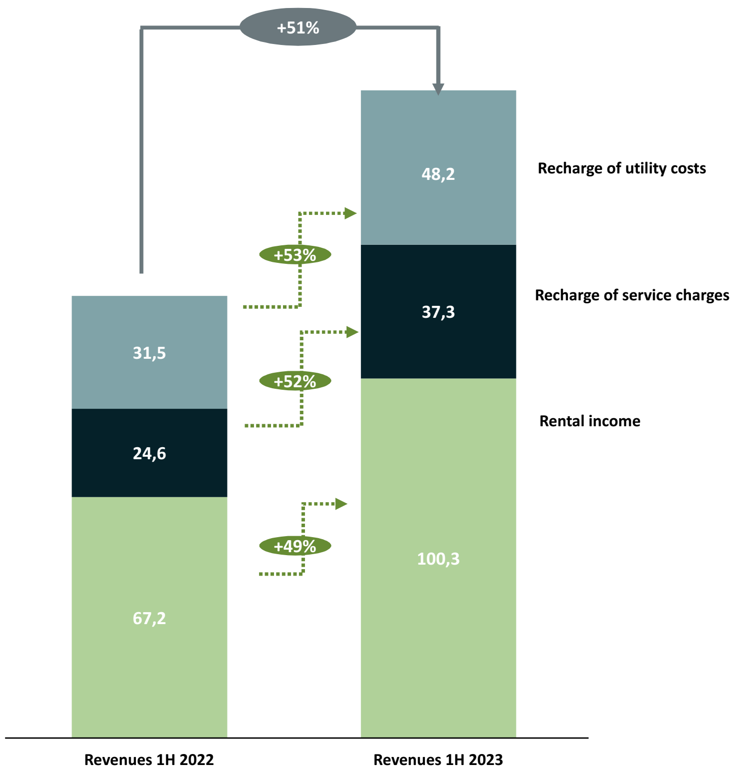
FFO does not include other operating revenues and expense

for the six months ended 30 June	**2023**	**2022**	**change (%)**
Rental income from investment property	100 254	67 177	*49,2%*
Recharge of service charges	36 232	23 210	*56,1%*
Recharge of utility costs	48 163	31 478	*53,0%*
Other revenue	1 048	1 382	*-24,1%*
Rental income	**185 697**	**123 247**	**50,7%**

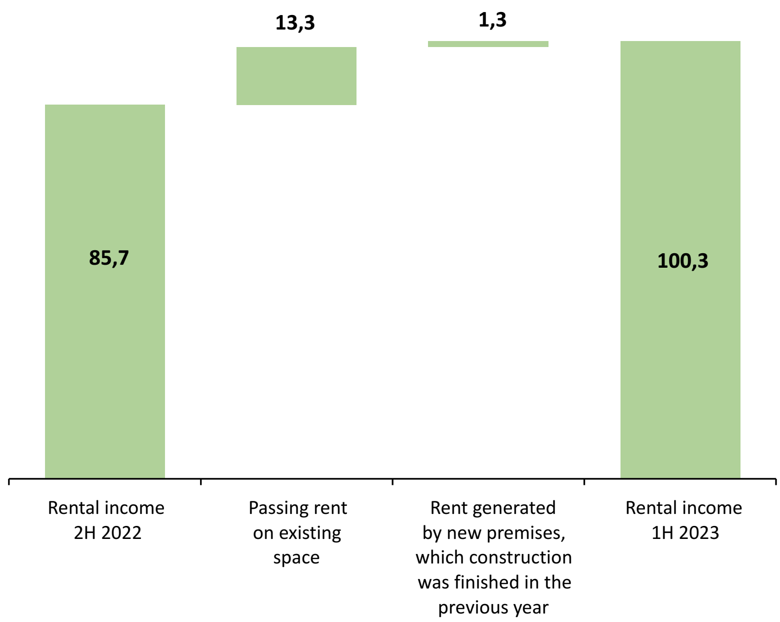
Rental income from investment properties is the main source of the Group's revenue. In the first six months of 2023, rental income was PLN 100,254 thousand, having increased by 49.2% year on year. The rise in rental income (up PLN 33,077 thousand) was primarily due to: (i) the delivery of a total of 203 thousand m^2 of leased space between 30 June 2022 and 30 June 2023, (ii) the renewal of lease contracts expiring in 2023, and (iii) the indexation of rents (8.4%).

