



**MLP**  
GROUP



**MLP Group S.A. Group**

CONSOLIDATED  
**Quarterly Report**

FOR THE THREE MONTHS ENDED MARCH 31ST 2019

[www.mlpgroup.com](http://www.mlpgroup.com)

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

Average exchange rates of the Polish zloty against the euro during the period covered by these interim condensed consolidated financial statements:

	31 March 2019	31 December 2018	31 March 2018
Average exchange rate during the period*	4,2978	4,2669	4,1784
Exchange rate at the last day of the period	4,3013	4,3000	4,2085

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

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

	as at 31 March 2019		31 December 2018*	
	thousand PLN (unaudited)	thousand EUR (unaudited)	thousand PLN	thousand EUR
Non-current assets	1 581 626	367 709	1 526 027	354 890
Current assets	122 926	28 579	137 362	31 945
<b>Total assets</b>	<b>1 704 552</b>	<b>396 288</b>	<b>1 663 389</b>	<b>386 835</b>
Non-current liabilities	749 120	174 161	762 389	177 300
Current liabilities	127 981	29 754	85 648	19 918
Equity, including:	827 451	192 373	815 352	189 617
Share capital	4 529	1 053	4 529	1 053
<b>Total equity and liabilities</b>	<b>1 704 552</b>	<b>396 288</b>	<b>1 663 389</b>	<b>386 835</b>
Number of shares	18 113 255	18 113 255	18 113 255	18 113 255
Book value per share and diluted book value per share attributable to the owners of the Parent (PLN)	45,68	10,62	45,01	10,47

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

\*restated data

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

	for the three months ended 31 March 2019		2018	
	thousand PLN (unaudited)	thousand EUR (unaudited)	thousand PLN (unaudited)	thousand EUR (unaudited)
Revenue	34 802	8 098	27 723	6 635
Other income	363	84	223	53
Gain on revaluation of investment property	8 820	2 052	1 769	423
Distribution costs and administrative expenses	(19 939)	(4 639)	(13 714)	(3 282)
Operating profit	23 005	5 353	13 901	3 327
Profit before tax	16 941	3 942	7 076	1 693
<b>Net profit</b>	<b>12 928</b>	<b>3 008</b>	<b>4 265</b>	<b>1 021</b>
Total comprehensive income	12 099	2 815	4 387	1 050
Net profit attributable to the owners of the Parent	12 928	3 008	4 265	1 021
Earnings per share and diluted earnings per share attributable to owners of the Parent (PLN)	0,71	0,17	0,24	0,06

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

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

<i>for the three months ended 31 March</i>	2019		2018	
	thousand PLN <i>(unaudited)</i>	thousand EUR <i>(unaudited)</i>	thousand PLN <i>(unaudited)</i>	thousand EUR <i>(unaudited)</i>
Net cash from operating activities	40 374	9 394	11 197	2 680
Cash from investing activities	(31 370)	(7 299)	(19 818)	(4 743)
Cash from financing activities	5 657	1 316	35 770	8 561
<b>Total cash flows</b>	<b>14 661</b>	<b>3 411</b>	<b>27 149</b>	<b>6 498</b>

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

<i>as at</i>	31 March 2019		31 December 2018*	
	thousand PLN <i>(unaudited)</i>	thousand EUR <i>(unaudited)</i>	thousand PLN	thousand EUR
Cash at beginning of period	46 106	10 722	64 827	15 543
Cash at end of period	60 784	14 132	46 106	10 722

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

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

The EUR/PLN exchange rate on the last day of the reporting period ended 31 December 2017 was 4.1709.



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

**Interim condensed consolidated  
financial statements**

**for the three months ended 31 March 2019**  
*prepared in accordance with IFRS EU*

## II. Consolidated financial statements

### Authorisation of the interim condensed consolidated financial statements

On 22 May 2019, the Management Board of the Parent, i.e. MLP Group S.A., authorised for issue the condensed consolidated financial statements (the "Consolidated Financial Statements", "Condensed Consolidated Financial Statements") of the MLP Group S.A. Group (the "Group") for the period from 1 January 2019 to 31 March 2019.

The interim consolidated financial statements for the period from 1 January 2019 to 31 March 2019 have been prepared in accordance with International Financial Reporting Standards as approved by the European Union ("IFRS EU"), as applicable to interim reporting (IAS 34). In this report, information is presented in the following sequence:

1. Condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January to 31 March 2019, showing net profit of PLN 12,928 thousand.
2. Condensed consolidated statement of financial position as at 31 March 2019, showing total assets and total equity and liabilities of PLN 1,704,552 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January to 31 March 2019, showing a net increase in cash of PLN 14,678 thousand.
4. Condensed statement of changes in consolidated equity the period from 1 January to 31 March 2019, showing an increase in consolidated equity of PLN 12,099 thousand.
5. Notes to the interim consolidated financial statements

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

*Signed with qualified electronic signature.*

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**Radosław T. Krochta**

*President of the Management Board*

-----  
**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 three months ended 31 March</i>	<b>Note</b>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Revenue	4	34 802	27 723
Other income	5	363	223
Gain on revaluation of investment property	10	8 820	1 769
Distribution costs and administrative expenses	7	(19 939)	(13 714)
Other expenses	6	(1 041)	(2 100)
<b>Operating profit</b>		<b>23 005</b>	<b>13 901</b>
Finance income	8	277	315
Finance costs	8	(6 341)	(7 140)
<b>Net finance (costs)</b>		<b>(6 064)</b>	<b>(6 825)</b>
<b>Profit before tax</b>		<b>16 941</b>	<b>7 076</b>
Income tax	9	(4 013)	(2 811)
<b>Net profit</b>		<b>12 928</b>	<b>4 265</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		(251)	133
Effective portion of changes in fair value of cash flow hedges		(713)	(13)
Income tax on other comprehensive income		135	2
<b>Other comprehensive income, net</b>		<b>(829)</b>	<b>122</b>
<b>Total comprehensive income</b>		<b>12 099</b>	<b>4 387</b>
<b>Net profit attributable to:</b>			
Owners of the Parent		12 928	4 265
<b>Net profit</b>		<b>12 928</b>	<b>4 265</b>
<b>Comprehensive income attributable to:</b>			
Owners of the Parent		12 099	4 387
<b>Total comprehensive income</b>		<b>12 099</b>	<b>4 387</b>
<b>Earnings per share</b>	17		
- Basic and diluted earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent		0,71	0,24

## Condensed consolidated statement of financial position

	<i>as at Note</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018 *</b>
<b>Non-current assets</b>			
Property, plant and equipment		479	529
Intangible assets		508	678
Investment property	10	1 505 670	1 448 594
Other long-term investments	12	71 336	72 088
Other non-current assets		585	653
Deferred tax assets	11	3 048	3 485
<b>Total non-current assets</b>		<b>1 581 626</b>	<b>1 526 027</b>
<b>Current assets</b>			
Inventories		25	144
Short-term investments	12	22 291	22 291
Income tax receivable	13	659	516
Trade and other receivables	13	32 970	57 754
Other short-term investments	12	6 197	10 551
Cash and cash equivalents	14	60 784	46 106
<b>Total current assets</b>		<b>122 926</b>	<b>137 362</b>
<b>TOTAL ASSETS</b>		<b>1 704 552</b>	<b>1 663 389</b>
<b>Equity</b>			
	16		
Share capital		4 529	4 529
Other capital reserve		83 680	83 680
Share premium		71 121	71 121
Statutory reserve funds		153 963	153 963
Cash flow hedge reserve		(1 676)	(1 098)
Exchange differences on translating subsidiaries		(302)	(70)
Retained earnings		516 136	503 227
<b>Total equity</b>		<b>827 451</b>	<b>815 352</b>
<b>Non-current liabilities</b>			
Borrowings and other debt instruments	18.1	597 027	612 667
Deferred tax liability	11	120 012	119 474
Other non-current liabilities	18.1	32 081	30 248
<b>Total non-current liabilities</b>		<b>749 120</b>	<b>762 389</b>
<b>Current liabilities</b>			
Borrowings and other debt instruments	18.2	56 787	30 996
Other current liabilities	18.2	229	-
Employee benefit obligations	19	918	918
Income tax payable	20	1 198	2 959
Trade and other payables	20	68 849	50 775
<b>Total current liabilities</b>		<b>127 981</b>	<b>85 648</b>
<b>Total liabilities</b>		<b>877 101</b>	<b>848 037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 704 552</b>	<b>1 663 389</b>

\*restated data

## Condensed consolidated statement of cash flows

	<i>for the three months ended 31 March</i>	<b>Note</b>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>			<b>16 941</b>	<b>7 076</b>
<i>Total adjustments:</i>				
Depreciation and amortisation			218	51
Change in fair value of investment properties			(8 820)	(1 769)
Net interest			5 021	3 236
Exchange differences			551	3 735
Other			110	28
Change in receivables		15.2	24 903	10
Change in current and other liabilities		15.3	6 257	1 088
<b>Cash from operating activities</b>			<b>45 181</b>	<b>13 455</b>
Income tax paid			(4 807)	(2 258)
<b>Net cash from operating activities</b>			<b>40 374</b>	<b>11 197</b>
<b>Cash flows from investing activities</b>				
Purchase of investment property, property, plant and equipment and intangible assets			(36 737)	(21 488)
Other cash from investing activities			5 367	1 670
<b>Cash from investing activities</b>			<b>(31 370)</b>	<b>(19 818)</b>
<b>Cash flows from financing activities</b>				
Increase in borrowings		15.1	17 523	43 326
Repayment of borrowings		15.1	(8 997)	(5 310)
Interest paid			(2 869)	(2 246)
<b>Cash from financing activities</b>			<b>5 657</b>	<b>35 770</b>
<b>Total cash flows</b>			<b>14 661</b>	<b>27 149</b>
<b>Cash and cash equivalents at beginning of period</b>		14	<b>46 106</b>	<b>64 827</b>
Effect of exchange differences on cash and cash equivalents			17	(415)
<b>Cash and cash equivalents at end of period</b>		14	<b>60 784</b>	<b>91 561</b>

## Condensed statement of changes in consolidated equity

## Equity attributable to the owners of the Parent

	Share capital	Other capital reserve	Share premium	Statutory reserve funds	Cash flow hedge reserve	Exchange differences on translating subsidiaries	Retained earnings	Total equity
<b>Equity as at 1 January 2018</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(208)</b>	<b>(540)</b>	<b>416 402</b>	<b>726 651</b>
<b>Comprehensive income:</b>								
Net profit/(loss)*	-	-	-	-	-	-	4 265	<b>4 265</b>
Total other comprehensive income*	-	-	-	-	(11)	133	-	<b>122</b>
<b>Comprehensive income for the period ended 31 March 2018*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>133</b>	<b>4 265</b>	<b>4 387</b>
<b>Equity as at 31 March 2018*</b>	<b>4 529</b>	<b>81 384</b>	<b>71 121</b>	<b>153 963</b>	<b>(219)</b>	<b>(407)</b>	<b>420 667</b>	<b>731 038</b>
<b>Equity as at 1 January 2019</b>	<b>4 529</b>	<b>83 680</b>	<b>71 121</b>	<b>153 963</b>	<b>(1 098)</b>	<b>(70)</b>	<b>503 227</b>	<b>815 352</b>
<b>Comprehensive income:</b>								
Net profit/(loss)*	-	-	-	-	-	-	12 928	<b>12 928</b>
Total other comprehensive income*	-	-	-	-	(578)	(232)	(19)	<b>(829)</b>
<b>Comprehensive income for the period ended 31 March 2019*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(578)</b>	<b>(232)</b>	<b>12 909</b>	<b>12 099</b>
<b>Equity as at 31 March 2019</b>	<b>4 529</b>	<b>83 680</b>	<b>71 121</b>	<b>153 963</b>	<b>(1 676)</b>	<b>(302)</b>	<b>516 136</b>	<b>827 451</b>

\*unaudited

## Notes to the Interim condensed consolidated financial statements

### 1. General information

#### 1. 1 The Parent

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

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

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

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

#### Management Board:

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

#### Supervisory Board:

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

#### 1. 2 The Group

As at the reporting date, the MLP Group S.A. Group (the "Group") consisted of MLP Group S.A., i.e. the Parent, and 32 subsidiaries.

