



**MLP**  
GROUP



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

CONSOLIDATED

# **QUARTERLY REPORT**

FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2017

This document is a translation.  
Polish version prevails.

[www.mlp.pl](http://www.mlp.pl)

*Published pursuant to § 82 sec. 1 point 1 of the Decree of the Ministry of Finance date February 19, 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 (2014 Official Journal item 133)*

## Contents of Consolidated quarterly report:

<b>I. Selected financial data of MLP Group S.A. Capital Group</b>	<b>5</b>
<b>II. The interim condensed consolidated financial statements of MLP Group S.A. Capital Group for the 3 month period ended 31 March 2017</b>	<b>7</b>
<b>Approval of the interim condensed consolidated financial statements</b>	<b>8</b>
<b>Condensed consolidated statement of profit or loss and other comprehensive income</b>	<b>9</b>
<b>Condensed consolidated statement of financial position</b>	<b>10</b>
<b>Condensed consolidated statement of cash flows</b>	<b>11</b>
<b>Condensed statement of changes in consolidated equity</b>	<b>12</b>
<b>Explanatory information to the interim condensed consolidated financial statements</b>	<b>13</b>
<b>1. General information</b>	<b>13</b>
1.1 <i>Information on the Parent Company</i>	13
1.2 <i>Information about the Capital Group</i>	13
1.3 <i>Changes in the Group</i>	14
1.4 <i>The shareholding structure of the Parent Company</i>	15
1.4.1 <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>	15
1.4.2 <i>Shares and rights to shares of the Parent Company owned by members of management and supervisory bodies</i>	15
<b>2. Basis for the preparation of the interim condensed consolidated financial statements</b>	<b>16</b>
2.1 <i>Statement of compliance</i>	16
2.2 <i>Status of Standards Approval in the European Union</i>	16
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>	16
2.3 <i>Basis for preparation of interim condensed consolidated financial statements</i>	17
2.4 <i>Functional and presentation currency and methods applied to translation of financial data</i>	17
2.4.1 <i>Functional and presentation currency</i>	17
2.4.2 <i>Basis of financial data valuation</i>	17
2.5 <i>Use of estimates and judgments</i>	17
<b>3. Segment reporting</b>	<b>17</b>
<b>4. Revenues</b>	<b>18</b>
<b>5. Selling and administrative expenses</b>	<b>18</b>
<b>6. Financial income and costs</b>	<b>19</b>
<b>7. Income tax</b>	<b>20</b>
<b>8. Investment property</b>	<b>21</b>
8.1 <i>The Fair value of the Group's investment property</i>	22

<b>9. Deferred tax</b>	<b>23</b>
<b>10. Other investments</b>	<b>25</b>
<b>11. Trade and other receivables</b>	<b>25</b>
<b>12. Cash and cash equivalents</b>	<b>26</b>
<b>13. Explanatory information to condensed consolidated statement of cash flows</b>	<b>26</b>
13.1 Cash flow related to loans	26
13.2 Changes in trade and other receivables	27
13.3 Changes in short-term and other liabilities	27
<b>14. Equity</b>	<b>28</b>
14.1 Share capital	28
<b>15. Earnings per share</b>	<b>28</b>
<b>16. Credits, loans, other debt instruments and other liabilities</b>	<b>28</b>
16.1 Long-term liabilities	28
16.2 Short-term liabilities	29
16.3 Credits, loans secured and unsecured on the Group's assets	31
<b>17. Payroll liabilities</b>	<b>32</b>
<b>18. Trade and other liabilities</b>	<b>32</b>
<b>19. Financial instruments</b>	<b>33</b>
19.1 Valuation of financial instruments	33
19.1.1 Financial assets	33
19.1.2 Financial liabilities	34
19.2 Other disclosures relating to financial instruments	34
<b>20. Contingent liabilities and pledges</b>	<b>35</b>
<b>21. Related party transactions</b>	<b>35</b>
21.1 Trade and other receivables and payables	35
21.2 Loans granted and received	35
21.3 Revenues and expenses	36
<b>22. Significant events during the financial period and subsequent events</b>	<b>36</b>
<b>23. Remuneration paid or due to members of management and supervisory bodies</b>	<b>37</b>
<b>24. Employment structure</b>	<b>38</b>
<b>III. Supplementary information to the consolidated quarterly report of MLP Group S.A. Capital Group</b>	<b>39</b>
1. Information regarding the issuance, redemption and repayment of debt and equity securities	39
2. The Management Board's statement on published financial forecasts	39
3. A brief description of achievements and failures in the 3 month period ended 31 March 2017	39
4. Seasonality and cyclicity	39
5. Significant information to assess situation of employment, assets, financial situation and results in changes of MLP Group and relevant information to assess possibilities of realization liabilities by the MLP Group S.A.	39
6. Factors that, in the opinion of the Management Board, will have impact on the Group's results in at least one quarter period	43

<b>IV. Quarterly financial information of MLP Group S.A. with additional information and explanations</b>	<b>44</b>
<b>Condensed separate statement of profit or loss and other comprehensive income</b>	<b>44</b>
<b>Condensed separate statement of financial position</b>	<b>45</b>
<b>Condensed separate statement of cash flows</b>	<b>46</b>
<b>Condensed separate statement of changes in equity</b>	<b>47</b>
<b>Additional information and explanations to interim condensed separate financial statements of MLP Group S.A.</b>	<b>48</b>
1. Long-term financial assets in related parties	48
1.1 Shares	48
2. Long-term investments	49
3. Short-term investments	49
4. Trade and other receivables	49
5. Cash and cash equivalents	50
6. Loans and other debt instruments and other liabilities	50
6.1 Long-term liabilities	50
7. Payroll liabilities	50
8. Trade and other liabilities	50
9. Revenues	51
10. Selling and administrative expenses	51
11. Financial income and costs	52
12. Related party transactions	52
12.1 Trade and other receivables and liabilities	52
12.2 Loans granted and received	53
12.3 Revenues and expenses	54
13. Remuneration paid or due to members of management and supervisory bodies	55
14. Employment structure	56

## 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:

	31 March 2017	31 December 2016	31 March 2016
Average exchange rate in the period *	4,2891	4,3757	4,3559
Exchange rate at the last day of the period	4,2198	4,4240	4,2684

\* Arithmetic average of the average exchange rates 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 March 2017		31 December 2016	
			PLN thousand (unaudited)	EUR thousand (unaudited)	PLN thousand	EUR thousand
Non-current assets			1 035 239	245 329	1 042 700	235 692
Current assets			120 299	28 508	135 281	30 579
<b>Total assets</b>			<b>1 155 538</b>	<b>273 837</b>	<b>1 177 981</b>	<b>266 271</b>
Long-term liabilities			419 359	99 379	435 140	98 359
Short-term liabilities			74 933	17 757	67 115	15 171
Equity, including:			661 246	156 701	675 726	152 741
Share capital			4 529	1 073	4 529	1 024
<b>Total equity and liabilities</b>			<b>1 155 538</b>	<b>273 837</b>	<b>1 177 981</b>	<b>266 271</b>
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)			36,51	8,65	37,31	8,43

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

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

	for the period ended		31 March 2017		31 March 2016	
			PLN thousand (unaudited)	EUR thousand (unaudited)	PLN thousand (unaudited)	EUR thousand (unaudited)
Revenues			23 220	5 414	22 975	5 274
Other operating income			61	14	337	77
Loss on revaluation of investment properties			(38 633)	(9 007)	(695)	(160)
Selling and administrative expenses			(11 639)	(2 714)	(11 175)	(2 565)
Operating profit/(loss)			(28 099)	(6 551)	11 311	2 597
Profit/(loss) before taxation			(19 533)	(4 554)	10 060	2 310
<b>Net profit</b>			<b>(15 886)</b>	<b>(3 704)</b>	<b>3 945</b>	<b>906</b>
Total comprehensive income			(14 480)	(3 376)	4 430	1 017
Net profit/(loss) attributable to the owners of the Parent Company			(15 886)	(3 704)	3 945	906
Net profit/(loss) and diluted net profit per share attributable to the owners of the Parent Company (in PLN)			(0,88)	(0,21)	0,22	0,05

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

Main positions of the interim condensed consolidated statement of cash flows converted into euro:

<i>for the period ended</i>	<b>31 March 2017</b>		<b>31 March 2016</b>	
	<b>PLN</b>	<b>EUR</b>	<b>PLN</b>	<b>EUR</b>
	<b>thousand</b>	<b>thousand</b>	<b>thousand</b>	<b>thousand</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash flows from operating activities	(5 884)	(1 372)	(5 673)	(1 302)
Cash flows from investing activities	(13 570)	(3 164)	(18 631)	(4 277)
Cash flows from financing activities	(3 167)	(738)	(10)	(2)
<b>Total net cash flows</b>	<b>(22 621)</b>	<b>(5 274)</b>	<b>(24 314)</b>	<b>(5 581)</b>

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

<i>as at</i>	<b>31 March 2017</b>		<b>31 December 2016</b>	
	<b>PLN</b>	<b>EUR</b>	<b>PLN</b>	<b>EUR</b>
	<b>thousand</b>	<b>thousand</b>	<b>thousand</b>	<b>thousand</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>		
Cash at the beginning of the period	61 694	13 945	122 978	28 858
Cash at the end of the period	39 073	9 259	61 694	13 945

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" an average exchange rate published by the Polish National Bank on the last day of the reporting period was used,
- for the position "Cash at the beginning of the period" an average exchange rate published by the Polish National Bank 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 2015 was 4,2615 EUR/PLN.



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

**The interim condensed  
consolidated financial statements**

**for the period of 3 months  
ended 31 March 2017**

*prepared in accordance with the IFRS EU*

## II. The interim condensed consolidated financial statements

### Approval of the interim condensed consolidated financial statements

On 19 May 2017 the Management Board of the Parent Company MLP Group S.A. approved for publication the interim condensed consolidated financial statements ("Consolidated financial statements", "Condensed consolidated financial statements") of MLP Group S.A. Capital Group ("Group") for the period from 1 January 2017 to 31 March 2017.

The interim condensed consolidated financial statements for the period from 1 January 2017 to 31 March 2017 have been prepared in accordance with the International Financial Reporting Standards as approved by the European Union ("IFRS EU"), applicable to the 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 2017 to 31 March 2017, with a net loss of PLN 15.886 thousand.
2. Condensed consolidated statement of financial position as at 31 March 2017, with total assets and total liabilities and equity of PLN
3. Condensed consolidated statement of cash flows for the period from 1 January 2017 to 31 March 2017, with a net
4. Condensed statement of changes in consolidated equity for the period from 1 January 2017 to 31 March 2017, with a consolidated equity
5. Explanatory information to the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared in PLN thousand, unless otherwise stated.

