



MLP
GROUP



MLP Group S.A. Capital Group
CONSOLIDATED
HALF-YEAR REPORT

FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2018

www.mlp.pl

This document is a translation.
Polish version prevails.

Published pursuant to § 82 sec. 1 point 1 of the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal 2014 item 133)

Contents of Consolidated quarterly report:

I. Selected financial data of MLP Group S.A. Capital Group	6
II. Condensed interim consolidated financial statements for the 6 month period ended 30 June 2018	8
Approval of the interim condensed consolidated financial statements	9
Condensed consolidated statement of profit or loss and other comprehensive income	10
Condensed consolidated statement of financial position	11
Condensed consolidated statement of cash flows	12
Condensed statement of changes in consolidated equity	13
Explanatory information to the interim condensed consolidated financial statements	14
1. General information	14
1.1 <i>Information on the Parent Company</i>	14
1.2 <i>Information about the Group</i>	14
1.3 <i>Changes in the Group</i>	16
1.4 <i>Shareholding structure of the Parent Company</i>	16
1.4.1 <i>Structure of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the Shareholder Meeting</i>	16
1.4.2 <i>Shares and rights to shares of the Parent Company owned by members of management and supervisory bodies</i>	16
2. Basis for the preparation of the interim consolidated financial statements	17
2.1 <i>Statement of compliance</i>	17
2.2 <i>Status of the approval of standard in the European Union</i>	17
2.2.1 <i>Standards and Interpretations approved by the EU, which did not come into force as at the end of the reporting period</i>	17
2.3 <i>Basis for the preparation of the interim condensed consolidated financial statements</i>	20
2.4 <i>Functional and presentation currency and methods applied to translation of financial data</i>	20
2.4.1 <i>Functional currency and presentation currency</i>	20
2.4.2 <i>Methods applied for the purposes of conversion of financial data</i>	20
2.5 <i>Judgments and estimates</i>	20
3. Segment reporting	20
4. Revenue	23
5. Selling and administrative expenses	23
6. Financial income and expenses	24
7. Income tax	25

8. Investment property	26
8.1 Fair value of the Group's investment property	27
9. Deferred tax	37
10. Investments and other investments	39
11. Trade and other receivables	39
12. Cash and cash equivalents	40
13. Notes to the consolidated statement of cash flows	40
13.1 Cash flows related to loans	40
13.2 Changes in trade and other receivables	41
13.3 Changes in short-term and other liabilities	41
14. Equity	42
14.1 Share capital	42
15. Earnings per share	42
16. Zobowiązania z tytułu kredytów, pożyczek oraz innych instrumentów dłużnych i pozostałe zobowiązania	43
16.1 Long-term liabilities	43
16.2 Short-term liabilities	44
16.3 Bond liabilities	45
16.4 Loans and borrowings secured and unsecured on the Group's assets	45
17. Employee benefits	47
18. Trade and other payables	47
19. Financial instruments	48
19.1 Valuation of financial instruments	48
19.1.1 Financial assets	48
19.1.2 Financial liabilities	49
19.2 Other disclosures relating to financial instruments	49
20. Contingent liabilities and pledges	50
21. Related party transactions	51
21.1 Loans granted and received	51
21.2 Revenues and expenses	51
22. Significant events during the financial period and subsequent events	51
23. Remuneration paid or due to members of management and supervisory bodies	53
24. Employment structure	54
III. Interim condensed separate financial statements	55
Approval of condensed separate financial statements	56
Condensed separate statement of profit or loss and other comprehensive income	57
Condensed separate statement of financial position	58
Condensed separate statement of cash flows	59

Condensed separate statement of changes in equity	60
Explanatory information to the interim condensed separate financial statements	61
1. General information	61
1.1 <i>Information on MLP Group S.A.</i>	61
1.2 <i>Information on the Capital Group</i>	61
1.3 <i>Composition of the Management Board</i>	61
1.4 <i>Composition of the Supervisory Board</i>	62
2. Basis for the preparation of the interim condensed separate financial statements	62
2.1 <i>Statement of compliance</i>	62
2.2 <i>Status of Standards Approval in the European Union</i>	62
2.3 <i>Basis for preparation of the financial statements</i>	65
2.4 <i>Functional and presentation currency</i>	65
2.4.1 <i>Functional and presentation currency</i>	65
2.4.2 <i>Basis of financial data valuation</i>	65
2.5 <i>Use of estimates and judgments</i>	65
3. Segment reporting	66
3.1 <i>Information on the key customers of the Company</i>	66
4. Revenues	67
5. Other operating income	67
6. Selling and administrative expenses	67
7. Financial income and costs	68
8. Income tax	68
9. Long-term investments in related parties	70
10. Long-term investments	71
11. Short-term investments	71
12. Deferred tax	72
13. Trade and other receivables	73
14. Cash and cash equivalents	73
15. Equity	73
15.1 <i>Share capital</i>	73
15.1.1 <i>Structure of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders</i>	74
15.1.2 <i>Shares and rights to shares of the Parent Company owned by members of management and supervisory bodies</i>	74
15.2 <i>Other capital reserve</i>	74
16. Earnings per share	74
17. Loans and other debt instruments	75
17.1 <i>Long term liabilities</i>	75
17.2 <i>Short term liabilities</i>	75
17.3 <i>Bond liabilities</i>	76
17.4 <i>Credits, loans secured and unsecured on the Group's assets</i>	76
18. Payroll liabilities	77
19. Trade and other liabilities	77
20. Financial instruments	78

20.1 Valuation of financial instruments	78
20.1. 1 Financial assets	78
20.1. 2 Financial liabilities	78
21. Contingent liabilities and pledges	79
22. Related party transactions	79
22.1 Trade and other receivables and payables	79
22.2 Loans granted and received	80
22.3 Revenues and expenses	81
23. Significant litigation and disputes	82
24. Significant events during the period and subsequent events	82
25. Remuneration paid or due to members of management and supervisory bodies of the Company	83
26. Employment structure	84
IV. MLP Group S.A. Capital Group Management Board's report on activities for the 6 month period ended 30 June 2018.	85
V. Report of the independent auditor from the review of interim condensed separate financial statements for the 6 month period ended 30 June 2018	123

I. Selected financial data of MLP Group S.A. Capital Group

Average exchange rates of Polish zloty against Euro in the period covered by the interim condensed consolidated financial statements:

	30 June 2018	31 December 2017	30 June 2017
Average exchange rate during the period *	4,2395	4,2447	4,2474
Exchange rate at the last day of the period	4,3616	4,1709	4,2265

* Arithmetic average of the average exchange rate published on the last day of each month in the reporting period.

Main positions of the interim condensed consolidated statement of financial position converted into euro:

	as at		31 December 2017	
	30 June 2018		31 December 2017	
	PLN thousand (unaudited)	EUR thousand (unaudited)	PLN thousand	EUR thousand
Non-current assets	1 403 219	321 721	1 240 954	297 527
Current assets	181 306	41 569	117 396	28 146
Total assets	1 584 525	363 290	1 358 350	325 673
Long term liabilities	721 897	165 512	569 226	136 476
Short term liabilities	104 152	23 879	62 473	14 978
Equity, including:	758 476	173 899	726 651	174 219
Share capital	4 529	1 038	4 529	1 086
Total equity and liabilities	1 584 525	363 290	1 358 350	325 673
Number of shares (in units)	18 113 255	18 113 255	18 113 255	18 113 255
The book value and diluted book value per share attributable to the owners of the Parent Company (in PLN)	41,87	9,60	40,12	9,62

To translate the interim condensed consolidated statement of financial position the average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period was used.

The main positions of the interim condensed consolidated statement of profit or loss and other comprehensive income converted into euro:

<i>for the period of 6 months ended 30 June</i>	2018		2017	
	PLN thousand <i>(unaudited)</i>	EUR thousand <i>(unaudited)</i>	PLN thousand <i>(unaudited)</i>	EUR thousand <i>(unaudited)</i>
Revenues	62 565	14 758	47 545	11 194
Other operating income	894	211	221	52
Profit/(loss) on revaluation of investment properties	41 802	9 860	(2 227)	(524)
Selling and administrative expenses	(31 361)	(7 397)	(24 567)	(5 784)
Operating profit	71 558	16 879	18 763	4 418
Profit before taxation	44 374	10 467	23 262	5 477
Net profit	31 482	7 426	19 880	4 681
Total comprehensive income	31 825	7 507	22 319	5 255
Net profit attributable to the owners of the Parent Company	31 482	7 426	19 880	4 681
Net profit and diluted net profit per share attributable to the owners of the Parent Company (in PLN)	1,74	0,41	1,10	0,26

To translate the interim condensed consolidated profit or loss and other comprehensive income an average Euro exchange rate calculated as an arithmetic average of the average exchange rates published on the last day of each month in the reporting period by the National Bank of Poland (NBP) on that day was used.

The main positions of the interim condensed consolidated statement of cash flows converted into Euro:

<i>for the period of 6 months ended 30 June</i>	2018		2017	
	PLN thousand <i>(unaudited)</i>	EUR thousand <i>(unaudited)</i>	PLN thousand <i>(unaudited)</i>	EUR thousand <i>(unaudited)</i>
Net cash from operating activities	20 198	4 764	35 989	8 473
Cash from investing activities	(103 014)	(24 299)	(72 682)	(17 112)
Środki pieniężne z działalności finansowej	119 853	28 271	80 950	19 059
Total net cash flows	37 037	8 736	44 257	10 420

To translate the interim condensed consolidated statement of cash flows an average Euro exchange rate calculated as an arithmetic average of the average exchange rates published on the last day of each month in the reporting period by the National Bank of Poland (NBP) on that day was used.

