



MLP
GROUP



MLP Group S.A.
Annual Report
for the year ended December 31st 2020

This document is a translation. Polish version prevails.

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I. Letter from the President of the Management Board to Shareholders

Dear Shareholders,

It is with great pleasure that on behalf of the Management Board I present to you the Annual Report of MLP Group S.A. for 2020. Last year was another period of continued solid performance by MLP Group S.A., during which we further strengthened our position on the rapidly growing warehouse market.

Warehouse market in Poland, Germany and Romania

Despite the extraordinary economic headwinds, the warehouse market in Poland reported record-high 2020 performance, again attesting to its strength. The total area leased in 2020 (new space and expansions) was 3.4m m², which helped the country to maintain its position as the third most active market in Europe. Net demand accounted for over 71% of total demand. A large share of new demand in 2020 was attributable to the two largest markets, namely Warsaw (both zones) and Upper Silesia, accounting, almost in equal parts, for 1.43m m² in total.

In 2020, developers delivered over 2m m² of new warehouse space, most of it located in the Warsaw, Upper Silesia and Wrocław markets, which accounted for a total of 1.4m m² of new space. As a result, the total stock of modern warehouse space in Poland reached 20.7m m². At the end of last year, over 1.9m m² was under construction, which was close to the prior-year level.

The vacancy rate at the end of 2020 was 7.5%, with rent rates remaining stable.

The German and Romanian markets, where the Group is expanding its operations, also enjoy solid customer demand. Germany remains the largest warehouse market in Europe, with the volume of transactions in 2020 reaching 6.9m m², 5% above the average for the last five years and 18% above the ten-year average. In the same period in Romania, lease contracts were signed for a total of 932,000 m² of warehouse and logistics space, a 94% surge year on year. During the year, 574,000 m² of new warehouse space was delivered, with the total supply at approximately 5.1m m².

Key developments at MLP Group in 2020

In 2020, the Group continued its principal business activity consisting in the construction and lease of warehouse and office space. The total area of its projects under construction or in the pipeline amounted to 241,100 m², of which 99,800 m² was completed during the period. As a result, as at the end of 2020 we offered over 715,000 m² of finished warehouse space. We also maintain a land bank with a capacity of close to 1.29m m² of target leasable space.

The Group's financial position remains strong. In 2020, its net asset value (NAV) rose by 29%, to PLN 1.21bn, while net profit came in at PLN 170.4m, up 32% on 2019. Consolidated revenue totalled PLN 190.7m, having increased 36% year on year. In 2020, the Group's rental income, which is the Group's main revenue stream, increased by 23.9% on the previous year.

At present, the Group operates 12 logistics parks in the following key locations: MLP Pruszków I, MLP Pruszków II, MLP Poznań, MLP Lublin, MLP Teresin, MLP Wrocław, MLP Gliwice, MLP Czeladź, MLP Poznań West, MLP Wrocław West, MLP Łódź and MLP Poznań Business Park. In Germany, the Group currently operates three logistics parks: MLP Unna, MLP Business Park Berlin, and MLP Niederrhein. In Romania, the Group owns the logistics park MLP Bucharest West. In December 2020, the Group signed a deed to acquire property in Austria for the construction of a new park in Vienna. The Group has also signed a number of reservation agreements to purchase new land for planned logistics parks in Poland (including in Stryków, Pruszków, and Poznań), Germany (including in Gelsenkirchen, Cologne, Frankfurt am Main, and Leipzig) and Austria. This means that MLP Group's portfolio of active and prospective managed properties consists of a total of seventeen operational logistics parks located in Europe in the four markets it serves – Poland, Germany, Austria and Romania.

MLP Group's plans for 2021

The Group's strategic objective is to continuously increase its warehouse space on the Polish market, and to expand into foreign markets, mainly in Germany (which is viewed as a strategic market) and in Romania and Austria. The main objective of the Group is to develop properties in the current land bank and to deliver projects on a built-to-suit (BTS) basis outside the current parks, for resale. The tenants are increasingly interested in City Logistics facilities (small modules offering modern warehouse space with office space finished to high standard) and big-box facilities.

The spread of Covid-19 pandemic in 2020 had no major impact on the development of the warehouse industry, with growth rates slowing down only slightly year on year across the market. Any further development of the industry will depend on the economic situation in Europe and globally, the growth rate of e-commerce and, most importantly, the investment appetite of businesses. Completion of new developments will ensure a further growth of the Group's value. In line with our 'build and hold' strategy, we are not planning to sell assets.

In the Management Board's opinion, the Group enjoys a solid financial position. We have a secure capital structure enabling us to pursue long-term strategic goals, our own land bank located in attractive locations, and a highly qualified management team. We anticipate that the COVID-19 pandemic and the government-imposed restrictions will have a negligible impact on further growth in the storage industry and that MLP Group will deliver on its long-term strategic objectives.

We would like to extend our thanks to all our shareholders for their unwavering support and trust. We will make every effort to effectively and consistently deliver our strategy, achieve strong financial results and ensure continuous growth of the MLP Group S.A. Group's value.

Radosław T. Krochta

Chief Executive Officer

President of the Management Board

II. Statement of the Management Board

The separate financial statements of MLP Group S.A. S.A. for the period from 1 January 2020 to 31 December 2020 and the comparative data for the period from 1 January 2019 to 31 December 2019 have been prepared in compliance with the applicable accounting policies described in Note 3 and present a true, accurate and fair view of the Company's assets, financial condition and financial results. The Management Board's Report on the activities of MLP Group S.A. presents a true view of the Company's development, achievements and condition, including a description of key threats and risks.

We also represent that the entity qualified to audit the financial statements which audited the separate financial statements of the Company for the 12 months ended 31 December 2020, i.e. PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k., was appointed in accordance with the law. The entity and the statutory auditor who performed the audit satisfied the conditions to issue an unbiased and independent opinion on the audit, in compliance with the applicable laws and professional standards.

Signed with qualified electronic signature.

Radosław T. Krochta

President of the Management Board

Michael Shapiro

Vice President of the Management Board

Tomasz Zabost

Member of the Management Board

Maria Ratajczyk

*Person responsible for the preparation of the
financial statements
financial statements*

Pruszków, 17 March 2021

III. Selected financial data of MLP Group S.A.

Average exchange rates of the Polish złoty against the euro during the reporting period:

	31 December 2020	31 December 2019
Average mid exchange rate during the reporting period*	4.4742	4.3018
Mid exchange rate on the last day of the reporting period	4.6148	4.2585

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

Key items of the separate statement of financial position translated into the euro:

as at	31 December 2020 PLN '000	31 December 2020 EUR '000	31 December 2019 PLN '000	31 December 2019 EUR '000
Non-current assets	711,490	154,176	380,121	89,262
Current assets	100,511	21,780	89,631	21,048
Total assets	812,001	175,956	469,752	110,310
Non-current liabilities	524,253	113,603	242,635	56,977
Current liabilities	15,985	3,464	70,766	16,618
Equity, including:	271,763	58,889	156,351	36,715
Share capital	4,931	1,069	4,529	1,064
Total equity and liabilities	812,001	175,956	469,752	110,310
Number of shares	19,720,255	19,720,255	18,113,255	18,113,255
Book value per share and diluted book value per share	13.78	2.99	8.63	2.03

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

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

<i>for the year ended 31 December</i>	2020	2020	2019	2019
	PLN '000	EUR '000	PLN '000	EUR '000
Revenue	27,338	6,110	10,821	2,515
Distribution costs and administrative expenses	(29,512)	(6,596)	(13,491)	(3,136)
Operating profit/(loss)	(1,924)	(430)	(2,700)	(628)
Profit before tax	9,171	2,050	7,553	1,756
Net profit	9,263	2,070	7,377	1,715
Total comprehensive income	9,263	2,070	7,377	1,715
Net profit attributable to the shareholders	9,263	2,070	7,377	1,715
Earnings per share and diluted earnings per share attributable to shareholders (EUR/PLN per share)	0.47	0.11	0.41	0.10

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

Key items of the separate statement of cash flows translated into the euro:

<i>for the year ended 31 December</i>	2020	2020	2019	2019
	PLN '000	EUR '000	PLN '000	EUR '000
Net cash flows from operating activities	(1,772)	(396)	(983)	(229)
Cash flows from investing activities	(337,597)	(75,454)	(16,375)	(3,807)
Cash flows from financing activities	298,933	66,813	52,264	12,149
Total cash flows, net of exchange differences	(40,436)	(9,037)	34,906	8,113
Total cash flows	(35,466)	(7,927)	34,534	8,028

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

<i>as at</i>	31 December 2020	31 December 2020	31 December 2019	31 December 2019
	PLN '000	EUR '000	PLN '000	EUR '000
Cash at beginning of period	41,934	9,847	7,400	1,721
Cash at end of period	6,468	1,402	41,934	9,847

The following exchange rates were used to translate the presented data from the separate 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 2018 was 4.3.



MLP Group S.A.

**Separate
financial statements**

for the year ended 31 December 2020
prepared in accordance with EU IFRS

IV. Separate financial statements of MLP Group S.A. for the year ended 31 December 2020

Authorisation of the separate financial statements for issue

On 17 March 2021, the Management Board of MLP Group S.A. authorised for issue the separate financial statements ("Separate Financial Statements") of MLP Group S.A. for the period from 1 January 2020 to 31 December 2020.

The Financial Statements for the period from 1 January 2020 to 31 December 2020 have been prepared in accordance with International Financial Reporting Standards as approved by the European Union ("IFRS EU"). In this report, information is presented in the following sequence:

1. Separate statement of profit or loss and other comprehensive income for the period from 1 January 2020 to 31 December 2020, showing a net profit of PLN 9,263 thousand.
2. Separate statement of financial position as at 31 December 2020, showing total assets and total equity and liabilities of PLN 812,001 thousand.
3. Separate statement of cash flows for the period from 1 January to 31 December 2020, showing a net decrease in cash of PLN 35,466 thousand.
4. Separate statement of changes in equity for the period from 1 January to 31 December 2020, showing an increase in equity of PLN 115,412 thousand.
5. Notes to the separate financial statements.

The Separate Financial Statements have been prepared in thousands of PLN, unless otherwise stated.

Signed with qualified electronic signature.

