



**MLP**  
GROUP



**MLP Group S.A. Group**  
Consolidated  
**Quarterly Report**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019

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## Contents:

<b>I. Financial highlights of the MLP Group S.A. Group</b>	<b>5</b>
<b>II. Interim condensed consolidated financial statements of the MLP Group S.A. Group for the nine months ended 30 September 2019</b>	<b>8</b>
Authorisation of the interim condensed consolidated financial statements	9
Condensed consolidated statement of profit or loss and other comprehensive income	10
Condensed consolidated statement of financial position	11
Condensed consolidated statement of cash flows	12
Condensed statement of changes in consolidated equity	13
<b>Notes to the interim condensed consolidated financial statements</b>	<b>14</b>
<b>1. General information</b>	<b>14</b>
1.1 <i>The Parent</i>	14
1.2 <i>The Group</i>	14
1.3 <i>Changes in the Group</i>	16
1.4 <i>Shareholding structure of the Parent</i>	17
1.4.1 <i>Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company</i>	17
1.4.2 <i>Shares and rights to shares of the Parent held by members of management and supervisory bodies</i>	17
<b>2. Basis of preparation of the interim consolidated financial statements</b>	<b>18</b>
2.1 <i>Statement of compliance</i>	18
2.2 <i>Status of standards approval in the European Union</i>	18
2.2.1 <i>Standards and interpretations endorsed by the European Union effective as of 1 January 2019</i>	18
2.3 <i>Basis of preparation of the interim condensed consolidated financial statements</i>	21
2.4 <i>Functional currency and presentation currency of the financial statements; rules applied to translate financial data</i>	21
2.4.1 <i>Functional currency and presentation currency</i>	21
2.4.2 <i>Rules applied to translate financial data</i>	21
2.5 <i>Use of estimates and judgments</i>	21
<b>3. Segment reporting</b>	<b>21</b>
<b>4. Revenue</b>	<b>24</b>
<b>5. Other income</b>	<b>25</b>
<b>6. Other expenses</b>	<b>25</b>
<b>7. Distribution costs and administrative expenses</b>	<b>25</b>
<b>8. Finance income and costs</b>	<b>26</b>

<b>9. Income tax</b>	<b>27</b>
<b>10. Investment property</b>	<b>29</b>
10.1 Fair value of the Group's investment property	31
<b>11. Deferred tax</b>	<b>32</b>
<b>12. Investments and other investments</b>	<b>34</b>
12.1 Change in financial assets attributable to financing and other activities	35
<b>13. Trade and other receivables</b>	<b>35</b>
<b>14. Cash and cash equivalents</b>	<b>36</b>
<b>15. Notes to the consolidated statement of cash flows</b>	<b>36</b>
15.1 Cash flows from borrowings	36
15.2 Change in receivables	37
15.3 Change in current and other liabilities	37
<b>16. Equity</b>	<b>37</b>
16.1 Share capital	37
<b>17. Earnings and dividend per share</b>	<b>38</b>
<b>18. Liabilities under borrowings and other debt instruments, and other liabilities</b>	<b>39</b>
18.1 Non-current liabilities	39
18.2 Current liabilities	40
18.3 Change in financial liabilities attributable to financing and other activities	40
18.4 Liabilities under bonds	42
18.5 Borrowings secured and not secured over the Group's assets	42
<b>19. Employee benefit obligations</b>	<b>44</b>
<b>20. Trade and other payables</b>	<b>44</b>
<b>21. Financial instruments</b>	<b>45</b>
21.1 Measurement of financial instruments	45
21.1.1 Financial assets	45
21.1.2 Financial liabilities	46
21.2 Other disclosures relating to financial instruments	47
<b>22. Contingent liabilities and security instruments provided by the Group</b>	<b>48</b>
<b>23. Related-party transactions</b>	<b>50</b>
23.1 Trade and other receivables and payables	50
23.2 Loans advanced and non-bank borrowings	50
23.3 Income and expenses	51
<b>24. Significant events during and subsequent to the reporting period</b>	<b>52</b>
<b>25. Remuneration paid or due to members of management and supervisory bodies</b>	<b>53</b>
<b>26. Workforce structure</b>	<b>54</b>
<b>27. Change resulting from the entry into force of IFRS 15 Revenue from Contracts with Customers</b>	<b>54</b>
<b>28. Change resulting from the entry into force of IFRS 16 Leases</b>	<b>56</b>
<b>III. Notes to the Consolidated Quarterly Report of MLP Group S.A. Group</b>	<b>57</b>
1. Issue, redemption and repayment of non-equity and equity securities	57
2. Management Board's position on published forecasts	57

3. Brief description of significant achievements and failures in the nine months ended 30 September 2019	57
4. Seasonality and cyclicalities	57
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	57
6. Factors which in the Management Board's opinion will affect the Group's performance in the next quarter or in a longer term	62

## I. Financial highlights of the MLP Group S.A. Group

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

	30 September 2019	31 December 2018	30 September 2018
Average mid exchange rate during the period*	4,3086	4,2669	4,2535
Mid exchange rate on the last day of the period	4,3736	4,3000	4,2714

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

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

	as at	30 September 2019		31 December 2018*	
		PLN '000 (unaudited)	EUR '000 (unaudited)	PLN '000	EUR '000
Non-current assets		1 795 969	410 639	1 526 027	354 890
Current assets		167 448	38 286	137 362	31 945
<b>Total assets</b>		<b>1 963 417</b>	<b>448 925</b>	<b>1 663 389</b>	<b>386 835</b>
Non-current liabilities		979 177	223 883	762 389	177 300
Current liabilities		82 213	18 798	85 648	19 918
Equity, including:		902 027	206 244	815 352	189 617
Share capital		4 529	1 036	4 529	1 053
<b>Total equity and liabilities</b>		<b>1 963 417</b>	<b>448 925</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 owners of the Parent (PLN)		49,80	11,39	45,01	10,47

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

\* Restated.

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

<i>for the nine months ended 30 September</i>	2019		2018 *	
	PLN '000	EUR '000	PLN '000	EUR '000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>
Revenue	102 195	23 719	105 684	24 846
Other income	1 317	306	1 743	410
Gain on revaluation of investment property	107 997	25 065	13 545	3 184
Distribution costs and administrative expenses	(58 189)	(13 505)	(55 478)	(13 043)
Operating profit	152 192	35 323	62 543	14 704
Profit before tax	123 525	28 669	42 115	9 901
<b>Net profit</b>	<b>97 553</b>	<b>22 641</b>	<b>28 905</b>	<b>6 796</b>
Total comprehensive income	86 675	20 117	29 083	6 837
Net profit attributable to owners of the Parent	97 553	22 641	28 905	6 796
Earnings per share and diluted earnings per share attributable to owners of the Parent (PLN)	5,39	1,25	1,60	0,38

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

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

<i>for the nine months ended 30 September</i>	2019		2018	
	PLN '000	EUR '000	PLN '000	EUR '000
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Net cash from operating activities	63 073	14 639	29 653	6 971
Cash from investing activities	(149 012)	(34 585)	(152 600)	(35 876)
Cash from financing activities	141 970	32 950	118 000	27 742
<b>Total cash flows</b>	<b>56 031</b>	<b>13 004</b>	<b>(4 947)</b>	<b>(1 163)</b>

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

	<i>as at</i>	<b>30 September 2019</b>		<b>31 December 2018</b>	
		<b>PLN '000</b> <i>(unaudited)</i>	<b>EUR '000</b> <i>(unaudited)</i>	<b>PLN '000</b>	<b>EUR '000</b>
Cash at beginning of period		46 106	10 722	64 827	15 543
Cash at end of period		103 033	23 558	46 106	10 722

The following exchange rates were used to translate the 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 nine months ended 30 September 2019  
prepared in accordance with EU IFRS**



## II. Interim condensed consolidated financial statements

### Authorisation of the interim condensed consolidated financial statements

On 15 November 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 nine months ended 30 September 2019.

These interim consolidated financial statements for the nine months ended 30 September 2019 have been prepared in accordance with the International Financial Reporting Standards, as endorsed by the European Union (“EU IFRS”), applicable to interim reporting (IAS 34). In this report, information is presented in the following sequence:

1. Condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2019 to 30 September 2019, showing a net profit of PLN 97,553 thousand
2. Condensed consolidated statement of financial position as at 30 September 2019, showing total assets and total equity and liabilities of PLN 1,963,417 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January 2019 to 30 September 2019, showing a net increase in cash of PLN 56,927 thousand.
4. Condensed statement of changes in consolidated equity for the period from 1 January 2019 to 30 September 2019, showing an increase in consolidated equity of PLN 86,675 thousand.
5. Notes to the interim consolidated financial statements

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

*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*

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

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

		<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
			<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
			<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<i>for the nine months ended 30 September</i>	<b>Note</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
			<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>
Revenue		4	102 195	34 725	105 684	40 902
Other income		5	1 317	241	1 743	849
Gain on revaluation of investment property		10	107 997	43 156	13 545	(28 257)
Distribution costs and administrative expenses		7	(58 189)	(19 103)	(55 478)	(21 900)
Other expenses		6	(1 128)	(153)	(2 951)	(609)
<b>Operating profit</b>			<b>152 192</b>	<b>58 866</b>	<b>62 543</b>	<b>(9 015)</b>
Finance income		8	872	278	916	296
Finance costs		8	(29 539)	(10 450)	(21 344)	6 460
<b>Net finance (costs)</b>			<b>(28 667)</b>	<b>(10 172)</b>	<b>(20 428)</b>	<b>6 756</b>
<b>Profit before tax</b>			<b>123 525</b>	<b>48 694</b>	<b>42 115</b>	<b>(2 259)</b>
Income tax		9	(25 972)	(8 105)	(13 210)	(318)
<b>Net profit</b>			<b>97 553</b>	<b>40 589</b>	<b>28 905</b>	<b>(2 577)</b>
<b>Other comprehensive income</b>						
Exchange differences on translating foreign operations			46	438	357	(335)
Effective portion of changes in fair value of cash flow hedges			(13 487)	(4 956)	(221)	210
Income tax on other comprehensive income			2 563	942	42	(40)
<b>Other comprehensive income, net</b>			<b>(10 878)</b>	<b>(3 576)</b>	<b>178</b>	<b>(165)</b>
<b>Total comprehensive income</b>			<b>86 675</b>	<b>37 013</b>	<b>29 083</b>	<b>(2 742)</b>
<b>Net profit attributable to:</b>						
Owners of the Parent			97 553	40 589	28 905	(2 577)
<b>Net profit</b>			<b>97 553</b>	<b>40 589</b>	<b>28 905</b>	<b>(2 577)</b>
<b>Comprehensive income attributable to:</b>						
Owners of the Parent			86 675	37 013	29 083	(2 742)
<b>Total comprehensive income</b>			<b>86 675</b>	<b>37 013</b>	<b>29 083</b>	<b>(2 742)</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			5,39	1,57	1,60	(0,14)