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**Radosław T. Krochta**  
*President of the Management Board*

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**Michael Shapiro**  
*Vice-President of the  
Management Board*

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**Tomasz Zabost**  
*Member of the Management Board*



## Condensed consolidated statement of profit or loss and other comprehensive income

	<i>for the period of 3 months ended 31 March</i>	<b>Note</b>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Revenues	4		23 220	22 975
Other operating income			61	337
Loss on revaluation of investment properties			(38 633)	(695)
Selling and administrative expenses	5		(11 639)	(11 175)
Other operating costs			(1 108)	(131)
<b>Operating profit/(loss)</b>			<b>(28 099)</b>	<b>11 311</b>
Financial income	6		12 462	2 407
Financial cost	6		(3 896)	(3 658)
<b>Net financial income/(cost)</b>			<b>8 566</b>	<b>(1 251)</b>
<b>Profit/(loss) before taxation</b>			<b>(19 533)</b>	<b>10 060</b>
Corporate income tax	7		3 647	(6 115)
<b>Net profit/(loss)</b>			<b>(15 886)</b>	<b>3 945</b>
<b>Other comprehensive income</b>				
The effective part of changes in the fair value of cash flow hedges			1 736	599
Corporate income tax on other comprehensive income			(330)	(114)
<b>Other comprehensive income (net of tax)</b>			<b>1 406</b>	<b>485</b>
<b>Total comprehensive income</b>			<b>(14 480)</b>	<b>4 430</b>
<b>Net profit/(loss) attributable to:</b>				
Owners of the Parent Company			(15 886)	3 945
<b>Net profit/ (loss)</b>			<b>(15 886)</b>	<b>3 945</b>
<b>Comprehensive income attributable to:</b>				
Owners of the Parent Company			(14 480)	4 430
<b>Total comprehensive income</b>			<b>(14 480)</b>	<b>4 430</b>
<b>Profit/ (loss) per share</b>		15		
- Basic and diluted (in PLN) profit/ (loss) for the year attributable to ordinary shareholders of the Parent Company			(0,88)	0,22

## Condensed consolidated statement of financial position

	<i>as at</i> <b>Note</b>	<b>31 March</b> <b>2017</b> <i>(unaudited)</i>	<b>31 December</b> <b>2016</b>
<b>Non-current assets</b>			
Tangible fixed assets		819	960
Intangible assets		26	20
Prepayments for intangible assets		531	-
Investment property	8	960 598	968 524
Other long-term investments	10, 26	65 455	65 964
Other long-term assets		517	51
Deferred tax assets	9	7 293	7 181
<b>Total non-current assets</b>		<b>1 035 239</b>	<b>1 042 700</b>
<b>Current assets</b>			
Inventories		25	267
Short-term investments	10	22 884	22 884
Corporate income tax receivables	11	1 012	971
Trade and other receivables	11	49 706	42 481
Other short term investments	10, 26	7 599	6 984
Cash and cash equivalents	12, 26	39 073	61 694
<b>Total current assets</b>		<b>120 299</b>	<b>135 281</b>
<b>TOTAL ASSETS</b>		<b>1 155 538</b>	<b>1 177 981</b>
<b>Equity</b>			
	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
Capital reserve from valuation of hedging instruments		(2 980)	(4 386)
Retained earnings		353 229	369 115
<b>Total equity</b>		<b>661 246</b>	<b>675 726</b>
<b>Long-term liabilities</b>			
Credits, loans and other debt instruments	16.1	313 501	327 068
Deferred tax liabilities	9	89 882	93 778
Other long-term liabilities	16.1	15 976	14 294
<b>Total long-term liabilities</b>		<b>419 359</b>	<b>435 140</b>
<b>Short-term liabilities</b>			
Credits, loans and other debt instruments	16.2	13 792	13 810
Other short-term liabilities	16.2	4 397	6 196
Payroll liabilities	17	2 205	2 205
Corporate income tax liabilities	18	290	939
Trade and other liabilities	18	54 249	43 965
<b>Total short-term liabilities</b>		<b>74 933</b>	<b>67 115</b>
<b>Total liabilities</b>		<b>494 292</b>	<b>502 255</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 155 538</b>	<b>1 177 981</b>

## Condensed consolidated statement of cash flows

		2017	2016
	<i>for the period of 3 months ended 31 March</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
	Note		
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) before taxation</b>		<b>(19 533)</b>	<b>10 060</b>
<i>Adjustments for:</i>			
Depreciation		73	52
Change in fair value of investment properties		38 633	695
Net interest		3 524	2 700
Foreign exchange differences		(12 989)	173
Other		(466)	29
Changes in trade and other receivables	13.2	(6 983)	(298)
Changes in short-term trade and other liabilities	13.3	(6 762)	(16 931)
<b>Cash from operating activities</b>		<b>(4 503)</b>	<b>(3 520)</b>
Income tax paid		(1 381)	(2 153)
<b>Net cash from operating activities</b>		<b>(5 884)</b>	<b>(5 673)</b>
<b>Cash flows from investing activities</b>			
Interest received		97	-
Purchase of investment property, tangible fixed assets and intangible assets		(12 845)	(19 946)
Disposal of intangible assets and tangible fixed assets		88	1
Other investment disbursements		(910)	-
Other investment proceeds		-	1 314
<b>Cash from investing activities</b>		<b>(13 570)</b>	<b>(18 631)</b>
<b>Cash flows from financing activities</b>			
Proceeds from credits and loans	13.1	6 597	7 760
Repayment of credits and loans	13.1	(6 255)	(4 809)
Interest paid		(3 509)	(2 961)
<b>Cash from financing activities</b>		<b>(3 167)</b>	<b>(10)</b>
<b>Total cash flow</b>		<b>(22 621)</b>	<b>(24 314)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	12, 26	<b>61 694</b>	<b>122 978</b>
<b>Cash and cash equivalents at the end of the period</b>	12, 26	<b>39 073</b>	<b>98 664</b>

## Condensed statement of changes in consolidated equity

### Equity attributable to shareholders of the Parent Company

	Share capital	Other capital reserve	Share premium	Reserve capital	Capital reserve from valuation of hedging instruments	Retained earnings	Total equity
<b>Equity as at 1 January 2016</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(7 989)</b>	<b>344 360</b>	<b>647 368</b>
<b><u>Comprehensive income:</u></b>							
Profit for the period*	-	-	-	-	-	3 945	<b>3 945</b>
Total other comprehensive income*	-	-	-	-	485	-	<b>485</b>
<b>Total comprehensive income for the period ended 31 March 2016*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>485</b>	<b>3 945</b>	<b>4 430</b>
<b>Equity as at 31 March 2016*</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(7 504)</b>	<b>348 305</b>	<b>651 798</b>
<b>Equity as at 1 January 2017</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(4 386)</b>	<b>369 115</b>	<b>675 726</b>
<b><u>Comprehensive income:</u></b>							
Profit for the period*	-	-	-	-	-	(15 886)	<b>(15 886)</b>
Total other comprehensive income*	-	-	-	-	1 406	-	<b>1 406</b>
<b>Total comprehensive income for the period ended 31 March 2017*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 406</b>	<b>(15 886)</b>	<b>(14 480)</b>
<b>Equity as at 31 March 2017*</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(2 980)</b>	<b>353 229</b>	<b>661 246</b>

\* 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 headquarters is seated in Pruszków, 3-go Maja 8 Street.

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. Notarial deed on transformation was drawn up on 18 February 1995. The company operates under the name of MLP Group S.A. by virtue of resolution of the Company's General Meeting of 27 June 2007.

Currently, the Company is registered in the National Court Register in the District Court for the Capital City of Warsaw, XIV Commercial Department under the National Court Register number of 0000053299.

As at the date of preparation of the interim condensed 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 - Member of the Management Board

#### The Supervisory Board of the Parent Company:

- Shimshon Marfogel - President of the Supervisory Board
- Eytan Levy - Vice-President of the Supervisory Board
- Yosef Zvi Meir - Member of the Supervisory Board
- Guy Shapira - Member of the Supervisory Board
- Jacek Tucharz - Member of the Supervisory Board
- Maciej Matusiak - Member of the Supervisory Board

#### 1. 2 Information about the Capital Group

As at the end of the reporting period MLP Group S.A. Capital Group ("Capital Group", "Group") consists of MLP Group S.A. as the Parent Company and 27 subsidiaries.

The higher level parent company for the Capital 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, the management of residential and non-residential properties, works related to the construction of buildings and other construction (see note 3.).

As at 31 March 2017, MLP Group S.A. Capital Group consisted of the following entities:

Entity	Country of registry	Direct and indirect share of the Parent Company in the equity		Direct and indirect share of the Parent Company in the voting rights	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
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. zo.o.	Poland	100%	100%	100%	100%
MLP Moszna I 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%	-
MLP Czeladź Sp z o.o.	Poland	100%	-	100%	-
MLP Temp Sp. z o.o.	Poland	100%	-	100%	-
MLP MLP Dortmund LP Sp. z o.o. <sup>1)</sup>	Poland	100%	-	100%	-
MLP MLP Dortmund GP Sp. z o.o. <sup>2)</sup>	Poland	100%	-	100%	-
MLP Logistic Park Germany I Sp. z o.o. &Co KG. <sup>3)</sup>	Germany	100%	-	100%	-

### 1. 3 Changes in the Group

<sup>1)</sup> On 3 March 2017 new company of the MLP Group S.A. Capital Group, MLP Dortmund LP Sp. z o.o. was established. The company was registered in National Court Register on 9 March 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

<sup>2)</sup> On 3 March 2017 new company of the MLP Group S.A. Capital Group, MLP Dortmund GP Sp. z o.o. was established. The company was registered in National Court Register on 8 March 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

<sup>3)</sup> On 20 March 2017 new company of the MLP Group S.A. Capital Group, MLP Logistic Park Germany I Sp. z o.o. & Co KG was established.

On 12 April 2017 new company of the MLP Group S.A. Capital Group, MLP Poznań West II Sp. z o.o. was established. The company was registered in National Court Register on 18 April 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

On 28 April 2017 new company of the MLP Group S.A. Capital Group, MLP Bucharest West Sp. z o.o. was established. The company was registered in National Court Register on 5 May 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

The consolidated financial statements for the period ended 31 March 2017 includes financial statements of the Parent Company and subsidiaries controlled by the Parent Company ("the Group").

#### **1. 4 The 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 General Meeting of Shareholders**

Since the publication of the last quarterly report, the structure of Shareholders who hold, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders has not changed and at the end of the reporting period was as follows:

<b>Shareholder</b>	<b>Number of shares and votes at the General Meeting of Shareholders</b>	<b>% share in the capital and votes at the General Meeting of Shareholders</b>
MIRO B.V.	452 955	2,50%
MIRO LTD.	99 170	0,55%
GRACECUP TRADING LIMITED	641 558	3,54%
MetLife OFE	948 387	5,24%
THESINGER LIMITED	1 920 475	10,60%
Other shareholders	3 730 868	20,59%
CAJAMARCA Holland BV	10 319 842	56,98%
<b>Total</b>	<b>18 113 255</b>	<b>100,00%</b>

Miro B.V. seated in Delft, Netherlands is the parent company of MIRO Ltd. seated in Limassol, Cyprus, holding 100 % of shares in its share capital.