The higher level parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: 2 Martinus Nijhofflaan, 2624 ES Delft.

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

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

As at 31 March 2019, the Group comprised the following entities:

Entity	Country of registration	Parent's direct and indirect interest in equity		Parent's direct and indirect interest in voting rights	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Energy Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%

### 1. 3 Changes in the Group

In the three months ended 31 March 2019, there were no other changes in the structure of the MLP Group S.A. Group.

These interim condensed consolidated financial statements for the three months ended 31 March 2019 include financial statements of the Parent and of the subsidiaries controlled by the Parent ("the Group").

### 1. 4 Shareholding structure of the Parent

#### 1. 4.1 Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company

From the date of issue of the most recent interim report to the reporting date there were changes in the group of shareholders holding, directly or through subsidiaries, 5% or more of total voting rights in the Company, and as at the end of the reporting period the shareholders were:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV	10 319 842	56,98%
Other shareholders	1 762 580	9,73%
THESINGER LIMITED	1 771 320	9,78%
Aegon Powszechno Towarzystwo Emerytalne S.A. <sup>1)</sup>	1 219 775	6,73%
MetLife OFE <sup>2)</sup>	1 696 900	9,37%
GRACECUP TRADING LIMITED	641 558	3,54%
MIRO B.V.	452 955	2,50%
Shimshon Marfogel	149 155	0,82%
MIRO LTD.	99 170	0,55%
<b>Total</b>	<b>18 113 255</b>	<b>100,00%</b>

<sup>1)</sup>In December 2018, Aegon PTE S.A.'s interest increased from 1,149,775 to 1,219,775 Company shares, and now represents 6.73% of the share capital and carries 1,219,775 voting rights, i.e. 6.73% of the total voting rights in the Company.

<sup>2)</sup>In December 2018, MetLife OFE's interest increased from 948,387 to 1,696,000 Company shares, and now represents 9.37% of the share capital and carries 1,696,000 voting rights, i.e. 9.37% of the total voting rights in the Company.

#### 1. 4.2 Shares and rights to shares of the Parent owned by members of management and supervisory bodies

Michael Shapiro holds indirectly, through MIRO B.V. and MIRO Ltd., companies fully-controlled by him, a 3.05% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO B.V. in Cajamarca Holland B.V., Mr Shapiro is the beneficial owner of 14.24% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro is the beneficial owner of a 17.29% interest in the share capital of MLP Group S.A.

Shimshon Marfogel, Chairman of the Supervisory Board, indirectly through a 7.86% interest held in the share capital of a company (Thesinger Limited) holding the Issuer's shares, is the beneficial owner of 0.77% of the share capital of MLP Group S.A., and directly through the shares acquired in September 2017 holds an 0.82% interest in the share capital of the Company. Therefore, in aggregate, Mr Marfogel is the beneficial owner of a 1.59% interest in the share capital of MLP Group S.A.

The other members of the Supervisory Board do not directly hold shares of the Company.

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

### 2. 1 Statement of compliance

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

### 2. 2 Status of Standards Approval in the European Union

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

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

The impact of these amendments and new standards on the Group's future consolidated financial statements is discussed in Note 2.2 to the 2018 Consolidated Financial Statements.

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

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

These interim consolidated financial statements have been prepared in accordance with the accounting policies described in the Consolidated Financial Statements for 2018.

### 2. 4 Functional currency and presentation currency of the financial statements; rules applied

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

The data contained in these interim consolidated financial statements is presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Parent and the presentation currency of the interim condensed consolidated financial statements.

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

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

**Consolidated statement of financial position:**

	31 March 2019	31 December 2018	31 March 2018
EUR	4,3013	4,3000	4,2085
USD	3,8365	3,7597	3,4139



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

In these interim condensed consolidated financial statements material judgements made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those presented in Note 2 to the separate financial statements for 2018.

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

## **3. Segment reporting**

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

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

As at 31 March 2019 and in the reporting period then ended the Group had three geographical segments - Poland, Germany and Romania.

## Operating segments

<i>for the three months ended 31 March</i>	2019*			Inter-segment eliminations	Total
	Poland	Germany	Romania		
<b>Revenue</b>					
Sales to external customers	34 331	471	-	-	34 802
Gain/(loss) on revaluation of investment property	8 201	(41)	660	-	8 820
<b>Total segment revenue</b>	<b>42 532</b>	<b>430</b>	<b>660</b>	-	<b>43 622</b>
Segment's operating profit/(loss)	23 768	(786)	701	-	23 683
Segment's other income/(expense)	(756)	78	-	-	(678)
<b>Net profit/(loss) before tax and finance costs</b>	<b>23 012</b>	<b>(708)</b>	<b>701</b>	-	<b>23 005</b>
Net finance income/(costs)	(5 660)	(98)	(496)	190	(6 064)
<b>Profit/(loss) before tax</b>	<b>17 352</b>	<b>(806)</b>	<b>205</b>	<b>190</b>	<b>16 941</b>
Income tax	(4 081)	(17)	85	-	(4 013)
<b>Net profit/(loss)</b>	<b>13 271</b>	<b>(823)</b>	<b>290</b>	<b>190</b>	<b>12 928</b>

<i>for the three months ended 31 March</i>	2018*			Inter-segment eliminations	Total
	Poland	Germany	Romania		
<b>Revenue</b>					
Sales to external customers	26 400	1 323	-	-	27 723
Gain/(loss) on revaluation of investment property	3 105	(1 323)	(13)	-	1 769
<b>Total segment revenue</b>	<b>29 505</b>	<b>-</b>	<b>(13)</b>	-	<b>29 492</b>
Segment's operating profit/(loss)	16 239	(373)	(88)	-	15 778
Segment's other income/(expense)	(1 879)	2	-	-	(1 877)
<b>Net profit/(loss) before tax and finance costs</b>	<b>14 360</b>	<b>(371)</b>	<b>(88)</b>	-	<b>13 901</b>
Net finance income/(costs)	(6 742)	(112)	(83)	112	(6 825)
<b>Profit/(loss) before tax</b>	<b>7 618</b>	<b>(483)</b>	<b>(171)</b>	<b>112</b>	<b>7 076</b>
Income tax	(2 562)	(262)	13	-	(2 811)
<b>Net profit/(loss)</b>	<b>5 056</b>	<b>(745)</b>	<b>(158)</b>	<b>112</b>	<b>4 265</b>

\*unaudited

<i>as at</i>	<b>31 March 2019*</b>				
	<b>Poland</b>	<b>Germany</b>	<b>Romania</b>	<b>Inter-segment eliminations</b>	<b>Total</b>
<b>Assets and liabilities</b>					
Segment's assets	1 684 745	27 136	42 045	(49 374)	1 704 552
<b>Total assets</b>	<b>1 684 745</b>	<b>27 136</b>	<b>42 045</b>	<b>(49 374)</b>	<b>1 704 552</b>
Segment's liabilities	868 639	26 401	31 435	(49 374)	877 101
Equity	816 106	735	10 610	-	827 451
<b>Total equity and liabilities</b>	<b>1 684 745</b>	<b>27 136</b>	<b>42 045</b>	<b>(49 374)</b>	<b>1 704 552</b>
<b>Expenditure on properties</b>	<b>44 543</b>	<b>133</b>	<b>4 262</b>	<b>-</b>	<b>48 938</b>

<i>as at</i>	<b>31 December 2018</b>				
	<b>Poland **</b>	<b>Germany</b>	<b>Romania</b>	<b>Inter-segment eliminations</b>	<b>Total **</b>
<b>Assets and liabilities</b>					
Segment's assets	1 645 689	26 412	32 452	(41 164)	1 663 389
<b>Total assets</b>	<b>1 645 689</b>	<b>26 412</b>	<b>32 452</b>	<b>(41 164)</b>	<b>1 663 389</b>
Segment's liabilities	842 470	24 853	21 878	(41 164)	848 037
Equity	803 219	1 559	10 574	-	815 352
<b>Total equity and liabilities</b>	<b>1 645 689</b>	<b>26 412</b>	<b>32 452</b>	<b>(41 164)</b>	<b>1 663 389</b>
<b>Expenditure on properties</b>	<b>184 559</b>	<b>3 300</b>	<b>2 047</b>	<b>-</b>	<b>189 906</b>

*\*unaudited*

*\*\*restated data*

Inter-segment eliminations concern intercompany loans advanced by the Group's Polish companies to the companies in Germany and Romania.

**4. Revenue**

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Rental income		24 903	22 091
Other revenue		8 540	5 632
Revenue from development contract concluded by MLP Bieruń Sp. z o.o. <sup>1)</sup>		1 359	-
<b>Total revenue</b>		<b>34 802</b>	<b>27 723</b>

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Re-charge of utility bills		8 178	5 367
Rental income from apartments		8	8
Services provided to tenants		151	132
Other revenue		203	125
<b>Other revenue</b>		<b>8 540</b>	<b>5 632</b>

<sup>1)</sup> Together with the agreement to sell property forming part of the MLP Bieruń logistics park, MLP Bieruń Sp. z o.o. signed a developer contract whereby it undertook to complete the construction and to commercialise the park. In performance of the agreement, MLP Bieruń Sp. z o.o. leased 11,340 m<sup>2</sup> of the space to Auto Partner and finished the project, with Stage 1 completed in 2017. On this account, in 2017 the Group recognised revenue of PLN 3,789 thousand (PLN 0 in the first quarter 2018), calculated based on the percentage of completion of the work.

In 2018, MLP Bieruń Sp. z o.o. leased the remaining area of 11,560 m<sup>2</sup> to the same tenant and worked on Stage 2 of the project (construction of the warehouse). On this account, in 2018 the Group recognised revenue of PLN 22,117 thousand, calculated based on the percentage of completion of the work. The construction was completed and accounted for in February 2019. As a result, the Group recognised revenue of PLN 1,359 thousand in 2019.