## Condensed consolidated statement of financial position

	<i>as at</i> <b>Note</b>	<b>30 September</b> <b>2019</b> <i>(unaudited)</i>	<b>31 December</b> <b>2018 *</b>
<b>Non-current assets</b>			
Property, plant and equipment		1 445	529
Intangible assets		302	678
Investment property	10	1 720 965	1 448 594
Other long-term investments	12	71 182	72 088
Other non-current assets		455	653
Deferred tax assets	11	1 620	3 485
<b>Total non-current assets</b>		<b>1 795 969</b>	<b>1 526 027</b>
<b>Aktywa obrotowe</b>			
Inventories		25	144
Short-term investments	12	22 291	22 291
Income tax receivable	13	482	516
Trade and other receivables	13	38 738	57 754
Other short-term investments	12	2 879	10 551
Cash and cash equivalents	14	103 033	46 106
<b>Total current assets</b>		<b>167 448</b>	<b>137 362</b>
<b>TOTAL ASSETS</b>		<b>1 963 417</b>	<b>1 663 389</b>
<b>Equity</b>			
	16		
Share capital		4 529	4 529
Capital reserve		83 680	83 680
Share premium		71 121	71 121
Statutory reserve funds		154 575	153 963
Cash flow hedge reserve		(12 022)	(1 098)
Translation reserve		(1)	(70)
Retained earnings		600 145	503 227
<b>Total equity</b>		<b>902 027</b>	<b>815 352</b>
<b>Non-current liabilities</b>			
Borrowings and other debt instruments	18.1	792 520	612 667
Deferred tax liability	11	136 234	119 474
Other non-current liabilities	18.1	50 423	30 248
<b>Total non-current liabilities</b>		<b>979 177</b>	<b>762 389</b>
<b>Current liabilities</b>			
Borrowings and other debt instruments	18.2	23 695	30 996
Other current liabilities	18.2	213	-
Employee benefit obligations	19	157	918
Income tax payable	20	911	2 959
Trade and other payables	20	57 237	50 775
<b>Total current liabilities</b>		<b>82 213</b>	<b>85 648</b>
<b>Total liabilities</b>		<b>1 061 390</b>	<b>848 037</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 963 417</b>	<b>1 663 389</b>

\* Restated.

## Condensed consolidated statement of cash flows

	<i>for the nine months ended 30 September</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>123 525</b>	<b>42 115</b>
<i>Total adjustments:</i>				
Depreciation and amortisation			676	186
Change in fair value of investment properties			(107 997)	(13 545)
Net interest			14 195	11 027
Exchange differences			11 705	10 345
Other			(1 621)	3
Change in receivables		15.2	19 135	(24 450)
Change in current and other liabilities		15.3	10 253	6 339
<b>Cash from operating activities</b>			<b>69 871</b>	<b>32 020</b>
Income tax paid			(6 798)	(2 367)
<b>Net cash from operating activities</b>			<b>63 073</b>	<b>29 653</b>
<b>Cash flows from investing activities</b>				
Interest received			-	567
Repayment of loans			-	7 226
Purchase of investment property, property, plant and equipment and intangible assets			(158 611)	(147 292)
Other cash used in investing activities			-	(13 101)
Other cash from investing activities			9 599	-
<b>Cash from investing activities</b>			<b>(149 012)</b>	<b>(152 600)</b>
<b>Cash flows from financing activities</b>				
Increase in borrowings		15.1	455 843	109 604
Repayment of borrowings		15.1	(296 664)	(24 227)
Issue of debt securities			-	42 473
Interest paid			(17 209)	(9 850)
<b>Cash from financing activities</b>			<b>141 970</b>	<b>118 000</b>
<b>Total cash flows</b>			<b>56 031</b>	<b>(4 947)</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			896	(508)
<b>Cash and cash equivalents at end of period</b>		14	<b>103 033</b>	<b>59 372</b>

## Condensed statement of changes in consolidated equity

### Equity attributable to the owners of the Parent

	Share capital	Capital reserve	Share premium	Statutory reserve funds	Cash flow hedge reserve	Translation reserve	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)*	-	-	-	-	-	-	28 905	<b>28 905</b>
Total other comprehensive income*	-	-	-	-	(179)	357	-	<b>178</b>
<b>Comprehensive income for the period ended 30 September 2018*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(179)</b>	<b>357</b>	<b>28 905</b>	<b>29 083</b>
Interim dividend paid	-	-	-	-	-	-	(3 260)	<b>(3 260)</b>
Net profit distribution <sup>1)</sup> *	-	2 296	-	-	-	10	(2 306)	-
<b>Equity as at 30 September 2018*</b>	<b>4 529</b>	<b>83 680</b>	<b>71 121</b>	<b>153 963</b>	<b>(387)</b>	<b>(173)</b>	<b>439 741</b>	<b>752 474</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)*	-	-	-	-	-	-	97 553	<b>97 553</b>
Total other comprehensive income*	-	-	-	-	(10 924)	69	(23)	<b>(10 878)</b>
<b>Comprehensive income for the period ended 30 September 2019*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 924)</b>	<b>69</b>	<b>97 530</b>	<b>86 675</b>
Net profit distribution*	-	-	-	612	-	-	(612)	-
<b>Equity as at 30 September 2019*</b>	<b>4 529</b>	<b>83 680</b>	<b>71 121</b>	<b>154 575</b>	<b>(12 022)</b>	<b>(1)</b>	<b>600 145</b>	<b>902 027</b>

\* Unaudited.

<sup>1)</sup> The net profit was distributed pursuant to a resolution passed by shareholders of MLP Logistic Park Germany I Sp. z o.o. & Co. KG

## Notes to the interim condensed consolidated financial statements

### 1. General information

#### 1. 1 The Parent

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

The Parent was established as a result of transformation of the state-owned enterprise Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warszawy into a state-owned joint-stock company. The deed of transformation was drawn up before a notary public on 18 February 1995. Pursuant to a resolution of the 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 40 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 30 September 2019, the Group was made up of the following entities:

Entity	Country of registration	Parent's direct and indirect interest in equity		Parent's direct and indirect interest in voting rights	
		30 September 2019	31 December 2018	30 September 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%
MLP Wrocław West Sp. z o.o. <sup>8)</sup>	Poland	100%	-	100%	-
MLP Business Park Berlin I GP sp. z o.o. <sup>1)</sup>	Poland	100%	-	100%	-
MLP Łódź II sp. z o.o. <sup>2)</sup>	Poland	100%	-	100%	-
MLP Poznań East sp. z o.o. <sup>3)</sup>	Poland	100%	-	100%	-
MLP Schwalmtal LP sp. z o.o. <sup>4)</sup>	Poland	100%	-	100%	-
MLP Schwalmtal GP sp. z o.o. <sup>5)</sup>	Poland	100%	-	100%	-
MLP Property I sp. z o.o. <sup>6)</sup>	Poland	100%	-	100%	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG <sup>7)</sup>	Germany	100%	-	100%	-

### **1. 3 Changes in the Group**

- <sup>1)</sup> MLP Business Park Berlin I GP sp. z o.o. was established on 17 July 2019. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>2)</sup> MLP Business Park Berlin I LP sp. z o.o. was established on 17 July 2019; on 19 September 2019 the company changed its name to MLP Łódź II sp. z o.o. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>3)</sup> MLP Poznań East sp. z o.o. was established on 4 September 2019. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>4)</sup> MLP Schwalmtal LP sp. z o.o. was established on 16 September 2019. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>5)</sup> MLP Schwalmtal GP sp. z o.o. was established on 16 September 2019. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>6)</sup> MLP Property I sp. z o.o. was established on 16 September 2019. All shares in the new company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).
- <sup>7)</sup> On 23 July 2019, MLP Business Park Berlin I Sp. z o.o. & Co. KG was established as part of the Group.
- <sup>8)</sup> MLP Wrocław West Sp. z o.o. was established on 17 July 2019. All shares in the company were acquired by MLP Group S.A. (100 shares with a total par value of PLN 5,000).

These interim consolidated financial statements for the nine months ended 30 September 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	56,97%
Other shareholders	1 761 703	9,73%
THESINGER LIMITED	1 771 320	9,78%
Aegon Powszechnie Towarzystwo Emerytalne S.A. <sup>1)</sup>	1 220 652	6,74%
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>Aegon PTE S.A.'s equity interest increased from 1,149,775 to 1,219,775 Company shares in December 2018 and to 1,220,652 Company shares in June 2019, and now represents 6.74% of the share capital and confers rights to 1,220,652 votes, i.e. 6.74% of total voting rights in the Company.

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

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

Michael Shapiro holds indirectly, through his fully-controlled companies MIRO B.V. and MIRO Ltd., 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, is – indirectly, through a 7.86% interest held in the share capital of a company (Thesinger Limited) holding Issuer shares – the beneficial owner of 0.77% of the share capital of MLP Group S.A., and holds directly an 0.82% interest in the share capital of the Company in the for of shares subscribed for in September 2017. 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 have no direct holdings in the Company's share capital.

## **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 for those which are awaiting approval by the European Union and those standards and interpretations which have been approved by the European Union but are not yet effective.

### **2. 2 Status of standards approval in the European Union**

#### **2. 2. 1 Standards and interpretations endorsed by the European Union effective as of 1 January 2019**

The impact of the amended and new standards on the Group's future consolidated financial statements is discussed in Note 2.2 to the consolidated financial statements for 2018.

These interim condensed consolidated financial statements have been prepared in accordance with the accounting policies described in the consolidated financial statements for 2018, except for IFRS 16 *Leases*, which has been effective from 1 January 2019.

The following new standard was applied for the first time in the Group's consolidated financial statements for 2019:

#### **IFRS 16 Leases**

The Group adopted the new IFRS 16 *Leases* as of 1 January 2019. The comparative data for the financial year 2018 was restated.

#### **Recognition of lease liabilities**

The Group does not recognise lease liabilities arising under leases previously classified as operating leases in accordance with IAS 17 *Leases*. The estimated present value of lease payments outstanding on the date of initial application of IFRS 16 was low (PLN 330 thousand) and was related to the lease of company cars.

#### **Recognition of right-of-use assets**

Right-of-use assets are measured at cost.