<i>as at</i>	30 June 2018		31 December 2017	
	PLN thousand <i>(unaudited)</i>	EUR thousand <i>(unaudited)</i>	PLN thousand	EUR thousand
Cash at the beginning of the period	64 827	15 543	61 694	13 945
Cash at the end of the period	103 099	23 638	64 827	15 543

To translate the above data of the interim condensed consolidated statement of cash flows the following exchange rates were used:

- for the position "Cash at the end of the period" the average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period was used
- for the position "Cash at the beginning of the period" the average exchange rate published by the National Bank of Poland (NBP) on the last day of the period preceding the reporting period was used

Euro exchange rate on the last day of the reporting period ended 31 December 2016 was 4.424 EUR/PLN.



MLP Group S.A. **Capital Group**

**Condensed interim
consolidated financial statements**

for the 6 month period ended 30 June 2018
prepared in accordance with the IFRS EU

II. Interim condensed consolidated financial statements

Approval of the interim condensed consolidated financial statements

On 22 August 2018, the Management Board of MLP Group S.A. (“Parent Company”) approved for publication the interim condensed consolidated financial statements (“Consolidated Financial Statements”, “Condensed Consolidated Financial Statements”) of the MLP Group S.A. Group (“Group”) for the period from 1 January 2018 to 30 June 2018.

The interim consolidated financial statements for the period from 1 January 2018 to 30 June 2018 have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (“EU IFRS”), applicable to interim financial reporting (IAS 34). Information in this report is presented in the following sequence:

1. Condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2018 to 30 June 2018, showing a net profit of PLN 31,482 thousand.
2. Condensed consolidated statement of financial position as at 30 June 2018, showing total assets and total liabilities and equity of PLN 1,4584,525 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January 2018 to 30 June 2018, showing an increase in net cash by PLN 38,272 thousand.
4. Condensed statement of changes in consolidated equity for the period from 1 January 2018 to 30 June 2018, showing an increase in consolidated equity by PLN 31,825 thousand.
5. Notes and explanations to the interim consolidated financial statements.

The data in the interim condensed consolidated financial statements are presented in in thousands of PLN unless stated otherwise.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

Condensed consolidated statement of profit or loss and other comprehensive

	<i>for the period of 6 months ended 30 June</i>	Note	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Revenue		4	62 565	47 545
Other operating income			894	221
Profit/(loss) on revaluation of investment properties		8	41 802	(2 227)
Selling and administrative expenses		5	(31 361)	(24 567)
Other operating expenses			(2 342)	(2 209)
Operating profit/(loss)			71 558	18 763
Financial income		6	620	11 543
Financial expenses		6	(27 804)	(7 044)
Net financial income/(cost)			(27 184)	4 499
Profit/(loss) before tax			44 374	23 262
Income tax		7	(12 892)	(3 382)
Net profit/(loss)			31 482	19 880
Inne całkowite dochody				
Currency translation differences on foreign operations			692	(27)
Effective part of changes in the fair value of cash flow hedges			(431)	3 045
Corporate income tax on other comprehensive income			82	(579)
Other net comprehensive income			343	2 439
Total comprehensive income			31 825	22 319
Net profit/(loss) attributable to:				
Owners of the Parent Company			31 482	19 880
Net profit/(loss)			31 482	19 880
Comprehensive income attributable to:				
Owners of the Parent Company			31 825	22 319
Total comprehensive income			31 825	22 319
Profit/(loss) per share		15		
- Basic and diluted (in PLN) profit/(loss) for the period attributable to ordinary shareholders of the Parent Company			1,74	1,10

Condensed consolidated statement of financial position

	<i>as at</i> Note	30 June 2018 <i>(unaudited)</i>	31 December 2017
Non-current assets			
Property, plant and equipment		610	698
Intangible assets		6	12
Prepayments for intangible assets		796	726
Investment property	8	1 328 375	1 162 880
Other long-term investments	10	71 179	68 594
Other long-term assets		778	599
Deferred tax assets	9	1 475	7 445
Total non-current assets		1 403 219	1 240 954
Current assets			
Inventories		38	245
Short-term investments	10	22 139	22 139
Income tax receivables	11	1 746	1 125
Trade and other receivables	11	45 630	25 926
Other short-term investments	10	8 654	3 134
Cash and cash equivalents	12	103 099	64 827
Total current assets		181 306	117 396
TOTAL ASSETS		1 584 525	1 358 350
Equity			
	14		
Share capital		4 529	4 529
Other capital reserve		81 384	81 384
Share premium		71 121	71 121
Reserve capital		153 963	153 963
Reserve capital on valuation of hedging instruments		(557)	(208)
FX gains or losses from conversion of subsidiaries		152	(540)
Retained earnings		447 884	416 402
Total equity		758 476	726 651
Long-term liabilities			
Liabilities on account of loans, borrowings and other debt instruments	16.1	594 630	448 639
Deferred tax liability	9	104 421	100 253
Other long-term liabilities	16.1	22 846	20 334
Total long-term liabilities		721 897	569 226
Short-term liabilities			
Liabilities on account of loans, borrowings and other debt instruments	16.2	25 742	21 278
Other short-term liabilities	16.2	-	43
Employee benefits	17	1 509	2 127
Income tax liabilities	18	1 433	1 065
Trade and other payables	18	75 468	37 960
Total short-term liabilities		104 152	62 473
Total liabilities		826 049	631 699
TOTAL EQUITY AND LIABILITIES		1 584 525	1 358 350

Condensed consolidated statement of cash flows

	<i>for the period of 6 months ended 30 June</i>	Note	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Cash flows from operating activities				
Profit/(loss) before tax			44 374	23 262
<i>Adjustments for:</i>				
Depreciation and amortization			101	151
Change in fair value of investment properties			(41 802)	2 227
Net interest			7 807	6 260
Foreign exchange differences			19 493	(12 486)
Other			(104)	(239)
Changes in trade and other receivables		15.2	(18 817)	18 317
Changes in short-term and other liabilities		15.3	12 071	1 712
Cash from operating activities			23 123	39 204
Income tax paid			(2 925)	(3 215)
Net cash from operating activities			20 198	35 989
Cash flows from investing activities				
Interest received			-	97
Proceeds from the repayment of loans granted			-	260
Purchase of investment property, tangible fixed assets and intangible assets			(96 435)	(77 229)
Disposal of intangible assets and tangible fixed assets			-	77
Other capital expenditures			(6 579)	-
Other investment proceeds			-	4 113
Cash from investing activities			(103 014)	(72 682)
Cash flows from financing activities				
Proceeds from credits and loans		13.1	94 418	14 651
Repayment of credits and loans		13.1	(10 718)	(10 678)
Issue of debt securities			42 473	84 310
Interest paid			(6 320)	(6 807)
Paid loan commission			-	(526)
Cash from financing activities			119 853	80 950
Total cash flow			37 037	44 257
Cash and cash equivalents at the beginning of the period				
		12	64 827	61 694
Foreign exchange differences on cash and cash equivalents			1 235	-
Cash and cash equivalents at the end of the period		12	103 099	105 951

Condensed statement of changes in consolidated equity

	Share capital	Other capital reserve	Share premium	Reserve capital	Reserve capital on valuation of hedging instruments	Currency translation differences on the subordinated entities	Retained earnings	Total equity
Equity as at 1 January 2017	4 529	81 384	71 121	153 963	(4 386)	-	369 115	675 726
Comprehensive income:								
Financial result*	-	-	-	-	-	-	19 880	19 880
Total other comprehensive income*	-	-	-	-	2 466	(27)	-	2 439
Comprehensive income for the period ended 30 June 2018*	-	-	-	-	2 466	(27)	19 880	22 319
Equity as at 30 June 2018*	4 529	81 384	71 121	153 963	(1 920)	(27)	388 995	698 045
Equity as at 1 January 2018	4 529	81 384	71 121	153 963	(208)	(540)	416 402	726 651
Comprehensive income:								
Financial result*	-	-	-	-	-	-	31 482	31 482
Total other comprehensive income*	-	-	-	-	(349)	692	-	343
Comprehensive income for the period ended 310 June 2018*	-	-	-	-	(349)	692	31 482	31 825
Equity as at 30 June 2018*	4 529	81 384	71 121	153 963	(557)	152	447 884	758 476

* Unaudited data

Explanatory information to the interim condensed consolidated financial statements

1. General information

1. 1 Information on the Parent Company

The Parent Company of the Group is MLP Group S.A. ("Company", "Parent Company", "Parent Entity", "Issuer"), which is a joint stock company registered in Poland, shares of which are publicly traded. The Company's head office is located in Pruszków at ul. 3 Maja 8.

The Parent Company was established as a result of a transformation of the state company Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy seated in Pruszków into a joint stock company fully owned by the state. The notarial deed on the transformation was executed on 18 February 1995. The company operates under the name of MLP Group S.A. by virtue of a resolution of the Company's Shareholder Meeting adopted on 27 June 2007.

Currently, the Company is registered in the National Court Register kept by the District Court for the Capital City of Warsaw, 14th Commercial Division, under the KRS number 0000053299.

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

The Management Board of the Parent Company:

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

The Supervisory Board of the Parent Company:

- Shimshon Marfogel - Chairman of the Supervisory Board
- Eytan Levy - Deputy Chairman of the Supervisory Board
- Daniel Nimrodi¹⁾ - Supervisory Board Member
- Guy Shapira - Supervisory Board Member
- Piotr Chajderowski¹⁾ - Supervisory Board Member
- Maciej Matusiak - Supervisory Board Member

1. 2 Information about the Group

As at the end of the reporting period the MLP Group S.A. Group ("Group") consists of MLP Group S.A. as the Parent Company and 30 subsidiaries.