**5. Other income**

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Reversal of impairment losses on receivables		3	-
Contractual penalties received		165	20
Other		118	2
Gain on disposal of non-financial non-current assets		75	187
Reversal of provision for future costs		2	14
<b>Other income</b>		<b>363</b>	<b>223</b>

**6. Other expenses**

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Impairment losses on receivables		-	(941)
Court fees		(26)	(12)
Costs of donations made		(11)	-
Costs of insurance policies		(998)	(24)
Other		(6)	(83)
Cost of capital expenditure		-	(1 040)
<b>Other expenses</b>		<b>(1 041)</b>	<b>(2 100)</b>

## 7. Distribution costs and administrative expenses

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Depreciation and amortisation	(218)	(51)
Raw materials and consumables used	(8 321)	(4 516)
Services	(5 891)	(4 757)
Taxes and charges	(4 247)	(3 522)
Wages and salaries	(778)	(492)
Social security and other employee benefits	(181)	(119)
Other expenses by nature	(303)	(257)
<b>Distribution costs and administrative expenses</b>	<b>(19 939)</b>	<b>(13 714)</b>

Distribution costs and administrative expenses for the period ended 31 March 2019 were PLN 19,939 thousand and largely included maintenance expenses on income-generating investment property. Costs that are not directly related to these properties are depreciation of property, plant and equipment used for operating activities and not generating rental income, and property tax on the undeveloped area.

Cost of services also includes PLN 649 thousand (the first quarter 2017: PLN 907 thousand) incurred in connection with the execution of Stage 2 of the project under the development contract executed in September 2015 between MLP Bieruń Sp. z o.o. and WestInvest Gesellschaft für InvestmentfondmbH. The project was completed and accounted for in February 2019.

## 8. Finance income and costs

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Interest income on loans	257	278
Interest income on bank deposits	12	18
Interest on receivables	8	19
<b>Total finance income</b>	<b>277</b>	<b>315</b>

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Interest expense on borrowings	(2 612)	(2 052)
Other interest expense	(6)	(1)
Interest paid on SWAP	(657)	(454)
Net interest income on cash flow hedge	(14)	(10)
Ineffective portion of remeasurement of cash flow hedging instruments	(1 065)	(359)
Net exchange differences	(762)	(3 474)
Interest expense on bonds	(930)	(639)
Other finance costs	(76)	(40)
Debt management costs	(219)	(111)
<b>Total finance costs</b>	<b>(6 341)</b>	<b>(7 140)</b>

On 25 January 2019, MLP Gliwice Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Bank Polska Kasa Opieki S.A.

On 29 March 2019, MLP Czeladź Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Powszechna Kasa Oszczędności Bank Polski S.A.

With these contractual arrangements in place, future interest payments on variable-rate facilities will be effectively converted into interest payments calculated according to schedules defined in the swap contracts. Exchange differences are mainly attributable to the effect of measurement of liabilities under EUR-denominated and USD-denominated borrowings at the end of the reporting period. Between 31 December 2018 and 31 March 2019, the Polish currency depreciated by PLN 0.13, or 0.03%. The depreciation of the złoty against the euro resulted in foreign exchange losses of PLN 762 thousand, which contributed to the Group's net finance income/(costs).

## 9. Income tax

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax		2 852	1 120
Origination/ reversal of temporary differences		1 161	1 691
<b>Income tax</b>		<b>4 013</b>	<b>2 811</b>

### Effective tax rate

	<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Profit before tax</b>		<b>16 941</b>	<b>7 076</b>
<i>Tax at the applicable tax rate (19%)</i>		<i>(3 219)</i>	<i>(1 344)</i>
Excess of commercial property tax over income tax		(276)	-
Difference resulting from different tax rates at MLP Logistic Park Germany I Sp. z o.o. Co.&KG and at MLP Bucharest West SRL		-	(365)
Unrecognised asset for tax loss		(285)	(1 309)
Written off, unrecognised deferred tax asset for tax loss		(2)	-
Use of previously written off assets		-	207
Non-tax-deductible costs		(231)	-
<b>Income tax</b>		<b>(4 013)</b>	<b>(2 811)</b>

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

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

**10. Investment property**

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018 *</b>
<b>Gross amount at beginning of period</b>	<b>1 448 594</b>	<b>1 168 303</b>
Expenditure on properties	48 938	189 906
Currency translation differences	(682)	1 672
Change in fair value	8 820	88 713
<b>Gross amount at end of period</b>	<b>1 505 670</b>	<b>1 448 594</b>

*\*restated data*

Investment property includes warehouses and undeveloped land. Rental income from lease of warehouse facilities is the key source of the Group's revenue.

Between 31 December 2018 and 31 March 2019, the value of the investment properties increased by EUR 2,019 thousand, to EUR 336,274 thousand. The change was mainly attributable to the expenditure on the construction work at new parks, execution of new contracts for lease of space in the new facilities, and obtaining a building permit for new facilities. Another contributing factor was the depreciation of the Polish currency against the euro by PLN 0.13 (3.10%), which affected the value of the investment properties in euro terms. The depreciation of the Polish currency against the euro contributed to a positive change in fair value, of PLN 35,803 thousand, which in turn had an effect on the value of the properties as at 31 March 2019.

**Investment property, by Parks:**

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018 *</b>
<b>Park MLP Pruszków I</b>		
Fair value of property - MLP Pruszków I	352 104	351 997
Expenditure on properties	792	-
Perpetual usufruct - MLP Pruszków I	8 976	8 977
	<b>361 872</b>	<b>360 974</b>
<b>Park MLP Pruszków II</b>		
Fair value of property - MLP Pruszków II	461 922	461 790
Expenditure on properties	17 131	-
Perpetual usufruct - MLP Pruszków II	1 701	1 701
	<b>480 754</b>	<b>463 491</b>
<b>Park MLP Poznań</b>		
Fair value of property - MLP Poznań	133 228	133 188
Expenditure on properties	4	-
	<b>133 232</b>	<b>133 188</b>
<b>Park MLP Lublin</b>		
Fair value of property - MLP Lublin	88 525	88 498
Expenditure on properties	16 339	-
	<b>104 864</b>	<b>88 498</b>
<b>Park MLP Teresin</b>		
Fair value of property - MLP Teresin	70 025	70 004
	<b>70 025</b>	<b>70 004</b>
<b>Park MLP Gliwice</b>		
Fair value of property - MLP Gliwice	99 489	99 459
Expenditure on properties	4	-

	<b>99 493</b>	<b>99 459</b>
<b>Park MLP Wrocław</b>		
Fair value of property - MLP Wrocław	85 019	84 994
Expenditure on properties	1 018	-
	<b>86 037</b>	<b>84 994</b>
<b>Park MLP Czeladź</b>		
Fair value of property - MLP Czeladź	59 018	59 000
Expenditure on properties	7 634	-
	<b>66 652</b>	<b>59 000</b>
<b>Park MLP Poznań West<sup>1)</sup></b>		
Fair value of property - MLP Poznań West	40 738	32 035
Expenditure on properties	6	-
	<b>40 744</b>	<b>32 035</b>
<b>Park MLP Unna</b>		
Fair value of property - MLP Unna	24 647	24 639
Expenditure on properties	85	-
	<b>24 732</b>	<b>24 639</b>
<b>Park MLP Bucharest West</b>		
Fair value of property - MLP Bucharest West	31 693	31 723
Expenditure on properties	4 952	-
	<b>36 645</b>	<b>31 723</b>
Expenditure on new projects	<b>485</b>	<b>454</b>
<b>MLP Energy - apartments</b>	<b>135</b>	<b>135</b>
<b>Gross amount at end of period</b>	<b>1 505 670</b>	<b>1 448 594</b>

*\*restated data*

<sup>1)</sup> On March 4th 2019, the Group signed a significant lease contract and obtained a building permit for a facility in the logistics park of MLP Poznań West, which contributed to the higher property valuation.

For information on the security interests in investment property, see Note 22.

In line with the applied accounting policy, interest expense on borrowings in the part attributable to unsettled investment expenditure is capitalised and increase the value of the property.

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

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

The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) standards and conform with the International Valuation Standards (IVS) as published by the International Valuation Standards Committee (IVSC).

The valuation methods applied were the income approach with respect to the existing buildings and land with building permits, and the market approach with respect to undeveloped land.

Due to the different locations and characteristics of the Group's investment properties, the yield rates assumed by the appraisers for the individual logistics parks vary from 6.25% to 8.25%.



The Group measures the fair value of its property portfolio twice a year, i.e. as at 30 June and 31 December, unless there changes occur which require remeasurement. As at 31 March 2019, the valuation of the properties prepared on the basis of valuation reports of independent experts as at 31 December 2018 was maintained, except for the valuation in MLP Poznań West, which was adjusted due to the execution of a material lease contract and obtaining of a building permit. As at the end of the current reporting period, the carrying amount of the land bank expressed in the Polish złoty was maintained (the same amount as at 31 December 2018), while the other valuations of the properties denominated in the euro were translated at the mid rate quoted by the National Bank of Poland for 31 March 2018, and then remeasured to reflect the capital expenditure incurred in the period from 1 January 2019 to 31 March 2019.

The valuation method did not change relative to previous periods.

In the period ended 31 March 2019, there were no reclassifications between levels.

## 11. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	31 March	31 December	31 March	31 December	31 March	31 December
	<i>as at</i> 2019 <i>(unaudited)</i>	2018	2019 <i>(unaudited)</i>	2018	2019 <i>(unaudited)</i>	2018
Investment property	-	-	123 944	121 282	123 944	121 282
Borrowings and loans	895	861	-	-	(895)	(861)
Derivatives	1 334	995	-	-	(1 334)	(995)
Other	896	-	-	522	(896)	522
Tax losses deductible in future periods	3 679	3 862	-	-	(3 679)	(3 862)
Interest on bonds	176	97	-	-	(176)	(97)
<b>Deferred tax assets / liabilities</b>	<b>6 980</b>	<b>5 815</b>	<b>123 944</b>	<b>121 804</b>	<b>116 964</b>	<b>115 989</b>

	<i>as at</i>	31 March 2019 <i>(unaudited)</i>	31 December 2018
<b>Including:</b>			
Deferred tax asset		(3 048)	(3 485)
Deferred tax liability		120 012	119 474
		<b>116 964</b>	<b>115 989</b>

As at 31 March 2019, the unrecognised deferred tax asset was PLN 8,392 thousand.

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

	1 January 2018	changes recognised in profit or loss	changes recognised in other comprehensiv e income	currency translation differences	31 December 2018
Investment property	99 307	21 930	-	45	<b>121 282</b>
Borrowings and loans	1 748	(2 609)	-	-	<b>(861)</b>
Derivatives	(433)	(353)	(209)	-	<b>(995)</b>
Other	99	404	-	19	<b>522</b>
Tax losses deductible in future periods	(7 846)	3 984	-	-	<b>(3 862)</b>
Interest on bonds	(67)	(30)	-	-	<b>(97)</b>
	<b>92 808</b>	<b>23 326</b>	<b>(209)</b>	<b>64</b>	<b>115 989</b>

	1 January 2019	changes recognised in profit or loss	changes recognised in other comprehensiv e income	currency translation differences	31 March 2019
Investment property	121 282	2 713	-	(51)	123 944
Borrowings and loans	(861)	(34)	-	-	(895)
Derivatives	(995)	(204)	(135)	-	(1 334)
Other	522	(1 418)	-	-	(896)
Tax losses deductible in future periods	(3 862)	183	-	-	(3 679)
Interest on bonds	(97)	(79)	-	-	(176)
	<b>115 989</b>	<b>1 161</b>	<b>(135)</b>	<b>(51)</b>	<b>116 964</b>

**12. Investments and other investments**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Other long-term investments	21 282	22 295
Long-term loans to related parties	50 054	49 793
<b>Other long-term investments</b>	<b>71 336</b>	<b>72 088</b>
Short-term loans to related parties	152	152
Short-term loans to third parties	22 139	22 139
<b>Short-term investments</b>	<b>22 291</b>	<b>22 291</b>
Restricted cash	6 197	10 551
<b>Other short-term investments</b>	<b>6 197</b>	<b>10 551</b>

Other long-term investments are long-term restricted cash of PLN 21,282 thousand. The amount comprises: (i) cash of PLN 10,941 thousand restricted in accordance with the credit facility agreements to secure payment of principal and interest, (ii) PLN 3,329 thousand from security deposit retained from the tenant, (iii) as well as other security deposits retained of PLN 6,998 thousand, and CAP valuation of PLN 14 thousand.