As at 1 January 2019, the Group chose to recognise the assets at discounted amounts of liabilities.

Right-of-use assets are presented in the statement of financial position in the same line item where underlying assets owned by the Company would be presented. Depreciation of right-of-use assets was recognised in the statement of profit or loss in the same line items as other expenses of this type.

#### **Application of estimates and judgements**

The implementation of IFRS 16 requires making certain estimates, judgements and calculations that influence the measurement of finance lease liabilities and right-of-use assets. These include:

- assessment whether a lease payment is a fixed, in-substance fixed or variable payment;
- assessment whether a contract contains a lease under IFRS 16;
- determining the lease term (including for contracts with an indefinite term or an extension option);
- determining the interest rate to be used to discount future cash flows;
- determining the depreciation rate.

#### **Use of practical expedients**

On initial application of IFRS 16, the Group applied the following practical expedients available under the standard:

- application of a single discount rate (4.32%) to a portfolio of leases that have similar characteristics.

#### **Effect on the statement of financial position as at 31 December 2018**

For presentation of the restatement of comparative data for the period ended 31 December 2018, see Note 28.

#### **Effect on equity**

The application of IFRS 16 had no effect on retained earnings or equity as at 31 December 2018 because the right-of-use assets were recognised at the same amounts as lease liabilities.

#### **Effect on financial ratios**

Since the Group recognises right-of-use assets in its statement of financial position, the adoption of IFRS 16 had an impact on its balance sheet ratios, including the debt to equity ratio. The Group analysed the impact of the changes on its compliance with financial covenants under credit facility agreements. No risk of non-compliance was identified.

Presented below is an additional disclosure of detailed accounting policies related to IFRS 9 *Financial Instruments* coming into force.

### **IFRS 9 Financial Instruments**

Under IFRS 9, the Company is required to recognise a loss allowance for lifetime expected credit losses, and if at the reporting date the credit risk on a financial instrument has not increased significantly, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company applies a three-stage impairment model with respect to financial assets other than trade receivables:

- Stage 1 – financial instruments on which the credit risk has not increased significantly since initial recognition. Expected credit losses are determined based on the probability of default occurring within the next 12 months (i.e. total expected credit losses are multiplied by the probability of default occurring in the next 12 months);
- Stage 2 – financial instruments that have had a significant increase in credit risk since initial recognition, but have no objective evidence of impairment; expected credit losses are calculated based on the probability of default over the life of an asset;
- Stage 3 – financial instruments for which there is objective evidence of impairment.

To the extent that the Company is required under the above model to make an assessment as to whether there has been a significant increase in credit risk, such assessment is made taking into account the following factors:

- a loan is past due 30 days or more;
- there have been legislative, technological or macroeconomic changes having a material adverse effect on the debtor;
- a significant adverse event has been reported concerning the loan or another loan taken by the same debtor from another lender, for instance a loan agreement has been terminated, there has been a default under its terms and conditions, or the loan agreement has been renegotiated due to financial distress of the debtor, etc.
- the debtor has lost a significant customer or supplier or has experienced other adverse developments on its market.

With respect to short-term receivables, the Company has performed an analysis of the effect of expected losses using the simplified method, which is permitted to be used under IFRS 9 to estimate the effect of expected credit losses with respect to short-term trade receivables.

## **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 to translate financial data**

### **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 these 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:**

	<b>30 September 2019</b>	<b>31 December 2018</b>	<b>30 September 2018</b>
EUR	4,3736	4,3000	4,2714
USD	4,0000	3,7597	3,6754

## **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 consolidated financial statements for 2018.

The preparation of consolidated financial statements in accordance with IAS 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 the estimates.

## **3. Segment reporting**

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

The Group operates in Poland, 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 30 September 2019 and in the reporting period then ended, the Group had three geographical segments – Poland, Germany and Romania.

## Operating segments

for the nine months ended 30 September	2019*				
	Poland	Germany	Romania	Inter-segment eliminations	Total
<b>Revenue</b>					
Sales to external customers	99 166	2 693	336	-	102 195
Gain/(loss) on revaluation of investment property	97 518	7 428	3 051	-	107 997
<b>Total segment revenue</b>	<b>196 684</b>	<b>10 121</b>	<b>3 387</b>	-	<b>210 192</b>
Segment's operating profit/(loss)	144 145	4 910	2 948	-	152 003
Segment's other income/(expense)	97	95	(3)	-	189
<b>Profit/(loss) before tax and net finance costs</b>	<b>144 242</b>	<b>5 005</b>	<b>2 945</b>	-	<b>152 192</b>
Net finance income/(costs)	(28 222)	(1 484)	(1 008)	2 047	(28 667)
<b>Profit/(loss) before tax</b>	<b>116 020</b>	<b>3 521</b>	<b>1 937</b>	<b>2 047</b>	<b>123 525</b>
Income tax	(24 362)	(1 289)	(321)	-	(25 972)
<b>Net profit/(loss)</b>	<b>91 658</b>	<b>2 232</b>	<b>1 616</b>	<b>2 047</b>	<b>97 553</b>

for the nine months ended 30 September	2018*				
	Poland**	Germany	Romania	Inter-segment eliminations	Total**
<b>Revenue</b>					
Sales to external customers	102 303	3 381	-	-	105 684
Gain/(loss) on revaluation of investment property	14 818	(926)	(347)	-	13 545
<b>Total segment revenue</b>	<b>117 121</b>	<b>2 455</b>	<b>(347)</b>	-	<b>119 229</b>
Segment's operating profit/(loss)	62 984	1 215	(448)	-	63 751
Segment's other income/(expense)	(1 210)	2	-	-	(1 208)
<b>Profit/(loss) before tax and net finance costs</b>	<b>61 774</b>	<b>1 217</b>	<b>(448)</b>	-	<b>62 543</b>
Net finance income/(costs)	(20 387)	(335)	(41)	335	(20 428)
<b>Profit/(loss) before tax</b>	<b>41 387</b>	<b>882</b>	<b>(489)</b>	<b>335</b>	<b>42 115</b>
Income tax	(13 227)	95	(78)	-	(13 210)
<b>Net profit/(loss)</b>	<b>28 160</b>	<b>977</b>	<b>(567)</b>	<b>335</b>	<b>28 905</b>

\* Unaudited.

\*\* Restated.

	<b>30 September 2019*</b>					
	<i>as at</i>	Poland	Germany	Romania	Inter-segment eliminations	Total
<b>Assets and liabilities</b>						
Segment's assets		1 938 769	40 513	65 759	(81 624)	1 963 417
<b>Total assets</b>		<b>1 938 769</b>	<b>40 513</b>	<b>65 759</b>	<b>(81 624)</b>	<b>1 963 417</b>
Segment's liabilities		1 052 770	36 661	53 583	(81 624)	1 061 390
Equity		885 999	3 852	12 176	-	902 027
<b>Total equity and liabilities</b>		<b>1 938 769</b>	<b>40 513</b>	<b>65 759</b>	<b>(81 624)</b>	<b>1 963 417</b>
<b>Expenditure on properties</b>		<b>139 880</b>	<b>1 458</b>	<b>22 529</b>	<b>-</b>	<b>163 867</b>

	<b>31 December 2018</b>					
	<i>as at</i>	Poland **	Germany	Romania	Inter-segment eliminations	Total **
<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.

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

#### 4. Revenue

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>
Rental income	79 141	28 170	68 701	23 622	
Other revenue	21 694	6 555	18 871	5 440	
Revenue from development contract concluded by MLP Bieruń Sp. z o.o. <sup>1)</sup>	1 360	-	18 112	11 840	
<b>Total revenue</b>	<b>102 195</b>	<b>34 725</b>	<b>105 684</b>	<b>40 902</b>	

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>
Recharge of utility costs	20 647	6 219	17 911	5 379	
Rental income from apartments	24	7	25	8	
Services provided to tenants	1 002	746	247	51	
Other revenue	21	(417)	688	2	
<b>Other revenue</b>	<b>21 694</b>	<b>6 555</b>	<b>18 871</b>	<b>5 438</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 development contract whereby it undertook to complete the construction and to commercialise the park. In the performance of the contract, MLP Bieruń Sp. z o.o. leased 11,340 m<sup>2</sup> of 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 6,272 in Q1 2018), calculated based on the percentage of completion of the work.

In 2018, MLP Bieruń Sp. z o.o. leased the remaining space 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 1,360 thousand in 2019.



## 5. Other income

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Reimbursement of court fees	3	3	8	8	
Reversal of impairment losses on receivables	16	6	81	6	
Contractual penalties received	181	8	509	443	
Other	1 040	224	618	413	
Gain on disposal of non-financial non-current assets	75	-	166	(21)	
Reversal of provision for future costs	2	-	361	-	
<b>Other income</b>	<b>1 317</b>	<b>241</b>	<b>1 743</b>	<b>849</b>	

## 6. Other expenses

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Impairment losses on receivables	(7)	(7)	(950)	1	
Court fees	(199)	(38)	(76)	(33)	
Costs of donations made	(18)	(7)	(27)	(27)	
Costs of insurance policies	(814)	(19)	(168)	(133)	
Other	(87)	(80)	(143)	(64)	
Cost of capital expenditure	-	-	(1 089)	(353)	
Damages and contractual penalties paid	(3)	(2)	(498)	-	
<b>Other expenses</b>	<b>(1 128)</b>	<b>(153)</b>	<b>(2 951)</b>	<b>(609)</b>	

## 7. Distribution costs and administrative expenses

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>	<i>(unaudited, restated)</i>
Depreciation and amortisation	(676)	(240)	(186)	(85)	
Raw materials and consumables used	(19 864)	(5 794)	(14 981)	(4 024)	
Services	(20 462)	(7 220)	(24 801)	(12 448)	
Taxes and charges	(13 009)	(4 314)	(10 824)	(3 653)	
Wages and salaries	(2 766)	(1 088)	(1 683)	(662)	
Social security and other employee benefits	(450)	(135)	(288)	(82)	
Other expenses by nature	(962)	(312)	(2 712)	(946)	
Merchandise and materials sold	-	-	(3)	-	
<b>Distribution costs and administrative expenses</b>	<b>(58 189)</b>	<b>(19 103)</b>	<b>(55 478)</b>	<b>(21 900)</b>	

In the nine months ended 30 September 2019 distribution costs and administrative expenses were PLN 58 189 thousand, and they mostly included costs and expenses incurred to maintain the revenue-generating property. Costs not directly related to the property include depreciation of non-revenue generating property, plant and equipment used in the Group's operations, and property tax on undeveloped land.

