



MLP
GROUP



MLP Group S.A.

Annual Report

for the year ended December 31st 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. Letter from the President of the Management Board to Shareholders	5
II. Statement of the Management Board	8
III. Selected financial data of MLP Group S.A.	9
IV. Separate financial statements of MLP Group S.A. for the year ended 31 December 2021	11
Authorisation of the separate financial statements for issue	12
Separate statement of profit or loss and other comprehensive income	13
Separate statement of financial position	14
Separate statement of cash flows	15
Separate statement of changes in equity	16
Notes to the separate financial statements	17
1. General information	17
1.1 MLP Group S.A.	17
1.2 MLP Group S.A. Group	17
1.3 Management Board	18
1.4 Supervisory Board	18
2. Basis of preparation of the separate financial statements	18
2.1 Statement of compliance	18
2.2 Status of standards approval in the European Union	18
2.2.1 Standards and interpretations endorsed by the European Union which were not yet effective as at the reporting date	18
2.2.2 Standards and interpretations endorsed by the European Union effective as of 1 January 2021	19
2.2.3 Standards and Interpretations pending approval by the European Union	20
2.2 Basis of preparation	21
2.3 Functional currency and presentation currency of the financial statements; rules applied to translate financial data	21
2.3.1 Functional currency and presentation currency	21
2.3.2 Rules applied to translate financial data	21
2.4 Use of estimates and judgements	21
3. Significant accounting policies	22
3.1 Foreign currencies	22
3.2 Financial instruments	22
3.2.1 Financial instruments measured at fair value through other comprehensive income	22
3.2.2 Financial assets measured at amortised cost:	22
3.2.3 Financial instruments measured at fair value through profit or loss	23
3.2.4 Non-current financial assets in related entities	23
3.3 Equity	24
3.3.1 Share capital	24

3.3. 2	Capital reserve	24
3.3. 3	Share premium	24
3.3. 4	Statutory reserve funds	24
3.3. 5	Profit (loss) brought forward	24
3.4	Property, plant and equipment	24
3.4. 1	Measurement of property, plant and equipment	25
3.4. 2	Subsequent expenditure	25
3.4. 3	Depreciation and amortisation	25
3.5	Intangible assets	26
3.6	Impairment of assets	26
3.6. 1	Financial assets	26
3.6. 2	Non-financial assets	27
3.7	Employee benefits	28
3.8	Assets under ongoing construction contracts	28
3.9	Cash and cash equivalents	28
3.10	Provisions	28
3.11	Borrowings	28
3.12	Trade and other payables	29
3.13	Revenue	29
3.13. 1	Rendering of services	29
3.13. 2	Provision of construction services	29
3.14	Finance income and costs	29
3.15	Income tax	30
3.16	Earnings per share	30
4.	Financial risk management	31
4.1	Credit risk	31
4.1. 1	Trade and other receivables, and loans	31
4.2	Liquidity risk	31
4.3	Market risk	31
4.3. 1	Currency risk	31
4.4	Capital management	32
5.	Segment reporting	32
5.1	Key customers of the Company	32
6.	Revenue	33
7.	Other income	33
8.	Other expenses	34
9.	Distribution costs and administrative expenses	34
10.	Finance income and costs	35
11.	Income tax	35
12.	Non-current financial assets in related entities	38
13.	Long-term investments	40
14.	Short-term investments	41
15.	Change in financial assets attributable to financing and other activities	41
16.	Deferred tax	42
17.	Trade and other receivables	43
18.	Cash and cash equivalents	43

19. Equity	44
19.1 Share capital	44
19.1.1 Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company	45
19.1.2 Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies	46
19.2 Capital reserve	46
20. Earnings and dividend per share	46
21. Non-bank borrowings and other debt instruments	47
21.1 Non-current liabilities	47
21.2 Current liabilities	47
21.3 Change in financial liabilities attributable to financing and other activities	47
21.4 Liabilities under bonds	48
21.5 Non-bank borrowings not secured on the Company's assets:	48
22. Employee benefit obligations	49
23. Trade and other payables	49
24. Financial instruments	50
24.1 Measurement of financial instruments	50
24.1.1 Financial assets	50
24.1.2 Financial liabilities	51
24.2 Nature and extent of risks arising from financial instruments	51
24.2.1 Liquidity risk	52
24.2.2 Currency risk	52
24.2.3 Interest rate risk	54
24.2.4 Credit risk	54
25. Contingent liabilities and security instruments	54
25.1 Financial and registered pledges on shares	55
25.2 Guarantees	58
25.3 Sureties	58
25.4 Other security interests	58
26. Related-party transactions	59
26.1 Trade and other receivables and payables	59
26.2 Loans and non-bank borrowings	62
26.3 Income and expenses	64
27. Significant litigation and disputes	67
28. Significant events during and subsequent to the reporting period	67
28.1 Effect of the COVID-19 pandemic on the activities of MLP Group S.A.	68
28.2 Impact of the political and economic situation in Ukraine on activities of the MLP Group S.A. Group	68
29. Remuneration paid or due to Management and Supervisory Board members	69
30. Employees	70



I. Letter from CEO to Shareholders

Dear Shareholders,

MLP Group had a very successful year. We delivered excellent results, both from an operational and financial point of view. I am pleased to present you with the annual report, in which we describe the work done, our business achievements and development plans. We are proud that the results for 2021 exceeded market expectations.

Financial highlights:

- Net profit amounted to PLN 480.5 million (EUR 105 million), + 182% yoy
- Value of investment properties increased to PLN 3.4 billion (EUR 752 million), + 46% yoy
- Lease agreements in 2021 for app 310 thousand sqm, + 50% yoy
- NAV per share PLN 85.36 (EUR 18.56), + 40% yoy
- FFO amounted to PLN 54.7 million (EUR 12.0 million), + 17% yoy
- Dynamic development on the Polish, German, Austrian and Romanian markets as well as planned entry to the Benelux and Hungary
- Strong land bank secured for new projects
- Operational stability achieved through mitigation of interest rate, inflation and currency risks

MLP Group – key developments in 2021

2021 was a very successful year across all markets in where we operate.

In 2021, MLP Group was developing projects for a total of over 310 thousand sqm, with a further 210 thousand sqm under construction or in the pipeline. Last year, nearly 310 thousand sqm of warehouse space was leased, which is about 50% more than in the previous year. Additionally, in the first months of 2022, we noticed strong tenant's activity across all our markets. At the end of December 2021, MLP Group had nearly 1 million sqm of warehouse space. The vacancy rate at existing properties remained very low, below 3%. The Covid-19 pandemic has not affected MLP Group's business.

In 2021, MLPG acquired several new plots, among others in Vienna, Schalke (Gelsenkirchen), Zgorzelec, Wrocław, Idstein (Frankfurt) and additional plots in Pruszków, Poznań and Łódź.

MLPG currently operates 20 logistics parks in Poland and abroad. In addition, in 2021 MLP Group concluded several reservation agreements for new plots for further logistics parks in Poland and Western Europe. Based on the current land banks and reserved plots, MLP Group secured development potential for another 1 million sqm, with the area of the secured land of approximately 150 ha.

Financial standing of MLP Group

- Considering the current geopolitical situation and high volatility in the economy, we are very well prepared for the current challenges.
- All lease contracts are indexed to European inflation rates. Thus, an increase in inflation causes an automatic increase in revenues.
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk.
- Almost 100% of loans are hedged with IRS for the next 5 years, resulting in limited interest rates' exposure.



- The geographical diversification of our business across several countries, combined with the diverse tenant base and the average lease term of more than 8 years, provides significant operational stability.
- Diversification of energy sources and implementation of solutions having a positive impact on the protection of the natural environment.
- The greatest value is the potential of the secured plots, which enables rapid development in the coming years on European markets, and thus the achievement of the assumed strategic goals
- Strong cash flow position
 - LTV at 36.9%, the highest interest coverage ratio at 3.3 x ICR
 - Long debt maturity ratio of 4.7 years
 - FFO amounted to PLN 54.7 million (EUR 12.0 million), + 17% yoy

MLP Group has a very good financial standing, a safe capital structure enabling the implementation of long-term strategic goals, its own land bank located in attractive locations and highly qualified management staff.

MLP Group plans for 2022

This year, we assume a further, very dynamic increase in the scale of our business. The key in this respect is to have a land bank secured for the new investments and to minimise the operational risk

Our strategic goal is to constantly expand the warehouse portfolio. We will continue to develop rapidly, above all in Germany, where we are systematically increasing our portfolio of projects. We plan to enter new key locations, but also to expand our offer in the Ruhr area. We also plan to strengthen our position on the Austrian market. Additionally, we will soon be present in the Benelux countries and Hungary. The Polish market is still very important for us, and we will consistently increase our offer in key logistics regions. In 2022, capital expenditure (CAPEX) will amount to approximately EUR 200 million, of which approximately 30% will be allocated to plots' purchases. We plan to lease 250 thousand sqm of the new warehouse space.