##### **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 controlled by himself in 100% MIRO B.V. and MIRO Ltd., 3,05% in share capital of MLP Group S.A. and by 25% shares in share capital held by MIRO B.V. in Cajamarca Holland B.V. economically participates in 14.24% of MLP Group S.A. share capital, what results in effective economic share of 17.30% in MLP Group S.A.

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

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

### **2. 1 Statement of compliance**

The Group prepared the interim 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 Standards Approval 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, which are not yet mandatorily effective at the date of the approval of the consolidated financial statements, according to their date of entry into force.

Assessment of the possible impact of amendments to IFRS and new IFRS on future consolidated financial statement of the Group was presented in the Consolidated Financial Statement for 2016 in note 2.2.



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

The interim condensed consolidated financial statements have been prepared assuming that the 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 2016.

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

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

These condensed consolidated financial statements are presented in Polish zloty, rounded to the nearest thousand. Polish zloty is the Parent Company's functional currency and the presentation currency of the condensed consolidated financial statements.

### **2. 4. 2 Basis of financial data valuation**

For the measurement of the positions of the condensed consolidated statement of financial position denominated in foreign currencies, the following exchange rates have been used (in PLN):

#### **Condensed consolidated statement of financial position:**

	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2016</b>
EUR	4,2198	4,4240	4,2684
USD	3,9455	4,1793	3,7590

## **2. 5 Use of estimates and judgments**

Significant judgments in applying the Group's accounting policies and the key sources of estimation uncertainty made by the Management Board in these condensed consolidated financial statements were the same as described in note 2 to the Consolidated Financial Statements for the year 2016.

The preparation of interim condensed consolidated financial statements in conformity with IAS 34 requires management 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. Capital Group is the construction and property management of logistics areas. Revenues of the Group comprise rental income and revaluation of investment property.

Group activities are carried out in Poland. The location of assets coincides with the location of customers. The operational segments coincide with geographical segments. Due to the fact that the Group operates solely in one segment, all information concerning the segment have been presented in the condensed statement of profit or loss and other comprehensive income and in the condensed statement of financial position.

As at 31 March 2017 and for the reporting period ended this day the Group has one operating segment - Poland.

#### 4. Revenues

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Revenue from rental of properties	16 821	16 632
Other revenues	5 173	6 343
Revenues obtained under a development contract concluded by MLP Bieruń Sp. z o.o. <sup>1)</sup>	1 226	-
<b>Total revenues</b>	<b>23 220</b>	<b>22 975</b>
Reinvoicing of utilities	4 785	5 263
Revenue from rental of apartments	-	8
Services provided for tenants	388	1 072
<b>Other revenues</b>	<b>5 173</b>	<b>6 343</b>

<sup>1)</sup> Right with the sale contract of the MLP Bieruń logistics park property, MLP Bieruń Sp. o.o. signed a development agreement under which it committed to complete the construction of the park and its commercialization. According to the above-mentioned agreement, MLP Bieruń Sp. z o.o. let to rent 11,340 sqm area to Auto Partner and started realisation of the mentioned investment. Due to provided services, the Group recognized revenues of PLN 1,226 thousand in first quarter of 2017.

#### 5. Selling and administrative expenses

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Depreciation and amortization	(73)	(52)
Materials and energy	(3 268)	(4 494)
External services	(4 631)	(3 382)
Taxes and charges	(2 801)	(2 522)
Payroll	(527)	(524)
Social security and other employee benefits	(118)	(82)
Other expenditures by kind	(221)	(119)
<b>Total selling and administrative expenses</b>	<b>(11 639)</b>	<b>(11 175)</b>

Selling and administrative expenses for the 3 month period ended 31 March 2017 of PLN 11,639 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 907 thousand related to the investment resulting from the development contract signed in September 2015, between MLP Bieruń Sp. z o.o. and WestInvest Gesellschaft für Investmentfonds mbH.

## 6. Financial income and costs

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest on loans granted	298	847
Interest on bank deposits	33	220
Foreign exchange differences net	12 131	1 333
Interest on receivables	-	7
<b>Total financial income</b>	<b>12 462</b>	<b>2 407</b>

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest expenses on credits and loans	(1 786)	(1 656)
Other interest	-	(1)
Interest paid on SWAP	(1 790)	(1 886)
Interest results on cash flow hedges	468	400
Ineffective part of valuation of cash flow hedges	(714)	(405)
Other financial expenses	(2)	(3)
Debt related costs	(72)	(107)
<b>Total financial costs</b>	<b>(3 896)</b>	<b>(3 658)</b>

On 13 January 2017 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 conversions agreements.

In the 3 month period ended 31 March 2017 the Group recognized the cost of swap transaction as financial expenses i.e. ineffective part of swap valuation and interest resulting from this valuation.

Foreign exchange differences are mainly a result of credits and loans valuation, which are denominated in EUR and USD at the end of reporting period. Between 31 December 2016 and 31 March 2017 polish currency appreciated by PLN 0.2 which corresponds to 4.8% growth. PLN appreciation in comparison to EUR resulted in recognition of foreign exchange gains of PLN 23,313 thousand, which influenced the presented financial result. In addition, as a result of refinancing MLP Pruszków I Sp. z o.o. bank loan foreign exchange losses of PLN 11,182 thousand were recognized. Net foreign exchange differences, recognized in financial income amounts to PLN 12,131 thousand.

## 7. Income tax

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax	691	858
Origination/ reversal of temporary differences	(4 338)	5 257
<b>Income tax</b>	<b>(3 647)</b>	<b>6 115</b>

### Effective tax rate

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit before taxation</b>	<b>(19 533)</b>	<b>10 060</b>
<i>Current income tax on the basis of the enacted tax rate (19%)</i>	3 711	(1 911)
Unrecognized deferred tax assets on tax losses	-	(4 065)
Non-tax deductible costs	(64)	(139)
<b>Income tax</b>	<b>3 647</b>	<b>(6 115)</b>

The law regulations concerning the tax on goods and services tax, income tax, physical, 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 settlements and other (eg excise tax or foreign exchange tax) may be subject to control from bodies that are entitled to impose significant penalties, and if such penalty is established as a result of the additional amount must be paid with interest. These factors cause the tax risk in Poland being higher than in countries with more developed tax systems.

Tax settlements may be subject to control within the period of five years from the end. As a result of this, the amounts presented in the financial statement may be subject to change afterwards, after the final determination of their rates by the fiscal bodies.

## 8. Investment property

<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<i>(unaudited)</i>	
<b>Gross value at the beginning of the period</b>	<b>968 524</b>	<b>845 153</b>
Additions	30 707	65 067
Change in the fair value	(38 633)	58 304
<b>Gross value at the end of the period</b>	<b>960 598</b>	<b>968 524</b>

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

Between 31 December 2016 and 31 March 2017 polish currency appreciated by PLN 0.2 (4.8%), which resulted in change of investment property value converted from EUR to PLN as well as foreign exchange differences. PLN appreciation in comparison to EUR caused recognition of foreign exchange loss in amount of PLN 44,457 thousand, which resulted in negative impact change in fair value and investment property value as at 31 March 2017.

### Investment property divided into Parks:

<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<i>(unaudited)</i>	
<b>MLP Pruszków I Park</b>		
Fair value of property - MLP Pruszków I	338 470	354 848
Investment property additions at cost	307	-
Perpetual usufruct - MLP Pruszków I	2 641	2 641
	<b>341 418</b>	<b>357 489</b>
<b>MLP Pruszków II Park</b>		
Fair value of property - MLP Pruszków II	313 554	325 191
Investment property additions at cost	17 381	-
Perpetual usufruct - MLP Pruszków II	2 618	2 618
	<b>333 553</b>	<b>327 809</b>
<b>MLP Poznań Park</b>		
Fair value of property - MLP Poznań	105 690	110 436
Investment property additions at cost	2 274	-
	<b>107 964</b>	<b>110 436</b>
<b>MLP Lublin Park</b>		
Fair value of property - MLP Lublin	55 786	58 485
Investment property additions at cost	3 455	-
	<b>59 241</b>	<b>58 485</b>
<b>MLP Teresin Park</b>		
Fair value of property - MLP Teresin	35 362	37 073
Investment property additions	4 854	-
	<b>40 216</b>	<b>37 073</b>
<b>MLP Gliwice Park</b>		
Fair value of property - MLP Gliwice	17 873	17 873
Investment property additions	232	-
	<b>18 105</b>	<b>17 873</b>
<b>MLP Wrocław Park</b>		
Fair value of property - MLP Wrocław	33 674	35 304
Investment property additions	2 191	-
	<b>35 865</b>	<b>35 304</b>

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
<b>MLP Czeladź Park</b>		
Fair value of property - MLP Czeladź	23 890	23 890
Investment property additions	176	-
	<b>24 066</b>	<b>23 890</b>
New investment property additions	<b>103</b>	<b>98</b>
<b>MLP Energy - apartments</b>	<b>67</b>	<b>67</b>
<b>Gross value at the end of the period</b>	<b>960 598</b>	<b>968 524</b>

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

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

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

The fair value of investment property is based on reports of independent and qualified experts, who possess renowned professional qualifications, as well as, expertise in property valuation (based on inputs that are unobservable - level 3).

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

Valuations were prepared based on the income approach method for the existing warehouses and for land with building permission and comparable method for undeveloped lands.

Because of different localizations and characteristics of investment properties, assumptions used by experts concerning yield rates are in the range 6.75%-8.50%.

The Group prepares investment property (fair) valuation two times a year (as at 30 June and 31 December), unless there are changes requiring revaluations. As at 31 March 2017 land valuation performed by independent experts as at 31 December 2016 was maintained. The surplus land valuation based on the comparative approach at the end of the current reporting period has been maintained in PLN (in the same amount as at 31 December 2016). The value of other investment properties presented in EUR has been recalculated to PLN using the average exchange rate of the National Bank of Poland on 31 December 2016 and then updated by capital expenditures incurred in the period from 1 January 2017 to 31 March 2017.

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

In the 3 month period ended 31 March 2017, there were no reclassifications between the levels.