Other short-term investments include restricted cash of PLN 6,197 thousand. The amount comprises: (i) a short-term portion of security deposits retained in the amount of PLN 2,024 thousand, and (ii) a short-term portion of funds restricted in accordance with the credit facility agreements of PLN 4,173 thousand.

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

	<i>Loan assets</i>
<b>Amount as at 31 December 2018</b>	<b>72 084</b>
Interest accrued	257
Change in carrying amount	4
<b>Amount as at 31 March 2019</b>	<b>72 345</b>

**13. Trade and other receivables**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Trade payables	14 868	14 503
Investment settlements	1 631	1 579
Prepayments and accrued income	3 197	2 376
Accrued income from the development contract concluded by MLP Bieruń Sp. z o.o.	6	22 304
Advance payment for purchase of land	-	2 040
Taxes and social security receivable	13 268	14 952
<b>Trade and other receivables</b>	<b>32 970</b>	<b>57 754</b>
Income tax receivable	659	516
<b>Short-term receivables</b>	<b>33 629</b>	<b>58 270</b>

For details on receivables from related entities, see Note 23.

Aging of trade and other receivables, as well as impairment losses are presented in the table below.

	<i>as at</i>	<b>31 March 2019*</b>		<b>31 December 2018</b>	
		<b>Gross receivables</b>	<b>Impairment loss</b>	<b>Gross receivables</b>	<b>Impairment loss</b>
Not past due		5 281	-	4 936	-
Past due:					
1 to 90 days		5 077	(1)	6 776	(1)
91 to 180 days		3 908	-	2 589	-
over 180 days		6 123	(5 520)	5 728	(5 525)
<b>Total receivables</b>		<b>20 389</b>	<b>(5 521)</b>	<b>20 029</b>	<b>(5 526)</b>

#### 14. Cash and cash equivalents

	<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
		<i>(unaudited)</i>	
Cash in hand		59	61
Cash at bank		52 315	41 654
Short-term deposits		8 410	4 391
<b>Cash and cash equivalents in the Consolidated statement of financial position</b>		<b>60 784</b>	<b>46 106</b>
<b>Cash and cash equivalents in the Consolidated statement of cash flows</b>		<b>60 784</b>	<b>46 106</b>

Cash at bank bears interest at variable rates linked to the overnight interest rate. Short-term deposits are placed for various maturities, depending on the Group's current cash requirements, and bear interest at individually agreed interest rates.

Cash and cash equivalents in the Consolidated Statement of Financial Position include cash in hand and bank deposits with initial maturity of up to 3 months.

## 15. Notes to the consolidated statement of cash flows

### 15. 1 Cash flows from borrowings

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Proceeds from bank borrowings	17 523	43 326
<b>Cash flows from borrowings</b>	<b>17 523</b>	<b>43 326</b>
<b>Cash flows from borrowings - amount disclosed in the consolidated statement of cash flows</b>	<b>17 523</b>	<b>43 326</b>

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Repayment of principal instalments on bank borrowings	(8 997)	(4 922)
Repayment of non-bank borrowings	-	(388)
<b>Cash flows from repayment of borrowings</b>	<b>(8 997)</b>	<b>(5 310)</b>
<b>Cash flows from repayment of borrowings - amount disclosed in the consolidated statement of cash flows</b>	<b>(8 997)</b>	<b>(5 310)</b>

### 15. 2 Change in receivables

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Change in inventories	119	(28)
Change in trade and other receivables	24 784	(9)
Other adjustments	-	47
<b>Change in receivables</b>	<b>24 903</b>	<b>10</b>
<b>Change in trade and other receivables disclosed in the consolidated statement of cash flows</b>	<b>24 903</b>	<b>10</b>

### 15. 3 Change in current and other liabilities

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Change in trade and other payables	18 074	2 562
Change in current liabilities under performance bonds and guarantee deposits	273	1 711
Change in finance lease liabilities	(2)	-
Elimination of changes in investment commitments	(12 088)	(3 185)
<b>Change in current and other liabilities</b>	<b>6 257</b>	<b>1 088</b>
<b>Change in current Change in current liabilities and other obligations disclosed in the consolidated statement of cash flows</b>	<b>6 257</b>	<b>1 088</b>

**16. Equity****16. 1 Share capital**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
<b>Share capital</b>		
Series A ordinary shares	11 440 000	11 440 000
Series B ordinary shares	3 654 379	3 654 379
Series C ordinary shares	3 018 876	3 018 876
	<b>18 113 255</b>	<b>18 113 255</b>
Par value per share	0,25	0,25

As at 31 March 2019, the Parent's share capital amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares conferring 18,113,225 voting rights in the Company. All shares have the par value of PLN 0.25 and have been fully paid up.

**17. Earnings and dividend per share**

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

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Net profit/(loss) for the period</b>	<b>12 928</b>	<b>4 265</b>
Number of shares in issue (units)	18 113 255	18 113 255
Weighted average number of shares in issue (units)	18 113 255	18 113 255
Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):		
- basic	0,71	0,24
- diluted	0,71	0,24

There were no dilutive factors in the presented periods.

**18. Liabilities under borrowings and other debt instruments, and other liabilities****18. 1 Non-current liabilities**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Borrowings secured on the Group's assets	417 647	433 592
Bonds	129 039	129 000
Non-bank borrowings	50 341	50 075
<b>Non-current liabilities under borrowings and other debt instruments</b>	<b>597 027</b>	<b>612 667</b>

	<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018 *</b>
Finance lease liabilities		10 677	10 679
Liabilities from measurement of SWAP transactions		6 777	5 215
Performance bonds		10 223	10 379
Security deposits from tenants and other deposits		4 404	3 975
<b>Other non-current liabilities</b>		<b>32 081</b>	<b>30 248</b>

*\*restated data*

## **18. 2 Current liabilities**

	<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Short-term bank borrowings and short-term portion of bank borrowings secured on the Group's assets		55 343	30 482
Bonds		1 444	514
<b>Current liabilities under borrowings and other debt instruments</b>		<b>56 787</b>	<b>30 996</b>

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

	<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Liabilities from measurement of SWAP transactions		229	-
<b>Other current liabilities</b>		<b>229</b>	<b>-</b>



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

	<b>Bonds</b>
<b>Amount as at 31 December 2018</b>	<b>129 514</b>
Interest accrued on bonds	930
Change in carrying amount	39
<b>Amount as at 31 March 2019</b>	<b>130 483</b>

	<b>Liabilities under non-bank borrowings</b>
<b>Amount as at 31 December 2018</b>	<b>50 075</b>
Interest accrued	263
Realised foreign exchange gains/(losses)	(1)
Change in carrying amount	4
<b>Amount as at 31 March 2019</b>	<b>50 341</b>

	<b>Liabilities under bank borrowings</b>
<b>Amount as at 31 December 2018</b>	<b>464 074</b>
<i>including derecognised commission fee as at 31 December 2018</i>	<b>726</b>
Interest accrued	2 349
Interest paid	(2 232)
IRS interest accrued	657
IRS interest paid	(637)
Increase in bank borrowings	17 523
repayment of principal	(8 997)
Realised foreign exchange gains/(losses)	37
Unrealised foreign exchange gains/(losses)	61
Interest capitalised	113
<b>Amount as at 31 March 2019</b>	<b>472 990</b>
<i>including derecognised commission fee as at 31 March 2019</i>	<b>684</b>

**18. 4 Liabilities under bonds**

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Private bonds – Series A	EUR	20 000 000	2022-05-11	6M EURIBOR + margin	none	Catalyst
Private bonds – Series A	EUR	10 000 000	2023-05-11	6M EURIBOR + margin	none	Catalyst

**18. 5 Borrowings secured and not secured on the Group's assets**

	currency	effective rate (%)	as at matures in	31 March 2019*		as at matures in	31 December 2018	
				in currency	in PLN		in currency	in PLN
<b>Bank borrowings secured on the Group's assets</b>								
Investment loan PKO BP S.A.	EUR	3M EURIBOR + margin	2026	3 353	14 422	-	-	-
Working capital (VAT) facility PKO BP S.A.	PLN	1M WIBOR +margin	2020	-	40	-	-	-
Investment loan mBank S.A.	EUR	1M EURIBOR + margin	2021	12 271	52 714	2021	12 445	53 439
Investment loan PEKAO S.A.	EUR	1M EURIBOR + margin	2020	6 368	27 391	2025	6 468	27 813
Investment loan PEKAO S.A.	EUR	1M EURIBOR + margin	2028	3 498	15 038	2028	3 540	15 218
Construction loan PEKAO S.A.	EUR	1M EURIBOR + margin	2029	3 343	14 381	2029	2 939	12 638
Working capital (VAT) facility PKO BP S.A.	PLN	1M WIBOR +margin	-	-	-	2019	-	1 956
Investment loan Raiffeisen Bank Polska S.A.	EUR	3M EURIBOR + margin	2023	33 672	144 460	2023	34 252	146 891
Investment loan BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2024	7 046	30 073	2022	7 112	30 335
Investment loan BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2024	6 684	28 751	2024	6 730	28 941
Investment loan BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2024	5 193	22 336	2024	4 971	21 377
Working capital (VAT) facility BGŻ BNP Paribas S.A.	PLN	1M EURIBOR + margin	-	-	-	2019	-	985
Investment loan PKO BP S.A.	EUR	3M EURIBOR + margin	2030	7 173	30 854	2030	7 252	31 184
Investment loan ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	1 880	8 077	2024	1 925	8 264
Investment loan ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 493	19 328	2024	4 565	19 632
Investment loan ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	5 504	23 676	2024	5 561	23 912
Investment loan PEKAO S.A.	EUR	1M EURIBOR + margin	2030	8 201	35 274	2030	8 300	35 689
Investment loan PEKAO S.A.	EUR	1M EURIBOR + margin	2029	1 436	6 175	2030	1 349	5 800
<b>Total bank borrowings:</b>					<b>472 990</b>			<b>464 074</b>

