



MLP
GROUP



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

FOR THE SIX MONTHS ENDED 30 JUNE 2021

This document is a translation. Polish version prevails.

published pursuant to Par. 60.1.1 of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz. U. of 2018, item 757)

www.mlpgroup.com

Contents:

I. Selected financial data of the MLP Group S.A. Group	6
II. Interim condensed consolidated financial statements of the MLP Group S.A. Group for the six months ended 30 June 2021	8
Authorisation of the interim condensed consolidated financial statements	9
Condensed consolidated statement of profit or loss and other comprehensive income	10
Condensed consolidated statement of financial position	12
Condensed consolidated statement of cash flows	14
Condensed statement of changes in consolidated equity	15
Notes to the interim condensed consolidated financial statements	16
1. General information	16
1.1 <i>The Parent</i>	16
1.2 <i>The Group</i>	16
1.3 <i>Changes in the Group</i>	18
1.4 <i>Shareholding structure of the Parent</i>	19
1.4.1 <i>Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company</i>	19
1.4.2 <i>Shares and rights to shares of the Parent held by members of management and supervisory bodies</i>	19
2. Basis of preparation of the condensed consolidated financial statements	20
2.1 <i>Statement of compliance</i>	20
2.2 <i>Status of standards approval in the European Union</i>	20
2.2.1 <i>Standards and interpretations endorsed by the European Union which were not yet effective as at the reporting date</i>	20
2.3 <i>Basis of preparation of the interim condensed consolidated financial statements</i>	20
2.4 <i>Functional currency and presentation currency of the financial statements; rules applied to translate financial data</i>	20
2.4.1 <i>Functional currency and presentation currency</i>	20
2.4.2 <i>Rules applied to translate financial data</i>	21
2.5 <i>Use of estimates and judgements</i>	21
3. Segment reporting	21
4. Revenue	24
5. Other income	25
6. Other expenses	25
7. Distribution costs and administrative expenses	25

8. Finance income and costs	26
9. Income tax	27
10. Investment property	29
10.1 Fair value of the Group's investment property	31
11. Deferred tax	44
12. Investments and other investments	46
12.1 Change in financial assets attributable to financing and other activities	46
13. Trade and other receivables	47
14. Cash and cash equivalents	48
15. Notes to the condensed consolidated statement of cash flows	49
15.1 Cash flows from borrowings	49
15.2 Change in receivables	50
15.3 Change in current and other liabilities	50
16. Equity	50
16.1 Share capital	50
16.2 Nadwyżka z emisji akcji powyżej ich wartości nominalnej	50
17. Earnings and dividend per share	52
18. Liabilities under borrowings and other debt instruments, and other liabilities	52
18.1 Non-current liabilities	52
18.2 Current liabilities	53
18.3 Change in financial liabilities attributable to financing and other activities	53
18.4 Liabilities under bonds	55
18.5 Borrowings secured and not secured with the Group's assets	55
19. Employee benefit obligations	57
20. Trade and other payables	57
21. Financial instruments	58
21.1 Measurement of financial instruments	58
21.1.1 Financial assets	58
21.1.2 Financial liabilities	60
21.2 Other disclosures relating to financial instruments	60
22. Contingent liabilities and security instruments	61
23. Related-party transactions	62
23.1 Trade and other receivables and payables	62
23.2 Loans and non-bank borrowings	63
23.3 Income and expenses	63
24. Significant events during and subsequent to the reporting period	65
24.1 Effect of the COVID-19 epidemic on the operations of the MLP Group S.A. Group	67
25. Remuneration paid or due to members of management and supervisory bodies	67
26. Employees	68

III. Interim condensed financial statements of MLP Group S.A. for the six months ended 30 June 2021	69
Authorisation of the interim condensed separate financial statements	70
Condensed separate statement of profit or loss and other comprehensive income	71
Condensed separate statement of financial position	72
Condensed separate statement of cash flows	73
Condensed separate statement of changes in equity	74
Notes to the interim condensed separate financial statements	75
1. General information	75
1.1 MLP Group S.A.	75
1.2 MLP Group S.A. Group	75
1.3 Management Board	76
1.4 Supervisory Board:	76
2. Basis of preparation of the separate financial statements	76
2.1 Statement of compliance	76
2.2 Status zatwierdzenia Standardów w Unii Europejskiej	76
2.2 Basis of preparation	77
2.3 Functional currency and presentation currency of the financial statements; rules applied to translate financial data	77
2.3.1 Functional currency and presentation currency	77
2.3.2 Rules applied to translate financial data	77
2.4 Use of estimates and judgements	77
3. Segment reporting	78
3.1 Key customers of the Company	78
4. Revenue	79
5. Other income	79
6. Other expenses	80
7. Distribution costs and administrative expenses	80
8. Finance income and costs	81
9. Income tax	81
10. Non-current financial assets in related entities	83
11. Long-term investments	85
12. Short-term investments	85
13. Change in financial assets attributable to financing and other activities	85
14. Deferred tax	86
15. Trade and other receivables	87
16. Cash and cash equivalents	87

17. Equity	88
17.1 <i>Share capital</i>	88
17.1. 1 <i>Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company</i>	89
17.1. 2 <i>Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies</i>	90
17.2 <i>Capital reserve</i>	90
18. Earnings and dividend per share	90
19. Non-bank borrowings and other debt instruments	91
19.1 <i>Non-current liabilities</i>	91
19.2 <i>Current liabilities</i>	91
19.3 <i>Change in financial liabilities attributable to financing and other activities</i>	91
19.4 <i>Liabilities under bonds</i>	92
19.5 <i>Non-bank borrowings not secured with the Company's assets</i>	92
20. Employee benefit obligations	93
21. Trade and other payables	93
22. Financial instruments	93
22.1 <i>Measurement of financial instruments</i>	93
22.1. 1 <i>Financial assets</i>	94
22.1. 2 <i>Financial liabilities</i>	95
23. Contingent liabilities and security instruments	96
24. Related-party transactions	96
24.1 <i>Impairment of assets</i>	96
24.2 <i>Loans and non-bank borrowings</i>	98
24.3 <i>Income and expenses</i>	100
25. Significant litigation and disputes	103
26. Significant events during and subsequent to the reporting period	103
26.1 <i>Effect of the COVID-19 pandemic on the activities of MLP Group S.A.</i>	104
27. Remuneration paid or due to Management and Supervisory Board members	104
28. Employees	105
III. Management Board's Report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2021	106

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

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

	30 June 2021	31 December 2020	30 June 2020
Average mid exchange rate during the reporting period*	4,5472	4,4742	4,4413
Mid exchange rate on the last day of the reporting period	4,5208	4,6148	4,4660

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

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

as at	30 June 2021		31 December 2020	
	PLN '000 (unaudited)	EUR '000 (unaudited)	PLN '000	EUR '000
Non-current assets	2 754 135	609 214	2 392 123	518 359
Current assets	370 324	81 916	290 769	63 008
Total assets	3 124 459	691 130	2 682 892	581 367
Non-current liabilities	1 426 007	315 432	1 374 714	297 892
Current liabilities	196 379	43 439	96 446	20 899
Equity, including:	1 502 073	332 259	1 211 732	262 576
Share capital	5 344	1 182	4 931	1 069
Total equity and liabilities	3 124 459	691 130	2 682 892	581 367
Number of shares	21 373 639	21 373 639	19 720 255	19 720 255
Book value per share and diluted book value per share attributable to owners of the parent (PLN)	70,28	15,55	61,45	13,32

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

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

<i>for the six months ended 30 June</i>	2021		2020	
	PLN '000 <i>(unaudited)</i>	EUR '000 <i>(unaudited)</i>	PLN '000 <i>(unaudited)</i>	EUR '000 <i>(unaudited)</i>
Revenue	97 565	21 456	84 174	18 953
Other income	715	157	539	121
Gain on revaluation of investment property	160 167	35 223	151 703	34 157
Distribution costs and administrative expenses	(51 626)	(11 353)	(40 985)	(9 228)
Operating profit	205 500	45 193	194 707	43 840
Profit before tax	204 709	45 019	150 555	33 899
Net profit	166 515	36 619	121 049	27 255
Total comprehensive income	166 756	36 672	117 484	26 453
Net profit attributable to owners of the parent	166 515	36 619	121 049	27 255
Earnings per share and diluted earnings per share attributable to owners of the parent (PLN)	8,33	1,83	6,68	1,50

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

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

<i>for the six months ended 30 June</i>	2021		2020	
	PLN '000 <i>(unaudited)</i>	EUR '000 <i>(unaudited)</i>	PLN '000 <i>(unaudited)</i>	EUR '000 <i>(unaudited)</i>
Net cash from operating activities	120 940	26 597	38 592	8 689
Cash from investing activities	(349 395)	(76 837)	(203 398)	(45 797)
Cash from financing activities	236 926	52 104	158 736	35 741
Total cash flows, net of exchange differences	8 471	1 864	(6 070)	(1 367)
Total cash flows	7 505	1 650	673	152

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

<i>as at</i>	30 June 2021		31 December 2020	
	PLN '000 <i>(unaudited)</i>	EUR '000 <i>(unaudited)</i>	PLN '000	EUR '000
Cash at beginning of period	163 009	35 323	102 046	23 963
Cash at end of period	170 514	37 718	163 009	35 323

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

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

The EUR/PLN exchange rate on the last day of the reporting period ended 31 December 2019 was 4.2585.



The Group **MLP Group S.A.**

**Interim condensed
consolidated financial
statements**

for the six months ended 30 June 2021
prepared in accordance with EU IFRS

II. Interim condensed consolidated financial statements

Authorisation of the interim condensed consolidated financial statements

On 25 August 2021 the Management Board of the Parent authorised for issue these condensed consolidated financial statements (the “consolidated financial statements”, the “condensed consolidated financial statements”) of the MLP Group S.A. Group (the “Group”) for the period from 1 January 2021 to 30 June 2021.

These interim consolidated financial statements for the period from 1 January 2021 to 30 June 2021 have been prepared in accordance with the International Financial Reporting Standards, as endorsed by the European Union (“EU IFRS”), applicable to interim reporting (IAS 34). In this report, information is presented in the following sequence:

1. Condensed consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2021 to 30 June 2021, showing a net profit of PLN 166,515 thousand.
2. Condensed consolidated statement of financial position as at 30 June 2021, showing total assets and total equity and liabilities of PLN 3,124,459 thousand.
3. Condensed consolidated statement of cash flows for the period from 1 January 2021 to 30 June 2021, showing a net increase in cash of PLN 7,505 thousand.
4. Condensed statement of changes in consolidated equity for the period from 1 January 2021 to 30 June 2021, showing an increase in consolidated equity of PLN 290,341 thousand.
5. Notes to the interim condensed consolidated financial statements.

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

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management

Tomasz Zabost
Member of the Management Board

Condensed consolidated statement of profit or loss and other comprehensive income

	for	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
	Note				
Revenue	4	97 565	47 625	84 174	41 404
Other income	5	715	410	539	225
Gain on revaluation of investment property	10	160 167	146 650	151 703	(19 872)
Distribution costs and administrative expenses	7	(51 626)	(25 226)	(40 985)	(18 818)
Other expenses	6	(1 321)	(609)	(724)	(152)
Operating profit		205 500	168 850	194 707	2 787
Finance income	8	18 882	18 612	1 655	17 074
Finance costs	8	(19 673)	(4 302)	(45 807)	(6 952)
Net finance costs		(791)	14 310	(44 152)	10 122
Profit before tax		204 709	183 160	150 555	12 909
Income tax	9	(38 194)	(32 766)	(29 506)	(4 480)
Profit from continuing operations		166 515	150 394	121 049	8 429
Profit from discontinued operations		0	0	0	0
Net profit		166 515	150 394	121 049	8 429
Net profit attributable to:					
Owners of the parent		166 515	150 394	121 049	8 429
Other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(1 884)	(2 309)	1 041	(1 841)
Effective portion of changes in fair value of cash flow hedges		2 623	714	(5 687)	(2 215)
Other comprehensive income that will be reclassified to profit or loss, before tax		739	(1 595)	(4 646)	(4 056)
Other comprehensive income, gross		739	(1 595)	(4 646)	(4 056)
Income tax on other comprehensive income that will be reclassified to profit or loss		(498)	(136)	1 081	421
Other comprehensive income, net		241	(4 921)	(3 565)	(11 747)
Total comprehensive income		166 756	145 473	117 484	(3 318)
Comprehensive income attributable to:					
Owners of the parent		166 756	145 473	117 484	(3 318)

Earnings per share 17

Earnings per ordinary share:

- Basic earnings per share from continuing operations	8,33	7,44	6,68	0,46
- Basic earnings per share from discontinued operations	0	0	0	0
- Earnings per ordinary share	8,33	7,44	6,68	0,46

Diluted earnings per ordinary share:

- Diluted earnings per share from continuing operations	8,33	8,33	6,68	0,46
- Diluted earnings per share from discontinued operations	0	0	0	0
- Diluted earnings per ordinary share	8,33	7,44	6,68	0,46

Condensed consolidated statement of financial position

	<i>as at</i> Note	30 June 2021 <i>(unaudited)</i>	31 December 2020
Non-current assets			
Property, plant and equipment		1 567	1 547
Intangible assets		183	147
Investment property	10	2 698 555	2 330 899
Other long-term financial investments	12	49 309	53 213
Other non-current assets		741	962
Deferred tax assets	11	3 780	5 355
Total non-current assets		2 754 135	2 392 123
Current assets			
Inventories		22	54
Short-term investments	12	137 227	27 958
Income tax receivable	13	1 942	807
Trade and other receivables	13	58 601	82 430
Assets under ongoing construction contracts		-	6 403
Other short-term investments	12	2 018	10 108
Cash and cash equivalents	14	170 514	163 009
Current assets other than held for sale or distribution to owners		370 324	290 769
Total current assets		370 324	290 769
TOTAL ASSETS		3 124 459	2 682 892
Equity			
	16		
Share capital		5 344	4 931
Share premium		304 025	180 853
Cash flow hedge reserve		(10 594)	(12 719)
Translation reserve		(1 205)	2 095
Retained earnings, including:		1 204 503	1 036 572
Capital reserve		83 680	83 680
Statutory reserve funds		154 575	154 575
Profit (loss) brought forward		799 733	627 948
Net profit		166 515	170 369
Equity attributable to owners of the parent		1 502 073	1 211 732
Total equity		1 502 073	1 211 732
Non-current liabilities			
Borrowings and other debt instruments	18.1	1 152 856	1 132 478
Deferred tax liability	11	213 406	180 178
Other non-current liabilities	18.1	59 745	62 058
Total non-current liabilities		1 426 007	1 374 714

Current liabilities			
Borrowings and other debt instruments	18.2	118 296	33 985
Other current liabilities	18.2	-	58
Employee benefit obligations	19	978	1 799
Income tax payable	20	2 004	3 238
Trade and other payables	20	75 101	57 366
Current liabilities other than held for sale		196 379	96 446
Total current liabilities		196 379	96 446
Total liabilities		1 622 386	1 471 160
TOTAL EQUITY AND LIABILITIES		3 124 459	2 682 892

Condensed consolidated statement of cash flows

	<i>for the six months ended 30 June</i>	Note	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Cash flows from operating activities				
Profit before tax			204 709	150 555
Total adjustments			(77 511)	(109 093)
Depreciation and amortisation			167	390
Change in fair value of investment properties			(160 167)	(151 703)
Net interest			16 210	11 091
Exchange differences			(19 838)	34 150
Other			159	(211)
Change in receivables		15.2	39 873	16 985
Change in current and other liabilities		15.3	46 085	(19 795)
Cash from operating activities			127 198	41 462
Income tax paid			(6 258)	(2 870)
Net cash from operating activities			120 940	38 592
Cash flows from investing activities				
Interest received			1 508	-
Loans		15.1	-	(50)
Repayment of loans		15.1	8 547	-
Purchase of investment property, property, plant and equipment and intangible assets			(252 155)	(202 365)
Proceeds from disposal of other investments in financial assets			18 000	-
Purchase of other financial assets			(132 700)	-
Other proceeds from (expenditure on) investments			7 405	(983)
Cash from investing activities			(349 395)	(203 398)
Cash flows from financing activities				
Increase in borrowings		15.1	342 810	51 782
Repayment of borrowings		15.1	(211 483)	(11 369)
Net proceeds from issue of shares			123 585	-
Issue of debt securities			-	128 142
Interest paid			(17 986)	(9 819)
Cash from financing activities			236 926	158 736
Total cash flows, net of exchange differences			8 471	(6 070)
Effect of exchange differences on cash and cash equivalents			(966)	6 743
Total cash flows			7 505	673
Cash and cash equivalents at beginning of period		14	163 009	102 046
Cash and cash equivalents at end of period		14	170 514	102 719

Condensed statement of changes in consolidated equity

	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2021	4 931	180 853	(12 719)	2 095	1 036 572	1 211 732	1 211 732
<u>Comprehensive income:</u>							
Net profit/(loss)*	-	-	-	-	166 515	166 515	166 515
Total other comprehensive income*	-	-	2 125	(3 300)	1 416	241	241
Comprehensive income for the period ended 30 June 2021*	-	-	2 125	(3 300)	167 931	166 756	166 756
<u>Transactions with owners of the Parent recognised directly in equity:</u>							
Increase in equity due to share issue ²⁾	413	123 172	0	0	0	123 585	123 585
Changes in equity*	413	123 172	2 125	(3 300)	167 931	290 341	290 341
Equity as at 30 June 2021*	5 344	304 025	(10 594)	(1 205)	1 204 503	1 502 073	1 502 073
	Share capital	Share premium	Cash flow hedge reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2020	4 529	71 121	(6 683)	(628)	870 216	938 555	938 555
<u>Comprehensive income:</u>							
Net profit/(loss)*	-	-	-	-	121 049	121 049	121 049
Total other comprehensive income*	-	-	(4 606)	1 069	(28)	(3 565)	(3 565)
Comprehensive income for the period ended 30 June 2020*	-	-	(4 606)	1 069	121 021	117 484	117 484
Distribution of net profit for 2019*	-	-	-	-	(3 985)	(3 985)	(7 970)
Changes in equity*	-	-	(4 606)	1 069	117 036	113 499	113 499
Equity as at 30 June 2020*	4 529	71 121	(11 289)	441	987 252	1 052 054	1 052 054

* Unaudited.

Notes to the interim condensed consolidated financial statements

1. General information

1. 1 The Parent

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

The Parent was established as a result of transformation of the state-owned enterprise Zakłady Naprawcze Taboru Kolejowego im. Bohaterów Warsaw into a state-owned joint-stock company. The deed of transformation was drawn up before a notary public on 18 February 1995. Pursuant to a resolution of the General Meeting of 27 June 2007, the Company trades as MLP Group S.A. The Company continued to trade under this business name as at the date of issue of these consolidated financial statements.

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

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

Management Board:

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

Supervisory Board:

- Shimshon Marfogel - Chairman of the Supervisory Board
- Eytan Levy - Deputy Chairman of the Supervisory Board
- Oded Setter - Member of the Supervisory Board
- Guy Shapira - Member of the Supervisory Board
- Piotr Chajderowski - Member of the Supervisory Board
- Maciej Matusiak - Member of the Supervisory Board

1. 2 The Group

As at the reporting date, the MLP Group S.A. Group (the “Group”) consisted of MLP Group S.A., as the Parent, and 46 subsidiaries.

The parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

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

All subsidiaries listed below are fully consolidated. The financial year of the Parent and the Group companies is the same as the calendar year. The duration of the activities of all Group companies is not limited.

As at 30 June 2021, the Group consisted of the following entities:

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		30 June	31 December	30 June	31 December
		2021	2020	2021	2020
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.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością	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%

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
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 Pruszków VI Sp. z o.o. ¹⁾	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	Austria	100%	100%	100%	100%
MLP Wrocław West I Sp. z o.o. ²⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen GP Sp. z o.o. ³⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen LP Sp. z o.o. ⁴⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG ⁵⁾	Germany	100%	-	100%	-

1. 3 Changes in the Group

¹⁾ 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.

²⁾ On 9 March 2021, MLP Wrocław West I Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 29 March 2021.

³⁾ On 18 November 2020, MLP Gelsenkirchen GP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 May 2021.

⁴⁾ On 18 November 2020, MLP Gelsenkirchen LP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 17 June 2021.

⁵⁾ MLP Gelsenkirchen Sp. z o.o. & Co. KG, in which MLP Gelsenkirchen LP Sp. z o.o. is a limited partner and MLP Gelsenkirchen GP Sp. z o.o. was the general partner, was established pursuant to a notarial deed of 30 June 2021.

These interim condensed consolidated financial statements for the six months ended 30 June 2021 include financial statements of the Parent and of the subsidiaries controlled by the Parent ("the Group").

1. 4 Shareholding structure of the Parent

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

From the date of issue of the most recent interim report to the reporting date there were changes in direct or indirect holdings of 5% or more of total voting rights in the Company, and as at 30 June 2021 the holdings were as follows:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV	10 242 726	47,92%
Other shareholders	4 707 714	22,03%
THESINGER LIMITED	1 771 320	8,29%
MetLife OFE	1 656 022	7,75%
Israel Land Development Company Ltd. ¹⁾	1 653 019	7,73%
GRACECUP TRADING LIMITED	641 558	3,00%
MIRO B.V.	452 955	2,12%
Shimshon Marfogel	149 155	0,70%
MIRO LTD.	99 170	0,46%
Total	21 373 639	100,00%

On 5 May 2021, the Parent issued 1,653,384 Series E shares with a total par value of PLN 413,346 (par value per Series E 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 21,373,639.

¹⁾As part of the issue of Series E shares, 1,001,000 shares were acquired by the ultimate parent, i.e. Israel Land Development Company Ltd.

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

As at 30 June 2021, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled companies MIRO B.V. and MIRO Ltd., a 2.58% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO B.V. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 11.98% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 14.56% interest in the share capital of MLP Group S.A.

As at 30 June 2021, 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 0.65% of the share capital of MLP Group S.A., and held directly an 0.70% 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 1.35% interest in the share capital of MLP Group S.A.

The other members of the Supervisory Board have no direct holdings in the Company's share capital.

2. Basis of preparation of the condensed consolidated financial statements

2. 1 Statement of compliance

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

2. 2 Status of standards approval in the European Union

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

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

The impact of the amended and new standards on the Group's future consolidated financial statements is discussed in Note 2.2 to the full-year consolidated financial statements for 2020.

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

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

These interim condensed consolidated financial statements have been prepared in accordance with the accounting policies described in the full-year consolidated financial statements for 2020.

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 interim condensed consolidated 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 Parent and the presentation currency of the consolidated financial statements. The functional currencies of consolidated foreign entities are the euro (Germany and Austria) and the Romanian leu (Romania).

2. 4. 2 Rules applied to translate financial data

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

Consolidated statement of financial position:

	30 June 2021	31 December 2020	30 June 2020
EUR	4,5208	4,6148	4,4660
USD	3,8035	3,7584	3,9806
RON	0,9174	0,9479	0,9220

2. 5 Use of estimates and judgements

In these interim condensed consolidated financial statements, material judgements made by the Management Board in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those presented in Note 2 to the full-year consolidated financial statements for 2020.

The preparation of interim condensed consolidated financial statements in accordance with IAS 34 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.

3. Segment reporting

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

The Group operates in Poland, and abroad: since April 2017 in Germany, since October 2017 in Romania, and since October 2020 in Austria. Locations of the Group's assets coincide with the location of its customers. Operating segments are the same as the Group's geographical segments.

As at 30 June 2020 and in the reporting period then ended the Group had four geographical segments – Poland, Germany, Romania and Austria.

Operating segments

<i>for the six months ended 30 June</i>	2021*					Total
	Poland	Germany	Romania	Austria	Intersegment eliminations	
Revenue						
Sales to external customers	94 624	688	2 131	122	-	97 565
Gain/(loss) on revaluation of investment property	59 638	73 428	722	26 379	-	160 167
Segment's total revenue	154 262	74 116	2 853	26 501	-	257 732
Segment's operating profit/(loss)	106 079	72 134	1 625	26 205	63	206 106
Segment's other income/(expense)	(698)	103	(11)	-	-	(606)
Profit/(loss) before tax and net finance costs	105 381	72 237	1 614	26 205	63	205 500
Net finance income/(costs)	(53)	(1 816)	(738)	(1 338)	3 154	(791)
Profit/(loss) before tax	105 328	70 421	876	24 867	3 217	204 709
Income tax	(21 420)	(12 307)	(291)	(4 176)	-	(38 194)
Net profit/(loss)	83 908	58 114	585	20 691	3 217	166 515

<i>for the six months ended 30 June</i>	2020*					Total
	Poland	Germany	Romania	Austria	Intersegment eliminations	
Revenue						
Sales to external customers	80 482	2 266	1 460	-	(34)	84 174
Gain/(loss) on revaluation of investment property	97 186	56 703	(2 186)	-	-	151 703
Segment's total revenue	177 668	58 969	(726)	-	(34)	235 877
Segment's operating profit/(loss)	140 957	55 632	(1 762)	-	65	194 892
Segment's other income/(expense)	(232)	94	(47)	-	-	(185)
Profit/(loss) before tax and net finance costs	140 725	55 726	(1 809)	-	65	194 707
Net finance income/(costs)	(43 184)	(1 075)	(854)	-	961	(44 152)
Profit/(loss) before tax	97 541	54 651	(2 663)	-	1 026	150 555
Income tax	(20 724)	(9 009)	227	-	-	(29 506)
Net profit/(loss)	76 817	45 642	(2 436)	-	1 026	121 049

* Unaudited.

<i>as at</i>	30 June 2021*					
	Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities						
Segment's assets	2 943 818	280 527	77 894	93 224	(271 004)	3 124 459
Total assets	2 943 818	280 527	77 894	93 224	(271 004)	3 124 459
Segment's liabilities	1 581 308	172 542	66 810	72 730	(271 004)	1 622 386
Equity	1 362 510	107 985	11 084	20 494	-	1 502 073
Total equity and liabilities	2 943 818	280 527	77 894	93 224	(271 004)	3 124 459
Expenditure on properties	110 196	42 870	62	60 371	-	213 499

<i>as at</i>	31 December 2020					
	Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities						
Segment's assets	2 597 833	169 905	77 750	34 255	(196 851)	2 682 892
Total assets	2 597 833	169 905	77 750	34 255	(196 851)	2 682 892
Segment's liabilities	1 448 155	118 653	66 869	34 334	(196 851)	1 471 160
Equity	1 149 678	51 252	10 881	(79)	-	1 211 732
Total equity and liabilities	2 597 833	169 905	77 750	34 255	(196 851)	2 682 892
Expenditure on properties	232 028	53 010	7 693	5 926	-	298 657

* Unaudited.