We pursue our strategic goal by building big box buildings, primarily in response to the development of electronic commerce (e-commerce). In this way, MLP Group also meets the current needs of tenants from the light industry sector where growing demand for area is driven by onshoring of production from Asia to Europe. We also prepare Urban / City Logistics facilities, i.e. small modules offering modern warehouse space along with a representative office with a high standard of finishing.

The Group's activities are particularly focused on environmental protection and achieving zero CO2 emissions by 2024. As part of the existing and emerging facilities, a project to build photovoltaic farms on the roofs of logistics parks is being implemented, which should allow us to generate between 12 to 14 GWh of green energy in 2024.

We want 80% of our projects to obtain BREEAM certificate at the Excellent or Very Good level, and DGNB Gold or Platinum certificate on the German and Austrian market.

Macroeconomic situation 2022

We do not know how the Russia's invasion of Ukraine will translate into the economic situation. Both the conflict and the sanctions will have a strong negative impact on the global economic recovery during the ongoing COVID-19 recession. The war in Ukraine poses a challenge to the world economy that is damaging to economic growth and cutting pressure on inflation, which is already at high levels. The most likely scenario is a decline in economic growth in Europe and an increase in inflation caused by further problems with the supply chain, an increase in energy prices will have a negative impact on the economy of the European Union. On the other hand, expectations for significant rate hikes this year have fallen since the beginning of the Russian-Ukrainian conflict, which shall translate into a positive valuation of assets in the medium term.

We would like to thank all our shareholders for their unwavering support and trust. We will make every effort to effectively and consistently implement our strategy, achieve the best financial results and constantly increase the value of the MLP Group S.A.

Radosław T. Krochta
President & CEO of MLP Group

II. Statement of the Management Board

The separate financial statements of MLP Group S.A. S.A. for the period from 1 January 2021 to 31 December 2021 and the comparative data for the period from 1 January 2020 to 31 December 2020 have been prepared in compliance with the applicable accounting policies described in Note 3 and present a true, accurate and fair view of the Company's assets, financial condition and financial results. The Management Board's Report on the activities of MLP Group S.A. presents a true view of the Company's development, achievements and condition, including a description of key threats and risks.

We also represent that the entity qualified to audit the financial statements which audited the separate financial statements of the Company for the 12 months ended 31 December 2021, i.e. PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k., was appointed in accordance with the law. The entity and the statutory auditor who performed the audit satisfied the conditions to issue an unbiased and independent opinion on the audit, in compliance with the applicable laws and professional standards

Signed with a qualified digital signature.

Radosław T. Krochta
President of the Management

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
Member of the Management

Maria Ratajczyk
*Signature of the person
preparing the financial*

Pruszków, 16 March 2022

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

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

	31 December 2021	31 December 2020
Average mid exchange rate during the reporting period*	4,5775	4,4742
Mid exchange rate on the last day of the reporting period	4,5994	4,6148

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

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

	as at	31 December 2021		31 December 2020	
		PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets		899 206	195 505	711 490	154 176
Current assets		144 917	31 508	100 511	21 780
Total assets		1 044 123	227 013	812 001	175 956
Non-current liabilities		527 333	114 653	524 253	113 603
Current liabilities		103 464	22 495	15 985	3 464
Equity, including:		413 326	89 865	271 763	58 889
Share capital		5 344	1 162	4 931	1 069
Total equity and liabilities		1 044 123	227 013	812 001	175 956
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		19,34	4,20	13,78	2,99

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

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

	2021		2020	
	PLN '000	EUR '000	PLN '000	EUR '000
Revenue	20 949	4 577	27 338	6 110
Distribution costs and administrative expenses	(20 328)	(4 441)	(29 512)	(6 596)
Operating profit/(loss)	268	59	(1 924)	(430)
Profit before tax	19 840	4 334	9 171	2 050
Net profit	17 978	3 927	9 263	2 070
Total comprehensive income	17 978	3 927	9 263	2 070
Net profit attributable to the shareholders	17 978	3 927	9 263	2 070
Earnings per share and diluted earnings per share attributable to shareholders (EUR/PLN per share)	0,87	0,19	0,51	0,11

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

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

<i>for the year ended 31 December</i>	2021		2020	
	PLN '000	EUR '000	PLN '000	EUR '000
Net cash flows from operating activities	3 399	743	(1 772)	(396)
Cash flows from investing activities	(124 613)	(27 223)	(337 597)	(75 454)
Cash flows from financing activities	208 153	45 473	298 933	66 813
Total cash flows, net of exchange differences	86 939	18 993	(40 436)	(9 037)
Total cash flows	85 724	18 727	(35 466)	(7 927)

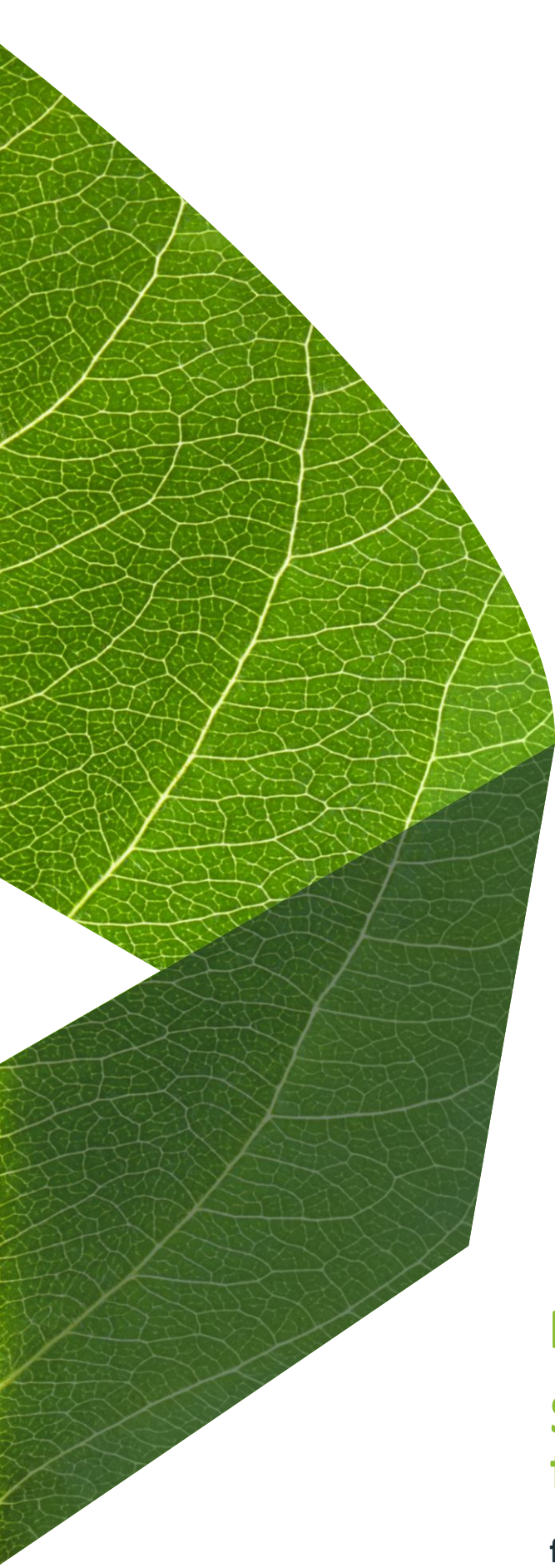
The data in the separate statement of cash flows was translated at the average euro exchange rate calculated as the arithmetic mean of the mid exchange rates quoted by the National Bank of Poland for the last day of each month in the reporting period.

<i>as at</i>	31 December 2021		31 December 2020	
	PLN '000	EUR '000	PLN '000	EUR '000
Cash at beginning of period	6 468	1 402	41 934	9 847
Cash at end of period	92 192	20 044	6 468	1 402

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

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

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



MLP Group S.A.

**Separate
financial statements**

for the year ended 31 December 2021
prepared in accordance with EU IFRS

IV. Separate financial statements of MLP Group S.A. for the year ended 31 December 2021

Authorisation of the separate financial statements for issue

On 16 March 2022, the Management Board of MLP Group S.A. authorised for issue the separate financial statements ("Separate Financial Statements") of MLP Group S.A. for the period from 1 January 2021 to 31 December 2021.

The Financial Statements for the period from 1 January 2021 to 31 December 2021 have been prepared in accordance with International Financial Reporting Standards as approved by the European Union ("IFRS EU"). In this report, information is presented in the following sequence:

1. Separate statement of profit or loss and other comprehensive income for the period from 1 January to 31 December 2021, showing a net profit of PLN 17,978 thousand.
2. Separate statement of financial position as at 31 December 2021, showing total assets and total equity and liabilities of PLN 1,044,123 thousand.
3. Separate statement of cash flows for the period from 1 January 2021 to 31 December 2021, showing a net increase in cash of PLN 85,724 thousand.
4. Separate statement of changes in equity for the period from 1 January to 31 December 2021, showing an increase in equity of PLN 141,563 thousand.
5. Notes to the separate financial statements

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

Signed with a qualified digital signature.