Like-for-like growth for the six months ended 30 June 2023 was 15.1%, up 3.1pp year on year. The income generated from recharging costs of utilities and operating expenses is consistent with the costs of procuring utilities and maintaining the properties. Those income items went up by 53% and 56% relative to the six months ended 30 June 2022.

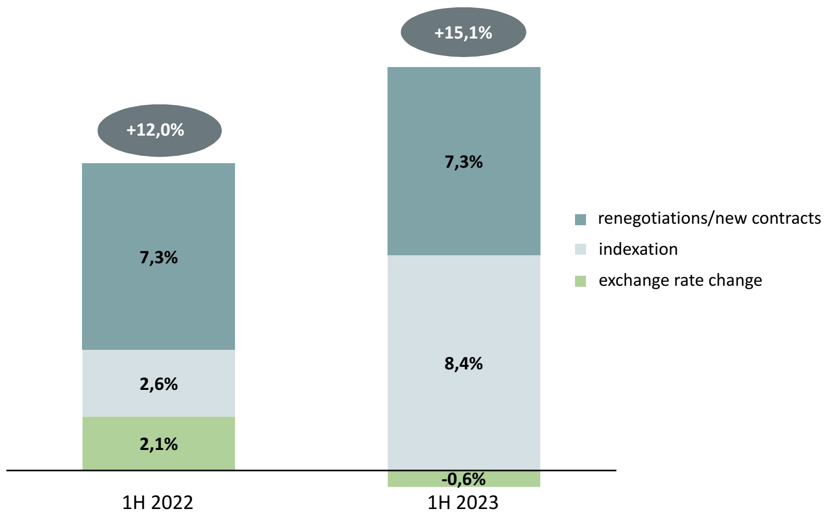
Change in key items of revenue in the six months ended 30 June 2023 and the corresponding period of 2022:



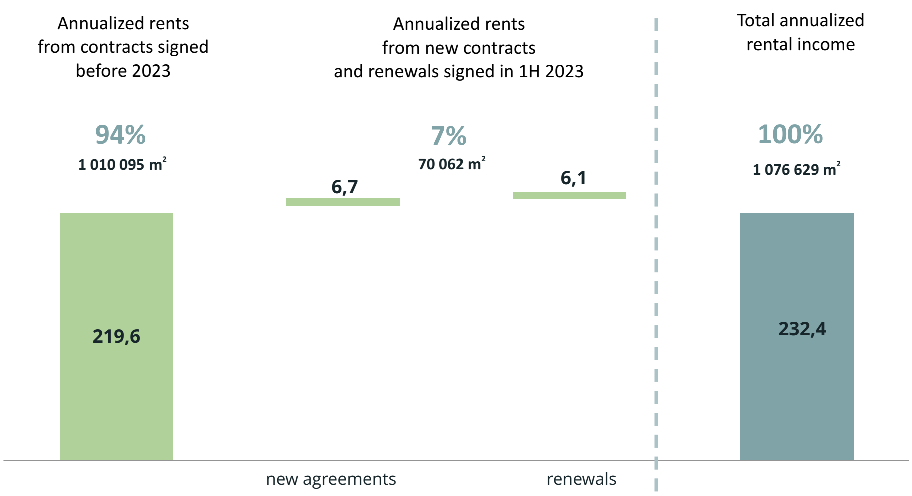
Rental income in MN PLN



Like-for-like rental growth – main drivers



Annualized future rental income based on all signed contracts (in mn PLN)