Intersegment eliminations concern intra-Group loans advanced by the Group's Polish companies to the companies in Germany, Romania and Austria, as well as intra-Group services.

4. Revenue

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Rental income	73 977	37 842	66 364	34 031
Other revenue	21 708	9 783	17 810	7 373
Revenue from development contract concluded by MLP Group S.A. ¹⁾	1 880	-	-	-
Total revenue	97 565	47 625	84 174	41 404

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Recharge of utility costs	20 367	8 892	17 033	7 142
Rental income from residential units	41	21	31	21
Services provided to tenants	1 159	796	618	146
Other revenue	141	74	128	64
Other revenue	21 708	9 783	17 810	7 373

¹⁾MLP Group S.A. signed a property development contract with Westinvest Gesellschaft für Investmentfonds mbH, under which in 2020–2021 a warehouse was constructed on third-party land in Tychy. In 2020, the Group recognised revenue from the contract of PLN 17,742 thousand, calculated based on the percentage of completion of the work. In the six months ended 30 June 2021, the Group recognised the balance of the revenue in the amount of PLN 1,880 thousand.

In accordance with the type of contract criterion (IFRS 15), revenue derived from the development contract in 2020 and 2021 is revenue from fixed-price contracts, of PLN 17,742 thousand and PLN 1,880 thousand, respectively. The asset as at 31 December 2020 was recognised in the Polish segment and was accounted for in 2021.

5. Other income

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Reimbursement of court fees	24	21	1	-
Reversal of impairment losses on receivables	5	-	15	11
Contractual penalties received	106	19	49	45
Other	529	354	440	144
Gain on disposal of non-financial non-current assets	21	-	-	-
Reversal of provision for future costs	30	16	34	25
Other income	715	394	539	225

6. Other expenses

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Impairment losses on receivables	-	-	(21)	(14)
Court fees	(4)	(4)	(156)	(56)
Costs of insurance policies	(461)	(457)	(18)	(9)
Other	(521)	(62)	(50)	(22)
Cost of capital expenditure	(310)	(72)	(227)	(4)
Damages and contractual penalties	(11)	-	(252)	(47)
Other expenses	(1 321)	(609)	(724)	(152)

7. Distribution costs and administrative expenses

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Depreciation and amortisation	(167)	(86)	(390)	(193)
Materials and consumables used	(18 987)	(7 935)	(15 910)	(6 153)
Services	(17 144)	(8 881)	(12 301)	(6 128)
Taxes and charges	(11 419)	(5 738)	(9 479)	(4 730)
Wages and salaries	(2 884)	(1 996)	(1 948)	(1 123)
Social security and other employee benefits	(551)	(352)	(400)	(248)
Other expenses by nature	(474)	(238)	(555)	(243)
Merchandise and materials sold	-	-	(2)	-
Distribution costs and administrative expenses	(51 626)	(25 226)	(40 985)	(18 818)

Distribution costs and administrative expenses for the three months ended 30 June 2021 were PLN 51,626 thousand, and for the most part included expenses related to the maintenance of revenue-generating investment properties. Costs which are not directly related to these properties are depreciation expense on property, plant and equipment which are used in operating activities but do not generate rental income, and property tax in the part relating to undeveloped land.

The cost of raw materials and consumables used in 2020 and 2021 included, among other things, cost of electricity, gas and related certificates, and amounted to PLN 11,210 thousand and PLN 14,530 thousand, respectively.

In 2021, cost of services included PLN 1,517 thousand related to the development contract at MLP Group S.A.

8. Finance income and costs

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Interest on loans	132	62	402	161
Interest on bank deposits	104	97	16	2
Sale of receivables	-	-	1 237	-
Net exchange differences	18 428	26 748	-	16 911
Interest on receivables	25	-	-	-
Other finance income	193	1	-	-
Total finance income	18 882	26 908	1 655	17 074

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Interest on borrowings	(6 787)	(3 507)	(6 588)	(3 354)
Other interest	(7)	(4)	(579)	(546)
Interest paid on swap contracts	(5 304)	(4 196)	(1 625)	(779)
Net interest on cash flow hedge	42	32	(61)	(61)
Ineffective portion of remeasurement of cash flow hedges	-	-	5	(10)
Net exchange differences	-	-	(33 136)	-
Interest on bonds	(4 293)	(2 115)	(3 224)	(1 869)
Other finance costs	(249)	(116)	(154)	(62)
Debt service costs	(3 075)	(2 716)	(445)	(271)
Total finance costs	(19 673)	(12 622)	(45 807)	(6 952)

On 30 April 2021, MLP Gliwice Sp. z o.o., MLP Lublin Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with Powszechna Kasa Oszczędności Bank Polski S.A. and BNP Paribas Bank Polska S.A.

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

Exchange differences are mainly attributable to the effect of measurement of liabilities under EUR-denominated borrowings at the end of the reporting period. Between 31 December 2020 and 30 June 2021, the Polish currency appreciated by PLN 0.094, or 2.04%. This led to the recognition of foreign exchange gains of PLN 18,428 thousand, which contributed to the Group's net finance income/(costs).

9. Income tax

In accordance with Polish laws, in 2021 and 2020, consolidated entities calculated their corporate income tax liabilities at 9% or 19% of taxable income. The lower tax rate was applicable to small taxpayers.

In 2021 and 2020, the following tax rates were applied by the Group's foreign operations to calculate current income tax liabilities: in Germany: 15.825%, in Romania: 16%, and in Austria: 25%.

<i>for period</i>	6 months ended 30 June 2021 <i>(unaudited)</i>	3 months ended 30 June 2021 <i>(unaudited)</i>	6 months ended 30 June 2020 <i>(unaudited)</i>	3 months ended 30 June 2020 <i>(unaudited)</i>
Current income tax	3 514	2 063	3 757	1 460
Temporary differences/reversal of	34 680	30 703	25 749	3 020
Income tax	38 194	32 766	29 506	4 480

Effective tax rate

<i>for period</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Profit before tax	204 709	183 160	150 555	12 909
<i>Tax at the applicable tax rate (19%)</i>	(38 895)	(34 801)	(28 605)	(2 452)
Excess of commercial property tax over income tax	-	-	(98)	58
Tax rate change from 19% to 9%	1 692	1 722	(131)	88
Non-taxable income	(395)	(394)	(2 197)	(2 197)
Difference due to different rates of tax paid by the German, Romanian and Austrian companies	785	785	1 808	(7)
Unrecognised asset for tax loss	(1 532)	(978)	(676)	(386)
Write off of unused deferred tax asset for tax loss	-	-	(2)	21
Use of tax previously written off	-	-	371	371
Expenses not deductible for tax purposes	151	900	24	24
Income tax	(38 194)	(32 766)	(29 506)	(4 480)

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

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

10. Investment property

<i>as at</i>	30 June 2021	31 December 2020
	<i>(unaudited)</i>	
Gross amount at beginning of period	2 330 899	1 809 850
Expenditure on properties	213 499	298 657
Currency translation differences	(6 010)	9 067
Change in fair value	160 167	213 325
Gross amount at end of period	2 698 555	2 330 899

Investment property includes warehouses and land for development. Rental income from lease of warehouse space is the key source of the Group's revenue. Investment property as at 30 June 2021 included a perpetual usufruct asset measured at PLN 36,792 thousand.

In the period from 31 December 2020 to 30 June 2021, the carrying amount of investment property increased by EUR 91,727.5 thousand, to EUR 588,785.1 thousand. The change was mainly attributable to the expenditure on the construction work at new parks, execution of new contracts for lease of space in the new facilities, and obtaining a building permit for new facilities. The appreciation of the Polish currency by PLN 0.094 (2.04%) contributed to a change in the value of investment property as translated from the euro into the zloty and a decrease in its fair value (PLN 46.7 thousand as at 30 June 2021).

The Group is a party to litigation concerning revision of the perpetual usufruct charge for some of the land of MLP Pruszków II logistics park and the land of MLP Business Park Poznań logistics park acquired in 2020. As at the date of issue of this report, the Management Board of MLP Group S.A. was not able to estimate the amount of the charge. The amount determined by the court may affect the carrying amount of investment property and finance lease liabilities.

Investment property by parks

<i>as at</i>	30 June 2021	31 December 2020
	<i>(unaudited)</i>	
MLP Pruszków I park		
Fair value of property - MLP Pruszków I	416 999	425 531
Usufruct - MLP Pruszków I	17 388	17 517
	434 387	443 048
MLP Pruszków II park		
Fair value of property - MLP Pruszków II	724 910	671 361
Usufruct - MLP Pruszków II	6 763	6 813
	731 673	678 174
MLP Poznań park		
Fair value of property - MLP Poznań	166 456	159 026
	166 456	159 026
MLP Lublin park		
Fair value of property - MLP Lublin	162 613	159 718
	162 613	159 718

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
MLP Teresin park			
Fair value of property - MLP Teresin		78 978	78 452
		78 978	78 452
MLP Gliwice park			
Fair value of property - MLP Gliwice		160 398	151 735
		160 398	151 735
MLP Wrocław park			
Fair value of property - MLP Wrocław		150 633	142 967
		150 633	142 967
MLP Czeladź park			
Fair value of property - MLP Czeladź		91 275	88 466
		91 275	88 466
Park MLP Poznań West			
Fair value of property - MLP Poznań West		137 297	101 618
		137 297	101 618
MLP Unna park			
Fair value of property - MLP Unna		164 557	95 526
		164 557	95 526
MLP Bucharest West park			
Fair value of property - MLP Bucharest West		75 480	74 696
		75 480	74 696
Park MLP Łódź			
Fair value of property - MLP Łódź		37 749	14 029
Usufruct - MLP Łódź		182	183
		37 931	14 212
Park MLP Poznań Business Park			
Fair value of property - MLP Poznań Business Park		42 857	32 719
Usufruct - MLP Poznań Business Park		12 459	12 550
		55 316	45 269
Park MLP Wrocław West			
Fair value of land - MLP Wrocław West		64 738	24 551
Expenditure on property at cost		-	20 635
		64 738	45 186
Park MLP Business Park Berlin			
Fair value of property - MLP Business Park Berlin		94 033	45 917
Expenditure on properties		-	-
		94 033	45 917
Park MLP Business Park Vienna			
Fair value of property - MLP Business Park Berlin		92 676	-
		92 676	-
Expenditure on new projects, other than those specified above			
Expenditure at MLP Niederrhein		-	849
Expenditure at MLP Vienna		-	5 926
		-	6 775
MLP Energy - residential units		114	114
Gross amount at end of period		2 698 555	2 330 899

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

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

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

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

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

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

Due to the different locations and characteristics of the Group's investment properties, the yield rates assumed by the appraisers for the individual logistics parks range from 5.5% to 8.5%.

The Group measures the fair value of its property portfolio twice a year, i.e. as at 30 June and 31 December. The experts determined the fair value of the properties located in Poland, including the land reserve, using the market approach, and in the reports the fair value is expressed in the Polish złoty (PLN). The fair value of the other properties is expressed in the euro and is subsequently translated at the mid rates quoted by the National Bank of Poland at the end of the reporting period.

The valuation method did not change relative to previous periods.

In the period ended 30 June 2021, there were no reclassifications between levels.

Fair value measurement using significant unobservable inputs (Level 3)

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Pruszków I logistics park					
(i) warehouse and office buildings	92 240 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 3,33/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5,75% - 8% (6,88%)	The lower the yield rate, the higher the fair value
92 240 tys. EUR					
MLP Pruszków II logistics park					
(i) warehouse and office buildings	147 012 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,35 - 3,79/m ² (EUR 3,55/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5,25% - 8% (6,63%)	The lower the yield rate, the higher the fair value
(ii) parking lot	2 348 tys. EUR	Income approach	Monthly rent	EUR 7,91 - 11,69 thousand (EUR 9,8 thousand)	The higher the rent, the higher the fair value
			Yield rate	6,25% - 8% (7,13%)	The lower the yield rate, the higher the fair value
(iii) land reserve	4 350 tys. EUR	Market approach	Price per m ²	EUR 44,24/m ² (PLN 200,00/m ²)	The higher the price per m ² , the higher the fair value
(iv) land with building permit	6 640 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
160 350 tys. EUR					

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Poznań logistics park					
(i) warehouse and office buildings	34 040 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,23 - 3,80/m2 (EUR 3,56/m2)	The higher the rent rate, the higher the fair value
			Yield rate	6,25% - 7,00% (6,63%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	2 780 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
36 820 tys. EUR					
MLP Lublin logistics park					
(i) warehouse and office buildings	35 880 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,66 - 3,81/m2 (EUR 3,73/m2)	The higher the rent rate, the higher the fair value
			Yield rate	5,25 - 5,75% (5,5%)	The lower the yield rate, the higher the fair value
(ii) land reserve	90 tys. EUR	Market approach	Price per m ²	EUR 46,01/m2 (PLN 208,00/m2)	The higher the price per m ² , the higher the fair value
35 970 tys. EUR					

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Teresin logistics park					
(i) warehouse and office buildings	17 470 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 2,92/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	6,5% - 7,25% (6,88%)	The lower the yield rate, the higher the fair value
17 470 tys. EUR					
MLP Gliwice logistics park					
(i) warehouse and office buildings	34 860 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,28 - 5,59/m ² (EUR 4,23/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5,25% - 6,25% (5,75%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	620 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
35 480 tys. EUR					
MLP Wrocław logistics park					
(i) warehouse and office buildings	30 940 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,24 - 4,25/m ² (EUR 3,68/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5,25% - 6,25% (5,75%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	2 380 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
33 320 tys. EUR					

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Czeladź logistics park					
(i) warehouse and office buildings	13 680 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 3,88/m ²)	The lower the estimated capitalised net income, the lower the fair value
			Yield rate	5,25% - 6,25% (5,75%)	The higher the estimated construction costs, the lower the fair value
(ii) land with building permit	6 510 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
20 190 tys. EUR					
MLP Unna logistics park					
(i) land with building permit	36 400 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
36 400 tys. EUR					
MLP Bucharest West logistics park					
(i) warehouse and office buildings	11 498 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3,7 - 3,81/m ² (EUR 3,75/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	(7,75%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	5 202 tys. EUR	Market approach	Price per m ²	EUR 38/m ² (PLN 170,89/m ²)	The higher the price per m ² , the higher the fair value
16 700 tys. EUR					

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Poznań West logistic park					
(i) warehouse and office buildings	20 000 tys. EUR	Income approach	Monthly rent rate per m ² Yield rate	EUR 3,19 - 6,35/m ² (EUR 4,77/m ²) 5,25% - 6,25% (5,75%)	The higher the rent rate, the higher the fair value The lower the yield rate, the higher the fair value
(ii) land with building permit	10 370 tys. EUR	Residual approach	Capitalised net income Construction costs	(a) (b)	The lower the estimated capitalised net income, the lower the fair value The higher the estimated construction costs, the lower the fair value
30 370 tys. EUR					
MLP Łódź logistics park					
(i) land reserve	2 370 tys. EUR	Market approach	Price per m ²	EUR 13,94/m ² (PLN 63,35/m ²)	The higher the price per m ² , the higher the fair value
(iii) land with building permit	5 980 tys. EUR	Residual approach	Capitalised net income Construction costs	(a) (b)	The lower the estimated capitalised net income, the lower the fair value The higher the estimated construction costs, the lower the fair value
8 350 tys. EUR					
MLP Wrocław West logistics park					
(i) warehouse and office buildings	9 640 tys. EUR	Income approach	Monthly rent rate per m ² Yield rate	(EUR 5,50/m ²) (5,25%)	The higher the rent rate, the higher the fair value The lower the yield rate, the higher the fair value
(i) land reserve	4 680 tys. EUR	Market approach	Price per m ²	EUR 62,38/m ² (PLN 282,00/m ²)	The higher the price per m ² , the higher the fair value
14 320 tys. EUR					

	Fair value as at 30 June 2021	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
Poznań Business Park logistics park					
(i) warehouse and office buildings	8 490 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 2,80/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	7% - 8% (7,5%)	The lower the yield rate, the higher the fair value
(ii) land reserve	990 tys. EUR	Market approach	Price per m ²	(EUR 66,36/m ²) (PLN 300/m ²)	The higher the price per m ² , the higher the fair value
9 480 tys. EUR					
Business Park Berlin logistics park					
(i) warehouse and office buildings	17 900 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 6,58/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	(4,25%)	The lower the yield rate, the higher the fair value
(i) land with building permit	2 900 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
20 800 tys. EUR					
Business Park Vienna logistics park					
(i) land with building permit	20 500 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
20 500 tys. EUR					
588 760 tys. EUR					

(a) Estimated net capitalised income: calculated based on estimated rent rates and yield rates

(b) Estimated construction cost: project construction costs calculated based on cost estimates for the given type of project

Fair value measurement using significant unobservable inputs (Level 3)

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Pruszków I logistics park					
(i) warehouse and office buildings	92 210 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 3.36/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.75%–8% (6.88%)	The lower the yield rate, the higher the fair value
92 210 tys. EUR					
MLP Pruszków II logistics park					
(i) warehouse and office buildings	127 853 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.38–4.63/m ² (EUR 3.76/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.5%–8% (6.75%)	The lower the yield rate, the higher the fair value
(ii) parking lot	3 117 tys. EUR	Income approach	Monthly rent	EUR 7.89–11.66 thousand (EUR 9.77 thousand)	The higher the rent, the higher the fair value
			Yield rate	6.5%–8% (7.25%)	The lower the yield rate, the higher the fair value
(iii) land with building permit	14 510 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
145 480 tys. EUR					

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Poznań logistics park					
(i) warehouse and office buildings	29 170 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.50–3.80/m ² (EUR 3.67/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	6.5%–7.25% (6.88%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	5 290 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
34 460 tys. EUR					
MLP Lublin logistics park					
(i) warehouse and office buildings	34 520 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.66–3.80/m ² (EUR 3.73/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.75%	The lower the yield rate, the higher the fair value
(ii) land reserve	90 tys. EUR	Market approach	Price per m ²	EUR 45.07/m ² (PLN 208.00/m ²)	The higher the price per m ² , the higher the fair value
34 610 tys. EUR					

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Teresin logistics park					
(i) warehouse and office buildings	17 000 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 2.92/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	6.75%–7.25% (7.00%)	The lower the yield rate, the higher the fair value
17 000 tys. EUR					
MLP Gliwice logistics park					
(i) warehouse and office buildings	32 110 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.28–5.59/m ² (EUR 4.23/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.75%–6.5% (6.13%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	770 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
32 880 tys. EUR					
MLP Wrocław logistics park					
(i) warehouse and office buildings	28 640 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.24–4.25/m ² (EUR 3.68/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.5%–6.5% (6.00%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	2 340 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
30 980 tys. EUR					

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Czeladź logistics park					
(i) warehouse and office buildings	12 970 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 3.88/m ²)	The lower the estimated capitalised net income, the lower the fair value
			Yield rate	5.5%–6.5% (6.00%)	The higher the estimated construction costs, the lower the fair value
(ii) land with building permit	6 200 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
19 170 tys. EUR					
MLP Unna logistics park					
(i) land with building permit	20 700 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
20 700 tys. EUR					
MLP Bucharest West logistics park					
(i) warehouse and office buildings	11 504 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 4.00–4.05/m ² (EUR 4.03/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	8.25%–8.5% (8.38%)	The lower the yield rate, the higher the fair value
(ii) land reserve	4 679 tys. EUR	Market approach	Price per m ²	EUR 34/m ² (PLN 156.90/m ²)	The higher the price per m ² , the higher the fair value
16 183 tys. EUR					

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
MLP Poznań West logistic park					
(i) warehouse and office buildings	17 770 tys. EUR	Income approach	Monthly rent rate per m ²	EUR 3.25–6.35/m ² (EUR 4.80/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	5.75%–6.5% (6.13%)	The lower the yield rate, the higher the fair value
(ii) land with building permit	4 250 tys. EUR	Residual approach	Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
22 020 tys. EUR					
MLP Łódź logistics park					
(i) land reserve	3 040 tys. EUR	Market approach	Price per m ²	EUR 18.20/m ² (PLN 84.00/m ²)	The higher the price per m ² , the higher the fair value
3 040 tys. EUR					
(i) land reserve	5 320 tys. EUR	Market approach	Price per m ²	EUR 60.24/m ² (PLN 278.00/m ²)	The higher the price per m ² , the higher the fair value
5 320 tys. EUR					
Poznań Business Park logistics park					
(i) warehouse and office buildings	6 120 tys. EUR	Income approach	Monthly rent rate per m ²	(EUR 2.63/m ²)	The higher the rent rate, the higher the fair value
			Yield rate	7%–8% (7.5%)	The lower the yield rate, the higher the fair value
(ii) land reserve	970 tys. EUR	Market approach	Price per m ²	(EUR 64.79/m ²) (PLN 299.00/m ²)	The higher the price per m ² , the higher the fair value
7 090 tys. EUR					

	Fair value as at 31 December 2020	Valuation approach	Unobservable inputs	Range of unobservable inputs (probability- weighted average)	Relationship between unobservable inputs and fair value
Business Park Berlin logistics park					
			Capitalised net income	(a)	The lower the estimated capitalised net income, the lower the fair value
(i) land with building permit	9 950 tys. EUR	Residual approach			
			Construction costs	(b)	The higher the estimated construction costs, the lower the fair value
<hr/>					
9 950 tys. EUR					
<hr/>					
491 093 tys. EUR					
<hr/>					

(a) Estimated net capitalised income: calculated based on estimated rent rates and yield rates

(b) Estimated construction cost: project construction costs calculated based on cost estimates for the given type of project

11. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	30 June	31 December	30 June	31 December	30 June	31 December
	<i>as at</i> 2021 <i>(unaudited)</i>	2020	2021 <i>(unaudited)</i>	2020	2021 <i>(unaudited)</i>	2020
Investment property	-	-	227 484	194 100	227 484	194 100
Borrowings and loans	4 426	11 276	-	-	(4 426)	(11 276)
Derivatives	2 489	2 987	-	-	(2 489)	(2 987)
Other	2 206	1 713	-	-	(2 206)	(1 713)
Tax losses deductible in future periods	8 304	2 842	-	-	(8 304)	(2 842)
Interest on bonds	433	459	-	-	(433)	(459)
Deferred tax assets / liabilities	17 858	19 277	227 484	194 100	209 626	174 823

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Including:			
Deferred tax asset		(3 780)	(5 355)
Deferred tax liability		213 406	180 178
		209 626	174 823

As at 30 June 2021, the unrecognised deferred tax asset for tax loss was PLN 12 801 thousand.

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

	1 January 2020	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2020
Investment property	148 706	44 855	-	539	194 100
Borrowings and loans	575	(11 851)	-	-	(11 276)
Derivatives	(1 574)	3	(1 416)	-	(2 987)
Other	(971)	(742)	-	-	(1 713)
Tax losses deductible in future periods	(3 848)	1 006	-	-	(2 842)
Interest on bonds	(93)	(366)	-	-	(459)
	142 795	32 905	(1 416)	539	174 823

	1 January 2021	changes recognised in profit or loss <i>(unaudited)</i>	changes recognised in other comprehensive income <i>(unaudited)</i>	currency translation differences <i>(unaudited)</i>	30 June 2021 <i>(unaudited)</i>
Investment property	194 100	33 759	-	(375)	227 484
Borrowings and loans	(11 276)	6 850	-	-	(4 426)
Derivatives	(2 987)	-	498	-	(2 489)
Other	(1 713)	(493)	-	-	(2 206)
Tax losses deductible in future periods	(2 842)	(5 462)	-	-	(8 304)
Interest on bonds	(459)	26	-	-	(433)
	174 823	34 680	498	(375)	209 626

12. Investments and other investments

<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Other long-term investments	29 359	28 674
Long-term loans to related entities	19 950	24 539
Other long-term investments	49 309	53 213
Short-term loans to related entities	2 431	7 958
Money fund units	134 796	20 000
Short-term investments	137 227	27 958
Restricted cash	2 018	10 108
Other short-term investments	2 018	10 108

Other long-term investments comprised non-current portion of restricted cash of PLN 29,359 thousand, including: (i) cash of PLN 15,782 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) PLN 3,696 thousand, a deposit created from a security deposit retained from a tenant, (iii) cash of PLN 4,561 thousand set aside on the CAPEX account, and (iv) other retained security deposits of PLN 5,320 thousand.

Money fund units is cash invested in a specialised open-end investment fund.

Other short-term investments comprise the current portion of restricted cash of PLN 2,018 thousand, including: (i) a short-term portion of retained security deposit of PLN 299 thousand and (ii) a short-term portion of funds set aside pursuant to the terms of credit facility agreements of PLN 1,719 thousand.

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

	<i>Loan assets</i>
Amount as at 31 December 2020	32 497
Interest accrued	132
Payment of interest on loan	(1 508)
Repayment of principal	(8 548)
Change in carrying amount	(192)
Amount as at 30 June 2021*	22 381

* Unaudited.

13. Trade and other receivables

	<i>as at</i>	30 June 2021	31 December 2020
		<i>(unaudited)</i>	
Trade receivables		14 972	13 428
Investment settlements		2 370	266
Prepayments and accrued income		6 169	16 133
Advance payment for purchase of land		9 609	33 971
Interim dividend		-	-
Taxes and social security receivable		25 481	18 632
Trade and other receivables		58 601	82 430
Income tax receivable		1 942	807
Short-term receivables		60 543	83 237

For more information on receivables from related entities, see Note 23.

The Group 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 Group concluded that it has the following homogeneous groups of receivables: receivables from tenants and receivables under development contracts.

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

	<i>as at</i>	30 June 2021*		31 December 2020	
		Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due		6 980	-	6 979	-
Past due:					
1 to 90 days		4 043	-	3 438	-
91 to 180 days		921	-	1 306	-
over 180 days		5 735	(2 707)	6 222	(4 517)
Total receivables		17 679	(2 707)	17 945	(4 517)

* Unaudited.

	2021	2020
	<i>(unaudited)</i>	
Impairment losses on receivables as at 1 January	(4 517)	(7 324)
Reversal of impairment loss	-	3
Use of impairment loss	1 810	2 804
Impairment loss on receivables as at 30 June*/31 December	(2 707)	(4 517)

* Unaudited.

14. Cash and cash equivalents

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Cash in hand		57	52
Cash at banks		170 457	162 957
Cash and cash equivalents in the consolidated statement of financial position		170 514	163 009
Cash and cash equivalents in the consolidated statement of cash flows		170 514	163 009

Cash at banks bears interest at variable rates linked to the overnight interest rate. Short-term deposits are placed for various terms, depending on the Group's current cash requirements, and bear interest at interest rates agreed on a case-by-case basis.

Cash and cash equivalents in the consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

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 Group 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.