Radosław T. Krochta

President of the Management Board

Michael Shapiro

Vice President of the Management Board

Tomasz Zabost

Member of the Management Board

Pruszków, 17 March 2021

Separate statement of profit or loss and other comprehensive income

	<i>for the year ended 31 December</i>	Note	2020	2019
Revenue		6	27,338	10,821
Other income		7	360	90
Other expenses		8	(110)	(120)
Distribution costs and administrative expenses		9	(29,512)	(13,491)
Operating profit/(loss)			(1,924)	(2,700)
Finance income		10	25,171	17,572
Finance costs		10	(14,076)	(7,319)
Net finance income/(costs)			11,095	10,253
Profit/(loss) before tax			9,171	7,553
Income tax		11	92	(176)
Profit from continuing operations			9,263	7,377
Profit from discontinued operations			0	0
Net profit			9,263	7,377
Net profit attributable to:				
Shareholders			9,263	7,377
Total comprehensive income			9,263	7,377
Comprehensive income attributable to:				
Shareholders			9,263	7,377
Earnings per share		20		
Earnings per ordinary share:				
- Basic earnings per share from continuing operations			0.47	0.41
- Basic earnings per share from discontinued operations			0	0
- Earnings per ordinary share			0.47	0.41
Diluted earnings per ordinary share:				
- Basic earnings per share from continuing operations			0.47	0.41
- Basic earnings per share from discontinued operations			0	0
- Earnings per ordinary share			0.47	0.41

Separate statement of financial position

	<i>for the year ended 31 December</i>	Note	2020	2019
Non-current assets				
Intangible assets			20	0
Property, plant and equipment			217	105
Non-current financial assets at related entities	12		123,420	123,396
Other long-term financial investments	13		584,256	253,707
Deferred tax assets	16		2,616	2,524
Other long-term investments			961	389
Total non-current assets			711,490	380,121
Current assets				
Short-term investments	14		78,957	33,883
Trade and other receivables	17		8,683	13,814
Assets under ongoing construction contracts			6,403	0
Cash and cash equivalents	18		6,468	41,934
Current assets other than held for sale or distribution to owners			100,511	89,631
Total current assets			100,511	89,631
TOTAL ASSETS			812,001	469,752
Equity				
	19			
Share capital			4,931	4,529
Share premium			180,853	71,121
Retained earnings, including:			85,979	80,701
Capital reserve			4,194	4,194
Statutory reserve funds			65,097	65,097
Profit (loss) brought forward			7,425	4,033
Net profit			9,263	7,377
Equity attributable to shareholders			271,763	156,351
Total equity			271,763	156,351
Non-current liabilities				
Non-bank borrowings and other debt instruments	21		524,253	242,635
Total non-current liabilities			524,253	242,635
Current liabilities				
Non-bank borrowings and other debt instruments	21		3,763	54,796
Employee benefit obligations	22		1,373	807
Trade and other payables	23		10,849	15,163
Current liabilities other than held for sale			15,985	70,766
Total current liabilities			15,985	70,766
Total liabilities			540,238	313,401
TOTAL EQUITY AND LIABILITIES			812,001	469,752

Separate statement of cash flows

	<i>for the year ended 31 December</i>	Note	2020	2019
Cash flows from operating activities				
Profit before tax			9,171	7,553
<i>Total adjustments, including:</i>			(10,943)	(8,511)
Depreciation and amortisation			396	746
Net interest			(2,334)	(3,218)
Exchange differences			2,852	(230)
Dividend income			(12,046)	(7,048)
Other			(572)	264
Change in receivables			4,509	(424)
Change in current and other liabilities			(3,748)	1,399
Cash from operating activities			(1,772)	(958)
Income tax (paid)/refunded			0	(25)
Net cash from operating activities			(1,772)	(983)
Cash flows from investing activities				
Repayment of loans			62,055	57,130
Dividends received			2,280	12,179
Interest received			2,392	31,487
Acquisition of shares		12	(24)	(35)
Purchase of investment property, property, plant and equipment and intangible assets			(528)	(81)
Purchase of other financial assets			(20,000)	0
Loans			(383,772)	(117,055)
Cash from investing activities			(337,597)	(16,375)
Cash flows from financing activities				
Proceeds from non-bank borrowings			0	61,086
Repayment of borrowings			(2,002)	(1,103)
Dividends and other distributions to owners			0	(3,985)
Issue of bonds			196,733	0
Net proceeds from issue of shares and other equity instruments and contributions to equity			110,134	0
Interest paid on non-bank borrowings			(269)	0
Interest paid on bonds			(5,663)	(3,734)
Cash from financing activities			298,933	52,264
Total cash flows, net of exchange differences			(40,436)	34,906
Effect of exchange differences on cash and cash equivalents			4,970	(372)
Total cash flows			(35,466)	34,534
Cash and cash equivalents at beginning of period			41,934	7,400
Cash and cash equivalents at end of period		18	6,468	41,934

Statement of changes in consolidated equity

	Share capital	Share premium	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2020	4,529	71,121	80,701	156,351	156,351
<u>Comprehensive income:</u>					
Net profit/(loss)	0	0	9,263	9,263	9,263
Comprehensive income for the year ended 31 December 2020	0	0	9,263	9,263	9,263
Increase in equity due to share issue ²⁾	402	109,732	0	110,134	110,134
Interim dividend paid ¹⁾	0	0	(3,985)	0	(3,985)
Changes in equity	402	109,732	9,263	119,397	119,397
Equity as at 31 December 2020	4,931	180,853	85,979	275,748	271,763
	Share capital	Share premium	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2019	4,529	71,121	73,324	148,974	148,974
<u>Comprehensive income:</u>					
Net profit/(loss)	0	0	7,377	7,377	7,377
Comprehensive income for the year ended 31 December 2019	0	0	7,377	7,377	7,377
Changes in equity	0	0	7,377	7,377	7,377
Equity as at 31 December 2019	4,529	71,121	80,701	156,351	156,351

¹⁾ On 29 June 2020, the Annual General Meeting resolved to allocate the profit of MLP Group S.A. for 2019 to dividend, up to the amount previously paid as interim dividend, and the balance to retained earnings.

²⁾ On 27 October 2020, the Company increased its share capital by PLN 401,750 through the issue of new Series D shares. The District Court for the Capital City of Warsaw registered the capital increase on 8 December 2020.

Notes to the separate financial statements

1. General information

1.1. MLP Group S.A.

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

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

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

The Company's principal business activities comprise development, purchase and sale of own real estate, lease of own real estate, management of residential and non-residential real estate, general activities involving construction of buildings, and construction. The PKD code of the principal business activity is: 7032Z, i.e. property management services.

The Company's financial year is the same as the calendar year.

The Company was established for an indefinite period.

1.2. MLP Group S.A. Group

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

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

At the end of the reporting period, MLP Group S.A. was the parent of 42 subsidiaries: MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o., MLP Pruszków III Sp. z o.o., MLP Pruszków IV Sp. z o.o., MLP Spółka z ograniczoną odpowiedzialnością SKA, MLP Energy Sp. z o.o., MLP Poznań Sp. z o.o., MLP Lublin Sp. z o.o., MLP Poznań II Sp. z o.o., MLP Bieruń Sp. z o.o., MLP Bieruń I Sp. z o.o., MLP Sp. z o.o., MLP Property Sp. z o.o., MLP Teresin Sp. z o.o., MLP Business Park Poznań Sp. z o.o., MLP Fin Sp. z o.o., LokafoP 201 Sp. z o.o. SKA, LokafoP 201 Sp. z o.o., MLP Wrocław Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Business Park Berlin I LP Sp. z o.o., MLP Czeladź Sp. z o.o., MLP Temp Sp. z o.o., MLP Dortmund LP Sp. z o.o., MLP Dortmund GP Sp. z o.o., MLP Logistic Park Germany I Sp. z o.o. & Co. KG, MLP Poznań West II Sp. z o.o., MLP Bucharest West Sp. z o.o., MLP Teresin II Sp. z o.o., MLP Bucharest West SRL, MLP Pruszków V Sp. z o.o., MLP Germany Management GmbH, MLP Wrocław West Sp. z o.o., MLP Business Park Berlin I GP sp. z o.o., MLP Łódź II sp. z o.o., MLP Poznań East sp. z o.o., MLP Schwalmtal LP sp. z o.o., MLP Schwalmtal GP sp. z o.o., MLP Property I sp. z o.o., MLP Business Park Berlin I Sp. z o.o. & Co. KG, MLP Schwalmtal Sp. z o.o. & Co. KG, MLP Business Park Wien GmbH.

For more information on subordinated entities, see Note 12.

1.3. Management Board

As at the date of these separate financial statements, the composition of the Company's Management Board was as follows:

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

1.4. Supervisory Board

As at the date of these separate financial statements, the composition of the Company's Supervisory Board was as follows:

- Shimshon Marfogel - Chairman of the Supervisory Board
- Eytan Levy - Deputy Chairman of the Supervisory Board
- Oded Setter ¹⁾ - 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⁾ On November 30th 2020, Daniel Nimrodi resigned as Member of the Supervisory Board. Cajamarca Holland B. V.. of Delft, the Netherlands, one of the Company's shareholders, in the exercise of its rights under the Articles of Association, appointed Oded Setter in Mr. Nimrodi's place, with effect from December 1st 2020.

2. Basis of preparation of the separate financial statements

2.1. Statement of compliance

The Company prepared the separate financial statements in accordance with the accounting standards issued by the International Accounting Standards Board as endorsed by the European Union, referred to as the International Financial Reporting Standards ("EU IFRS"). The Company applied all standards and interpretations which are applicable in the European Union except for those which are awaiting approval by the European Union and those standards and interpretations which have been approved by the European Union but are not yet effective.

2.2. Status of Standards Approval in the European Union

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

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

2.2.2. Standards and interpretations endorsed by the European Union effective as of 1 January 2020

The following new standard was applied for the first time in the Company's separate financial statements for 2020:

Standards and interpretations endorsed by the European Union	Potential impact on the separate financial statements	Effective date for periods beginning on or after the date
Amendments to IFRS 16 <i>Leases</i>	no significant impact	1 June 2020
IFRS 3 <i>Business Combinations</i>	no impact	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 related to IBOR reform	no significant impact	1 January 2020
IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	no significant impact	1 January 2020
Amendments to the IFRS Conceptual Framework	no significant impact	1 January 2020

2.2.3. Standards and Interpretations pending approval by the European Union

Standards and interpretations pending approval by the European Union	Potential impact on the separate financial statements	Effective date for periods beginning on or after the date
Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture	no impact	by decision of the European Union, implementation is postponed
IFRS 14 <i>Regulatory Deferral Accounts</i>	no impact	by decision of the European Union, the standard will not be implemented
Amendment to IFRS 4: Application of IFRS 9 <i>Financial Instruments</i>	no significant impact	by decision of the European Union, implementation is postponed until 2021
Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	no significant impact	1 January 2022
Amendments to IAS 16 <i>Property, Plant and Equipment</i>	no significant impact	1 January 2022
Amendments to IFRS 3 <i>Business Combinations</i>	no impact	1 January 2022
Amendments to IAS 1 <i>Presentation of Financial Statements</i>	no significant impact	1 January 2023
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the IBOR reform	no significant impact	1 January 2021
IFRS 17 <i>Insurance Contracts</i>	no impact	1 January 2023
Annual Improvements to International Financial Reporting Standards 2018-2020 Cycle, including: IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> IFRS 9 <i>Financial Instruments</i> IAS 41 <i>Agriculture</i> examples illustrating IFRS 16 <i>Leases</i>	no significant impact	1 January 2021

2.3. Basis of preparation

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

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

2.4. Functional currency and presentation currency of the financial statements; rules applied to translate financial data

2.4.1. Functional currency and presentation currency

In these financial statements all amounts are presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Company and the presentation currency of the separate financial statements.

2.4.2. Rules applied to translate financial data

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

Separate statement of financial position

	31 December 2020	31 December 2019
EUR	4.6148	4.2585
USD	3.7584	3.7977
RON	0.9479	0.8901

2.5. Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. A change in accounting estimates is recognised in the period in which the estimate is revised, or in the current and future periods if the revised estimate relates to both the current and future periods. In material matters, the Management Board makes estimates based on opinions and valuations prepared by independent experts.

The following estimates were made for the purpose of the Separate Financial Statements are: estimate of expected credit loss (ECL) against financial assets, provision for bonuses for the Management Board.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these Separate financial statements.

3.1. Foreign currencies

Foreign currency transactions

Transactions denominated in foreign currencies are initially recognised at the exchange rate of the functional currency as at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate of the functional currency effective for the reporting date. Non-monetary items measured at cost in a foreign currency are translated at the exchange rate effective as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated at the exchange rate effective as at the date of fair value measurement. As at the reporting date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into the Polish zloty at the relevant exchange rate as at the reporting date; in this case the translation into PLN is made at the mid-rate for a given currency set by the National Bank of Poland. Currency translation differences are recognised in finance income or costs, as appropriate.

3.2. Financial instruments

3.2.1. Financial instruments measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company classifies equity instruments, i.e. shares in other entities, as financial instruments measured at fair value through other comprehensive income.

Gains and losses on a financial asset which is an equity instrument for which the option to measure at fair value through other comprehensive income is applied are recognised in other comprehensive income, except for dividend income.

3.2.2. Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost when the following two conditions are met:

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Company's financial assets measured at amortised cost include cash and cash equivalents, loans, and trade and other receivables.