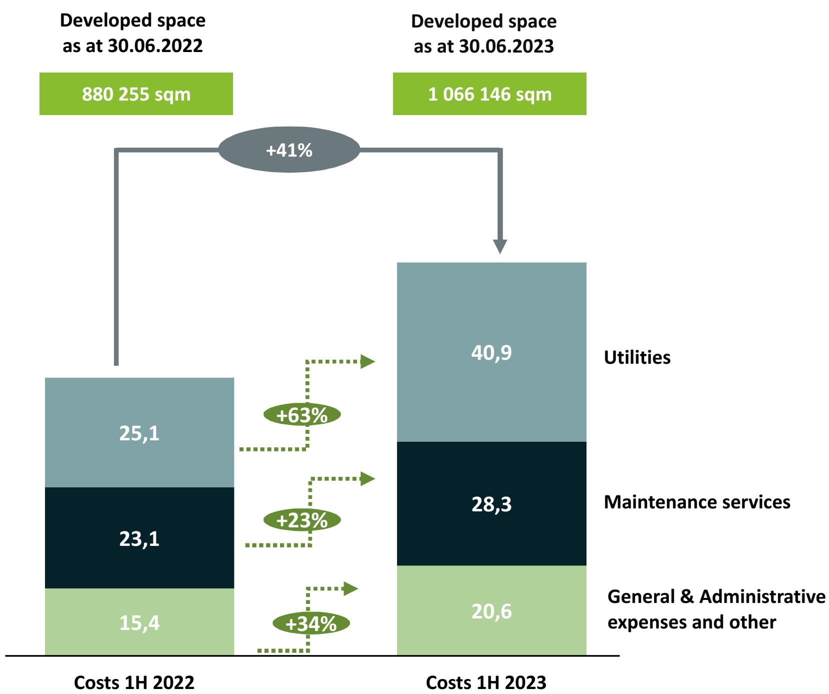


(all data in PLN thousand, unless stated otherwise)

for the six months ended 30 June	2023	2022	change (%)
Depreciation and amortisation	(322)	(197)	*63,5%*
Property maintenance services	(28 206)	(21 645)	*30,3%*
Utilities	(40 942)	(25 098)	*63,1%*
Administrative expenses and development costs	(20 300)	(15 235)	*33,2%*
Other recharged costs	(142)	(1 454)	*-90,2%*
Distribution costs and administrative expenses	**(89 910)**	**(63 629)**	**41,3%**
Total operating expenses	**(89 910)**	**(63 629)**	**41,3%**

In the six months ended 30 June 2023, the distribution costs and administrative expenses amounted to PLN 89,910 thousand, representing a year-on-year increase of 41%. These costs include (i) costs of consumables and energy used, (ii) services, (iii) taxes and charges. The costs of consumables and energy used include the cost of utilities that are recharged to tenants. The main components of taxes and charges are property tax and usufruct charges, which are also recharged to tenants. Services include two cost groups: (i) property maintenance services, recharged to tenants, (ii) and services recognised as part of administrative expenses.

Change in key items of distribution costs and administrative expenses in the six months ended 30 June 2023 and the corresponding period of 2022:



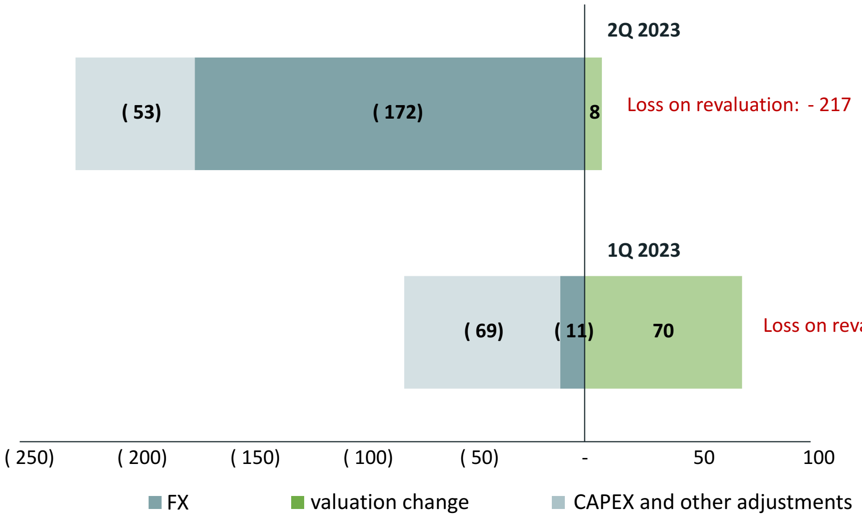
The 23% (PLN 5,200 thousand) increase in property maintenance costs was primarily due to a rise in property tax expenses by PLN 3,420 thousand, of which 60% was a result of the increase in space delivered from 1 July 2022 to 30 June 2023, and the remaining 40% was due to higher property tax rates. The increase in property maintenance costs can be attributed to a rise in technical maintenance costs of PLN 1,200 thousand and a rise in security and cleaning costs of PLN 950 thousand. These increases reflect the rise in the volume of completed space and parks.

Additionally, the Group incurs administrative expenses and development costs associated with its development activities. In the six months ended 30 June 2023, this item was PLN 20,623 thousand, having increased by PLN 5,190 thousand (34%) year on year. In the first six months of 2023, administrative expenses and development costs included costs related to the development of new projects, advisory expenses, cost of banking services, consultancy fees, audit expenses, and remuneration costs. The year-on-year increase in those cost items is driven by the growing scale of the Group's operations, including expansion in the foreign markets.