Cost of services also includes PLN 649 thousand (PLN 3,927 thousand in the corresponding period of the previous year) 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 period</i>		<i>for the period</i>	
	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest income on loans advanced	778	261	821	262
Interest income on bank deposits	35	13	61	17
Other interest income	36	-	15	15
Net exchange differences	-	-	-	-
Interest on receivables	23	4	19	2
<b>Total finance income</b>	<b>872</b>	<b>278</b>	<b>916</b>	<b>296</b>

	<i>for the period</i>		<i>for the period</i>	
	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
	<i>ended</i>	<i>ended</i>	<i>ended</i>	<i>ended</i>
	<b>30</b>	<b>30</b>	<b>30 September</b>	<b>30 September</b>
	<b>September</b>	<b>September</b>	<b>2018</b>	<b>2018</b>
	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Interest expense on borrowings	(8 633)	(3 099)	(7 131)	(2 578)
Other interest expense	(205)	(3)	(5)	(1)
Interest paid on swap contracts	(3 651)	(638)	(1 675)	(622)
Net interest income on cash flow hedge	93	-	(40)	(7)
Ineffective portion of remeasurement of cash flow hedges	2	2	(627)	656
Net exchange differences	(11 608)	(5 508)	(8 540)	10 194
Interest expense on bonds	(2 824)	(968)	(2 375)	(931)
Other finance costs	(210)	(58)	(199)	(74)
Debt service costs	(2 503)	(178)	(752)	(177)
<b>Total finance costs</b>	<b>(29 539)</b>	<b>(10 450)</b>	<b>(21 344)</b>	<b>6 460</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.

On 3 June 2019, each of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with each of the following banks: ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch. Previous variable-to-fixed interest rate swap contracts concluded by the companies with BGŻ BNP Paribas S.A. and mBank S.A. were terminated following repayment of the credit facilities contracted with those banks.

On 11 July 2019, MLP Wrocław Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Bank Polska Kasa Opieki S.A.

With these contractual arrangements in place, future interest payments on variable-rate credit facilities will be effectively exchanged for 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. In the period from 31 December 2018 to 30 September 2019, the Polish currency depreciated by PLN 0.0736, or 1.71%. The depreciation of the złoty against the euro resulted in foreign exchange losses of PLN 11,608 thousand, which contributed to the Group's net finance income/(costs).

## 9. Income tax

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
		<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
		<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>
		<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Current income tax		4 792	1 070	4 563	1 806
Temporary differences/reversal of		21 180	7 035	8 647	(1 488)
<b>Income tax</b>		<b>25 972</b>	<b>8 105</b>	<b>13 210</b>	<b>318</b>
<b>Effective tax rate</b>					
<b>Profit before tax</b>		<b>123 525</b>	<b>36 494</b>	<b>42 115</b>	<b>(2 259)</b>
<i>Tax at the applicable tax rate (19%)</i>		<i>(23 470)</i>	<i>(6 934)</i>	<i>(8 002)</i>	<i>429</i>
Excess of commercial property tax over income tax		(1 100)	(352)	-	-
Difference resulting from different tax rates at MLP Logistic Park Germany I Sp. z o.o. Co.&KG and at MLP Bucharest West SRL		322	(53)	88	347
Unrecognised asset for tax loss		(1 559)	(163)	(4 289)	77
Write off of unused deferred tax asset for tax loss		(3)	(1)	-	-
Use of tax previously written off		-	42	196	(60)
Non-tax-deductible costs		(162)	(644)	(1 203)	(1 111)
<b>Income tax</b>		<b>(25 972)</b>	<b>(8 105)</b>	<b>(13 210)</b>	<b>(318)</b>

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

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

## 10. Investment property

<i>as at</i>	<b>30 September 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	163 867	189 906
Currency translation differences	507	1 672
Change in fair value	107 997	88 713
<b>Gross amount at end of period</b>	<b>1 720 965</b>	<b>1 448 594</b>

\* Restated.

Investment property includes warehouses and land for development. Rental income from lease of warehouses is the key source of the Group's revenue. Investment property as at 30 September 2019 includes usufruct rights of PLN 21,142 thousand. The change is attributable to the Group's implementation of IFRS 16 starting from 1 January 2019.

In the period from 31 December 2018 to 30 September 2019, the value of investment property increased by EUR 45,024 thousand, to EUR 379,279 thousand. The change was mainly attributable to the expenditure on the construction work at new parks, execution of new contracts for lease of space in the new facilities, and obtaining a building permit for new facilities. The depreciation of the Polish currency by PLN 0.0736 (1.71%) contributed to a change in the value of investment property as translated from the euro into the złoty and a PLN 24,601 thousand increase in the property's fair value as at 30 September 2019.

The Group is a party to court proceedings concerning revision of the usufruct charge rate. As at the date of issue of this report, the Management Board of MLP Group S.A. was not able to estimate the amount of the charge. The amount determined by the court may affect the value of investment property and finance lease liabilities.

### Investment property by parks

<i>as at</i>	<b>30 September 2019</b> <i>(unaudited)</i>	<b>31 December 2018 *</b>
<b>MLP Pruszków I park</b>		
Fair value of property - MLP Pruszków I	388 157	351 997
Expenditure on properties	110	-
Usufruct - MLP Pruszków I	17 774	8 977
	<b>406 041</b>	<b>360 974</b>
<b>MLP Pruszków II park</b>		
Fair value of property - MLP Pruszków II	517 795	461 790
Expenditure on properties	13 914	-
Usufruct - MLP Pruszków II	3 368	1 701
	<b>535 077</b>	<b>463 491</b>
<b>MLP Poznań park</b>		
Fair value of property - MLP Poznań	142 011	133 188
Expenditure on properties	96	-
	<b>142 107</b>	<b>133 188</b>
<b>Park MLP Lublin</b>		
Fair value of property - MLP Lublin	127 475	88 498
Expenditure on properties	5 716	-
	<b>133 191</b>	<b>88 498</b>

\* Restated.

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018 *</b>
	<i>(unaudited)</i>	
<b>MLP Teresin park</b>		
Fair value of property - MLP Teresin	73 433	70 004
	<b>73 433</b>	<b>70 004</b>
<b>MLP Gliwice park</b>		
Fair value of property - MLP Gliwice	104 485	99 459
Expenditure on properties	700	-
	<b>105 185</b>	<b>99 459</b>
<b>Park MLP Wrocław</b>		
Fair value of property - MLP Wrocław	90 665	84 994
Expenditure on properties	3 106	-
	<b>93 771</b>	<b>84 994</b>
<b>Park MLP Czeladź</b>		
Fair value of property - MLP Czeladź	80 649	59 000
Expenditure on properties	943	-
	<b>81 592</b>	<b>59 000</b>
<b>Park MLP Poznań West<sup>1)</sup></b>		
Fair value of property - MLP Poznań West	45 092	32 035
Expenditure on properties	14 017	-
	<b>59 109</b>	<b>32 035</b>
<b>Park MLP Unna</b>		
Fair value of property - MLP Unna	33 327	24 639
Expenditure on properties	198	-
	<b>33 525</b>	<b>24 639</b>
<b>Park MLP Bucharest West</b>		
Fair value of property - MLP Bucharest West	55 738	31 723
Expenditure on properties	1 565	-
	<b>57 303</b>	<b>31 723</b>
Expenditure on new projects	<b>496</b>	<b>454</b>
<b>MLP Energy - apartments</b>	<b>135</b>	<b>135</b>
<b>Gross amount at end of period</b>	<b>1 720 965</b>	<b>1 448 594</b>

\* Restated.

<sup>1)</sup> On 4 March 2019, the Group signed a material lease contract and obtained a building permit for the construction of facilities in the MLP Poznań West logistics park, which increased the property valuation.

For information on investment property pledged as security, see Note 22.

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

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

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

The valuations were prepared in accordance with 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 income approach was used in the valuation of existing buildings and land with building permits, while in the case of undeveloped land the market approach was applied.

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 5.75% 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. The property valuation based on the independent valuation reports prepared as at 30 June 2019 was maintained as at 30 September 2019. 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 30 June 2019), while valuations of the properties denominated in the euro were translated at the mid rate quoted by the National Bank of Poland for 30 September 2019, and then remeasured to reflect the capital expenditure incurred in the period from 1 January 2019 to 30 September 2019.

The valuation method did not change relative to previous periods.

In the year ended 30 September 2019, there were no reclassifications between the fair value hierarchy levels.

## 11. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	30 September	31 December	30 September	31 December	30 September	31 December
	<i>as at</i> 2019 <i>(unaudited)</i>	2018	2019 <i>(unaudited)</i>	2018	2019 <i>(unaudited)</i>	2018
Investment property	-	-	144 965	121 282	144 965	121 282
Borrowings and loans advanced	2 490	861	-	-	(2 490)	(861)
Derivatives	2 828	995	-	-	(2 828)	(995)
Other	455	-	-	522	(455)	522
Tax losses deductible in future periods	4 331	3 862	-	-	(4 331)	(3 862)
Interest on bonds	247	97	-	-	(247)	(97)
<b>Deferred tax assets / liabilities</b>	<b>10 351</b>	<b>5 815</b>	<b>144 965</b>	<b>121 804</b>	<b>134 614</b>	<b>115 989</b>

	<i>as at</i>	30 September 2019 <i>(unaudited)</i>	31 December 2018
<b>Including:</b>			
Deferred tax asset		(1 620)	(3 485)
Deferred tax liability		136 234	119 474
		<b>134 614</b>	<b>115 989</b>

As at 30 September 2019, the unrecognised deferred tax asset for tax loss was PLN 9,667 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 comprehensive income	currency translation differences	31 December 2018
Investment property	99 307	21 930	-	45	121 282
Borrowings and loans advanced	1 748	(2 609)	-	-	(861)
Derivatives	(433)	(353)	(209)	-	(995)
Other	99	404	-	19	522
Tax losses deductible in future periods	(7 846)	3 984	-	-	(3 862)
Interest on bonds	(67)	(30)	-	-	(97)
	<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 <i>(unaudited)</i>	changes recognised in other comprehensive income <i>(unaudited)</i>	currency translation differences <i>(unaudited)</i>	30 September 2019 <i>(unaudited)</i>
Investment property	121 282	23 675	-	8	144 965
Borrowings and loans advanced	(861)	(1 629)	-	-	(2 490)
Derivatives	(995)	730	(2 563)	-	(2 828)
Other	522	(977)	-	-	(455)
Tax losses deductible in future periods	(3 862)	(469)	-	-	(4 331)
Interest on bonds	(97)	(150)	-	-	(247)
	<b>115 989</b>	<b>21 180</b>	<b>(2 563)</b>	<b>8</b>	<b>134 614</b>

## 12. Investments and other investments

	30 September <i>as at</i> <i>(unaudited)</i>	31 December 2018
Other long-term investments	20 368	22 295
Long-term loans to related entities	50 814	49 793
<b>Other long-term investments</b>	<b>71 182</b>	<b>72 088</b>
Short-term loans to related entities	152	152
Short-term loans to other entities	22 139	22 139
<b>Short-term investments</b>	<b>22 291</b>	<b>22 291</b>
Restricted cash	2 879	10 551
<b>Other short-term investments</b>	<b>2 879</b>	<b>10 551</b>

Other long-term investments include the non-current portion of restricted cash of PLN 20 368 thousand. This amount includes: (i) cash of PLN 11 398 thousand, set aside pursuant to credit facility agreements to secure repayment of the facility, (ii) PLN 2 863 thousand security deposit from a tenant, (iii) as well as other deposits of PLN 6 107 thousand.

