



**MLP**  
GROUP



**MLP Group S.A.**

# **Annual Report**

**for the year ended December 31st 2022**

This document is a translation. Polish version prevails.

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

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## I. Letter from President & CEO to Shareholders



*Dear Fellow Shareholders,*

We are facing challenges at every turn - in 2022, EU annual inflation reached the highest level ever measured at 9.2%. Compared with 2021, when the annual value was 2.9%. The supply shock was mainly driven by sharp increases in oil, gas and other commodities prices. Russian invasion of Ukraine affected both supply and demand. The increase in oil, gas and food prices was an inflationary and contractionary supply shock. The likely weakness of consumption and investment expenditures is a deflationary and contractionary demand shock. We do not know yet which effect will be larger and in what time perspective. In 2022, we observed a rapid increase in inflation while overall activity has not declined much. The Ukraine War shock hit at a time when the effects of the pandemic shock were still filtering through. Disentangling the impacts of each of these shocks is nearly impossible, so that interpreting the data is very hazardous.

**Although I begin this annual letter to shareholders in a challenging landscape, I remain proud of what had been achieved in 2022. We had a very successful year. We delivered excellent results, both from an operational and financial point of view driven by strong leasing performance across Europe. Our modern, well-located and highly sustainable warehouses continue to be in high demand from a diverse range of occupiers, underpinned by long-term structural drivers. MLP Group has one of the best and most modern pan-European industrial warehouse portfolios, through which we can serve our customers' entire regional and local needs.**











Our diversified group of tenants combined with prime portfolio of assets, excellent, well-located land bank give us the substantial potential for future development combined with industry expertise, customer focus and balance sheet capacity. Supply and availability of modern, sustainable warehouse space in the locations most desired by occupiers remain extremely limited across Europe. Vacancy levels are at historic lows and supply is likely to remain constrained given recent increases in financing.

We are well poised to the upcoming economic cycle since occupational demand and rental performance in the industrial and logistics sector has remained strong, supported by long-term structural tailwinds and tight supply. In 2022 we saw massive increase in rentals, reaching double digit growth - never seen in the past - **that shall translate to strong performance results in 2023.**

**Looking back on 2022, our main highlights include:**

- **Value of investment properties increased to PLN 4.4 billion (EUR 945 million), + 31% yoy**
- Net Assets Value (NAV) increased to PLN 2 498.0 million (EUR 532.6 million), + 37% yoy
- NAV per share PLN 104.1 (EUR 22.2), + 22% yoy
- EBITDA without revaluation amounted to PLN 135.1 million (EUR 28.8 million), + 47% yoy
- **FFO amounted to PLN 86.8 million (EUR 18.5 million), + 59% yoy**
- Net profit amounted to PLN 422.4 million (EUR 90.1 million), - 12% yoy
- Lease agreements in 2022 for approx. 235 thousand sqm,

**And key ratio performance metrics in 2022 compared to our competitors**

	Country of origin	Like-for-Like rental growth	Rental revenue growth y/y	Portfolio valuation y/y	LTV
		+10.0%	+31%	+30.0%	33%
		+4.5%	+35%	+33.0%	45%
		+6.7%	+19%	-11.0%	32%
		+4.0%	+14.6%	+9.6%	35%
		+4.3%	+2.4%	-2.0%	48%

The quality and location of our portfolio is important to our tenants, but in our DNA we believe the high level of service we provide is crucial to maintaining high customer retention as well as low vacancy and the most importantly satisfaction. We carry out a rolling survey of our tenants throughout the year to identify and rectify issues promptly. **In 2022, we spoke to 160 tenants, and 93% said that they considered MLP as the most professional business partner.** We continually collaborate to pass on our experience and best practices to provide best possible support to all our tenants. Customer relationship management helps us develop long-term relations reaching even over 20 years. We continue to learn about and from our tenants to understand their businesses, improve our services and stand out from the competition.