In 2023, the Group reported net finance income of PLN 28,389 thousand, being chiefly the effect of foreign exchange gains (PLN 57,215 thousand), interest on borrowings (PLN 18,503 thousand), and interest on bonds (PLN 10,476 thousand). The most significant factor contributing to the amount of this item in comparison to 2022 was currency translation differences (foreign exchange losses were reported in the comparative period).

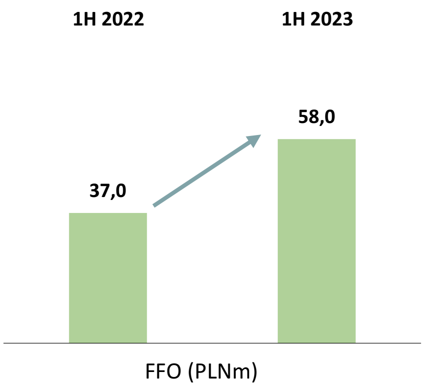
The loss on remeasurement of investment property reported in 2023 was attributable to foreign exchange losses of PLN 183,550 thousand, partly offset by a change in valuation of PLN 69,760 thousand. Changes in the investment property revaluation result by quarter in 2023 are presented in the chart below.

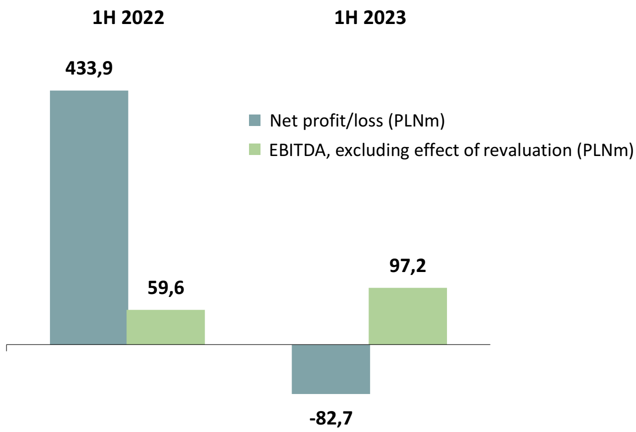
Revaluation contributors (PLN million)



The negative effect of exchange differences on the valuation of investment property totalled PLN 224,316 thousand, and was reflected:

- directly in equity, in the amount of PLN 40,766 thousand (exchange differences on foreign operations);
- statement of profit or loss, in the amount of PLN 183,550 thousand (exchange differences on the Polish portfolio).





(all data in PLN thousand, unless stated otherwise)

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

for the six months ended 30 June	**2023**	**2022**
Net cash from operating activities	43 564	71 409
Net cash from investing activities	(177 013)	(254 623)
Net cash from financing activities	297 893	123 977
Total net cash flows	**164 444**	**(59 237)**
Cash at beginning of period	**315 200**	**177 234**
Effect of exchange differences on cash and cash equivalents	3 285	1 449
Cash and cash equivalents at end of period	**482 929**	**119 446**

In the six months ended 30 June 2023, the Group reported positive operating cash flows of PLN 43,564 thousand, a decrease on the first half of 2022, due to repayment of current liabilities from 2022 maturing in 2023, which were higher than liabilities as at 30 June 2023.

The Group reported negative cash flows from investing activities in 2023 in the amount of PLN 177,013 thousand. In the corresponding period of 2022, negative cash flows from investing activities amounted to PLN 254,623 thousand. The largest expenditures incurred by the Group were outlays on the development of logistics parks in Poland as well as purchases of land at new locations, totalling more than PLN 177,013 thousand.

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

In 2023, the Group's cash flows from financing activities were positive, at PLN 297,893 thousand. The excess of financing cash inflows over outflows was attributable to:

- an excess of proceeds from a new issue of Series F bonds of PLN 75,737 thousand (proceeds: PLN 130,445 thousand) over cash spent on redemption of Series B bonds at maturity and partial early redemption of Series E bonds (PLN 54,708 thousand);
- refinancing of two projects and repayment of borrowings under credit facilities of PLN 224,604 thousand with proceeds from a newly contracted facility of PLN 327,733 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 2023.