15. Notes to the condensed consolidated statement of cash flows

15. 1 Cash flows from borrowings

<i>for the six months ended 30 June</i>	2021	2020
	<i>(unaudited)</i>	<i>(unaudited)</i>
Proceeds from bank borrowings	342 810	51 782
Proceeds from non-bank borrowings	-	48
Cash flows from borrowings	342 810	51 830
Elimination of non-bank borrowings from Fenix Polska Sp. z o.o.	-	(48)
Cash flows from borrowings	342 810	51 782
Cash flows from borrowings - amount disclosed in the consolidated statement of cash flows	342 810	51 782

<i>for the six months ended 30 June</i>	2021	2020
	<i>(unaudited)</i>	<i>(unaudited)</i>
Repayment of principal instalments on bank borrowings	(207 737)	(11 369)
Repayment of non-bank borrowings	(3 746)	(15 529)
Total cash flows from borrowings	(211 483)	(26 898)
Elimination of borrowings repaid to Fenix Polska Sp. z o.o.	-	15 529
Cash flows from repayment of borrowings	(211 483)	(11 369)
Cash flows from repayment of borrowings – amount disclosed in the consolidated statement of cash flows	(211 483)	(11 369)

<i>for the six months ended 30 June</i>	2021	2020
	<i>(unaudited)</i>	<i>(unaudited)</i>
Cash flows from loans	-	(50)
Cash flows from loans	-	(50)
Total cash flows from loans - amount disclosed in the consolidated statement of cash flows	-	(50)

<i>for the six months ended 30 June</i>	2021	2020
	<i>(unaudited)</i>	<i>(unaudited)</i>
Total cash flows from repayment of loans	8 547	15 529
Elimination of borrowings repaid to Fenix Polska Sp. z o.o.	-	(15 529)
Total cash flows from repayment of loans	8 547	-
Total cash flows from repayment of loans - amount disclosed in the consolidated statement of cash flows	8 547	-

15. 2 Change in receivables

	<i>for the six months ended 30 June</i>	2021	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in inventories		32	(33)
Change in trade and other receivables		23 829	21 003
Change in assets from ongoing construction contracts		6 403	-
Settlement of interim dividend		-	(3 985)
Elimination of advance payment for land purchase		9 609	-
Change in receivables		39 873	16 985
Change in receivables disclosed in the condensed consolidated statement of cash flows		39 873	16 985

15. 3 Change in current and other liabilities

	<i>for the six months ended 30 June</i>	2021	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>
Change in trade and other payables		17 735	(52 610)
Change in employee benefit obligations		(821)	(978)
Change in current liabilities under performance bonds and security deposits		564	(1 021)
Change in finance lease liabilities		(270)	8 251
Elimination of changes in investment commitments		28 877	26 563
Change in current and other liabilities		46 085	(19 795)
Change in current and other liabilities disclosed in the condensed consolidated statement of cash flows		46 085	(19 795)

16. Equity

16. 1 Share capital

	<i>as at</i>	30 June	31 December
		2021	2020
		<i>(unaudited)</i>	
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	1 607 000
Series E ordinary shares		1 653 384	-
Ordinary shares – total		21 373 639	19 720 255
Par value per share		0,25	0,25

As at 30 June 2021, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 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 was 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 5 May 2021, the Parent issued 1,653,384 Series E ordinary shares with a total par value of PLN 413,346. The par value per Series E 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 21,373,639.

On 31 May 2021, 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 4,930,063.75 to PLN 5,343,409.75.

Series E 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 16 June 2021 under ISIN PLMLPGR00017.

<i>as at</i>	30 June 2021*		31 December 2020	
	number of shares	Par value	number of shares	Par value
Number/value of shares at beginning of period	19 720 255	5 333	18 113 255	4 931
Issue of shares	1 653 384	413	1 607 000	402
Number/value of shares at end of period	21 373 639	5 746	19 720 255	5 333

* Unaudited.

17. Earnings and dividend per share

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

<i>for</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Net profit(loss) for the period	166 515	150 394	121 049	8 429
Number of outstanding shares (shares)	21 373 639	21 373 639	18 113 255	18 113 255
Weighted average number of outstanding shares	20 001 330	20 265 872	18 113 255	18 113 255
Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):				
- basic	8,33	7,42	6,68	0,47
- diluted	8,33	7,42	6,68	0,47

There were no dilutive factors in the presented periods.

18. Liabilities under borrowings and other debt instruments, and other liabilities

18. 1 Non-current liabilities

<i>as at</i>	30 June 2021 (unaudited)	31 December 2020
Borrowings secured with the Group's assets	884 234	761 745
Bonds	248 644	346 110
Non-bank borrowings	19 978	24 623
Non-current liabilities under borrowings and other debt instruments	1 152 856	1 132 478

<i>as at</i>	30 June 2021 (unaudited)	31 December 2020
Finance lease liabilities (perpetual usufruct of land) ¹⁾	36 793	37 063
Liabilities from measurement of SWAP transactions	13 079	15 686
Performance bonds	4 746	3 713
Security deposits from tenants and other deposits	5 127	5 596
Other non-current liabilities	59 745	62 058

²⁾ The Group is a party to court proceedings concerning revision of the usufruct charge rate. The Management Board of MLP Group S.A. estimated, as at the date of release of the report and with respect to justified cases, the amount of provision for some potential claims against MLP Pruszków III Sp. z o.o. The amount determined by the court may affect the carrying amount of investment property and finance lease liabilities.

18. 2 Current liabilities

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets		23 202	28 418
Bonds		92 680	2 420
Non-bank borrowings		2 414	3 147
Current liabilities under borrowings and other debt instruments		118 296	33 985

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

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Liabilities from measurement of SWAP transactions		-	16
Liabilities from measurement of CAP transactions		-	42
Other current liabilities		-	58

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

	Bonds
Amount as at 31 December 2020	348 530
Interest accrued on bonds	4 293
Interest paid on bonds	(4 358)
Change in carrying amount	(7 141)
Amount as at 30 June 2021*	341 324

* Unaudited.

Non-bank borrowings	
Amount as at 31 December 2020	27 770
Repayment of principal	(3 746)
Interest accrued	137
Payment of interest on loan	(1 576)
Change in carrying amount	(193)
Amount as at 30 June 2021*	22 392

Liabilities under bank borrowings	
Amount as at 31 December 2020	790 163
<i>including derecognised commission fee as at 31 December 2020</i>	2 246
Interest accrued	6 650
Interest paid	(6 739)
IRS interest accrued	5 304
IRS interest paid	(5 313)
Increase in bank borrowings	342 810
Repayment of principal	(207 737)
Realised foreign exchange gains/(losses)	12 510
Change in carrying amount	(30 238)
Interest capitalised	89
Amount as at 30 June 2021*	907 436
<i>including derecognised commission fee as at 30 June 2021</i>	2 309

Finance leases	
Amount as at 31 December 2020	37 063
Annual depreciation expense	(270)
Amount as at 30 June 2021*	36 793

* Unaudited.

18. 4 Liabilities under bonds

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Private bonds – Series A	EUR	20 000 000	2022-05-11	6M EURIBOR + margin	none	Catalyst
Private bonds – Series B	EUR	10 000 000	2023-05-11	6M EURIBOR + margin	none	Catalyst
Public bonds – Series C	EUR	45 000 000	2025-02-19	6M EURIBOR + margin	none	Catalyst

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

	effective interest rate	as at	30 June 2021**		as at	31 December 2020		
			currency	(%)		matures in	in currency *	in PLN
Bank borrowings secured with the Group's assets								
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2028	2 979	13 468	2028	3 063	14 134
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	1 866	8 437	2027	1 919	8 854
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	1 007	4 552	2027	1 033	4 765
Investment credit facility ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	3M EURIBOR + margin	2025	89 704	403 774	2025	90 642	416 319
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2025	5 656	26 099
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2028	3 197	14 751
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2029	4 142	19 114
Working capital (VAT) facility ING Bank Śląski S.A.	PLN	1M WIBOR + margin	-	-	-	2021	-	1 151
Investment credit facility from PKO BP S.A. and BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2027	65 877	297 518	-	-	-
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2030	5 751	26 541
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2030	4 399	20 301
Investment credit facility BNP Paribas Bank Polska S.A.	EUR	3M EURIBOR + margin	2029	7 560	34 176	2029	7 696	35 514
Investment credit facility BNP Paribas Bank Polska S.A.	EUR	3M EURIBOR + margin	2029	10 929	49 158	2029	11 140	51 143
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	3 300	14 920	2024	1 837	8 478
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	-	-	-	2030	11 080	51 133
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	1 706	7 713	2024	1 717	7 922
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 254	19 230	2024	4 260	19 660
Investment credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	2026	7 058	31 909	-	-	-
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4 995	22 581	2024	5 108	23 573
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2028	7 505	34 636
Investment credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	-	-	-	2029	1 316	6 075
Total bank borrowings:					907 436			790 163

*Borrowing amounts in EUR are presented inclusive of commission fees.

** Unaudited.

	currency	effective interest rate (%)	as at 30 June 2021**			as at 31 December 2020		
			matures in foreign currency	in PLN		matures in foreign currency	in PLN	
Non-bank borrowings not secured with the Group's assets:								
Fenix Polska S.A.	PLN	3M WIBOR + margin	2021	-	2 293	2021	-	3 027
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	8 418	2025	-	8 437
Fenix Polska S.A.	PLN	3M WIBOR + margin	2030	-	-	2030	-	3 952
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	179	2025	-	182
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	12	2025	-	12
Fenix Polska S.A.	PLN	3M WIBOR + margin	2027	-	1 632	2027	-	1 632
Fenix Polska S.A.	PLN	3M WIBOR + margin	2030	-	-	2030	-	34
Fenix Polska S.A.	PLN	3M WIBOR + margin	2021	-	121	2021	-	120
Fenix Polska S.A.	PLN	3M WIBOR + margin	2030	-	-	2030	-	465
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2026	-	1	2026	-	1
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2025	124	562	2025	124	573
Fenix Polska S.A.	PLN	3M WIBOR + margin	2025	-	401	2025	-	415
Fenix Polska S.A.	PLN	3M WIBOR + margin	2028	-	-	2028	-	7
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2029	1 941	8 773	2029	1 931	8 913
Total non-bank borrowings:					22 392			27 770
Total borrowings secured and not secured with the Group's assets					929 828			817 933

* Unaudited.

19. Employee benefit obligations

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Special accounts		157	157
Provision for bonuses		821	1 642
Employee benefit obligations		978	1 799

20. Trade and other payables

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Trade payables		20 238	14 993
Deferred income		643	619
Taxes and social security payable		3 737	3 925
Unbilled trade payables		11 979	9 726
Investment commitments, security deposits and other obligations		38 504	27 742
Provision for repairs		-	361
Trade and other payables		75 101	57 366
Income tax payable		2 004	3 238
Current liabilities		77 105	60 604

As at 30 June 2021, the Group did not carry any past due trade payables towards related parties.

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

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Not past due		72 331	59 771
Past due from 1 to 90 days		6 848	2 251
Past due from 91 to 180 days		1 141	-
Pas due over 180 days		274	109
Total trade and other payables		80 594	62 131

The ageing structure presented above includes non-current liabilities.

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

21. Financial instruments

21. 1 Measurement of financial instruments

The fair values of financial assets and financial liabilities as at 30 June 2021 and 31 December 2020 were equal to their respective amounts disclosed in the consolidated statement of financial position.

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

- **cash and cash equivalents:** the carrying amount corresponds to the amortised cost value,
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount corresponds to the amortised cost value,
- **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,
- **bank and non-bank borrowings and bonds:** 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,
- **liabilities from measurement of SWAP and CAP transactions:** measured at fair value through other comprehensive income, determined by reference to instruments quoted in an active market.

21. 1. 1 Financial assets

<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Financial assets measured at amortised cost:		
Cash and cash equivalents	170 514	163 009
Loans and receivables, including:		
• Trade and other receivables	17 342	13 694
• Loans	22 381	32 497
• Money fund units	134 796	20 000
• Other long-term investments	29 359	28 674
• Other short-term investments	2 018	10 108
	376 410	267 982
Total financial assets	376 410	267 982

Measurement of assets at amortised cost as at 30 June 2021*:

<i>* Unaudited.</i>	Stage 1	Stage 2	Stage 3
Gross carrying amount	359 068	20 049	-
Cash and cash equivalents	170 514	-	-
Loans and receivables, including:			
• Trade and other receivables	-	20 049	-
• Loans	22 381	-	-
• Money fund units	134 796	-	-
• Other long-term investments	29 359	-	-
• Other short-term investments	2 018	-	-
Impairment losses (IFRS 9)	-	(2 707)	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2 707)	-
• Loans	-	-	-
• Other long-term investments	-	-	-
• Other short-term investments	-	-	-
Carrying amount (IFRS 9)	359 068	17 342	-

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

	Stage 1	Stage 2	Stage 3
Gross carrying amount	254 288	18 211	-
Cash and cash equivalents	163 009	-	-
Loans and receivables, including:			
• Trade and other receivables	-	18 211	-
• Loans	32 497	-	-
• Money fund units	20 000	-	-
• Other long-term investments	28 674	-	-
• Other short-term investments	10 108	-	-
Impairment losses (IFRS 9)	-	(4 517)	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(4 517)	-
• Loans	-	-	-
• Other long-term investments	-	-	-
• Other short-term investments	-	-	-
Carrying amount (IFRS 9)	254 288	13 694	-

21. 1. 2 Financial liabilities

<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Hedging financial instruments measured at fair value through other comprehensive income		
Liabilities from measurement of SWAP transactions	13 079	15 702
Liabilities from measurement of CAP transactions	-	42
	13 079	15 744
Financial liabilities measured at amortised cost:		
Bank borrowings	907 436	790 163
Non-bank borrowings	22 392	27 770
Trade and other payables	80 594	61 770
Lease liabilities	36 793	37 063
Bonds	341 324	348 530
	1 388 539	1 265 296
Total financial liabilities	1 401 618	1 281 040

As at 30 June 2021, the fair value of hedging instruments was PLN 13,079 thousand, measured on the basis of other directly or indirectly observable quotations (Level 2). The information is provided by banks and is based on reference to instruments traded on an active market.

In the six months ended 30 June 2021, there were no reclassifications between the fair value hierarchy levels.

21. 2 Other disclosures relating to financial instruments

Hedging

For information on collateral, see Note 22.

Hedge accounting

On 30 April 2021, MLP Gliwice Sp. z o.o., MLP Lublin Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with Powszechna Kasa Oszczędności Bank Polski S.A. and BNP Paribas Bank Polska S.A.

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

22. Contingent liabilities and security instruments

In the period ended 30 June 2021, the Group recognised the following changes in contingent liabilities and security instruments:

- On 10 February 2021, MLP Poznań West II sp. z o.o. executed a new credit facility agreement with Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP), in connection with which the following security was provided for the lender's claims under the credit facility agreement and hedging agreements:
 - (a) contractual mortgage for up to EUR 41,590,571, securing claims under the credit facility agreement;
 - (b) contractual mortgage for up to EUR 40,585,500, securing PKO BP's claims under the hedging agreements;
 - (c) registered pledge and three financial pledges over shares in MLP Group S.A.;
 - (d) registered pledges (10) and financial pledges (30) over bank accounts;
 - (e) registered pledge over the borrower's assets;
 - (f) powers of attorney over the borrower's bank accounts;
 - (g) statements of voluntary submission to enforcement by the borrower;
 - (g) statements of submission to enforcement by the borrower's shareholder;
 - (i) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;
 - (j) the sponsor's obligations under the Support Agreement;
 - (K) subordination of claims under the Subordination Agreement.
- On 9 February 2021, MLP Lublin sp. z o.o., MLP Gliwice sp. z o.o., MLP Teresin sp. z o.o., and MLP Wrocław sp. z o.o. executed a new credit facility agreement with BNP Paribas Bank Polska S.A. (BNP) and Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP), in connection with which the following security was provided for the lenders' claims under the credit facility agreement and hedging agreements:
 - (a) joint mortgage for up to EUR 110,126,521.5, securing claims under the credit facility agreement against each of the borrowers;
 - (b) two joint mortgages for up to EUR 110,126,521.5, securing BNP's and PKO BP's claims under the hedging agreements;
 - (c) registered pledges and financial pledges over shares in the borrowers' shareholders;
 - (d) separate registered and financial pledges over bank accounts of each borrower;
 - (e) separate registered pledges over assets of each borrower;
 - (f) powers of attorney over bank accounts of each borrower;
 - (g) statements of voluntary submission to enforcement by the borrowers;
 - (h) statements of voluntary submission to enforcement by the borrower's shareholders;
 - (i) assignment of rights under lease contracts with security under the Assignment Agreement concluded with each borrower, and of rights under construction contracts with security with respect to MLP Wrocław sp. z o.o.;
 - (j) obligations of the MLP Group S.A.'s sponsor under the Support Agreement for MLP Wrocław sp. z o.o.;
 - (k) subordination of claims under the Subordination Agreement.
- Following repayment of a credit facility granted by PKO BP to MLP Lublin sp. z o.o., on May 7th 2021 PKO BP released all existing security created in its favour. Therefore, in May 2021 applications were submitted to delete from the relevant registers: a contractual mortgage for up to EUR 25,502,396, two registered pledges over shares in the borrower, and two registered pledges over the borrower's accounts.

- Following repayment of a credit facility granted by Bank Polska Kasa Opieki S.A. (Pekao) to MLP Gliwice sp. z o.o., on May 5th 2021 Pekao released all existing security created in its favour. Therefore, in May 2021 applications were submitted to delete from the relevant registers: three contractual mortgages: for up to EUR 29,914,500.00, up to PLN 4,500,000.00, and up to PLN 12,000,000.00, two registered pledges over shares in the borrower, and twenty-two registered pledges over the borrower's accounts.
- Following repayment of a credit facility granted by Bank Polska Kasa Opieki S.A. (Pekao) and Pekao Bank Hipoteczny S.A. (Pekao BH) to MLP Teresin sp. z o.o., on May 5th 2021 Pekao and Pekao BH released all existing security created in their favour. Therefore, in May 2021 applications were submitted to delete from the relevant registers: five contractual mortgages: for up to EUR 5,768,929.51, up to EUR 5,026,570.49, up to PLN 6,000,000, and two mortgages for up to PLN 5,600,000, two registered pledges over shares in the borrower, two registered pledges over an organised set of movables and rights, and twenty-two registered pledges over the borrower's accounts.
- Following repayment of a credit facility granted by Bank Polska Kasa Opieki S.A. (Pekao) to MLP Wrocław sp. z o.o., on May 5th 2021 Pekao released all existing security created in its favour. Therefore, in May 2021 applications were submitted to delete from the relevant registers: four contractual mortgages: for up to EUR 27,637,500.00, up to PLN 4,500,000.00, and two mortgages for up to PLN 12,000,000.00, two registered pledges over shares in the borrower, and twenty-two registered pledges over the borrower's accounts.

23. Related-party transactions

23. 1 Trade and other receivables and payables

The balances of trade and other payables and receivables from related-party transactions as at 30 June 2021* are presented below.

	Trade and other receivables	Trade and other payables ¹⁾
The Israel Land Development Company Ltd., Tel-Aviv	88	-
Other related parties		
Fenix Polska Sp. z o.o.	788	-
Total	876	-

* Unaudited.

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

	Trade and other receivables	Trade and other payables ¹⁾
The Israel Land Development Company Ltd., Tel-Aviv	274	-
Other related parties		
Fenix Polska Sp. z o.o.	5	-
Total	279	-

¹⁾ Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 30.

23. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 30 June 2021*:

	Loans	Non-bank borrowings
Other related parties		
Fenix Polska Sp. z o.o.	22 293	(22 392)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	88	-
Total	22 381	(22 392)

* Unaudited.

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		
Fenix Polska Sp. z o.o.	27 610	(27 770)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	4 887	-
Total	32 497	(27 770)

23. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the year ended 30 June 2021*:

	Revenue	Procurement of services and cost of	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd., Tel-Aviv	110	-	-	-
	110	-	-	-
Other related parties				
Fenix Polska Sp. z o.o.	-	-	130	(137)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	2	-
	1	-	132	(137)
Key management personnel				
RTK CONSULTING, Radosław T. Krochta	-	(303)	-	-
ROMI CONSULTING, Michael Shapiro	-	(278)	-	-
PROFART, Tomasz Zabost	-	(235)	-	-
PEOB, Marcin Dobieszewski	-	(138)	-	-
Other key management personnel	-	(482)	-	-
	-	(1 436)	-	-
Total	111	(1 436)	132	(137)

* Unaudited.

Below are presented income and expenses from related-party transactions for the year ended June 30th 2020*:

	Revenue	Procurement of services and cost of wages and salaries	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd., Tel-Aviv	89	-	-	-
	89	-	-	-
Other related parties				
Fenix Polska Sp. z o.o.	-	-	401	(412)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	1	-	1	-
	1	-	402	(412)
Key management personnel				
RTK CONSULTING, Radosław T. Krochta	-	(312)	-	-
ROMI CONSULTING, Michael Shapiro	-	(279)	-	-
PROFART, Tomasz Zabost	-	(220)	-	-
PEOB, Marcin Dobieszewski	-	(136)	-	-
Other key management personnel	-	(460)	-	-
	-	(1 407)	-	-
Total	90	(1 407)	402	(412)

* Unaudited.

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B.V., which as at 31 March 2021 held 100% of shares in Fenix Polska Sp. z o.o. and 56.98% of the Group's share capital.

24. Significant events during and subsequent to the reporting period

- On 2 February 2021, 5 March 2021, and 25 May 2021, ING Bank Śląski S.A. disbursed further tranches of the credit facility to MLP Poznań Sp. z o.o.
- On 30 April 2021, Powszechna Kasa Oszczędności Bank Polski S.A. and BNP Paribas Bank Polska S.A. disbursed tranches to MLP Gliwice Sp. z o.o., MLP Lublin Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o.
- On 23 July 2021, a credit facility agreement was executed between MLP Pruszków II sp. z o.o. and Polska Kasa Opieki S.A.
- On 10 February 2021, a credit facility agreement was concluded between Powszechna Kasa Oszczędności Bank Polski S.A. and MLP Poznań West II Sp. z o.o. The first tranche was disbursed on 11 March 2021. The bank's claims under and in connection with the credit facility agreement of 10 March 2021 between MLP Poznań West II sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski S.A. were secured with mortgages, financial and registered pledges over shares in the company, the company's assets and bank accounts, as well as other forms of security provided for in the credit facility agreement.
- On 22 April 2021, the Management Board of MLP Group S.A. passed a resolution to increase the Company's share capital through the issue of 1,653,384 Series E shares, with the pre-emptive rights of the Company's existing shareholders waived.

The Issuer concluded agreements with investors for subscription for 1,653,384 Series E shares at the issue price of PLN 75.00 (seventy-five złoty) per share, including an agreement with Israel Land Development Company Ltd. Bnei Brak, Israel ILDC for subscription of 1,001,000 Series E shares. The required cash contributions for all Series E Shares were paid in full. The Management Board made the final allotment of Series E Shares to the investors with whom it had signed subscription agreements.

- On 9 April 2021, four companies of the Group: MLP Lublin Sp. z o.o. of Pruszków, MLP Gliwice Sp. z o.o. of Pruszków, MLP Wrocław Sp. z o.o. of Pruszków, and MLP Teresin Sp. z o.o. of Pruszków (the "Borrowers"), executed a credit facility agreement with BNP Paribas Bank Polska S.A. of Warsaw oraz Powszechna Kasa Oszczędności Bank Polski S.A. of Warsaw. The facility amount is EUR 73,417,681.00, and the funds will be used to refinance the Borrowers' existing loans and to fund the Group's investment projects. The agreement provides that the principal will be repaid in equal instalments. The term of the agreement is six years from the signing date.
- On 30 April 2021, each of MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o. entered into variable-to-fixed interest rate swap contracts with PKO BP S.A. Previous variable-to-fixed interest rate swap contracts concluded by the companies with Powszechna Kasa Oszczędności Bank Polski S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. were terminated following repayment of the credit facilities contracted with those banks.
- In view of repayment of the credit facility granted by Bank Polska Kasa Opieki S.A. (Pekao) to MLP Wrocław sp. z o.o., on 14 July 2021 contractual mortgages established in favour of Pekao, for up to EUR 27,637,500.00 and PLN 4,500,000.00, were deleted from the land and mortgage register.
- In view of repayment of the credit facility granted by PKO BP to MLP Lublin sp. z o.o., on 6 August 2021 the contractual mortgage of up to EUR 25,502,396 established in favour of PKO BP was deleted from the land and mortgage register.

- On 23 July 2021, MLP Poznań II sp. z o.o. executed a new credit facility agreement with Bank Polska Kasa Opieki S.A. (Pekao), in connection with which the following security was provided for the lender's claims under the credit facility agreement and the master agreement and hedging transactions:
 - (a) contractual mortgage of up to EUR 41,590,571, securing claims under the credit facility agreement with respect to construction and investment credit facilities;
 - (b) contractual mortgage of up to PLN 4,500,000.00, securing claims under the credit facility agreement with respect to the VAT credit facility;
 - (c) contractual mortgage of up to PLN 11,000,000.00, securing PKO BP's claims under the master agreement and hedging transactions;
 - (d) two registered pledges over shares in MLP Property Sp. z o.o. up to the maximum secured amount of: EUR 37,116,000.00 (as security for construction and investment credit facilities) and PLN 4,500,000.00 (as security for the VAT credit facility) and three financial pledges over shares in MLP Property sp. z o.o., up to the maximum secured amount of: EUR 32,262,000.00 (as security for the construction credit facility) EUR 37,116,000.00 (as security for the investment credit facility) PLN 4,500,000.00 (as security for the VAT credit facility);
 - (e) pledges over bank accounts: 22 registered pledges (11 as security for the construction and investment credit facilities and 11 as security for the VAT credit facility) and 33 financial pledges (as security for the construction credit facility (11), investment credit facility (11), VAT credit facility (11));
 - (f) powers of attorney over the borrower's bank accounts and block on bank accounts in accordance with the block instruction;
 - (g) statements of voluntary submission to enforcement by the borrower;
 - (h) statement of voluntary submission to enforcement by the borrower's sole shareholder;
 - (i) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;
 - (j) the sponsor's obligations under the Support Agreement, concerning Phase 2 buildings construction cost overruns;
 - (k) the sponsor's obligations under the Support Agreement relating to deficits in connection with the revaluation of the perpetual usufruct fee;
 - (l) subordination of claims under the Subordination Agreement.
- With respect to the credit facility agreement of 23 July 2021 executed by MLP Pruszków II sp. z o.o. with Polska Kasa Opieki S.A.: two registered pledges over shares and four registered pledges over bank accounts as security for the VAT credit facility were entered in the pledge register on 30 July 2021.
- On 18 August 2021, MLP Poznań Sp. z o.o. (the "Company" or the "Defendant") received a lawsuit. The case is pending at the Regional Court in Warsaw, 26th Commercial Division, case no. XXVI GC 1022/21. The plaintiff („Depenbrock Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa") has filed against the Company a claim for payment of EUR 183,250 as reimbursement of a security deposit retained under the construction contract of 23 March 2015.
- On 13 August 2021, MLP Poznań West II Sp. z o.o. acquired land in Dąbrówka, with an area of 103,665 m², to expand the MLP Poznań West logistics park. The target capacity of the land is 49,896 m².
- On 19 July 2021, MLP Gelsenkirchen Sp. z o.o. & Co. KG acquired land with an area of 110,502 m² to build a new logistics park in Germany. The target capacity of the land is 44,982 m².