\*unaudited

	currency	effective rate (%)	as at matures in	31 March 2019*		as at matures in	31 December 2018	
				in currency	in PLN		in currency	in PLN
<b>Non-bank borrowings not secured on the Group's assets:</b>								
Fenix Polska S.A.	PLN	3M WIBOR + margin	2021	-	2 920	2021	-	2 905
Fenix Polska S.A.	PLN	3M WIBOR + margin	2020	-	8 162	2020	-	8 116
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	12	2025	-	12
Fenix Polska S.A.	PLN	3M WIBOR + margin	2029	-	253	2029	-	253
Fenix Polska S.A.	PLN	3M WIBOR + margin	2027	-	1 632	2027	-	1 632
Fenix Polska S.A.	PLN	3M WIBOR + margin	2021	-	149	2021	-	148
Fenix Polska S.A.	PLN	3M WIBOR + margin	2030	-	465	2030	-	465
Fenix Polska S.A.	PLN	3M WIBOR + margin	2020	-	22 107	2020	-	21 951
Fenix Polska S.A.	PLN	3M WIBOR + margin	-	-	-	2025	-	115
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	415	2025	-	300
Fenix Polska S.A.	PLN	3M WIBOR + margin	2028	-	7	2028	-	7
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2029	1 949	8 382	2029	1 943	8 354
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2020	1 357	5 837	2020	1 353	5 817
<b>Total non-bank borrowings:</b>					<b>50 341</b>			<b>50 075</b>
<b>Total borrowings secured and not secured on the Group's assets</b>					<b>523 331</b>			<b>514 149</b>

\*unaudited

**19. Employee benefit obligations**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Special funds	157	157
Provision for bonuses	761	761
<b>Employee benefit obligations</b>	<b>918</b>	<b>918</b>

**20. Trade and other payables**

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Trade payables	9 959	12 531
Liabilities for execution of development contract	2 147	30
Accrued expenses and deferred income	408	415
Taxes and social security receivable	2 842	2 833
Unbilled trade payables	3 168	4 123
Investment commitments, guarantee deposits and other obligations	50 325	30 843
<b>Trade and other payables</b>	<b>68 849</b>	<b>50 775</b>
Income tax payable	1 198	2 959
<b>Current liabilities</b>	<b>70 047</b>	<b>53 734</b>

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

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

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Not past due	65 713	56 097
Past due from 1 to 90 days	12 044	3 120
Past due from 91 to 180 days	628	213
Pas due over 180 days	1 841	2 451
<b>Total trade and other payables</b>	<b>80 226</b>	<b>61 881</b>

The aging structure presented above also includes non-current liabilities.

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

## 21. Financial instruments

### 21. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 31 March 2019 and 31 December 2018 was equal to the respective amounts disclosed in the consolidated statement of financial position.

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

- **cash and cash equivalents:** the carrying amount of these financial instruments represents the fair value due to their short maturities,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount approximates the fair value due to the short-term nature of these instruments,
- **loans:** the carrying amount corresponds to the fair value because the variable interest rates of these instruments are close to market interest rates,
- **borrowings and bonds:** the carrying amount of these instruments is comparable with the fair value because of their variable interest rates which are based on market rates,
- **liabilities from measurement of SWAP transactions:** the fair value determined by reference to instruments traded on an active market.

#### 21. 1. 1 Financial assets

<i>as at</i>	<b>31 March 2019 (unaudited)</b>	<b>31 December 2018</b>
<b>Financial assets measured at amortised cost:</b>		
Cash and cash equivalents	60 784	46 106
Loans and receivables, including:		
● Trade and other receivables	16 505	38 386
● Loans	72 345	72 084
● Other long-term investments	21 282	22 295
● Other short-term investments	6 197	10 551
	<b>177 113</b>	<b>189 422</b>
<b>Total financial assets</b>	<b>177 113</b>	<b>189 422</b>

**21. 1. 2 Financial liabilities**

	<i>as at</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018 *</b>
<b>Hedging financial instruments:</b>			
Liabilities from measurement of SWAP transactions		7 006	5 215
		<b>7 006</b>	<b>5 215</b>
<b>Financial liabilities measured at amortised cost:</b>			
Bank borrowings		472 990	464 074
Non-bank borrowings		50 341	50 075
Trade and other payables		80 226	61 881
Lease liabilities		10 677	10 679
Bonds		130 483	129 514
		<b>744 717</b>	<b>716 223</b>
<b>Total financial liabilities</b>		<b>751 723</b>	<b>721 438</b>

*\*restated data*

As at 31 March 2019, the fair value of the hedging financial instruments was PLN 7,006 thousand and was determined based on other quoted prices, either directly or indirectly (Level 2). The information is provided by banks and is based on references to instruments traded on an active market.

In the reporting period ended 31 March 2019, there were no reclassifications between levels.

**21. 2 Other disclosures relating to financial instruments****Hedging**

Informacja dotycząca zabezpieczeń została ujawniona w nocie 22.

**Hedge accounting**

On 25 January 2019, MLP Gliwice Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Bank Polska Kasa Opieki S.A.

On 29 March 2019, MLP Czeladź Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Powszechna Kasa Oszczędności Bank Polski S.A.

With these contractual arrangements in place, future interest payments on variable-rate facilities will be effectively converted into interest payments calculated according to the schedules defined in the swap contracts.

## 22. Contingent liabilities and security interests

In the period ended 31 March 2019, the Group recognised the following changes in contingent liabilities and security interests:

- In March 2019, a contractual mortgage of up to EUR 34,121 thousand was entered in the land and mortgage register of MLP Czeladź Sp. z o.o. in favour of PKO BP S.A. to secure the credit facility provided to the company under the agreement of 14 December 2018.
- In March 2019, a contractual mortgage of up to EUR 15,450 thousand was entered in the land and mortgage register of MLP Czeladź Sp. z o.o. in favour of PKO BP S.A. to secure the credit facility provided to the company under the agreement of 28 November 2018.
- On 1 January 2019, the value of mortgage recorded in the land and mortgage register of MLP Poznań Sp. z o.o. was increased from EUR 1,353 thousand to EUR 1,788 thousand.
- In March 2019, a contractual mortgage of up to EUR 25,910 thousand was entered in the land and mortgage register of MLP Poznań II Sp. z o.o. in favour of ING Bank Śląski S.A. to secure the credit facility provided to the company under the agreement of 9 February 2017.
- In January 2019, a contractual mortgage of up to EUR 1,500 thousand was entered in the land and mortgage register of MLP Poznań II Sp. z o.o. in favour of ING Bank Śląski S.A. to secure the credit facility provided to the company under the agreement of 9 February 2017.
- In February 2019, a contractual mortgage of up to PLN 6,000 thousand was entered in the land and mortgage register of MLP Poznań II Sp. z o.o. in favour of ING Bank Śląski S.A. to secure the credit facility provided to the company under the agreement of 9 February 2017.

Other contingent liabilities and security interests disclosed in the consolidated financial statements for 2018 did not change in the three months ended 31 March 2019 and remained in force as at the end of the reporting period.

## 23. Related-party transactions

### 23. 1 Trade and other payables

As at 31 March 2019, the balances of trade and other payables and receivables with related parties was as follows:

<i>*unaudited</i>	Trade and other receivables	Trade and other payables <sup>1)</sup>
<b>Parent</b>		
The Israel Land Development Company Ltd., Tel-Awiw	89	-
	<b>89</b>	<b>-</b>
<b>Other related parties</b>		
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	4	-
Fenix Polska Sp. z o.o.	4	-
	<b>8</b>	<b>-</b>
<b>Total</b>	<b>97</b>	<b>-</b>

<sup>1)</sup> Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 25.

**23. 2 Loans and non-bank borrowings**

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 March 2019\*:

<i>*unaudited</i>	Loans	Non-bank borrowings
<b>Other related parties</b>		
Fenix Polska Sp. z o.o.	50 172	(50 341)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	34	-
<b>Total</b>	<b>50 206</b>	<b>(50 341)</b>

**23. 3 Income and expenses**

Below are presented income and expenses under related-party transactions for the three months ended 31 March 2019\*:

<i>*unaudited</i>	Revenue	Procurement of services and cost of salaries	Interest income	Interest expense
<b>Parent</b>				
The Israel Land Development Company Ltd., Tel-Awiw	54	-	-	-
	<b>54</b>	-	-	-
<b>Other related parties</b>				
Fenix Polska Sp. z o.o.	-	-	257	(263)
	-	-	<b>257</b>	<b>(263)</b>
<b>Key management personnel</b>				
RTK CONSULTING, Radosław T. Krochta	-	(120)	-	-
ROMI CONSULTING, Michael Shapiro	-	(103)	-	-
PROFART, Tomasz Zabost	-	(91)	-	-
PEOB, Marcin Dobieszewski	-	(61)	-	-
Other key management personnel	-	(201)	-	-
		<b>(576)</b>		
<b>Total</b>	<b>54</b>	<b>(576)</b>	<b>257</b>	<b>(263)</b>

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B. V., which as at 31 March 2019 held 100% of shares in Fenix Polska Sp. z o.o. and 56.98% of the Group's share capital.



## 24. Significant events during the reporting period and subsequent events

- On 14 December 2018, MLP Czeladź Sp. z o.o. executed a credit facility agreement with PKO BP S.A. The facility was disbursed in February 2019.
- For reasons beyond the control of MLP Teresin Sp. z o.o., there was a temporary breach of covenants to maintain certain financial ratios tested by the lending bank (Pekao S.A.). The company obtained the bank's waiver of the covenants referred to in the preceding sentence. The waiver was obtained in the second quarter of 2019, and therefore the facility is disclosed as a current liability as at 31 March 2019.
- On 9 May 2019, the following three Group companies: MLP Pruszków I Sp. z o.o. of Pruszków, MLP Pruszków III Sp. z o.o. of Pruszków and MLP Pruszków IV Sp. z o.o. of Pruszków (the "Borrowers"), executed a credit facility agreement with ING BANK ŚLĄSKI S.A. of Katowice, POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI S.A. of Warsaw and INDUSTRIAL AND COMMERCIAL BANK OF CHINA (EUROPE) S.A. POLAND BRANCH of Warsaw (the "Banks"). The facility amount is EUR 93,930,000.00, and the funds will be used to refinance the Borrowers' existing loans and to fund the Group's investment projects. The agreement provides that the principal will be repaid in equal instalments. The term of the agreement is six years from the signing date.