Loans are presented under the following items of the statement of financial position: non-current portion – in other long-term financial investments, and current portion – in short-term investments.

Cash and cash equivalents in the consolidated statement of financial position include cash in hand and bank deposits with initial maturities of up to three months. The balance of cash and cash equivalents disclosed in the consolidated statement of cash flows comprises the same cash and cash equivalent items, less all outstanding overdrafts which form an integral part of the Company's cash management system.

The Company uses the effective interest rate method to measure financial assets measured at amortised cost.

After initial recognition, trade receivables are measured at amortised cost using the effective interest rate method, less impairment losses, where trade receivables maturing in less than 12 months from the date of origination (i.e. not containing a financing element) are not discounted and are measured at nominal value.

The Company classifies trade payables, borrowings and bonds as liabilities measured at amortised cost.

Interest income is recognised in the period to which it relates using the effective interest rate method and disclosed under finance income (in the note as interest income) in the statement of profit or loss.

3.2.3. Financial instruments measured at fair value through profit or loss

Current financial assets measured at fair value through profit or loss include assets acquired to obtain economic benefits from short-term price changes and assets that do not meet the criteria for measurement at amortised cost or at fair value through other comprehensive income. Current financial assets are initially recognised at cost and measured at fair value as at the reporting date. Fair value is determined through individual analysis based on discounted cash flows. The result of measurement is recognised in profit or loss.

Gains or losses on measurement of a financial asset classified as measured at fair value through profit or loss are recognised as finance income or costs, in profit or loss in the period in which they arise. Gains or losses on measurement of items measured at fair value through profit or loss also include interest income and dividend income.

The Company classifies as assets at fair value through profit or loss derivatives not designated for hedge accounting purposes and loans that do not meet the SPPI test (i.e. cash flows from these loans do not represent solely payments of principal and interest) because the frequency of interest rate changes does not match the interest calculation formula.

Liabilities under derivative instruments not designated for hedge accounting are classified by the Company as measured at fair value through profit or loss. After initial recognition, such liabilities are measured at fair value.

Gain or loss on fair value measurement of debt investments is recognised in profit or loss in the period in which they arise. These gains/losses on fair value measurement include interest received on financial instruments classified as measured at fair value.

3.2.4. Non-current financial assets at related entities

They consist of equity interests in subsidiaries, which function as specific contracts whereby rights to assets of another entity arise.

Investments in subsidiaries, jointly-controlled entities, associates and other long-term investments are measured at cost less impairment, if any.

Permanent impairment in subordinated entities is estimated at each reporting date

3.3. Equity

Equity is recognised in the accounting books by categories, in accordance with the rules set forth in applicable laws and in the Company's Articles of Association.

3.3.1. Share capital

Share capital is disclosed at the amount specified in the Articles of Association and recorded in the court register.

Preference shares are classified as equity if they are non-redeemable, or are redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference shares are classified as a liability if they are redeemable on a specific date or at the request of a holder of the shares, or if the dividend payments are not discretionary.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from equity. Repurchased shares are presented as a separate item of equity, with a negative sign.

3.3.2. Capital reserve

Pursuant to the Company's Articles of Association, other capital reserves are allocated to cover any specific losses or expenses.

3.3.3. Share premium

Share premium is presented as a separate item of equity. Costs directly attributable to the issue of ordinary shares and share options reduce equity.

3.3.4. Statutory reserve funds

Statutory reserve funds are created from distribution of profits earned in previous years. Statutory reserve funds also include amounts transferred in accordance with the applicable laws.

3.3.5. Profit (loss) brought forward

This item includes undistributed profit (loss) from previous years.

3.4. Property, plant and equipment

Property, plant and equipment comprises items of property, plant and equipment, leasehold improvements, property, plant and equipment under construction, and property, plant and equipment adopted for use by the Company where the terms of the agreement transfer substantially all the potential benefits and risks and the assets are used for the Company's own needs, and their expected useful life exceeds one year.

3.4.1. Measurement of property, plant and equipment

Items of property, plant and equipment are recognised at cost, less depreciation charges and impairment losses.

Acquisition cost includes purchase price of an item of property, plant and equipment and costs directly attributable to bringing the item to a condition necessary for it to be capable of operating, including expenses relating to transport, loading, unloading, and storage. Rebates, discounts and other similar concessions and returns reduce the cost of an asset. Cost of a self-constructed item of property, plant and equipment under construction comprises all costs incurred by the Company during its construction, installation and assembly, adaptation and improvement, as well as interest expense on borrowings taken out to finance the item of property, plant and equipment directly attributable to the production of the item of property, plant and equipment, until the date of its acceptance for use (or, if the item has not yet been commissioned for use, until the end of the reporting period). The cost also includes, where required, a preliminary estimate of costs of dismantling and removing the items of property, plant and equipment and restoring them to their original condition. Purchased software, necessary for the proper operation of related equipment, is capitalised as a part of this equipment.

If an item of property, plant and equipment consists of separate and significant parts with different economic useful lives, such components are treated as separate items of property, plant and equipment.

3.4.2. Subsequent expenditure

Subsequent expenditure on replacement of significant parts of property, plant and equipment is capitalised only when it can be measured reliably and it is probable that the Company will derive economic benefits from such replaced essential components of property, plant and equipment. Other expenditure is expensed in profit or loss as and when incurred.

3.4.3. Depreciation

Items of property, plant and equipment or their significant and separate parts are depreciated on a straight-line basis over the estimated useful life, allowing for the expected net selling price of an asset (residual value). Depreciation is based on the cost of an item of property, plant and equipment, less its residual value, based on the adopted by the Company and periodically reviewed useful life of the item of property, plant and equipment. Property, plant and equipment are depreciated from the date when they are available for use until the earlier of: the day an item of property, plant and equipment is classified as held for sale, is derecognised from the separate statement of financial position, the residual value of the asset exceeds its carrying amount, or when the asset has been fully depreciated.

The Company has adopted the following useful lives for particular classes of property, plant and equipment:

Buildings	10-40 years
Technical equipment and machinery	3-16 years
Vehicles	5-7 years

Furniture and fixtures

1-5 years

The Company reviews the useful economic lives, depreciation methods and residual values (unless insignificant) of property, plant and equipment on a periodic basis.

3.5. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance whose cost has been reliably measured which is expected to generate future economic benefits to the Company.

Intangible assets acquired by the Company are recognised at cost less amortisation charges and impairment losses.

Intangible assets are amortised on a straight-line basis over their estimated useful lives, unless such useful life is indefinite. Intangible assets are amortised from the date they are available for use Until the earlier of: the day an item of intangible assets is classified as held for sale, is derecognised from the statement of financial position, the residual value of the asset exceeds its carrying amount, or when the asset has been fully amortised.

3.6. Impairment of assets

3.6.1. Financial assets

IFRS 9 establishes a new approach to estimating impairment of financial assets measured at amortised cost or fair value through other comprehensive income (except for investments in equity and contract assets). The impairment model is based on the calculation of expected losses, as opposed to the previous model under IAS 39 which was based on the concept of incurred losses.

At each reporting date, the Company measures expected credit losses of a financial instrument in a way that reflects:

- a) an unbiased and probability-weighted amount of credit losses that is determined by evaluating a range of possible outcomes;
- b) time value of money and
- c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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.

Changes in impairment losses are recognised in the statement of profit or loss and recognised as other expenses or finance costs, as appropriate, depending on the type of receivables for which an impairment loss is recognised.

3.6.2. Non-financial assets

Carrying amounts of non-financial assets other than biological assets, investment property, inventories and deferred tax assets are tested for impairment as at each reporting date. If any indication of impairment exist, the Company estimates the recoverable amount of particular assets. The recoverable amount of goodwill, intangible assets with infinite lives and intangible assets which are not yet fit for use is estimated at the end of each reporting period.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognised in profit or loss. Impairment of a cash-generating unit is first recognised as impairment of goodwill allocated to that unit (group of units), and subsequently as impairment of carrying amount of other assets of that unit (group of units) on pro-rata basis.

The recoverable amount of an asset or a cash-generating unit is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, projected cash flows are discounted at a pre-tax rate which reflects current market assessments of the time value of money and the risks specific to the asset. For assets that do not generate independent cash flows, value in use is estimated for the smallest identifiable cash generating units to which those assets are allocated.

Goodwill impairment losses are not reversed. For other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indication that impairment loss has decreased or no longer exists. Impairment losses are reversed if the estimates applied to the assessment of the recoverable amount have changed. An impairment loss is reversed only up to the carrying amount of an asset, less depreciation/amortisation charges that would have been made if the impairment loss had not been recognised.

3.7. Employee benefits

Defined benefit plans

Under current regulations the Company has an obligation to withhold and pay social security contributions for their employees. Under IAS 19, these benefits constitute a state plan and are a defined contribution plan. Accordingly, the Company's obligations for each period are estimated based on the amounts to be contributed for a given year.

3.8. Assets under ongoing construction contracts

The Company, as part of its assets, present 'Assets from ongoing construction contracts', representing uninvoiced amounts of revenue recognised according to the stage of completion of the service, in line with the principles described in the revenue recognition policy.

3.9. Cash and cash equivalents

Cash in bank accounts meets the SPPI test and the 'held for collection' business model test and is therefore measured at amortised cost with an impairment charge determined in accordance with the expected loss model.

Cash disclosed in the statement of cash flows comprises cash in hand and bank deposits maturing within three months which that have not been treated as investment activity.

3.10. Provisions

Provisions are recognised when the Company has a liability resulting from a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are estimated by discounting expected future cash flows at a pre-tax rate which reflects current market estimates of changes in the time value of money and the risks associated with a given item of liabilities.

As at the reporting date, provisions are reviewed and appropriate adjustments are made, if necessary, to reflect the current most reliable estimate of their amount. Changes in provisions are charged directly to the appropriate cost item for which the provision was recognised.

3.11. Borrowings

Initially, bank and non-bank borrowings are recognised at cost equal to the fair value of the instrument. In subsequent periods, borrowings are measured at amortised cost, using the effective interest rate method, which includes the cost of obtaining the borrowing as well as discounts or premiums obtained in settlement of liabilities.

Amortised cost includes the cost of obtaining the funding as well as any discounts or premiums obtained in connection with the liability. Any gains or losses are taken to profit or loss when the liability is derecognised or accounted for using the effective interest rate method.

If contract terms of a financial liability are modified in way that does not result in derecognition of the existing liability, the gain or loss is immediately recognised in profit or loss. Profit or loss is calculated as the difference between the present value of modified and original cash flows, discounted using the original effective interest rate of the liability.

3.12. Trade and other payables

A liability is a present obligation of the Company to transfer an economic resource as a result of past events.

Current liabilities include liabilities which are payable within 12 months from the end of the reporting period. Current liabilities include in particular: trade payables, salaries, taxes, customs duties, insurance and other benefits.

Trade payables are recognised at nominal value. Interest, if any, is recognised when notes are received from suppliers.

Non-financial liabilities are measured at amounts receivable.

3.13. Revenue

3.13.1. Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion of a transaction is assessed by measuring the work performed. The outcome of the transaction is considered reliable if all of the following conditions are met: the revenue amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company, the degree of completion of the transaction as at the end of the reporting period can be reliably measured, and the costs incurred in connection with the transaction, as well as the costs of completion of the transaction may be measured reliably.

3.13.2. Provision of construction services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the construction services provided at the end of the reporting period. The stage of completion is determined by reference to the amount of costs incurred. The outcome of the transaction is considered reliable if all of the following conditions are met: the revenue amount can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company, the degree of completion of the transaction as at the end of the reporting period can be reliably measured, and the costs incurred in connection with the transaction, as well as the costs of completion of the transaction may be measured reliably.

Revenue is recognised on the basis of the inputs incurred in meeting the performance obligation relative to the total expected inputs to the satisfaction of the performance obligation. When (or as) a performance obligation is satisfied, the Company recognises as revenue the amount of the transaction price that is allocated to that performance obligation.