Other short-term investments include the current portion of restricted cash of PLN 2 879 thousand. The amount includes: (i) current portion of retained deposits of PLN 2 291 thousand, and (ii) non-current portion of funds set aside pursuant to credit facility agreements, of PLN 588 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	777
Change in carrying amount	244
<b>Amount as at 30 September 2019</b>	<b>73 105</b>

## 13. Trade and other receivables

	<i>as at</i>	<b>30 September 2019</b> <i>(unaudited)</i>	<b>31 December 2018</b>
Trade receivables		13 092	14 503
Investment settlements		181	1 579
Prepayments and accrued income		7 766	2 376
Accrued income from the development contract concluded by MLP Bieruń Sp. z o.o.		10	22 304
Advance payment for purchase of land		-	2 040
Taxes and social security receivable		17 689	14 952
<b>Trade and other receivables</b>		<b>38 738</b>	<b>57 754</b>
Income tax receivable		482	516
<b>Short-term receivables</b>		<b>39 220</b>	<b>58 270</b>

For details on accounts receivable from related entities, see Note 23.

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

	<i>as at</i>	<b>30 September 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		5 510	-	4 936	-
Past due:					
1 to 90 days		3 886	(2)	6 776	(1)
91 to 180 days		155	-	2 589	-
over 180 days		9 060	(5 517)	5 728	(5 525)
<b>Total receivables</b>		<b>18 611</b>	<b>(5 519)</b>	<b>20 029</b>	<b>(5 526)</b>

\* Unaudited.

## 14. Cash and cash equivalents

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	
Cash in hand	65	61
Cash at banks	88 989	41 654
Short-term deposits	13 979	4 391
<b>Cash and cash equivalents in the consolidated statement of financial position</b>	<b>103 033</b>	<b>46 106</b>
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>103 033</b>	<b>46 106</b>

Cash at banks bears interest at variable rates linked to the overnight interest rate. Short-term deposits are placed for various terms, 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 original maturities of up to three months.

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

### 15. 1 Cash flows from borrowings

<i>for the nine months ended 30 September</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Proceeds from bank borrowings	455 843	109 604
<b>Cash flows from borrowings</b>	<b>455 843</b>	<b>109 604</b>
<b>Cash flows from borrowings – amount disclosed in the consolidated statement of cash flows</b>	<b>455 843</b>	<b>109 604</b>

<i>for the nine months ended 30 September</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Repayment of bank borrowings	(296 664)	(16 659)
Repayment of non-bank borrowings	-	(7 568)
<b>Cash flows from repayment of borrowings</b>	<b>(296 664)</b>	<b>(24 227)</b>
<b>Cash flows from repayment of borrowings – amount disclosed in the consolidated statement of cash flows</b>	<b>(296 664)</b>	<b>(24 227)</b>

## 15. 2 Change in receivables

	<i>for the nine months ended 30 September</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in inventories		119	125
Change in trade and other receivables		19 016	(25 255)
Other adjustments		-	680
<b>Change in receivables</b>		<b>19 135</b>	<b>(24 450)</b>
<b>Change in receivables disclosed in the consolidated statement of cash flows</b>		<b>19 135</b>	<b>(24 450)</b>

## 15. 3 Change in current and other liabilities

	<i>for the nine months ended 30 September</i>	<b>2019</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in trade and other payables		6 462	20 149
Change in employee benefit obligations		(761)	(1 970)
Change in current liabilities under performance bonds and security deposits		282	226
Change in finance lease liabilities		10 463	(13)
Elimination of changes in investment commitments		(6 193)	(8 793)
Elimination of interim dividend paid in October 2018		-	(3 260)
<b>Change in current and other liabilities</b>		<b>10 253</b>	<b>6 339</b>
<b>Change in current and other liabilities disclosed in the consolidated statement of cash flows</b>		<b>10 253</b>	<b>6 339</b>

## 16. Equity

### 16. 1 Share capital

	<i>as at</i>	<b>30 September</b>	<b>31 December</b>
		<b>2019</b>	<b>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 30 September 2019, the Parent's share capital amounted to PLN 4,528,313.75 and was divided into 18,113,255 shares conferring rights to 18,113,225 votes at the General Meeting. All shares have a 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 the quotient of net profit for the period attributable to owners of the Parent and weighted average number of shares outstanding in the reporting period.

	<i>for the period</i>	<i>of 9 months</i>	<i>of 3 months</i>	<i>of 9 months</i>	<i>of 3 months</i>
		<b>ended</b>	<b>ended</b>	<b>ended</b>	<b>ended</b>
		<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Net profit/(loss) for period</b>		<b>97 553</b>	<b>40 589</b>	<b>28 905</b>	<b>(2 577)</b>
Number of outstanding shares (units)		18 113 255	18 113 255	18 113 255	18 113 255
Weighted average number of outstanding shares		18 113 255	18 113 255	18 113 255	18 113 255
Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):					
- basic		5,39	2,24	1,60	(0,14)
- diluted		5,39	2,24	1,60	(0,14)
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

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	
Borrowings secured over the Group's assets	610 197	433 592
Bonds	131 208	129 000
Non-bank borrowings	51 115	50 075
<b>Non-current liabilities under borrowings and other debt instruments</b>	<b>792 520</b>	<b>612 667</b>

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018 *</b>
	<i>(unaudited)</i>	
Finance lease liabilities (usufruct of land) <sup>1)</sup>	21 142	10 679
Liabilities from measurement of swap transactions	14 645	5 215
Performance bonds	9 472	10 379
Security deposits from tenants and other deposits	5 164	3 975
<b>Other non-current liabilities</b>	<b>50 423</b>	<b>30 248</b>

<sup>1)</sup> The Group is a party to court proceedings concerning revision of the usufruct charge rate. As at the date of issue of this report, the Management Board of MLP Group S.A. was not able to estimate the amount of the charge. The amount determined by the court may affect the value of investment property and finance lease liabilities.

\* Restated.

## 18. 2 Current liabilities

<i>as at</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Short-term bank borrowings and short-term portion of bank borrowings secured over the Group's assets	22 194	30 482
Bonds	1 501	514
<b>Current liabilities under borrowings and other debt instruments</b>	<b>23 695</b>	<b>30 996</b>

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

<i>as at</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
Liabilities from measurement of swap transactions	213	-
<b>Other current liabilities</b>	<b>213</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	2 824
Interest paid on bonds	(1 849)
Change in carrying amount	2 220
<b>Amount as at 30 September 2019</b>	<b>132 709</b>



**Liabilities under non-bank borrowings**

<b>Amount as at 31 December 2018</b>	<b>50 075</b>
Interest accrued	796
Change in carrying amount	244
<b>Amount as at 30 September 2019</b>	<b>51 115</b>

**Liabilities under bank borrowings**

<b>Amount as at 31 December 2018</b>	<b>464 074</b>
<b><i>including derecognised commission fee as at 31 December 2018</i></b>	<b>726</b>
Interest accrued	7 837
Interest paid	(8 088)
IRS interest accrued	7 357
IRS interest paid	(7 272)
Increase in bank borrowings	455 843
repayment of principal	(296 664)
Realised foreign exchange gains/(losses)	515
Unrealised foreign exchange gains/(losses)	10 326
Interest capitalised	281
<b>Amount as at 30 September 2019</b>	<b>632 391</b>
<b><i>including derecognised commission fee as at 30 September 2019</i></b>	<b>2 544</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 B	EUR	10 000 000	2023-05-11	6M EURIBOR + margin	none	Catalyst

#### 18. 5 Borrowings secured and not secured over the Group's assets

	effective interest rate	as at	30 September 2019*		as at	31 December 2018			
			currency	(%)		matures in	in foreign currency	in PLN	matures in
<b>Bank borrowings secured over the Group's assets</b>									
Investment credit facility PKO BP S.A.	EUR 3M EURIBOR + margin	2028	3 267	14 292	-	-	-	-	-
Construction credit facility PKO BP S.A.	EUR 3M EURIBOR + margin	2028	1 417	6 196	-	-	-	-	-
Investment credit facility mBank S.A.	EUR 1M EURIBOR + margin	-	-	-	2021	12 445	53 439		
Investment credit facility ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	PLN 3M EURIBOR + margin	2025	93 023	404 302	-	-	-	-	-
Investment credit facility PEKAO S.A.	EUR 1M EURIBOR + margin	2025	6 168	26 977	2025	6 468	27 813		
Investment credit facility PEKAO S.A.	EUR 1M EURIBOR + margin	2028	3 412	14 924	2028	3 540	15 218		
Investment credit facility PEKAO S.A.	EUR 1M EURIBOR + margin	2029	4 397	19 229	2029	2 939	12 638		
Working capital (VAT) facility PKO BP S.A.	PLN 1M WIBOR +margin	-	-	-	2019	-	1 956		
Investment credit facility Raiffeisen Bank Polska S.A.	EUR 3M EURIBOR + margin	-	-	-	2023	34 252	146 891		
Investment credit facility BGŻ BNP Paribas S.A.	EUR 3M EURIBOR + margin	-	-	-	2022	7 112	30 335		
Investment credit facility BGŻ BNP Paribas S.A.	EUR 3M EURIBOR + margin	-	-	-	2024	6 730	28 941		
Investment credit facility BGŻ BNP Paribas S.A.	EUR 3M EURIBOR + margin	-	-	-	2024	4 971	21 377		
Working capital (VAT) facility BGŻ BNP Paribas S.A.	PLN 1M EURIBOR + margin	-	-	-	2019	-	985		
Investment credit facility PKO BP S.A.	EUR 3M EURIBOR + margin	2030	12 338	53 961	2030	7 252	31 184		
Working capital (VAT) facility PKO BP S.A.	PLN 1M WIBOR +margin	-	-	937	2018	-	-		
Investment credit facility ING Bank Śląski S.A.	EUR 1M EURIBOR + margin	2024	1 794	7 841	2024	1 925	8 264		
Investment credit facility ING Bank Śląski S.A.	EUR 3M EURIBOR + margin	2024	4 346	19 010	2024	4 565	19 632		
Investment credit facility ING Bank Śląski S.A.	EUR 1M EURIBOR + margin	2024	5 391	23 579	2024	5 561	23 912		
Investment credit facility PEKAO S.A.	EUR 1M EURIBOR + margin	2030	8 005	35 011	2030	8 300	35 689		
Investment credit facility PEKAO S.A.	EUR 1M EURIBOR + margin	2029	1 402	6 132	2030	1 349	5 800		
<b>Total bank borrowings:</b>				<b>632 391</b>			<b>464 074</b>		

\* Unaudited.