## 9. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net value	
	31 March	31 December	31 March	31 December	31 March	31 December
	<i>as at</i> 2017 <i>(unaudited)</i>	2016	2017 <i>(unaudited)</i>	2016	2017 <i>(unaudited)</i>	2016
Investment property	-	-	88 999	95 689	88 999	95 689
Credits, loans granted and received	-	3 467	968	-	968	(3 467)
Derivatives	1 319	1 602	-	-	(1 319)	(1 602)
Other	-	-	1 100	990	1 100	990
Tax losses deductible in the future periods	7 159	5 013	-	-	(7 159)	(5 013)
<b>Deferred tax assets / liabilities</b>	<b>8 478</b>	<b>10 082</b>	<b>91 067</b>	<b>96 679</b>	<b>82 589</b>	<b>86 597</b>

	<i>as at</i>	31 March 2017 <i>(unaudited)</i>	31 December 2016
<b>Including:</b>			
Deferred tax assets		(7 293)	(7 181)
Deferred tax liabilities		89 882	93 778
		<b>82 589</b>	<b>86 597</b>

	1 January 2016	changes recorded in profit or loss	changes recorded in other comprehensive income	31 December 2016
Investment property	82 058	13 631	-	95 689
Credits, loans granted and received	(1 919)	(1 548)	-	(3 467)
Derivatives	(2 612)	165	845	(1 602)
Other	(900)	1 890	-	990
Tax losses deductible in future periods	(8 689)	3 676	-	(5 013)
	<b>67 938</b>	<b>17 814</b>	<b>845</b>	<b>86 597</b>

	1 January 2017	changes recorded in profit or loss <i>(unaudited)</i>	changes recorded in other comprehensive income <i>(unaudited)</i>	31 March 2017 <i>(unaudited)</i>
Investment property	95 689	(6 690)	-	88 999
Credits, loans granted and received	(3 467)	4 435	-	968
Derivatives	(1 602)	(47)	330	(1 319)
Other	990	110	-	1 100
Tax losses deductible in future periods	(5 013)	(2 146)	-	(7 159)
	<b>86 597</b>	<b>(4 338)</b>	<b>330</b>	<b>82 589</b>



## 10. Other investments

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Other long-term investments	8 862	8 567
Long-term loans granted to related parties	56 593	57 397
<b>Other long-term investments</b>	<b>65 455</b>	<b>65 964</b>
Short-term loans granted to related parties	745	745
Short-term loans granted to third parties	22 139	22 139
<b>Short-term investments</b>	<b>22 884</b>	<b>22 884</b>
Escrow account	716	739
Restricted cash	6 883	6 245
<b>Other short-term investments</b>	<b>7 599</b>	<b>6 984</b>

Other long-term investments comprise restricted cash of PLN 8,862 thousand. The amount contains: PLN 6,410 thousand, which was separated in accordance with the credit agreements to secure payment of principal and interest instalments, PLN 379 thousand of deposits retained from tenants and other deposits of PLN 2,073 thousand.

The Group has short-term restricted cash of PLN 6,883 thousand. Restricted cash consists of: PLN 4,783 thousand of guarantees given by MLP Pruszków I Sp. z o.o. in favour of Hapoalim Bank and short-term part of deposits of PLN 605 thousand PLN as well as short-term part of cash separated in accordance with credit agreements of PLN 1,495 thousand.

Other short-term investments also comprise funds on Escrow account, retained in connection with the sale of investment properties. These funds will be released when the Group's obligations under the contract of sale of investment properties are met. The Group expects that these obligations will be fulfilled within 12 months of the end of the reporting period.

## 11. Trade and other receivables

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Trade receivables	8 335	6 850
Investment settlements	296	504
Prepayments	1 646	758
Receivables from settlement of IRS transaction	-	2 306
Accrued income from the development contract concluded by MLP Bieruń Sp. z o.o.	18 867	17 523
Notary deposit for the purchase of land in Germany	2 751	-
Taxation and social security receivables	17 811	14 540
<b>Trade and other receivables</b>	<b>49 706</b>	<b>42 481</b>
Corporate income tax receivables	1 012	971
<b>Short-term receivables</b>	<b>50 718</b>	<b>43 452</b>

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 below table.

	<i>as at</i>	<b>31 March 2017*</b>		<b>31 December 2016</b>	
		<b>Gross receivables</b>	<b>Allowance</b>	<b>Gross receivables</b>	<b>Allowance</b>
Not past due:		3 941	-	3 331	-
Past due:					
0 to 90 days		1 158	(7)	2 970	-
91 to 180 days		195	-	207	(1)
over 180 days		4 857	(4 560)	4 909	(4 566)
<b>Total receivables</b>		<b>10 151</b>	<b>(4 567)</b>	<b>11 417</b>	<b>(4 567)</b>

\* Unaudited

## 12. Cash and cash equivalents

	<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
		<i>(unaudited)</i>	
Cash on hand		49	61
Cash in bank		30 257	20 153
Short-term deposits		8 767	41 480
<b>Cash and cash equivalents in the condensed consolidated statement of financial position</b>		<b>39 073</b>	<b>61 694</b>
<b>Cash and cash equivalents in the condensed consolidated statement of cash flows</b>		<b>39 073</b>	<b>61 694</b>

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 from the end of the reporting date.

## 13. Explanatory information to condensed consolidated statement of cash flows

### 13. 1 Cash flow related to loans

	<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from bank credits received		6 597	7 760
<b>Total cash flows from bank credits and loans received</b>		<b>6 597</b>	<b>7 760</b>
<b>Total cash flows from bank credit and loans received presented in the condensed consolidated statement of cash flows</b>		<b>6 597</b>	<b>7 760</b>

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Cash flows from bank credits repaid	(5 539)	(4 070)
Cash flows from loans repaid	(716)	(739)
<b>Total cash flows from bank credit and loans repaid</b>	<b>(6 255)</b>	<b>(4 809)</b>
<b>Total cash flows from bank credit and loans repaid presented in the condensed consolidated statement of cash flows</b>	<b>(6 255)</b>	<b>(4 809)</b>

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Cash flows from loans granted	-	23 548
Elimination of repaid loans granted to Fenix Polska Sp. z o.o.	-	(23 074)
<b>Total cash flows from repayment of loans granted</b>	<b>-</b>	<b>474</b>
<b>Total cash flows from repayment of loans granted presented in the condensed consolidated statement of cash flows</b>	<b>-</b>	<b>474</b>

### **13. 2 Changes in trade and other receivables**

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Changes in trade and other receivables	(7 225)	(338)
Other adjustments	242	40
<b>Changes in trade and other receivables</b>	<b>(6 983)</b>	<b>(298)</b>
<b>Changes in trade and other receivables presented in the condensed consolidated statement of cash flows</b>	<b>(6 983)</b>	<b>(298)</b>

### **13. 3 Changes in short-term and other liabilities**

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Change in trade and other liabilities	10 284	(26 637)
Changes in payroll liabilities	-	83
Change in investment deposits and guarantees	1 372	3 273
Deduction of change in investment liabilities	(18 418)	6 350
<b>Changes in short-term and other liabilities</b>	<b>(6 762)</b>	<b>(16 931)</b>
<b>Changes in short-term and other liabilities presented in the condensed consolidated statement of cash flows</b>	<b>(6 762)</b>	<b>(16 931)</b>

## 14. Equity

### 14. 1 Share capital

<i>as at</i>	<b>31 March 2017 (unaudited)</b>	<b>31 December 2016</b>
<b>Share capital</b>		
Ordinary A series shares	11 440 000	11 440 000
Ordinary B series shares	3 654 379	3 654 379
Ordinary C series shares	3 018 876	3 018 876
	<b>18 113 255</b>	<b>18 113 255</b>
Par value of 1 share	0,25	0,25

As at 31 March 2017 the share capital of the parent company amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares entitling to 18,113,225 votes on the General Meeting. The par value of all shares is PLN 0.25 and was fully paid.

In the year ended 31 March 2017 there were no changes in share capital.

## 15. Earnings per share

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

<i>for the period of 3 months ended 31 March</i>	<b>2017 (unaudited)</b>	<b>2016 (unaudited)</b>
<b>Net profit for the period</b>	<b>(15 886)</b>	<b>3 945</b>
Number of shares issued (in units)	18 113 255	18 113 255
Weighted average number of shares issued (in units)	18 113 255	18 113 255
Earnings per share attributable to shareholders of the Parent Company for the period (in PLN per share):		
- basic	(0,88)	0,22
- diluted	(0,88)	0,22

In presented periods there were no dilutive factors.

## 16. Credits, loans, other debt instruments and other liabilities

### 16. 1 Long-term liabilities

<i>as at</i>	<b>31 March 2017 (unaudited)</b>	<b>31 December 2016</b>
Bank credits pledged on the Group's assets	253 879	265 750
Loans	59 622	61 318
<b>Total long-term credits, loans and other debt instruments and other liabilities</b>	<b>313 501</b>	<b>327 068</b>

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Finance lease liabilities	5 259	5 259
Liabilities concerning SWAP transactions	2 538	2 229
Investment deposits	4 389	5 739
Guarantees from tenants and others	3 772	1 050
Liabilities concerning other transactions	18	17
<b>Total other long-term liabilities</b>	<b>15 976</b>	<b>14 294</b>

## 16. 2 Short-term liabilities

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Short-term credits and short-term part of long term credits pledged on the Group's assets	13 212	13 230
Loans	580	580
<b>Total short-term credits, loans and other debt instruments</b>	<b>13 792</b>	<b>13 810</b>

Secured and unsecured loan and bank credit liabilities result from transactions with both related and third parties.

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Liabilities concerning SWAP transactions	4 397	6 196
<b>Other short-term liabilities</b>	<b>4 397</b>	<b>6 196</b>

### 16. 3 Credits, loans secured and unsecured on the Group's assets

	currency	effective rate (%)	as at maturity date	31 March 2017*		as at maturity date	31 December 2016	
				in currency	in PLN		in currency	in PLN
<b>Bank credits pledged on the Group's assets:</b>								
Investment loan mBank S.A.	EUR	EURIBOR 1M +margin	2021	12 720	53 550	2021	11 628	51 309
Investment loan PEKAO S.A.	EUR	EURIBOR 1M +margin	2025	3 258	13 748	2025	3 303	14 614
Investment loan Raiffeisen Bank Polska S.A. <sup>1)</sup>	EUR	EURIBOR 3M +margin	2023	29 242	123 395	2023	29 749	131 578
Investment loan BGŻ BNP Paribas	EUR	EURIBOR 3M +margin	2022	7 927	33 322	2022	8 097	35 686
Investment loan PKO BP S.A.	EUR	EURIBOR 3M +margin	2030	5 003	21 110	2030	5 075	22 453
Investment loan ING Bank Śląski S.A.	EUR	EURIBOR 1M +margin	2020	3 606	15 184	2020	3 677	16 230
Investment loan ING Bank Śląski S.A.	EUR	EURIBOR 3M +margin	2020	1 607	6 782	2020	1 607	7 110
<b>Total loans:</b>					<b>267 091</b>			<b>278 980</b>

\* Unaudited

<sup>1)</sup> As of 31 December 2016 MLP Pruszków III Sp. z o.o. had an investment credit in the BGŻ BNP Paribas bank of PLN 5,340 thousand, whereas MLP Moszna I Sp. z o.o. had an investment credit in the BGŻ BNP Paribas bank of PLN 2,757 thousand. These companies were merged on 2 March 2017. In consequence MLP Moszna I Sp. z o.o.'s entire assets were taken over by the MLP Pruszków III Sp. z o.o. As a result of this, credit liabilities of aforementioned companies included in this interim condensed consolidated financial statements are presented in one line, and as at 31 March 2017 amounts to PLN 123,395 thousand.