3.14. Finance income and costs

Finance income comprises interest income on funds invested by the Company, dividend income, gains on the disposal of available-for-sale financial assets, fair value gains on financial assets at fair value through profit or loss, foreign exchange gains, and such gains on hedging instruments that are recognised in profit or loss. Interest income is recognised in profit or loss as it accrues, using the effective interest rate method. Dividend income is recognised in profit or loss when the Company acquires the right to receive the dividend.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, foreign exchange losses, fair value losses on financial instruments through profit or loss, impairment losses on financial assets, and gains and losses on hedging instruments recognised in profit or loss. Interest expense is recognised using the effective interest rate method.

3.15. Income tax

The calculation of current income tax is based on the tax profit for a given period determined in accordance with the applicable tax laws.

Income tax disclosed in profit or loss comprises current and deferred tax. Income tax is recognised in profit or loss, except for items that are settled directly with other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the tax payable on the taxable income or loss for the year, using tax rates enacted as at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is determined using the balance-sheet liability method, based on temporary differences between the carrying amounts of assets and liabilities as determined for accounting purposes and the amounts used for tax purposes. Deferred tax liability is not recognised for the following temporary differences: goodwill whose amortisation is not treated as tax-deductible cost, initial recognition of assets or liabilities that do not affect accounting profit or taxable income, and differences associated with investments in subsidiaries to the extent it is not probable that they will be realised in the foreseeable future. The measurement of deferred tax reflects the expectations as to the manner in which the carrying amount of assets and liabilities is to be realised, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax assets to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws enacted by the reporting date.

Income tax on dividend is recognised when the obligation to pay such dividend arises.

3.16. Earnings per share

The Company presents basic and diluted earnings per share for ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to holders of ordinary shares by the weighted average number of ordinary shares in the period. Diluted earnings per share is calculated taking into account the profit attributable to holders of ordinary shares, the average number of ordinary shares, including notes or bonds convertible into shares, and options for shares granted to employees.

4. Financial risk management

The Company is exposed to the following risks arising from the financial instruments:

- Credit risk,
- Liquidity risk,
- Market risk.

This note provides information on the Company's exposure to a given risk, the objectives, policies and procedures adopted by the Company to manage that risk and the way in which the Company manages its capital. The required data has been presented further in the separate financial statements.

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor the risks and adherence to the limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's business. Using such tools as training, management standards and procedures, the Company seeks to build an environment in which all employees understand their respective roles and responsibilities.

4.1. Credit risk

Credit risk is the risk of financial loss to the Company if a trading partner or counterparty to a transaction fails to meet its contractual obligations. Credit risk arises chiefly from receivables and cash and cash equivalents.

4.1.1. Trade and other receivables, and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Structure of the customer base, including the default risk of the industry in which the customers operate, have less significant effect on credit risk.

The Company's credit risk from loans relates mainly to receivables from related parties. At the moment there are no indicators that related parties will not be able to repay the loans.

4.2. Liquidity risk

Liquidity risk is the risk that Company will not be able to pay its financial liabilities when they become due.

The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to repay its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Cash and cash equivalents are maintained at a level sufficient to cover operating expenses. This excludes the potential impact of extreme circumstances that cannot be predicted, such as natural disasters.

4.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, affect the value of the Company's financial instruments or its future results.

The objective of market risk management is to manage and control market risk exposures within acceptable limits, while optimising the rate of return.

4.3.1. Currency risk

Currency risk arises in connection with sale, purchase and borrowing transactions which are denominated in currencies (chiefly the euro) other than the functional currency of the Company.

The Company takes out non-bank borrowings denominated in EUR. In order to balance the currency risk, the Company also has receivables from loans granted in EUR.

4.4. Capital management

The Management Board seeks to secure a strong capital structure to maintain the trust and confidence of investors, lenders and the broad market, and to maintain the Company's further growth.

The Management Board monitors return on equity, defined as operating profit divided by equity, excluding non-redeemable preferred shares and non-controlling interests. The Management Board also monitors the level of dividends to ordinary shareholders.

During the reporting period the Company did not change its approach to capital management.

The Company is not subject to any external capital requirements.

5. Segment reporting

An operating segment is a separate part of the Company which is engaged in providing certain products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), and which is exposed to other risks and derives other benefits than the other segments.

The primary and sole business activity of MLP Group S.A is management of logistics space.

Pursuant to IFRS 8.4, segment reporting is presented in Note 5 to the Consolidated Financial Statements of the Group.

5.1. Key customers of the Company

The share of key customers in the Company's revenue was as follows:

	<i>for the year ended 31 December</i>	2020	2019
WestInvest Gesellschaft für Investmentfonds GmbH sp. z o.o. Poland Branch		65%	0%
MLP Pruszków I Sp. z o.o.		10%	33%
MLP Pruszków III Sp. z o.o.		4%	9%
MLP Pruszków IV Sp. z o.o.		3%	6%
MLP Pruszków V Sp. z o.o.		2%	12%
MLP Pruszków II Sp. z o.o.		1%	9%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG		0%	11%

6. Revenue

	<i>for the year ended 31 December</i>	2020	2019
Property management		4,626	4,009
Project management		949	927
Advisory services		3,206	3,935
Agency services		139	1,079
Recharge of services		676	871
Revenue from development contract ¹⁾		17,742	-
Total revenue		27,338	10,821
<i>- including from related entities</i>		<i>9,559</i>	<i>10,788</i>

¹⁾ The Company signed a property development contract with Westinvest Gesellschaft für Investmentfonds GmbH, under which in 2020-2021 a warehouse will be constructed on third-party land in Tychy. In 2020, the Company recognised revenue from the contract of PLN 17,742 thousand, calculated based on the percentage of completion of the work.

In accordance with the type of contract criterion (IFRS 15), revenue derived from the development contract 2020 is revenue from a fixed-price contract, of PLN 17,742 thousand. The asset will be accounted for in 2021.

For more information on income from related entities, see Note 26.3.

7. Other income

	<i>for the year ended 31 December</i>	2020	2019
Proceeds from sale of property, plant and equipment		9	11
Other		351	79
Other income		360	90

8. Other expenses

	<i>for the year ended 31 December</i>	2020	2019
Court fees		-	(3)
Other expenses		(105)	(109)
Donations made		(5)	(8)
Other expenses		(110)	(120)

9. Distribution costs and administrative expenses

	<i>for the year ended 31 December</i>	2020	2019
Depreciation and amortisation		(396)	(746)
Raw materials and consumables used		(234)	(297)
Services		(24,378)	(8,656)
Taxes and charges		(105)	(156)
Wages and salaries		(3,724)	(2,799)
Social security and other employee benefits		(502)	(447)
Other expenses by nature		(173)	(390)
Distribution costs and administrative expenses		(29,512)	(13,491)

Distribution costs and administrative expenses for the year ended 31 December 2020 were PLN 29512 thousand. In most part, the costs incurred by the Company included costs related to the performance of the property development contract, of PLN 12,821 thousand (costs of services), management and maintenance of income-generating investment properties owned by subsidiaries, as well as advisory services. The Company recovers these amounts by issuing invoices for managing the properties.

10. Finance income and costs

	<i>for the year ended 31 December</i>	2020	2019
Interest on loans to related entities		13,121	10,321
Dividend income		12,046	7,048
Other		4	13
Net exchange differences		-	190
Total finance income		25,171	17,572
Interest expense on non-bank borrowings from related entities		(3,460)	(3,367)
Interest on bonds		(7,327)	(3,736)
Net exchange differences		(2,926)	-
Other finance costs		(363)	(216)
Total finance costs		(14,076)	(7,319)

Exchange differences are mainly attributable to the effect of measurement as at the end of the reporting period of liabilities and receivables under non-bank borrowings and EUR-denominated bonds.

For more information on finance income and expenses of related entities, see Note 26.3.

11. Income tax

	<i>for the year ended 31 December</i>	2020	2019
Income tax on dividend received		-	25
Temporary differences/reversal of temporary differences		(92)	151
Income tax		(92)	176

Effective tax rate

	<i>for the year ended 31 December</i>	2020	2019
Profit before tax		9,171	7,553
Tax at the applicable tax rate (19%)		(1,742)	(1,435)
Dividend income		2,289	25
Use of deferred tax asset written off in previous years		201	-
Non-taxable income		(607)	1,339
Expenses not deductible for tax purposes		(49)	(105)
Income tax		92	(176)

Calculation of corporate income tax

	<i>for the year ended 31 December</i>	2020	2019
Profit before tax		9,171	7,553
Non-tax deductible expenses:			
Interest on non-bank borrowings		3,403	3,367
Audit provision		100	126
Foreign exchange losses		37,817	7,897
Provision for remuneration of the Supervisory Board and the Management Board		1,216	650
Reversal of foreign exchange losses on opening balance measurement		606	
Provision for advisory and management services		4,526	-
Provisions for employee benefit obligations		12	8
Costs of development contract		4,709	-
Interest accrued on bonds		2,417	491
Other		264	2,286
Donations made		5	8
		55,075	14,833
Costs increasing tax-deductible expenses:			
Interest paid on non-bank borrowings		228	-
Release of audit provision		126	157
Release of provision for remuneration of the Management Board and the Supervisory Board		650	375
reversal of provision for advisory and management services		1,902	761

	<i>for the year ended 31 December</i>	2020	2019
Release of provision for interest on bonds		491	514
Other		85	-
		3,482	1,807
Income increasing taxable income:			
Payment of interest on loan		4,768	689
Other		84	-
		4,852	689
Non-taxable income:			
Foreign exchange gains on measurement		21,125	7,978
Dividend received		12,046	7,048
Interest accrued on loans but not paid		12,307	9,288
Estimated revenue from development contract		6,403	-
Other		311	84
Reversal of foreign exchange losses on opening balance measurement		7,897	-
		60,089	24,398
Profit (loss)		5,527	(3,130)
Deductions from income			
Loss brought forward		(5,527)	-
Income tax		-	-

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

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

12. Non-current financial assets at related entities

	<i>for the year ended 31 December</i>	2020	2019
Gross amount at beginning of period		123,396	123,361
Acquisition of shares in MLP Wrocław West Sp. z o.o.		-	5
Acquisition of shares in MLP Business Park Berlin I GP sp. z o.o.		-	5
Acquisition of shares in MLP Łódź II sp. z o.o.		-	5
Acquisition of shares in MLP Poznań East sp. z o.o.		-	5
Acquisition of shares in MLP Schwalmtal LP sp. z o.o.		-	5
Acquisition of shares in MLP Schwalmtal GP sp. z o.o.		-	5
Acquisition of shares in MLP Property I sp. z o.o.		-	5
Acquisition of shares in MLP Business Park Wien GmbH		24	-
Gross amount at end of period		123,420	123,396
Net amount at end of period		123,420	123,396

As at 31 December 2020, the Company held directly or indirectly interests in the following entities:

Entity	Country of registration	Direct and indirect equity interest 31 December 2020	Direct and indirect equity interest 31 December 2019	Direct and indirect voting interest 31 December 2020	Direct and indirect voting interest 31 December 2019
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 Business Park Poznań Sp. z o.o. ²⁾	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%

Entity	Country of registration	Direct and indirect equity interest 31 December 2020	Direct and indirect equity interest 31 December 2019	Direct and indirect voting interest 31 December 2020	Direct and indirect voting interest 31 December 2019
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%
MLP Wrocław West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań East Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Property I sp. z o.o. ³⁾	Poland	100%	100%	100%	100%
MLP Business Park Berlin I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Schwalmtal Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Wien GmbH ¹⁾	Austria	100%	0%	100%	0%

¹⁾ On 21 October 2020 a notarial deed was signed to establish MLP Business Park Wien GmbH. MLP Group S.A. acquired 100% of shares in the new company, with a total par value of EUR 5,000.