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

24. 1 Effect of the COVID-19 epidemic on the operations of the MLP Group S.A. Group

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 these 2021 interim consolidated financial statements or the consolidated financial statements for the reference period, and does not require any additional disclosures. Although the situation continues to be volatile at the time of issue of these financial statements, the Group'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 Group.

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

	<i>for the six months ended 30 June</i>	2021	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration of the Management Board:			
Radosław T. Krochta		303	312
Michael Shapiro		278	279
Tomasz Zabost		235	220
Marcin Dobieszewski		138	136
		954	947
Remuneration of the Supervisory Board:			
• Remuneration and other benefits			
Maciej Matusiak		24	15
Eytan Levy		24	15
Shimshon Marfogel		24	15
Daniel Nimrodi		-	15
Guy Shapira		24	15
Piotr Chajderowski		24	15
Oded Setter		24	-
		144	90
Total remuneration paid or due to members of management and supervisory bodies		1 098	1 037

	<i>for the six months ended 30 June</i>	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Other key management personnel:			
• Remuneration and other benefits		482	460
		482	460
Total remuneration paid or due to members of management and supervisory bodies and key management personnel		1 580	1 497

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

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

26. Employees

	<i>for the six months ended 30 June</i>	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Average headcount in the period		27	25

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management

Tomasz Zabost
Member of the Management Board

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

Pruszków, 25 August 2021



MLP Group S.A.

**Interim condensed separate
financial statements**

for the six months ended 30 June 2021
prepared in accordance with EU IFRS

Authorisation of the interim condensed separate financial statements

On 25 August 2021, the Management Board of MLP Group S.A. authorised for issue these interim condensed separate financial statements (the “condensed financial statements”) of MLP Group S.A. for the period from 1 January 2021 to 30 June 2021.

These interim condensed separate financial statements for the period from 1 January 2021 to 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as endorsed by the European Union. In this report, information is presented in the following sequence:

1. Condensed statement of profit or loss and other comprehensive income for the period from 1 January to 30 June 2021, showing a net profit of PLN 15,166 thousand.
2. Condensed statement of financial position as at 30 June 2021, showing total assets and total equity and liabilities of PLN 940,351 thousand.
3. Condensed statement of cash flows for the period from 1 January 2021 to 30 June 2021, showing a net increase in cash of PLN 39,402 thousand.
4. Condensed statement of changes in equity for the period from 1 January to 30 June 2021, showing an increase in equity of PLN 138,751 thousand.
5. Notes to the condensed separate financial statements

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

Signed with a qualified electronic signature.

Radosław T. Krochta
President of the Management

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
*Member of the Management
Board*

Pruszków, 25 August 2021

Condensed separate statement of profit or loss and other comprehensive income

	<i>for</i>	6 months	3 months	6 months	3 months
		ended	ended	ended	ended
	Note	30 June	30 June	30 June	30 June
		2021	2021	2020	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	4	11 126	5 900	4 453	2 251
Other income	5	38	13	270	(1)
Other expenses	6	(284)	(7)	-	2
Distribution costs and administrative expenses	7	(9 763)	(5 749)	(4 904)	(2 478)
Operating profit/(loss)		1 117	157	(181)	(226)
Finance income	8	21 336	15 438	18 178	15 425
Finance costs	8	(6 084)	(3 011)	(5 832)	(1 066)
Net finance income/(costs)		15 252	12 427	12 346	14 359
Profit/(loss) before tax		16 369	12 584	12 165	14 133
Income tax	9	(1 203)	(741)	(260)	(649)
Profit from continuing operations		15 166	11 843	11 905	13 484
Profit from discontinued operations		0	0	0	0
Net profit		15 166	11 843	11 905	13 484
Net profit attributable to:					
Shareholders		15 166	11 843	11 905	13 484
Total comprehensive income		15 166	11 843	11 905	13 484
Comprehensive income attributable to:					
Shareholders		15 166	11 843	11 905	13 484
Earnings per share	18				
Earnings per ordinary share:					
- Basic earnings per share from continuing operations		0,76	0,58	0,66	0,74
- Basic earnings per share from discontinued operations		0	0	0	0
- Earnings per ordinary share		0,76	0,58	0,66	0,74
Diluted earnings per ordinary share:					
- Basic earnings per share from continuing operations		0,76	0,58	0,66	0,74
- Basic earnings per share from discontinued operations		0	0	0	0
- Earnings per ordinary share		0,76	0,58	0,66	0,74

Condensed separate statement of financial position

	as at	Note	30 June 2021 (unaudited)	31 December 2020
Non-current assets				
Intangible assets			35	0
Prepayments for intangible assets			28	20
Property, plant and equipment			272	217
Non-current financial assets in related entities		10	123 435	123 420
Other long-term financial investments		11	618 183	584 256
Deferred tax assets		14	3 145	2 616
Other long-term investments			739	961
Total non-current assets			745 837	711 490
Current assets				
Short-term investments		12	138 304	78 957
Trade and other receivables		15	10 340	8 683
Assets under ongoing construction contracts			0	6 403
Cash and cash equivalents		16	45 870	6 468
Current assets other than held for sale or distribution to owners			194 514	100 511
Total current assets			194 514	100 511
TOTAL ASSETS			940 351	812 001
Equity				
		17		
Share capital			5 344	4 931
Share premium			304 025	180 853
Retained earnings, including:			101 145	85 979
Capital reserve			4 194	4 194
Statutory reserve funds			65 097	65 097
Profit (loss) brought forward			16 688	7 425
Net profit			15 166	9 263
Equity attributable to shareholders			410 514	271 763
Total equity			410 514	271 763
Non-current liabilities				
Non-bank borrowings and other debt instruments		19	425 950	524 253
Total non-current liabilities			425 950	524 253
Current liabilities				
Non-bank borrowings and other debt instruments		19	94 001	3 763
Employee benefit obligations		20	765	1 373
Income tax payable		21	178	-
Trade and other payables		21	8 943	10 849
Current liabilities other than held for sale			103 887	15 985
Total current liabilities			103 887	15 985
Total liabilities			529 837	540 238
TOTAL EQUITY AND LIABILITIES			940 351	812 001

Condensed separate statement of cash flows

	6 months ended 30 June	Note	2021	2020
			(unaudited)	(unaudited)
Cash flows from operating activities				
Profit before tax			16 369	12 165
<i>Total adjustments, including:</i>			(6 635)	(14 248)
Depreciation and amortisation			53	246
Net interest			(3 588)	(1 035)
Exchange differences			(1 623)	594
Dividend income			(10 586)	0
Other			222	(453)
Change in receivables			11 401	(1 058)
Change in current and other liabilities			(2 514)	(12 542)
Cash from operating activities			9 734	(2 083)
Income tax (paid)/refunded			(1 554)	-
Net cash from operating activities			8 180	(2 083)
Cash flows from investing activities				
Repayment of loans			184 818	49 000
Dividends received			3 931	0
Interest received			8 621	117
Acquisition of shares		10	(15)	0
Proceeds from disposal of other investments in financial assets			18 000	0
Expenditure on acquiring other investments in financial assets			(132 796)	0
Purchase of investment property, property, plant and equipment and intangible assets			(151)	(399)
Purchase of other financial assets			0	0
Loans			(170 344)	(195 320)
Cash from investing activities			(87 936)	(146 602)
Cash flows from financing activities				
Repayment of borrowings			0	(2 001)
Issue of bonds			0	128 142
Net proceeds from issue of shares and other equity instruments and contributions to equity			123 585	0
Interest paid on non-bank borrowings			0	(189)
Interest paid on bonds			(4 358)	(1 913)
Cash from financing activities			119 227	124 039
Total cash flows, net of exchange differences			39 471	(24 646)
Effect of exchange differences on cash and cash equivalents			(69)	5 545
Total cash flows			39 402	(19 101)
Cash and cash equivalents at beginning of period			6 468	41 934
Cash and cash equivalents at end of period		16	45 870	22 833

Condensed separate statement of changes in equity

	Share capital	Share premium	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2021	4 931	180 853	85 979	271 763	271 763
<u>Comprehensive income:</u>					
Net profit/(loss)	0	0	15 166	15 166	15 166
Comprehensive income for the year ended 30 June 2021*	0	0	15 166	15 166	15 166
Increase in equity due to share issue ²⁾	413	123 172	0	123 585	123 585
Changes in equity	413	123 172	15 166	138 751	138 751
Equity as at 30 June 2021*	5 344	304 025	101 145	410 514	410 514

	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	11 905	11 905	11 905
Comprehensive income for the year ended 30 June 2020	0	0	11 905	11 905	11 905
Distribution of net profit for 2019 ^{1)*}	0	0	(3 985)	(3 985)	(3 985)
Equity as at 30 June 2020	4 529	71 121	88 621	164 271	164 271

* Unaudited.

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 5 May 2021, the Company increased its share capital by PLN 413,346 through the issue of new Series E shares. The District Court for the Capital City of Warsaw registered the capital increase on 31 May 2021.

Notes to the interim condensed 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 Warsaw into a state-owned joint-stock company. The deed of transformation was drawn up before a notary public on 18 February 1995. Pursuant to a resolution of the 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 Parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

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 46 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., Lokafoop 201 Sp. z o.o. SKA, Lokafoop 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 Pruszków VI 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, MLP Wrocław West I Sp. z o.o., MLP Gelsenkirchen GP Sp. z o.o., MLP Gelsenkirchen LP Sp. z o.o., MLP Gelsenkirchen Sp. z o.o. & Co. KG.

For more information on subordinated entities, see Note 10.

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 - 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

2. Basis of preparation of the separate financial statements

2. 1 Statement of compliance

The Company prepared the condensed 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 Basis of preparation

These interim condensed 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. 3 **Functional currency and presentation currency of the financial statements; rules applied to translate financial data**

2. 3. 1 **Functional currency and presentation currency**

In these interim 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. 3. 2 **Rules applied to translate financial data**

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

Separate statement of financial position:

	30 June 2021 (unaudited)	31 December 2020	30 June 2020 (unaudited)
EUR	4,5208	4,6148	4,4660
USD	3,8035	3,7584	3,9806
RON	0,9174	0,9479	0,9220

2. 4 **Use of estimates and judgements**

In these interim condensed separate financial statements, material judgements made by the Management Board in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those presented in Note 3 to the separate financial statements for 2020.

The preparation of financial statements in accordance with IAS 34 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: estimate of expected credit loss (ECL) against financial assets, provision for bonuses for the Management Board.

3. 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 interim condensed consolidated financial statements of the Group.

3. 1. Key customers of the Company

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

	<i>for the 6 months ended 30 June</i>	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Westinvest Gesellschaft fur Investmentfonds mbH		17%	0%
MLP Wrocław Sp. z o.o.		13%	5%
MLP Lublin Sp. z o.o.		12%	7%
MLP Pruszków I Sp. z o.o.		11%	29%
MLP Gliwice Sp. z o.o.		10%	5%
MLP Pruszków III Sp. z o.o.		6%	13%
MLP Pruszków II Sp. z o.o.		3%	13%

4. Revenue

<i>for</i>	6 months ended 30 June 2021 <i>(unaudited)</i>	3 months ended 30 June 2021 <i>(unaudited)</i>	6 months ended 30 June 2020 <i>(unaudited)</i>	3 months ended 30 June 2020 <i>(unaudited)</i>
Property management	2 454	1 246	2 216	1 148
Project management	368	169	481	231
Advisory services	6 111	4 403	1 512	792
Recharge of services	313	82	244	80
Revenue from development contract ¹⁾	1 880	-	-	-
Total revenue	11 126	5 900	4 453	2 251
<i>- including from related entities</i>	<i>9 227</i>	<i>5 889</i>	<i>4 433</i>	<i>2 241</i>

¹⁾ The Company signed a property development contract with Westinvest Gesellschaft für Investmentfonds mbH, under which in 2020-2021 a warehouse was constructed on third-party land in Tychy. In 2020, the Group recognised revenue from the contract of PLN 17,742 thousand, calculated based on the percentage of completion of the work. In the six months ended 30 June 2021, the Group recognised the balance of the revenue in the amount of PLN 1,880 thousand.

In accordance with the type of contract criterion (IFRS 15), the revenue derived from the development contract in 2020 and 2021 is revenue from a fixed-price contract in the six months ended 30 June 2021, of PLN 1,880 thousand. The asset as at 31 December 2020 was recognised in the Polish segment and was accounted for in 2021.

For more information on income from related entities, see Note 24.3.

5. Other income

<i>for</i>	6 months ended 30 June 2021 <i>(unaudited)</i>	3 months ended 30 June 2021 <i>(unaudited)</i>	6 months ended 30 June 2020 <i>(unaudited)</i>	3 months ended 30 June 2020 <i>(unaudited)</i>
Reversal of provision for future costs	11	11	-	-
Proceeds from sale of property, plant and equipment	21	-	-	-
Other	6	2	270	(1)
Other income	38	13	270	(1)

6. Other expenses

<i>for</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Other expenses	(284)	(7)	-	2
Other expenses	(284)	(7)	-	2

7. Distribution costs and administrative expenses

<i>for</i>	6 months ended 30 June 2021 (unaudited)	3 months ended 30 June 2021 (unaudited)	6 months ended 30 June 2020 (unaudited)	3 months ended 30 June 2020 (unaudited)
Depreciation and amortisation	(53)	(28)	(246)	(116)
Materials and consumables used	(153)	(56)	(113)	(56)
Services	(6 823)	(3 771)	(2 930)	(1 360)
Taxes and charges	(139)	(58)	(32)	(17)
Wages and salaries	(1 751)	(1 160)	(1 218)	(718)
Social security and other employee benefits	(353)	(225)	(276)	(171)
Other expenses by nature	(491)	(451)	(89)	(40)
Distribution costs and administrative expenses	(9 763)	(5 749)	(4 904)	(2 478)

Distribution costs and administrative expenses for the period ended 30 June 2021 were PLN9,763 thousand. In most part, the costs incurred by the Company included costs related to the performance of the property development contract, of PLN 1,517 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.

8. Finance income and costs

<i>for</i>	6 months ended 30 June 2021 <i>(unaudited)</i>	3 months ended 30 June 2021 <i>(unaudited)</i>	6 months ended 30 June 2020 <i>(unaudited)</i>	3 months ended 30 June 2020 <i>(unaudited)</i>
Interest on loans to related entities	9 443	4 686	6 127	3 377
Interest on bank deposits	104	97	5	2
Dividend income	10 586	10 586	12 046	12 046
Other	1	1	-	-
Net exchange differences	1 202	68	-	-
Total finance income	21 336	15 438	18 178	15 425
Interest expense on non-bank borrowings from related entities	(1 562)	(783)	(1 868)	(871)
Interest paid to state budgets	(3)	(3)	-	-
Interest on bonds	(4 293)	(2 115)	(3 224)	(1 869)
Net exchange differences	-	-	(580)	1 767
Other finance costs	(226)	(110)	(160)	(93)
Total finance costs	(6 084)	(3 011)	(5 832)	(1 066)

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 loans to related parties, see Note 24.2.

9. Income tax

	6 months ended 30 June	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Current income tax		1 732	-
Temporary differences/reversal of temporary differences		(529)	260
Income tax		1 203	260

Effective tax rate

	6 months ended 30 June	2021 (unaudited)	2020 (unaudited)
Profit before tax		16 369	12 165
Tax at the applicable tax rate (19%)		(3 110)	(2 311)
Dividend income		2 011	-
Use of deferred tax asset written off in previous years		-	371
Non-taxable income		-	1 681
Expenses not deductible for tax purposes		(104)	(1)
Income tax		(1 203)	(260)

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

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

10. Non-current financial assets in related entities

<i>as at</i>	30 June 2021	31 December 2020
Gross amount at beginning of period	123 420	123 396
Acquisition of shares in MLP Business Park Wien GmbH	-	24
Acquisition of shares in MLP Wrocław West I Sp. z o.o	5	-
Acquisition of shares in MLP Gelsenkirchen GP Sp. z o.o.	5	-
Acquisition of shares in MLP Gelsenkirchen LP Sp. z o.o.	5	-
Gross amount at end of period	123 435	123 420
Net amount at end of period	123 435	123 420

As at 30 June 2021, the Company held directly or indirectly interests in the following entities:

Entity	Country of registration	Direct and indirect interest in equity		Direct and indirect interest in rights	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
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.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%

Entity	Country of registration	Direct and indirect interest in equity		Direct and indirect interest in rights	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
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 Pruszków VI Sp. z o.o. ¹⁾	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	Austria	100%	100%	100%	100%
MLP Wrocław West I Sp. z o.o. ²⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen GP Sp. z o.o. ³⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen LP Sp. z o.o. ⁴⁾	Poland	100%	-	100%	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG ⁵⁾	Germany	100%	-	100%	-

¹⁾ On 2 March 2021 the change of name of MLP Porperty I Sp. z o.o. to MLP Pruszków VI Sp. z o.o. was registered.

²⁾ On 9 March 2021, MLP Wrocław West I Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 29 March 2021.

³⁾ On 18 November 2020, MLP Gelsenkirchen GP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 May 2021.

⁴⁾ On 18 November 2020, MLP Gelsenkirchen LP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 17 June 2021.

⁵⁾ MLP Gelsenkirchen Sp. z o.o. & Co. KG, in which MLP Gelsenkirchen LP Sp. z o.o. is a limited partner and MLP Gelsenkirchen GP Sp. z o.o. was the general partner, was established pursuant to a notarial deed of 30 June 2021.

11. Long-term investments

	<i>as at</i>	30 June 2021	31 December 2020
Long-term loans to related entities		618 183	584 256
Long-term investments		618 183	584 256

For more information on loans to related parties, see Note 24.2.

12. Short-term investments

	<i>as at</i>	30 June 2021	31 December 2020
Short-term loans to related entities		3 508	58 957
Money fund units		134 796	20 000
Short-term investments		138 304	78 957

Money fund units is cash invested in a specialised open-end investment fund.

For more information on loans to related parties, see Note 24.2.

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

	<i>Shares</i>
Amount as at 31 December 2020	123 420
Subscription for shares	15
Amount as at 30 June 2021*	123 435

	<i>Loan assets</i>
Amount as at 31 December 2020	643 213
Loan advanced	170 344
Repayment of principal	(184 818)
Interest accrued	9 443
Payment of interest on loan	(8 621)
Realised foreign exchange gains/(losses)	4 833
Change in carrying amount	(12 703)
Amount as at 30 June 2021*	621 691

* Unaudited.

14. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
	<i>as at</i>					
Loans and non-bank borrowings	(937)	(234)	-	-	(937)	(234)
Tax loss	(398)	(1 141)	-	-	(398)	(1 141)
Other	(1 377)	(782)	-	-	(1 377)	(782)
Bonds	(433)	(459)	-	-	(433)	(459)
Deferred tax assets / liabilities	(3 145)	(2 616)	-	-	(3 145)	(2 616)

	1 January 2020	changes recognised in profit or loss	31 December 2020	changes recognised in profit or loss	30 June 2021
Loans and non-bank borrowings	116	(350)	(234)	(703)	(937)
Tax loss	(2 030)	889	(1 141)	743	(398)
Other	(517)	(265)	(782)	(595)	(1 377)
Bonds	(93)	(366)	(459)	26	(433)
	(2 524)	(92)	(2 616)	(529)	(3 145)

As at 30 June 2021, 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.

15. Trade and other receivables

	<i>as at</i> 30 June 2021	31 December 2020
Trade receivables from related parties	1 347	2 189
Trade receivables from other entities	1 289	590
Taxes and social security receivable	128	396
Prepayments and accrued income	878	832
Dividend receivable	6 655	4 635
Other	43	41
Trade and other receivables	10 340	8 683

For more information on receivables from related entities, see Note 24.

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.

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

	30 June 2021		31 December 2020	
	Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due	7 829	-	5 906	-
Past due from 1 to 90 days	87	-	584	-
Past due from 91 to 180 days	774	-	148	-
Pas due over 180 days	644	-	817	-
Total receivables	9 334	-	7 455	-

16. Cash and cash equivalents

	<i>as at</i> 30 June 2021	31 December 2020
Cash in hand	4	15
Cash at banks	45 866	6 453
Cash and cash equivalents in the separate statement of financial position	45 870	6 468
Cash and cash equivalents in the separate statement of cash flows	45 870	6 468

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.

17. Equity

17. 1 Share capital

	<i>as at</i> 30 June 2021	31 December 2020
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	1 607 000
Series E ordinary shares	1 653 384	-
Ordinary shares – total	21 373 639	19 720 255
Par value per share	0,25	0,25

As at 30 June 2021, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 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 was 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 5 May 2021, the Parent issued 1,653,384 Series E ordinary shares with a total par value of PLN 413,346. The par value per Series E 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 21,373,639.

On 31 May 2021, 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 4,930,063.75 to PLN 5,343,409.75.

Series E 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 16 June 2021 under ISIN PLMLPGR00017.

Changes in the share capital in the reporting period:

	as at 30 June 2021		31 December 2020	
	number of shares	Par value	shares	Par value
Number/value of shares at beginning of period	19 720 255	4 931	18 113 255	4 529
Issue of shares	1 653 384	413	1 607 000	402
Number/value of shares at end of period	21 373 639	5 344	19 720 255	4 931

17. 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 shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company were as follows:

Shareholder	Number of shares and voting rights	% of shares and voting rights
CAJAMARCA Holland BV	10 242 726	47,92%
Other shareholders	4 707 714	22,03%
THESINGER LIMITED	1 771 320	8,29%
MetLife OFE	1 656 022	7,75%
Israel Land Development Company Ltd. ¹⁾	1 653 019	7,73%
GRACECUP TRADING LIMITED	641 558	3,00%
MIRO B.V.	452 955	2,12%
Shimshon Marfogel	149 155	0,70%
MIRO LTD.	99 170	0,46%
Total	21 373 639	100,00%

On 5 May 2021, the Parent issued 1,653,384 Series E ordinary shares with a total par value of PLN 413,346. The par value per Series E 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 21,373,639.

¹⁾As part of the issue of Series E shares, 1,001,000 shares were acquired by the ultimate parent, i.e. Israel Land Development Company Ltd.

17. 1. 2 Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies

As at 30 June 2021, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled companies MIRO B.V. and MIRO Ltd., a 2.58% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO B.V. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 11.98% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr Shapiro was the beneficial owner of a 14.56% interest in the share capital of MLP S.A. Group

As at 30 June 2021, 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 0.65% of the share capital of MLP Group S.A., and held directly an 0.70% 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 1.35% 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.

17. 2 Capital reserve

The capital reserve was created from profit earned in 2010. (PLN 1,470 thousand) and profit earned in 2012 (PLN 2,724 thousand)

18. 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.

	6 months ended for 30 June 2021	3 months ended 30 June 2021	6 months ended 30 June 2020	3 months ended 30 June 2020
Net profit(loss) for the period	15 166	11 843	11 905	13 484
Number of shares in issue	21 373 639	21 373 639	18 113 255	18 113 255
Weighted average number of outstanding shares	20 001 331	20 265 872	18 113 255	18 113 255
Earnings per share for period (PLN per share):				
- basic	0,76	0,58	0,66	0,74
- diluted	0,76	0,58	0,66	0,74

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.

19. Non-bank borrowings and other debt instruments

19. 1 Non-current liabilities

	<i>as at</i>	30 June 2021	31 December 2020
Bonds ¹⁾		248 644	346 110
Non-bank borrowings from related entities		177 306	178 143
Non-current liabilities under non-bank borrowings and other debt instruments		425 950	524 253

19. 2 Current liabilities

	<i>as at</i>	30 June 2021	31 December 2020
Bonds		92 680	2 420
Non-bank borrowings from related entities		1 321	1 343
Current liabilities under non-bank borrowings and other debt instruments		94 001	3 763

For more information on borrowings from related entities, see Note 24.2.

19. 3 Change in financial liabilities attributable to financing and other activities

	Bonds
Amount as at 31 December 2020	348 530
Interest accrued on bonds	4 293
Interest paid on bonds	(4 358)
Change in carrying amount	(7 141)
Amount as at 30 June 2021*	341 324

	Non-bank borrowings from related entities
Amount as at 31 December 2020	179 486
Interest accrued	1 562
Change in carrying amount	(2 421)
Amount as at 30 June 2021*	178 627

* Unaudited.

19. 4 Liabilities under bonds

Instrument	currency	nominal value	maturity date	interest rate	guarantees and collateral	Listing venue
Private bonds – Series A	EUR	20 000 000	2022-05-11	6M EURIBOR + margin	none	Catalyst
Private bonds – Series B	EUR	10 000 000	2023-05-11	6M EURIBOR + margin	none	Catalyst
Public bonds – Series C	EUR	45 000 000	2025-02-19	6M EURIBOR + margin	none	Catalyst

19. 5 Non-bank borrowings not secured with the Company's assets

Loan from	currency	effective rate (%)	as at 30 June 2021*			31 December 2020		
			matures in	in foreign currency	in PLN	matures in	in foreign currency	in PLN
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2027	14 596	65 986	2027	14 423	66 561
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2021	292	1 321	2021	291	1 343
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	509	2 303	2025	507	2 341
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	7 898	2025	-	7 841
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	41 962	2026	-	41 544
MLP Pruszków I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	7 253	32 787	2025	7 225	33 344
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2 166	9 791	2027	2 155	9 946
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1 086	4 911	2025	1 081	4 989
MLP Bieruń Sp. z o.o.	EUR	3M EURIBOR + margin	2027	6	29	2027	6	28
LOKAFOP 201 Sp. z o.o. SKA	PLN	3M WIBOR + margin	2025	-	11 639	2025	-	11 549
Total				25 908	178 627		25 688	179 486

* Unaudited.

20. Employee benefit obligations

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Special accounts		157	157
Provision for bonuses		608	1 216
Employee benefit obligations		765	1 373

21. Trade and other payables

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Trade payables to other entities		953	6 080
Taxes and social security payable		207	123
Accrued expenses		6 756	4 626
Investment and other commitments		1 027	20
Trade and other payables		8 943	10 849
Income tax payable		178	-
Current liabilities		9 121	10 849

For information on liabilities to related parties, see Note 24.