**MLP GROUP – key developments in 2022**

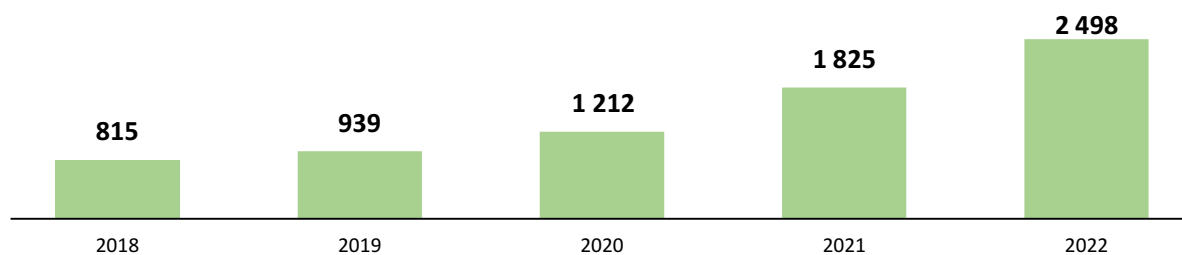
**Value of investment properties**

2022 was very successful year for us - we continued our strategy deployed in 2021 but from a much stronger equity position than we had in the past years.

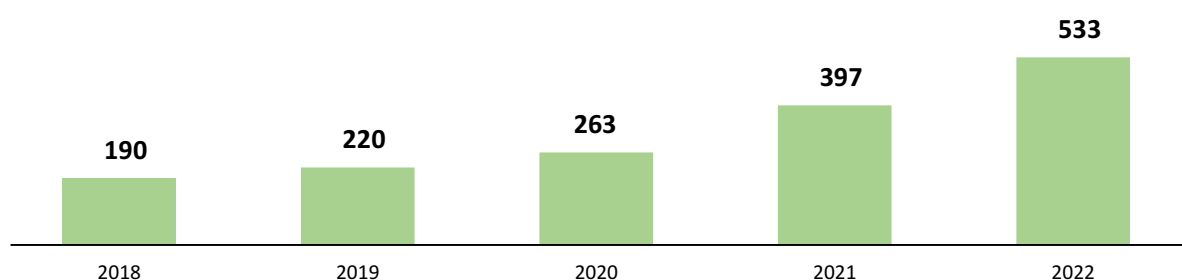
**We remain on track to meet our target previously stated in 2021 in our strategic goals.**

Net Assets Value (NAV) increased to PLN 2 498.0 million (EUR 532.6 million), + 37% yoy

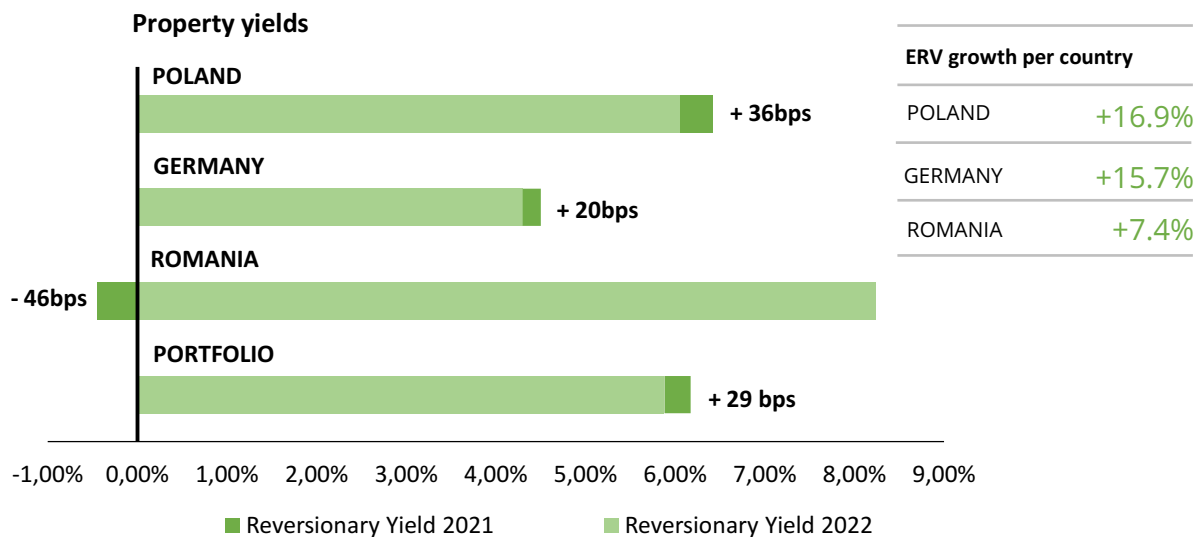
### Net Assets Value (in mn PLN)