²⁾ On 17 December 2020 the change of name of MLP Poznań West Sp. z o.o. to MLP Business Park Poznań Sp. z o.o. was registered.

³⁾ On 2 March 2021 the change of name of MLP Property I Sp. z o.o. to MLP Pruszków VI Sp. z o.o. was registered.

13. Long-term investments

	<i>for the year ended 31 December</i>	2020	2019
Long-term loans to related entities		584,256	253,707
		584,256	253,707

For more information on loans to related parties, see Note 26.2.

14. Short-term investments

	<i>for the year ended 31 December</i>	2020	2019
Short-term loans to related entities		58,957	33,883
Money fund units		20,000	-
Short-term investments		78,957	33,883

For more information on loans to related parties, see Note 26.2.

15. Change in financial assets attributable to financing and other activities

	<i>Shares</i>
Amount as at 31 December 2019	123,396
Subscription for shares	24
Amount as at 31 December 2020	123,420

	<i>Loan assets</i>
Amount as at 31 December 2019	287,590
Loan advanced	383,772
Repayment of principal	(62,055)
Interest accrued	13,121
Payment of interest on loan	(2,392)
Realised foreign exchange gains/(losses)	1,788
Change in carrying amount	21,389
Amount as at 31 December 2020	643,213

16. Deferred tax

	Deferred tax assets	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities	Net amount	Net amount
	31 December	31 December	31 December	31 December	31 December	31 December
<i>as at</i>	2020	2019	2020	2019	2020	2019
Loans and non-bank borrowings	(234)	-	-	116	(234)	116
Tax loss	(1,141)	(2,030)	-	-	(1,141)	(2,030)
Other	(782)	(517)	-	-	(782)	(517)
Bonds	(459)	(93)	-	-	(459)	(93)
Deferred tax assets / liabilities	(2,616)	(2,640)	-	116	(2,616)	(2,524)

	1 January 2019	changes recognised in profit or loss	31 December 2019	changes recognised in profit or loss	31 December 2020
Loans and non-bank borrowings	(891)	1,007	116	(350)	(234)
Tax loss	(1,434)	(596)	(2,030)	889	(1,141)
Other	(253)	(264)	(517)	(265)	(782)
Bonds	(97)	4	(93)	(366)	(459)
	(2,675)	151	(2,524)	(92)	(2,616)

As at 31 December 2020, the unrecognised deferred tax asset for tax loss was PLN 0 thousand.

MLP Group S.A. does not recognise deferred tax related to its shares in subsidiaries as the Company fully controls its subsidiaries and does not expect to sell its interests in subsidiaries in the foreseeable future.

Based on the tax budgets prepared by the Company, the Management Board considers it justified to recognise a deferred tax asset on tax loss.

17. Trade and other receivables

	<i>for the year ended 31 December</i>	2020	2019
Trade receivables from related parties		2,189	2,058
Trade receivables from other entities		590	6
Taxes and social security receivable		396	75
Prepayments and accrued income		832	694
Dividend receivable		4,635	6,915
Interim dividend		-	3,985
Other		41	81
Trade and other receivables		8,683	13,814

For more information on receivables from related entities, see Note 26.

The Company uses the impairment loss matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables were grouped on the basis of similarity between credit risk characteristics and past due periods. The Company concluded that it has the following homogeneous groups of receivables: receivables from subsidiaries and receivables arising under development contracts.

The time past due structure of trade and other receivables and impairment losses are presented in the table below.

	<i>as at 31 December</i>	2020		2019	
		Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due		5,906	-	11,890	-
Past due:					
1 to 90 days		584	-	1,045	-
91 to 180 days		148	-	81	-
over 180 days		817	-	29	-
Total receivables		7,455	-	13,045	-

18. Cash and cash equivalents

	<i>as at 31 December</i>	2020	2019
Cash in hand		15	8
Cash at banks		6,453	40,655
Short-term deposits		-	1,271
Cash and cash equivalents in the consolidated statement of financial position		6,468	41,934
Cash and cash equivalents in the consolidated statement of cash flows		6,468	41,934

The Company has no restricted cash.

Impairment losses on cash and cash equivalents were determined separately for each balance held with the financial institutions. Credit risk was assessed using external credit ratings and publicly available information on default rates set by external agencies for a given rating. The analysis showed that the credit risk of the assets as at the reporting date was low. The Company used the practical expedients permitted under the standard, and the impairment loss was determined on the basis of 12-month expected credit losses. The amount of impairment losses is immaterial.

19. Equity

19.1. Share capital

	<i>as at 31 December</i>	2020	2019
Share capital			
Series A ordinary shares		11,440,000	11,440,000
Series B ordinary shares		3,654,379	3,654,379
Series C ordinary shares		3,018,876	3,018,876
Series D ordinary shares		1,607,000	-
		19,720,255	18,113,255
Par value per share		0.25	0.25

As at 31 December 2020, the share capital amounted to PLN 4,930,063.75 and was divided into 19,720,255 shares conferring 19,720,255 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

On 29 June 2020, the Annual General Meeting of MLP Group S.A. passed a resolution amending the Company's Articles of Association in view of the changing market situation and to ensure a flexible approach and enable the Company to respond quickly, in particular to enable the Company to make investments.

Pursuant to the resolution, the Company's Management Board has been authorised to increase the Company's share capital by no more than PLN 815,096 (the "Authorised Capital") for a period of up to three years from the date of registration by the competent registry court of the amendments to the Articles of Association. The Management Board may exercise the authorisation by increasing the share capital once or multiple times by way of one or multiple share issues, within the limit of the Authorised Capital. An increase in the share capital up to the amount of the Authorised Capital may be made only for cash contributions. Shares issued under the authorisation within the limits of the Authorised Capital will not bear any preference over the existing shares. This authorisation does not include the right to increase the share capital from the Company's own resources.

On 27 October 2020, the Company issued 1,607,000 Series D ordinary shares with a total par value of PLN 401,750. The par value per Series D share is PLN 0.25 and all the shares have been paid up. Following registration with the National Court Register and the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.), the total number of shares and voting rights is 19,720,255.

On 8 December 2020, the District Court for the Capital City of Warsaw in Warsaw, 14th Commercial Division of the National Court Register, recorded in the Business Register of the National Court Register an increase in the Company's share capital from PLN 4,528,313.75 to PLN 4,930 063.75.

Series D ordinary bearer shares with a par value of PLN 0.25 per share were introduced to trading on the main market of the WSE on 30 December 2020 under ISIN code PLMLPGR00017.

Changes in the share capital in the reporting period:

<i>as at 31 December</i>	2020	2020	2019	2019
	number of shares	Par value	number of shares	Par value
Number/value of shares at beginning of period	18,113,255	4,529	18,113,255	4,529
Issue of shares	1,607,000	402	-	-
Number/value of shares at end of period	19,720,255	4,931	18 13,255	4,529

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

To the best of the Management Board's knowledge, as at the date of preparation of these separate financial statements, the following shareholders held, directly or through subsidiaries, at least 5% of total voting rights in the Company:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV ²⁾	10,242,726	51.94%
Other shareholders	4,055,330	20.56%
THE SINGER LIMITED	1,771,320	8.98%
MetLife OFE ³⁾	1,656,022	8.40%
Israel Land Development Company Ltd. ¹⁾	652,019	3.31%
GRACE CUP TRADING LIMITED	641,558	3.25%
MIRO B.V.	452,955	2.30%
Shimshon Marfogel	149,155	0.76%
MIRO LTD.	99,170	0.50%
Total	19,720,255	100.00%

On 27 October 2020, the Company issued 1,607,000 Series D shares with a total par value of PLN 401,750 (par value per Series D share: PLN 0.25). Following registration with the National Court Register and the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.), the total number of shares and voting rights is 19,720,255.

¹⁾ As part of the issue of Series D shares, 574,903 shares were acquired by the ultimate parent, i.e. Israel Land Development Company Ltd.

^{1.2)} On the same day, CAJAMARCA HOLLAND B. V.. sold 77,116 Company shares to Israel Land Development Company Ltd

³⁾ In December 2020, MetLife OFE's shareholding decreased from 1,679,502 to 1,656,022 Company shares, representing 8.40% of the share capital and conferring the right to 1,656,022 votes, i.e. 8.40% of total voting rights.

On 28 October 2020, Aegon Powszechne Towarzystwo Emerytalne S.A. reduced its holding of Company shares from 1,166,133 to 606,792 shares which after the transaction represent 3.08% of the share capital and confer 606,792 voting rights, or 3.08% of total voting rights.

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

Prior to the issue of Series D shares, Michael Shapiro, Vice President of the Management Board, held 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 held by MIRO B.V. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 14.25% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 17.30% interest in the share capital of MLP Group S.A.

After the issue of Series D shares, Michael Shapiro, Vice President of the Management Board, holds indirectly, through his fully-controlled companies MIRO B.V. and MIRO Ltd., a 2.80% interest in MLP Group S.A.'s share capital, and, through a 25% interest held by MIRO B.V. in Cajamarca Holland B.V., Mr Shapiro is the beneficial owner of 12.99% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro is the beneficial owner of a 15.79% interest in the share capital of MLP Group S.A.

Prior to the issue of Series D shares, Shimshon Marfogel, Chairman of the Supervisory Board, was – 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 held directly an 0.82% interest in the share capital of the Company in the form of shares subscribed for in September 2017. Therefore, in aggregate, Mr Marfogel was the beneficial owner of a 1.59% interest in the share capital of MLP Group S.A.

After the issue of Series D shares, 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 0.71% of the share capital of MLP Group S.A., and holds directly a 0.76% interest in the share capital of the Company in the form of shares subscribed for in September 2017. Therefore, in aggregate, Mr Marfogel is the beneficial owner of a 1.47% 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.

19.2. Capital reserve

The capital reserve was created from profit earned in 2010. (PLN 1470 thousand) and profit earned in 2012 (PLN 2,724 thousand)

20. Earnings and dividend per share

Earnings per share for each reporting period are calculated as the quotient of net profit (loss) for the period and the weighted average number of shares outstanding in the reporting period. Diluted earnings per share for each period are calculated as quotient of the net profit/(loss) the period by the sum of the weighted average number of ordinary shares in the reporting period and all potential dilutive shares.

	<i>for the year ended 31 December</i>	2020	2019
Net profit(loss) for the period		9,263	7,377
Weighted average number of outstanding shares		19,720,255	18,113,255
Earnings per share for period (PLN per share):			
basic		0.47	0.41
diluted		0.47	0.41

There were no dilutive factors in the presented periods.

Dividend per share for each reporting period is calculated as quotient of the dividend paid in the period and the weighted average number of shares outstanding in the reporting period.

	<i>for the year ended 31 December</i>	2020	2019
Interim dividend paid		-	3,985
Weighted average number of outstanding shares		-	18,113,255
Interim dividend per share for the period (PLN per share):		-	0.22

21. Non-bank borrowings and other debt instruments

21.1. Non-current liabilities

	<i>for the year ended 31 December</i>	2020	2019
Obligacje ¹⁾		346,110	127,755
Non-bank borrowings from related entities		178,143	114,880
Non-current liabilities under non-bank borrowings and other debt instruments		524,253	242,635

¹⁾ On 19 February 2020, the Company issued, by way of public offering, 30,000 Series C bearer bonds with a nominal value of EUR 1,000 per bond and the total value of the issue of EUR 30,000,000. The bonds were issued as unsecured instruments. The objectives of the issue were not specified. The bonds were registered with Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00058, and have been traded in the Catalyst alternative trading system since 26 February 2020 (abbreviated name: MLP0225). The bonds pay variable interest at 6M EURIBOR plus margin. The maturity date of the bonds is 19 February 2025, and the bonds have been issued with an early redemption option.