### 16. 3 Credits, loans secured and unsecured on the Group's assets

			<i>as at</i>	31 March 2017*		<i>as at</i>	31 December 2016	
	currency	effective rate (%)	maturity date	in currency	in PLN	maturity date	in currency	in PLN
<b>Loans unsecured on the Group's assets:</b>								
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2021	-	2 787	2021	-	2 769
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2020	-	7 970	2020	-	7 923
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2026	-	-	2026	-	3 405
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2020	-	12	2024	-	12
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2029	-	253	2029	-	253
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2026	-	3 421	2020	-	-
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2021	-	142	2021	-	169
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2017	-	565	2017	-	565
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2020	-	21 153	2020	-	21 064
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2017	-	15	2017	-	15
Fenix Polska S.A.	PLN	WIBOR 3M+margin	2024	-	300	2024	-	293
Fenix Polska S.A.	PLN	WIBOR 3M+margin	-	-	-	2024	-	8
Fenix Polska S.A.	EUR	EURIBOR 3M+margin	2020	3 039	12 823	2020	3 030	13 403
Fenix Polska S.A.	EUR	EURIBOR 3M+margin	2029	1 902	8 027	2029	1 896	8 388
Fenix Polska S.A.	USD	LIBOR R USD +margin	2018	693	2 734	2018	869	3 631
<b>Total loans:</b>					<b>60 202</b>			<b>61 898</b>
<b>Total credits, loans secured and unsecured on the Group's assets</b>					<b>327 293</b>			<b>340 878</b>

\* Unaudited

## 17. Payroll liabilities

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Special funds	157	157
Cash settled share based payment	2 048	2 048
<b>Payroll liabilities</b>	<b>2 205</b>	<b>2 205</b>

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

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

Upon approval of the financial statements by the General Meeting of Shareholders, the Supervisory Board will authorize a list of employees, with the number of phantom shares assigned to each employee. Equivalent of phantom shares will be paid in cash.

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

## 18. Trade and other liabilities

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Trade liabilities	7 432	4 406
Liabilities concerning execution of development agreement	1 162	13 105
Revenue prepayments	354	361
Taxation and social security liabilities	2 453	1 861
Unbilled trade liabilities	610	1 612
Investment liabilities, guarantee deposits and other	42 238	22 620
<b>Trade and other liabilities</b>	<b>54 249</b>	<b>43 965</b>
Income tax liabilities	290	939
<b>Short-term liabilities</b>	<b>54 539</b>	<b>44 904</b>

Liabilities to related parties were disclosed in note 21.

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

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Current liabilities	49 433	47 178
Liabilities overdue from 0 to 90 days	9 528	714
Liabilities overdue from 91 to 180 days	10	12
Liabilities overdue over 180 days	632	628
<b>Total trade and other liabilities</b>	<b>59 603</b>	<b>48 532</b>

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 31 March 2017 and 31 December 2016 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 liabilities and accruals:** the carrying amount is comparable with fair value because of the short-term character 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 credit and loans taken:** the carrying amount of these instruments is comparable with fair value because of the floating rate, based on market rates,
- **Swap valuation liabilities:** fair value determined on the basis of references to instruments quoted in an active market.

#### 19. 1. 1 Financial assets

<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<i>(unaudited)</i>	
<b>Loans and receivables:</b>		
Cash and cash equivalents	39 073	61 694
Loans and receivables, including:		
• Trade and other receivables	30 249	27 183
• Loans granted	79 477	80 281
• Other long-term investments	8 862	8 567
• Other short-term investments	7 599	6 984
	<b>165 260</b>	<b>184 709</b>
<b>Total financial assets</b>	<b>165 260</b>	<b>184 709</b>

### 19. 1. 2 Financial liabilities

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
<b>Hedging financial instruments:</b>		
Liabilities concerning SWAP transactions	6 935	8 425
Liabilities concerning other transactions	18	17
	<b>6 953</b>	<b>8 442</b>
<b>Liabilities valued at amortized cost:</b>		
Bank credits	267 091	278 980
Loans received	60 202	61 898
Trade and other payables	59 603	48 532
Finance lease liabilities	5 259	5 259
	<b>392 155</b>	<b>394 669</b>
<b>Total financial liabilities</b>	<b>399 108</b>	<b>403 111</b>

The fair value of hedging financial instruments as at 31 March 2017 amounted to PLN 6,953 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 31 March 2017 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 20.

#### Hedge accounting

On 13 January 2017 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 conversions agreements.

The cash flows are expected every month until 30 November 2023.

## 20. Contingent liabilities and pledges

Contingent liabilities and pledges presented in the financial statements for 2016 did not change in the 3 month period ended 31 March 2017 and are still valid as at the end of the reporting period.

## 21. Related party transactions

### 21. 1 Trade and other receivables and payables

Related party balances related to trade and other receivables and payables as at 31 March 2017\* are as follows:

<i>* Unaudited</i>	Trade and other payables <sup>1)</sup>
<b>Key management personnel</b>	
ROMI CONSULTING, Michael Shapiro	39
RTK CONSULTING, Radosław T. Krochta	18
Other key management personnel	42
<b>Total</b>	<b>99</b>

As at 31 March 2017 Group did not recognize any trade and other receivables.

<sup>1)</sup> "Trade and other payables" do not include key management personnel remuneration and share-based payments that were disclosed in Note 23.

### 21. 2 Loans granted and received

Related party balances related to loans granted and received as at 31 March 2017\* are as follows:

<i>* Unaudited</i>	Loans granted	Loans received
<b>Other related parties</b>		
Fenix Polska Sp. z o.o.	57 306	60 202
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	32	-
<b>Total</b>	<b>57 338</b>	<b>60 202</b>

### 21. 3 Revenues and expenses

Related party transactions related to revenues and expenses for the 3 month period ended 31 March 2017\* are as follows:

<i>* Unaudited</i>	Purchase of services and salary cost	Interest income	Interest cost
<b>Other related parties</b>			
Fenix Polska Sp. z o.o.	-	298	(356)
	-	<b>298</b>	<b>(356)</b>
<b>Key management personnel</b>			
RTK CONSULTING, Radosław T. Krochta	(308)	-	-
ROMI CONSULTING, Michael Shapiro	(103)	-	-
PROFART, Tomasz Zabost	(165)	-	-
PEOB, Marcin Dobieszewski	(54)	-	-
Other key management personnel	(184)	-	-
	<b>(814)</b>	-	-
<b>Total</b>	<b>(814)</b>	<b>298</b>	<b>(356)</b>

Fenix Polska Sp. z o.o. is a related party through Cajamarca Holland B.V. which, as at 31 March 2017, 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

- On 13 January 2017 Reiffeisen Bank Polska S.A. granted a loan to MLP Pruszków I Sp. z o.o. for refinancing its previous debt.
- On 9 February 2017 MLP Poznań Sp. z o.o. entered into credit agreement with ING Bank Śląski S.A.
- On 2 March 2017 MLP Pruszków III Sp. z o.o. merged with MLP Moszna I Sp. z o.o. In consequence MLP Moszna I Sp. z o.o.'s entire assets were taken over by the MLP Pruszków III Sp. z o.o.
- On 24 March 2017 mBank S.A released subsequent tranches of the loan towards MLP Pruszków IV Sp. z o.o.
- On 26 April 2017 Extraordinary Shareholders' Meeting of MLP Energy Sp. z o.o entrusted Mr. Marcin Dobieszewski as the President of the Management Board position, and Mr. Radosław T. Krochta as the Vice-president of the Management Board position.
- On 26 April 2017, by virtue of the resolutions of the Extraordinary Shareholders' Meeting, Mr. Radosław T. Krochta was appointed President of the Management Board in following entities: MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o., MLP Pruszków III Sp. z o.o., MLP Pruszków IV Sp. z o.o., MLP Poznań Sp. z o.o., MLP Lublin Sp. z o.o., MLP Poznań II Sp. z o.o., MLP Property Sp. z o.o., MLP Bieruń Sp. z o.o., MLP Bieruń I Sp. z o.o., MLP Sp. z o.o., MLP Poznań West Sp. z o.o., MLP Teresin Sp. z o.o., MLP Fin Sp. z o.o., Lokaop 201 Sp. z o.o., MLP Wrocław Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Łódź Sp. z o.o., MLP Czeladź Sp. z o.o., MLP Temp Sp. z o.o.
- On 8 May 2017 PKO BP S.A released subsequent tranche of the loan towards MLP Lublin Sp. z o.o.

- On 11 May 2017, as a part of private offer, the Company issued 20,000 series A bearer bonds, with a nominal value of EUR 1,000 each and a total issue value of EUR 20,000,000 (“Bonds”). Bonds are subject to variable interest rate of EURIBOR for six-month EUR bank deposits plus a premium.  
 The Bonds have been issued as non-secured bonds.  
 The purpose of the issuance of the Bonds was not specified.  
 The redemption of the Bonds is scheduled for 11 May 2022, with a possibility of an early buy-out by the Company.

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 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Remuneration of Management Board:</b>		
• <b>Remuneration and other benefits:</b>		
Radosław T. Krochta	308	104
Michael Shapiro	103	481
Tomasz Zabost	165	236
Marcin Dobieszewski	54	56
	<b>630</b>	<b>877</b>
• <b>Cash settled share based payment paid in the period</b>	630	662
	<b>1 260</b>	<b>1 539</b>
<b>Remuneration of Supervisory Board:</b>		
• <b>Remuneration and other benefits</b>		
Maciej Matusiak	8	8
Jacek Tucharz	8	8
Eytan Levy	8	8
Shimshon Marfogel	8	8
Yosef Zvi Meir	8	8
Guy Shapira	8	8
	<b>48</b>	<b>48</b>
<b>Total remuneration paid or due to the Management Board and Supervisory Board members</b>	<b>1 308</b>	<b>1 587</b>
<i>for the period of 3 months ended 31 March</i>		
	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Other Key Management Personnel:</b>		
Remuneration and other benefits	184	136
Cash settled share based payment paid in the period	438	300
	<b>622</b>	<b>436</b>
<b>Total remuneration paid or due to Management Board, Supervisory Board and Key Management Personnel</b>	<b>1 930</b>	<b>2 023</b>

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 of the entities of the Capital Group.