(all data in PLN thousand, unless stated otherwise)

3. 3 Management of the Group's financial resources

In 2023, 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 2023 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

	Operating profit margin (%)	Pre-tax profit margin (%)	Net profit margin (%)	Return on equity (ROE)	Return on assets (ROA)	LTV ratio
2023	52,2%	-55,2%	-44,6%	-16,8%	-1,7%	35,7%
2022	48,2%	437,4%	352,1%	140,3%	9,5%	34,9%

The profitability analysis is based on the following ratios:

- **operating profit margin excluding effect of revaluation**: operating profit/(loss) excluding effect of revaluation/revenue;
- **pre-tax profit margin**: profit/(loss) before tax / revenue;
- **net profit margin:** net profit (loss)/revenue;
- **return on equity (ROE):** net profit/(loss)/adjusted equity (weighted average of the sum of share capital and share premium)
- **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

(all data in PLN thousand, unless stated otherwise)

In the six months ended 30 June 2023, operating profit margin excluding effect of revaluation was 52.2%, up 4.0pp over the corresponding period of 2022 (48.2% in the first six months of 2022). The operating profit margin excluding effect of revaluation in the reporting period was driven by an increase in rental income (which grew by 51% year on year) and lower growth of distribution costs and administrative expenses (up by 43% year on year).

Pre-tax profit margin was -55.2% (H1 2022: 437.4%).

Net profit margin was -44.6% (H1 2022: 352.1%).

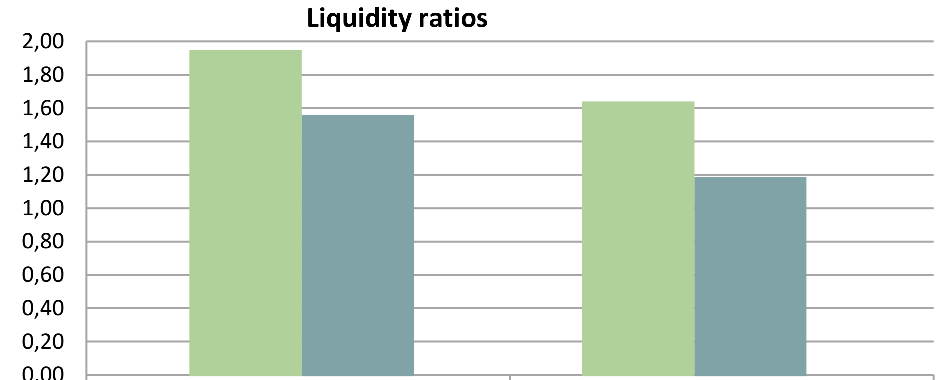
Return on equity (ROE) was -16.8% (H1 2022: 140.3%).

Return on assets (ROA) was -1.7% (H1 2022: 9.5%).

The indicators listed above were negative. Their values fell relative to the corresponding period of the previous year as a result of foreign exchange losses on property revaluation (appreciation of the złoty).

In 2023, the LTV ratio was 35.7%, higher than the year before (34.9%), and is considered safe.

3. 3.2 Liquidity ratios



	Current liquidity	Cash ratio
30 June 2023	1,90	1,60
31 December 2022	1,52	1,16

The liquidity analysis is based on the following ratios:

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

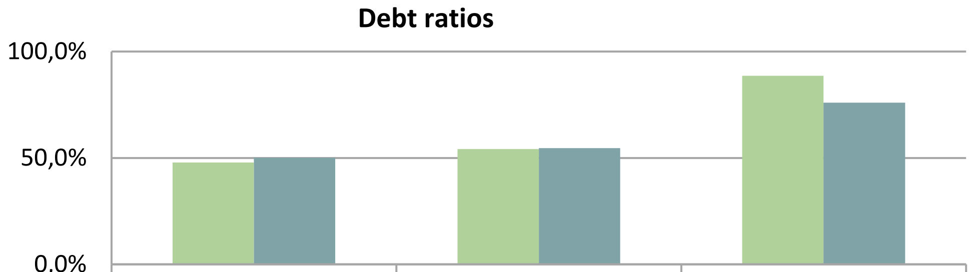
As at 30 June 2023, the current ratio increased by 0.38pp compared to the end of 2022, to 1.9.

The cash ratio as at 30 June 2023 was higher by 0.44 pp relative to 31 December 2022 and stood at 1.6.

The change in both ratios is mainly attributable to an increase in current assets, resulting from higher cash balances as at the end of June 2023.