The higher level parent company for the Group is CAJAMARCA HOLLAND B.V. which is registered in the Netherlands, 2 Martinus Nijhofflaan, 2624 ES Delft.

The ultimate parent company of the Group is Israel Land Development Company Ltd., registered in Tel Aviv, Israel ("ILDC"). ILDC shares are listed on the Stock Exchange in Tel Aviv.

The core business of the Parent Company and its subsidiaries are: management, buying and selling of real estate, rental of real estate, management of residential and non-residential properties, works related to the construction of buildings and construction (see Note 3).

As at 30 June 2018, the MLP Group S.A. Group consisted of the following entities:

Entity	Country of registry	Direct and indirect share of the Parent Company in equity		Direct and indirect share held by the Parent Company in voting rights	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
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%
MLP Energy 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 Poznań West 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 Łódź 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. in organization ¹⁾	Poland	100%	-	100%	-

1. 3 Changes in the Group

¹⁾ On 13 March 2018, MLP Pruszków V Sp. z o.o. was established under a deed of formation. On 4 April 2018, MLP Group S.A. acquired 50 shares in MLP Pruszków V Sp. z o.o. with the total value of PLN 5,000, thus directly acquiring a 100% stake in its equity and voting rights. The shares were paid up in full with a cash contribution.

The interim consolidated financial statements for the period ended 30 June 2018 include the financial statements of the Parent Company and the subsidiaries controlled by the Parent Company (referred to jointly as the "Group").

1. 4 Shareholding structure of the Parent Company

1. 4. 1 Structure of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the Shareholder Meeting

Since the publication of the last periodic report, the structure of Shareholders who hold, directly or through subsidiaries, at least 5% of the total number of votes at the Shareholder Meeting changed and was as follows as at the end of the reporting period:

Shareholder	Number of shares and votes at General Meeting	% value of shares and votes at General Meeting
CAJAMARCA Holland BV	10 319 842	56,98%
Pozostali akcjonariusze	2 581 093	14,24%
THESINGER LIMITED	1 771 320	9,78%
Aegon Powszechno Towarzystwo Emerytalne S.A.	1 149 775	6,35%
MetLife OFE	948 387	5,24%
GRACECUP TRADING LIMITED	641 558	3,54%
MIRO B.V.	452 955	2,50%
Shimshon Marfogel	149 155	0,82%
MIRO LTD.	99 170	0,55%
Razem	18 113 255	100,00%

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

Michael Shapiro holds indirectly, through MIRO B.V. and MIRO Ltd., companies controlled by him in 100%, a 3.05% share in MLP Group S.A.'s share capital, and, through his 25% share in the share capital held by MIRO B.V. in Cajamarca Holland B.V., participates economically in 14.24% of the share capital of MLP Group S.A., which amounts to a total economically effective share of 17.29% in the share capital of MLP Group S.A.

Supervisory Board Chairman Shimshon Marfogel indirectly, through a 7.86% share in a company holding the Issuer's shares (Thesinger Limited), participates economically in 0.77% of MLP Group S.A.'s share capital, and he holds, through the Company's shares subscribed for in September (a transaction described in Note 1.4.1) a 0.82% share in the Company's share capital, which amounts to a total economically effective share of 1.59% in the share capital of MLP Group S.A.

Other Members of the Supervisory Board do not directly hold shares in the Company.

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

2. 1 Statement of compliance

The Group prepared the condensed consolidated financial statements in accordance with the IAS 34 - Interim Financial Reporting, which was approved by the European Union. The Group has applied all Standards and Interpretations adopted by the European Union except for the Standards and Interpretations that are awaiting approval of the European Union and the Standards and Interpretations that have been approved by the European Union, but not yet effective.

2. 2 Status of the approval of standard in the European Union

2. 2. 1 Standards and Interpretations approved by the EU, which did not come into force as at the end of the reporting period

The Group plans to adopt new Standards and amendments to Standards and Interpretations published by the International Accounting Standards Board, which are not yet mandatorily effective at the date of the approval of the condensed consolidated financial statement, according to their date of entry into force.

Assessment of the possible impact of amendments to IFRS and new IFRS on future consolidated financial statements of the Group is presented in the Consolidated Financial Statements for 2017 in Note 2.2.

These interim condensed consolidated financial statements have been prepared in accordance with accounting policies described in the Consolidated Financial Statements for the year 2017, except for the application of new standards: IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, which have been in effect since 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

The Group applies the IFRS 15 including the 5-step model:

- **Identify the contract with the customer**

A contract with a customer meets its definition if all the following conditions are met: the parties have concluded the contract and they are obligated to perform their duties; the Group is able to identify each party's rights in relation to the goods or services to be transferred; the Group is able to identify the payment terms for the goods or services to be transferred; the contract has commercial substance; and it is probable that the Group will collect the consideration to which it will be entitled to in exchange for the goods or services that will be transferred to the customer.

- **Identify the performance obligations**

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either: a good or service (or bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

- **Determine the transaction price**

The Group shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes, fuel fee, excise tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

- **Allocate the transaction price to individual performance obligations**

The Group allocates transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

- **Recognize revenue when (or as) the entity satisfies a performance obligation**

The Group recognizes revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer (the client obtains control over that asset). Revenue is recognized in amounts equal to the transaction price allocated to a given performance obligation. The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the performance as it is performed,
- the performance creates or enhances an asset that the customer controls as the asset is created or enhanced,
- the performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

Effect of application of the new standard

Most of the revenue generated by the Group is Revenue from rental of properties, which is not subject to the new standard and is covered by the scope of IAS 17 Leases instead. Other revenue categories generated by the Group include mainly revenue from maintenance fees and re-invoicing of utility bills. Revenues on this account are recognized in the period, in which the services are provided. Where the Group operates in the capacity of an agent, for presentation purposes the Group offsets revenues from maintenance fees with the relevant operating expenses. The Group has decided to apply the modified retrospective approach. In accordance with an election permitted by IFRS, the Group has resigned from the restatement of comparative data. The Group has analyzed the impact of the new standard on the remaining revenue categories generated by the Group. The Group believes that the effect of adopting IFRS 15 on the data shown in the financial statements is not significant.

IFRS 9 Financial Instruments

The Group believes that introduction of this standard has no material effect on the applied accounting policies in respect to the Group's activities and its financial performance. Following the application of IFRS 9, classification of some financial instruments changed.

IFRS 9 Financial Instruments applicable to the annual periods beginning after 1 January 2018 removes the previous classification of financial assets into:

- held to maturity,
- available-for-sale,
- loans and receivables

and replaces them with a new classification including:

- financial assets measured at amortized cost,
- financial assets measured at fair value through profit or loss,
- financial assets measured at fair value through other comprehensive income.

Classification into a specific group of financial assets is decided by the “business model” of managing the asset portfolio and evaluation of the contractual terms of a given financial asset.

The following table presents the effect of implementing IFRS 9 on changes in the classification and measurement of the Group’s financial assets as at 1 January 2018:

Financial instrument classes	Classification according to IAS 39	Classification according to IFRS 9
Loans granted	Loans and receivables	Financial assets at amortized cost
Trade and other receivables	Loans and receivables	Financial assets at amortized cost
Cash and cash equivalents	Loans and receivables	Financial assets at amortized cost

Also, IFRS 9 has introduced a change in measuring impairment of financial assets. According to the new standard, entities must identify and measure impairment based on the “expected loss concept” instead of the previous “incurred loss concept”.

The Group estimates that as at the date of first application, the guidelines did not have a material effect on the measurement of its financial instruments. The Group has not identified any significant changes in the classification of financial assets that would result in a change of their measurement method.

Moreover, with respect to credit risk assessment, the Group has analyzed the existing provisioning methodology for trade and other receivables and loans granted, which takes into account the individual approach and a ratio-based approach based on historical repayment statistics, and estimates that as at the date of first application of the new standard, the value of trade receivables and other and granted loans did not change significantly.

The Group has decided to apply the modified retrospective approach. In accordance with an election permitted by IFRS, the Group has resigned from the restatement of comparative data.

2. 3 **Basis for the preparation of the interim condensed consolidated financial statements**

The interim condensed consolidated financial statements have been prepared assuming that the MLP Group S.A. Group will continue to operate as a going concern in the foreseeable future and in conviction that there is no evidence indicating that the Group will not be able to continue its operations as a going concern.

These interim condensed consolidated financial statements have been prepared in accordance with accounting policies described in the Consolidated Financial Statements for the year 2017.

2. 4 **Functional and presentation currency and methods applied to translation of financial data**

2. 4. 1 **Functional currency and presentation currency**

Data in these interim condensed financial statements are presented in Polish zloty, rounded to data in the consolidated financial statements. Polish zloty is the Parent Company's functional currency and the presentation currency of the interim condensed consolidated financial statements.

2. 4. 2 **Methods applied for the purposes of conversion of financial data**

The following exchange rates have been applied (in PLN) to measure the items of the consolidated statement of financial position denominated in foreign currencies:

Consolidated statement of financial position:

	30 June 2018	31 December 2017	30 June 2017
EUR	4,3616	4,1709	4,2265
USD	3,7440	3,4813	3,7062

2. 5 **Judgments and estimates**

Significant judgments in applying the Group's accounting policies and the key sources of uncertainty estimation made by the Management Board in these interim condensed consolidated financial statements were the same as described in Note 2 to the Consolidated Financial Statements for the year 2017.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are based on experience and other reasonable factors which provide the basis for the estimate of book value of assets and liabilities and which does not result directly from other sources. Actual results may differ from these estimates.

3. **Segment reporting**

The primary and sole activity of the MLP Group S.A. Group is the construction and management of logistics properties. Revenues of the Group comprise rental income and revaluation of investment property.