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

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Not past due		8 633	10 289
Past due from 1 to 90 days		87	423
Past due from 91 to 180 days		-	-
Pas due over 180 days		16	14
Total trade and other payables		8 736	10 726

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.

22. Financial instruments

22. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 30 June 2021 and 31 December 2020 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,

Financial assets are classified by the Group into the following categories:

- measured at amortised cost;
- measured at fair value through profit or loss;
- measured at fair value through other comprehensive income.

Debt instruments held to collect contractual cash flows which comprise solely payments of principal and interest ("SPPI") are measured at amortised cost.

Debt instruments giving rise to cash flows which are solely payments of principal and interest and which are held to collect contractual cash flows and for sale are measured at fair value through other comprehensive income. Instruments that do not qualify for measurement at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. Below is presented the structure of the Financial Instruments by category of instruments listed above:

22. 1. 1 Financial assets

	<i>as at</i>	30 June 2021	31 December 2020
		<i>(unaudited)</i>	
Financial assets measured at amortised cost:			
Cash and cash equivalents		45 870	6 468
Loans and receivables, including:			
• Trade and other receivables		9 334	7 455
• Money fund units		134 796	20 000
• Loans		621 691	643 213
Total financial assets measured at amortised cost		811 691	677 136
Total financial assets		811 691	677 136

Measurement of assets at amortised cost as at 30 June 2021*

<i>* Unaudited.</i>	Stage 1	Stage 2	Stage 3
Gross carrying amount	802 357	9 334	-
Cash and cash equivalents	45 870	-	-
Loans and receivables, including:			
• Trade and other receivables	-	9 334	-
• Money fund units	134 796		
• Loans	621 691	-	-
Impairment losses (IFRS 9)	-	-	-
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	-	-
• Loans	-	-	-
Carrying amount (IFRS 9)	802 357	9 334	-

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

	Stage 1	Stage 2	Stage 3
Gross carrying amount	669 681	7 455	-
Cash and cash equivalents	6 468	-	-
Loans and receivables, including:			
• Trade and other receivables		7 455	-
• 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)	669 681	7 455	-

22. 1.2 Financial liabilities

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Financial liabilities measured at amortised cost:			
Non-bank borrowings		178 627	179 486
Trade and other payables		8 736	10 726
Bonds		341 324	348 530
Total financial liabilities measured at amortised cost		528 687	538 742
Total financial liabilities		528 687	538 742

23. Contingent liabilities and security instruments

In the period ended 30 June 2021, the Company recognised the following changes in contingent liabilities and security instruments:

- On 9 April 2021, in connection with the execution of a credit facility agreement MLP Group S.A. undertook to provide support to MLP Wrocław Sp. z o.o. concerning construction cost overruns,
- In connection with the execution of a credit facility agreement, on April 9th 2021 registered and financial pledges were created over MLP Group S.A.'s shareholdings in MLP Wrocław Sp. z o.o. and MLP Gliwice Sp. z o.o.,
- In connection with the execution of a credit facility agreement, on February 10th 2021 registered and financial pledges were created over MLP Group S.A.'s shareholding in MLP Poznań West II Sp. z o.o.

The other contingent liabilities and security instruments disclosed in the separate financial statements for 2020 did not change in the six months ended 30 June 2021 and remain effective as at 30 June 2021.

24. Related-party transactions

24. 1 Trade and other receivables and payables

The balances of trade and other receivables and payables under related-party transactions as at 30 June 2021* were as follows:

<i>* Unaudited.</i>	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd., Tel-Aviv	88	-
Other related parties		
MLP Pruszków I Sp. z o.o.	255	-
MLP Pruszków II Sp. z o.o.	79	-
MLP Pruszków III Sp. z o.o.	127	-
MLP Pruszków IV Sp. z o.o.	87	-
MLP Pruszków V Sp. z o.o.	56	-
MLP Poznań Sp. z o.o.	23	-
MLP Poznań II Sp. z o.o.	25	-
MLP Lublin Sp. z o.o.	103	-
MLP Teresin Sp. z o.o.	46	-
MLP Energy Sp. z o.o.	16	-
MLP Wrocław Sp. z o.o.	74	-
MLP Czeladź Sp z o.o.	23	-
MLP Gliwice Sp. z o.o.	68	-
MLP Property Sp. z.o.o.	6 655	-
MLP Business Park Poznań Sp. z o.o.	20	-
MLP Bieruń I Sp. z o.o.	13	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	40	-
MLP Wrocław West Sp. z o.o.	18	-
MLP Łódź II Sp. z o.o.	35	-
MLP Bucharest West SRL	143	-
MLP Germany Management GmbH	7	-
	7 914	-
Total	8 002	-

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-Awiw	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	-
Total	6 824	-

¹⁾ Trade and other payables do not include the remuneration of key management personnel and share-based payments disclosed in Note 27.

24. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 30 June 2021*.

<i>* Unaudited.</i>	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	298	152 257
MLP Pruszków II Sp. z o.o.	61 211	-
MLP Pruszków III Sp. z o.o.	10 107	-
MLP Pruszków IV Sp. z o.o.	6 658	-
MLP Pruszków V Sp. z o.o.	22 490	-
MLP Poznań Sp. z o.o.	3 818	-
MLP Poznań II Sp. z o.o.	174	-
MLP Czeladź Sp. z o.o.	17 525	-
MLP Gliwice Sp. z o.o.	9 774	-
MLP Property Sp. z o.o.	-	-
MLP Business Park Poznań Sp. z o.o.	34 210	-
MLP Temp Sp. z o.o.	-	14 702
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11 639
MLP Bieruń Sp. z o.o.	59	29
MLP Bieruń I Sp. z o.o.	5 780	-
Fenix Polska Sp. z o.o.	10 031	-
MLP FIN Sp. z o.o.	101	-
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.	16 699	-
MLP Poznań West II Sp. z o.o.	52 930	-
MLP Bucharest West Sp. z o.o.	21 046	-
MLP MLP Dortmund LP Sp. z o.o.	84	-
MLP MLP Dortmund GP Sp. z o.o.	65	-
MLP Teresin II Sp. z o.o.	21	-
MLP Wrocław West Sp. z o.o.	66 499	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	87	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	44 846	-
MLP Bucharest West SRL	38 274	-
MLP Business Park Berlin I LP Sp. z o.o.	36 696	-
MLP Germany Management GmbH	1 970	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	83 606	-
MLP Schwalmtal Sp. z o.o. & Co. KG	7 992	-
MLP Schwalmtal LP Sp. z o.o.	48	-
MLP Schwalmtal GP Sp. z o.o.	41	-
MLP Business Park Wien GmbH	68 469	-
Total	621 691	178 627

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.	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 MLP Dortmund LP Sp. z o.o.	83	-
MLP 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	-
MLP Schwalmtal GP Sp. z o.o.	41	-
MLP Business Park Wien GmbH	28 162	-
Total	643 213	179 486

24. 3 Income and expenses

Below are presented income and expenses from related-party transactions for the period ended 30 June 2021*:

<i>* Unaudited.</i>	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd., Tel-Aviv	110	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	1 272	-	-
MLP Pruszków II Sp. z o.o.	287	782	-
MLP Pruszków III Sp. z o.o.	642	146	3 931
MLP Pruszków IV Sp. z o.o.	426	111	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	3	611	-
MLP Poznań Sp. z o.o.	148	60	-
MLP Poznań II Sp. z o.o.	128	1	-
MLP Lublin Sp. z o.o.	1 296	217	-
MLP Teresin Sp. z o.o.	540	47	-
MLP Energy Sp. z o.o.	78	-	-
MLP Wrocław Sp. z o.o.	1 450	136	-
MLP Czeladź Sp. z o.o.	105	247	-
MLP Gliwice Sp. z o.o.	1 131	342	-
MLP Property Sp. z o.o.	-	1	6 655
MLP Business Park Poznań Sp. z o.o.	150	342	-
MLP TEMP	-	1	-
MLP Bieruń	-	1	-
MLP Bieruń I Sp. z o.o.	14	82	-
MLP Spółka z. o.o.	-	1	-
MLP FIN Sp.z o.o. Sp. z o.o.	-	2	-
LOKAFOP 201 Sp. z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	3	1	-
MLP Poznań West II Sp. z o.o.	1 031	774	-
MLP Bucharest West Sp. z o.o.	-	354	-
MLP Dortmund LP Sp. z o.o.	-	1	-
MLP DORTMUND GP	-	1	-
MLP Teresin II	-	1	-
MLP Pruszków V Sp. z o.o.	257	340	-
MLP Wrocław West Sp. z o.o.	45	948	-
MLP Łódź II Sp.z o.o. Sp. z o.o.	45	493	-
MLP Poznań East Sp.z o.o.	-	1	-
MLP Property I Sp.z o.o.	-	214	-
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.	-	63	-
MLP BUCHAREST WEST SRL	60	578	-
MLP Germany Management GmbH	3	31	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	-	1 046	-
MLP Schwalmtal Sp. z o.o. & Co. KG	3	123	-
MLP Business Park Wien GmbH	-	1 338	-
	9 117	9 443	10 586
Total income	9 227	9 443	10 586

		Purchase of services and salaries	Interest expense
Other related parties			
MLP Pruszków I Sp. z o.o.		(24)	(1 400)
MLP Teresin Sp. z o.o.		(3)	-
MLP Wrocław Sp. z o.o.		(3)	-
MLP Gliwice Sp. z o.o.		(3)	-
MLP Temp Sp. z o.o.		-	(72)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(90)
		(33)	(1 562)
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>see Note 27.</i>	(246)	-
RTK CONSULTING, Radosław T. Krochta	<i>see Note 27.</i>	(55)	-
PROFART, Tomasz Zabost	<i>see Note 27.</i>	(47)	-
Other key management personnel	<i>see Note 27.</i>	(308)	-
		(656)	-
Total expenses		(689)	(1 562)

Below are presented income and expenses under related-party transactions for the six months ended 30 June 2020*.

<i>* Unaudited.</i>	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd., Tel-Aviv	89	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	1 281	-	12 046
MLP Pruszków II Sp. z o.o.	120	121	-
MLP Pruszków III Sp. z o.o.	601	35	-
MLP Pruszków IV Sp. z o.o.	383	69	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	45	538	-
MLP Poznań Sp. z o.o.	107	5	-
MLP Poznań II Sp. z o.o.	168	2	-
MLP Lublin Sp. z o.o.	303	295	-
MLP Teresin Sp. z o.o.	135	95	-
MLP Energy Sp. z o.o.	71	-	-
MLP Wrocław Sp. z o.o.	227	186	-
MLP Czeladź Sp. z o.o.	137	251	-
MLP Gliwice Sp. z o.o.	212	484	-
MLP Property Sp. z o.o.	-	2	-
MLP Business Park Poznań Sp. z o.o.	54	157	-
MLP Bieruń I Sp. z o.o.	-	27	-
MLP FIN Sp.z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	4	-	-
MLP Poznań West II Sp. z o.o.	100	1 136	-
MLP Bucharest West Sp. z o.o.	-	347	-
MLP Dortmund LP Sp. z o.o.	-	1	-
MLP Pruszków V Sp. z o.o.	270	467	-
MLP Wrocław West Sp. z o.o.	66	252	-
MLP Łódź II Sp.z o.o.	2	302	-
MLP FIN Sp.z o.o. Sp.k.	-	1	-
Fenix Sp. z o.o.	-	296	-
MLP BUCHAREST WEST SRL	53	641	-
MLP Germany Management GmbH	1	28	-
MLP Schwalmtal Sp. z o.o. & Co. KG	-	82	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	4	306	-
	4 344	6 127	12 046
Total income	4 433	6 127	12 046

		Purchase of services and salaries	Interest expense
Other related parties			
MLP Pruszków I Sp. z o.o.		(27)	(1 632)
MLP Pruszków III Sp. z o.o.		-	(13)
MLP Teresin Sp. z o.o.		(3)	-
MLP Wrocław Sp. z o.o.		(3)	-
MLP Czeladź Sp z o.o.		(2)	-
MLP Gliwice Sp. z o.o.		(3)	-
MLP Temp Sp. z o.o.		-	(83)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(140)
MLP Germany Management GmbH		(33)	-
MLP Poznań West II Sp. z o.o.		(2)	-
		(73)	(1 868)
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>see Note 27.</i>	(240)	-
RTK CONSULTING, Radosław T. Krochta	<i>see Note 27.</i>	(61)	-
PROFART, Tomasz Zabost	<i>see Note 27.</i>	(50)	-
Other key management personnel	<i>see note 27.</i>	(304)	-
		(655)	-
Total expenses		(728)	(1 868)

25. Significant litigation and disputes

As at 30 June 2021, the Company was not party to any material litigation.

26. Significant events during and subsequent to the reporting period

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 was 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 5 May 2021, the Parent issued 1,653,384 Series E ordinary shares with a total par value of PLN 413,346. The par value per Series E 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 21,373,639.

On 31 May 2021, 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 4,930,063.75 to PLN 5,343,409.75.

Series E 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 16 June 2021 under ISIN PLMLPGR00017.

26. 1 Effect of the COVID-19 pandemic on the activities of MLP Group S.A.

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 interim separate financial statements for 2021 or for the comparative period, 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.

27. Remuneration paid or due to Management and Supervisory Board members

<i>for the 6 months ended 30 June</i>		2021	2020
		<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration of the Management Board:			
• Remuneration and other benefits			
Radosław T. Krochta	<i>see Note 24.3</i>	55	61
Michael Shapiro	<i>see Note 24.3</i>	246	240
Tomasz Zabost	<i>see Note 24.3</i>	47	50
		348	351
		348	351
Remuneration of the Supervisory Board:			
• Remuneration and other benefits			
Matusiak Maciej		24	15
Levy Eytan		24	15
Marfogel Shimshon		24	15
Piotr Chajderowski		24	15
Daniel Nimrodi		-	15
Guy Shapira		24	15
Oded Setter		24	-
		144	90
Total remuneration paid or due to members of the Company's management and supervisory bodies		492	441
Other management personnel:			
• Remuneration and other benefits <i>see Note 24.3</i>			
		308	304
		308	304
Total remuneration paid or due to members of the Company's management and supervisory bodies		800	745

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.

28. Employees

	<i>as at</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020
Number of employees		18	19

Signed with a qualified electronic signature.

Radosław T. Krochta
President of the Board

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
Member of the Management

Maria Ratajczyk
Signature of the person

Pruszków, 25 August 2021



Management Board's Report on the activities of the MLP Group S.A. Group

for the six months ended 30 June 2021

This Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2021 has been prepared in accordance with the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz. U. of 2018, item 757).

Contents

Authorisation by the MLP Group S.A. Management Board Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2021	109
Introduction	110
1. General information on the Group and MLP Group S.A.	111
1.1 Structure of the Group	111
1.2 Principal business of the Company and the Group	113
1.3 The Group's property portfolio	114
1.4 Market, customers and suppliers	118
1.4.1 Structure of the Group's sales	118
1.4.2 Key trading partners	119
2. Activities of the MLP Group S.A. Group	120
2.1 Activities of the MLP Group S.A. Group in the first half of 2021	120
2.1.1 Projects started and projects completed	120
2.1.2 Projects under construction and in the pipeline	120
2.1.3 Material agreements	121
2.1.4 Shareholder agreements	121
2.1.5 Partnership or cooperation agreements	121
2.1.6 Related-party transactions	121
2.1.7 Litigation	121
2.2 Development of the Group and risk factors	122
2.2.1 Key risk factors relevant to the development of the Group	122
2.2.2 Business development prospects	127
3. Financial condition of the Group; management of financial resources	130
3.1 Key economic and financial data disclosed in the Group's consolidated financial statements for H1 2021	130
3.1.1 Selected financial data from the consolidated statement of financial position	130
3.1.2 Selected financial data from the consolidated statement of profit or loss	137
3.1.3 Selected data from the consolidated statement of cash flows	141
3.2 Management Board's position on published forecasts	141
3.3 Management of the Group's financial resources	142
3.3.1 Profitability ratios	142
3.3.2 Liquidity ratios	143
3.3.3 Debt ratios	144

3.4	Borrowings, bonds, sureties and guarantees	145
3.4.1	<i>New and terminated non-bank borrowings</i>	145
3.4.2	<i>New and terminated bank borrowings</i>	145
3.4.3	<i>Bonds</i>	145
3.4.4	<i>Loans</i>	146
3.4.5	<i>Sureties issued and received</i>	146
3.4.6	<i>Guarantees provided and received</i>	146
3.5	Feasibility of investment plans	146
3.6	Non-recurring factors and events with a bearing on the consolidated financial result for the six months ended 30 June 2021	146
3.7	Issue, redemption, cancellation and repayment of non-equity and equity securities	146
3.8	Material achievements and failures in the six months ended 30 June 2021	147
3.9	Seasonality and cyclicity	147
4.	Statement of the Management Board	147

Authorisation by the MLP Group S.A. Management Board Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2021

This Management Board's report on the activities of the MLP Group S.A. Group for the six months ended 30 June 2021 was prepared and authorised for issue by the Management Board of MLP Group S.A. on 25 August 2021.

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
Member of the Management

Pruszków, 25 August 2021

Introduction

MLP Group S.A. (the "Company", the "Issuer", the "Parent") is the parent of the MLP Group S.A. Group (the "Group"). The Company is entered in the National Court Register maintained by the District Court for the Capital City of Warsaw, 14th Commercial Division of the National Court Register, under No. 0000053299. The Company's registered office is located at ul. 3-go Maja 8, 05-800 Pruszków, Poland.

The Company was established on 18 February 1995 (based on a deed of transformation) and was incorporated for an indefinite term.

The Parent's and its subsidiaries' 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 Parent of the Group is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

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

1. General information on the Group and MLP Group S.A.

1.1 Structure of the Group

As at 30 June 2021, the Group consisted of the following entities:

No.	Entity	Country of registration	Parent's direct and indirect interest in equity	Parent's direct and indirect interest in voting rights
1	MLP Pruszków I Sp. z o.o.	Poland	100%	100%
2	MLP Pruszków II Sp. z o.o.	Poland	100%	100%
3	MLP Pruszków III Sp. z o.o.	Poland	100%	100%
4	MLP Pruszków IV Sp. z o.o.	Poland	100%	100%
5	MLP Poznań Sp. z o.o.	Poland	100%	100%
6	MLP Lublin Sp. z o.o.	Poland	100%	100%
7	MLP Poznań II Sp. z o.o.	Poland	100%	100%
8	MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
9	MLP Energy Sp. z o.o.	Poland	100%	100%
10	MLP Property Sp. z o.o.	Poland	100%	100%
11	MLP Bieruń Sp. z o.o.	Poland	100%	100%
12	MLP Bieruń I Sp. z o.o.	Poland	100%	100%
13	MLP Sp. z o.o.	Poland	100%	100%
14	MLP Teresin Sp. z o.o.	Poland	100%	100%
15	MLP Business Park Poznań Sp. z o.o. (formerly: MLP Poznań West Sp. z o.o.)	Poland	100%	100%
16	MLP FIN Sp. z o.o.	Poland	100%	100%
17	LOKAFOP 201 Sp. z o.o.	Poland	100%	100%
18	LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
19	MLP Wrocław Sp. z o.o.	Poland	100%	100%
20	MLP Gliwice Sp. z o.o.	Poland	100%	100%
21	MLP Business Park Berlin I LP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%
22	MLP Czeladź Sp. z o.o.	Poland	100%	100%
23	MLP Temp Sp. z o.o.	Poland	100%	100%
24	MLP Dortmund LP Sp. z o.o.	Poland	100%	100%
25	MLP Dortmund GP Sp. z o.o.	Poland	100%	100%
26	MLP Logistic Park Germany I Sp. z o.o. &Co KG.	Germany	100%	100%
27	MLP Poznań West II Sp. z o.o.	Poland	100%	100%
28	MLP Bucharest West Sp. z o.o.	Poland	100%	100%
29	MLP Bucharest West SRL	Romania	100%	100%
30	MLP Teresin II Sp. z o.o.	Poland	100%	100%
31	MLP Pruszków V Sp. z o.o.	Poland	100%	100%
32	MLP Germany Management GmbH	Germany	100%	100%
33	MLP Wrocław West Sp. z o.o.	Poland	100%	100%
34	MLP Business Park Berlin I GP Sp. z o.o.	Poland	100%	100%

No.	Entity	Country of registration	Parent's direct and indirect interest in equity	Parent's direct and indirect interest in voting rights
35	MLP Łódź II sp. z o.o.	Poland	100%	100%
36	MLP Poznań East sp. z o.o.	Poland	100%	100%
37	MLP Schwalmatal LP sp. z o.o.	Poland	100%	100%
38	MLP Schwalmatal GP sp. z o.o.	Poland	100%	100%
39	MLP Property I sp. z o.o. ¹⁾	Poland	100%	100%
40	MLP Business Park Berlin I Sp. z o.o. & Co. KG	Germany	100%	100%
41	MLP Schwalmatal Sp. z o.o. & Co. KG	Germany	100%	100%
42	MLP Business Park Wien GmbH	Austria	100%	100%
43	MLP Wrocław West I Sp. z o.o. ²⁾	Poland	100%	100%
44	MLP Gelsenkirchen GP Sp. z o.o. ³⁾	Poland	100%	100%
45	MLP Gelsenkirchen LP Sp. z o.o. ⁴⁾	Poland	100%	100%
46	MLP Gelsenkirchen Sp. z o.o. & Co.KG ⁵⁾	Germany	100%	100%

Changes in the Group

¹⁾ 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.

²⁾ On 9 March 2021, MLP Wrocław West I Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 29 March 2021.

³⁾ On 18 November 2020, MLP Gelsenkirchen GP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 21 May 2021.

⁴⁾ On 18 November 2020, MLP Gelsenkirchen LP Sp. z o.o. was established. All shares in the new company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 17 June 2021.

⁵⁾ MLP Gelsenkirchen Sp. z o.o. & Co. KG, in which MLP Gelsenkirchen LP Sp. z o.o. is a limited partner and MLP Gelsenkirchen GP Sp. z o.o. was the general partner, was established pursuant to a notarial deed of 30 June 2021.

1. 2 Principal business of the Company and the Group

MLP Group is one of the leading industrial space developers in Europe. Since 1998, MLP Group has been operating on the commercial real estate market, specialising in the construction of modern warehouse and production parks, offering its tenants warehouse and logistics space, as well as production space suitable for light industrial production. The Group operates on the Polish, German, Romanian and Austrian markets as an industrial developer which, in keeping with its build & hold strategy, provides comprehensive environmentally-friendly warehouse and production space solutions to numerous international and Polish logistics, distribution and production companies.

In line with its strategy, the Group implements projects in/near principal urban areas – this approach is one of the key drivers of the Group's long-term growth. The locations of the Group's logistics parks must meet the following criteria:

- location near large metropolitan areas,
- location near road transport nodes,
- easy access to the logistics parks by public transport.

At present, the Group operates twelve 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 four logistics parks: MLP Unna, MLP Business Park Berlin, MLP Business Park Niederrhein and MLP Gelsenkirchen. The Group owns a logistics park in Romania (MLP Bucharest West), and a new logistics park in Austria (MLP Vienna).

The total area of the Group's land bank in all of its markets is 102.82 ha.

The Group has also signed a number of reservation agreements to purchase new land for planned logistics parks in Poland, Germany and Austria.

In Poland, the land bank was expanded to include land designated for future projects in: Pruszków – ca. 20 ha (extension of the existing MLP Pruszków II park), Grodzisk Mazowiecki – ca. 7 ha, Gorzów Wielkopolski – ca. 10 ha, and Łódź – ca. 5 ha. Additionally, in August 2021 the Group purchased more land (ca. 10 ha) to expand the existing MLP Poznań West park.

In Germany, the MLP Group companies have reservation agreements for land plots in Cologne (ca. 6 ha), Frankfurt am Main area (ca. 5 ha) and Leipzig (ca. 13 ha). In July 2021, the Group purchased a land plot in Gelsenkirchen (ca. 11 ha).

The Group currently operates two types of warehouse space formats:

- (1) **big box storage facilities**, i.e. large-scale storage facilities with an area of ca. 5,000 m², including space built on a speculative basis and BTS facilities, built to order for a specific tenant, and
- (2) **City Logistics facilities**. Projects are developed on a speculative basis and operated as MLP Business Parks, offering small storage modules (ranging from 500 m² to 2,500 m²) with office facilities (ca. 20% of total warehouse space), located in urban agglomerations. The first projects of this type are MLP Business Park Berlin and MLP Business Park Poznań.

The Group's key customers include logistics, production and e-commerce companies. The structure of tenants is distributed proportionally across the business segments.

1.3 The Group's property portfolio

The Group classifies its portfolio properties into two main categories:

- properties generating rental income,
- projects under construction or in the pipeline,
- land bank (area).

The structure of the Group's property portfolio by property category as at 30 June 2021 is presented below.

Logistics parks in Poland	Location	Target area (m ²)	Existing leasable space (m ²)	Space under construction and in the pipeline (m ²)	Land bank (area) (m ²)	Target capacity (m ²)
MLP Pruszków I	<i>Pruszków</i>	169 549	169 549	-	-	170 695
MLP Pruszków II	<i>Brwinów</i>	335 000	233 789	96	197 687	335 000
MLP Poznań	<i>Poznań</i>	89 935	58 186	-	63 742	89 935
MLP Poznań West	<i>Dąbrówka</i>	82 818	20 760	53 148	17 820	82 818
MLP Lublin	<i>Lublin</i>	48 314	46 321	-	3 780	48 314
MLP Teresin	<i>Teresin</i>	37 954	37 954	-	-	37 954
MLP Gliwice	<i>Szałsza</i>	52 888	44 384	-	17 280	52 888
MLP Wrocław	<i>Mirków</i>	63 234	46 527	-	33 768	63 234
MLP Wrocław West ⁶⁾	<i>Mokronos Dolny</i>	51 720	-	8 640	90 824	51 720
MLP Czeladź	<i>Czeladź</i>	68 332	18 899	-	98 882	68 332
MLP Łódź ³⁾	<i>Łódź</i>	71 100	-	17 410	132 468	71 100
MLP Unna ²⁾	<i>Unna</i>	56 500	-	56 500	-	56 500
MLP Business Park Berlin ¹⁾	<i>Berlin</i>	17 881	12 013	5 868	-	17 881
MLP Business Park Niederrhein ⁴⁾	<i>Schwalmtal</i>	64 000	-	-	125 000	64 000
MLP Bucharest West	<i>Bucharest</i>	99 000	22 910	-	148 704	99 000
MLP Business Park Poznań	<i>Poznań</i>	24 987	24 987	-	-	24 987
MLP Vienna ⁵⁾	<i>Vienna</i>	52 500	-	-	98 249	52 500
Total		1 385 712	736 279	141 662	1 028 204	1 386 858

¹⁾ MLP Business Park Berlin is the Group's first City Logistic project.