On 16 October 2020, the Company issued, by way of public offering for qualified investors, 15,000 Series C1 bearer bonds with a nominal value of EUR 1,000 per bond and the total value of the issue of EUR 15,000,000. The bonds were issued as unsecured instruments. The objectives of the issue were not specified. The bonds were registered with Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00066, and the bonds have been traded in the Catalyst alternative trading system since 18 November 2020 (abbreviated name: MLP0225). The bonds pay variable interest at 6M EURIBOR plus margin. The maturity date of Series C1 bonds is 19 February 2025.

On 18 November 2020, Series C1 bonds were assimilated with Series C bonds. The ISIN code of the assimilated Series C bonds is PLMLPGR00058 (i.e. the same as the code previously assigned to Series C bonds), and the bonds have been listed in the Catalyst alternative trading system since 18 November 2020 (abbreviated name: MLP0225).

21.2. Current liabilities

	<i>for the year ended 31 December</i>	2020	2019
Bonds		2,420	491
Non-bank borrowings from related entities		1,343	54,305
Current liabilities under non-bank borrowings and other debt instruments		3,763	54,796

For more information on borrowings from related entities, see Note 26.2.

21.3. Change in financial liabilities attributable to financing and other activities

	<i>Bonds</i>
Amount as at 31 December 2019	128,246
Issue of bonds	196,733
Interest accrued on bonds	7,336
Interest paid on bonds	(5,663)
Change in carrying amount	21,878
Amount as at 31 December 2020	348,530

	<i>Non-bank borrowings from related entities</i>
Amount as at 31 December 2019	169,185
Repayment of principal	(2,001)
Interest accrued	3,460
Payment of interest on loan	(269)
Realised foreign exchange gains/(losses)	44
Change in carrying amount	9,067
Amount as at 31 December 2020	179,486

21.4. Liabilities under bonds

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Private bonds – Series A	EUR	20,000,000	11.05.2022	6M EURIBOR + margin	<i>None</i>	Catalyst
Private bonds – Series B	EUR	10,000,000	11.05.2023	6M EURIBOR + margin	<i>None</i>	Catalyst
Public bonds – Series C ¹⁾	EUR	45,000,000	19.02.2025	6M EURIBOR + margin	<i>none</i>	Catalyst

¹⁾ By Resolution of 21 February 2020, the WSE Management Board decided to introduce 30,000 Series C bearer bonds of MLP Group S.A., with a nominal value of EUR 1,000 per bond, to the Catalyst alternative trading system. 26 February 2020 was the first day of trading in the Bonds on Catalyst. By Resolution of 15 October 2020, the WSE Management Board decided to introduce 15,000 Series C1 bearer bonds of MLP Group S.A., with a nominal value of EUR 1,000 per bond, to the Catalyst alternative trading system. The bonds were introduced to trading on 16 October 2020. On 18 November 2020, the Series C1 bonds were assimilated to Series C bonds. The bonds are listed in the continuous trading system under the abbreviated name of "MLP0225".

21.5. Non-bank borrowings not secured with the Group's assets:

Loan from	currency	effective interest rate (%)	<i>as at</i> matures in	31 December 2020 in foreign currency	31 December 2020 in PLN	matures in	31 December 2019 in foreign currency	31 December 2019 in PLN
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2027	14,423	66,561	2027	14,074	59,935
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2021	291	1,343	2021	288	1,227
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	507	2,341	2020	502	2,138
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	7,841	2020	-	8,620
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	41,544	2026	-	40,504
MLP Pruszków I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	7,225	33,344	2020	7,167	30,520
MLP Pruszków III Sp. z o.o.	EUR	3M EURIBOR + margin	2027	-	-	2027	297	1,267
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2,155	9,946	2027	2,132	9,077
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1,081	4,989	2020	402	1,710
MLP Temp Sp. z o.o.						2025	668	2,843
MLP Bieruń Sp. z o.o.	EUR	3M EURIBOR + margin	2027	6	28	2027	6	27
LOKAFOP 201 Sp. z o.o. SKA	PLN	3M WIBOR + margin	2025	-	11,549	2020	-	11,317
Total				25,688	179,486		25,536	169,185

22. Employee benefit obligations

	<i>for the year ended 31 December</i>	2020	2019
Special accounts		157	157
Provision for bonuses		1,216	650
Employee benefit obligations		1,373	807

23. Trade and other payables

	<i>for the year ended 31 December</i>	2020	2019
Trade payables to related entities		-	87
Trade payables to other entities		6,080	643
Taxes and social security payable		123	359
Accrued expenses		4,626	2,028
Investment and other commitments		20	-
Interim dividend received from MLP Pruszków I Sp. z o.o.		-	12,046
Trade and other payables		10,849	15,163

For information on liabilities to related parties, see Note 26.

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

	<i>for the year ended 31 December</i>	2020	2019
Not past due		10,289	14,517
Past due from 1 to 90 days		423	171
Past due from 91 to 180 days		-	30
Pas due over 180 days		14	86
Total trade and other payables		10,726	14,804

The time past due structure presented above includes non-current liabilities.

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

24. Financial instruments

24.1. Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 31 December 2020 and 31 December 2019 was equal to the respective amounts disclosed in the separate statement of financial position.

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

- **cash and cash equivalents:** the carrying amount corresponds to the amortised cost value,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount corresponds to the amortised cost,
- **loans:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate,
- **non-bank borrowings:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rates on these instruments which are close to market interest rates,
- **bonds:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate,

24.1.1 Financial assets

	<i>for the year ended 31 December</i>	2020	2019
Financial assets measured at amortised cost:			
Cash and cash equivalents		6,468	41,934
Loans and receivables, including:			
Trade and other receivables		7,455	13,045
Money fund units		20,000	-
Loans		643,213	287,590
		677,136	342,569
Total financial assets		677,136	342,569

Measurement of assets at amortised cost as at 31 December 2020:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	674,357	2,779	-
Cash and cash equivalents	6,468	-	-
Loans and receivables, including:			
Trade and other receivables	4,676	2,779	-
Money fund units	20,000		
Loans	643,213	-	-
Impairment losses (IFRS 9)	-	-	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
Trade and other receivables	-	-	-
Loans	-	-	-
Carrying amount (IFRS 9)	674,357	2,779	-

Measurement of assets at amortised cost as at 31 December 2019:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	340,505	2,064	-
Cash and cash equivalents	41,934	-	-
Loans and receivables, including:			
Trade and other receivables	10,981	2,064	-
Loans	287,590	-	-
Impairment losses (IFRS 9)	-	-	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
Trade and other receivables	-	-	-
Loans	-	-	-
Carrying amount (IFRS 9)	340,505	2,064	-

24.1.2 Financial liabilities

	<i>for the year ended 31 December</i>	2020	2019
Financial liabilities measured at amortised cost:			
Non-bank borrowings		179,486	169,185
Trade and other payables		10,726	14,804
Bonds		348,530	128,246
		538,742	312,235
Total financial liabilities		538,742	312,235

24.2. Nature and extent of risks arising from financial instruments

The Company's business involves primarily exposure to the following types of financial risks:

- liquidity risk,
- market risk (including currency and interest rate risk),
- credit risk.

24.2.1. Liquidity risk

Liquidity risk arises chiefly from the Company's future ability to service long-term borrowings and bonds with operating cash flows.

The below table presents the maturity analysis of non-bank borrowings, including interest payment cash flows:

Bank borrowings - expected payments	up to 1 year	from 1 to 5 years	over 5 years	Total
31 December 2020	1,355	63,165	132,635	197,155
31 December 2019	55,177	1,252	134,876	191,305

The table below presents the maturity structure of other non-current and current liabilities, i.e. bonds:

Bonds - expected payments	up to 1 year	from 1 to 5 years	over 5 years	Total
31 December 2020	2,420	246,110	-	348,530
31 December 2019	491	127,755	-	128,246

24.2.2. Currency risk

The Company is exposed to significant currency risk as a large portion of its financial assets and liabilities is denominated in EUR.

The table below presents the currency structure of financial instruments in the each of years:

Currency structure of financial instruments as at 31 December 2020 (PLN thousand):

Financial assets	PLN	EUR	other	Total
Financial assets measured at amortised cost:				
Cash and cash equivalents	3,588	2,873	7	6,468
Loans and receivables, including:				
Trade and other receivables	6,163	1,292	-	7,455
Money fund units	20,000	-	-	20,000
Loans	247,668	395,347	198	643,213
	277,419	399,512	205	677,136

Financial liabilities	PLN	EUR	other	Total
Financial liabilities measured at amortised cost:				
Non-bank borrowings	60,934	118,552	-	179,486
Trade and other payables	6,132	4,594	-	10,726
Bonds	-	348,530	-	348,530
	67,066	471,676	-	538,742

Currency structure of financial instruments as at 31 December 2019 (PLN thousand):

Financial assets	PLN	EUR	other	Total
Financial assets measured at amortised cost:				
Cash and cash equivalents	1,280	40,633	21	41,934
Loans and receivables, including:				
Trade and other receivables	12,108	937	-	13,045
Loans	111,743	175,647	200	287,590
	125,131	217,217	221	342,569

Financial liabilities	PLN	EUR	other	Total
Financial liabilities measured at amortised cost:				
Non-bank borrowings	60,441	108,744	-	169,185
Trade and other payables	2,696	12,108	-	14,804
Bonds	-	128,246	-	128,246
	63,137	249,098	-	312,235

Due to its open short currency position, the Company is particularly exposed to changes in the EUR/PLN exchange rate. The table below presents the potential impact of a 5% depreciation of PLN against EUR on the Company's results and equity.

Impact of PLN depreciation on the Group's result and equity (PLN thousand)

	<i>for the year ended 31 December</i>	2020	2019
Increase in the EUR/PLN exchange rate by 5%		(3,608)	(1,594)
Increase in the USD/PLN exchange rate by 5%		10	11

A 5% depreciation of the Polish currency against the euro adversely affects the Company's results, causing an increase in debt service costs due to the Company's short currency position.

A 5% depreciation of the Polish currency against the US dollar has a positive impact on the Company's results, causing an increase in interest income from loans denominated in USD.

24.2.3 Interest rate risk

Interest rate risk arises chiefly from non-bank borrowings as well as issued bonds bearing interest at variable rates. Interest rate movements affect debt-service cash flows.

The table below presents the potential impact of a 50 basis points increase in interest rate on the Group's debt-service cash flows.

Effect of interest rate movements on interest cash outflows on borrowings and issued bonds:

	<i>for the year ended 31 December</i>	2020	2019
EURIBOR + 50 bp		(2,335)	(1,185)
WIBOR + 50 bp		(305)	(302)

The sensitivity analysis presents how much debt-service interest costs would increase at the end of the reporting period assuming a 50 basis points increase in interest rates.

Effect of interest rate movements on interest cash inflows from loans:

	<i>for the year ended 31 December</i>	2020	2019
EURIBOR + 50 bp		1,977	878
WIBOR + 50 bp		1,238	559
LIBOR + 50 bp		1	1

The sensitivity analysis presents how much interest income from loans would increase at the end of the reporting period assuming a 50 basis points increase in interest rates.

The table below presents a potential impact on cash flows from monetary assets of a 50 basis points increase in interest rates.

Effect of interest rate changes on cash flows from monetary assets:

	<i>for the year ended 31 December</i>	2020	2019
EURIBOR + 50 bp		14	203
WIBOR + 50 bp		18	6

The sensitivity analysis presents how much interest income increase at the end of the reporting period assuming a 50 basis points increase in interest rates.

24.2.4 Credit risk

Credit risk the risk of financial loss to the Company if a trading partner or counterparty to a transaction fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables from customers, loans and cash and cash equivalents. The Company's maximum exposure to credit risk corresponds to the carrying amount of these financial instruments.

The age structure of trade and other receivables is presented in Note 17.