## 24. Employment structure

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Average number of employees	16	16

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**Radosław T. Krochta**  
*President of the Management Board*

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**Michael Shapiro**  
*Vice-President of the  
Management Board*

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**Tomasz Zabost**  
*Member of the Management Board*

*Pruszków, 19 May 2017*

### III. Supplementary information to the consolidated quarterly report of MLP Group S.A. Capital Group

- 1. Information regarding the issuance, redemption and repayment of debt and equity securities**  
 In the period of three months ended 31 March 2017, there were no events related to the issuance, redemption or repayment of debt and equity securities.
- 2. The Management Board's statement on published financial forecasts**  
 The Management Board of MLP Group S.A. has not published any financial forecasts for 2017.
- 3. A brief description of achievements and failures in the 3 month period ended 31 March 2017**  
 There were no significant achievements and failures other than those described in these condensed consolidated financial statements.
- 4. Seasonality and cyclicity**  
 Group activities are not subjected to seasonality or cyclicity.
- 5. Significant information to assess situation of employment, assets, financial situation and results in changes of MLP Group and relevant information to assess possibilities of realization liabilities by the MLP Group S.A.**

#### Rented space as at 31 March 2017

Logistic park	Rented space as at 31 December 2016 <sup>1)</sup>	Space vacated by the tenants until 31 March 2017	New rent agreements signed until 31 March 2017	Net change	Rented space as at 31 March 2017
MLP Pruszków I	152 976	(3 927)	10 147	6 220	159 196
MLP Pruszków II	105 443	-	-	-	105 443
MLP Poznań	35 634	-	-	-	35 634
MLP Lublin	22 136	-	-	-	22 136
MLP Teresin	37 767	-	-	-	37 767
MLP Gliwice	-	-	24 722	24 722	24 722
MLP Wrocław	8 703	-	-	-	8 703
MLP Czeladź	8 703	-	-	-	8 703
	<b>371 362</b>	<b>(3 927)</b>	<b>34 869</b>	<b>30 942</b>	<b>402 304</b>

<sup>1)</sup> Rented space as at 31 December 2016 per measurement

Except for the information presented in the condensed consolidated financial statements for the 3 month period ended 31 March 2017, there is no other information relevant for the assessment of the human resources, financial position and financial results of the Group and their changes and information, which are significant for assessing the possibility of achievement of MLP Group S.A. Capital Group commitments.

List of the leasable area based on concluded agreements and the vacant space as at 31 March 2017:

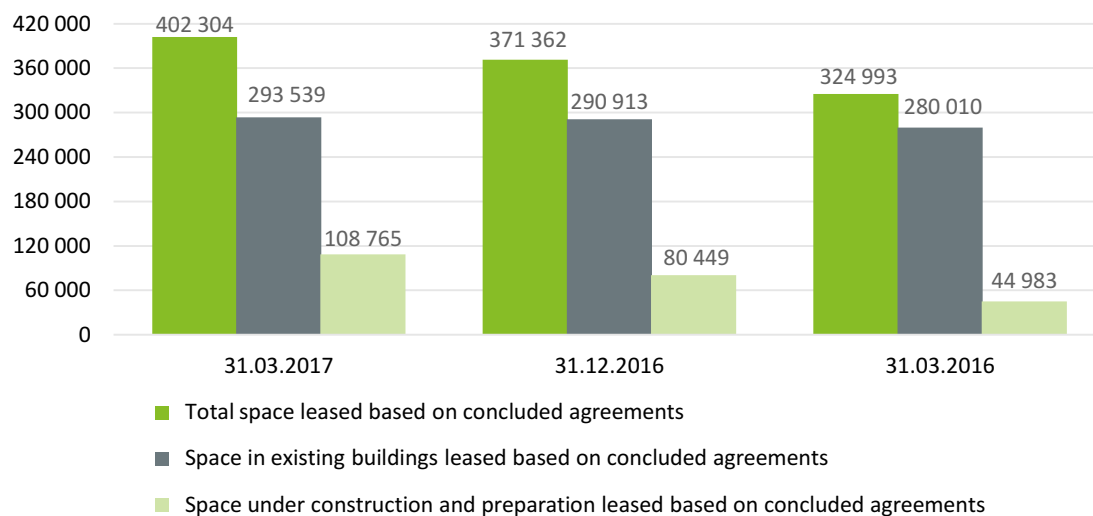
Logistic Park	Construction potential (sqm)	Developed space (sqm)	Space under construction (sqm)	Space to be constructed - leased based on concluded agreements (sqm)	Space leased - based on concluded agreements (sqm)	Differences arising from measurement	Space under construction leased based on concluded agreements (sqm)	Vacant space (sqm)	Space leased as % of the area already built and under construction	Space already built and under construction as % of the construction potential
MLP Pruszków I	167 033	165 817	-	3 662	155 535	(1)	-	10 282	94%	99%
MLP Pruszków II	260 000	81 259	31 225	-	78 349	63	27 031	2 910	94%	43%
MLP Poznań	86 200	28 252	17 353	-	28 252	-	7 382	-	78%	53%
MLP Lublin	49 889	15 750	6 386	-	15 750	-	6 386	-	100%	44%
MLP Teresin	37 601	15 591	22 176	-	15 591	-	22 176	-	100%	100%
MLP Gliwice	61 500	-	-	24 722	-	-	-	-	-	-
MLP Wrocław	63 500	-	8 703	-	-	-	8 703	-	100%	-
MLP Czeladź	74 200	-	-	8 703	-	-	-	-	-	-
	<b>799 923</b>	<b>306 669</b>	<b>85 843</b>	<b>37 087</b>	<b>293 477</b>	<b>62</b>	<b>71 678</b>	<b>13 192</b>	<b>93%</b>	<b>49%</b>

List of the leasable area based on concluded agreements and the vacant space as at 31 December 2016:

Logistic Park	Construction potential (sqm)	Developed space (sqm)	Space under construction (sqm)	Space to be constructed - leased based on concluded agreements (sqm)	Space leased - based on concluded agreements (sqm)	Differences arising from measurement	Space under construction leased based on concluded agreements (sqm)	Vacant space (sqm)	Space leased as % of the area already built and under construction	Space already built and under construction as % of the construction potential
MLP Pruszków I	167 033	165 514	-	-	152 976	-	-	12 538	92%	99%
MLP Pruszków II	280 000	81 253	31 293	-	78 344	-	27 099	2 909	94%	40%
MLP Poznań	90 825	28 252	17 353	-	28 252	-	7 382	-	78%	50%
MLP Lublin	49 889	15 750	6 386	-	15 750	-	6 386	-	100%	44%
MLP Teresin	37 601	15 591	22 176	-	15 591	-	22 176	-	100%	100%
MLP Gliwice	61 500	-	-	-	-	-	-	-	-	-
MLP Wrocław	63 500	-	8 703	-	-	-	8 703	-	100%	14%
MLP Czeladź	74 200	-	-	8 703	-	-	-	-	-	-
	<b>824 548</b>	<b>306 360</b>	<b>85 911</b>	<b>8 703</b>	<b>290 913</b>	<b>-</b>	<b>71 746</b>	<b>15 447</b>	<b>92%</b>	<b>48%</b>



### Space rented as at 31 March 2017 and as at 31 December 2016 (in sqm)



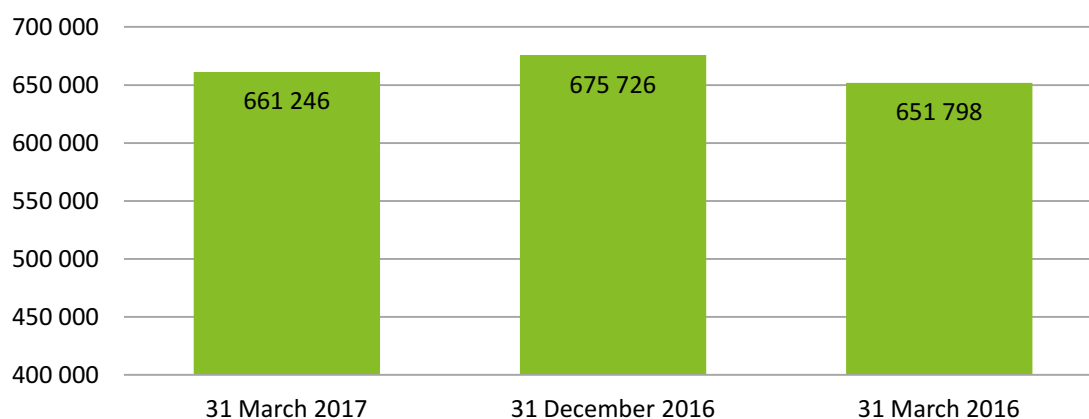
Total space leased as at 31 March 2017 amounted to 402,304 sqm and increased by 30,942 sqm in comparison to leased space as at 31 December 2016, whereas in comparison to first quarter of 2016 the space increased by 77,311 sqm.

In addition, space to be constructed already leased based on concluded agreements as at 31 March 2017 increased accordingly: 28,316 sqm and 63,782 sqm. After the finalization of construction process and releasing aforementioned space to tenants, it will increase the volume of space generating rental income.

MLP Group, for the 3 month period ended 31 March 2017 signed space lease agreements for 34,869 sqm, nevertheless in given period tenants released leased space equal to 3,927 sqm.