			<i>as at</i>	<b>30 September 2019*</b>		<i>as at</i>	<b>31 December 2018</b>	
	<b>currency</b>	<b>effective interest rate (%)</b>	<b>matures in</b>		<b>in PLN</b>	<b>matures in</b>	<b>in foreign currency</b>	<b>in PLN</b>
<b>Non-bank borrowings not secured over the Group's assets:</b>								
Fenix Polska S.A.	PLN	3M WIBOR + margin	2021	-	2 958	2021	-	2 905
Fenix Polska S.A.	PLN	3M WIBOR + margin	2020	-	8 256	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	-	151	2021	-	148
Fenix Polska S.A.	PLN	3M WIBOR + margin	2030	-	465	2030	-	465
Fenix Polska S.A.	PLN	3M WIBOR + margin	2020	-	22 424	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	1 960	8 572	2029	1 943	8 354
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2020	1 365	5 970	2020	1 353	5 817
<b>Total non-bank borrowings:</b>					<b>51 115</b>			<b>50 075</b>
<b>Total borrowings secured and not secured over the Group's assets</b>					<b>683 506</b>			<b>514 149</b>

\* Unaudited.

## 19. Employee benefit obligations

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	
Special accounts	157	157
Provision for bonuses	-	761
<b>Employee benefit obligations</b>	<b>157</b>	<b>918</b>

## 20. Trade and other payables

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	
Trade payables	10 761	12 531
Liabilities for execution of development contract	-	30
Deferred income	1 057	415
Taxes and social security receivable	2 518	2 833
Unbilled trade payables	830	4 123
Investment commitments, security deposits and other obligations	42 071	30 843
<b>Trade and other payables</b>	<b>57 237</b>	<b>50 775</b>
Income tax payable	911	2 959
<b>Current liabilities</b>	<b>58 148</b>	<b>53 734</b>

As at 30 September 2019, the Group did not carry any outstanding liabilities towards related parties.

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

	<b>30 September</b>	<b>31 December</b>
<i>as at</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	
Not past due	58 066	56 097
Past due from 1 to 90 days	7 837	3 120
Past due from 91 to 180 days	290	213
Pas due over 180 days	2 105	2 451
<b>Total trade and other payables</b>	<b>68 298</b>	<b>61 881</b>

The ageing structure presented above includes non-current liabilities.

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

## 21. Financial instruments

### 21. 1 Measurement of financial instruments

The fair values of financial assets and financial liabilities as at 30 September 2019 and 31 December 2018 were equal to their 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 amounts of those financial instruments correspond to fair value due to their short maturities,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amounts approximate fair value due to the short-term nature of those instruments,
- **loans advanced:** the carrying amounts correspond to fair value because the variable interest rates of those instruments are close to market interest rates,
- **borrowings and bonds:** the carrying amounts of those instruments approximate fair value because their variable interest rates are based on market rates,
- **liabilities from measurement of swap transactions:** the fair value is determined by reference to instruments traded on an active market.

#### 21. 1. 1 Financial assets

<i>as at</i>	<b>30 September 2019</b>	<b>31 December 2018</b>
	<i>(unaudited)</i>	
<b>Financial assets measured at amortised cost:</b>		
Cash and cash equivalents	103 033	46 106
Loans and receivables, including:		
• Trade and other receivables	13 283	38 386
• Loans advanced	73 105	72 084
• Other long-term investments	20 368	22 295
• Other short-term investments	2 879	10 551
	<b>212 668</b>	<b>189 422</b>
<b>Total financial assets</b>	<b>212 668</b>	<b>189 422</b>

**Measurement of assets at amortised cost as at 30 September 2019:**

	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount</b>	<b>215 372</b>	<b>2 815</b>	-
Cash and cash equivalents	103 033	-	-
Loans and receivables, including:			
• Trade and other receivables	15 987	2 815	-
• Loans advanced	73 105	-	-
• Other long-term investments	20 368	-	-
• Other short-term investments	2 879	-	-
<b>Impairment losses (IFRS 9)</b>	<b>(5 519)</b>	-	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	(5 519)	-	-
• Loans advanced	-	-	-
• Other long-term investments	-	-	-
• Other short-term investments	-	-	-
<b>Carrying amount (IFRS 9)</b>	<b>209 853</b>	<b>2 815</b>	-

**21. 1. 2 Financial liabilities**

	as at	30 September 2019 (unaudited)	31 December 2018 *
<b>Hedging financial instruments:</b>			
Liabilities from measurement of SWAP transactions		14 858	5 215
		<b>14 858</b>	<b>5 215</b>
<b>Financial liabilities measured at amortised cost:</b>			
Bank borrowings		632 391	464 074
Non-bank borrowings		51 115	50 075
Trade and other payables		68 298	61 881
Lease liabilities		21 142	10 679
Bonds		132 709	129 514
		<b>905 655</b>	<b>716 223</b>
<b>Total financial liabilities</b>		<b>920 513</b>	<b>721 438</b>

\* Restated.

Fair value of hedging instruments as at 30 September 2019, of PLN 14 858 thousand, is determined on the basis of other directly or indirectly observable price data (Level). The data is provided by banks and are based on prices of instruments traded on an active market.

During the reporting period ended 30 September 2019 there were no reclassifications between the levels.

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

### **Hedging**

For details on hedging instruments, see Note 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.

On 3 June 2019, each of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with each of the following banks: ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch. Previous variable-to-fixed interest rate swap contracts concluded by the companies with BGŻ BNP Paribas S.A. and mBank S.A. were terminated following repayment of the credit facilities contracted with those banks.

On 11 July 2019, MLP Wrocław Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Bank Polska Kasa Opieki S.A.

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

## 22. Contingent liabilities and security instruments provided by the Group

In the period ended 30 September 2019, the Group recognised the following changes in contingent liabilities and security instruments:

- In March 2019, a contractual mortgage for up to EUR 34,121 thousand was entered in the Land and Mortgage Register for MLP Czeladź Sp. z o.o. in favour of PKO BP S.A. to secure the credit facility provided to the company under an agreement of 14 December 2018.
- In March 2019, a contractual mortgage for up to EUR 15,450 thousand was entered in the Land and Mortgage Register for MLP Czeladź Sp. z o.o. in favour of PKO BP S.A. to secure the credit facility provided to the company under an agreement of 28 November 2018.
- On 1 January 2019, the amount of mortgage entered in the Land and Mortgage Register for MLP Poznań Sp. z o.o. was increased from EUR 1,353 thousand to EUR 1,788 thousand.
- In March 2019, a contractual mortgage for up to EUR 25,910 thousand was entered in the Land and Mortgage Register for 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 an agreement of 9 February 2017.
- In January 2019, a contractual mortgage for up to EUR 1,500 thousand was entered in the Land and Mortgage Register for 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 an agreement of 9 February 2017.
- In February 2019, a contractual mortgage for up to PLN 6,000 thousand was entered in the Land and Mortgage Register for 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 an agreement of 9 February 2017.
- In connection with the credit facility agreement signed on 9 May 2019 by MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. with ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch, in May 2019 financial pledges were created, and registered pledges were created and entered in the pledge register, over bank accounts of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV, and pledges were created over a set of movables and rights representing an organised whole of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV, for up to the maximum security amount of EUR 140,895 thousand.
- As a result of repayment of the credit facility provided to MLP Pruszków I Sp. z o.o. by BGŻ BNP Paribas S.A. (formerly Raiffeisen Bank Polska S.A.), the following pledges were deleted from the register: the registered pledge created over MLP Pruszków I Sp. z o.o. shares held by MLP Group S.A. for up to a total security amount of EUR 80,000 thousand, and the registered and financial pledges created over the same shares for up to a total security amount of EUR 54,750 thousand.
- As a result of repayment of the credit facility provided by BGŻ BNP Paribas S.A. to MLP Pruszków III Sp. z o.o., the following pledges were deleted from the register: the registered and financial pledges created over MLP Pruszków III Sp. z o.o. shares held by MLP Group S.A., MLP Property Sp. z o.o. and MLP Pruszków II Sp. z o.o. for up to a total security amount of EUR 34,370 thousand and PLN 4,500 thousand.



- As a result of repayment of the credit facility provided by mBank S.A. to MLP Pruszków IV Sp. z o.o., the following pledges were deleted from the register: the registered and financial pledges created over MLP Pruszków IV Sp. z o.o. shares held by MLP Property Sp. z o.o. and MLP Pruszków II Sp. z o.o. for up to a total security amount of EUR 10,579 thousand, EUR 21,579 thousand and PLN 3,750 thousand.
- In September 2019, a first ranking mortgage for up to EUR 140,895,000 was entered in the Land and Mortgage Registers for MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. in favour of the Mortgage Administrator, i.e. ING Bank Śląski S.A.; and second-ranking mortgages for up to EUR 3,385,800 in favour of ING Bank Śląski S.A., for up to EUR 2,817,900 in favour of Powszechna Kasa Oszczędności Bank Polski S.A., and for up to EUR 2,250,000 in favour of Industrial and Commercial Bank of China LTD, Luxembourg Branch.
- In the third quarter 2019, the following mortgages were deleted from the respective Land and Mortgage Registers: for MLP Pruszków I Sp. z o.o. – mortgages for up to EUR 54,750 thousand and EUR 14,426 thousand in favour of Raiffeisen Bank S.A.; for MLP Pruszków III Sp. z o.o. – mortgages for up to EUR 32,179 thousand, PLN 3,930 thousand and PLN 4,500 thousand in favour of BGŻ BNP Paribas S.A.; and for MLP Pruszków IV Sp. z o.o. – mortgages for up to EUR 18,107 thousand, EUR 3,473 thousand and PLN 7,600 thousand in favour of mBank S.A.