25. Contingent liabilities and security instruments

As at 31 December 2020 The following security interests were established in the Company's assets:

25.1. Financial and registered pledges on shares

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
<i>Registered pledges on shares:</i>		
MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląskiego S.A. under credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A. under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 granted to MLP Pruszków V	EUR 28,987 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 granted to MLP Pruszków V	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of Bank Polska Kasa Opieki S.A. under the ING 11/0002 credit facility granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Wrocław Sp. z o.o.	claims of PEKAO S.A. under facility of 11 October 2017 granted to MLP Wrocław Sp. z o.o.	PLN 4,500 thousand
MLP Wrocław Sp. z o.o.	claims of PEKAO S.A. under facility of 11 October 2017 granted to MLP Wrocław Sp. z o.o.	EUR 27,638 thousand

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
MLP Gliwice Sp. z o.o.	claims of PEKAO S.A. under facility of 13 March 2018 granted to MLP Gliwice Sp. z o.o.	EUR 29,915 thousand
MLP Gliwice Sp. z o.o.	claims of PEKAO S.A. under working capital (VAT) facility of 13 March 2018 granted to MLP Gliwice Sp. z o.o.	PLN 4,500 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under Collateral Agreements executed for the purposes of credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 15,450 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 32,156 thousand

Financial pledges on shares:

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Wrocław Sp. z o.o.	claims of PEKAO S.A. under facility of 11 October 2017 granted to MLP Wrocław Sp. z o.o.	EUR 4,500 thousand
MLP Wrocław Sp. z o.o.	claims of PEKAO S.A. under facility of 11 October 2017 granted to MLP Wrocław Sp. z o.o.	EUR 27,638 thousand
MLP Wrocław Sp. z o.o.	claims of PEKAO S.A. under facility of 11 October 2017 granted to MLP Wrocław Sp. z o.o.	EUR 27,638 thousand
MLP Gliwice Sp. z o.o.	claims of PEKAO S.A. under facility of 13 March 2018 granted to MLP Gliwice Sp. z o.o.	EUR 29,915 thousand
MLP Gliwice Sp. z o.o.	claims of PEKAO S.A. under working capital (VAT) facility of 13 March 2018 granted to MLP Gliwice Sp. z o.o.	PLN 4,500 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under Collateral Agreements executed for the purposes of credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 15,450 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 32,156 thousand

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of Bank Polska Kasa Opieki S.A. under the ING 11/0002 credit facility granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Gliwice Sp. z o.o.	claims of PEKAO S.A. under facility of 13 March 2018 granted to MLP Gliwice Sp. z o.o.	EUR 28,434 thousand

25.2. Guarantees

As at 31 December 2020 the Company did not provide any guarantees.

25.3. Sureties

On 24 May 2019 MLP Group S.A. provided a surety to MLP Gliwice Sp. z o.o. in connection with the Agreement on the reconstruction of the communication system, including liabilities related to the implementation of the Road Investment project in whole or in part - up to PLN 2,745,888.30.

25.4. Other security interests

- Loan subordination agreement – loan granted to MLP Pruszków I Sp. z o.o.
- Loan subordination agreement – loans to MLP Lublin Sp. z o.o.
- Loan subordination agreement – loans to MLP Teresin Sp. z o.o.
- Loan subordination agreement – loans to MLP Wrocław Sp. z o.o.
- Loan subordination agreement – loan granted to MLP Poznań II Sp. z o.o.
- Loan subordination agreement – loan granted to MLP Poznań Sp. z o.o.
- Loan subordination agreement – loan granted to MLP Czeladź Sp. z o.o.
- Loan subordination agreement – loan granted to MLP Gliwice Sp. z o.o.
- Loan subordination agreement – loans to MLP Pruszków III Sp. z o.o.
- Loan subordination agreement - loans to MLP Pruszków IV Sp. z o.o.
- Loan subordination agreement - loans to MLP Pruszków V Sp. z o.o.
- Support agreements granted by MLP Group S.A. as sponsor for MLP Czeladź Sp. z o.o., MLP Lublin sp. z o.o., MLP Teresin sp. z o.o., MLP Gliwice sp. z o.o., MLP Wrocław sp. z o.o., MLP Poznań sp. z o.o., MLP Poznań II and MLP Pruszków V sp. z o.o., under which the sponsor is to provide funds to cover any project cost overruns .

26. Related-party transactions

26.1. Trade and other receivables and payables

The balances trade and other payables and receivables under related-party transactions as at 31 December 2020 were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd., Tel-Aviv	274	-
Other related parties		
MLP Pruszków I Sp. z o.o.	287	-
MLP Pruszków II Sp. z o.o.	65	-
MLP Pruszków III Sp. z o.o.	130	-
MLP Pruszków IV Sp. z o.o.	88	-
MLP Pruszków V Sp. z o.o.	75	-
MLP Poznań Sp. z o.o.	36	-
MLP Poznań II Sp. z o.o.	25	-
MLP Lublin Sp. z o.o.	58	-
MLP Teresin Sp. z o.o.	24	-
MLP Energy Sp. z o.o.	4,653	-
MLP Wrocław Sp. z o.o.	58	-
MLP Czeladź Sp. z o.o.	38	-
MLP Gliwice Sp. z o.o.	55	-
MLP Property Sp. z o.o.	93	-
MLP Business Park Poznań Sp. z o.o.	40	-
MLP Temp Sp. z o.o.	4	-
MLP Bieruń I Sp. z o.o.	4	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	36	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	37	-
MLP Łódź II Sp. z o.o.	4	-
MLP Poznań East Sp. z o.o.	4	-
MLP Property I Sp. z o.o.	4	-
MLP Logistic Park Germany 1 Sp. z o.o. & Co. KG	588	-
MLP Bucharest West SRL	85	-
MLP Germany Management GmbH	50	-
Fenix Polska Sp. z o.o.	4	-
	6,550	-
Total	6,824	-

The balances trade and other payables and receivables under related-party transactions as at 31 December 2019 were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd., Tel-Aviv	108	-
Other related parties		
MLP Pruszków I Sp. z o.o.	282	-
MLP Pruszków II Sp. z o.o.	18	-
MLP Pruszków III Sp. z o.o.	121	-
MLP Pruszków IV Sp. z o.o.	86	-
MLP Pruszków V Sp. z o.o.	330	-
MLP Poznań Sp. z o.o.	20	-
MLP Poznań II Sp. z o.o.	32	-
MLP Lublin Sp. z o.o.	76	-
MLP Teresin Sp. z o.o.	47	-
MLP Energy Sp. z o.o.	10	-
MLP Wrocław Sp. z o.o.	62	-
MLP Czeladź Sp. z o.o.	52	-
MLP Gliwice Sp. z o.o.	48	-
MLP Property Sp. z o.o.	3	-
MLP Business Park Poznań Sp. z o.o. (formerly: MLP Poznań West Sp. z o.o.)	4	-
MLP Temp Sp. z o.o.	4	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	3	-
MLP Bieruń Sp. z o.o.	6,821	-
MLP Bieruń I Sp. z o.o.	8	-
MLP Sp. z o.o.	3	-
MLP FIN Sp. z o.o.	3	-
LOKAFOP 201 Sp. z o.o.	3	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	3	-
MLP Poznań West II Sp. z o.o.	21	-
MLP Bucharest West Sp. z o.o.	3	-
MLP Dortmund LP Sp. z o.o.	3	-
MLP Dortmund GP Sp. z o.o.	3	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	2	-
MLP Łódź II Sp. z o.o.	3	-
MLP Poznań East Sp. z o.o.	1	-
MLP Property I Sp. z o.o.	1	-
MLP Logistic Park Germany 1 Sp. z o.o. & Co. KG	695	-
MLP Bucharest West SRL	62	-
MLP Germany Management GmbH	11	87
MLP FIN Sp. z o.o. Spółka Komandytowa	7	-
Fenix Polska Sp. z o.o.	9	-
Total	8,973	87

¹⁾ Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 29.

26.2. Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 December 2020:

	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	296	152,974
MLP Pruszków II Sp. z o.o.	41,689	-
MLP Pruszków III Sp. z o.o.	10,157	-
MLP Pruszków IV Sp. z o.o.	6,684	-
MLP Pruszków V Sp. z o.o.	22,404	-
MLP Poznań Sp. z o.o.	3,421	-
MLP Poznań II Sp. z o.o.	173	-
MLP Lublin Sp. z o.o.	24,791	-
MLP Teresin Sp. z o.o.	8,462	-
MLP Spółka z o.o.	4,800	-
LOKAFOP 201 Sp. z o.o.	4,800	-
MLP Business Park Berlin I LP Sp. z o.o.	4,800	-
MLP Wrocław Sp. z o.o.	13,550	-
MLP Czeladź Sp. z o.o.	17,625	-
MLP Gliwice Sp. z o.o.	37,131	-
MLP Property Sp. z o.o.	4,300	-
MLP Business Park Poznań Sp. z o.o. (formerly: MLP Poznań West Sp. z o.o.)	33,162	-
MLP Temp Sp. z o.o.	4,601	14,935
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11,549
MLP Bieruń Sp. z o.o.	4,059	28
MLP Bieruń I Sp. z o.o.	12,811	-
Fenix Polska Sp. z o.o.	14,583	-
MLP FIN Sp. z o.o.	4,900	-
MLP Business Park Berlin I GP Sp. z o.o.	41	-
MLP Poznań East Sp. z o.o.	41	-
MLP Property I Sp. z o.o.	41	-
MLP Poznań West II Sp. z o.o.	82,955	-
MLP Bucharest West Sp. z o.o.	25,925	-
MLP Dortmund LP Sp. z o.o.	83	-
MLP Dortmund GP Sp. z o.o.	64	-
MLP Teresin II Sp. z o.o.	4,622	-
MLP Wrocław West Sp. z o.o.	46,326	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	4,887	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	36,850	-
MLP Bucharest West SRL	38,484	-
MLP Business Park Berlin I LP Sp. z o.o.	28,631	-
MLP Germany Management GmbH	2,971	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	56,824	-
MLP Schwalmtal Sp. z o.o. & Co. KG	7,018	-
MLP Schwalmtal LP Sp. z o.o.	48	-

	Loans	Non-bank borrowings
MLP Schwalmtal GP Sp. z o.o.	41	-
MLP Business Park Wien GmbH	28,162	-
Total	643,213	179,486

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

	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	298	142,944
MLP Pruszków II Sp. z o.o.	6,107	-
MLP Pruszków III Sp. z o.o.	1,174	1,267
MLP Pruszków IV Sp. z o.o.	2	-
MLP Pruszków V Sp. z o.o.	15,963	-
MLP Poznań Sp. z o.o.	367	-
MLP Poznań II Sp. z o.o.	170	-
MLP Lublin Sp. z o.o.	17,702	-
MLP Teresin Sp. z o.o.	8,301	-
MLP Wrocław Sp. z o.o.	10,465	-
MLP Czeladź Sp. z o.o.	17,168	-
MLP Gliwice Sp. z o.o.	28,314	-
MLP Property Sp. z o.o.	317	-
MLP Business Park Poznań Sp. z o.o. (formerly: MLP Poznań West Sp. z o.o.)	901	-
MLP Temp Sp. z o.o.	-	13,630
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11,317
MLP Bieruń Sp. z o.o.	59	27
MLP Bieruń I Sp. z o.o.	1,865	-
MLP FIN Sp. z o.o.	58	-
MLP Poznań West II Sp. z o.o.	57,777	-
MLP Bucharest West Sp. z o.o.	18,827	-
MLP Dortmund LP Sp. z o.o.	42	-
MLP Dortmund GP Sp. z o.o.	22	-
MLP Teresin II Sp. z o.o.	21	-
MLP Wrocław West Sp. z o.o.	36	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	34	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	30,595	-
MLP Bucharest West SRL	33,714	-
MLP Business Park Berlin I LP Sp. z o.o.	2,963	-
MLP Germany Management GmbH	1,674	-
Fenix Polska Sp. z o.o.	32,654	-
	287,590	169,185
Total	287,590	169,185