²⁾ On 4 April 2017, MLP Logistic Park Germany I Sp. z o.o. & Co KG. purchased land with an area of 12.5 ha, together with warehouse and office buildings, which were demolished in the first half of 2021. Once the demolition work was completed, in 2021 the Group commenced the construction of a new warehouse facility for a tenant with whom it concluded a lease contract in 2019. The new facility will have an area of 56,500 m².

³⁾ By the date of issue of this report, MLP Łódź II Sp. z o.o. purchased 21 ha of land.

⁴⁾ In November 2019, MLP Schwalmtal Sp. z o.o. & Co. KG concluded a preliminary agreement for the sale of 12.5 ha of land, to be used for development of MLP Business Park Niederrhein, a new logistics park. The transaction will be completed by the end of 2021.

⁵⁾ In December 2020, the Group signed a notarial deed to purchase property in Austria for the construction of a new park in Vienna – MLP Vienna, with an area of 9.8 ha.

⁶⁾ In April 2021, the Group signed a notarial deed to purchase additional land with an area of 3.5ha, expanding the MLP Wrocław West logistics park.

Summary of the leasable space owned by the Group as at 30 June 2021 (m²):

Target space upon completion (m ²)	Space completed (m ²)	Space under construction and in the pipeline (m ²)	Space completed and leased out (m ²)	Pre-leased space under construction and in the pipeline (m ²)	Space completed but not leased out (m ²)	Target capacity (m ²)
POLAND:						
1 095 831	701 356	79 294	678 861	72 679	22 495	1 096 977
GERMANY:						
138 381	12 013	62 368	2 872	56 500	9 141	138 381
AUSTRIA:						
52 500	-	-	-	-	-	52 500
ROMANIA:						
99 000	22 910	-	17 435	-	5 475	99 000
1 385 712	736 279	141 662	699 168	129 179	37 111	1 386 858

Types of rental space offered:

The Group offers two types of space to its tenants:

- warehouse space, i.e. space for storing goods, and
- production space, i.e. space designated for light industrial production.

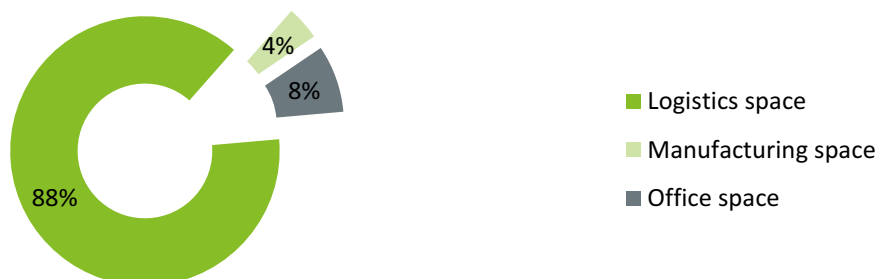
The Group also provides its tenants with support office space. The final division of leased space depends on tenants' requirements.

The space will be made available in two formats:

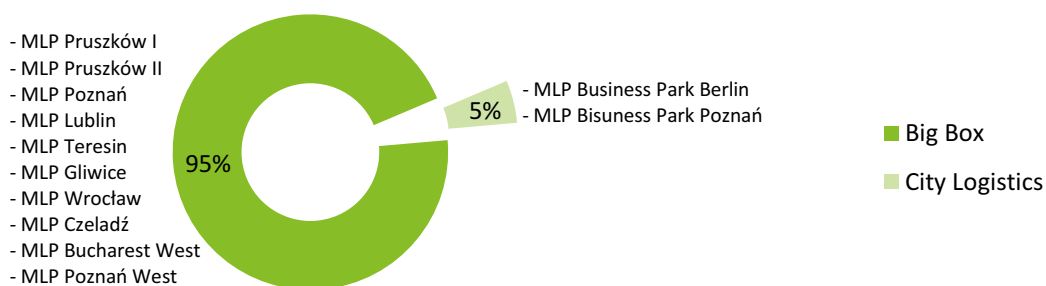
- City Logistics facilities,
- big-box warehouses.

Space completed at the Group's parks as at 30 June 2021:

Space completed at the Group by type of facility as at 30 June 2021



Space completed at the Group by format as at 30 June 2021



The Group has been developing the City Logistics concept for a year. At present, the concept is being implemented in two parks: MLP Business Park Berlin and MLP Business Park Poznań. The Group plans to develop this concept also in other locations, including at MLP Łódź and MLP Wrocław West.

Fair value of the Group's property portfolio as at 30 June 2021:

Logistics park	Fair value (EUR '000)	Fair value (PLN '000)
MLP Pruszków I	92 240	416 999
MLP Pruszków II	160 350	724 910
MLP Poznań	36 820	166 456
MLP Lublin	35 970	162 613
MLP Teresin	17 470	78 978
MLP Gliwice	35 480	160 398
MLP Wrocław	33 320	150 633
MLP Czeladź	20 190	91 275
MLP Poznań West	30 370	137 297
MLP Poznań Business Park	9 480	42 857
MLP Łódź	8 350	37 749
MLP Wrocław West	14 320	64 738
MLP Business Park Berlin	20 800	94 033
MLP Unna	36 400	164 557
MLP Bucharest West	16 700	75 480
MLP Vienna	20 500	92 676
Total	588 760	2 661 649

The value of investment property portfolio disclosed in the interim condensed consolidated financial statements as at 30 June 2021 included: (i) market value of investment property of PLN 2,661,649 thousand and (ii) perpetual usufruct right to land of PLN 36,792 thousand.

1. 4 Market, customers and suppliers

The Group's property portfolio currently comprises twelve logistics parks at the following key locations in Poland: 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 owns four logistics parks: MLP Unna, MLP Business Park Berlin, MLP Business Park Niederrhein and MLP Gelsenkirchen. In Romania the Group operates the MLP Bucharest West logistics park, and in Austria – the MLP Vienna logistics park.

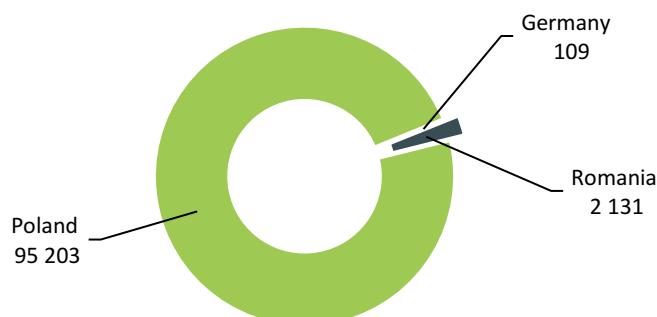
The Group has signed agreements granting options to purchase land in new locations in Poland and Germany, which would allow it to expand the selection of available locations for tenants.

1. 4.1 Structure of the Group's sales

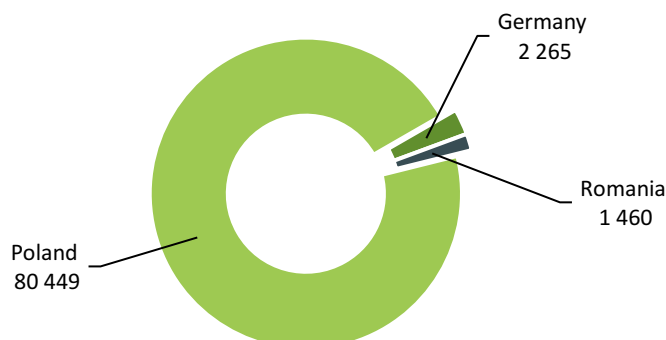
The Group earns revenue from lease of investment property in logistics parks in Poland and Germany, and since July 2019 – also in Romania. The table below presents the types of revenue derived from lease of the properties.

Revenue for the six months ended 30 June	2021	2020	change (%)
Sales to external customers:			
Rental income from investment property	54 118	48 441	11,7%
Recharge of service charges	19 859	17 923	10,8%
Recharge of utility costs	20 367	17 033	19,6%
Other revenue	1 341	777	72,6%
Revenue from development contract concluded by MLP Group S.A.	1 880	-	100,0%
Total	97 565	84 174	15,9%

H1 2021 revenue by geography



H1 2020 revenue by geography



In Germany, rental income in the first half of 2020 was generated by MLP Unna. In the first half of 2021, rental income fell as the existing buildings in the MLP Unna logistics park were demolished and a new space will be constructed for the tenant with whom the Group signed a lease contract in 2019. The new facility, with an area of 56,500 m², will be completed in the first half of 2022.

Rental income generated by the parks in Germany will increase from the second half of 2021 onwards as 2,872 m² of space in the MLP Business Park Berlin park will be delivered to tenants at the end of June 2021.

The structure of the Group's tenants is highly diversified and therefore the Group is not exposed to any material risk related to a single tenant or group of tenants. As at 30 June 2021, the average space of income-generating properties per tenant was approximately 5.3 thousand m² (30 June 2020: 3.7 thousand m²).

As at 30 June 2021, the 10 largest tenants occupied about 32% of the total leased space at all of the Group's parks (30 June 2020: 37%).

1. 4.2 Key trading partners

In the reporting period, the Group's companies cooperated mainly with providers of the following services:

- construction services (as part of investment and development projects),
- supply of utilities,
- consulting and advisory services – business and legal,
- maintenance of the properties,
- security services.

For construction services, general contractors are selected in internally organised tender procedures. In the six months ended 30 June 2021, the Group cooperated with Wielkopolskie Przedsiębiorstwo Inżynierii Przemysłowej Spółka Komandytowa, Pekabex Bet S.A. and BIN - Biuro Inżynierskie Sp. z o.o. under the general contractor system, and the Group's turnover with these companies exceeded 10% of the Group's revenue in the first half of 2021.

The other services are procured from a broad base of suppliers, and therefore the Group is not dependent on any single supplier. In the six months ended 30 June 2021, none of the Group's other suppliers accounted for more than 10% of the Group's revenue.

2. Activities of the MLP Group S.A. Group

2. 1 Activities of the MLP Group S.A. Group in the first half of 2021

In the six months ended 30 June 2021, the Group continued its business activities consisting in the construction and lease of warehouse and office space. Construction work was mainly outsourced to specialist third-party service providers on a general contractor basis.

In the reporting period, the Group carried out several property development projects and leased more than 736 thousand m² of the existing warehouse and office space. The Company's Management Board reviewed and assessed on an ongoing basis:

- current construction projects in terms of their progress,
- actual and expected revenue,
- use of the Group's existing land resources and its ability to tailor the offering to meet the anticipated market expectations and demand,
- available opportunities to purchase land for new projects to be implemented in subsequent years,
- the Group's efforts to optimise financing of its investing activities.

2. 1.1 Projects started and projects completed

In the six months ended 30 June 2021, the Group was engaged in the construction of projects with a total area of 138,291 m², with a further 50,521.3 m² in the pipeline as at 30 June 2021, so the total area of the projects was 188,812 m².

Out of the total, 47,150 m² was attributable to projects commenced in 2020 and completed in the first half of 2021. In the first six months of 2021, the Group launched projects with a total area of 82,405 m², of which 25,905 m² will be completed by the end of 2021.

2. 1.2 Projects under construction and in the pipeline

In the first half of 2021, the Group worked on development of projects with a total space of 188,812 m². Of these projects, a total space of 47,150 m² was completed in 2021 at the following parks: MLP Pruszków II (25,462 m²), MLP Poznań (9,6750 m²) and MLP Business Park Berlin (12,013 m²).

As at 30 June 2021, 91,141 m² of space was under construction at MLP Unna, MLP Poznań West, MLP Łódź and MLP Wrocław West.

In connection with leases signed and the ongoing commercialisation processes, the Group began preparations for the construction of ca. 50,000 m² of space. The permitting process also continues to enable the construction of new warehouse space on land reserved by the Group.

In line with its strategy, the Group will focus on expanding its existing logistics parks in Poland and foreign markets (i.e. building warehouse space on its land) and on searching for attractive land for new logistics parks.

The Group carries out projects mainly on a pre-lease basis, i.e. launch of the investment process is conditional upon execution of a lease contract with a potential tenant (leases were signed for 100% of space under construction).

2. 1.3 Material agreements

Material suppliers with whom agreements with a total value exceeding 10% of the Group's equity were concluded in the first half of 2021.

In April 2021, the subsidiary MLP Logistic Park Germany I Sp. z o.o. & Co.KG signed a contract with GOLDBECK International GmbH to construct a pre-leased warehouse and office building with an area of 56,500 m² at the MLP Unna logistics park.

2. 1.4 Shareholder agreements

The Group is not aware of any agreements between the Company's shareholders.

Further, the Group has no knowledge of any agreements (including those concluded after the reporting date) which could result in future changes in the proportions of shares held by the current shareholders.

2. 1.5 Partnership or cooperation agreements

In the first six months of 2021, the Group did not enter into any significant cooperation or partnership agreements with other entities.

2. 1.6 Related-party transactions

All transactions executed by the Company or its subsidiaries with related parties were executed on an arm's length basis.

For description of related-party transactions, see Note 23 to the Group's interim consolidated financial statements for the six months ended 30 June 2021.

2. 1.7 Litigation

Proceedings pending before courts, arbitration bodies or public administration bodies

As at 30 June 2021, the Group was party to proceedings with a total amount of liabilities and claims under litigation of approximately PLN 6,045 thousand, including liabilities under litigation of approximately PLN 3,995 thousand (all relating to the Depenbrock Polska Sp. z o.o. sp.k. case), and claims under litigation of approximately PLN 2,050 thousand.

On 12 January 2012 the Regional Court in Warsaw issued a judgment awarding the then MLP Tychy Sp. z o.o. (currently MLP Sp. z o.o. SKA) the amount of PLN 2,005 thousand with contractual interest from CreditForce Holding B.V. with its registered office in Houten (the Netherlands) jointly and severally with European Bakeries Sp. z o.o., in respect of which a default judgment was issued on 16 March 2011.

The amount includes receivables due as payment for capital expenditure incurred by the lessor on the leased property, including construction work to improve the technical standard of the property.

Currently, an appeal against the default judgment is pending before the District Court in Warsaw (the proceedings have been suspended due to CreditForce Holding B.V. being declared bankrupt). The Group recognized an impairment allowance of the abovementioned receivables.

On 31 January 2020, MLP Gliwice Sp. z o.o. was served a default judgment dated 22 January 2020, in which the court awarded the amount of EUR 865,777.48 plus interest from the Company to DEPENDROCK Polska Sp. z o.o. sp. k. The court also ordered the Company to reimburse the costs of the court proceedings and made the judgment immediately enforceable. The Company filed an opposition to the default judgment with a motion for stay of execution. The claim should be dismissed on the grounds that it is premature. From August 2020 to February 2021, mediation proceedings were ongoing, however the parties failed to reach an agreement.

2. 2 Development of the Group and risk factors

2. 2.1 Key risk factors relevant to the development of the Group

The Group's business is exposed to the following risks arising from holding of financial instruments:

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

The Management Board is responsible for establishing and overseeing the Group's risk management functions, including the identification and analysis of the risks to which the Group is exposed, determining appropriate risk limits and controls, as well as risk monitoring and matching of the limits. The risk management policies and procedures are reviewed on a regular basis, to reflect changes in market conditions and the Group's business.

Credit risk

Credit risk is the risk of financial loss to the Company and the Group companies if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from debt instruments. The objective of risk management is to maintain, in terms of quality and value, a stable and sustainable portfolio of loans and other investments in debt instruments, by operating an appropriate credit limit policy.

Liquidity risk

Liquidity risk is the risk of the Group not being able to meet in a timely manner its liabilities that are to be settled by delivery of cash or other financial assets. The Group's approach to managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without risking unacceptable losses or damage to the Group's reputation. To this end, the Group monitors its cash flows and secures access to sufficient cash to cover anticipated operating expenses and expected cash outflows for current financial liabilities, and maintains anticipated liquidity ratios.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates and equity prices will affect the Group's results or the value of financial instruments it holds. The Group mitigates the risk by constantly monitoring the Group's exposures, maintaining the exposures them within assumed limits, and seeking to optimise the rate of return on investment. The risk mitigating measures include applying hedge accounting to minimise the impact of volatility of market prices on financial results.

Currency risk

The consolidated financial statements of the Group are prepared in PLN, which is the functional currency of the Group. Most of the Group's rental income is denominated in EUR and occasionally in PLN. Some of the Group's costs, such as certain construction costs, labour costs and wages, are denominated in PLN, but the vast majority of construction costs are denominated in EUR.

To mitigate the currency risk, the Group companies use primarily natural hedging by raising debt financing denominated in EUR. To reduce the volatility of returns on investment caused by exchange rate fluctuations, the Group companies may also enter into contracts hedging against such risks, including derivative contracts, or may enter into contracts with contractors and service providers (project contracts with general contractors) denominated in EUR. If the Group's currency position is short in the EUR-PLN pair, depreciation of the Polish currency against the euro may adversely affect the Group's results by driving up debt service costs.

Interest rate risk

Credit facilities used by the Group bear interest at variable rates. Interest rates depend, to a significant degree, on many factors, including the monetary policy of central banks, national and international economic and political conditions, as well as other factors beyond the Group's control. Changes in interest rates may increase the Group's borrowing costs under the financial liabilities and thus affect the Group's profitability. Any need to hedge interest rate risk is considered by the Group on a case-by-case basis. In order to mitigate the interest rate risk, the Group companies enter into Interest Rate Swap transactions with their financing banks. Changes in interest rates may have a material adverse effect on the financial position and results of the Group.

In addition to the risks listed above, the Group's business is also exposed to the following risks:

Risk related to the Group's dependence on macroeconomic conditions

The development of the commercial real estate market on which the Group operates depends on changes in the construction and real estate industries, trends in the manufacturing, commerce, industry, services, and transport sectors, and on the development of the economy in general, which is driven by a number of macroeconomic factors, including economic growth rate, inflation rate, interest rates, the situation on the labour market and the amount of direct foreign investments. Also, the Group's business depends indirectly on changes in the global economy. It is affected in particular by gross domestic product, inflation rate, currency exchange rates, interest rates, unemployment rates, average wages, as well as the government's fiscal and monetary policies. The rate of growth of the domestic economy, and thus the Group's business and results, may be affected by slowdown of the global economy. Adverse changes in the macroeconomic conditions and economic and monetary policies in Poland and other countries may have a material adverse effect on the Group's financial results and its ability to implement its plans.

Risks related with factors specific to the real estate sector

The Group is exposed to risks related to property development, acquisition, ownership and management of real estate on the commercial real estate market.

The Group's revenue and the value of its properties may be affected by a number of factors, including: (i) changes in the legal and administrative regulations governing the real estate market, including permits and consents, land use planning, taxes and other public charges; (ii) cyclical changes in the real estate market on which the Group operates; (iii) the Group's ability to procure appropriate construction, management, maintenance and insurance services. Although the Group takes specific measures to protect its business from the negative impact of these risks, it is impossible to eliminate them entirely. The occurrence of any of the risks will have a material adverse effect on the Group's business, financial condition, results or growth prospects.

Risk related to a possible downturn on the real estate market and general economic slowdown

Downturn on the property market may adversely affect the Group's performance in terms of profits from lease of warehouse space. If tenants default on their obligations or if the Group is not able to attract tenants, the Group will not earn rental income but will incur costs related to the property. Such costs may include legal costs and valuation expenses, maintenance costs, insurance and property taxes. As a rule, lease rents and market prices of property depend on economic conditions. Consequently, a decrease in market prices may result in lease rents being set at levels lower than those originally planned, may lead to losses on individual projects, or may result in a need to find an alternative use of the purchased land. The occurrence of such events may have a material adverse effect on the Group's business, financial position and results.

Insurance risk

The Group's properties may be destroyed or damaged due to many foreseeable or unforeseeable circumstances. In addition, third parties may suffer damage as a result of events for which the Group is liable. Given the scope of the Group's existing insurance cover, there is a risk that such damage or claims will not be covered by the insurance or that they will be covered only in part. Some risks are not insured/insurable, and for other risks the cost of insurance premiums is disproportionate to the likelihood of the risk occurring. The Group's insurance cover may not protect the Group against all losses that the Group may incur in connection with its business, and some types of insurance may not be available on commercially reasonable terms or at all. Accordingly, the Group's insurance cover may not be sufficient to fully compensate for losses incurred in connection with its real estate.

Risk related to the nature of the Group's business

Development of the Group's business involves risks inherent in the process of construction of warehousing and production parks. During the construction of warehousing and production parks, delays or technical problems may occur that are beyond the developer's control and may result in the Group's failure or inability to obtain in a timely manner permits or administrative decisions required by law, which in turn may have an adverse effect on the Group's business, financial condition or results.

Risk of failure to successfully complete profitable investments, in particular in the property development business

The Group's ability to start and complete development, reconstruction or upgrade projects depends on a number of factors, some of which are beyond its control. These factors include, in particular, the Group's ability to obtain all of the necessary administrative decisions, to raise external financing on satisfactory terms or at all, to hire reliable contractors, and to attract suitable tenants.

The following factors, over which the Group has limited or no control, that may result in a delay or otherwise adversely affect the development or upgrade of the Group's properties include:

- increase in the cost of materials, labour costs or other expenses that may cause the completion of a project to be unprofitable;
- actions of public authorities and local governments resulting in unexpected changes in the land use planning and architectural requirements;
- defects or limitations of legal title to plots or buildings acquired by the Group, or defects, limitations or conditions related to administrative decisions concerning the plots of land owned by the Group;

- changes in applicable laws, rules or standards which take effect after the Group commences the planning or construction phase of a project, resulting in the Group incurring additional costs or resulting in delays in the project or its interpretation or application;
- violations of building standards, incorrect methods of construction or faulty construction materials;
- industrial accidents, previously unknown existing soil contamination or potential liability under environmental and other relevant legislation, for example relating to archaeological finds or unexploded ordnance, or building materials which will be regarded as harmful to health;
- forces of nature, such as bad weather, earthquakes and floods, which may cause damage or delay execution of projects;
- acts of terrorism or riots, revolts, strikes or civil unrest.

The Group's projects may be carried out only if the land has appropriate technical infrastructure required by law (e.g. access to internal roads, access to utilities, certain procedures for fire protection and adequate facilities to ensure this protection). Competent authorities may oblige the Group to create additional infrastructure required by law as part of the construction works before relevant administrative decisions are issued. Such additional work may significantly affect the cost of construction.

Further, certain projects may become unprofitable or impracticable for reasons beyond the Group's control, such as slowdown in the real estate market. The Group may not be able to complete these projects on time, within budget or at all, due to any of the above or other factors, which may increase the costs, delay the implementation of the project or cause the project to be abandoned.

Risk relating to general contractors

The Group outsources the execution of its projects to general contractors or other third parties. The successful completion of construction projects depends on the ability of the Group to employ general contractors who carry out projects in accordance with established standards of quality and safety, on commercially reasonable terms, within the agreed deadlines and within the approved budget. Inability to employ general contractors on commercially reasonable terms and the failure of general contractors to meet accepted standards of quality and safety, or non-completion of construction or repairs on time or within the agreed budget may increase the cost of the project, lead to project delays, or result in claims against the Group. In addition, such circumstance may adversely affect the Group's image and ability to sell the completed projects.

The financial strength and liquidity of the general contractors employed by the Group may not be sufficient in the event of a severe downturn in the property market, which in turn could lead to their bankruptcy, thus adversely affecting the execution of the Group's strategy. Any security that is typically provided by general contractors to secure the performance of their contractual obligations towards the Group may not cover the total costs and damages incurred by the Group in these circumstances.

The Group's dependence on general contractors also exposes the Group to all risks arising from poor quality of work of such general contractors, their subcontractors and employees, and from construction defects. In particular, the Group may incur losses due to the need to engage other contractors to correct defective work done or to pay damages to persons who incurred losses due to the faulty execution of work. Furthermore, there is a risk that such losses or costs will not be covered by the Group's insurance, by the contractor or the relevant subcontractor.

Risk related to obtaining administrative decisions

As part of its activities and in the course of managing its assets, the Group is legally required to obtain a number of licenses, consents, administrative decisions or other decisions from public administration bodies, including in particular permits for execution, construction and use of its properties. No assurance can be given by the Group that all such permits, consents, administrative decisions or other decisions of public administration bodies concerning the existing properties or new projects will be obtained on time (including due to the recurring risk of the COVID-19 pandemic, as described above) or that they will be obtained at all, or that the permits, consents, administrative decisions or other decisions of public administration bodies held or obtained in the future will not be revoked or their validity will be extended on time. Moreover, certain administrative or other decisions of public administration authorities may be subject to satisfaction of additional conditions by the Group (including the provision of appropriate infrastructure by the Group), or such authorities may impose additional conditions and obligations on the Group, which may entail additional costs, protract the proceedings and result in temporary inability to earn revenue due to such delays.

The Group may also seek changes in some of the Group's projects or facilities, as well as changes in the use of the properties to make them more effective or aligned with current trends in the real estate market. Implementing such changes may prove impossible due to difficulties in obtaining or amending the terms of the required permits, consents, administrative decisions and other decisions of public administration bodies, in particular in the case of properties entered in the register of historical places.

In addition, social organisations and organisations dealing with the protection of the environment, as well as adjacent property owners and local residents can take action to prevent the Group from obtaining the required permits, consents, administrative decisions or other decisions of public administration bodies, including through participation in administrative and judicial proceedings involving the Group, challenging decisions, regulations and rulings issued in the course of such proceedings, as well as disseminating negative and defamatory information about the Group and its projects. Such activities may significantly affect the time needed by the Group to execute its projects, delay expected revenue and result in additional costs the Group will have to incur in connection with its projects.

Risk related to land acquisition

The effectiveness and scale of the Group's operations depend, among other factors, on the supply of appropriate properties for development, their prices and legal status. The ability to find and acquire appropriate real estate at competitive prices and to obtain financing on appropriate terms is a prerequisite for efficient execution of the adopted strategy and delivery of the planned results. Opportunities to acquire land at attractive locations depend on the Group's effectiveness, the legal aspects of the Group's operations, and the objective factors of the market environment (i.e. strong competition in the land market, long time necessary to change intended use of the land caused by delays in adoption of the local zoning plans or the absence of such plans, as well as limited supply of land with appropriate infrastructure). The Group has a team of professionals responsible for searching for suitable land, analysis of its legal status and prospects, and managing the administrative processes. The Group also cooperates with a group of reputable market and legal advisors.