### Net Assets Value (in mn EUR)



### Yield widening significantly offset with increase in ERVS



MLP Group investment property valuation increased to **PLN 4.4 billion (EUR 945 million)**, **+ 31% yoy**, The slight yield expansion in 2H 2022 in Poland and Germany **was offset against substantial growth in ERW (estimated rental values)**.

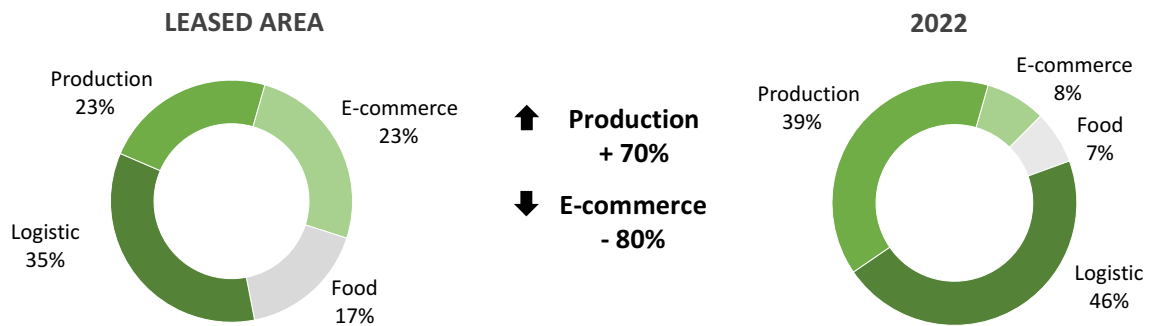
## Leasing results

In 2022, we have leased 235 thousand sqm.

Our total portfolio reached 1 064 million sqm with 98% occupancy across all our assets and new space under development amounts to 119 thousand sqm. In 2022, we successfully continued our efforts to diversify our assets (Big-box logistic and Urban Logistic), tenants and geographies.

Our customer base remains well diversified, reflecting the multitude of uses of warehouse space. Top 10 tenants provide 42% of annual rental income. **Customers from the light manufacturing and logistics sector were the largest takers of our space during 2022.** We strongly believe that the trend of near-shoring will be maintained in 2023. In the last year, 65% of new leases was generated by existing MLPG tenants.

### MLPG tenants' mix by sector



In 2022, we saw strong like-for-like rental growth of 10% during the year, signed 235 ths sqm of leases, with rental levels of **new leases averaging 16% above ERV**. We continue to see robust occupier demand combined with market vacancies close to historic lows in supply-constrained markets.

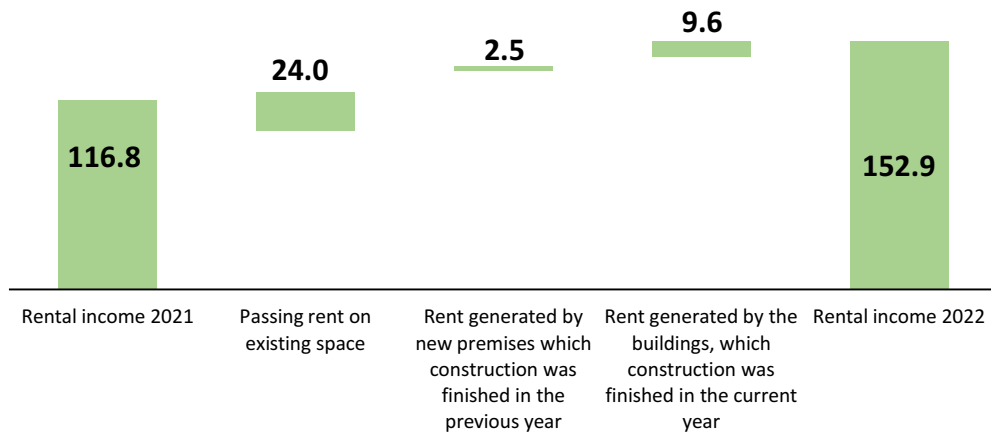
Moreover 2022 saw the delivery of approx. 226 thousands sqm of GLA in MLP Group portfolio, adding PLN 36.1 mn of contracted rent with the rent generated by the construction finished in previous year. Thanks to our profitable pipeline we continue to deliver positive revaluations with the high level of yield on cost – exceeding on average 10%, mobilizing our industry leading landbank, which we have been able to acquire at attractive prices.