26.3. Income and expenses

Below are presented income and expenses under related-party transactions for the 12 months ended 31 December 2020:

	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd., Tel-Aviv	206	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	2 645	-	12 046
MLP Pruszków II Sp. z o.o.	387	444	-
MLP Pruszków III Sp. z o.o.	1 222	179	-
MLP Pruszków IV Sp. z o.o.	799	187	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	87	1 118	-
MLP Poznań Sp. z o.o.	248	16	-
MLP Poznań II Sp. z o.o.	305	3	-
MLP Lublin Sp. z o.o.	594	606	-
MLP Teresin Sp. z o.o.	272	161	-
MLP Energy Sp. z o.o.	149	-	-
MLP Wrocław Sp. z o.o.	580	380	-
MLP Czeladź Sp. z o.o.	254	500	-
MLP Gliwice Sp. z o.o.	446	953	-
MLP Property Sp. z o.o.	75	3	-
MLP Business Park Poznań Sp. z o.o.	231	461	-
MLP Temp Sp. z o.o.	3	1	-
MLP Bieruń I Sp. z o.o.	3	106	-
MLP Spółka z o.o.	-	1	-
MLP FIN Sp. z o.o.	-	2	-
Lokafo 201 Sp. z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	6	1	-
MLP Poznań West II Sp. z o.o.	197	2 232	-
MLP Bucharest West Sp. z o.o.	-	703	-
MLP Dortmund GP Sp. z o.o.	-	1	-
MLP Dortmund LP Sp. z o.o.	-	1	-
MLP Teresin II Sp. z o.o.	3	1	-
MLP Pruszków V Sp. z o.o.	536	823	-
MLP Wrocław West Sp. z o.o.	163	815	-
MLP Łódź II Sp. z o.o. Sp. z o.o.	20	785	-
MLP Poznań East Sp. z o.o.	4	1	-
MLP Property I Sp. z o.o.	4	1	-
MLP Business Park Berlin I GP Sp. z o.o.	-	1	-
MLP Schwalmtal LP Sp. z o.o.	-	1	-
MLP Schwalmtal GP Sp. z o.o.	-	1	-
MLP FIN Sp. z o.o. Sp.k.	-	2	-
Fenix Sp. z o.o.	4	372	-
MLP BUCHAREST WEST SRL	109	1 222	-
MLP Germany Management GmbH	1	70	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	6	769	-
MLP Schwalmtal Sp. z o.o. & Co. KG	-	197	-
	9,353	13,121	12,046
Total income	9,559	13,121	12,046

	Purchase of services and salaries	Interest expense
Other related parties		
MLP Pruszków I Sp. z o.o.	(52)	(3,055)
MLP Pruszków III Sp. z o.o.	-	(13)
MLP Teresin Sp. z o.o.	(5)	-
MLP Wrocław Sp. z o.o.	(5)	-
MLP Czeladź Sp z o.o.	(3)	-
MLP Gliwice Sp. z o.o.	(5)	-
MLP Temp Sp. z o.o.	-	(159)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(233)
MLP Germany Management GmbH	-	-
MLP Poznań West II Sp. z o.o.	(2)	-
MLP Bucharest West Sp. z o.o.	-	-
MLP Dortmund LP Sp. z o.o.	-	-
MLP Dortmund GP Sp. z o.o.	-	-
MLP Teresin II Sp. z o.o.	(4,955)	-
MLP Łódź II Sp. z o.o.	(7)	-
MLP Logistic Park Germany I Sp. z o.o. &Co KG.	-	-
MLP Bucharest West SRL	-	-
	-	-
	(5,034)	(3,460)

	Purchase of services and salaries	Interest expense
Key management personnel		
ROMI CONSULTING, Michael Shapiro	<i>see Note 29.</i> (483)	-
RTK CONSULTING, Radosław T. Krochta	<i>see Note 29.</i> (1,010)	-
PROFART, Tomasz Zabost	<i>see Note 29.</i> (644)	-
Other key management personnel	<i>see Note 29.</i> (605)	-
	(2,742)	-
Total expenses	(7,776)	(3,460)

Below are presented income and expenses under related-party transactions for the 12 months ended 31 December 2019:

	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd., Tel-Aviv	208	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	3,588	62	-
MLP Pruszków II Sp. z o.o.	195	232	-
MLP Pruszków III Sp. z o.o.	1,008	376	-
MLP Pruszków IV Sp. z o.o.	679	2	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	1,173	1,728	-
MLP Poznań Sp. z o.o.	207	56	-
MLP Poznań II Sp. z o.o.	324	4	-
MLP Lublin Sp. z o.o.	536	356	-
MLP Teresin Sp. z o.o.	249	239	-
MLP Energy Sp. z o.o.	76	-	6,915
MLP Wrocław Sp. z o.o.	298	401	-
MLP Czeladź Sp. z o.o.	265	732	-
MLP Gliwice Sp. z o.o.	359	1,026	-
MLP Property Sp. z o.o.	2	9	-
MLP Business Park Poznań Sp. z o.o. (formerly: MLP Poznań West Sp. z o.o.)	3	25	-
MLP Temp Sp. z o.o.	3	-	-
LOKAFOP 201 Sp. z o.o. SKA	2	-	-
MLP Bieruń Sp. z o.o.	2	22	133
MLP Bieruń I Sp. z o.o.	29	46	-
MLP Spółka z o.o.	2	-	-
MLP FIN Sp.z o.o.	3	2	-
Lokafop 201 Sp. z o.o.	3	-	-
MLP Business Park Berlin I LP Sp. z o.o.	6	-	-
MLP Sp. z o.o. SKA	2	-	-
MLP Poznań West II Sp. z o.o.	98	1,411	-
MLP Bucharest West Sp. z o.o.	2	1,075	-
MLP Dortmund LP Sp. z o.o.	3	1	-
MLP Dortmund GP Sp. z o.o.	3	-	-
MLP Teresin II Sp. z o.o.	3	1	-
MLP Pruszków V Sp. z o.o.	1,289	1,199	-
MLP Wrocław West Sp. z o.o.	2	-	-
MLP Łódź II Sp.z o.o.	2	6	-
MLP Poznań East Sp.z o.o.	1	-	-
MLP Pruszków VI Sp. z o.o. (formerly: MLP Property I Sp. z o.o.)	1	-	-
MLP FIN Sp.z o.o. Sp.k.	2	1	-
Fenix Sp. z o.o.	4	783	-
MLP BUCHAREST WEST SRL	61	492	-
MLP Germany Management GmbH	11	34	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	84	-	-
	10,580	10,321	7,048

		Purchase of services and salaries	Interest expense
Other related parties			
MLP Pruszków I Sp. z o.o.		(54)	(2,854)
MLP Pruszków III Sp. z o.o.		-	(19)
MLP Teresin Sp. z o.o.		(5)	-
MLP Wrocław Sp. z o.o.		(5)	-
MLP Czeladź Sp z o.o.		(5)	-
MLP Gliwice Sp. z o.o.		(5)	-
MLP Temp Sp. z o.o.		-	(161)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(332)
MLP Bieruń Sp. z o.o.		-	(1)
MLP Germany Management GmbH		(455)	-
MLP Poznań West II Sp. z o.o.		(5)	-
MLP Teresin II Sp. z o.o.		(3,192)	-
		(3,726)	(3,367)
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>see Note 29.</i>	(406)	-
RTK CONSULTING, Radosław T. Krochta	<i>see Note 29.</i>	(590)	-
PROFART, Tomasz Zabost	<i>see Note 29.</i>	(233)	-
Other key management personnel	<i>see Note 29.</i>	(789)	-
		(2,018)	-
Total expenses		(5,744)	(3,367)

27. Significant litigation and disputes

As at 31 December 2020, the Company was not party to any material litigation.

28. Significant events during and subsequent to the reporting period

- On 19 February 2020, the Company issued, by way of public offering, 30,000 Series C bearer bonds with a nominal value of EUR 1,000 per bond and the total value of the issue of EUR 30,000,000, and on 16 October 2020 – 15,000 Series C1 bearer bonds with a nominal value of EUR 1,000 per bond and the total value of the issue of EUR 15,000,000.

For details of the issue of Series C and C1 bonds, see Note 21.1 to these separate financial statements.

- On 7 May 2020 a contract was concluded between MLP Group S.A. and Bin–Biuro Inżynierskie Sp. z o.o. for the design, obtaining a building permit, construction of a production and storage building, and construction of an office and social building on a turn-key basis at a property located in Tychy.

- On 29 June 2020, the Annual General Meeting of MLP Group S.A. passed a resolution amending the Company's Articles of Association in view of the changing market situation and to ensure a flexible approach and enable the Company to respond quickly, in particular to enable the Company to make investments. For information on significant changes, see Note 17.1.
- On 12 October 2020, the Management Board of MLP Group S.A. passed a resolution to increase the Company's share capital through the issue of 1,650,000 Series D shares, with the pre-emptive rights of the Company's existing shareholders waived.

The Issuer concluded agreements with investors for subscription of 1,607,000 Series D shares at the issue price of PLN 69.00 (sixty nine złoty) per share, including an agreement with Israel Land Development Company Ltd. Bnei Brak, Israel ILDC for subscription of 574,903 Series D shares. The required cash contributions to cover all Series D Shares have been paid in full.

On 27 October 2020, the Company was notified of an acquisition of 77,116 ordinary shares in the Company by ILDC from Cajamarca Holland B.V. of Delft, the Netherlands, in a block transaction executed on the Warsaw Stock Exchange on 27 October 2020, for a price of PLN 69.00 (sixty-nine złoty) per share.

Series D ordinary bearer shares with a par value of PLN 0.25 per share were introduced to trading on the main market of the WSE on 30 December 2020 under ISIN code PLMLPGR00017.

28.1. Effect of the COVID-19 epidemic on the activities of MLP Group S.A. in 2020

In late 2019, the first case of coronavirus disease was reported in China. In the first quarter of 2020, the virus spread around the world and its negative impact gained momentum, reaching its highest daily incidence rate in the first quarter of 2021. The management believes this situation does not require any adjustments to the 2020 financial statements or the financial statements for 2019, and does not require any additional disclosures. Although the situation continues to be volatile at the time of issue of these financial statements, the Company's management has not recorded any noticeable effect on its financial position in 2021, but future effects of the pandemic cannot be predicted. The management will continue to monitor the potential impact and take all reasonable steps to mitigate any adverse effects of the situation on the Company.

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

	<i>for the year ended 31 December</i>	2020	2019
Remuneration of the Management Board:			
Radosław T. Krochta	<i>see Note 26.3.</i>	1,010	590
Michael Shapiro	<i>see Note 26.3.</i>	483	406
Tomasz Zabost	<i>see Note 26.3.</i>	644	233
		2,137	1,229
		2,137	1,229

	<i>for the year ended 31 December</i>	2020	2019
Remuneration of the Supervisory Board:			
Maciej Matusiak		39	30
Eytan Levy		39	30
Shimshon Marfogel		39	30
Daniel Nimrodi		36	30
Guy Shapira		39	30
Piotr Chajderowski		39	30
Oded Setter		3	-
		234	180
Total remuneration paid or due to members of the Company's management and supervisory bodies		2,371	1,409

	<i>for the year ended 31 December</i>	2020	2019
Other key management personnel:			
Remuneration and other benefits	<i>see Note 26.3.</i>	605	789
		605	789
Remuneration paid or due to members of the Company's management and supervisory bodies and key management personnel		2,976	2,198

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.

30. Employees

	<i>for the year ended 31 December</i>	2020	2019
Number of employees		19	19

Signed with qualified electronic signature.

Radosław T. Krochta

President of the Management Board

Michael Shapiro

Vice President of the Management Board

Tomasz Zabost

Member of the Management Board

Maria Ratajczyk

*Person responsible for the preparation of the
financial statements*

Pruszków, 17 March 2021