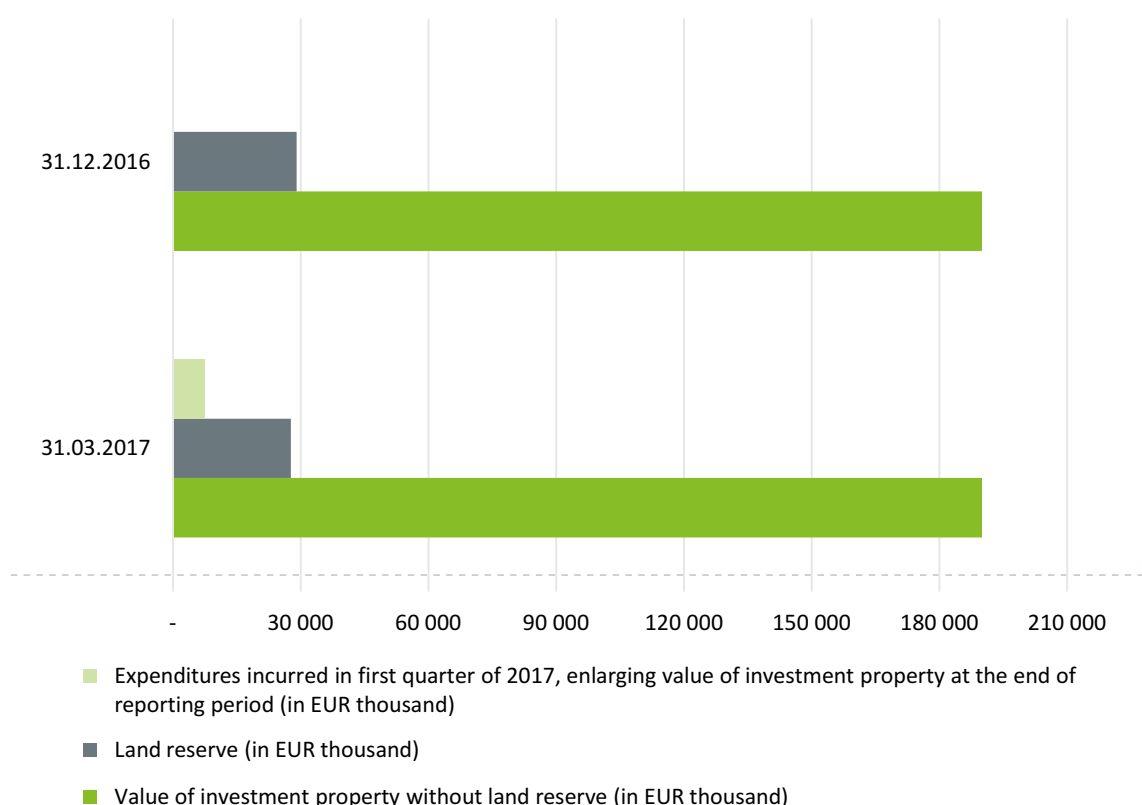
Changes in rented space in the period of three months of 2017 were disclosed in note 5 in the additional information to the quarterly financial information of the Group.

### Net assets value (NAV) in PLN thousand



Value of net assets as at 31 March 2017 amounted to PLN 661,246 thousand and decreased by 2.14% comparing to 31 December 2016. This decrease was due to the appreciation of the Polish currency against the Euro on 31 March 2017. Between 31 December 2016 and 31 March 2017 Polish currency appreciated by PLN 0.2 (4.8%), which resulted in change of investment property value converted from EUR to PLN as well as exchange differences. PLN appreciation in comparison to EUR caused recognition of foreign exchange loss of PLN 21,144 thousand, which resulted in decrease of NAV. In addition to this, as a result of refinancing MLP Pruszków I Sp. z o.o. bank loan, realized foreign exchange losses of PLN 11,182 thousand were recognized. Total foreign exchange losses amounted to PLN 32,326 thousand, causing a decrease of NAV as at 31 March 2017.

### The value of investment property (in EUR thousand)



The Group prepares investment property valuation two times a year (as at 30 June and 31 December), unless there are changes requiring revaluations. As at 31 March 2017 land valuation performed by independent experts as at 31 December 2016 was maintained. The surplus land valuation based on the comparative approach at the end of the current reporting period has been maintained in PLN (in the same amount as at 31 December 2016), while value of other investment properties presented in EUR has been recalculated to PLN using the average exchange rate of the National Bank of Poland on 31 March 2017 and then updated by capital expenditures incurred in the period from 1 January 2017 to 31 March 2017.

Detailed information on the investment properties are presented in note 8 in the Group's interim condensed consolidated financial statements.

Except for the information already presented in this condensed quarterly report for the three months period ended 31 March 2017, there is no other information relevant to the Group's assessment of the personnel and financial position as well as its financial result and their changes or for the assessment of the Group's ability to settle its commitments.

**6. Factors that, in the opinion of the Management Board, will have impact on the Group's results in at least one quarter period**

The most important factors which could influence the Group's financial situation in the period of at least three following months are:

- Macroeconomic factors and general economic situation,
- Interest rates level,
- Exchange rates fluctuations and
- Investment property revaluation.

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**Radosław T. Krochta**  
*President of the Management Board*

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**Michael Shapiro**  
*Vice-President of the  
Management Board*

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**Tomasz Zabost**  
*Member of the Management Board*

*Pruszków, 19 May 2017*

## IV. Quarterly financial information of MLP Group S.A. with additional information and explanations

### Condensed separate statement of profit or loss and other comprehensive income

	<i>for the period of 3 months ended 31 March</i>	<b>Note</b>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
<b>Continuing operations</b>				
Revenues	9		2 111	1 932
Other operating income			11	3
Selling and administrative expenses	10		(1 715)	(1 423)
Other operating costs			(1)	(3)
<b>Operating profit</b>			<b>406</b>	<b>509</b>
Financial income	11.		1 048	869
Financial costs	11.		(254)	(261)
<b>Net financial income</b>			<b>794</b>	<b>608</b>
<b>Profit before taxation</b>			<b>1 200</b>	<b>1 117</b>
Corporate income tax			(199)	(207)
<b>Net profit from continuing operations</b>			<b>1 001</b>	<b>910</b>
<b>Total comprehensive income</b>			<b>1 001</b>	<b>910</b>
<b>Net profit attributable to:</b>				
Owners of the Parent Company			1 001	910
<b>Net profit</b>			<b>1 001</b>	<b>910</b>
<b>Comprehensive income attributable to:</b>				
Owners of the Parent Company			1 001	910
<b>Total comprehensive income</b>			<b>1 001</b>	<b>910</b>
<b>Profit per share</b>				
Basic (PLN)			0,06	0,05

## Condensed separate statement of financial position

	<i>as at</i>	<b>31 March</b>	<b>31 December</b>
	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<i>(unaudited)</i>	
<b>Non-current assets</b>			
Intangible assets		557	21
Tangible fixed assets		146	153
Long-term financial assets in related parties		123 234	123 224
Long-term investments	2.	78 948	79 408
Deferred tax assets		5 675	5 873
Other long-term investments		64	51
<b>Total non-current assets</b>		<b>208 624</b>	<b>208 730</b>
<b>Current assets</b>			
Short-term investments	3.	1 056	1 068
Receivables from income tax		809	742
Trade and other receivables	4.	5 142	2 515
Cash and cash equivalents	5.	1 189	2 105
<b>Total current assets</b>		<b>8 196</b>	<b>6 430</b>
<b>TOTAL ASSETS</b>		<b>216 820</b>	<b>215 160</b>
<b>Equity</b>			
Share capital		4 529	4 529
Other capital reserve		4 194	4 194
Share premium		71 121	71 121
Reserve capital		64 485	64 485
Retained earnings		4 351	3 350
<b>Total equity</b>		<b>148 680</b>	<b>147 679</b>
<b>Long-term liabilities</b>			
Loans and other debt instruments	6.1	64 952	64 096
<b>Total long-term liabilities</b>		<b>64 952</b>	<b>64 096</b>
<b>Short-term liabilities</b>			
Payroll liabilities	7.	2 205	2 205
Trade and other liabilities	8.	983	1 180
<b>Total short-term liabilities</b>		<b>3 188</b>	<b>3 385</b>
<b>Total liabilities</b>		<b>68 140</b>	<b>67 481</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>216 820</b>	<b>215 160</b>

## Condensed separate statement of cash flows

<i>for the period of 3 months ended 31 March</i>	<b>Note</b>	<b>2016</b> <i>(unaudited)</i>	<b>2015</b> <i>(unaudited)</i>
<b>Cash flows from operating activities</b>			
<b>Profit before taxation</b>		<b>1 200</b>	<b>1 117</b>
<i>Adjustments for:</i>			
Depreciation		24	4
Interests and share in profits (dividends)		(202)	(401)
Foreign exchange		(630)	(134)
Other		(13)	9
Change in trade and other receivables		(2 627)	(344)
Change in short-term trade and other liabilities		(197)	125
<b>Net cash from operating activities</b>		<b>(2 445)</b>	<b>376</b>
Income tax paid		(68)	(139)
<b>Net cash from operating activities</b>		<b>(2 513)</b>	<b>237</b>
<b>Cash flows from investing activities</b>			
Loans granted		(782)	(200)
Repayments of loans granted		191	-
Purchase of investment properties, tangible fixed assets and intangible assets		(553)	(4)
Expenses on other investments in financial assets		(10)	(10)
<b>Cash from investing activities</b>		<b>(1 154)</b>	<b>(214)</b>
<b>Cash flows from financing activities</b>			
Proceeds from loans		2 751	10 000
<b>Cash from financing activities</b>		<b>2 751</b>	<b>10 000</b>
<b>Total cash flow</b>		<b>(916)</b>	<b>10 023</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
Foreign exchange differences on cash and cash equivalents		-	153
<b>Cash and cash equivalents at the end of the period</b>	5.	<b>1 189</b>	<b>20 428</b>

## Condensed separate statement of changes in equity

	Share capital	Other capital reserve	Share premium	Reserve capital	Retained earnings	Total equity
<b>Equity as at 1 January 2016</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>44 591</b>	<b>188 920</b>
<b><u>Comprehensive income:</u></b>						
Financial result*	-	-	-	-	910	<b>910</b>
<b>Total comprehensive income for the period ended 31 March 2016*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>910</b>	<b>910</b>
<b>Equity as at 31 March 2016*</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>45 501</b>	<b>189 830</b>
<b>Equity as at 1 January 2017</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>3 350</b>	<b>147 679</b>
<b><u>Comprehensive income:</u></b>						
Financial result*	-	-	-	-	1 001	<b>1 001</b>
<b>Total comprehensive income for the period ended 31 March 2017*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 001</b>	<b>1 001</b>
<b>Equity as at 31 March 2017*</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>4 351</b>	<b>148 680</b>

\* unaudited data

## Additional information and explanations to interim condensed separate financial statements of MLP Group S.A.

### 1. Long-term financial assets in related parties

#### 1. 1 Shares

The Company holds shares in the following subsidiaries:

Entity	Country of registry	Direct and indirect share of the Parent Company in the equity		Direct and indirect share of the Parent Company in the voting rights	
		30 March 2017	31 December 2016	30 March 2017	31 December 2016
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 Moszna I 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%	-
MLP Czeladź Sp. z o.o.	Poland	100%	-	100%	-
MLP Temp Sp. z o.o.	Poland	100%	-	100%	-
MLP MLP Dortmund LP Sp. z o.o. <sup>1)</sup>	Poland	100%	-	100%	-
MLP MLP Dortmund GP Sp. z o.o. <sup>2)</sup>	Poland	100%	-	100%	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG. <sup>3)</sup>	Germany	100%	-	100%	-



1) On 3 March 2017 new company of the MLP Group S.A., MLP Dortmund LP Sp. z o.o. was established. The company was registered in National Court Register on 9 March 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

2) On 3 March 2017 new company of the MLP Group S.A., MLP Dortmund GP Sp. z o.o. was established. The company was registered in National Court Register on 8 March 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

3) On 20 March 2017 new company of the MLP Group S.A., MLP Logistic Park Germany I Sp. z o.o. &Co KG was established.