**Existing portfolio continues to perform well and delivered another set of strong operating metrics.**

**Strong tenants' portfolio** – none of MLPG's tenants run into insolvency nor significant liquidity problems - very restrictive and conservative tenants acceptance policy brings sufficient level of comfort for economic slowdown. In addition, based on the tenant stress test we conducted, we do not expect expect any tenants to have any problems with paying rent on time - which only further confirms our very conservative customer acceptance policy brings expected results.

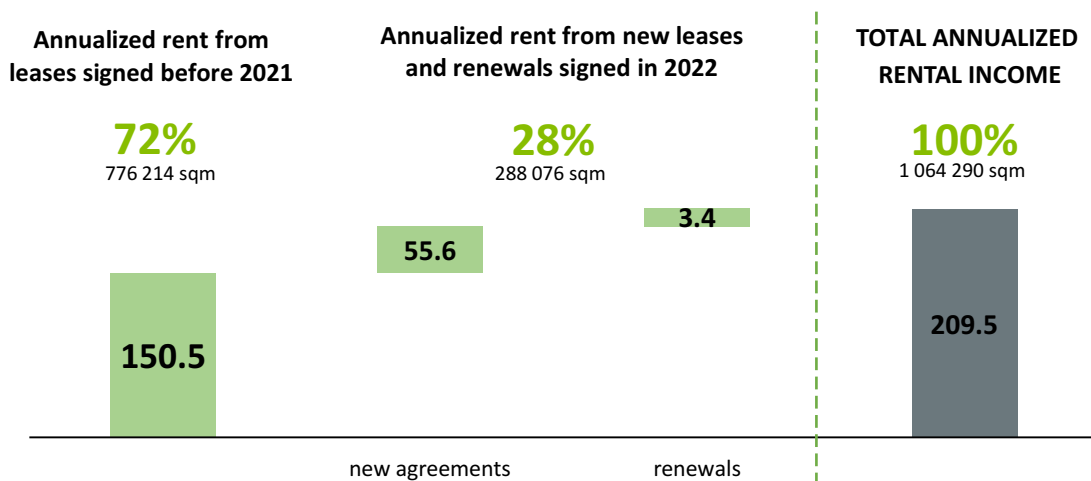


### Break-down of the rental income of 2022 (in mn PLN)



At 31 December 2022, our portfolio generated passing rent of PLN 152.9 million. During the year, we contracted PLN 36.1 million of new headline rent. We increased the rent from our existing space significantly by capturing reversionary potential and due to the impact of indexation. Strong occupier demand for new space also helped us sign a high number of pre-let agreements for delivery over the next two years.

### Annualized future rental income based on all signed contracts (in mn PLN)



- PLN 150.5 million of rent from existing assets from contracts signed by 2021.
- Rental growth from new lease reviews and renewals generated PLN 59 million. We observed continued strong demand from customers for pre-let agreements. We contracted PLN 59 million of headline rent from pre-let agreements and lettings of speculative developments prior to completion (2021: PLN 46 million). The substantial growth vs. previous year was a result of the market rental growth.
- Customer retention rate stayed at 100%

## Financial standing of MLP Group

In line with our conservative financial approach, MLP Group benefits from a solid liquidity position to fund its growth ambitions, with a fixed cost of debt and conservative repayment profile. Considering the current geopolitical situation and high volatility in the economy, we are very well prepared for the current challenges.