Radosław T. Krochta
President of the Management

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
*Member of the Management
Board*

Pruszków, 16 March 2022

Separate statement of profit or loss and other comprehensive income

<i>for the year ended 31 December</i>	Note	2021	2020
Revenue	6	20 949	27 338
Other income	7	145	360
Other expenses	8	(498)	(110)
Distribution costs and administrative expenses	9	(20 328)	(29 512)
Operating profit/(loss)		268	(1 924)
Finance income	10	32 469	25 171
Finance costs	10	(12 897)	(14 076)
Net finance income/(costs)		19 572	11 095
Profit/(loss) before tax		19 840	9 171
Income tax	11	(1 862)	92
Profit from continuing operations		17 978	9 263
Profit from discontinued operations		0	0
Net profit		17 978	9 263
Net profit attributable to:			
Shareholders		17 978	9 263
Total comprehensive income		17 978	9 263
Comprehensive income attributable to:			
Shareholders		17 978	9 263
Earnings per share	20		
Earnings per ordinary share:			
- Basic earnings per share from continuing operations		0,87	0,51
- Basic earnings per share from discontinued operations		0	0
- Earnings per ordinary share		0,87	0,51
Diluted earnings per ordinary share:			
- Diluted earnings per share from continuing operations		0,87	0,51
- Diluted earnings per share from discontinued operations		0	0
- Earnings per ordinary share		0,87	0,51

Separate statement of financial position

<i>for the year ended 31 December</i>	Note	2021	2020
Non-current assets			
Intangible assets		79	20
Property, plant and equipment		206	217
Non-current financial assets in related entities	12	123 450	123 420
Other long-term financial investments	13	768 959	584 256
Deferred tax assets	16	2 846	2 616
Other long-term investments		3 666	961
Total non-current assets		899 206	711 490
Current assets			
Short-term investments	14	49 480	78 957
Income tax receivable	17	186	-
Trade and other receivables	17	3 059	8 683
Assets under ongoing construction contracts		-	6 403
Cash and cash equivalents	18	92 192	6 468
Current assets other than held for sale or distribution to owners		144 917	100 511
Total current assets		144 917	100 511
TOTAL ASSETS		1 044 123	812 001
Equity			
	19		
Share capital		5 344	4 931
Share premium		304 025	180 853
Retained earnings, including:		103 957	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		17 978	9 263
Equity attributable to shareholders		413 326	271 763
Total equity		413 326	271 763
Non-current liabilities			
Non-bank borrowings and other debt instruments	21	527 333	524 253
Total non-current liabilities		527 333	524 253
Current liabilities			
Non-bank borrowings and other debt instruments	21	94 520	3 763
Employee benefit obligations	22	4 432	1 373
Trade and other payables	23	4 512	10 849
Current liabilities other than held for sale		103 464	15 985
Total current liabilities		103 464	15 985
Total liabilities		630 797	540 238
TOTAL EQUITY AND LIABILITIES		1 044 123	812 001

Separate statement of cash flows

<i>for the year ended 31 December</i>	Note	2021	2020
Cash flows from operating activities			
Profit before tax		19 840	9 171
<i>Total adjustments, including:</i>		(14 163)	(10 943)
Depreciation and amortisation		113	396
Net interest		(8 643)	(2 334)
Exchange differences		(930)	2 852
Dividend income		(10 586)	(12 046)
Other		(2 866)	(572)
Change in receivables		12 027	4 509
Change in current and other liabilities		(3 278)	(3 748)
Cash from operating activities		5 677	(1 772)
Income tax (paid)/refunded		(2 278)	-
Net cash from operating activities		3 399	(1 772)
Cash flows from investing activities			
Repayment of loans		268 394	62 055
Dividends received		10 586	2 280
Interest received		12 273	2 392
Acquisition of shares	12	(30)	(24)
Purchase of investment property, property, plant and equipment and intangible assets		(193)	(528)
Disposal of investment property, property, plant and equipment and intangible assets		32	-
Proceeds from disposal of other investments in financial assets		103 381	-
Purchase of other financial assets		(132 700)	(20 000)
Loans		(386 356)	(383 772)
Cash from investing activities		(124 613)	(337 597)
Cash flows from financing activities			
Proceeds from non-bank borrowings		12 433	0
Repayment of non-bank borrowings		(12 433)	(2 002)
Issue of bonds		93 304	196 733
Net proceeds from issue of shares and other equity instruments and contributions to equity		123 585	110 134
Interest paid on non-bank borrowings		(76)	(269)
Interest paid on bonds		(8 660)	(5 663)
Cash from financing activities		208 153	298 933
Total cash flows, net of exchange differences		86 939	(40 436)
Effect of exchange differences on cash and cash equivalents		(1 215)	4 970
Total cash flows		85 724	(35 466)
Cash and cash equivalents at beginning of period		6 468	41 934
Cash and cash equivalents at end of period	18	92 192	6 468

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	17 978	17 978	17 978
Comprehensive income for the year ended 31 December 2021	0	0	17 978	17 978	17 978
Increase in equity due to share issue ³⁾	413	123 172	0	123 585	123 585
Changes in equity	413	123 172	17 978	141 563	141 563
Equity as at 31 December 2021	5 344	304 025	103 957	413 326	413 326

	Share capital	Share premium	Retained earnings	Total equity attributable to owners of the parent	Total equity
Equity as at 1 January 2020	4 529	71 121	80 701	156 351	156 351
<u>Comprehensive income:</u>					
Net profit/(loss)	0	0	9 263	9 263	9 263
Comprehensive income for the year ended 31 December 2020	0	0	9 263	9 263	9 263
Increase in equity due to share issue ²⁾	402	109 732	-	110 134	110 134
Distribution of net profit for 2019 ¹⁾	0	0	(3 985)	(3 985)	(3 985)
Changes in equity	402	109 732	5 278	115 412	115 412
Equity as at 31 December 2020	4 931	180 853	85 979	271 763	271 763

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

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

³⁾ 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 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.

At the end of the reporting period, MLP Group S.A. was the parent of 50 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, Feniks Obrót 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, MLP Gorzów Sp. z o.o., MLP Idstein GP Sp. z o.o., MLP Idstein Lp. Sp. z o.o. i MLP Idstein Sp. z o.o. & Co.KG.

For more information on subordinated entities, see Note 12.

1. 3 Management Board

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

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

1. 4 Supervisory Board

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

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

2. 2 Status of standards approval in the European Union

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

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

Standards and interpretations endorsed by the European Union which are not yet effective for annual periods	Potential impact on the separate financial statements	Effective date for periods beginning on or after the date
IFRS 3 Business Combinations	no impact	1 January 2022
Amendments to IAS 16 Property, Plant and Equipment	no significant impact	1 January 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	no significant impact	1 January 2022
IFRS 17 Insurance Contracts and amendments to IFRS 17	no impact	1 January 2023
Annual Improvements to International Financial Reporting Standards 2018-2020 Cycle, including: IFRS 1 First-time Adoption of International Financial Reporting Standards IFRS 9 Financial Instruments IAS 41 Agriculture examples illustrating IFRS 16 Leases	no significant impact	1 January 2022

2. 2. 2 Standards and interpretations endorsed by the European Union effective as of 1 January 2021

The following new standard was applied for the first time in the Company's separate financial statements for 2021:

Standards and interpretations endorsed by the European Union	Potential impact on the separate financial statements	Effective date for periods beginning on or after the date
Amendments to IFRS 16 Leases	no significant impact	1 June 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 related to IBOR reform	no significant impact	1 January 2021
Amendment to IFRS 4: <i>Application of IFRS 9 Financial Instruments</i>	no impact	1 January 2021

2. 2. 3 Standards and Interpretations pending approval by the European Union

Standards and interpretations pending approval by the European Union	Potential impact on the separate financial statements	Effective date for periods beginning on or after the date
Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture	no impact	by decision of the European Union, implementation is postponed
IFRS 14 <i>Regulatory Deferral Accounts</i>	no impact	by decision of the European Union, the standard will not be implemented
Amendment to IFRS 4: Application of IFRS 9 <i>Financial Instruments</i>	no significant impact	by decision of the European Union, implementation is postponed until 2021
Amendments to IAS 1 Presentation of Financial Statements	no significant impact	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	no significant impact	1 January 2023
Amendment to IAS 1 Presentation of Financial Statements and the IASB Practice Statement on Disclosure of Accounting Policies	no significant impact	1 January 2023
Amendments to IAS 12 Income Taxes	no significant impact	1 January 2023
IFRS 17 <i>Insurance Contracts</i>	no impact	1 January 2023

2. 2 **Basis of preparation**

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

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

2. 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 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 separate statement of financial position denominated in foreign currencies:

Separate statement of financial position:

	31 December 2021	31 December 2020
EUR	4,5994	4,6148
USD	4,0600	3,7584
RON	0,9293	0,9479

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

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

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

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

3. Significant accounting policies

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

3. 1 Foreign currencies

Foreign currency transactions

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

3. 2 Financial instruments

3. 2. 1 Financial instruments measured at fair value through other comprehensive income

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

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

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

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

3. 2. 2 Financial assets measured at amortised cost:

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

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

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

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

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

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

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

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

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

3. 2. 3 *Financial instruments measured at fair value through profit or loss*

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

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

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

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

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

3. 2. 4 *Non-current financial assets in related entities*

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

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

Permanent impairment in subordinated entities is estimated at each reporting date.