Other security provided in favour of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. Polish Branch under the credit facility agreement of 9 May 2019:

- power of attorney over all accounts of each of the borrowers and power to issue instructions to block the accounts;
- declaration on voluntary submission to enforcement by each borrower;
- loan subordination agreement;
- assignment of rights under insurance policies,
- assignment of rights under assignment agreement;
- assignment of rights under each borrower's lease contracts,
- assignment of rights under guarantees provided by each borrower's tenants,
- assignment of rights under subordinated loans,
- assignment of rights under each borrower's future debt claims.

On 7 November 2019, MLP Pruszków V Sp. z o.o. entered into a credit facility agreement with BNP Paribas Bank Polska S.A. Following execution of the agreement, the following security interests will be created in favour of BNP Paribas Bank Polski S.A.:

- a first-ranking contractual mortgage over real estate, up to an amount equal to 150% of the total exposure to the term facilities and a third-ranking contractual mortgage over real estate up to an amount equal to 150% of the total exposure to the VAT facility,
- power of attorney to all accounts of the borrower,
- assignment of rights under assignment agreement,
- registered pledges and financial pledges over receivables for payment of funds from each of the borrower's bank accounts,
- registered pledges and financial pledges over all shares in the borrower's share capital,

- declaration on voluntary submission to enforcement by the borrower;
- declaration on voluntary submission to enforcement by each shareholder in the borrower;
- subordination of claims under subordination agreement,
- sponsor obligations under support agreements.

The other contingent liabilities and security instruments disclosed in the consolidated financial statements for 2018 did not change in the nine months ended 30 September 2019 and remain effective as at 30 September 2019.

## 23. Related-party transactions

### 23. 1 Trade and other receivables and payables

The balances of trade and other receivables and payables under related-party transactions as at 30 September 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	97	-
	<b>97</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>105</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 advanced and non-bank borrowings

Below are presented the balances of loans to and borrowings from related parties as at 30 September 2019\*.were as follows:

<i>* Unaudited.</i>	Loans advanced	Non-bank borrowings
<b>Other related parties</b>		
Fenix Polska Sp. z o.o.	50 932	(51 115)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	34	-
<b>Total</b>	<b>50 966</b>	<b>(51 115)</b>

### 23. 3 Income and expenses

Related-party transactions relating to income and expenses for the nine months ended 30 September 2019\* were as follows:

<i>* Unaudited.</i>	Revenue	Procurement of services and cost of wages and	Interest income	Interest expense
<b>Parent</b>				
The Israel Land Development Company Ltd., Tel-Awiw	160	-	-	-
	<b>160</b>	-	-	-
<b>Other related parties</b>				
Fenix Polska Sp. z o.o.	-	-	777	(796)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	1	-
	<b>1</b>	-	<b>778</b>	<b>(796)</b>
<b>Key management personnel</b>				
RTK CONSULTING, Radosław T. Krochta	-	(483)	-	-
ROMI CONSULTING, Michael	-	(336)	-	-
PROFART, Tomasz Zabost	-	(274)	-	-
PEOB, Marcin Dobieszewski	-	(217)	-	-
Other key management personnel	-	(728)	-	-
	-	<b>(2 038)</b>	-	-
<b>Total</b>	<b>161</b>	<b>(2 038)</b>	<b>778</b>	<b>(796)</b>

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B.V., which as at 30 September 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 and subsequent to the reporting period

- 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. The waiver was obtained in the second quarter of 2019, and therefore as at 31 March 2019 the outstanding facility amount was disclosed as a current liability; as at 30 June 2019 and 30 September 2019 it was presented consistently with the facility's repayment schedule.
- 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. Polish 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.
- On 25 July 2019, MLP Business Park Berlin I Sp. z o.o. & Co KG of Munich, Germany, executed in Germany a conditional agreement, in the form of a notarial deed, for purchase of the ownership title to undeveloped land with an area of 49,661 m<sup>2</sup> in Ludwigsfelde (a town adjacent to Berlin, situated close to the Berlin-Schönefeld Airport) for EUR 3,401,778.50 plus VAT at the applicable rate (19%).
- The property has been designated as the site for the development of MLP Business Park Berlin I, a project consisting of small warehouse and logistics units with accompanying office space, intended for lease. The final transfer of the ownership title to the property to the Buyer is subject to the following conditions precedent: the municipality of Ludwigsfelde's waiver of its statutory right of pre-emption and the Buyer's securing a permit to remove vegetation covering the property. If the conditions precedent are not satisfied by 30 April 2020, each party may withdraw from the agreement.
- On 10 July 2019, Powszechna Kasa Oszczędności Bank Polska S.A. disbursed another tranche of the credit facility to MLP Czeladź Sp. z o.o.
- On 7 November 2019, MLP Pruszków V Sp. z o.o. entered into a credit facility agreement with BNP Paribas Bank Polska S.A.. The facility will be disbursed in the fourth quarter 2019.

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

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

<i>for the nine months ended 30 September</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	483	467
Michael Shapiro	336	235
Tomasz Zabost	274	326
Marcin Dobieszewski	217	162
	<b>1 310</b>	<b>1 190</b>
• <b>Cash-settled share based payments and other compensation paid or due in the period</b>		
	-	811
	<b>1 310</b>	<b>2 001</b>

<i>for the nine months ended 30 September</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	23	22
Jacek Tucharz	-	13
Eytan Levy	23	22
Shimshon Marfogel	23	22
Daniel Nimrodi	23	22
Guy Shapira	23	22
Piotr Chajderowski	23	10
	<b>138</b>	<b>133</b>
<b>Total remuneration paid or due to Management Board and Supervisory Board members</b>		
	<b>1 448</b>	<b>2 134</b>

<i>for the nine months ended 30 September</i>	<b>2019</b>	<b>2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
<b>Other key management personnel:</b>		
• <b>Remuneration and other benefits</b>		
	728	613
• <b>Cash-settled share based payments made or due in the period</b>		
	-	464
	<b>728</b>	<b>1 077</b>
<b>Total remuneration paid or due to Management Board members, Supervisory Board members and key management personnel</b>		
	<b>2 176</b>	<b>3 211</b>

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

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

**26. Workforce structure**

<i>for the nine months ended 30 September</i>	<b>30 September 2019</b>	<b>30 September 2018</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Average headcount in the period	23	22

**27. Change resulting from the entry into force of IFRS 15 *Revenue from Contracts with Customers***

***Recharge of utility costs***

The Group reviewed the presentation of revenues from recharge of utility costs pursuant to IFRS 15 *Revenue from Contracts with Customers*, which entered into force on 1 January 2018. In the condensed consolidated financial statements of the MLP Group S.A. Group for the period ended 30 September 2018 the revenue was reduced by the amount of utility costs recharged directly to tenants. In compliance with IFRS 15, the data for the period ended 30 September 2019 was presented as separate items.

As a result of the reclassifications, the following changes were made in the comparative period:

	Data according to condensed financial statements for the period ended 30 September 2018	Restatement	Restated data for the period ended 30 September 2018
<b>Revenue</b>	<b>103 216</b>	<b>2 468</b>	<b>105 684</b>
<b>Note no. 6 Revenue</b>			
Rental income	68 701	-	68 701
Other revenue	16 403	2 468	18 871
Revenue from development contract concluded by MLP Bieruń Sp. z o.o.	18 112	-	18 112
<b>Total revenue</b>	<b>103 216</b>	<b>2 468</b>	<b>105 684</b>
Recharge of utility costs	15 443	2 468	17 911
Rental income from apartments	25	-	25
Services provided to tenants	247	-	247
Other revenue	688	-	688
<b>Other revenue</b>	<b>16 403</b>	<b>2 468</b>	<b>18 871</b>
<b>Distribution costs and administrative expenses</b>	<b>(53 010)</b>	<b>(2 468)</b>	<b>(55 478)</b>
<b>Note no. 9 Distribution costs and administrative expenses</b>			
Depreciation and amortisation	(186)	-	(186)
Raw materials and consumables used	(12 671)	(2 310)	(14 981)
Services	(24 643)	(158)	(24 801)
Taxes and charges	(10 824)	-	(10 824)
Wages and salaries	(1 683)	-	(1 683)
Social security and other employee benefits	(288)	-	(288)
Other expenses by nature	(2 712)	-	(2 712)
Merchandise and materials sold	(3)	-	(3)
<b>Distribution costs and administrative expenses</b>	<b>(53 010)</b>	<b>(2 468)</b>	<b>(55 478)</b>

## 28. Change resulting from the entry into force of IFRS 16 Leases

### *Usufruct of land*

The Group reviewed the amount of liabilities under usufruct of land in accordance with IFRS 16 *Leases* effective as of 1 January 2019. Below is presented the effect of the revision, made to ensure compliance with the new regulations, on the amounts of investment property and financial liabilities for usufruct of land in the comparative period as at 31 December 2018.

	Data presented in the approved financial statements as at 31 December 2018	Restatement	Restated data as at 31 December 2018
<b>MLP Pruszków I park</b>			
Usufruct - MLP Pruszków I	2 639	6 338	8 977
<b>MLP Pruszków II park</b>			
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*

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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, 15 November 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 nine months ended 30 September 2019 the Group did not issue, redeem or repay any non-equity or equity instruments.

#### 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 and failures in the nine months ended 30 September 2019

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

#### 4. Seasonality and cyclicality

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 30 September 2019:

Logistics park	Leased space	Space released	New lease	Net change	Leased space
	as at 31 December 2018	by tenants by 30 September 2019	contracts by 30 September 2019		as at 30 September 2019
MLP Pruszków I	163 546	(7 415)	4 953	(2 462)	161 084
MLP Pruszków II	153 791	(14 779)	30 725	15 946	169 737
MLP Poznań	46 822	-	1 567	1 567	48 389
MLP Lublin	45 677	-	622	622	46 299
MLP Teresin	37 832	-	-	-	37 832
MLP Gliwice	30 753	-	8 064	8 064	38 817
MLP Wrocław	22 164	-	18 520	18 520	40 684
MLP Czeladź	15 288	-	3 525	3 525	18 813
MLP Unna	-	-	56 500	56 500	56 500
MLP Bucharest West	-	-	8 416	8 416	8 416
MLP Poznań West	-	-	12 637	12 637	12 637
MLP Wrocław West	-	-	8 660	8 660	8 660
	<b>515 873</b>	<b>(22 194)</b>	<b>154 189</b>	<b>131 995</b>	<b>647 868</b>

Apart from the information presented in these condensed consolidated financial statements for the nine months ended 30 September 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.