- Issue of shares PLN 183.5 million (issue of 2 621 343 shares at PLN 70 at par)
- **100% lease agreements indexed with CPI for EUR without any cap (indexed once a year in February).**
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk.
- Almost 80% of loans are hedged with IRS for the next 5 years, resulting in limited interest rates' exposure.
- 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
- **98% timely rent collection across our portfolio**
- Strong cash flow position
  - LTV at 33.1%, the highest interest coverage ratio at 3.3 x ICR
  - Long debt maturity ratio of 5.1 years
  - FFO amounted to PLN 86.8 million (EUR 18.5 million), + 59% yoy

MLP Group has a very good financial standing and a safe capital structure enabling the implementation of long-term strategic goals. With the modest leverage, long-average debt maturity of 5.1 years, no near-term refinancing requirements and virtually entire debt at fixed or capped rates, we have significant financial flexibility to continue to invest capital in the development and acquisition opportunities that offer the most attractive risk-adjusted returns.

## MLP Group plans for 2023

Let me start with this adage - all of our knowledge is about the past and all our decisions are about the future, which is unknown by definition.

**Occupier demand for warehouse space across all markets where we operate, is unbroken and the combination of, near-shoring, continuing e-commerce demand and restructuring of supply chains are expected to further drive the demand. Our space is flexible and can be adapted to suit businesses from many different industries which, when coupled with our relentless focus on customer service through our market-leading operating platform, is reflected in high customer satisfaction and retention rates, as well as our asset management and leasing performance.**

**We expect this contrast between demand and limited supply to drive further growth in rental levels.**

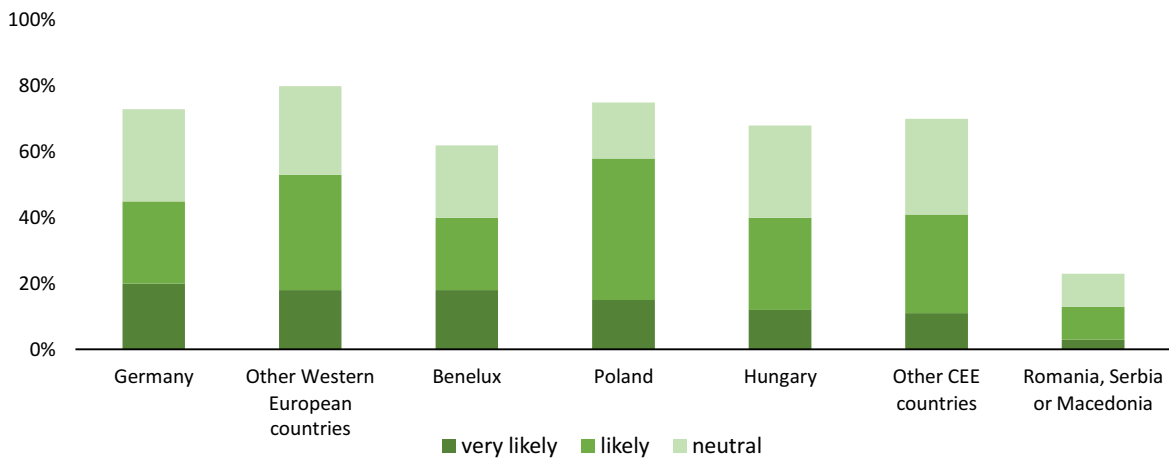
Main drivers of the demand for logistic space are:

- Low availability of vacant space will remain critical, high rate of pre-lets for new projects
- No signs that supply and demand will come into equilibrium in the short term
- Rents are likely to continue the growth course with demand expected to remain high, it is expected that prime rents will tend to rise over the next quarters
- Increased activity from 3PL

- Near-shoring (partial moving of manufacturing activity from Asia to Europe) and production occupier demand remaining strong across Europe.
- Energy costs, ESG and carbon neutrality will become more important

The main trigger affecting the demand for industrial space in 2023 and in the following years will be near-shoring. MLP Group is very well poised to respond to the market demand with very high technical competence of our team in Europe and a portfolio of plots located near major urban agglomerations with access to workforce.