3. 3. Equity

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

3. 3. 1 Share capital

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

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

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

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

3. 3. 2 Capital reserve

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

3. 3. 3 Share premium

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

3. 3. 4 Statutory reserve funds

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

3. 3. 5 Profit (loss) brought forward

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

3. 4. Property, plant and equipment

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

3. 4. 1 Measurement of property, plant and equipment

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

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

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

3. 4. 2 Subsequent expenditure

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

3. 4. 3 Depreciation and amortisation

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

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

Buildings	10–40 years
Plant and equipment	3–16 years
Vehicles	5–7 years
Furniture and fixtures	1–5 years

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

3. 5. Intangible assets

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

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

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

3. 6. Impairment of assets

3. 6. 1 Financial assets

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

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

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

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

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

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

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

- a loan is past due 30 days or more;
- there have been legislative, technological or macroeconomic changes having a material adverse effect on the debtor;

- a significant adverse event has been reported concerning the loan or another loan taken by the same debtor from another lender, for instance a loan agreement has been terminated, there has been a default under its terms and conditions, or the loan agreement has been renegotiated due to financial distress of the debtor, etc.
- the debtor has lost a significant customer or supplier or has experienced other adverse developments on its market.

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

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

3. 6. 2 Non-financial assets

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

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

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

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

3. 7. Employee benefits

Defined benefit plans

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

3. 8. Assets under ongoing construction contracts

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

3. 9. Cash and cash equivalents

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

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

3. 10. Provisions

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

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

3. 11. Borrowings

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

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

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

3. 12. Trade and other payables

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

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

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

Non-financial liabilities are measured at amounts receivable.

3. 13. Revenue

3. 13. 1 Rendering of services

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

3. 13. 2 Provision of construction services

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

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

3. 14. Finance income and costs

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

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

3. 15. *Income tax*

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

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

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

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

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

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

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

3. 16 *Earnings per share*

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

4. Financial risk management

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

- Credit risk (Note 24.2.4),
- Liquidity risk (Note 24.2.1),
- Market risk (Notes 24.2.2 and 24.2.3).

The notes provide information on the Company's exposure to a given risk, the objectives, policies and procedures adopted by the Company to manage that risk and the way in which the Company manages its capital.

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

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

4. 1 Credit risk

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

4. 1. 1 Trade and other receivables, and loans

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

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

4. 2 Liquidity risk

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

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

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

4. 3 Market risk

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

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

4. 3. 1 Currency risk

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

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

4. 4 **Capital management**

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

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

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

The Company is not subject to any external capital requirements.

5. **Segment reporting**

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

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

Pursuant to IFRS 8.4, segment reporting is presented in Note 5 to the interim condensed consolidated financial statements of the Group.

5. 1. **Key customers of the Company**

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

<i>for the year ended 31 December</i>	2021	2020
MLP Pruszków I Sp. z o.o.	13%	10%
MLP Logistic Park Germany I Sp. z o.o. & Co. K	12%	0%
Westinvest Gesellschaft fur Investmentfonds mbH Sp. z o.o. Polish Brand	9%	65%
MLP Pruszków II Sp. z o.o.	9%	1%
MLP Lublin Sp. z o.o.	9%	2%
MLP Wrocław Sp. z o.o.	9%	2%
MLP Gliwice Sp. z o.o.	8%	2%
MLP Pruszków III Sp. z o.o.	6%	4%
MLP Poznań West II Sp. z o.o.	6%	1%

6. Revenue

	<i>for the year ended 31 December</i>	2021	2020
Property management		5 097	4 626
Project management		816	949
Advisory services		12 498	3 206
Agency services		-	139
Recharge of services		658	676
Revenue from development contract ¹⁾		1 880	17 742
Total revenue		20 949	27 338
<i>- including from related entities</i>		<i>19 029</i>	<i>9 559</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 Company recognised revenue from the contract of PLN 17,742 thousand, calculated based on the percentage of completion of the work. In 2021, the Company 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.

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

7. Other income

	<i>for the year ended 31 December</i>	2021	2020
Reversal of provision for future costs		11	-
Proceeds from sale of property, plant and equipment		23	9
Other		111	351
Other income		145	360

8. Other expenses

	<i>for the year ended 31 December</i>	2021	2020
Court fees		(19)	-
Other expenses		(394)	(105)
Damages and contractual penalties		(81)	-
Donations made		(4)	(5)
Other expenses		(498)	(110)

9. Distribution costs and administrative expenses

	<i>for the year ended 31 December</i>	2021	2020
Depreciation and amortisation		(113)	(396)
Materials and consumables used		(364)	(234)
Services		(11 398)	(24 378)
Taxes and charges		(238)	(105)
Wages and salaries		(6 894)	(3 724)
Social security and other employee benefits		(630)	(502)
Other expenses by nature		(691)	(173)
Distribution costs and administrative expenses		(20 328)	(29 512)

Distribution costs and administrative expenses for the year ended 31 December 2021 were PLN 20,328 thousand. In most part, the costs incurred by the Company included costs related to the performance of the property development contract (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.

Cost of services in both periods included the costs of a development project, of PLN 12,821 thousand in 2020 and of PLN 1,529 thousand in 2021.

10. Finance income and costs

	<i>for the year ended 31 December</i>	2021	2020
Interest on loans to related entities		20 292	13 121
Dividend income		10 586	12 046
Other		-	4
Net exchange differences		1 036	-
Revenue from investment fund units		555	-
Total finance income		32 469	25 171
Interest expense on non-bank borrowings from related entities		(3 355)	(3 460)
Interest paid to state budgets		(6)	-
Interest on bonds		(8 849)	(7 327)
Net exchange differences		-	(2 926)
Other finance costs		(687)	(363)
Total finance costs		(12 897)	(14 076)

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

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

11. Income tax

	<i>for the year ended 31 December</i>	2021	2020
Current income tax		2 092	-
Temporary differences/reversal of temporary differences		(230)	(92)
Income tax		1 862	(92)

Effective tax rate

<i>for the year ended 31 December</i>	2021	2020
Profit before tax	19 840	9 171
Tax at the applicable tax rate (19%)	(3 770)	(1 742)
Dividend income	2 011	2 289
Use of deferred tax asset written off in previous years	-	201
Non-taxable income	-	(607)
Expenses not deductible for tax purposes	(103)	(49)
Income tax	(1 862)	92

Calculation of corporate income tax

<i>for the year ended 31 December</i>	2021	2020
Profit before tax	19 840	9 171
Non-tax deductible expenses:		
Interest on non-bank borrowings	3 279	3 403
Audit provision	133	100
Foreign exchange losses	36 450	37 817
Provision for remuneration of the Supervisory Board and the Management Board	4 275	1 216
Reversal of foreign exchange gains on opening balance measurement	21 125	606
Provision for advisory and management services	3 946	4 526
Provisions for employee benefit obligations	15	12
Costs of development contract	-	4 709
Interest accrued on bonds	2 533	2 417
Interest paid to state budgets	6	-
Other	670	264
Donations made	4	5
	72 436	55 075
Costs increasing tax-deductible expenses:		
Interest paid on non-bank borrowings	-	228
Utilisation of audit provision	100	126
Utilisation of provision for remuneration of the Management Board and the Supervisory Board	1 216	650
Utilisation of provision for advisory and management services	4 526	1 902
Utilisation of provision for interest on bonds	2 417	491
Utilisation of provision for costs of development contract	4 709	-
Other	-	85
	12 968	3 482
Income increasing taxable income:		
Payment of interest on loan	9 655	4 768
Revenue from development contract	6 403	-
Other	40	84
	16 098	4 852

<i>for the year ended 31 December</i>	2021	2020
Non-taxable income:		
Foreign exchange gains on measurement	13 630	21 125
Dividend received	10 586	12 046
Interest accrued on loans but not paid	18 446	12 307
Estimated revenue from development contract	-	6 403
Other	8	311
Reversal of foreign exchange losses on opening balance measurement	37 817	7 897
	80 487	60 089
Taxable income	14 919	5 527
Deductions from income		
Loss brought forward	(3 911)	(5 527)
Tax base	11 008	-
Income tax	2 092	-