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

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

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Remuneration of the Management Board:</b>		
• <b>Remuneration and other benefits:</b>		
Radosław T. Krochta	120	131
Michael Shapiro	103	100
Tomasz Zabost	91	186
Marcin Dobieszewski	61	54
	<b>375</b>	<b>471</b>
• <b>Cash settled share based payment and other compensation paid or due in the period</b>	-	1 011
	<b>375</b>	<b>1 482</b>

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Remuneration of the Supervisory Board:</b>		
• <b>Remuneration and other benefits</b>		
Maciej Matusiak	8	8
Jacek Tucharz	-	8
Eytan Levy	8	8
Shimshon Marfogel	8	8
Daniel Nimrodi	8	8
Guy Shapira	8	8
Piotr Chajderowski	8	-
	<b>48</b>	<b>48</b>
<b>Total remuneration paid or due to Management Board, Supervisory Board and Key Management Personnel</b>	<b>423</b>	<b>1 530</b>

<i>for the three months ended 31 March</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Other key management personnel:</b>		
• Remuneration and other benefits	201	216
• Cash-settled share based payment paid or due in the period	-	521
	<b>201</b>	<b>737</b>
<b>Total remuneration paid or due to Management Board, Supervisory Board and Key Management Personnel</b>	<b>624</b>	<b>2 267</b>

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

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

**26. Employment structure**

	<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Average headcount in the period		24	19

**27. Change resulting from the entry into force of IFRS 16 Leases*****Perpetual usufruct of land***

The Group reviewed the amount of liabilities under perpetual usufruct of land in accordance with IFRS 16 *Leases* effective as of 1 January 2019. The effect of adjustment to the new regulations on the value of investment property and the amount of financial liabilities for the perpetual usufruct of land in the comparative period as at 31 December 2018 is presented below:

	Data presented in the approved financial statements as at 31 December 2018	Restatement	Data restated as at 31 December 2018
<b>Park MLP Pruszków I</b>			
Perpetual usufruct - MLP Pruszków I	2 639	6 338	8 977
<b>Park MLP Pruszków II</b>			
Perpetual usufruct - MLP Pruszków II	2 616	(915)	1 701
<b>Investment property</b>	<b>5 255</b>	<b>5 423</b>	<b>10 678</b>
Finance lease liabilities	5 256	5 423	10 679
<b>Other non-current liabilities</b>	<b>5 256</b>	<b>5 423</b>	<b>10 679</b>

*Signed with qualified electronic signature.*

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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*

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**Maria Ratajczyk**  
*Signature of the person preparing the  
financial statements*

*Pruszków, 22 May 2019*

### III. Notes to the Consolidated Quarterly Report of MLP Group S.A. Group

#### 1. Issue, redemption and repayment of non-equity and equity securities

In the three months ended 31 March 2019, there were no events involving issuance, redemption or repayment of non-equity or equity securities.

#### 2. Management Board's position on published forecasts

The Management Board of MLP Group S.A. has not published any financial forecasts for 2019.

#### 3. Brief description of significant achievements or failures in the three months ended 31 March 2019

There were no significant achievements or failures other than those described in these condensed consolidated financial statements.

#### 4. Seasonality and cyclical

The Group's business is not seasonal or cyclical.

#### 5. Information material for the assessment of the human resources, assets, financial condition and financial results of the Group, or changes in any of the foregoing, and information material for the assessment of the Group's ability to meet its liabilities and fulfil its obligations

Space leased as at 31 March 2019:

Logistics park	Leased space as at 31 December 2018	Space released by tenants by 31 March 2019	New lease contracts by 31 March 2019	Net change in the period	Leased space as at 31 March 2019
MLP Pruszków I	163 546	(893)	-	(893)	162 653
MLP Pruszków II	153 791	(7 429)	2 398	(5 031)	148 760
MLP Poznań	46 822	-	-	-	46 822
MLP Lublin	45 677	-	721	721	46 398
MLP Teresin	37 832	-	-	-	37 832
MLP Gliwice	30 753	-	-	-	30 753
MLP Wrocław	22 164	-	-	-	22 164
MLP Czeladź	15 288	-	-	-	15 288
MLP Unna	-	-	8 909	8 909	8 909
	<b>515 873</b>	<b>(8 322)</b>	<b>12 028</b>	<b>3 706</b>	<b>519 579</b>

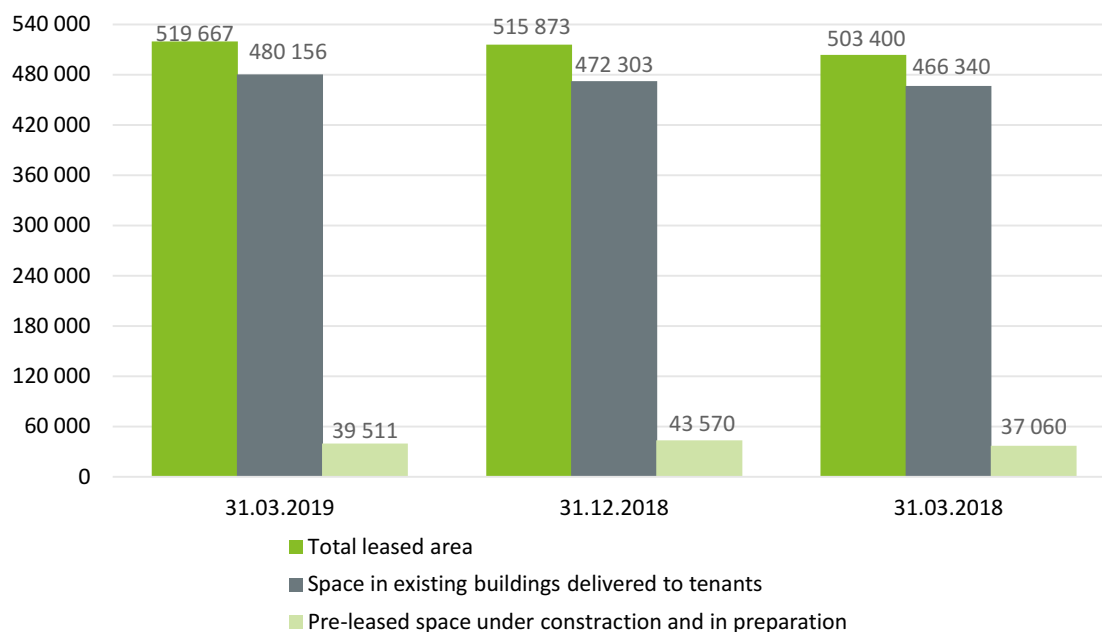
Apart from the information contained in these condensed consolidated financial statements for the three months ended 31 March 2019, there is no other information material for the assessment of the human resources, assets, financial condition and financial results of the Group or changes thereof, or for the assessment of the Group's ability to meet its liabilities or fulfil its obligations.

## Space covered by lease contracts and vacant space as at 31 March 2019

Logistics park	Target capacity (m <sup>2</sup> )	Developed and space (m <sup>2</sup> )	Space under development (m <sup>2</sup> )	Pre-leased space – to be developed (m <sup>2</sup> )	Space in existing buildings – covered by lease contracts (m <sup>2</sup> )	Increase/decrease on re-measurement of space	Pre-leased space under construction (m <sup>2</sup> )	Existing vacant space (m <sup>2</sup> )	Leased space as % of total existing space and space under construction	Developed space and space under construction as % of target capacity
MLP Pruszków I	170 695	167 469	-	-	162 645	8	-	4 825	97%	98%
MLP Pruszków II	283 897	144 237	15 830	-	134 251	29	14 480	9 986	93%	56%
MLP Poznań	89 935	48 449	-	-	46 822	-	-	1 627	97%	54%
MLP Lublin	47 567	27 867	18 531	-	27 867	-	18 531	-	100%	98%
MLP Teresin	37 833	37 954	-	-	37 954	(122)	-	-	100%	100%
MLP Gliwice	66 124	35 564	-	-	30 753	-	-	4 811	-	54%
MLP Wrocław	66 795	25 407	-	-	22 167	(3)	-	3 240	87%	38%
MLP Czeladź	76 258	8 788	9 863	-	8 788	-	6 500	-	-	24%
MLP Unna	56 700	48 096	-	-	8 909	-	-	39 187	19%	85%
MLP Bucharest West	97 590	-	-	-	-	-	-	-	-	-
MLP Poznań West	96 844	-	-	-	-	-	-	-	-	-
	<b>1 090 238</b>	<b>543 831</b>	<b>44 224</b>	<b>-</b>	<b>480 156</b>	<b>(88)</b>	<b>39 511</b>	<b>63 676</b>	<b>88%</b>	<b>54%</b>

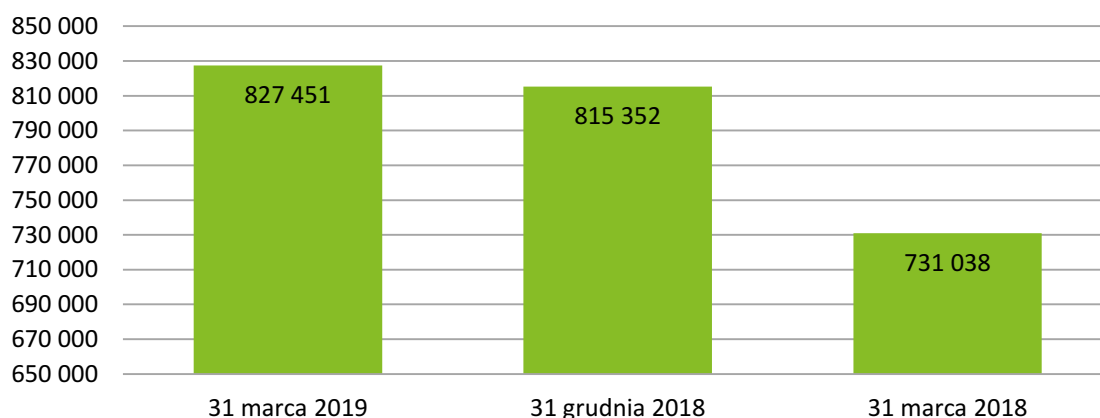
## Space covered by lease contracts and available space as at 31 March 2018:

Logistics park	Target capacity (m <sup>2</sup> )	Developed and space (m <sup>2</sup> )	Space under development (m <sup>2</sup> )	Pre-leased space – to be developed (m <sup>2</sup> )	Space in existing buildings – covered by lease contracts (m <sup>2</sup> )	Increase/decrease on re-measurement of space	Pre-leased space under construction (m <sup>2</sup> )	Existing vacant space (m <sup>2</sup> )	Leased space as % of total existing space and space under construction	Developed space and space under construction as % of target capacity
MLP Pruszków II	283 897	137 740	22 327	-	134 531	-	19 260	3 210	96%	56%
MLP Poznań	89 935	48 449	-	-	46 822	-	-	1 627	97%	54%
MLP Lublin	47 567	27 867	17 810	-	27 867	-	17 810	-	100%	96%
MLP Teresin	37 833	37 832	-	-	37 832	-	-	-	100%	100%
MLP Gliwice	66 124	35 564	-	-	30 753	-	-	4 811	86%	54%
MLP Wrocław	66 795	25 404	-	-	22 164	-	-	3 240	87%	38%
MLP Czeladź	76 258	8 788	9 863	-	8 788	-	6 500	-	82%	24%
MLP Unna	56 700	48 096	-	-	-	-	-	48 096	0%	85%
MLP Bucharest West	97 590	-	23 468	-	-	-	-	-	0%	24%
MLP Poznań West	96 844	-	-	-	-	-	-	-	0%	0%
	<b>1 090 238</b>	<b>538 110</b>	<b>73 468</b>	<b>-</b>	<b>472 303</b>	<b>-</b>	<b>43 570</b>	<b>65 809</b>	<b>84%</b>	<b>56%</b>