The Group operates in the territory of Poland, Germany (since April 2017) and Romania (since last October). The location of assets coincides with the location of customers. The operational segments coincide with geographical segments.

As at 31 March 2018 and for the reporting period ended this day the Group has three operating segments: Poland, Germany and Romania.

Information on the Group's operating segments:

<i>for the period of 6 months ended 30 June</i>	2018*				Total
	Poland	Germany	Romania	Consolidation exclusions	
Revenue					
Sales to external clients	59 363	3 202	-	-	62 565
Profit/(loss) on revaluation of investment properties	43 104	(923)	(379)	-	41 802
Total segment revenue	102 467	2 279	(379)	-	104 367
Segment's operating result	71 885	1 536	(415)	-	73 006
Result on other operating activities	(1 450)	2	-	-	(1 448)
Profit/(loss) before tax and financial expenses	70 435	1 538	(415)	-	71 558
Result on financing activities	(27 169)	(229)	(15)	229	(27 184)
Profit/(loss) before tax	43 266	1 309	(430)	229	44 374
Income tax	(12 458)	(442)	8	-	(12 892)
Net profit/(loss)	30 808	867	(422)	229	31 482

<i>for the period of 6 months ended 30 June</i>	30 June 2017*				Total
	Poland	Germany	Romania	Consolidation exclusions	
Revenue					
Sales to external clients	47 097	448	-	-	47 545
Profit/(loss) on revaluation of investment properties	(7 286)	5 059	-	-	(2 227)
Total segment revenue	39 811	5 507	-	-	45 318
Segment's operating result	15 296	5 455	-	-	20 751
Result on other operating activities	(1 988)	-	-	-	(1 988)
Profit/(loss) before tax and financial expenses	13 308	5 455	-	-	18 763
Result on financing activities	4 547	(48)	-	-	4 499
Profit/(loss) before tax	17 855	5 407	-	-	23 262
Income tax	(2 574)	(808)	-	-	(3 382)
Net profit/(loss)	15 281	4 599	-	-	19 880

* Unaudited data

<i>as at</i>	30 June 2018*				Total
	Poland	Germany	Romania	Consolidation exclusions	
Assets and liabilities					
Assets of the segment	1 546 479	34 777	31 046	(27 777)	1 584 525
Total assets	1 546 479	34 777	31 046	(27 777)	1 584 525
Liabilities of the segment	803 871	29 345	20 610	(27 777)	826 049
Equity	742 608	5 432	10 436	-	758 476
Total equity and liabilities	1 546 479	34 777	31 046	(27 777)	1 584 525
Investment property additions	118 290	1 239	1 722	-	121 251

<i>as at</i>	31 December 2017				Total
	Poland	Germany	Romania	Consolidation exclusions	
Assets and liabilities					
Assets of the segment	1 323 866	31 353	29 474	(26 343)	1 358 350
Total assets	1 323 866	31 353	29 474	(26 343)	1 358 350
Liabilities of the segment	611 944	27 015	19 083	(26 343)	631 699
Equity	711 922	4 338	10 391	-	726 651
Total equity and liabilities	1 323 866	31 353	29 474	(26 343)	1 358 350
Investment property additions	146 619	22 914	16 221	-	185 754

4. Revenue

	2018	2017
<i>for the period of 6 months ended 30 June</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue from rental of properties	45 079	34 210
Other revenue	11 214	9 546
Revenues obtained under a development contract concluded by MLP Bieruń Sp. z o.o.	6 272	3 789
Total revenue	62 565	47 545

	2018	2017
<i>for the period of 6 months ended 30 June</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Reinvoicing of utilities	10 315	8 884
Revenue from rental of apartments	17	17
Services provided for tenants	196	645
Other revenue	686	-
Other revenue	11 214	9 546

5. Selling and administrative expenses

	2018	2017
<i>for the period of 6 months ended 30 June</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Depreciation and amortization	(101)	(151)
Materials and energy	(8 835)	(6 340)
External services	(12 258)	(10 540)
Taxes and charges	(7 171)	(5 573)
Payroll	(1 021)	(1 043)
Social security and other employee benefits	(206)	(200)
Other costs by kind	(1 766)	(694)
Cost of goods for resale and materials sold	(3)	(26)
Selling and administrative expenses	(31 361)	(24 567)

Selling and administrative expenses for the 6 month period ended 30 June 2018 of PLN 31 361 thousand were related mostly to costs of the maintenance of revenue-generating investment properties. Costs that are not directly related to those properties are depreciation of tangible fixed assets used for operating activity and not generating lease revenue and property tax on undeveloped land.

External services costs also included costs of PLN 3.927 thousand related to the investment resulting from the development contract signed in September 2015, between MLP Bieruń Sp. o.o. and WestInvest Gesellschaft für Investmentfonds mbH.

6. Financial income and expenses

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Interest on loans granted	559	597
Interest on bank deposits	44	61
Foreign exchange differences net	-	10 875
Interest on receivables	17	10
Total financial income	620	11 543
<hr/>		
<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Interest expenses on account of loans and borrowings	(4 553)	(3 569)
Other interest	(4)	(3)
Interest paid on swap contracts	(1 053)	(3 519)
Interest results on cash flow hedges	(33)	848
Ineffective part of valuation of cash flow hedges	(1 283)	(258)
Foreign exchange differences net	(18 734)	-
Interest expenses on bonds	(1 444)	(359)
Other financial expenses	(125)	(9)
Costs related to loan servicing	(575)	(175)
Total financial expenses	(27 804)	(7 044)

On 1 March 2018, MLP Poznań II Sp. z o.o. entered into two agreements with ING Bank Śląski S.A. which converted variable rate to a fixed one. Thanks to the agreements concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 14 March 2018, MLP Lublin Sp. z o.o. entered into agreement with Powszechna Kasa Oszczędności Bank Polski S.A. which converted variable rate to a fixed one. Thanks to the agreement concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 29 March 2018, MLP Pruszków I Sp. z o.o. entered into agreement with Raiffeisen Bank Polska S.A. which converted variable rate to a fixed one. Thanks to the agreement concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 9 April 2018, MLP Pruszków III Sp. z o.o. entered into a floating to fixed rate swap contract with BGŻ BNP Paribas S.A.

On 17 April 2018, MLP Wrocław Sp. z o.o. entered into a floating to fixed rate swap contract with Bank Polska Kasa Opieki S.A.

Thanks to the contracts concluded, future loan interest payments, calculated at floating rates, will be effectively swapped to interest according to the schedules of the swap contracts.

Foreign exchange differences are result mainly from the measurement of liabilities under loans and borrowings denominated in EUR and USD at the end of the reporting period. Between 31 December 2017 and 30 June 2018, the Polish currency depreciated by PLN 0.19, or 4.57%. The depreciation of PLN to EUR contributed to foreign exchange losses of PLN 18,781 thousand, which influenced the presented financial result.

7. Income tax

	2018	2017
<i>for the period of 6 months ended 30 June</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax	2 757	2 131
Origination / reversal of temporary differences	10 135	1 251
Income tax	12 892	3 382

Effective tax rate

	2018	2017
<i>for the period of 6 months ended 30 June</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit before tax	44 374	23 262
Current income tax on the basis of the enacted tax rate (19%)	(8 431)	(4 420)
Non-taxable income	-	172
Difference resulting from different tax rates in MLP Logistic Park Germany I Sp. z o.o. Co.&KG and MLP Bucharest West SRL	(259)	234
Unrecognized deferred tax asset on tax losses	(4 339)	-
Utilization of the previously unrecognized deferred tax asset	256	632
Non-tax-deductible expenses	(119)	-
Income tax	(12 892)	(3 382)

The legal regulations concerning the tax on goods and services, personal income tax, corporate income tax or social security contributions are constantly changed, and as a result there is often no reference to established regulations or legal precedents. The current regulations also contain uncertainties, resulting in differences in opinions as to legal interpretation of tax regulations both between government bodies and between companies and government bodies. Tax and other settlements (e.g. customs duties or foreign exchange tax) may be subject to inspection from bodies that are entitled to impose significant penalties, and if such penalty is established, the additional amounts determined as a result of the inspection must be paid with interest. These factors cause the tax risk in Poland to be higher than in countries with more developed tax systems.

Tax settlements may be subject to an audit for the period of five years after the end of the following tax year. As a result, the amounts presented in the financial statements may change at a later date, after they are finally determined by tax authorities.

8. Investment property

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Gross value at the beginning of the period	1 162 880	968 524
Investment property additions	121 251	185 754
Exchange differences on translation	2 442	-
Change in fair value	41 802	8 602
Gross value at the end of the period	1 328 375	1 162 880

Investment property includes warehouses and undeveloped land. The Group's revenues relate mainly to rental of warehouses.

Between 31 December 2017 and 30 June 2018, the value of investment property increased by EUR 25,889 thousand and at the end of June 2018 stood at EUR 303,2118 thousand. This change was to the greatest extent driven by the expenditures incurred to build new parks. The increase in the property value was also driven by the depreciation of the Polish currency by PLN 0.19 (4,57%), which influenced the change in the investment property value converted from EUR to PLN. The depreciation of PLN to EUR contributed to a positive change in the fair value in the amount of PLN 52,887 thousand, which in turn affected the property value as at 30 June 2018.