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

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

12. Non-current financial assets in related entities

	<i>for the year ended 31 December</i>	2021	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	-
Acquisition of shares in MLP Gorzów Sp. z o.o.		5	-
Acquisition of shares in MLP Idstein LP Sp. z o.o.		5	-
Acquisition of shares in MLP Idstein GP Sp. z o.o.		5	-
Gross amount at end of period		123 450	123 420
Net amount at end of period		123 450	123 420

As at 31 December 2021, the Company held directly or indirectly interests in the following entities:

Entity	Country of registration	Direct and indirect equity interest		Direct and indirect voting interest	
		31 December 2021	31 December 2020	31 December 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%
Feniks Obrót Sp. z o.o. ¹⁰⁾	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 equity interest		Direct and indirect voting interest	
		31 December 2021	31 December 2020	31 December 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%	-
MLP Gorzów Sp. z o.o. ⁶⁾	Poland	100%	-	100%	-
MLP Idstein LP Sp. z o.o. ⁷⁾	Poland	100%	-	100%	-
MLP Idstein GP Sp. z o.o. ⁸⁾	Poland	100%	-	100%	-
MLP Idstein Sp. z o.o. & Co. KG ⁹⁾	Germany	100%	-	100%	-

- 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.
- ⁶⁾ On 18 August 2021, MLP Gorzów 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 12 October 2021.
- ⁷⁾ On 13 October 2021, MLP Idstein 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 28 October 2021.
- ⁸⁾ On 13 October 2021, MLP Idstein LP Sp. z o.o. was established. The 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 28 October 2021.
- ⁹⁾ Pursuant to a notarial deed of 4 November 2021, MLP Idstein GP Sp. z o.o. & Co.KG was established, in which MLP Idstein LP Sp. z o.o. is a limited partner and MLP Idstein GP Sp. z o.o. is the general partner.
- ¹⁰⁾ On 25 October 2021, the change of the name of MLP Energy Sp. z o.o. to Feniks Obrót Sp. z o.o. was registered.

13. Long-term investments

	<i>for the year ended 31 December</i>	2021	2020
Long-term loans to related entities		768 959	584 256
Long-term investments		768 959	584 256

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

14. Short-term investments

	<i>for the year ended 31 December</i>	2021	2020
Short-term loans to related entities		-	58 957
Money fund units		49 480	20 000
Short-term investments		49 480	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 26.2.

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

	<i>Shares</i>
Amount as at 31 December 2020	123 420
Subscription for shares	30
Amount as at 31 December 2021	123 450

	<i>Loan assets</i>
Amount as at 31 December 2020	643 213
Loan advanced	386 356
Repayment of principal	(268 394)
Interest accrued	20 292
Payment of interest on loan	(11 718)
Realised foreign exchange gains/(losses)	6 930
Change in carrying amount	(7 720)
Amount as at 31 December 2021	768 959

16. Deferred tax

	Deferred tax assets		Deferred tax liabilities		Net amount		
	31 December	31 December	31 December	31 December	31 December	31 December	
	<i>as at</i>	2021	2020	2021	2020	2021	2020
Loans and non-bank borrowings		351	234	-	-	(351)	(234)
Tax loss		430	1 141	-	-	(430)	(1 141)
Other		1 584	782	-	-	(1 584)	(782)
Bonds		481	459	-	-	(481)	(459)
Deferred tax assets / liabilities		2 846	2 616	-	-	(2 846)	(2 616)

	1 January 2020	changes	31 December 2020	changes	31 December 2021
		recognised in profit or loss		recognised in profit or loss	
Loans and non-bank borrowings	116	(350)	(234)	(117)	(351)
Tax loss	(2 030)	889	(1 141)	711	(430)
Other	(517)	(265)	(782)	(802)	(1 584)
Bonds	(93)	(366)	(459)	(22)	(481)
	(2 524)	(92)	(2 616)	(230)	(2 846)

As at 31 December 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.

17. Trade and other receivables

	<i>for the year ended 31 December</i>	2021	2020
Trade receivables from related entities		1 662	2 189
Trade receivables from other entities		38	590
Taxes and social security receivable		108	396
Prepayments and accrued income		1 212	832
Dividend receivable		-	4 635
Other		39	41
Trade and other receivables		3 059	8 683
Income tax receivable		186	-
Short-term receivables		3 245	8 683

Należności od jednostek powiązanych zostały przedstawione w nocie 26.

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

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

	31 December 2021		31 December 2020	
	Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due	1 370	-	5 906	-
Past due from 1 to 90 days	153	-	584	-
Past due from 91 to 180 days	39	-	148	-
Pas due over 180 days	177	-	817	-
Total receivables	1 739	-	7 455	-

18. Cash and cash equivalents

	<i>for the year ended 31 December</i>	2021	2020
Cash in hand		6	15
Cash at banks		92 186	6 453
Cash and cash equivalents in the separate statement of financial position		92 192	6 468
Cash and cash equivalents in the separate statement of cash flows		92 192	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.

19. Equity

19. 1 Share capital

	<i>as at 31 December</i>	2021	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 31 December 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 Company 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:

	31 December 2021		31 December 2020	
	<i>as at</i> number of shares	Par value	number of 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

19. 1. 1 Shareholders holding, directly or through subsidiaries, at least 5% of total voting rights in the Company

To the best of the Management Board's knowledge and belief, 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 31 December 2021 the holdings were as follows:

Shareholder	Number of shares and voting rights	% of ownership interest and total
CAJAMARCA Holland BV	10 242 726	47,92%
Other shareholders	4 426 794	20,71%
THESINGER LIMITED	1 771 320	8,29%
MetLife OFE	1 656 022	7,75%
Israel Land Development Company Ltd. ¹⁾	1 933 519	9,05%
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%
Oded Setter ²⁾	420	0,00%
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 is 21,373,639.

¹⁾ As part of the issue of Series E shares, 1,001,000 shares were subscribed for by Israel Land Development Company Ltd. Furthermore, Israel Land Development Company Ltd. of Bnei Brak, Israel, in several consecutive transactions on 28 September 2021, 11 October 2021 and 14 October 2021 acquired respectively 65,000, 133,000 and 77,500 ordinary shares in the Company, thus increasing its holding to 1,933,519 shares, representing (after the changes) 9.05% of the Company's share capital and conferring rights to 1,933,519 votes, i.e. 9.05% of total voting rights.

²⁾ On 13 September and 7 October 2021, Oded Setter, a member of the Supervisory Board, purchased 270 and 150 ordinary shares, respectively, representing in total 0.002% of the share capital and 420 voting rights, or 0.002% of total voting rights.

19. 1. 2 Shares and rights to shares of MLP Group S.A. held by members of management and supervisory bodies

As at 31 December 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 31 December 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.

As at 31 December 2021, Oded Setter, a member of the Supervisory Board, held directly 0.002% of the Company's share capital following share purchase transactions executed in September and October 2021.

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

19. 2 Capital reserve

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

20. Earnings and dividend per share

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

for the year ended 31 December

	2021	2020
Net profit(loss) for the period	17 978	9 263
Number of outstanding shares	21 373 639	19 720 255
Weighted average number of outstanding shares	20 679 218	18 225 745
Earnings per share for period (PLN per share):		
- basic	0,87	0,51
- diluted	0,87	0,51

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.

21. Non-bank borrowings and other debt instruments

21. 1 Non-current liabilities

	<i>for the year ended 31 December</i>	2021	2020
Bonds ¹⁾		344 955	346 110
Non-bank borrowings from related entities		182 378	178 143
Non-current liabilities under non-bank borrowings and other debt instruments		527 333	524 253

¹⁾ On 17 November 2021, the Company issued, by way of public offering, 20,000 Series D bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 20,000,000. The bonds were issued as unsecured instruments. The objectives of the issue were not specified. The bonds were registered with Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00090, and the bonds have been traded in the Catalyst alternative trading system since 17 November 2021 (abbreviated name: MLP0524). The bonds pay variable interest at 6M EURIBOR plus margin. The maturity date for the Series D bonds is 17 May 2024.

21. 2 Current liabilities

	<i>for the year ended 31 December</i>	2021	2020
Bonds		94 520	2 420
Non-bank borrowings from related entities		-	1 343
Current liabilities under non-bank borrowings and other debt instruments		94 520	3 763

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

21. 3 Change in financial liabilities attributable to financing and other activities

	<i>Bonds</i>
Amount as at 31 December 2020	348 530
Issue of bonds	93 304
Interest accrued on bonds	8 849
Interest paid on bonds	(8 660)
Change in carrying amount	(2 548)
Amount as at 31 December 2021	439 475

	<i>Non-bank borrowings from related entities</i>
Amount as at 31 December 2020	179 486
Increase in non-bank borrowings	12 433
Repayment of principal	(12 433)
Interest accrued	3 355
Payment of interest on loan	(76)
Change in carrying amount	(387)
Amount as at 31 December 2021	182 378

21. 4 Liabilities under bonds

Instrument	currency	nominal value	maturity date	interest rate	guarantees and collateral	Listing venue
Private bonds – Series A	EUR	20 000 000	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
Public bonds – Series D ¹⁾	EUR	20 000 000	2024-05-17	6M EURIBOR + margin	none	Catalyst

¹⁾ By Resolution of 12 November 2021, the WSE Management Board decided to introduce 20,000 Series D bearer bonds of MLP Group S.A., with a nominal value of EUR 1,000 per bond, to the Catalyst alternative trading system. 17 November 2021 was the first day of trading in the Bonds on Catalyst. The bonds are listed in the continuous trading system under the abbreviated name of "MLP0524".