The price of land is driven indirectly by such factors as demand for lease of warehouse, production and office space, as well as macroeconomic conditions, availability of financing, supply of warehouse, production and office space in a given area, and tenants' expectations as to the standard and location of the properties. The Group seeks to effectively respond to changes in the macroeconomic environment through such measures as phased approach to project execution.

An increase in future land prices may also adversely affect the competitiveness and profitability of the Group's new projects. This is because the cost of land is a major factor determining the viability of a given project. On the other hand, increase in land prices may improve the competitiveness of the Group's projects on land which had already been purchased at lower prices. In order to minimise the impact of the risk of land price increases, the Group has a land bank for prospective projects with a total area of approximately 102.82 ha. Decline in the value of land may result in lower valuations of the investment properties, and may adversely affect the competitiveness and profitability of some of the Group's projects on land owned by the Group.

Risk of the actual and potential influence of COVID-19 on the Company's business

The COVID-19 pandemic, which began in the first quarter of 2020, has had and may continue to have an impact on the Group's operations. The effective and potential future changes to work policies of public administration authorities (partial remote work and temporary closures of certain offices) may delay the issuance of administrative decisions, including permits and consents material to the Group's operations. This may delay the start and execution of projects pursued by the Company and the Group companies, not only in the Polish market but also in foreign markets where the Group operates. Delays may also result from disruptions in the work of notarial offices or contractors and subcontractors working with the Group on its projects. The risk of delays caused by the pandemic may lead to the Company and Group companies defaulting under contracts and agreements they have signed (for instance, as a result of failure to deliver a project on schedule), including agreements with banks. The COVID-19 pandemic and restrictions on business activity and freedom of movement implemented by government authorities to stop the disease, have had and may continue to have an adverse impact on the economic situation in Poland and globally, including on the financial standing of tenants and other trading partners of the Company or other Group companies and, consequently, on the Group's financial performance. The pandemic restrictions may be reintroduced in the future should pathogens other than those causing COVID-19 spread on a large scale in countries where the Group operates.

2. 2.2 Business development prospects

The Group's strategic objective is to continuously increase its warehouse space in the Polish market, and to expand into foreign markets, mainly Germany and Austria, viewed as a strategic market, and 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) constructed within urban agglomerations and big-box facilities.

The government's financial assistance programmes helped to significantly mitigate the effect of COVID-19 pandemic. The ongoing vaccination programmes are conducive to the recovery of global economies, including Poland, and should ensure a quick return to normality. Following a mild decline in business activity at the end of 2020, Poland entered 2021 with strong economic fundamentals. The European Commission expects Poland's GDP to grow by 4.8% in 2021. It also predicts that net year the Polish economy will expand by 5.2%.

In Poland, demand for warehouse space is driven by e-commerce and manufacturers. We expect a further long-term growth of e-commerce, especially e-grocery, which will boost demand for warehouse space. At the same time, the trend of nearshoring, that is relocation of production from Asia back to Europe, is increasingly underway, in response to the pandemic and resultant disruptions in supply chains. We are also seeing that existing tenants are investing in expanding their production capacities in current locations and increasing inventory levels, thus increasing the space they lease. A growth in demand may also be driven by changes in regulations related to the e-commerce VAT package and the Brexit. To mitigate the negative impact of the new regulations, e-commerce companies from outside Europe will be scouting out new locations from which they will serve customers in Europe, while UK-based companies. Given its location, access to land and employees, Poland may become an attractive option for those companies.

Warehouse space market in H1 2021

- **Poland**

The first half of 2021 saw continuation of fast-paced growth of the logistics property market. Demand was very strong and the volume of space under construction was the highest on record. The demand continues to be driven by the **e-commerce sector** and logistics companies.

The strongest demand in the first half of 2021 was seen in the Poznań and Katowice areas.

In the first half of 2021, the amount of space under construction was at a record-high level of over 3.1 million m² (at the end of 2020: 2.0 million m²; after the first quarter of the year: 2.5 million m²). The two most active regions, that is Katowice and Poznań, accounted for approximately one-third of the total (1.1 million m²). The amount of space built on a speculative basis remains relatively low. Approximately 30% of the space under construction has not been pre-leased.

The vacancy rate fell to 5.7% after the second quarter of 2021 (down 0.8pp on the previous quarter), from 6.7% in the second quarter of 2020.

The total volume of new logistics space in the first half of 2021 was 1.15 million m², representing 58% of the total space delivered in 2020.

Contractual rents for warehouse space after the second quarter of 2021 remained unchanged outside large urban areas in Poland, at EUR 2.7–EUR 3.9/m² per month, while in Warsaw the rents rose slightly due to the growing demand for urban locations, ranging between EUR 4.2 and EUR 5.5/m² per month.

Source: EMEA Real Estate Market Outlook, Poland, 2021, CBRE Research

- **Germany**

Germany's logistics sector confirmed its resilience to the COVID-19 crisis. A rapid growth of e-commerce, progressing urbanisation and customers requiring quick services and timely deliveries exert a huge impact on supply chains in the industrial and retail trade sectors. Ensuring efficient logistics infrastructure, especially in densely populated city centres with a high customer potential, and meeting their growing expectations requires more centrally located logistics space.

The demand for space continues to grow across all size categories, while in many locations available land has become extremely scarce. As recently as a few years ago, developers and tenants had access to green areas in many regions. Today, the situation looks very much different and projects are carried out in post-industrial areas.

In the first half of 2021, the volume of transactions in the German warehouse and logistics space market was 3.5 million m². Demand rose by 36% relative to the first half of 2020, a growth rate unseen in any other first half of the year in the last decade. It is evident that structural changes in the manufacturing sector and the robust e-commerce market are driving demand for all types and almost all size categories of warehouses and distribution centres. The three main sectors: transport/logistics, retail trade and manufacturing had almost equal shares in demand data for the first half of the year. Space for city logistics is in particular demand.

In the first six months of 2021, rent rates for warehouse facilities of more than 5,000 m² increased in the five largest markets. Monthly rent rates for premium space were the highest in Munich, at EUR 7.70/m², followed by Frankfurt and Hamburg, at EUR 6.75/m² and EUR 6.50/m² respectively, with lower rents paid in Berlin and Düsseldorf, at EUR 5.60/m².

In Germany, the transaction volume in the first half of 2021 was EUR 4.4bn, compared with EUR 3.0bn the year before. The average gross yields in main locations in Germany fell by another 15 basis points, to the current level of 3.55%.

Source: Germany Market Outlook 2021 update H1, CBRE Research; Cushman & Wakefield Marketbeat Industrial Q2 2021; Colliers, Logistic Investment H1 2021

- **Romania**

Supply and demand continue to see fast growth in the Romanian market for industrial and logistics space.

In the first six months of 2021, approximately 240,000 m² of modern warehouse space was delivered, and the market's total supply at the period's end was 5.38 million m². Of this number, 2.68 million m² is located near Bucharest, mainly in the western part of the city.

In the first half of 2021, the total demand reached approximately 350 thousand m², down 12% on the previous year, which saw unprecedented demand for industrial space. In the reporting period, demand was mainly driven by automotive and retail companies, accounting for 45% of the total.

At the end of the first half of 2021, the vacancy rate was approximately 5.5% in Romania and 6.0% in the Bucharest area, which means that it remains on a downward trend relative to the second half of 2020. Nominal rent rates were stable at EUR 3.9/m²/month.

As at the end of the reporting period, approximately 730,000 m² of space was under construction, which should be delivered by the end of 2022.

Source: CEE Real Estate Market Outlook 2021 H1 Romania, CBRE

- **Austria**

Austria's logistics market is also growing at a fast rate. The growing share of e-commerce continues to be the main contributor to rising demand for logistics space, which can be increasingly satisfied by large projects.

In the first half of 2021, approximately 49 thousand m² was leased out in Vienna and its neighbouring areas, close to the previous year's figure. In the past, the second half of the year was much better than the first. 2021 is expected to be no exception. Given the continuing high demand, the occupancy rate is anticipated to grow further, to approximately 130 thousand m².

The already very low vacancy rate in Class A and Class B logistics properties in Vienna and its neighbouring areas in the first half of the year dropped again and stood at approximately 1.2% at the end of June. In the second half of the year, the vacancy rate should remain stable or slightly decline again.

By 2023, more than 700 thousand m² of new warehouse space may be delivered in the three main logistics locations, i.e. Vienna, Graz and Linz.

Source: Austria Market Outlook 2021 update H1, CBRE Research

3. Financial condition of the Group; management of financial resources

3. 1 Key economic and financial data disclosed in the Group's consolidated financial statements for H1 2021

3. 1.1 Selected financial data from the consolidated statement of financial position

Structure of the consolidated statement of financial position (selected material items):

	<i>as at</i>	30 June 2021	% share	31 December 2020	% share	Change (%)
ASSETS		3 124 459	100%	2 682 892	100%	16%
Non-current assets		2 754 135	88%	2 392 123	89%	15%
Including:						
Investment property		2 698 555	86%	2 330 899	87%	16%
Other long-term investments		49 309	3%	53 213	3%	-7%
Current assets		370 324	12%	290 769	11%	27%
Including:						
Short-term investments		137 227	4%	27 958	1%	391%
Trade and other receivables		58 601	2%	82 430	3%	-29%
Other short-term investments		2 018	0%	10 108	0%	-
Cash and cash equivalents		170 514	5%	163 009	6%	5%

	<i>as at</i>	30 June 2021	% share	31 December 2020	% share	Change (%)
EQUITY AND LIABILITIES		3 124 459	100%	2 682 892	100%	16%
Total equity		1 502 073	48%	1 211 732	45%	24%
Non-current liabilities		1 426 007	46%	1 374 714	51%	4%
Including:						
Borrowings and other debt instruments, and other non-current liabilities		1 212 601	39%	1 194 536	45%	2%
Current liabilities		196 379	6%	96 446	5%	104%
Including:						
Borrowings and other debt instruments		118 296	4%	33 985	1%	248%
Trade and other payables		75 101	2%	57 366	2%	31%

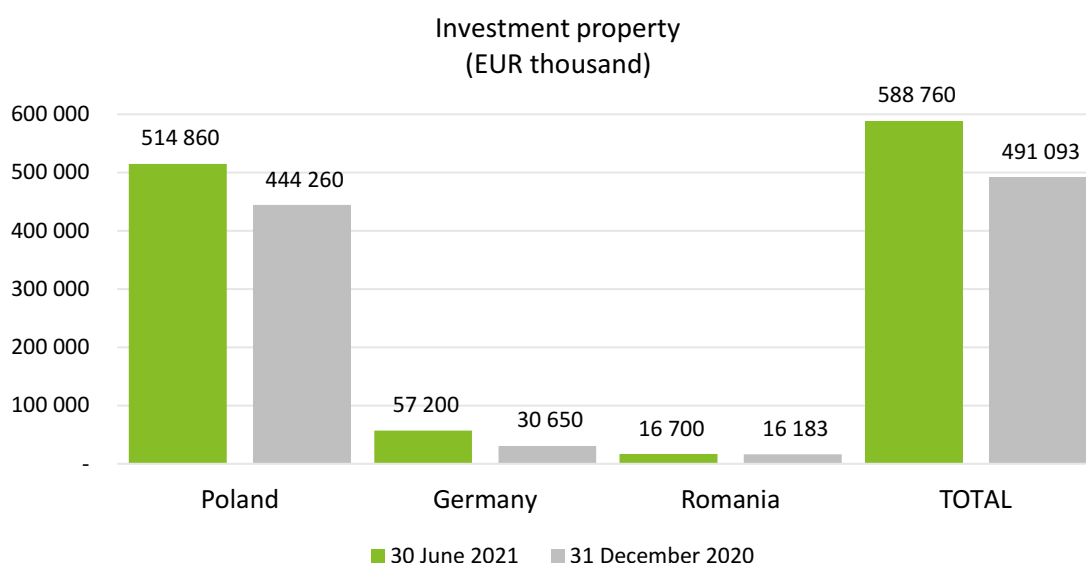
As at 30 June 2021, the Group's investment property, comprising logistics parks, continued to be the key item of the Group's assets, accounting for 86% of the total. The largest items of equity and liabilities were borrowings and other debt instruments, and equity. As at 30 June 2021, equity accounted for 48%, and non-current liabilities comprising borrowings and other debt instruments and other liabilities represented 39% of total equity and liabilities. The increase in liabilities under bank and non-bank borrowings, other debt instruments and other non-current and current liabilities was mainly attributable to new credit facilities taken out by MLP Wrocław Sp. z o.o., MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Teresin Sp. z o.o., MLP Poznań Sp. z o.o. and MLP Poznań West II Sp. z o.o. Proceeds from the facilities are used to finance the Group's continuous development – expansion of the existing and construction of new logistics parks.

The increase in equity was attributable to the share capital increase following the issue of Series E shares.

Investment property

	<i>as at</i>	30 June 2021	30 June 2021	31 December 2020	31 December 2020	Change
		[EUR '000]	[PLN '000]	[EUR '000]	[PLN '000]	[EUR '000]
MLP Pruszków I		92 240	416 999	92 210	425 531	30
MLP Pruszków II		160 350	724 910	145 480	671 361	14 870
MLP Poznań		36 820	166 456	34 460	159 026	2 360
MLP Lublin		35 970	162 613	34 610	159 718	1 360
MLP Teresin		17 470	78 978	17 000	78 452	470
MLP Gliwice		35 480	160 398	32 880	151 735	2 600
MLP Wrocław		33 320	150 633	30 980	142 967	2 340
MLP Czeladź		20 190	91 275	19 170	88 466	1 020
MLP Poznań West		30 370	137 297	22 020	101 618	8 350
MLP Poznań Business Park		9 480	42 857	7 090	32 719	2 390
MLP Łódź		8 350	37 749	3 040	14 029	5 310
MLP Wrocław West		14 320	64 738	5 320	24 551	9 000
MLP Business Park Berlin		20 800	94 033	9 950	45 917	10 850
MLP Unna		36 400	164 557	20 700	95 526	15 700
MLP Bucharest West		16 700	75 480	16 183	74 696	517
MLP Vienna		20 500	92 676	-	-	20 500
Valuation of the property portfolio		588 760	2 661 649	491 093	2 266 312	97 667

According to valuations made as at 30 June 2021, the total value of the Group's property portfolio was EUR 588,760 thousand (PLN 2,661,649 thousand), having increased by EUR 123.067 thousand on 31 December 2020. The change was mainly driven by: (i) completion of projects in Poland and Germany and delivery of over 47 thousand m² of new space in the first half of 2021, including more than 35 thousand m² of new space in Poland (25,462 m² at MLP Pruszków II and 9,675 at MLP Poznań), and in Germany – over 12 thousand m² (at MLP Business Park Berlin), (ii) purchase of land for the construction of new park MLP Vienna, and (iii) launch of construction of a facility in the MLP Unna logistics park. At MLP Unna, a new investment project was launched for the tenant with whom the Group signed a 15-year contract in the first half of 2019, to be delivered in 2022.



Investments and other investments

	<i>as at</i>	30 June 2021	31 December 2020
Other long-term investments		29 359	28 674
Long-term loans		19 950	24 539
Money fund units		134 796	20 000
Short-term loans		2 431	7 958
Other short-term investments		2 018	10 108
Total investments and other investments		188 554	91 279

Other long-term investments comprised non-current portion of restricted cash of PLN 29,359 thousand, including: (i) cash of PLN 15,782 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) PLN 3,696 thousand, a deposit created from a security deposit retained from a tenant, (iii) cash of PLN 4,561 thousand set aside on the CAPEX account, and (iv) other retained security deposits of PLN 5,320 thousand.

As at 30 June 2021, the amount of receivables under loans was PLN 10,116 thousand less than the amount as at year-end 2020 following repayment of loans by related parties.

In the first half of 2021, the Group acquired further money fund units to optimise growing banking costs associated with maintaining bank account balances. The funds will be used to acquire new projects in the second half of 2021.

Other short-term investments comprise the current portion of restricted cash of PLN 2,018 thousand, including: a short-term portion of retained security deposit of PLN 299 thousand and a short-term portion of funds set aside pursuant to the terms of credit facility agreements of PLN 1719 thousand.

Cash

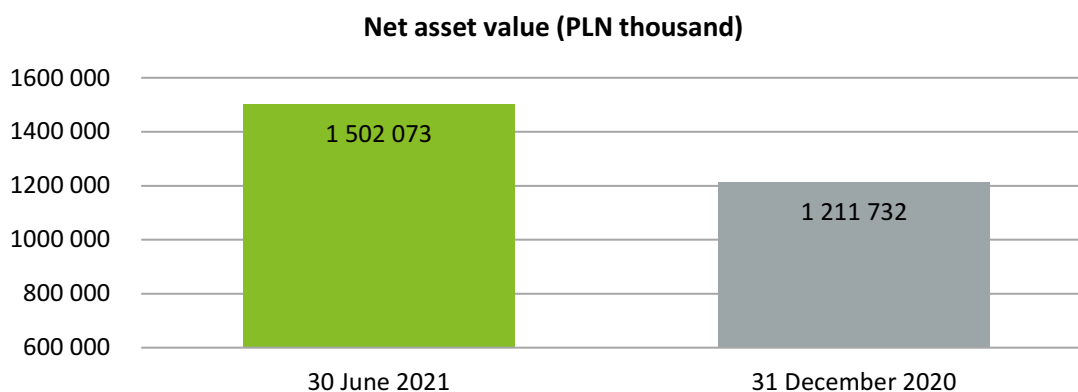
	<i>as at</i> 30 June 2021	31 December 2020
Cash in hand	57	52
Cash at banks	170 457	162 957
Cash and cash equivalents disclosed in the condensed consolidated statement of financial position	170 514	163 009
Cash and cash equivalents in the condensed consolidated statement of cash flows	170 514	163 009

Cash and cash equivalents disclosed in the consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

As at 30 June 2021, the balance of cash was PLN 170,514 thousand, up PLN 7,505 thousand on 31 December 2020.

Equity

- Net assets (NAV)



As at 30 June 2021, the net asset value was PLN 1,502,073 thousand, having increased by PLN 290,341 thousand (or 23.96%).

The increase in NAV was driven primarily by the net profit of PLN 166,515 thousand earned in the first half of 2021, reduced by a loss on the measurement of hedging instruments recognised in other comprehensive income.

In the second quarter of 2021, following the issue of 1,653,384 Series E ordinary bearer shares, the Company increased its share capital by PLN 413,346. The District Court for the Capital City of Warsaw registered the share capital increase on 31 May 2021, and on 16 June 2021 the Series E shares were registered.

Share capital

	<i>as at</i>	30 June 2021	31 December 2020
Series A shares		11 440 000	11 440 000
Series B shares		3 654 379	3 654 379
Series C shares		3 018 876	3 018 876
Series D shares		1 607 000	1 607 000
Series E shares		1 653 384	-
Total		21 373 639	19 720 255
Par value per share		0,25 zł	0,25 zł

As at 30 June 2021, the Parent's share capital amounted to PLN 5,343,409.75 and was divided into 21,373,639 shares conferring 21,373,639 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.

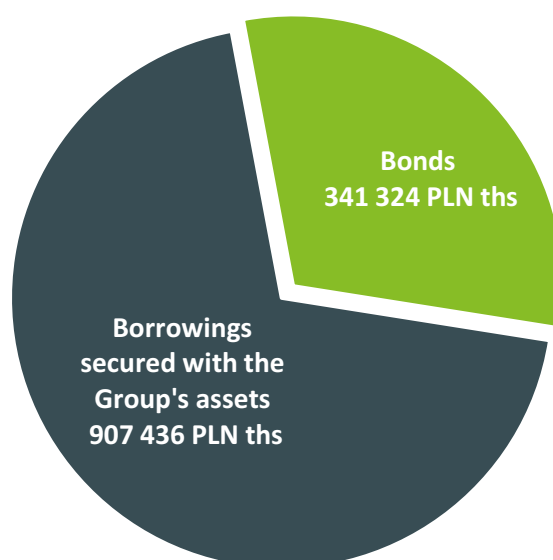
On 5 May 2021, the Parent issued 1,653,384 Series E ordinary shares with a total par value of PLN 413,346. The par value per Series E share is PLN 0.25 and all the shares have been paid up. Following registration with the National Court Register and the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.), the total number of shares and voting rights is 21,373,639.

Series E 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 16 June 2021 under ISIN PLMLPGR00017.

Liabilities under borrowings and other debt instruments, and other liabilities

	<i>as at</i>	30 June 2021	31 December 2020
Borrowings secured with the Group's assets		884 234	761 745
Bonds		248 644	346 110
Non-bank borrowings		19 978	24 623
Total non-current liabilities under borrowings and other debt instruments		1 152 856	1 132 478
Finance lease liabilities		36 793	37 063
Liabilities from measurement of interest rate hedges		13 079	15 686
Performance bonds, security deposits from tenants and other deposits		9 873	9 309
Total other non-current liabilities		59 745	62 058
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets		23 202	28 418
Bonds		92 680	2 420
Non-bank borrowings		2 414	3 147
Total current liabilities under borrowings and other debt instruments, and other current liabilities		118 296	33 985
Liabilities under borrowings and other debt instruments, and other liabilities		1 330 897	1 228 521

Liabilities under borrowings and other debt instruments represent a significant portion of the Group's total equity and liabilities. The Group uses bank credit mainly to finance construction of new facilities in the existing logistics parks. Proceeds from the issue of corporate bonds are invested in new land assets.



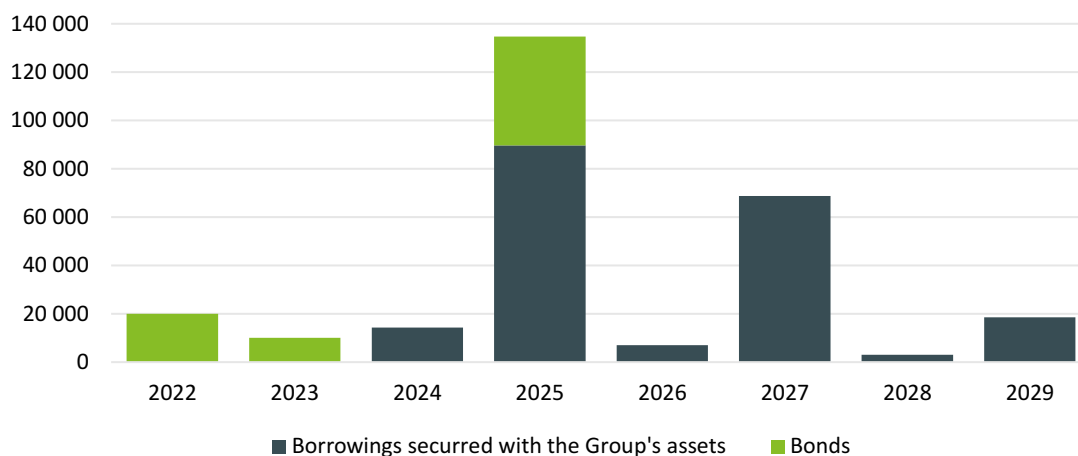
New credit facilities at the Group Companies were the key source of increase in the amount of borrowings, other debt instruments, and other liabilities:

- in April 2021, four Group companies (MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Wrocław Sp. z o.o., and MLP Teresin Sp. z o.o.) entered into a credit facility agreement with BNP Paribas Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. The facility amount is EUR 73,418 thousand, and the funds were used to refinance the companies' existing loans and to fund the Group's investment projects. The first tranche of the facility was disbursed on 30 April 2021.

- in February 2021, a credit facility agreement was concluded between Powszechna Kasa Oszczędności Bank Polski S.A. and MLP Poznań West II Sp. z o.o. The first tranche of EUR 7,146 thousand was disbursed on 11 March 2021.

- in February, March and May 2021 ING Bank Śląski S.A. disbursed further tranches of the credit facility to MLP Poznań Sp. z o.o., in a total amount of EUR 1,474 thousand.