Investment property divided into Parks:

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Park MLP Pruszków I		
Fair value of property – MLP Pruszków I	351 850	336 405
Perpetual usufruct – MLP Pruszków I	2 640	2 640
	354 490	339 045
Park MLP Pruszków II		
Fair value of property – MLP Pruszków II	402 423	351 402
Perpetual usufruct – MLP Pruszków II	2 630	2 630
	405 053	354 032
Park MLP Poznań		
Investment property additions at cost - MLP Poznań	124 716	118 091
	124 716	118 091
Park MLP Lublin		
Investment property additions at cost - MLP Lublin	78 622	73 812
	78 622	73 812
Park MLP Teresin		
Investment property additions at cost - MLP Teresin	60 277	57 684
	60 277	57 684
Park MLP Gliwice		
Investment property additions at cost - MLP Gliwice	102 537	76 161
	102 537	76 161
Park MLP Wrocław		
Investment property additions at cost - MLP Wrocław	64 408	58 780
	64 408	58 780

<i>as at</i>	30 June 2018 (unaudited)	31 December 2017
Park MLP Czeladź		
Investment property additions at cost - MLP Czeladź	51 410	29 947
	51 410	29 947
Park MLP Poznań West¹⁾		
Investment property additions at cost - MLP Poznań West	30 182	-
	30 182	-
Park MLP Unna		
Investment property additions at cost - MLP Unna	25 341	25 025
	25 341	25 025
Park MLP Bucharest West		
Investment property additions at cost - MLP Bucharest West	30 750	29 407
	30 750	29 407
Nakłady poniesione na realizację nowych inwestycji	453	733
MLP Energy – apartments	136	163
Gross value at the end of the period	1 328 375	1 162 880

¹⁾ On 30 May 2018, the Group purchased land with the area of 18.5 ha for the development of a new logistics park, MLP Poznań West.

Information regarding collateral on investment property is disclosed in note 20.

In accordance with the adopted accounting policy, interest expenses on investment loans attributable to construction in progress are capitalized and increase the value of the property.

8. 1 Fair value of the Group's investment property

Fair value of investment property is based on reports of independent and qualified experts who possess recognized professional qualifications and expertise in property valuation (based on inputs that are unobservable – level 3).

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

The valuations were prepared based on the income approach method for the existing warehouses and for land with building permission and based on the comparable method for undeveloped land plots.

Because of different locations and characteristics of the Group's investment properties, assumptions used by experts concerning yield rates for distinct logistics parks are in the range of 6.75%–8.5%.

The Group performs valuation twice during the year: on 30 June and 31 December. Fair value of surplus land in valuation reports established on the basis of comparable approach is presented in Polish złoty. Fair value in valuation reports presented in EUR is recalculated to PLN based on average exchange rate published by the National Bank of Poland (NBP) on the last day of the reporting period.

There was no change in the method of valuation in comparison with previous periods.

In the three-month period ended 30 June 2018 there were no reclassifications between the levels.

Information on fair value valuation using significant unobservable inputs (Level 3)

	Fair value as at 30 June 2018	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Pruszków I Logistic Park					
(i) warehouse and office buildings	80 670 ths. EUR	Income approach	Monthly rent per 1 sqm	1,81 - 8,73 EUR/m ² (3,28 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	7,50% - 8,50% (8,00%)	The lower capitalization rate, the higher fair value
80 670 ths. EUR					
MLP Pruszków II Logistic Park					
(i) warehouse and office buildings	57 437 ths. EUR	Income approach	Monthly rent per 1 sqm	2,26 - 3,99 EUR/m ² (3,13 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	6,5% - 8,53% (7,3%)	The lower capitalization rate, the higher fair value
(ii) chimney	4 059 ths. EUR	Income approach	Monthly rent	29,34 tys. EUR	The higher rent, the higher fair value
			Capitalization rate	(8,50%)	The lower capitalization rate, the higher fair value
(iii) parking	1 119 ths. EUR	Income approach	Monthly rent	7,9 - 10,6 tys. EUR (9,26 tys. EUR)	The higher rent, the higher fair value
			Capitalization rate	(8,50%)	The lower capitalization rate, the higher fair value
(iv) surplus land	6 150 ths. EUR (26 830 ths. PLN)	Comparable approach	Price for 1 sqm	49,29 EUR/m ² (215,00 PLN/m ²)	The higher price for 1 sqm, the higher fair value
(v) land with construction permission	23 500 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
92 265 ths. EUR					

	Fair value as at 30 June 2018	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Poznań Logistic Park					
(i) warehouse and office buildings	25 544 ths. EUR	Income approach	Monthly rent per 1 sqm Capitalization rate	2,81 - 4,66 EUR/m ² (3,74 EUR/m ²) 7,00% - 7,26% (7,13%)	The higher rent, the higher fair value The lower capitalization rate, the higher fair value
(iii) land with construction permission	3 050 ths. EUR	Residual approach	Capitalized net income Construction costs	(a) (b)	The lower capitalized net income, the lower fair value The higher construction costs, the lower fair value
28 594 ths. EUR					
MLP Lublin Logistic Park					
(i) warehouse and office buildings	16 336 ths. EUR	Income approach	Monthly rent per 1 sqm Capitalization rate	3,12 - 3,83 EUR/m ² (3,48 EUR/m ²) 7,25% - 7,27% (7,26%)	The higher rent, the higher fair value The lower capitalization rate, the higher fair value
(ii) surplus land	520 ths. EUR (2 300 ths. PLN)	Comparable approach	Price for 1 sqm	35,57 EUR/m ² (140,00 PLN/m ²)	The higher price for 1 sqm, the higher fair value
(iii) land with construction permission	1 170 ths. EUR	Residual approach	Capitalized net income Construction costs	(a) (b)	The lower capitalized net income, the lower fair value The higher construction costs, the lower fair value
18 026 ths. EUR					

	Fair value as at 30 June 2018	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Teresin Logistic Park					
(i) warehouse and office buildings	13 820 ths. EUR	Income approach	Monthly rent per 1 sqm	(2,20 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(7,00%)	The lower capitalization rate, the higher fair value
13 820 ths. EUR					
MLP Gliwice Logistic Park					
(i) warehouse and office buildings	20 129 ths. EUR	Income approach	Monthly rent per 1 sqm	(5,23 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(6,25%)	The lower capitalization rate, the higher fair value
(ii) land with construction permission	3 380 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
23 509 ths. EUR					
MLP Wrocław Logistic Park					
(i) warehouse and office buildings	5 907 ths. EUR	Income approach	Monthly rent per 1 sqm	(4,28 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(6,25%)	The lower capitalization rate, the higher fair value
(ii) land with construction permission	8 860 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
14 767 ths. EUR					

	Fair value as at 30 June 2018	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Czeladź Logistic Park					
(i) warehouse and office buildings	5 407 ths. EUR	Income approach	Monthly rent per 1 sqm	(4,28 EUR/m ²)	The lower capitalized net income, the lower fair value
			Capitalization rate	(6,25%)	The higher construction costs, the lower fair value
(ii) land with construction permission	6 380 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
11 787 ths. EUR					
MLP Unna Logistic Park					
(i) land with construction permission	5 810 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
5 810 ths. EUR					
Park Logistyczny MLP Bucharest West					
(i) land reserve	5 600 ths. EUR	Income approach	Monthly rent per 1 sqm	30,00 EUR/m ²	The higher construction costs, the lower fair value
(ii) electrical infrastructure	1 450 ths. EUR	Residual approach			
7 050 ths. EUR					

	Fair value as at 30 June 2018	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Poznań West Logistic Park					
(i) land with construction permission	6 920 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher construction costs, the lower fair value
	6 920 ths. EUR				
	303 218 ths. EUR				

(a) Capitalized net market income: calculation based on the market rents and capitalization rates

(b) Estimated construction costs: the construction costs of the project based on estimated construction costs

Information on fair value valuation using significant unobservable inputs (Level 3)

	Fair value as at 31 December 2017	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Pruszków I Logistics Park					
(i) warehouse and office buildings	80 655 ths. EUR	Income approach	Monthly rent per 1 sqm	2,52 - 7,29 EUR/m ² (3,25 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	7,50% - 8,50% (8,00%)	The lower capitalization rate, the higher fair value
80 655 ths. EUR					
MLP Pruszków II Logistics Park					
(i) warehouse and office buildings	55 798 ths. EUR	Income approach	Monthly rent per 1 sqm	2,28 - 3,99 EUR/m ² (3,13 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	6,75% - 8,51% (7,44%)	The lower capitalization rate, the higher fair value
(ii) chimney	4 351 ths. EUR	Income approach	Monthly rent	EUR 31,45 thousand	The higher rent, the higher fair value
			Capitalization rate	(8,50%)	The lower capitalization rate, the higher fair value
(iii) parking	1 132 ths. EUR	Income approach	Monthly rent	7,9 thousand EUR- 10,4 thousand EUR (9,17 thousand EUR)	The higher rent, the higher fair value
			Capitalization rate	(8,50%)	The lower capitalization rate, the higher fair value
(iv) surplus land	14 230 ths. EUR (59 344 tys. PLN)	Comparable approach	Price for 1 sqm	44,83 EUR/m ² (187,00 PLN/m ²)	The higher price for 1 sqm, the higher fair value
(v) warehouse and office buildings under construction	8 740 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
84 251 ths. EUR					

	Fair value as at 31 December 2017	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Poznań Logistic Park					
(i) warehouse and office buildings	22 573 ths. EUR	Income approach	Monthly rent per 1 sqm	2,81 - 4,66 EUR/m ² (3,74 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	7,00% - 7,26% (7,13%)	The lower capitalization rate, the higher fair value
(ii) surplus land	1 830 ths. EUR (7 630 tys. PLN)	Comparable approach	Price for 1 sqm	35,57 EUR/m ² (150,00 PLN/m ²)	The higher price for 1 sqm, the higher fair value
(iii) warehouse and office buildings under construction	3 910 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
28 313 ths. EUR					
MLP Lublin Logistic Park					
(i) warehouse and office buildings	15 577 ths. EUR	Income approach	Monthly rent per 1 sqm	3,07 - 3,66 EUR/m ² (3,37 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	7,51% - 7,52% (7,52%)	The lower capitalization rate, the higher fair value
(ii) warehouse and office buildings under construction	2 120 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
17 697 ths. EUR					