(all data in PLN thousand, unless stated otherwise)

3. 3.3 Debt ratios



	Equity ratio	Equity to non-current assets ratio	Interest-bearing debt to equity
30 June 2023	47,9%	54,1%	88,6%
31 December 2022	50,1%	54,6%	76,0%

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 liabilities[1)] / 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 2023, the equity ratio was 47.9%, down 2.2pp on 31 December 2022. In accordance with the terms and conditions of the Series B, Series C, Series D, Series E and Series F bonds, the equity ratio may not be less than 35%.

The equity-to-non-current-assets ratio was 54.1% as at 30 June 2023, largely on a par with its level as at 31 December 2022. The interest-bearing debt-to-equity ratio equity ratio was 88.6%, up 12.6pp. Its change was due to new credit facilities, which the company uses to finance new projects.

3. 4 Borrowings, bonds, sureties and guarantees

3. 4.1 New and terminated non-bank borrowings

In 2023, the Group did not take out any new non-bank borrowings.

3. 4.2 New and terminated bank borrowings

- **New credit facility agreements in 2023**

  On 29 March 2023, a EUR 19,732 thousand credit facility agreement was executed between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A.

  On 28 April 2023, a EUR 63,500 thousand credit facility agreement was executed between MLP Poznań West II Sp. z o.o. and Aareal Bank AG.

- **Repayment of bank borrowings in 2023**

  In 2022, the Group repaid its bank borrowings in accordance with the agreed repayment schedules.

  No credit facilities were terminated in the reporting period.

3. 4.3 Bonds

On 15 May 2023, the Management Board of MLP Group S.A. passed a resolution on the issue, by way of a public offering to qualified investors, of up to 29,000 Series F bearer bonds of the Company with a nominal value of EUR 1,000 per bond and total nominal value of up to EUR 29,000,000 (the "Bonds"). The Bonds were issued on 24 May 2023 at an issue price of EUR 1,000 per Bond. The Bonds will pay variable interest at 6M EURIBOR plus a margin.

They were issued as unsecured instruments. The objectives of the issue were not specified.
The redemption date of the Notes is 26 May 2025.

The Bonds were registered in the depository maintained by the Central Securities Depository of Poland and introduced to trading in the alternative trading system organised by the Warsaw Stock Exchange on 20 July 2023, as announced by the Company in a current report.

On 10 May 2023, the Company redeemed Series B bonds with a total nominal value of EUR 10,000,000 at maturity.

On 17 May 2023, the Company redeemed early a portion of Series E bonds with a total nominal value of EUR 2,000,000.

(all data in PLN thousand, unless stated otherwise)

The bonds of MLP Group S.A. outstanding as at 30 June 2023 are presented below.

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	ISIN
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
Obligacje publiczne - seria E	EUR	4 000 000	21.01.2024	6M EURIBOR + margin	none	PLMLPGR00108
Obligacje publiczne - seria F	EUR	29 000 000	26.05.2025	6M EURIBOR + margin	none	PLO205000014

3. 4.4 Loans

In 2023, the Group did not grant any new loans.

3. 4.5 Sureties issued and received

On 24 May 2019, MLP Group S.A. provided a surety to MLP Gliwice Sp. z o.o. in relation to the Agreement for the reconstruction of the communication system, including liabilities related to the implementation of the Road Investment project, for a total amount of up to PLN 2,745,888.30 until 31 August 2022. Thereafter, from 1 September 2022 to 31 August 2027, the surety is up to the amount of PLN 136,377.10.

On 16 September 2021, MLP Group S.A. provided an up to EUR 7,125,000.00 surety in the form of a corporate guarantee in favour of Bayerishe Landesbank to secure the latter's claims against MLP Logistic Park Germany I sp. z o.o. & Co. KG under the credit facility agreement of 16 September 2021.

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 2023, 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 2023

In the six months ended 30 June 2023, 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 23 September 2022, the Management Board of MLP Group S.A. adopted Resolution No. 1/09/2022 to establish a new bond issuance programme (the "Programme"). On the same day, the Company entered into an issuance agreement with mBank S.A. to establish the new bond issuance programme, where mBank S.A. will act as the arranger, calculation agent, technical agent, issuance agent, and dealer. For more information, see Note 3.4.3.

3. 8 Material achievements and failures in the six months ended 30 June 2023

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 cyclicality

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 2023, 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

Michael Shapiro
Vice President of the Management Board

Tomasz Zabost
Member of the Management

Monika Dobosz
Member of the Management Board

Agnieszka Góźdź
Member of the Management Board

Pruszków, 23 August 2023