Bank borrowings and other debt instruments by maturity EUR ths

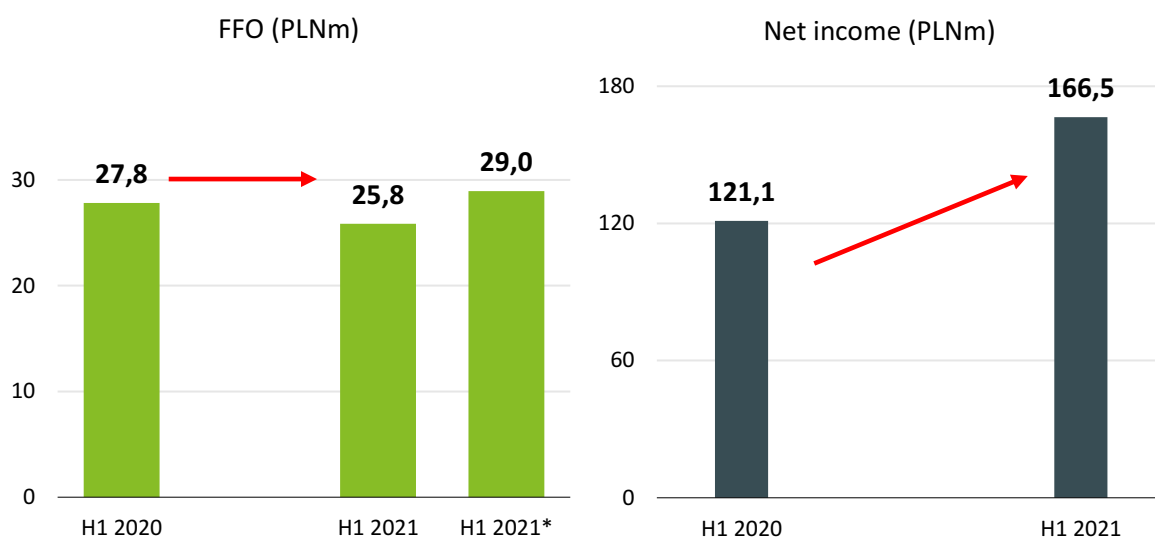


3. 1.2 Selected financial data from the consolidated statement of profit or loss

Consolidated statement of profit or loss for the six months ended 30 June 2021 and 2020

<i>for the six months ended 30 June</i>	2021	% sales	2020	% sales	Change (%)
Revenue	97 565	100%	84 174	100%	16%
<i>including:</i>					
<i>Revenue from development contract</i>	1 880	2%	-	0%	-
Other income	715	1%	539	1%	33%
Distribution costs and administrative expenses	(51 626)	53%	(40 985)	49%	26%
<i>including:</i>					
<i>Costs related to property development contract</i>	(1 517)	2%	-	0%	-
Other expenses	(1 321)	1%	(724)	1%	82%
Operating profit before gain on valuation of investment property	45 333	46%	43 004	51%	5%
Gain on revaluation of investment property	160 167	164%	151 703	180%	6%
Operating profit	205 500	211%	194 707	231%	6%
Net finance costs	(791)	1%	(44 152)	52%	-98%
Profit before tax	204 709	210%	150 555	179%	36%
Income tax	(38 194)	39%	(29 506)	35%	29%
Net profit	166 515	171%	121 049	144%	38%
EPRA Earnings	26 251		26 687		
EPRA Earnings per share	1,23 zł		1,47 zł		
FFO	25 838		27 806		

<i>for the six months ended 30 June</i>	2021	2020
Earnings per share:		
- Basic earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	8,33	6,68
Diluted earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	8,33	6,68

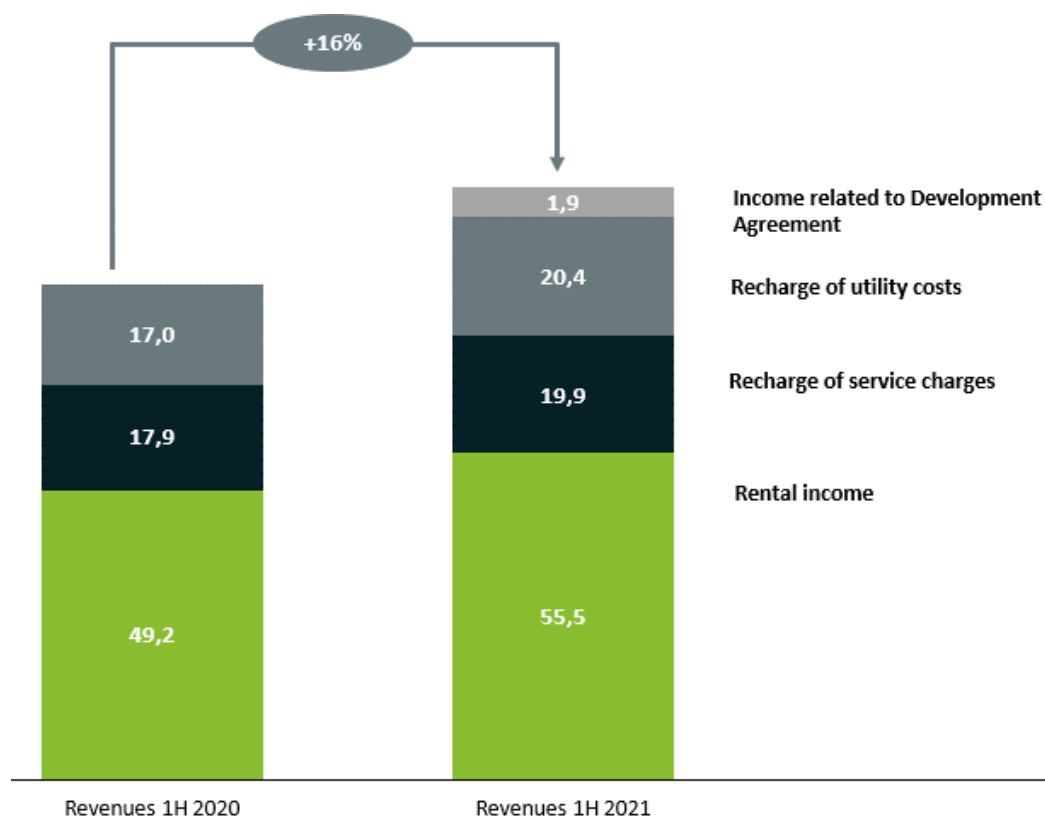


* FFO calculated net of a one-off transaction related to the repayment of liability under an IRS hedging instrument in connection with the refinancing of previous credit facilities at MLP Lublin, MLP Teresin, MLP Wrocław and MLP Gliwice.

	<i>for the six months ended 30 June</i>	2021	2020	change (%)
Rental income from investment property		54 118	48 441	11,7%
Recharge of service charges		19 859	17 923	10,8%
Recharge of utility costs		20 367	17 033	19,6%
Other revenue		1 341	777	72,6%
Revenue from development contract		1 880	-	-
Total revenue		97 565	84 174	15,9%

Rental income is the main source of the Group's revenue. In the six months ended 30 June 2021, rental income was PLN 54,118 thousand, having increased by 11.7% year on year. The increase in rental income (up PLN 5,677 thousand) was chiefly an effect of 62,563 m² of completed space having been delivered between 30 June 2020 and 30 June 2021 (including 59,691 m² in Poland, which represented 82% of the total space completed in the period) at MLP Pruszków II (41,203m²), MLP Poznań (9,675 m²), MLP Gliwice (8,813 m²), and at MLP Business Park Berlin (2,872 m²). Rental income was further supported by lease extensions signed in the second half of 2020 and the first half of 2021, for a total of 67,187 m².

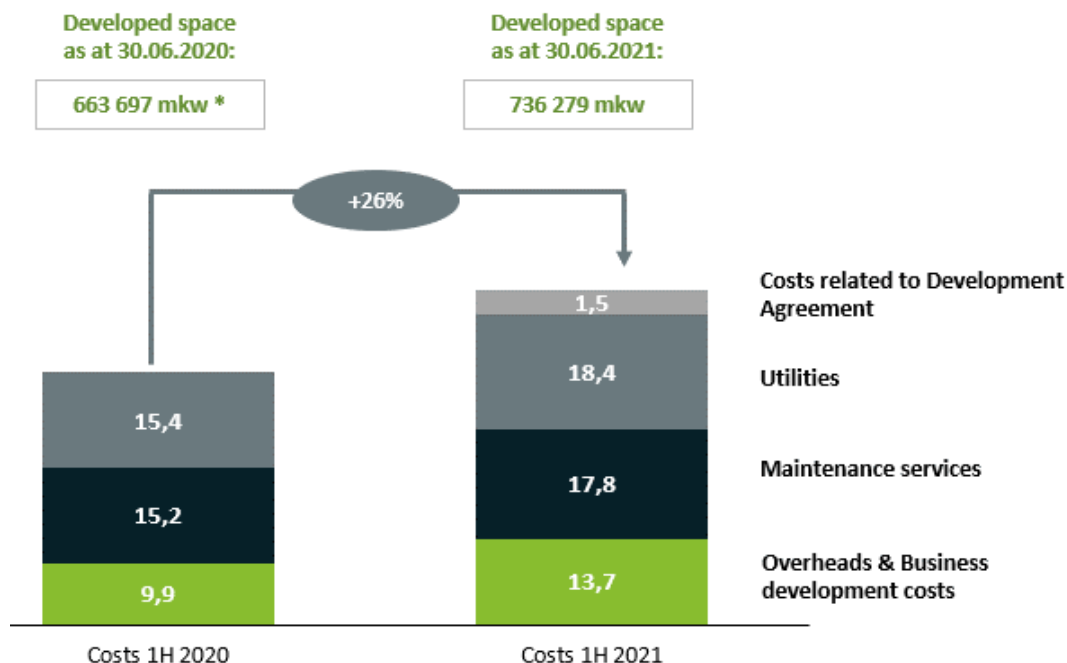
Change in key items of revenue in H1 2020 and H1 2021:



	<i>for the six months ended 30 June</i>		
	2021	2020	change (%)
Depreciation and amortisation	(167)	(390)	-57,2%
Property maintenance services	(17 803)	(15 250)	16,7%
Utilities	(18 395)	(14 458)	27,2%
Administrative expenses and development costs	(11 866)	(9 238)	28,4%
Development contract costs	(1 517)	-	100,0%
Other recharged costs	(1 878)	(1 649)	13,9%
Total distribution costs and administrative expenses	(51 626)	(40 985)	26,0%

Distribution costs and administrative expenses amounted to PLN 51,626 thousand in the first half of 2021. The item comprises six major cost categories, of which the most important one are costs directly associated with the Group's business (i.e. property maintenance costs and utility costs, accounting for 70.1% of total distribution costs and administrative expenses). Year on year, distribution costs and administrative expenses increased by PLN 10,641 thousand. The change was attributable to an increase in costs strongly correlated with the volume of buildings owned and leased by the Group – as at 30 June 2021, the completed space was 736,279 m², up by 72,582 m² from 663,697 m² as at 30 June 2020. In the period from 30 June 2020 to 30 June 2021, a total of 62,563 m² of space was completed and leased, representing 87% of the total space completed during that period.

Change in key items of distribution costs and administrative expenses in H1 2020 and H1 2021:



* The space completed as at 30.06.2020, shown in the chart above, was reduced by the space of buildings in the MLP Unna logistics park, which were demolished in the first half of 2021.

Costs of property maintenance rose by 16.7% (PLN 2,553 thousand). The change was mainly attributable to property tax expense, which increased following the delivery of a significant amount of new space (approximately 73 thousand m²), and as a result of partial termination of the relief on the tax on property situated in the Special Economic Zone. Property maintenance costs also went up due to a PLN 699 thousand increase in snow removal costs as a consequence of heavy snowfall in the first months of 2021. These costs will be settled with the tenants.

The Group also incurs administrative expenses and development costs related to its development activities. In the first half of 2021, the item rose by 28.4% year on year, to PLN 11,866 thousand. The change resulted from the recognition in the reporting period of a provision for bonuses to the Management Board in the proportion of six months to the full year. No such provision was recognised in costs in the first half of 2020 – the full amount of the provision was recognised in the full-year results of 2020.

In the first half of 2021, the Group recognised net finance costs of PLN 791 thousand, which were generated despite foreign exchange gains of 18,428 thousand and were an outcome of interest expense on borrowings (PLN 6,787 thousand), interest paid on SWAP (PLN 5,304 thousand), interest on bonds (PLN 4,293 thousand) and costs of servicing borrowings (PLN 3,075 thousand).

In the first half of 2021, the Group recognised gain on revaluation of investment properties of PLN 160,167 thousand (H1 2020: gain of PLN 151,703 thousand). The main sources of the gain on revaluation of investment properties for the first half of 2021 included completion of new space and delivery of a total of 72,582 m² of space in the period from 30 June 2020 to 30 June 2021 and launch in the first half of 2021 of new projects at the MLP parks with a total space of 82,405 m², to be completed in the second half of 2021 (25,904 m²) and the first half of 2022 (56,500 m²).

3. 1.3 Selected data from the consolidated statement of cash flows

	<i>for the six months ended 30 June</i>	2021	2020
Net cash from operating activities		120 940	38 592
including:			
<i>income from property development contract</i>		9 480	-
Net cash from investing activities		(349 395)	(203 398)
Net cash from financing activities		236 926	158 736
Total net cash flows		8 471	(6 070)
Cash at beginning of period		163 009	102 046
Effect of exchange differences on cash and cash equivalents		(966)	6 743
Cash and cash equivalents at end of period		170 514	102 719

In the first half of 2021, the Group reported positive operating cash flows of PLN 120,940 thousand, a year-on-year increase of PLN 82,348 thousand.

The positive operating cash flows in the first half of 2021 were driven by an increase in the scale of the Group's business, which resulted from higher volumes of leased space at the logistics parks.

In the first half of 2021, the Group reported negative cash flows from investing activities of PLN 349,395 thousand. In the same period of 2020, cash flows from investing activities were also negative, at PLN 203,398 thousand. Higher negative cash flows from investing activities were a result of the investment programme implemented by the Group. The largest expenditures incurred by the Group were outlays on the development of logistics parks in Poland as well as purchases of land at new locations. In the first half of 2021, the Group acquired further money fund units (PLN 132,000 thousand).

In the first half of 2021, the Group recorded positive cash flows from financing activities of PLN 236,926 thousand. The amount was attributable mainly to disbursements of credit facilities to the Group companies. The largest disbursements were received under the joint credit facility agreement executed by MLP Lublin Sp. z o.o., MLP Teresin Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Gliwice Sp. z o.o., as a result of which credit facilities taken out by the companies at other banks were refinanced. The issue of Series E shares in June 2021 also had a material effect on cash flows from financing activities (PLN 123,585 thousand).

3. 2 Management Board's position on published forecasts

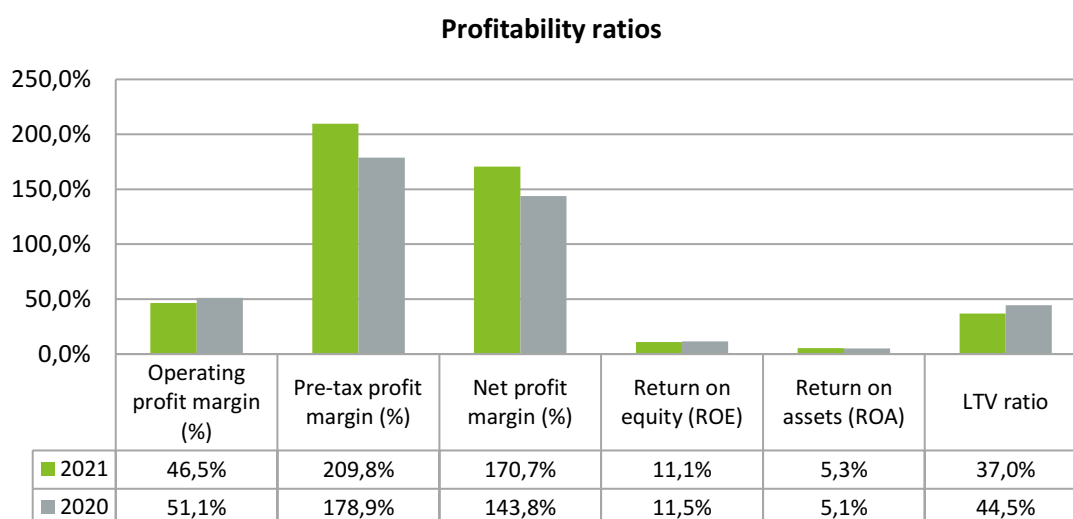
The Management Board of MLP Group S.A. has not published any financial forecasts for 2021.

3. 3 Management of the Group's financial resources

In the first half of 2021, in connection with its investment projects involving construction of storage and office space, the Group's efforts in the area of managing its financial resources were mainly focused on securing and appropriately structuring the financing sources, and on maintaining safe liquidity ratios. The Management Board analyses and plans the Group's financing structure on an ongoing basis to deliver the budgeted ratios and financial results while ensuring that the Group's liquidity and wider financial security are maintained.

The Management Board believes that as at 30 June 2021 the Group's assets and financial position were stable, thanks to the Group's well-established position on the warehouse space market, combined with the relevant experience and operational capabilities in managing property development projects and leasing commercial space. Further in this report the Group's financial condition and assets are discussed in the context of the liquidity and debt ratios.

3. 3.1 Profitability ratios



The profitability analysis is based on the following ratios:

- **operating profit margin:** operating profit before investment property valuation/revenue;
- **pre-tax profit margin:** profit/(loss) before tax / revenue;
- **net profit margin:** net profit (loss)/revenue;
- **return on equity (ROE):** net profit/(loss) / equity;
- **return on assets (ROA):** net profit (loss) / total assets.
- **LTV ratio:** [(interest-bearing debt - (cash and cash equivalents + money fund units + restricted cash to secure repayment of loans)]/Investment property

In the first half of 2021, there was a minor decline in the operating profit margin year on year. In the reporting period, the operating profit margin was mainly driven by completion of 72,582 m² of space in the period from 30 June 2020 to 30 June 2021 and launch of new projects at MLP parks, with a total area of 82,405 m², in the first half of 2021. As at 30 June 2021, 138,291 m² was under construction. In addition, the leased space in the existing buildings increased by 58,495 m² year on year.

The operating profit margin was also affected by the provision for bonuses for the Management Board recognised in the first half of 2021, calculated in the proportion of six months to the full year. No such provision was recognised in costs in the first half of 2020 – the full amount of the provision was recognised in the full-year results of 2020. The provision increased the growth rate of operating expenses in the first half of 2021 – operating expenses grew at a faster rate than revenue, resulting in the reported ratio level.

In the first half of 2021, the pre-tax profit margin was 30.9%, having increased by 209.8%. The change was mainly attributable to foreign exchange gains reported in the first half of 2021 (vs foreign exchange losses recorded in the same period of 2020), as well as higher operating profit resulting from higher revenue and higher gain on revaluation of investment property.

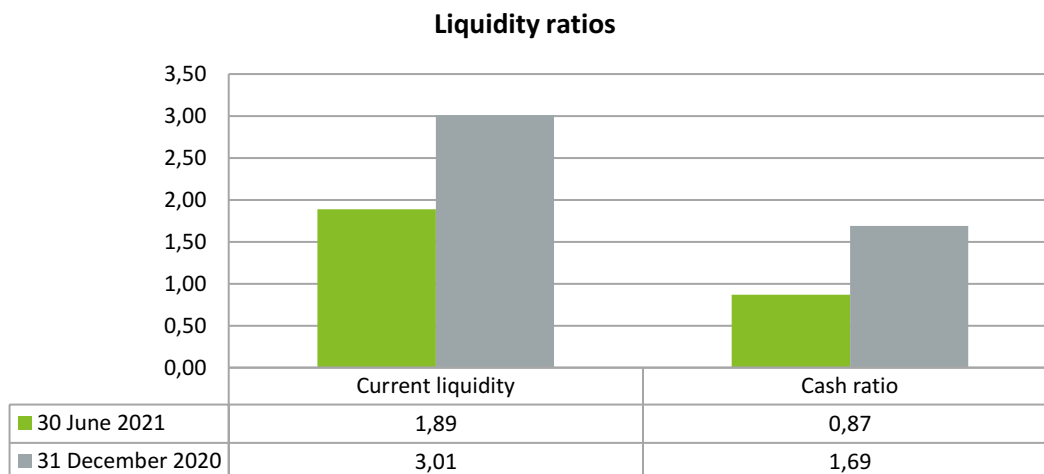
The net margin rose year on year by 26.9pp, to 170.7% in the reporting period.

Return on equity in the first half of 2021 was slightly lower than in the corresponding period of 2020 (down 0.4 pp), as a result of stock dilution following the issue of new Series E shares.

The return on assets increased slightly year on year, by 0.2pp.

The LTV ratio for the first half of 2021 was 37%, 7.5pp less than the year before (when it stood at 44.5%) and is considered safe. The change is attributable to higher value of investment properties held by the Group.

3. 3.2 Liquidity ratios



The liquidity analysis is based on the following ratios:

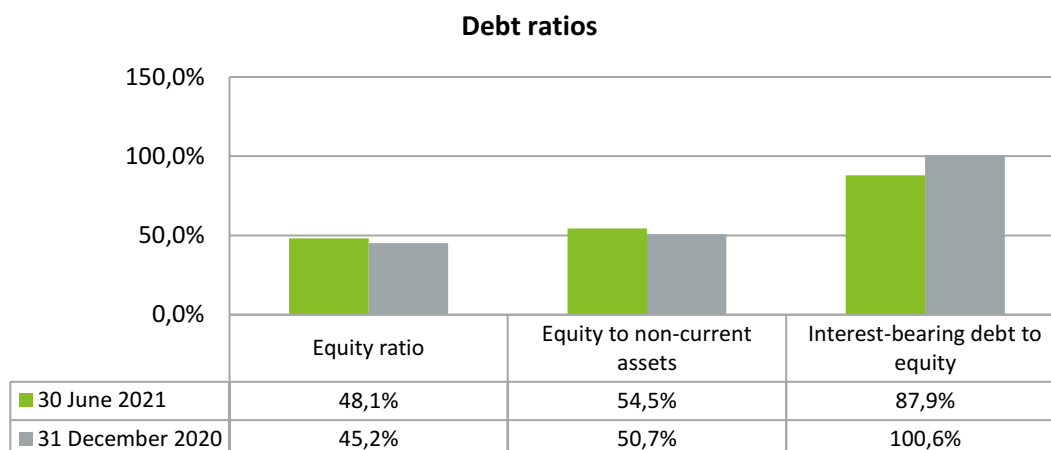
- **current ratio:** current assets / current liabilities;
- **cash ratio:** cash and cash equivalents / current liabilities.

As at 30 June 2021, the current ratio fell relative to the end of 2020 (by -1.12 pp).

The cash ratio as at 30 June 2021 declined relative to the end of 2020 by -0.82 pp.

The change in both ratios was mainly attributable to a significant increase in current liabilities as a portion of liabilities under bonds (Series A notes) maturing on May 11th 2022 has been transferred to current liabilities.

3. 3.3 Debt ratios



The debt analysis is based on the following ratios:

- **equity ratio:** total equity / total assets;
- **equity to non-current assets ratio:** total equity / non-current assets;
- **financial liabilities to equity ratio:** financial liabilities¹⁾ / total equity.

¹⁾ Financial liabilities include non-current and current liabilities under borrowings and other debt instruments, as well as finance lease liabilities and liabilities on measurement of swap transactions.

As at 30 June 2021, the equity ratio was 2.9 pp up year on year. The equity to non-current assets ratio also rose, by 3.8 pp. On the other hand, the ratio of interest-bearing debt to equity fell by 12.7 pp due to the issue of new shares, share capital increase, and new loans taken out, which increased liabilities. In accordance with the terms and conditions of Series A, Series B and Series C bonds, the equity ratio may not be lower than 35%.

3. 4 Borrowings, bonds, sureties and guarantees

3. 4.1 New and terminated non-bank borrowings

In the first half of 2021, the Group did not take out any new non-bank borrowings.

3. 4.2 New and terminated bank borrowings

- **New credit facility agreements executed in the six months ended 30 June 2021**

On 10 February 2021, a credit facility agreement was concluded between Powszechna Kasa Oszczędności Bank Polski S.A. and MLP Poznań West II Sp. z o.o. The first tranche was disbursed on 11 March 2021.

On 9 April 2021, four companies of the Group: MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o. entered into a credit facility agreement with BNP Paribas Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. The facility amount is EUR 73,417,681.00, and the funds were used to refinance the companies' existing loans and to fund the Group's investment projects. The first tranche of the facility was disbursed on 30 April 2021.

In February, March and May 2021 ING Bank Śląski S.A. disbursed further tranches of the credit facility to MLP Poznań Sp. z o.o., in a total amount of EUR 1,474 thousand.

- **Repayment of bank borrowings in the six months ended 30 June 2021**

In the first half of 2021, the Group repaid its bank borrowings in accordance with the agreed repayment schedules.

On 30 April 2021, four Group companies (MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Wrocław Sp. z o.o. and MLP Teresin Sp. z o.o.) repaid their existing credit facilities using proceeds from the credit facility they obtained under an agreement with BNP Paribas Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A. (for more information, see above).

No credit facilities were terminated in the reporting period.

3. 4.3 Bonds

On 9 December 2019, the Management Board of MLP Group S.A. passed Resolution No. 3/12/2019 to establish a bond issue programme (the "Programme"), pursuant to which on 18 December 2019 the Company entered into an agreement with Bank Polska Kasa Opieki S.A. of Warsaw, as the arranger, paying agent, dealer, technical agent, offering agent and bookrunner, and Pekao Investment Banking S.A. of Warsaw as the arranger, technical agent, offering agent and dealer (the "Agreement").

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. 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).

The bonds will pay variable interest at 6M EURIBOR plus margin.

The bonds were issued as unsecured instruments. The objectives of the issue were not specified.

The bonds mature on 19 February 2025, with an early redemption option at the Company's discretion. The bonds of MLP Group S.A. outstanding as at 30 June 2021 are presented below.

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	ISIN
Private bonds – Series A	EUR	20 000 000	2022-05-11	6M EURIBOR + margin	none	PLMLPGR00033
Private bonds – Series B	EUR	10 000 000	2023-05-11	6M EURIBOR + margin	none	PLMLPGR00041
Public bonds – Series C	EUR	45 000 000	2025-02-19	6M EURIBOR + margin	none	PLMLPGR00058

3. 4.4 Loans

In the first half of 2021, the Group did not grant any new loans.

3. 4.5 Sureties issued and received

MLP Group S.A. entered into Support Agreements to provide support to the Group companies in connection with:

- the credit facility agreement executed by MLP Poznań West II Sp. z o.o. with Powszechna Kasa Oszczędności Bank Polski S.A. in February 2021,
- the credit facility agreement executed in April 2021 by MLP Lublin sp. z o.o., MLP Gliwice sp. z o.o., MLP Teresin sp. z o.o., and MLP Wrocław sp. z o.o. with BNP Paribas Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.

3. 4.6 Guarantees provided and received

As at 30 June 2021, the Group did not provide any guarantees.

3. 5 Feasibility of investment plans

The Group has adequate capital resources to meet its strategic objectives and finance its day-to-day operations.

The Group finances its investments (both acquisitions of new properties as well as extension of the existing logistics parks) with the Group's own resources and long-term borrowings, including credit facilities, non-bank borrowings and issues of commercial paper.

The Group assumes that the share of debt financing in the financing of the planned projects will be approximately 70%.

3. 6 Non-recurring factors and events with a bearing on the consolidated financial result for the six months ended 30 June 2021

In the six months ended 30 June 2021, there were no non-recurring factors or events that would have a material effect on the consolidated profit or loss for the financial period.

3. 7 Issue, redemption, cancellation and repayment of non-equity and equity securities

On 9 December 2019, the Management Board of MLP Group S.A. passed Resolution No. 3/12/2019 to establish a bond issue programme (the "Programme"), pursuant to which on 18 December 2019 the Company entered into an agreement with Bank Polska Kasa Opieki S.A. of Warsaw, as the arranger, paying agent, dealer, technical agent, offering agent and bookrunner, and Pekao Investment Banking S.A. of Warsaw as the arranger, technical agent, offering agent and dealer (the "Agreement"). For more information, see Note 3.4.3.

3. 8 Material achievements and failures in the six months ended 30 June 2021

There were no material achievements or failures other than those described in this Management Board's report on the activities of the MLP Group S.A. Group.

3. 9 Seasonality and cyclicality

The Group's business is not seasonal or cyclical.

4. Statement of the Management Board

We represent that, to the best of our knowledge, the interim condensed consolidated and separate financial statements and the comparative data have been prepared in accordance with the applicable accounting policies and give a true, fair and clear view of the assets, financial position and results of the Company and the Group.

We further represent that the half-year Management Board's report on the activities of the MLP Group S.A. Group presents a true view of the development, achievements and condition of the Company and the Group, including a description of key threats and risks.

We represent that the qualified auditor of the financial statements who reviewed the interim condensed consolidated financial statements and audited the separate financial statements for the period from 1 January to 30 June 2021, namely PWC Polska Sp. z o.o. Audyt Sp.k., was appointed in accordance with the applicable laws.

We further represent that both the auditing firm and the auditor who performed the review met the conditions required to issue an impartial and independent report from the review of the full-year consolidated financial statements and the audit of the interim condensed separate financial statements, in accordance with the applicable provisions of law and professional standards.

Radosław T. Krochta
President of the Management

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
Member of the Management

Pruszków, 25 August 2021