	Fair value as at 31 December 2017	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Teresin Logistic Park					
(i) warehouse and office buildings	13 830 ths. EUR	Income approach	Monthly rent per 1 sqm	(2,20 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(7,00%)	The lower capitalization rate, the higher fair value
13 830 ths. EUR					
MLP Gliwice Logistic Park					
(i) warehouse and office buildings under construction	13 320 ths. EUR	Income approach	Monthly rent per 1 sqm	(3,83 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(6,75%)	The lower capitalization rate, the higher fair value
(ii) warehouse and office buildings under construction	4 940 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
18 260 ths. EUR					
MLP Wrocław Logistic Park					
(i) warehouse and office buildings under construction	5 383 ths. EUR	Income approach	Monthly rent per 1 sqm	(4,28 EUR/m ²)	The higher rent, the higher fair value
			Capitalization rate	(6,75%)	The lower capitalization rate, the higher fair value
(ii) warehouse and office buildings under construction	8 710 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
14 093 ths. EUR					

	Fair value as at 31 December 2017	Approach to the valuation	Unobservable data	Range of unobservable data (probabilities weighted average)	Relations between the unobservable inputs on the data and the fair value
MLP Czeladź Logistic Park					
(i) warehouse and office buildings under construction	7 180 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
7 180 ths. EUR					
MLP Unna Logistic Park					
(i) warehouse and office buildings under construction	6 000 ths. EUR	Residual approach	Capitalized net income	(a)	The lower capitalized net income, the lower fair value
			Construction costs	(b)	The higher estimate construction costs, the lower fair value
6 000 ths. EUR					
MLP Bucharest West Logistic Park					
(i) surplus land	5 600 ths. EUR	Comparable approach	Price for 1 sqm	30,00 EUR/m ²	The higher price for 1 sqm, the higher fair value
(ii) electricity Installations	1 450 ths. EUR	Historical cost approach			
7 050 ths. EUR					
277 329 ths. EUR					

(a) Capitalized net market income: calculation based on the market rents and capitalization rates

(b) Estimated construction costs: the construction costs of the project based on estimated construction costs

	1 January 2017	Changes recognized in profit or loss	Changes recognized in other comprehensive income	31 December 2017
Investment property	95 689	3 618	-	99 307
Credits, loans granted and received	(3 467)	5 215	-	1 748
Derivatives	(1 602)	189	980	(433)
Other	990	(891)	-	99
Tax losses deductible in future periods	(5 013)	(2 833)	-	(7 846)
Interest on bonds	-	(67)	-	(67)
	86 597	5 231	980	92 808

	1 January 2018	Changes recognized in profit or loss <i>(unaudited)</i>	Changes recognized in other comprehensive income <i>(unaudited)</i>	30 June 2018 <i>(unaudited)</i>
Investment property	99 307	9 868	65	109 240
Credits, loans granted and received	1 748	(3 799)	-	(2 051)
Derivatives	(433)	(251)	(82)	(766)
Other	99	(439)	20	(320)
Tax losses deductible in future periods	(7 846)	4 787	-	(3 059)
Interest on bonds	(67)	(31)	-	(98)
	92 808	10 135	3	102 946

10. Investments and other investments

	<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Other long-term investments		13 815	12 742
Long-term loans granted to related parties		57 364	55 852
Other long-term investments		71 179	68 594
Short-term loans granted to other entities		22 139	22 139
Short-term investments		22 139	22 139
Escrow account		-	418
Restricted cash		8 654	2 716
Other short-term investments		8 654	3 134

Other short-term investments include restricted cash in the long-term part in the amount of PLN 13,815 thousand. This amount includes: PLN 9,327 thousand of cash was kept separate under loan agreements in order to secure payments of principal and interest installments, PLN 379 thousand of a bank deposit established using a security deposit retained from a tenant, other retained security deposits in the amount of PLN 4,095 thousand as well as the valuation of CAP in the amount of PLN 14 thousand.

The Group has short-term restricted cash of PLN 8,654 thousand. The restricted cash consists of: short-term part of retained deposits of PLN 605 thousand PLN as well as short-term part of cash separated in accordance with credit agreements of PLN 2,122 thousand.

11. Trade and other receivables

	<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Trade liabilities		8 284	11 017
Investment settlements		213	189
Prepayments and accruals		2 553	1 141
Accrued income from the developer agreement entered into by MLP Bieroń Sp. z o.o.		6 343	25
Advance payment for purchase of land		2 040	-
Other receivables		-	5 214
Tax and social security liabilities		26 197	8 340
Trade and other receivables		45 630	25 926
Income tax liabilities		1 746	1 125
Short-term receivables		47 376	27 051

Receivables due from related parties are set out in note 21.

The aging of trade and other receivables, as well as the amount of allowances are presented in the table below.

	<i>as at</i>	30 June 2018*		31 December 2017	
		Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due:		3 416	-	3 965	-
Past due:					
1 to 90 days		4 320	(3)	6 097	-
91 to 180 days		138	(1)	322	-
over 180 days		5 822	(5 408)	5 185	(4 552)
Total receivables		13 696	(5 412)	15 569	(4 552)

* Unaudited data

12. Cash and cash equivalents

	<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Cash on hand		57	64
Cash in bank		98 217	59 069
Short-term deposits		4 825	5 694
Cash and cash equivalents in the interim condensed consolidated statement of financial position		103 099	64 827
Cash and cash equivalents in the interim condensed consolidated statement of cash flows		103 099	64 827

Cash in bank bears interest at variable interest rates, the amount of which depends on the interest rate of overnight bank deposits. Short-term deposits are concluded for varying periods, depending on the current Group demand for cash and earn interest at individually set interest rates.

Cash and cash equivalents in the condensed consolidated statement of financial position include cash on hand and bank deposits with maturity up to 3 months.

13. Notes to the consolidated statement of cash flows

13. 1 Cash flows related to loans

	<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Cash flows from bank credits received		94 418	14 651
Total cash flows from bank credits and loans received		94 418	14 651
Total cash flows from bank credit and loans received presented in the condensed consolidated statement of cash flows		94 418	14 651

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Cash flows from bank credits repaid	(10 330)	(8 997)
Cash flows from loans repaid	(388)	(1 681)
Total cash flows from bank credits and loans repaid	(10 718)	(10 678)
Total cash flows from bank credit and loans repaid presented in the condensed consolidated statement of cash flows	(10 718)	(10 678)

13. 2 Changes in trade and other receivables

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Changes in inventories	207	-
Changes in trade and other receivables	(19 704)	18 082
Exclusion of advance payment for purchase of land	680	-
Other adjustments	-	235
Changes in trade and other receivables	(18 817)	18 317
Changes in trade and other receivables presented in the condensed consolidated statement of cash flows	(18 817)	18 317

13. 3 Changes in short-term and other liabilities

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Change in trade and other liabilities	37 508	31 652
Change in liabilities due to employee benefits	(618)	-
Change in investment deposits and guarantees from tenants and others	721	2 520
Exclusion of changes in investment liabilities	(25 540)	(32 460)
Changes in short-term and other liabilities	12 071	1 712
Changes in short-term and other liabilities presented in the condensed consolidated statement of cash flows	12 071	1 712

14. Equity

14. 1 Share capital

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Share capital		
Series A ordinary shares	11 440 000	11 440 000
Series B ordinary shares	3 654 379	3 654 379
Series C ordinary shares	3 018 876	3 018 876
	18 113 255	18 113 255
Par value per share	0,25	0,25

As at 30 June 2018, the Parent Company's share capital was PLN 4,528,313.75 and was divided into 18,113,255 shares carrying the right to 18,113,225 votes at the Shareholder Meeting. The par value per share is PLN 0.25 and has been paid up in full.

In the period ended 30 June 2018, there were no changes in the share capital.

15. Earnings per share

Net earnings per share for each period is calculated by dividing net profit attributable to the owners of the Parent Company for the period by the weighted average number of shares during the reporting period.

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Net result for the period	31 482	19 880
Number of shares outstanding	18 113 255	18 113 255
Weighted average number of shares outstanding	18 113 255	18 113 255
Profit/(Loss) per share attributable to shareholders of the Parent Company for the period (in PLN per share):		
- basic	1,74	1,10
- diluted	1,74	1,10

In presented periods, there were no dilutive factors.

16. Loans, borrowings, other debt instruments and other liabilities

16. 1 Long-term liabilities

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Bank credits pledged on the Group's assets	406 281	309 231
Bonds	130 848	83 418
Loans	57 501	55 990
Total long-term credits, loans, other debt instruments and other liabilities	594 630	448 639

¹⁾ In addition to the A-series bonds issued in 2017, on 11 May 2018, the Company issued, in a private offering, 10,000 B-series bearer bonds with a nominal value of EUR 1,000 each and the total value of the issue of EUR 10,000,000.

The Bonds bear variable interest at EURIBOR for 6-month bank deposits in EUR plus margin. The Bonds are unsecured. The purpose of the Bond issue has not been specified. The redemption of B-series bonds was scheduled for 11 May 2023, with an early redemption option at the Company's discretion. The Bonds are not documentary.

The Bonds have been entered in the records kept by the National Depository for Securities [Krajowy Depozyt Papierów Wartościowych S.A.] under the ISIN code of PLMLPGR00041.