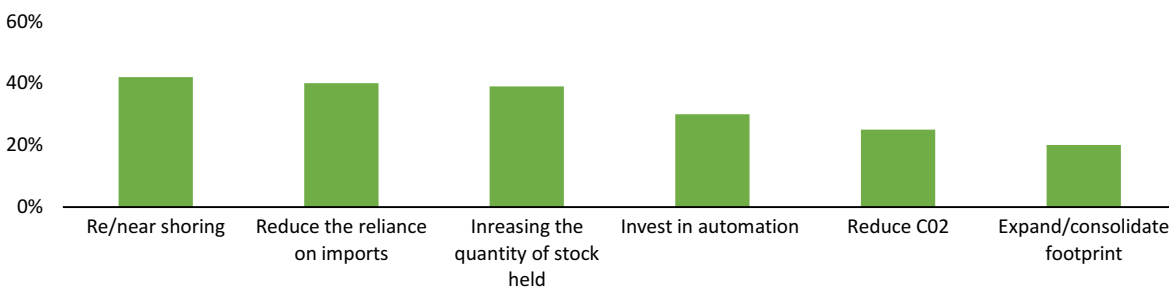
### Geographical locations considered for near-shoring



Source: BCI Global 2022

Demand in 2023 will be conditioned by a number of factors - apart from near-shoring, the second important trend will be the security and resilience of supply chains.

### Occupiers strategy to manage supply chain over next 3 years



Source: Savills, European Real Estate Logistics Consensus

**Valuation: what to expect in 2023** - forecasting yields over any period is unquestionably difficult given the multitude of economic and financial drivers (particularly interest rates and credit spreads), most of which are outside our direct control. Nevertheless, the operating prospects for our portfolio are strong, supported by structural drivers of occupational demand and limited supply (vacancy rate at the lowest level ever) **and substantial growth in rental rates and ERV (estimated rental values)**. Therefore, we are optimistic about the potential for further rental value growth, particularly in our urban warehouse portfolio.

## MLP development plan in 2023

Our strategic goal is to constantly expand the warehouse portfolio. In 2023, capital expenditure (CAPEX) will amount to approximately EUR 150-200 million, of which approximately 30% will be allocated to plots' purchases. We plan to lease 250 thousand sqm of the new warehouse space.

**Most importantly, we will continue our development in Germany**, where we are systematically increasing our portfolio of projects. We intend to lease MLP Idstein (Frankfurt am Main area), MLP Business Park Schalke and MLP Business Park Niederrhein. We plan to strengthen and expand our presence in the regions where we are already present i.e. Ruhr area, Brandenburg and Hessen land. Further development on the German market is a key point of our strategy.

Austria is also among the most important markets for us. This year will mark the start of construction of our first project - MLP Business Park Wien. The success of this project is already spectacular - before the start of construction, we see a huge interest in leasing space in this project (demand exceeds 150% of lease area). Bearing in mind the potential of the Viennese market, we are planning to acquire additional 2 plots in Vienna, which are now under analysis and due diligence process.

Last but not least, the Polish market remains crucial for MLP Group, and we will continuously increase our offer in key logistics regions. In 2023, we start the development of MLP Business Park Łódź, MLP Business Park Poznań and possibly MLP Business Park Wrocław. In parallel, we will start several big-box logistic project such as MLP Poznań West extension, MLP Pruszków extension (the biggest logistic park in Warsaw area), MLP Łódź, MLP Gorzów and MLP Zgorzelec (wester border of Poland) and new project on eastern border of Poland close to Ukraine. All that area shall increase our existing portfolio by 250,000 sqm of newly built logistic area.

**Urban/city logistics projects (MLP Business Park) as will be of our focused in 2023** a high growth potential, high profitability and resilient to economical downturns products – addressing the retail evolution (e-commerce) with: smaller units, less than 2500 sqm, located within or close to city boundaries with easy access to labour and public transportation. City Logistics products are better accepted by municipalities in comparison to Big-Box as it is served with less heavy trucks and provide more employments opportunities for white and blue collar personnel. Additionally, we will be continuing the development of big-box projects primary addressing ecommerce development and light industry requirements following the increased demand generated by moving manufacturing from Asia to Europe.