21. 5 Non-bank borrowings not secured on the Company's assets:

Loan from	currency	effective interest rate (%)	as at 31 December 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	14 772	67 941	2027	14 423	66 561
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2026	294	1 350	2021	291	1 343
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	512	2 354	2025	507	2 341
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	7 970	2025	-	7 841
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	42 465	2026	-	41 544
MLP Pruszków I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	7 280	33 483	2025	7 225	33 344
MLP Poznań II Sp. z o.o.	PLN	3M WIBOR + 3.25%	2026	-	5	-	-	-
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2 176	10 010	2027	2 155	9 946
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1 092	5 020	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	-	11 751	2025	-	11 549
Total				26 132	182 378		25 688	179 486

22. Employee benefit obligations

	<i>for the year ended 31 December</i>	2021	2020
Special accounts		157	157
Provision for bonuses		4 275	1 216
Employee benefit obligations		4 432	1 373

23. Trade and other payables

	<i>for the year ended 31 December</i>	2021	2020
Trade payables to other entities		393	6 080
Taxes and social security payable		134	123
Accrued expenses		3 979	4 626
Investment and other commitments		6	20
Trade and other payables		4 512	10 849
Current liabilities		4 512	10 849

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

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

	<i>for the year ended 31 December</i>	2021	2020
Not past due		4 260	10 289
Past due from 1 to 90 days		104	423
Past due from 91 to 180 days		-	-
Pas due over 180 days		14	14
Total trade and other payables		4 378	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.

24. Financial instruments

24. 1 Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 31 December 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:

24. 1. 1 Financial assets

<i>for the year ended 31 December</i>	2021	2020
Financial assets measured at amortised cost:		
Cash and cash equivalents	92 192	6 468
Loans and receivables, including:		
Trade and other receivables	1 739	7 455
Money fund units	49 480	20 000
Loans	768 959	643 213
Total financial assets measured at amortised cost	912 370	677 136
Total financial assets	912 370	677 136

Measurement of assets at amortised cost as at 31 December 2021:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	910 631	1 739	-
Cash and cash equivalents	92 192	-	-
Loans and receivables, including:			
• Trade and other receivables	-	1 739	-
• Money fund units	49 480	-	-
• Loans	768 959	-	-
Impairment losses (IFRS 9)	-	-	-
Carrying amount (IFRS 9)	910 631	1 739	-

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

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

24. 1. 2 Financial liabilities

	<i>for the year ended 31 December</i>	2021	2020
Financial liabilities measured at amortised cost:			
Non-bank borrowings		182 378	179 486
Trade and other payables		4 378	10 726
Bonds		439 475	348 530
Total financial liabilities measured at amortised cost		626 231	538 742
Total financial liabilities		626 231	538 742

24. 2 Nature and extent of risks arising from financial instruments

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

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

24. 2.1 Liquidity risk

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

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

Loans - expected payments	up to 1 year	from 1 to 5 years	over 5 years	Total
31 December 2021	-	117 093	85 970	203 063
31 December 2020	1 355	63 165	132 635	197 155

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

Bonds - expected payments	up to 1 year	from 1 to 5 years	over 5 years	Total
31 December 2021	94 520	344 955	-	439 475
31 December 2020	2 420	346 110	-	348 530

24. 2.2 Currency risk

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

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

Currency structure of financial instruments as at 31 December 2021 (PLN thousand):

Financial assets	PLN	EUR	other	Total
Financial assets measured at amortised cost:				
Cash and cash equivalents	1 608	90 429	155	92 192
Loans and receivables, including:				
• Trade and other receivables	1 529	210	-	1 739
• Money fund units	49 480	-	-	49 480
• Loans	228 977	539 982	-	768 959
Total financial assets measured at amortised cost	281 594	630 621	155	912 370

Financial liabilities	PLN	EUR	other	Total
Financial liabilities measured at amortised cost:				
Non-bank borrowings	62 191	120 187	-	182 378
Trade and other payables	4 378	-	-	4 378
Bonds	-	439 475	-	439 475
Total financial liabilities measured at amortised cost	66 569	559 662	-	626 231

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

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

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

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

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

	<i>for the year ended 31 December</i>	2021	2020
Increase in the EUR/PLN exchange rate by 5%		3 548	(3 608)
Increase in the USD/PLN exchange rate by 5%		8	10

A 5% depreciation of the Polish currency against the euro has a positive impact on the Company's results, due to the Company's long currency position.

A 5% depreciation of the Polish currency against the US dollar has a positive impact on the Company's results, causing an increase in cash held in USD-denominated bank accounts.

24. 2.3 Interest rate risk

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

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

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

<i>for the year ended 31 December</i>	2021	2020
EURIBOR + 50 bp	(2 798)	(2 335)
WIBOR + 50 bp	(311)	(305)

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

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

<i>for the year ended 31 December</i>	2021	2020
EURIBOR + 50 bp	2 700	1 977
WIBOR + 50 bp	1 145	1 238
LIBOR + 50 bp	-	1

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

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

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

<i>for the year ended 31 December</i>	2021	2020
EURIBOR + 50 bp	452	14
WIBOR + 50 bp	8	18

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

24. 2.4 Credit risk

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

Struktura wiekowa należności z tytułu dostaw i usług oraz innych należności została zaprezentowana w nocie 17.

25. Contingent liabilities and security instruments

As at 31 December 2021, the following security interests were established in the Company's assets:

25. 1 Financial and registered pledges on shares

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
Registered pledges on shares:		
MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	EUR 140,895 thousand each
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	EUR 140,895 thousand each
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 granted to MLP Pruszków V Sp. z o.o.	EUR 28,987 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 granted to MLP Pruszków V Sp. z o.o.	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under facility no. ING 11/0002 granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Poznań West II Sp. z o.o.	claims of PKO BP S.A. under credit facility of 10 February 2021 granted to MLP Poznań West II Sp. z o.o.	EUR 41,591 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under Collateral Agreements executed for the purposes of credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 15,450 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 32,156 thousand

Financial pledges on shares:

Security interests in MLP

Group S.A.'s shares

in the following companies:

Secured claims

Amount of security interest

MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of Bank Polska Kasa Opieki S.A. under the ING 11/0002 credit facility granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Poznań West II Sp. z o.o.	claims of PKO BP S.A. under construction credit facility granted to MLP Poznań West II Sp. z o.o. under the credit facility agreement of 10 February 2021 (Financial Pledge 1)	n/a
MLP Poznań West II Sp. z o.o.	claims of PKO BP S.A. under investment credit facility granted to MLP Poznań West II Sp. z o.o. under the credit facility agreement of 10 February 2021 (Financial Pledge 2)	n/a
MLP Poznań West II Sp. z o.o.	claims of PKO BP S.A. under VAT facility granted to MLP Poznań West II Sp. z o.o. under the credit facility agreement of 10 February 2021 (Financial Pledge 2)	n/a
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 49,719 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 5,344 thousand

Financial pledges on shares:**Security interests in MLP****Group S.A.'s shares****in the following companies:****Secured claims****Amount of security
interest**

MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 9,250 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 49,719 thousand
MLP Gliwice Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 5,344 thousand
MLP Gliwice Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 9,250 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 49,719 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 5,344 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 9,250 thousand
MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 49,719 thousand

Financial pledges on shares:

Security interests in MLP

Group S.A.'s shares

in the following companies:

Secured claims

Amount of security interest

MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 5,344 thousand
MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges for up to EUR 9,250 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under Collateral Agreements executed for the purposes of credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 15,450 thousand
MLP Czeladź Sp. z o.o.	claims of PKO Bank Polski S.A. under credit facility of 14 December 2018 granted to MLP Czeladź Sp. z o.o.	EUR 32,156 thousand

25. 2 Guarantees

On 26 November 2021, at MLP Group S.A.'s request, a bank guarantee was issued to secure fulfilment by MLP Gliwice Sp. z o.o. of its project developer commitments under an agreement with the General Directorate for National Roads and Motorways (GDDKiA) to redevelop the intersection of road 2902S and road DK 78 in the town of Szałsza, with the maximum amount of the guarantee being PLN 2,727,541.93 in the period to 31 August 2022 and PLN 136,377.10 in the period from 1 September 2022 to 31 August 2027.

25. 3 Sureties

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

On 16 September 2021, MLP Group S.A. provided an up to EUR 7,125,000.00 surety in the form of a corporate guarantee in favour of Bayerische Landesbank to secure the latter's claims against MLP Logistic Park Germany I sp. z o.o. & Co. KG under the credit facility agreement of 16 September 2021.