## Leased space and vacant space as at 30 September 2019

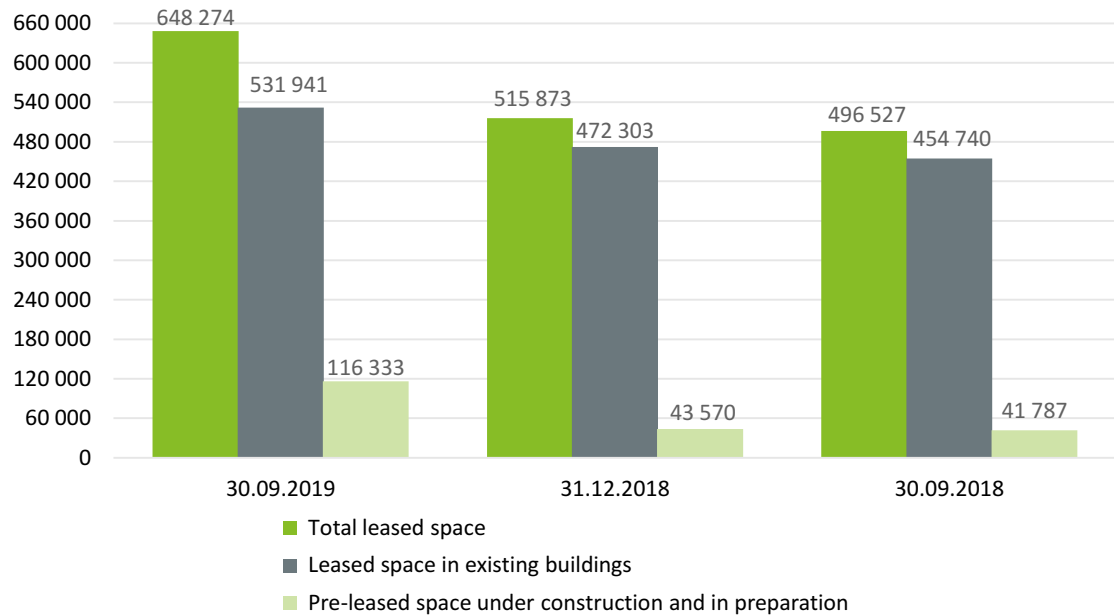
Logistics park	Target capacity (m <sup>2</sup> )	Developed space (m <sup>2</sup> )	Space under construction (m <sup>2</sup> )	Pre-leased space – to be developed (m <sup>2</sup> )	Leased space – in existing buildings (m <sup>2</sup> )	Increase/decrease on re-measurement of space	Pre-leased space under construction (m <sup>2</sup> )	Existing vacant space (m <sup>2</sup> )	Leased space as % of total developed space and space under construction	Developed space and space under construction as % of target capacity
MLP Pruszków I	170 695	168 524	-	-	161 197	(113)	-	7 327	96%	99%
MLP Pruszków II	283 897	157 206	36 245	-	146 652	-	23 085	3 433	88%	68%
MLP Poznań	89 935	48 389	-	-	48 389	-	-	-	100%	54%
MLP Lublin	48 288	45 776	622	-	45 776	(99)	622	-	100%	96%
MLP Teresin	37 954	37 954	-	-	37 954	(122)	-	-	100%	100%
MLP Gliwice	53 104	35 564	8 064	-	30 753	-	8 064	4 811	89%	82%
MLP Wrocław	66 795	25 407	20 942	-	25 407	5	15 272	-	88%	69%
MLP Czeladź	74 200	18 890	-	-	18 890	(77)	-	-	100%	25%
MLP Unna	56 500	0*	-	56 500	0*	-	-	-	100%	100%
MLP Bucharest West	99 000	12 416	10 080	-	8 416	-	-	4 000	37%	23%
MLP Poznań West	96 844	8 507	11 690	-	8 507	-	4 130	-	63%	21%
MLP Wrocław West	80 500	-	8 660	-	-	-	8 660	-	100%	11%
MLP Łódź	76 000	-	-	-	-	-	-	-	-	0%
	<b>1 233 712</b>	<b>558 633</b>	<b>96 303</b>	<b>56 500</b>	<b>531 941</b>	<b>(406)</b>	<b>59 833</b>	<b>19 571</b>	<b>90%</b>	<b>53%</b>

\*In the MLP Unna logistics park, there are old buildings that are partly leased (leased space: 24,284 m<sup>2</sup>). The Company signed a contract with the tenant for delivery of a new facility with a total area of 56,500 m<sup>2</sup>, to be constructed after the existing old buildings are demolished. The construction process is expected to commence in 2021.

## Leased space and vacant space as at 31 December 2018:

Logistics park	Target capacity (m <sup>2</sup> )	Developed space (m <sup>2</sup> )	Space under construction (m <sup>2</sup> )	Pre-leased space – to be developed (m <sup>2</sup> )	Leased space – in existing buildings (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	168 370	-	-	163 546	-	-	4 825	97%	99%
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>

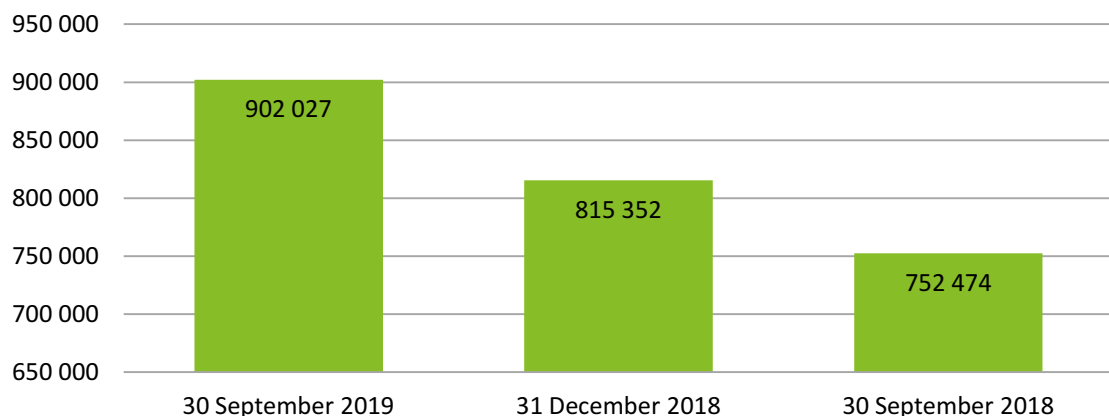
### Space leased as at 30 September 2019, 31 December 2018 and 30 September 2018 (m<sup>2</sup>)



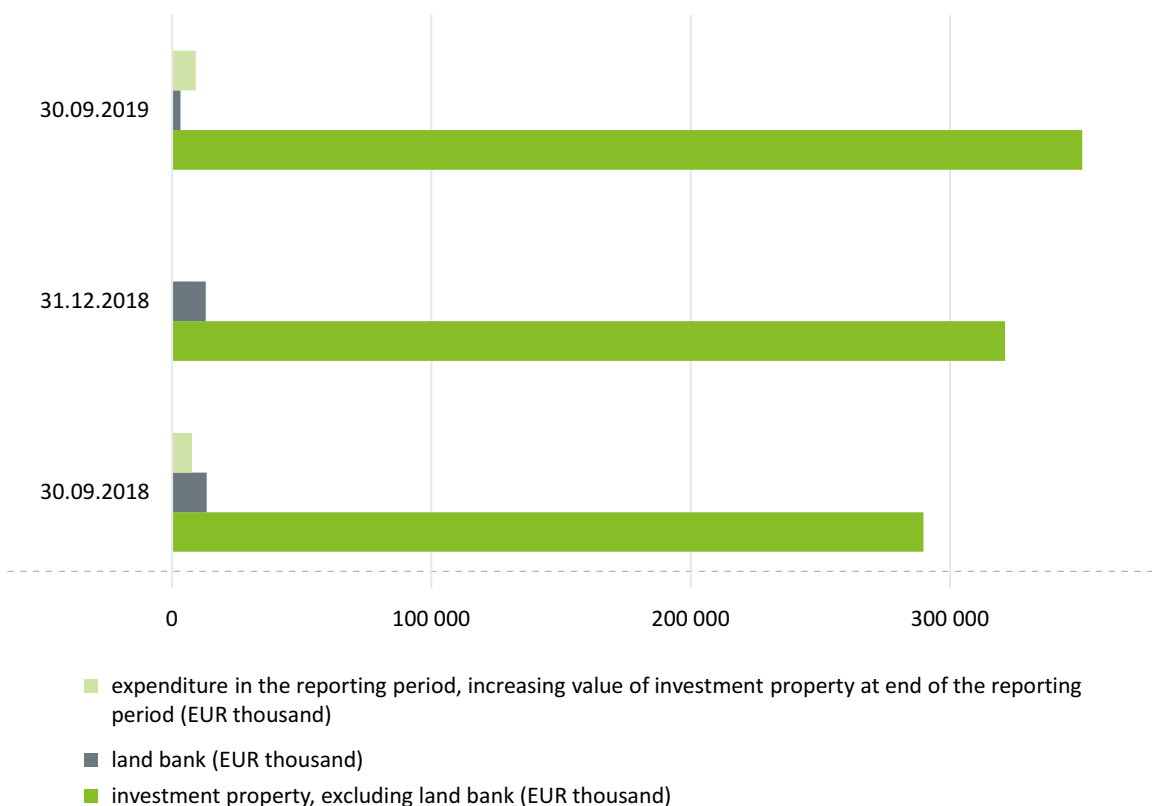
The total space leased as at 30 September 2019 was 648,274 m<sup>2</sup>, having increased by 132,401 m<sup>2</sup> on 31 December 2018, and by 151,747 m<sup>2</sup> year on year.

For changes in leased space in the nine months ended 30 September 2019 see Note 5 the supplementary information to the Group's quarterly report.

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



As at 30 September 2019, the net asset value was PLN 902,027 thousand, having increased by 10.63% on 31 December 2018.

**Investment property (EUR '000)**

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. The property valuation based on the independent valuation reports prepared as at 30 June 2019 was maintained as at 30 September 2019. 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 30 June 2019), while valuations of the properties denominated in the euro were translated at the mid rate quoted by the National Bank of Poland for 30 September 2019, and then remeasured to reflect the capital expenditure incurred in the period from 1 January 2019 to 30 September 2019.

For details on investment property, see Note 10 in the Group's condensed interim consolidated financial statements.

Apart from the information presented in these consolidated financial statements for the nine months ended 30 September 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.

*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*

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

*Pruszków, 15 November 2019*