**Space leased as at 31 March 2019, 31 December 2018 and 31 March 2018 (m<sup>2</sup>)**

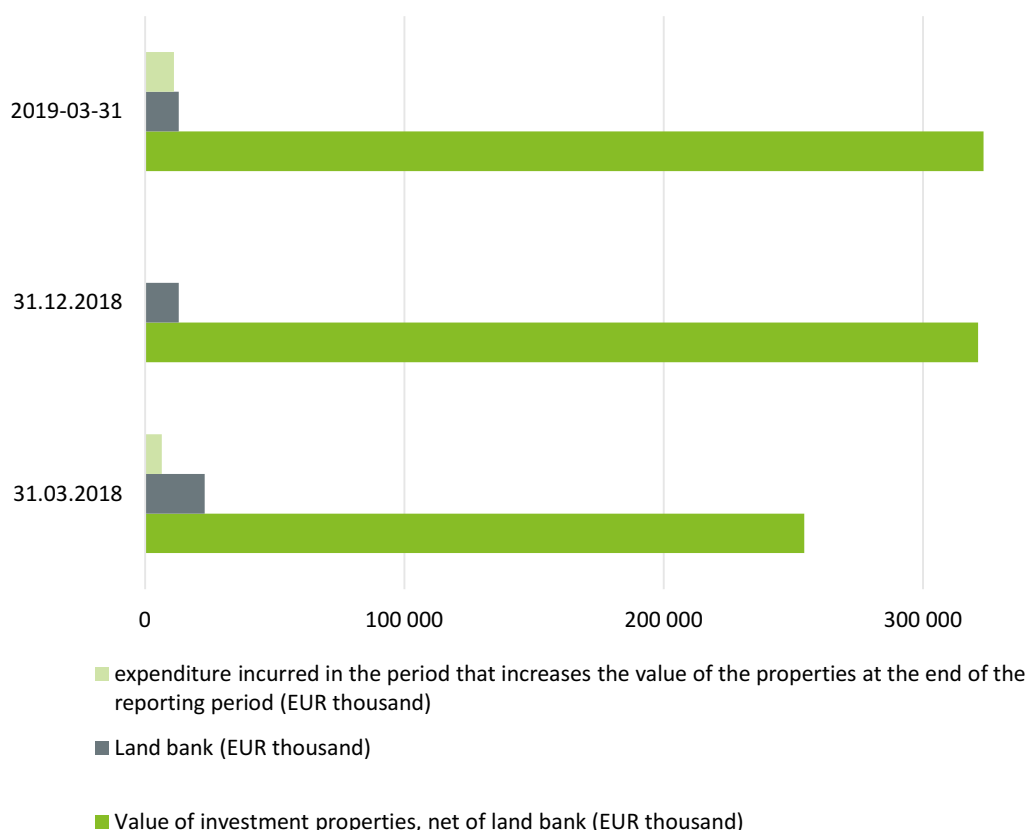
The total space leased as at 31 March 2019 was 519,667 m<sup>2</sup>, having increased by 3,706 m<sup>2</sup> on 31 December 2018, and by 16,179 m<sup>2</sup> year on year.

Changes in leased space in the first three months of 2019 are discussed in Note 5 to the Group's quarterly report.

**Net asset value (NAV) (PLN thousand)**

As at 31 March 2019, the net asset value was PLN 827,451 thousand, having increased by 1.48% on 31 December 2018.

### Value of investment property (EUR thousand)



The Group measures its property portfolio twice a year, i.e. as at 30 June and 31 December, unless there changes occur which require remeasurement. As at 31 March 2019, the valuation of the properties prepared on the basis of valuation reports of independent experts as at 31 December 2018 was maintained, except for the valuation in MLP Poznań West II Sp. z o.o, which was adjusted due to the execution of a material lease contract in the first quarter 2019 and obtaining of a building permit. As at the end of the current reporting period, the carrying amount of the land bank expressed in the Polish złoty was maintained (the same amount as at 31 December 2018), while the other valuations of the properties denominated in the euro were translated at the mid rate quoted by the National Bank of Poland for 31 March 2019, and then remeasured to reflect the capital expenditure incurred in the period from 1 January 2019 to 31 March 2019.

For details concerning the value of investment property, see Note "Note 17 to 20 assets" in the Group's interim condensed consolidated financial statements.



Apart from the information contained in these consolidated financial statements for the three months ended 31 March 2019, there is no other information material for the assessment of the human resources, assets, financial condition and financial results of the Group or changes thereof, or for the assessment of the Group's ability to meet its liabilities or fulfil its obligations.

**6. Factors which in the Management Board's opinion will affect the Group's performance in the next quarter or in a longer term**

The key factors which may affect the Group's financial condition at least in the next three months include:

- Macroeconomic factors and economic conditions,
- Interest rate environment,
- Exchange rate fluctuations, and
- Revaluation of property.

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**Radosław T. Krochta**

*President of the Management Board*

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**Michael Shapiro**

*Vice President of the Management*

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**Tomasz Zabost**

*Member of the Management Board*

*Pruszków, 22 May 2019*

## IV. Quarterly financial information of MLP Group S.A., with notes

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

	<i>for the period</i>	<i>of 3 months</i>	<i>of 3 months</i>
	<b>Note</b>	<b>ended</b>	<b>ended</b>
		<b>31 March 2019</b>	<b>31 March 2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	9	2 436	2 277
Other income		5	12
Distribution costs and administrative expenses	10	(2 157)	(1 681)
Other expenses		-	(1)
<b>Operating profit</b>		<b>284</b>	<b>607</b>
Finance income	11.	1 472	806
Finance costs	11.	(1 597)	(1 105)
<b>Net finance (costs)</b>		<b>(125)</b>	<b>(299)</b>
<b>Profit/(loss) before tax</b>		<b>159</b>	<b>308</b>
Income tax		(32)	(63)
<b>Net profit</b>		<b>127</b>	<b>245</b>
<b>Total comprehensive income</b>		<b>127</b>	<b>245</b>
<b>Net profit attributable to:</b>			
Owners of the Parent		127	245
<b>Net profit</b>		<b>127</b>	<b>245</b>
<b>Comprehensive income attributable to:</b>			
Owners of the Parent		127	245
<b>Total comprehensive income</b>		<b>127</b>	<b>245</b>
<b>Earnings per share</b>			
Basic (PLN)		0,01	0,01

## Condensed separate statement of financial position

	<i>as at</i>	<b>31 March</b>	<b>31 December</b>
	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	
<b>Non-current assets</b>			
Intangible assets		508	678
Property, plant and equipment		78	92
Non-current financial assets in related entities	1.	123 361	123 361
Long-term investments	2.	251 106	246 894
Deferred tax assets		2 645	2 675
Other long-term investments		585	653
<b>Total non-current assets</b>		<b>378 283</b>	<b>374 353</b>
<b>Current assets</b>			
Short-term investments	3.	432	3 553
Trade and other receivables	4.	2 288	2 490
Cash and cash equivalents	5.	7 867	7 400
<b>Total current assets</b>		<b>10 587</b>	<b>13 443</b>
<b>TOTAL ASSETS</b>		<b>388 870</b>	<b>387 796</b>
<b>Equity</b>			
Share capital		4 529	4 529
Other capital reserve		4 194	4 194
Share premium		71 121	71 121
Statutory reserve funds		64 485	64 485
Retained earnings		4 772	4 645
<b>Total equity</b>		<b>149 101</b>	<b>148 974</b>
<b>Non-current liabilities</b>			
Non-bank borrowings and other debt instruments	6.1	227 360	226 724
<b>Total non-current liabilities</b>		<b>227 360</b>	<b>226 724</b>
<b>Current liabilities</b>			
Non-bank borrowings and other debt instruments	6.2	10 533	9 573
Employee benefit obligations	7.	918	918
Trade and other payables	8.	958	1 607
<b>Total current liabilities</b>		<b>12 409</b>	<b>12 098</b>
<b>Total liabilities</b>		<b>239 769</b>	<b>238 822</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>388 870</b>	<b>387 796</b>

## Condensed separate statement of cash flows

<i>for the three months ended 31 March</i>	<b>Note</b>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
<b>Cash flows from operating activities</b>			
<b>Profit before tax</b>		<b>159</b>	<b>308</b>
<i>Total adjustments:</i>			
Depreciation and amortisation		185	18
Net interest		130	93
Exchange differences		(35)	113
Other		68	28
Change in receivables		202	1 908
Change in current and other liabilities		(649)	100
<b>Cash from operating activities</b>		<b>60</b>	<b>2 568</b>
Income tax paid		(2)	(1)
<b>Net cash from operating activities</b>		<b>58</b>	<b>2 567</b>
<b>Cash flows from investing activities</b>			
Interest received		134	-
Loans		(22 301)	(6 409)
Repayment of loans		22 598	-
Disposal of intangible assets and property, plant and equipment		(1)	-
Purchase of investment property, property, plant and equipment and intangible assets		-	(34)
<b>Cash from investing activities</b>		<b>430</b>	<b>(6 443)</b>
<b>Cash flows from financing activities</b>			
<b>Cash from financing activities</b>		-	-
<b>Total cash flows</b>		<b>488</b>	<b>(3 876)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>7 400</b>	<b>15 500</b>
Effect of exchange differences on cash and cash equivalents		(21)	107
<b>Cash and cash equivalents at end of period</b>	5.	<b>7 867</b>	<b>11 731</b>

## Condensed separate statement of changes in equity

	Share capital	Other capital reserve	Share premium	Statutory reserve funds	Retained earnings	Total equity
<b>Equity as at 1 January 2018</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>7 293</b>	<b>151 622</b>
<b><u>Comprehensive income:</u></b>						
Net profit/(loss)*	-	-	-	-	245	<b>245</b>
<b>Comprehensive income for the period ended 31 March 2018*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>245</b>
<b>Equity as at 31 March 2018*</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>7 538</b>	<b>151 867</b>
<b>Equity as at 1 January 2019</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>4 645</b>	<b>148 974</b>
<b><u>Comprehensive income:</u></b>						
Net profit/(loss)*	-	-	-	-	127	<b>127</b>
<b>Comprehensive income for the period ended 31 March 2019*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>127</b>
<b>Equity as at 31 March 2019*</b>	<b>4 529</b>	<b>4 194</b>	<b>71 121</b>	<b>64 485</b>	<b>4 772</b>	<b>149 101</b>

\*unaudited

## Notes to the interim condensed separate financial statements of MLP Group S.A.

### 1. Non-current financial assets in related entities

#### 1. 1 Shares

The Company holds shares in the following subsidiaries:

Entity	Country of registration	Parent's direct and indirect interest in equity		Parent's direct and indirect interest in voting rights	
		31 March 2019	31 December 2018	31 March 2019	31 December 2018
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Energy Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
<b>Gross amount at beginning of period</b>	<b>123 361</b>	<b>123 249</b>
Acquisition of shares in MLP Pruszków V Sp. z o.o.	-	5
Acquisition of shares in MLP Germany Management GmbH	-	107
<b>Gross amount at end of period</b>	<b>123 361</b>	<b>123 361</b>
<b>Net amount at end of period</b>	<b>123 361</b>	<b>123 361</b>

## 2. Long-term investments

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Long-term loans to related parties	251 106	246 894
<b>Total long-term investments</b>	<b>251 106</b>	<b>246 894</b>

## 3. Short-term investments

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Short-term loans to related parties	432	3 553
<b>Total short-term investments</b>	<b>432</b>	<b>3 553</b>