On 12 April 2017 new company of the MLP Group S.A., MLP Poznań West II Sp. z o.o. was established. The company was registered in National Court Register on 18 April 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

On 28 April 2017 new company of the MLP Group S.A., MLP Bucharest West Sp. z o.o. was established. The company was registered in National Court Register on 5 May 2017. Shares in newly created company were acquired entirely by MLP Group S.A. (100 shares with a total nominal value of PLN 5,000).

## 2. Long-term investments

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Long-term loans granted to related parties	78 948	79 408

## 3. Short-term investments

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Short-term loans granted to related parties	1 056	1 068
<b>Total short-term investments</b>	<b>1 056</b>	<b>1 068</b>

## 4. Trade and other receivables

<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Trade receivables from related parties	2 071	1 890
Trade receivables from third parties	1	-
Notary deposit for the purchase of land in Germany	2 751	-
Tax and social security receivables	35	-
Prepayments	217	157
Other	67	468
<b>Trade and other receivables</b>	<b>5 142</b>	<b>2 515</b>
Income tax	809	742
<b>Short-term receivables</b>	<b>5 951</b>	<b>3 257</b>

## 5. Cash and cash equivalents

	<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
		<i>(unaudited)</i>	
Cash on hand		6	11
Cash in bank		310	24
Short-term deposits		873	2 070
<b>Cash and cash equivalents in the condensed separate statement of financial position</b>		<b>1 189</b>	<b>2 105</b>
<b>Cash and cash equivalents in the condensed separate statement of cash flows</b>		<b>1 189</b>	<b>2 105</b>

## 6. Loans and other debt instruments and other liabilities

### 6. 1 Long-term liabilities

	<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
		<i>(unaudited)</i>	
Loans received from related parties		64 952	64 096
<b>Total long-term loans and other debt instruments</b>		<b>64 952</b>	<b>64 096</b>

Details, regarding loans received from related parties are presented in Note 12.2.

## 7. Payroll liabilities

	<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
		<i>(unaudited)</i>	
Special funds		157	157
Cash settled share based payment		2 048	2 048
		<b>2 205</b>	<b>2 205</b>

## 8. Trade and other liabilities

	<i>as at</i>	<b>31 March 2017</b>	<b>31 December 2016</b>
		<i>(unaudited)</i>	
Trade liabilities to related parties		52	41
Trade liabilities to other entities		454	540
Tax and social security liabilities		237	156
Accrued expenses		123	329
Investment liabilities, guarantees and others		107	114
Other liabilities		10	-
<b>Trade and other liabilities</b>		<b>983</b>	<b>1 180</b>
<b>Short-term liabilities</b>		<b>983</b>	<b>1 180</b>

## 9. Revenues

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Property management	772	832
Project management	134	134
Advisory services	911	953
Reinvoiced services	294	147
<b>Total revenues</b>	<b>2 111</b>	<b>2 066</b>
<i>Including revenues from related entities</i>	<i>1 898</i>	<i>1 932</i>

## 10. Selling and administrative expenses

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Depreciation and amortization	(24)	(4)
Materials and energy	(45)	(26)
External services	(1 029)	(846)
Taxes and charges	(21)	(7)
Payroll	(431)	(436)
Social security and other employee benefits	(102)	(64)
Other costs by kind	(63)	(40)
<b>Total selling and administrative expenses</b>	<b>(1 715)</b>	<b>(1 423)</b>

Total selling and administrative expenses for the period of 3 months ended 31 March 2017 amounted to PLN 1,715 thousand. The above mentioned costs incurred by the Company relate to expenses connected with service and maintenance of revenue-generating investment property, owned by the subsidiaries of the Company as well as advisory costs. The Company recovers the specified amounts by charging these companies for property management.

## 11. Financial income and costs

<i>for the period of 3 months ended 31 March</i>	<b>2017</b> <i>(unaudited)</i>	<b>2016</b> <i>(unaudited)</i>
Interest on loans granted to the related parties	456	661
Interest income on bank deposits	2	74
Foreign exchange differences net	590	134
<b>Total financial income</b>	<b>1 048</b>	<b>869</b>
Interest expenses on loans from related parties	(254)	(260)
Other interest	-	(1)
<b>Total financial costs</b>	<b>(254)</b>	<b>(261)</b>

Exchange differences are mainly a result of the balance sheet date valuation of loan liabilities and receivables, which are denominated in EUR.

Details of financial income and costs from related parties are disclosed in note 12.3. to the quarterly financial information of MLP Group S.A.

## 12. Related party transactions

### 12. 1 Trade and other receivables and liabilities

Related party transactions related to the trade and other receivables and liabilities as at 31 March 2017\* are as follows:

*\*unaudited data*

	Trade and other receivables	Trade and other liabilities <sup>1)</sup>
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	1 092	10
MLP Pruszków II Sp. z o.o.	145	-
MLP Pruszków III Sp. z o.o.	71	-
MLP Pruszków IV Sp. zo.o.	88	-
MLP Energy Sp. z o.o.	33	-
MLP Poznań Sp. z o.o.	13	-
MLP Lublin Sp. z o.o.	91	-
MLP Poznań II Sp. z o.o.	54	-
MLP Bieruń Sp. z o.o.	1	-
MLP Bieruń I Sp. z o.o.	8	-
MLP Poznań West Sp. z o.o.	38	-
MLP Teresin Sp. z o.o.	108	1
MLP Wrocław Sp. z o.o.	174	-
MLP Gliwice Sp. z o.o.	73	1
MLP Łódź Sp. z o.o.	18	-
MLP Czeladź Sp. z o.o.	64	1
	<b>2 071</b>	<b>13</b>
<b>Key management personnel</b>		
ROMI CONSULTING, Michael Shapiro	-	39
Other key management personnel	-	42
	-	<b>81</b>
<b>Total</b>	<b>2 071</b>	<b>94</b>

<sup>1)</sup> Trade and other liabilities do not include payroll liabilities of key management personnel and share based payments that are disclosed in note 13.

## 12. 2 Loans granted and received

Loans received from and granted to related parties as at 31 March 2017\* were as follows:

*\*unaudited data*

	Loans granted	Loans received
<b>Other related parties</b>		
Fenix Polska Sp. z o.o.	43 181	-
MLP Pruszków I Sp. z o.o.	2 254	41 484
MLP Pruszków III Sp. z o.o.	1 446	-
MLP Poznań Sp. z o.o.	1 036	-
MLP Lublin Sp. z o.o.	8 696	-
MLP Poznań II Sp. z o.o.	158	-
MLP Property Sp. z o.o.	293	-
MLP Bieruń I Sp. z o.o.	1 155	-
MLP Teresin Sp. z o.o.	7 452	-
MLP Poznań West Sp. z o.o.	697	-
MLP FIN Sp. z o.o.	53	-
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	32	-
Lokafop 201 Spółka z ograniczoną odpowiedzialnością SKA	-	10 403
MLP Gliwice Sp. z o.o.	13 551	-
MLP Temp Sp. z o.o.	-	13 065
	<b>80 004</b>	<b>64 952</b>

### 12. 3 Revenues and expenses

Related party transactions related to revenues and expenses for the three months period ended 31 March 2017\* were as follows:

\*unaudited data

	Sales of services	Interest income
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	1 328	14
MLP Pruszków II Sp. z o.o.	66	-
MLP Pruszków III Sp. z o.o.	89	10
MLP Pruszków IV Sp. zo.o.	98	-
MLP Energy Sp. z o.o.	27	-
MLP Poznań Sp. z o.o.	24	3
MLP Lublin Sp. z o.o.	67	27
MLP Poznań II Sp. z o.o.	64	1
MLP Property Sp. z.o.o.	-	2
MLP Bieruń Sp. z o.o.	1	-
MLP Bieruń I Sp. z o.o.	3	9
MLP Poznań West Sp. z o.o.	1	5
MLP Teresin Sp. z o.o.	36	57
MLP FIN Sp. z o.o.	-	1
MLP Wrocław Sp. z o.o.	28	-
MLP Gliwice Sp. z o.o.	33	107
MLP Łódź Sp z o.o.	4	-
MLP Czeladź Sp z o.o.	29	-
Fenix Polska Sp. z o.o.	-	220
	<b>1 898</b>	<b>456</b>
<b>Total revenues</b>	<b>1 898</b>	<b>456</b>
	Purchase of services and remuneration costs	Interest expenses
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	(14)	(140)
MLP Czeladź Sp. z o.o.	(1)	-
Lokafox 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(82)
MLP Teresin Sp. z o.o.	(1)	-
MLP Gliwice Sp. z o.o.	(1)	-
MLP Temp Sp. z o.o.	-	(32)
	<b>(17)</b>	<b>(254)</b>
<b>Key management personnel</b>		
ROMI CONSULTING, Michael Shapiro	(96)	-
RTK CONSULTING, Radosław T. Krochta	(218)	-
PROFART, Tomasz Zabost	(261)	-
Other key management personnel	(184)	-
	<b>(759)</b>	<b>-</b>
<b>Total costs</b>	<b>(776)</b>	<b>(254)</b>

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

<i>for the period of 3 months ended 31 March</i>	<b>2017</b>	<b>2016</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Remuneration of the Management Board</b>		
• <b>Remuneration and other benefits</b>		
Michael Shapiro	96	280
Radosław T. Krochta	218	136
Tomasz Zabost	261	17
	<b>575</b>	<b>433</b>
• <b>Cash settled share based payment</b>		
	<b>630</b>	<b>431</b>
<b>Remuneration of the Supervisory Board</b>		
• <b>Remuneration and other benefits</b>		
Maciej Matusiak	8	23
Jacek Tucharz	8	23
Eytan Levy	8	23
Shimshon Marfogel	8	23
Yosef Zvi Meir	8	23
Baruch Yehezkelov	-	5
Guy Shapira	8	18
	<b>48</b>	<b>138</b>
<b>Total remuneration (paid or due) to the Management Board and Supervisory Board of the Company</b>	<b>1 253</b>	<b>1 002</b>
<b>Other Key Management Personnel</b>		
• Remuneration and other benefits		
	184	403
• Cash settled share based payment		
	438	195
	<b>622</b>	<b>598</b>
<b>Total remuneration (paid or due) to the Management Board, Supervisory Board and Key Management Personnel of the Company</b>	<b>1 875</b>	<b>1 600</b>

Except for the transactions presented in the note above of the quarterly financial information of MLP Group SA, the Members of the Management Board and the Supervisory Board did not receive any other benefits from the Company.

## 14. Employment structure

	<i>as at</i>	<b>31 March 2017</b> <i>(unaudited)</i>	<b>31 December 2016</b>
Average employment in the period		14	16

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**Radosław T. Krochta**  
*President of the Management Board*

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**Michael Shapiro**  
*Vice-President of the  
Management Board*

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**Tomasz Zabost**  
*Member of the Management Board*

*Pruszków, 19 May 2017*