Pursuant to Resolution 847/2018 of 9 August 2018 adopted by the Management Board of the Warsaw Stock Exchange, the Management Board of the Exchange decided to introduce 10,000 B-series bearer bonds of MLP Group S.A. with the nominal value of EUR 1,000 each to the alternative trading system on Catalyst. August 13th was the first day of listing on the alternative trading system on Catalyst. The bonds will be listed in a continuous quotation system under the abbreviated name of "MLP0523".

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Finance lease liabilities	5 270	5 270
Liabilities concerning SWAP transactions	4 010	2 219
Investment deposits	9 530	8 935
Guarantees from tenants and other	4 036	3 910
Other non-current liabilities	22 846	20 334

16. 2 Short-term liabilities

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Short-term credits and short-term part of long term credits pledged on the Group's assets	25 226	20 516
Obligacje	516	355
Loans	-	407
Total short-term credits, loans and other debt instruments	25 742	21 278

Liabilities on account of loans and borrowings, either secured or unsecured on the Group's assets, result from transactions with both related and third parties.

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Liabilities concerning SWAP transactions	-	43
Other short-term liabilities	-	43

16. 3 Bond liabilities

Instrument	currency	par value	maturity date	interest rate	guarantees and security	Quotation market
Private bonds – series A	EUR	20 000 000	2022-05-11	Euribor 6M + margin	-	Catalyst
Private bonds – series B ¹⁾	EUR	10 000 000	2023-05-11	Euribor 6M + margin	-	Catalyst ¹⁾

¹⁾ Pursuant to Resolution 847/2018 of 9 August 2018 adopted by the Management Board of the Warsaw Stock Exchange, the Management Board of the Exchange decided to introduce 10,000 B-series bearer bonds of MLP Group S.A. with the nominal value of EUR 1,000 each to the alternative trading system on Catalyst. August 13th was the first day of listing on the alternative trading system on Catalyst. The bonds will be listed in a continuous quotation system under the abbreviated name of “MLP0523”.

16. 4 Loans and borrowings secured and unsecured on the Group's assets

	currency	effective rate (%)	as at maturity date	30 June 2018*		as at maturity date	31 December 2017	
				in currency	in PLN		in currency	in PLN
Bank credits pledged on the Group's assets:								
Investment loan from mBank S.A.	EUR	EURIBOR 1M +margin	2021	12 823	55 842	2021	13 163	54 798
Investment loan from PEKAO S.A.	EUR	EURIBOR 1M +margin	2025	6 664	29 065	2025	6 856	28 597
Construction loan from PEKAO S.A.	EUR	EURIBOR 1M +margin	2028	3 622	15 799	2028	3 543	14 771
Investment loan from Raiffeisen Bank Polska S.A.	EUR	EURIBOR 3M +margin	2023	35 401	153 973	2023	27 399	113 808
Investment loan from BGŻ BNP Paribas	EUR	EURIBOR 3M +margin	2022	14 359	62 354	2022	7 641	31 570
Investment loan from PKO BP S.A.	EUR	EURIBOR 3M +margin	2030	7 585	33 084	2030	7 527	31 396
Working capital facility (VAT) from PKO BP S.A.	PLN	Wibor 1M+margin	2019	-	237	2018	-	779
Working capital facility (VAT) from ING Bank Śląski S.A.	PLN	Wibor 1M+margin	-	-	-	2018	-	60
Investment loan from ING Bank Śląski S.A.	EUR	EURIBOR 1M +margin	2024	6 724	29 309	2020	5 001	20 837
Investment loan from ING Bank Śląski S.A.	EUR	EURIBOR 1M +margin	2028	3 398	14 821	-	-	-
Investment loan from ING Bank Śląski S.A.	EUR	EURIBOR 3M +margin	-	-	-	2020	1 642	6 850
Investment loan from ING Bank Śląski S.A.	EUR	EURIBOR 1M +margin	2028	2 097	9 148	-	-	-
Investment loan from PEKAO S.A.	EUR	EURIBOR 1M +margin	2030	6 391	27 875	-	-	-
Investment loan from BGŻ BNP Paribas	EUR	EURIBOR 3M +margin	-	-	-	2024	6 301	26 281
Total credits:					431 507			329 747

* Unaudited data

			<i>as at</i>	30 June 2018*		<i>as at</i>	31 December 2017	
	currency	effective rate (%)	maturity date	in currency	in PLN	maturity date	in currency	in PLN
Loans unsecured on the Group's assets:								
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2021	-	2 869	2021	-	2 841
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2020	-	8 187	2020	-	8 102
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2025	-	12	2020	-	12
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2029	-	253	2029	-	253
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2027	-	1 632	2026	-	1 632
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2021	-	147	2021	-	145
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2030	-	465	2030	-	465
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2020	-	21 632	2020	-	21 320
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2025	-	115	2025	-	115
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2025	-	300	2024	-	300
Fenix Polska S.A.	PLN	WIBOR 3M +margin	2028	-	7	2028	-	7
Fenix Polska S.A.	EUR	EURIBOR 3M +margin	2029	1 931	8 422	2029	1 919	8 005
Fenix Polska S.A.	EUR	EURIBOR 3M +margin	2020	3 086	13 460	2020	3 067	12 793
Fenix Polska S.A.	USD	Libor R USD +margin	-	-	-	2018	117	407
Total loans:					57 501			56 397
Total loans and borrowings secured and unsecured on the Group's assets					489 008			386 144

* Unaudited data

17. Employee benefits

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Special funds	157	157
Cash-settled share-based payments	1 352	1 970
Employee benefits	1 509	2 127

According to the resolution of the Supervisory Board of MLP Group S.A., employees are covered by a phantom shares program for the period 2014-2017.

Each entitled employee is granted a fixed number of phantom shares, which is dependent on achieving the established financial goals by the Group.

Upon approval of the financial statements by the Shareholder Meeting, the Supervisory Board will authorize a list of employees, with the number of phantom shares assigned to each employee. The equivalent value of phantom shares will then be paid out to each such employee in cash.

Phantom shares for the previous financial year were paid in June and July 2018 of total PLN 1.623 thousand.

The value of a single phantom share is based on the current stock price of MLP Group S.A.

18. Trade and other payables

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Trade liabilities	9 349	6 824
Liabilities concerning execution of development agreement	3 017	15
Deferred income	447	432
Tax and social security liabilities	3 694	2 100
Unbilled trade liabilities	1 261	1 986
Investment liabilities, guarantees and others	57 700	26 603
Trade and other payables	75 468	37 960
Income tax liabilities	1 433	1 065
Short-term liabilities	76 901	39 025

Liabilities to related parties are disclosed in note 23.

The table below shows the age structure of trade and other liabilities:

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Current liabilities	70 868	44 622
Past due: 1 to 90 days	13 191	2 969
Past due: 91 to 180 days	182	19
Past due: more than 180 days	652	663
Total trade and other liabilities	84 893	48 273

The above aging structure of liabilities also comprises long-term liabilities.

Trade liabilities are not subject to interest and are usually settled within 30 to 60 days. Other payables are non-interest bearing and have an average maturity of one month. The amount stemming from the difference between the liabilities and VAT receivables is paid to the appropriate tax authorities in the periods regulated in tax law. Interest liabilities are usually settled based on approved interest notes.

19. Financial instruments

19. 1 Valuation of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2018 and 31 December 2017 is equal to the value presented in the consolidated statement of financial position.

The following assumptions have been adopted for the fair value of financial instruments:

- **cash and cash equivalents:** the carrying amount of these financial instruments corresponds to fair value because of the short maturity,
- **trade receivables, other receivables, trade payables and accrued expenses:** the carrying amount is comparable to fair value because of the short-term nature of these instruments,
- **loans granted:** the carrying amount corresponds to fair value because of the floating rate which is comparable with market interest rates,
- **bank credits and loans taken and bonds:** the carrying amount of these instruments is comparable with fair value because of the floating rate, based on market rates,
- **swap contract valuation liabilities:** fair value determined on the basis of references to instruments quoted on an active market.

19. 1. 1 Financial assets

<i>as at</i>	30 June 2018	31 December 2017
Loans and receivables:	<i>(unaudited)</i>	
Cash and cash equivalents	103 099	64 827
Loans and receivables, including:		
● Trade and other receivables	14 840	16 445
● Loans granted	79 503	77 991
● Other long-term investments	13 815	12 742
● Other short-term investments	8 654	3 134
	219 911	175 139
Total financial assets	219 911	175 139

19. 1. 2 Financial liabilities

<i>as at</i>	30 June 2018 <i>(unaudited)</i>	31 December 2017
Hedging financial instruments:		
Liabilities concerning SWAP transactions	4 010	2 262
	4 010	2 262
Financial liabilities measured at amortized cost:		
Bank loans	431 507	329 747
Loans received	57 501	56 397
Trade and other payables	84 893	48 273
Finance lease liabilities	5 270	5 270
Bonds	131 364	83 773
	710 535	523 460
Total financial liabilities	714 545	525 722

The fair value of hedging financial instruments as at 30 June 2018 amounted to PLN 4,010 thousand and is based on inputs other than quoted price that are either directly or indirectly observable (level 2). The information is provided by banks and is based on reference to instruments quoted in an active market.

In the period ended 30 June 2018 there were no reclassifications between the levels.

19. 2 Other disclosures relating to financial instruments

Established collaterals

Information concerning established collaterals is disclosed in note 22.

Hedge accounting

On 1 March 2018, MLP Poznań II Sp. z o.o. entered into two agreements with ING Bank Śląski S.A. which converted variable rate to a fixed one. Thanks to the agreements concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 14 March 2018, MLP Lublin Sp. z o.o. entered into an agreement with Powszechna Kasa Oszczędności Bank Polski S.A. which converted variable rate to a fixed one. Thanks to the agreement concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 29 March 2018, MLP Pruszków I Sp. z o.o. entered into an agreement with Raiffeisen Bank Polska S.A. which converted variable rate to a fixed one. Thanks to the agreement concluded, future loan interest payments, accrued at variable rates will be effectively converted into the interest according to the schedules of the conversion agreements.