## 4. Trade and other receivables

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Trade receivables from related parties	1 549	1 873
Trade receivables from other entities	3	3
Taxes and social security receivable	59	22
Prepayments and accrued income	597	549
Other	80	43
<b>Trade and other receivables</b>	<b>2 288</b>	<b>2 490</b>

## 5. Cash and cash equivalents

<i>as at</i>	<b>31 March 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Cash in hand	5	4
Cash at bank	6 009	6 669
Short-term deposits	1 853	727
<b>Cash and cash equivalents in the condensed separate statement of financial position</b>	<b>7 867</b>	<b>7 400</b>
<b>Cash and cash equivalents in the condensed separate statement of cash flows</b>	<b>7 867</b>	<b>7 400</b>

## 6. Borrowings, other debt instruments and other liabilities

### 6. 1 Non-current liabilities

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Non-bank borrowings from related parties	98 321	97 724
Bonds	129 039	129 000
<b>Non-current liabilities under non-bank borrowings and other debt instruments</b>	<b>227 360</b>	<b>226 724</b>

### 6. 2 Current liabilities

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Bonds	1 444	514
Non-bank borrowings from related parties	9 089	9 059
<b>Current liabilities under borrowings and other debt instruments</b>	<b>10 533</b>	<b>9 573</b>

## 7. Employee benefit obligations

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Special funds	157	157
Provision for bonuses	761	761
	<b>918</b>	<b>918</b>



## 8. Trade and other payables

<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Trade payables to related parties	17	-
Trade payables to other entities	516	858
Taxes and social security receivable	340	216
Accrued expenses	50	532
Investment commitments, guarantee deposits and other obligations	35	1
<b>Trade and other payables</b>	<b>958</b>	<b>1 607</b>

## 9. Revenue

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Property management	956	843
Project management	214	143
Advisory services	1 090	1 043
Re-charge of services	176	248
<b>Total revenue</b>	<b>2 436</b>	<b>2 277</b>
<i>- including from related parties</i>	<i>2 430</i>	<i>2 152</i>

## 10. Distribution costs and administrative expenses

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
Depreciation and amortisation	(185)	(18)
Raw materials and consumables used	(52)	(52)
Services	(1 149)	(1 030)
Taxes and charges	(9)	(14)
Wages and salaries	(534)	(403)
Social security and other employee benefits	(156)	(102)
Other expenses by nature	(72)	(62)
<b>Distribution costs and administrative expenses</b>	<b>(2 157)</b>	<b>(1 681)</b>

Distribution costs and administrative expenses for the three months ended 31 March 2019 were PLN 2,157 thousand. In the vast majority of cases these costs include expenses related to the servicing and maintenance of revenue-generating investment properties owned by the subsidiaries, and to the rendering of advisory services. The Company recovers these amounts by issuing invoices for managing the properties of the subsidiaries.

## 11. Finance income and costs

	<b>2019</b>	<b>2018</b>
<i>for the three months ended 31 March</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income on loans advanced to related parties	1 413	804
Interest income on bank deposits	4	2
Net exchange differences	55	-
<b>Total finance income</b>	<b>1 472</b>	<b>806</b>
Interest expense on non-bank borrowings from related entities	(613)	(258)
Interest expense on bonds	(930)	(639)
Net exchange differences	-	(170)
Other finance costs	(54)	(38)
<b>Total finance costs</b>	<b>(1 597)</b>	<b>(1 105)</b>

Exchange differences are mainly attributable to the effect of measurement as at the reporting date of liabilities, receivables under loans and liabilities under EUR-denominated bonds.

For details on finance income and expenses from related entities, see Note 12.3 to the quarterly financial information of MLP Group S.A.

## 12. Related-party transactions

### 12. 1 Trade and other payables

The balances of trade and other payables and receivables from related-party transactions as at 31 March 2019\* were as follows:

<i>*unaudited</i>	Trade and other receivables	Trade and other payables <sup>1)</sup>
<b>Parent</b>		
The Israel Land Development Company Ltd., Tel-Awiw	89	-
	<b>89</b>	<b>-</b>
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	603	17
MLP Pruszków II Sp. z o.o.	69	-
MLP Pruszków III Sp. z o.o.	70	-
MLP Pruszków IV Sp. z o.o.	44	-
MLP Poznań Sp. z o.o.	27	-
MLP Poznań II Sp. z o.o.	39	-
MLP Lublin Sp. z o.o.	69	-
MLP Teresin Sp. z o.o.	230	-
MLP Energy Sp. z o.o.	15	-
MLP Wrocław Sp. z o.o.	68	-
MLP Czeladź Sp. z o.o.	60	-
MLP Gliwice Sp. z o.o.	20	-
MLP Poznań West Sp. z o.o.	4	-
MLP Bieruń I Sp. z o.o.	4	-
MLP Poznań West II Sp. z o.o.	19	-
MLP Bucharest West Sp. z o.o.	4	-
MLP Pruszków V Sp. z o.o.	64	-
MLP FIN SP. Z O.O. Spółka Komandytowa	4	-
Fenix Polska Sp. z o.o.	4	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	8	-
MLP Bucharest West SRL	9	-
MLP Germany Management GmbH	26	-
	<b>1 460</b>	<b>17</b>
<b>Total</b>	<b>1 549</b>	<b>17</b>

<sup>1)</sup> Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 13.

## 12. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 March 2019\*:

<i>*unaudited</i>	Loans	Non-bank borrowings
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	5 086	82 696
MLP Pruszków II Sp. z o.o.	7 366	-
MLP Pruszków III Sp. z o.o.	20 215	-
MLP Pruszków IV Sp. z o.o.	182	-
MLP Poznań Sp. z o.o.	2 178	-
MLP Poznań II Sp. z o.o.	167	-
MLP Lublin Sp. z o.o.	12 548	-
MLP Teresin Sp. z o.o.	8 120	-
MLP Wrocław Sp. z o.o.	12 294	-
MLP Czeladź Sp. z o.o.	13 073	-
MLP Gliwice Sp. z o.o.	26 062	-
MLP Property Sp. z o.o.	310	-
MLP Poznań West Sp. z o.o.	782	-
MLP Temp Sp. z o.o.	-	13 647
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11 067
MLP Bieruń Sp. z o.o.	59	-
MLP Bieruń I Sp. z o.o.	1 329	-
MLP FIN Sp. z o.o.	57	-
MLP Poznań West II Sp. z o.o.	33 145	-
MLP Bucharest West Sp. z o.o.	17 994	-
MLP Dortmund LP Sp. z o.o.	41	-
MLP Teresin II Sp. z o.o.	20	-
MLP Pruszków V Sp. z o.o.	25 528	-
MLP FIN SP. Z O.O. Spółka Komandytowa	34	-
Fenix Polska Sp. z o.o.	37 504	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	23 977	-
MLP Bucharest West SRL	2 905	-
MLP Germany Management GmbH	562	-
	<b>251 538</b>	<b>107 410</b>

### 12. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the three months ended 31 March 2019\*:

<i>*unaudited</i>	Sale of services	Interest income	Other finance income
The Israel Land Development Company Ltd., Tel-Awiw	54	-	-
	<b>54</b>	-	-
<b>Other related parties</b>			
MLP Pruszków I Sp. z o.o.	1 364	38	-
MLP Pruszków II Sp. z o.o.	71	46	-
MLP Pruszków III Sp. z o.o.	164	102	-
MLP Pruszków IV Sp. z o.o.	101	1	-
MLP Poznań Sp. z o.o.	54	7	-
MLP Poznań II Sp. z o.o.	84	1	-
MLP Lublin Sp. z o.o.	118	35	-
MLP Teresin Sp. z o.o.	65	59	-
MLP Energy Sp. z o.o.	23	-	-
MLP Wrocław Sp. z o.o.	82	45	-
MLP Czeladź Sp z o.o.	72	91	-
MLP Gliwice Sp. z o.o.	85	164	-
MLP Property Sp. z.o.o.	-	2	-
MLP Poznań West Sp. z o.o.	-	6	-
MLP Bieruń Sp. z o.o.	-	22	-
MLP Bieruń I Sp. z o.o.	3	10	-
MLP Łódź Sp. z o.o.	2	-	-
MLP Poznań West II Sp. z o.o.	18	293	-
MLP Bucharest West Sp. z o.o.	-	86	-
MLP Pruszków V Sp. z o.o.	52	103	-
Fenix Polska Sp. z o.o.	-	196	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	10	97	-
MLP Bucharest West SRL	8	7	-
MLP Germany Management GmbH	-	2	-
	<b>2 376</b>	<b>1 413</b>	-
<b>Total income</b>	<b>2 430</b>	<b>1 413</b>	-

	Procurement of services and cost of salaries	Interest expense
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	(14)	(490)
MLP Teresin Sp. z o.o.	(1)	-
MLP Wrocław Sp. z o.o.	(1)	-
MLP Czeladź Sp z o.o.	(1)	-
MLP Gliwice Sp. z o.o.	(1)	-
MLP Temp Sp. z o.o.	-	(41)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(82)
MLP Poznań West II Sp. z o.o.	(1)	-
	<b>(19)</b>	<b>(613)</b>

	Procurement of services and cost of salaries	Interest expense
<b>Key management personnel</b>		
ROMI CONSULTING, Michael Shapiro	(97)	-
RTK CONSULTING, Radosław T. Krochta	(30)	-
PROFART, Tomasz Zabost	(7)	-
Other key management personnel	(137)	-
	<b>(271)</b>	<b>-</b>
<b>Total expenses</b>	<b>(290)</b>	<b>(613)</b>

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

<i>for the three months ended 31 March</i>	<b>2019</b> <i>(unaudited)</i>	<b>2018</b> <i>(unaudited)</i>
<b>Remuneration of the Management Board:</b>		
<b>Remuneration and other benefits:</b>		
Radosław T. Krochta	30	41
Michael Shapiro	97	94
Tomasz Zabost	7	102
	<b>134</b>	<b>237</b>
<b>Cash-settled share-based payments</b>	<b>-</b>	<b>1 011</b>
<b>Remuneration of the Supervisory Board:</b>		
<b>Remuneration and other benefits</b>		
Maciej Matusiak	8	8
Jacek Tucharz	-	8
Eytan Levy	8	8
Shimshon Marfogel	8	8
Daniel Nimrodi	8	8
Guy Shapira	8	8
Piotr Chajderowski	8	-
	<b>48</b>	<b>48</b>
<b>Remuneration paid or due to members of the Company's management and supervisory bodies</b>	<b>182</b>	<b>1 296</b>
<b>Other key management personnel:</b>		
Remuneration and other benefits	137	198
Cash-settled share-based payments	-	521
	<b>137</b>	<b>719</b>
<b>Remuneration paid or due to members of the Company's management and supervisory bodies and key management personnel</b>	<b>319</b>	<b>2 015</b>

Apart from the transactions described in the note above in the Quarterly financial information of MLP Group S.A., members of the Management Board, the Supervisory Board and the other management personnel did not receive any other benefits from the Company.

## 14. Employment structure

	<i>as at</i>	<b>31 March 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Number of employees		21	20

*Signed with qualified electronic signature.*

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

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

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

-----  
**Maria Ratajczyk**  
*Signature of the person preparing the  
financial statements*

*Pruszków, 22 May 2019*