25. 4 Other security interests

- Agreement to subordinate a loan granted to MLP Czeladź Sp. z o.o. in connection with the credit facility agreement of 14 December 2018
- Agreement to subordinate loans granted to MLP Pruszków I Sp. z o.o. in connection with the credit facility agreement of 9 May 2019
- Agreement to subordinate loans granted to MLP Pruszków III Sp. z o.o. in connection with the credit facility agreement of 9 May 2019
- Agreement to subordinate loans granted to MLP Pruszków IV Sp. z o.o. in connection with the credit facility agreement of 9 May 2019
- Agreement to subordinate loans granted to MLP Lublin Sp. z o.o. in connection with the credit facility agreement of 9 April 2021

- Agreement to subordinate loans granted to MLP Teresin Sp. z o.o. in connection with the credit facility agreement of 9 April 2021
- Agreement to subordinate loans granted to MLP Wrocław Sp. z o.o. in connection with the credit facility agreement of 9 April 2021
- Agreement to subordinate loans granted to MLP Gliwice Sp. z o.o. in connection with the credit facility agreement of 9 April 2021
- Agreement to subordinate a loan granted to MLP Poznań II Sp. z o.o. in connection with the credit facility agreement of 8 August 2011
- Agreement to subordinate a loan granted to MLP Poznań Sp. z o.o. in connection with the credit facility agreement of 11 June 2018
- Agreement to subordinate loans granted to MLP Pruszków IV Sp. z o.o. in connection with the credit facility agreement of 7 November 2019
- Agreement to subordinate a loan granted to MLP Poznań West II Sp. z o.o. in connection with the credit facility agreement of 10 February 2021
- Agreement to subordinate loans granted to MLP Pruszków II Sp. z o.o. in connection with the credit facility agreement of 23 July 2021
- Agreement to subordinate loans granted to MLP Logistic Park Germany I Sp. z o.o. & Co. KG in connection with the credit facility agreement of 16 September 2021
- Support agreements granted by MLP Group S.A. as sponsor for MLP Czeladź Sp. z o.o., MLP Wrocław Sp. z o.o., MLP Poznań Sp. z o.o., MLP Poznań II Sp. z o.o., MLP Pruszków V Sp. z o.o., MLP Poznań West II Sp. z o.o. and MLP Pruszków II Sp. z o.o., whereby the sponsor is to provide funds to cover any project cost overruns.

26. Related-party transactions

26. 1 Trade and other receivables and payables

The balances trade and other payables and receivables under related-party transactions as at 31 December 2021 were as follows:

	Trade and other receivables	Trade and other payables ¹⁾
Parent		
The Israel Land Development Company Ltd.	43	-
Other related parties		
MLP Pruszków I Sp. z o.o.	269	-
MLP Pruszków II Sp. z o.o.	139	-
MLP Pruszków III Sp. z o.o.	140	-
MLP Pruszków IV Sp. z o.o.	92	-
MLP Pruszków V Sp. z o.o.	57	-
MLP Poznań Sp. z o.o.	31	-
MLP Poznań II Sp. z o.o.	26	-
MLP Lublin Sp. z o.o.	108	-
MLP Teresin Sp. z o.o.	48	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	26	-
MLP Wrocław Sp. z o.o.	79	-
MLP Czeladź Sp. z o.o.	27	-
MLP Gliwice Sp. z o.o.	95	-
MLP Business Park Poznań Sp. z o.o.	33	-
MLP Temp Sp. z o.o.	4	-
MLP Bieruń I Sp. z o.o.	19	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Poznań West II Sp. z o.o.	65	-

	Trade and other receivables	Trade and other payables ¹⁾
MLP Bucharest West Sp. z o.o.	5	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	7	-
MLP Łódź II Sp. z o.o.	70	-
MLP Poznań East Sp. z o.o.	5	-
MLP Pruszków VI Sp. z o.o.	5	-
MLP Wrocław West I Sp. z o.o.	3	-
MLP Gelsenkirchen GP Sp. z o.o.	3	-
MLP Gelsenkirchen LP Sp. z o.o.	3	-
MLP Gorzów Sp. z o.o.	9	-
MLP Idstein GP Sp. z o.o.	1	-
MLP Idstein LP Sp. z o.o.	1	-
MLP Bucharest West SRL	224	-
MLP Germany Management GmbH	3	-
MLP Business Park Berlin I sp. z o.o. & Co. KG	13	-
Fenix Polska Sp. z o.o.	4	-
	1 619	-
Total	1 662	-

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.,	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	-
Feniks Obrót Sp. z o.o. (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 29.

26. 2 Loans and non-bank borrowings

Below are presented the balances of loans to and non-bank borrowings from related parties as at 31 December 2021:

	Loans	Non-bank borrowings
Other related parties		
MLP Pruszków I Sp. z o.o.	-	155 563
MLP Pruszków II Sp. z o.o.	10 858	-
MLP Pruszków III Sp. z o.o.	10 423	-
MLP Pruszków IV Sp. z o.o.	6 888	-
MLP Pruszków V Sp. z o.o.	23 072	-
MLP Poznań Sp. z o.o.	3 951	-
MLP Poznań II Sp. z o.o.	176	5
MLP Czeladź Sp. z o.o.	18 073	-
MLP Gliwice Sp. z o.o.	10 470	-
MLP Business Park Poznań Sp. z o.o.	38 132	-
MLP Temp Sp. z o.o.	-	15 030
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	11 751
MLP Bieruń Sp. z o.o.	-	29
MLP Bieruń I Sp. z o.o.	3 919	-
Fenix Polska Sp. z o.o.	9 327	-
MLP FIN Sp. z o.o.	102	-
MLP Business Park Berlin I GP Sp. z o.o.	42	-
MLP Poznań East Sp. z o.o.	2 349	-
MLP Property I Sp. z o.o.	17 019	-
MLP Poznań West II Sp. z o.o.	106 818	-
MLP Bucharest West Sp. z o.o.	21 775	-
MLP Dortmund LP Sp. z o.o.	85	-
MLP Dortmund GP Sp. z o.o.	66	-
MLP Wrocław West Sp. z o.o.	73 788	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	89	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	64 490	-
MLP Bucharest West SRL	22 119	-
MLP Business Park Berlin I LP Sp. z o.o.	61 936	-
MLP Germany Management GmbH	5 075	-
MLP Business Park Berlin I sp. z o.o. & Co. KG	87 009	-
MLP Schwalmtal Sp. z o.o. & Co. KG	8 406	-
MLP Schwalmtal LP Sp. z o.o.	49	-
MLP Schwalmtal GP Sp. z o.o.	42	-
MLP Wrocław West I Sp. z o.o.	40	-
MLP Gelsenkirchen GP Sp. z o.o.	40	-
MLP Gelsenkirchen LP Sp. z o.o.	40	-
MLP Gorzów Sp. z o.o.	301	-
MLP Business Park Wien GmbH	71 285	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	63 548	-
MLP Idstein Sp. z o.o. & Co. KG	27 157	-
Total	768 959	182 378

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 Dortmund LP Sp. z o.o.	83	-
MLP Dortmund GP Sp. z o.o.	64	-
MLP Teresin II Sp. z o.o.	4 622	-
MLP Wrocław West Sp. z o.o.	46 326	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	4 887	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	36 850	-
MLP Bucharest West SRL	38 484	-
MLP Business Park Berlin I LP Sp. z o.o.	28 631	-
MLP Germany Management GmbH	2 971	-
MLP Business Park Berlin I sp. z o.o. & Co. KG	56 824	-
MLP Schwalmtal Sp. z o.o. & Co. KG	7 018	-
MLP Schwalmtal LP Sp. z o.o.	48	-
MLP Schwalmtal GP Sp. z o.o.	41	-
MLP Business Park Wien GmbH	28 162	-
Total	643 213	179 486

26. 3 Income and expenses

Below are presented income and expenses under related-party transactions for the 12 months ended 31 December 2021:

	Sale of services	Interest income	Other finance income
Parent			
The Israel Land Development Company Ltd.	204	-	-
Other related parties			
MLP Pruszków I Sp. z o.o.	2 643	-	
MLP Pruszków II Sp. z o.o.	1 787	1 295	-
MLP Pruszków III Sp. z o.o.	1 299	297	3 931
MLP Pruszków IV Sp. z o.o.	870	226	-
MLP Poznań Sp. z o.o.	290	128	
MLP Poznań II Sp. z o.o.	258	3	-
MLP Lublin Sp. z o.o.	1 828	217	-
MLP Teresin Sp. z o.o.	791	47	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	168	-	-
MLP Wrocław Sp. z o.o.	1 854	136	
MLP Czeladź Sp. z o.o.	214	503	-
MLP Gliwice Sp. z o.o.	1 610	444	-
MLP Property Sp. z.o.o.	2	1	6 655
MLP Business Park Poznań Sp. z o.o.	268	815	-
MLP Temp Sp. z o.o.	5	1	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	4	-	-
MLP Bieruń Sp. z o.o.	4	1	-
MLP Bieruń I Sp. z o.o.	53	168	
MLP Sp. z o.o.	-	1	-
MLP FIN Sp. z o.o.	-	4	-
LOKAFOP 201 Sp. z o.o.	-	1	-
MLP Business Park Berlin I LP Sp. z o.o.	6	1	
MLP Poznań West II Sp. z o.o.	1 334	2 007	-
MLP Bucharest West Sp. z o.o.	4	719	-
MLP Dortmund LP Sp. z o.o.	-	2	-
MLP Dortmund GP Sp. z o.o.	-	2	-
MLP Teresin II Sp. z o.o.	3	1	-
MLP Pruszków V Sp. z o.o.	520	707	-
MLP Wrocław West Sp. z o.o.	87	2 180	-
MLP Łódź II sp. z o.o.	149	1 404	-
MLP Poznań East sp. z o.o.	4	10	-
MLP Pruszków IV Sp. z o.o.	4	535	-
MLP Business Park Berlin I GP Sp. z o.o.	-	1	-
MLP Schwalmtal LP sp. z o.o.	-	2	-
MLP Schwalmtal GP sp. z o.o.	-	1	-
MLP Wrocław West I Sp. z o.o.	3	-	-
MLP Gelsenkirchen GP Sp. z o.o.	2	-	-
MLP Gelsenkirchen LP Sp. z o.o.	2	-	-
MLP Gorzów Sp. z o.o.	7	1	-
MLP Idstein LP Sp. z o.o.	1	-	-
MLP Idstein GP Sp. z o.o.	1	-	-
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	2 581	1 492	-

	Sale of services	Interest income	Other finance income
MLP Bucharest West SRL	138	1 040	-
MLP Germany Management GmbH	9	66	-
MLP Schwalmatal Sp. z o.o. & Co. KG	3	260	-
MLP Business Park Berlin I sp. z o.o. & Co. KG	13	2 310	-
MLP Business Park Wien GmbH	-	2 600	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	-	534	-
MLP Idstein Sp. z o.o. & Co. KG	-	19	-
MLP FIN Sp.z o.o. Sp.k.	-	4	-
Fenix Polska Sp. z o.o.	6	106	-
	18 825	20 292	10 586
Total income	19 029	20 292	10 586

	Purchase of services and salaries	Interest expense
Other related parties		
MLP Pruszków I Sp. z o.o.	(48)	(3 004)
MLP Poznań II Sp. z o.o.	-	(5)
MLP Teresin Sp. z o.o.	(6)	-
MLP Wrocław Sp. z o.o.	(6)	-
MLP Gliwice Sp. z o.o.	(6)	-
MLP Temp Sp. z o.o.	-	(145)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	(201)
MLP Poznań West II Sp. z o.o.	(6)	-
MLP Teresin II Sp. z o.o.	(3 247)	-
MLP Łódź II Sp. z o.o.	(2)	-
	(3 321)	(3 355)

		Purchase of services and salaries	Interest expense
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>patrz nota 29.</i>	(494)	-
RTK CONSULTING, Radosław T. Krochta	<i>patrz nota 29.</i>	(2 898)	-
PROFART, Tomasz Zabost	<i>patrz nota 29.</i>	(1 597)	-
Other key management personnel	<i>patrz nota 29.</i>	(625)	-
		(5 614)	-
Total expenses		(8 935)	(3 355)

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

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

		Purchase of services and salaries	Interest expense
Other related parties			
MLP Pruszków I Sp. z o.o.		(52)	(3 055)
MLP Pruszków III Sp. z o.o.		-	(13)
MLP Teresin Sp. z o.o.		(5)	-
MLP Wrocław Sp. z o.o.		(5)	-
MLP Czeladź Sp. z o.o.		(3)	-
MLP Gliwice Sp. z o.o.		(5)	-
MLP Temp Sp. z o.o.		-	(159)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(233)
MLP Poznań West II Sp. z o.o.		(2)	-
MLP Teresin II Sp. z o.o.		(4 955)	-
MLP Łódź II Sp. z o.o.		(7)	-
		(5 034)	(3 460)
Key management personnel			
ROMI CONSULTING, Michael Shapiro	<i>patrz nota 29.</i>	(483)	-
RTK CONSULTING, Radosław T. Krochta	<i>patrz nota 29.</i>	(1 010)	-
PROFART, Tomasz Zabost	<i>patrz nota 29.</i>	(644)	-
Other key management personnel	<i>patrz nota 29.</i>	(605)	-
		(2 742)	-
Total expenses		(7 776)	(3 460)

27. Significant litigation and disputes

As at 31 December 2021, the Company was not party to any material litigation.

28. Significant events during and subsequent to the reporting period

- 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 17 October 2021, the Company issued, by way of public offering for qualified investors, 20,000 Series D bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 20,000,000. The bonds were issued as unsecured instruments. The objective of the issue was not specified. The bonds were registered with Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00090, and the bonds have been traded in the Catalyst alternative trading system since 17 November 2021. The bonds pay variable interest at 6M EURIBOR plus margin. The maturity date for the Series D bonds is 17 May 2024.

On 14 January 2022, MLP Group S.A. provided an up to PLN 1,800,000 surety to MLP Łódź II Sp. z o.o. to secure fulfilment by the latter of its project developer commitments under a road redevelopment agreement with the City of Łódź.

In the period from the end of the reporting period to the date of authorisation of these separate 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 Company's separate financial statements of the Group.

28. 1 Effect of the COVID-19 epidemic on activities of the MLP Group S.A. Group

The SARS-CoV-2 virus was first reported in late 2019. In subsequent periods, the virus spread across the world. In response, governments issued stay-at-home orders, introduced lockdowns and imposed other restrictions on business activity. In Poland, infections peaked in the first quarter of 2022, during the fifth wave of the pandemic, which was attributable primarily to the Omicron variant of the virus. According to experts, transmission of SARS-CoV-2 in the human population will continue in the foreseeable future. However, its impact on national economies will gradually diminish due to the prevalence of vaccination and the growing population immunity.

The warehousing sector has proven its high resilience to the recent COVID-19-related difficulties. The pandemic has changed the shopping habits of consumers, benefitting primarily the e-commerce and logistics/courier industries. Demand for warehouse space, including in large distribution centres, BTS (build to suit) projects, SBU facilities (small city warehouses), and courier hubs, has grown. Due to the congestion in global supply chains caused by the pandemic, a trend to nearshore certain manufacturing operations has also emerged. For the warehousing industry, this has translated into record-high numbers of new leases, amounts of new warehouse space delivered, and volume of new projects.

28. 2 Impact of the political and economic situation in Ukraine on activities of the MLP Group S.A. Group

In the second half of February 2022, Russia launched a military attack on Ukraine. At the time of issue of this report, the Management Board of the Company saw no major impact of the war on the Company's operations in Poland, Germany, Romania, or Austria. At the same time, it is difficult to predict long-term effects of the war. The armed conflict in Ukraine may have an adverse impact on local economies and the construction industry, manifesting itself in depreciation of local currencies, rising inflation, growing raw material and construction costs, staff shortages, disrupted supplies chains, etc. On the other hand, it may increase demand for warehouse and manufacturing space. The war in Poland's eastern neighbour will certainly add pressure to further shorten supply chains, increase warehouse stock levels and relocate production from areas where the armed conflict is taking place. Ukrainian companies and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, international firms will be leaving Russia in protest against the invasion. In the opinion of the Management Board of the Parent, this may increase demand for warehouse and logistics space offered by the Company.

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

<i>for the year ended 31 December</i>		2021	2020
Remuneration of the Management Board:			
• Remuneration and other benefits			
Radosław T. Krochta	<i>patrz nota 26.3</i>	2 898	1 010
Michael Shapiro	<i>patrz nota 26.3</i>	494	483
Tomasz Zabost	<i>patrz nota 26.3</i>	1 597	644
		4 989	2 137
		4 989	2 137
Remuneration of the Supervisory Board:			
• Remuneration and other benefits			
Matusiak Maciej		48	39
Levy Eytan		48	39
Shimshon Marfogel		48	39
Daniel Nimrodi		-	36
Guy Shapira		48	39
Piotr Chajderowski		48	39
Oded Setter		48	3
		288	234
		288	234
Total remuneration paid or due to members of the Company's management and supervisory bodies		5 277	2 371
Other management personnel:			
• Remuneration and other benefits			
	<i>patrz nota 26.3</i>	625	605
		625	605
Total remuneration paid or due to members of the Company's management and supervisory bodies		5 902	2 976

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

30. Employees

	<i>for the year ended 31 December</i>	2021	2020
Number of employees		18	19

Signed with a qualified digital signature.

Radosław T. Krochta
President of the

Michael Shapiro
*Vice President of the
Management Board*

Tomasz Zabost
Member of the Management

Maria Ratajczyk
Signature of the person

Pruszków, 16 March 2022