On 9 April 2018, MLP Pruszków III Sp. z o.o. entered into a floating to fixed rate swap contract with BGŻ BNP Paribas S.A.

On 17 April 2018, MLP Wrocław Sp. z o.o. entered into a floating to fixed rate swap contract with Bank Polska Kasa Opieki S.A.

Thanks to the contracts concluded, future loan interest payments, calculated at floating rates, will be effectively swapped to interest according to the schedules of the swap contracts.

20. Contingent liabilities and pledges

The following changes to contingent liabilities and pledges established by the Group occurred in the period ended 31 March 2018:

- In January 2018, contractual mortgage was entered to the land and mortgage registers of MLP Wrocław Sp. z o.o. up to the amount of EUR 27,637 thousand in favour of PEKAO BP S.A., to secure a credit granted under the credit agreement of 11 October 2017,
- In February 2018, contractual mortgage was entered to the land and mortgage registers of MLP Teresin Sp. z o.o. up to the amount of PLN 5,600 thousand in favour of PEKAO BP S.A., to secure the repayment of the principal, interest on the principal, interest on delayed credit repayment, CAP transaction, receivables resulting from an executed IRS transaction, under the credit agreement of 31 May 2016.
- In March 2018, a registered pledge on the shares of MLP Group S.A. in MLP Gliwice Sp. z o.o. was entered to the register of pledges, up to the security sum of EUR 29,914 thousand, as a security for the repayment of PEKAO S.A. claims in respect of the credit of 13 March 2018 granted to MLP Gliwice Sp. z o.o.
- In March 2018, a registered pledge on the shares of MLP Group S.A. in MLP Gliwice Sp. z o.o. was entered to the register of pledges, up to the security sum of EUR 4,500 thousand, as a security for the repayment of PEKAO S.A. claims in respect of the VAT credit of 13 March 2018 granted to MLP Gliwice Sp. z o.o.
- In March 2018, a registered pledge on cash claims was entered to the register of pledges, as a security for the repayment of PEKAO S.A. cash claims in respect of the credit of 13 March 2018 granted to MLP Gliwice Sp. z o.o.
- In May 2018, the following mortgages were entered in the land and mortgage registers of MLP Gliwice Sp. z o.o.:
 - Contractual mortgage up to the amount of EUR 29,915 thousand in favor of PEKAO BP S.A., to secure a loan granted under the loan agreement of 13 March 2018
 - Contractual mortgage up to the amount of PLN 4,500 thousand in favor of PEKAO BP S.A., to secure a VAT loan granted under the loan agreement of 13 March 2018
 - Contractual mortgage up to the amount of PLN 9,000 thousand in favor of PEKAO BP S.A., to secure repayment of all the amounts due to the bank under Financial Security Agreements concluded for the purposes of the loan agreement of 13 March 2018.
 - Surety agreement by MLP Poznań II Sp. z o. o. in favor of MLP Poznań Sp. z o.o. signed in June 2018.
- Pursuant to the agreement of May 2018, Bank BKO BP SA granted a good performance bond to MLP Czeladź Sp. z o.o. to secure the company's obligation to the Czeladź township and the State Treasury to rebuild the transportation system in Czeladź in connection with the construction of the logistics park. The guarantee was issued for the amount of PLN 5,927 thousand.
- MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o. and MLP Pruszków III received decisions about changes to the perpetual usufruct fee. According to the decisions, as at 30 June 2018, the total potential due amount is PLN 11,255 thousand. The Management Boards of the companies do not accept the amount of the fees and so the case was brought before a court.
The Group did not recognize any additional provisions for potential claims of the Pruszków Starost for the changed perpetual usufruct fees.

Other contingent liabilities and pledges presented in the consolidated financial statements for 2017 did not change in the 3-month period ended 30 June 2018 and are still valid as at the end of the reporting period.

21. Related party transactions

21. 1 Loans granted and received

Related party balances related to loans granted and received as at 30 June 2018* are as follows:

<i>* Unaudited data</i>	Loans granted	Loans received
Other related parties		
Fenix Polska Sp. z o.o.	57 331	57 501
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	33	-
Total	57 364	57 501

21. 2 Revenues and expenses

Related party transactions involving revenues and expenses for the 6-month period ended 30 June 2018* are as follows:

<i>* Unaudited data</i>	Purchase of services and payroll costs	Interest income	Interest expenses
Other related parties			
Fenix Polska Sp. z o.o.	-	559	575
	-	559	575
Key management personnel			
RTK CONSULTING, Radosław T. Krochta	(347)	-	-
ROMI CONSULTING, Michael Shapiro	(229)	-	-
PROFART, Tomasz Zabost	(235)	-	-
PEOB, Marcin Dobieszewski	(108)	-	-
Other key management personnel	(464)	-	-
	(1 383)	-	-
Total	(1 383)	559	575

Fenix Polska Sp. z o.o. is a related party through Cajamarca Holland B.V. which, as at 30 June 2018, owns 100% of shares in Fenix Polska Sp. z o.o. and 56.98% in the share capital of the Group.

22. Significant events during the financial period and subsequent events

- In February 2018, ING Bank Śląski S.A. disbursed a successive credit tranche to MLP Poznań II Sp. z o.o.
- On 13 March 2018, MLP Gliwice Sp. z o.o. entered into a credit agreement with PeKaO S.A.
- On March 29th, Bank Raiffeisen Bank Polska S.A. released the subsequent tranche of the loan to MLP Pruszków I Sp. z o.o.
- On 9 February 2017 MLP Poznań entered into loan agreement with ING Bank Śląski S.A. The loan was drawn in the second quarter of 2018.

- On 13 March 2018, MLP Pruszków V Sp. z o.o. was established under a deed of formation. On 4 April 2018, MLP Group S.A. acquired 50 shares in MLP Pruszków V Sp. z o.o. with the total value of PLN 5,000, thus directly acquiring a 100% stake in its equity and voting rights. The shares were paid up in full with a cash contribution.
- On 11 May 2018, the Company issued, in a private offering, 10,000 B-series bearer bonds with a nominal value of EUR 1,000 each and the total value of the issue of EUR 10,000,000.
Details of the issue of B-series bonds are described in Note 16.1 to these interim condensed consolidated financial statements.
- On 2 August 2018, the Management Board of the Warsaw Stock Exchange decided to introduce 10,000 (ten thousand) B-series bearer bonds of MLP Group S.A. with the nominal value of EUR 1,000 (one thousand euro) each to the alternative trading system on Catalyst.
- On 9 August, the Management Board of the Warsaw Stock Exchange set the date of first listing of the Company's B-series bearer bonds in the alternative trading system on Catalyst for 13 August 2018.
- Pursuant to a notary deed of 30 May 2018, MLP Poznań West II Sp. z o.o., a subsidiary, purchased an land property located in the village of Dąbrówka, Dopiewo township, Poznań county, wielkopolskie voivodship, with a surface area of 18.4462 ha, for the net amount of PLN 28,674 thousand.
- In a case filed by MLP Poznań West Sp. z o.o. against "Trzecia - Czerwona Torebka S.A." sp.k. and against the Czerwona Torebka S.A. company, on 16 July 2018 a final judgment was handed down awarding the payment of PLN 21,888,674.51 with statutory interest for late payment from 29 January 2016 to the date of payment and the costs of the proceedings to MLP Poznań West Sp. z o.o. from "Trzecia - Czerwona Torebka S.A." sp. k. and Czerwona Torebka S.A. Once the judgment with an enforcement clause has been received, a request will be made to the bailiff to launch enforcement proceedings.

Following the end of the reporting period, until the date of approval for publication of these interim condensed consolidated financial statements, no other events occurred which were not, but should have been, included both in the accounting books of the reporting period or the interim condensed consolidated financial statements of the Group.

23. Remuneration paid or due to members of management and supervisory bodies

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Remunerations of the Management Board:		
• Remunerations and other benefits:		
Radosław T. Krochta	347	443
Michael Shapiro	229	204
Tomasz Zabost	235	269
Marcin Dobieszewski	108	110
	919	1 026
• Cash settled share based payment paid or due in the period	811	630
	1 730	1 656

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(niebadany)</i>
Remunerations of the Supervisory Board:		
• Remunerations and other benefits		
Maciej Matusiak	13	15
Jacek Tucharz	13	15
Eytan Levy	13	15
Shimshon Marfogel	13	15
Yosef Zvi Meir	13	15
Daniel Nimrodi	13	-
Guy Shapira	13	15
	91	90
Total remunerations paid or due to members of management and supervisory bodies	1 821	1 746

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(niebadany)</i>
Other key management personnel:		
• Remunerations and other benefits	464	406
• Cash settled share based payment paid or due in the period	521	438
	985	844
Total remunerations paid or due to members of management and supervisory bodies and key management personnel	2 806	2 590

The above note presents remuneration of members of management and supervisory bodies and costs of services provided to subsidiaries of the Group and other key management personnel, as well as the costs of services provided to other companies in the Group, and other management personnel.

Apart from the transactions presented above, Members of the Management Board, Supervisory Board and other key management personnel did not receive any other benefits from any Group company.

24. Employment structure

<i>for the period of 6 months ended 30 June</i>	2018 <i>(unaudited)</i>	2017 <i>(unaudited)</i>
Average employment in the period	22	18

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice-President of the Management Board

Tomasz Zabost
Member of the Management Board

Pruszków, 22 August 2018