MLP Group replenishes its landbank on a continual basis. We focus on acquiring development sites that are adjacent to existing parks, or in sought-after locations with proximity to strong logistics hubs and transport corridors and large, densely populated cities. In 2022, MLP Group acquired approx. 377,000 thousand sqm (excl. options), focusing particularly on sites within core markets across Europe.

MLP Group 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 9 to 10,5 GWh of green energy in 2024.**

In 2023, 85% of our Polish projects will obtain BREEAM certificate at the Excellent or Very good level and DGNB Gold or Platinum certificate on the German and Austrian market. Remaining 20% of Polish projects with lower notes will be improved to min. **VERY good level in 2024.**

## In closing

**I would like to express my deep gratitude and appreciation to all employees. From this letter, I hope shareholders and all readers gain an appreciation for the tremendous character and capabilities of MLP Group's team and I hope you are as proud of them as I am.**

Finally, I sincerely hope that all the European Union citizens see an end to terrible COVID-19 pandemic, see an end to the war in Ukraine, and see a renaissance of a world on the path to peace and democracy.

2022 might not have been the year that we all expected, but our business has shown its quality and resilience and has continued to deliver value. I am proud of how everyone at MLP Group has come together and worked hard to make this happen.

**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 2022 to 31 December 2022 and the comparative data for the period from 1 January 2021 to 31 December 2021 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 2022, 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.*

*Pruszków, 17 March 2023*

### 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 2022	31 December 2021
Average mid exchange rate during the reporting period*	4,6883	4,5775
Mid exchange rate on the last day of the reporting period	4,6899	4,5994

\*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 2022		31 December 2021	
		PLN '000	EUR '000	PLN '000	EUR '000
Non-current assets		1 066 586	227 423	899 206	195 505
Current assets		205 442	43 805	144 917	31 508
<b>Total assets</b>		<b>1 272 028</b>	<b>271 228</b>	<b>1 044 123</b>	<b>227 013</b>
Non-current liabilities		587 535	125 278	527 333	114 653
Current liabilities		66 167	14 108	103 464	22 495
Equity, including:		618 326	131 842	413 326	89 865
Share capital		5 999	1 279	5 344	1 162
<b>Total equity and liabilities</b>		<b>1 272 028</b>	<b>271 228</b>	<b>1 044 123</b>	<b>227 013</b>
Number of shares		23 994 982	23 994 982	21 373 639	21 373 639
Book value per share and diluted book value (PLN/EUR) per share		25,77	5,49	19,34	4,20

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:

	2022		2021	
	PLN '000	EUR '000	PLN '000	EUR '000
Revenue	16 311	3 479	20 949	4 577
Distribution costs and administrative expenses	(22 417)	(4 781)	(20 328)	(4 441)
Operating profit/(loss)	(6 119)	(1 305)	268	59
Profit before tax	26 652	5 685	19 840	4 334
Net profit	<b>23 022</b>	<b>4 911</b>	<b>17 978</b>	<b>3 927</b>
<b>Total comprehensive income</b>	23 022	4 911	17 978	3 927
Net profit attributable to the shareholders	23 022	4 911	17 978	3 927
Earnings per share and diluted earnings per share attributable to shareholders (EUR/PLN per share)	1,07	0,23	0,87	0,19

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:

	2022		2021	
	PLN '000	EUR '000	PLN '000	EUR '000
Net cash flows from operating activities	(5 592)	(1 193)	3 399	743
Cash flows from investing activities	(63 469)	(13 538)	(124 613)	(27 223)
Cash flows from financing activities	172 856	36 870	208 153	45 473
<b>Total cash flows, net of exchange differences</b>	<b>103 795</b>	<b>22 139</b>	<b>86 939</b>	<b>18 993</b>
<b>Total cash flows</b>	<b>107 850</b>	<b>23 004</b>	<b>85 724</b>	<b>18 727</b>

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.

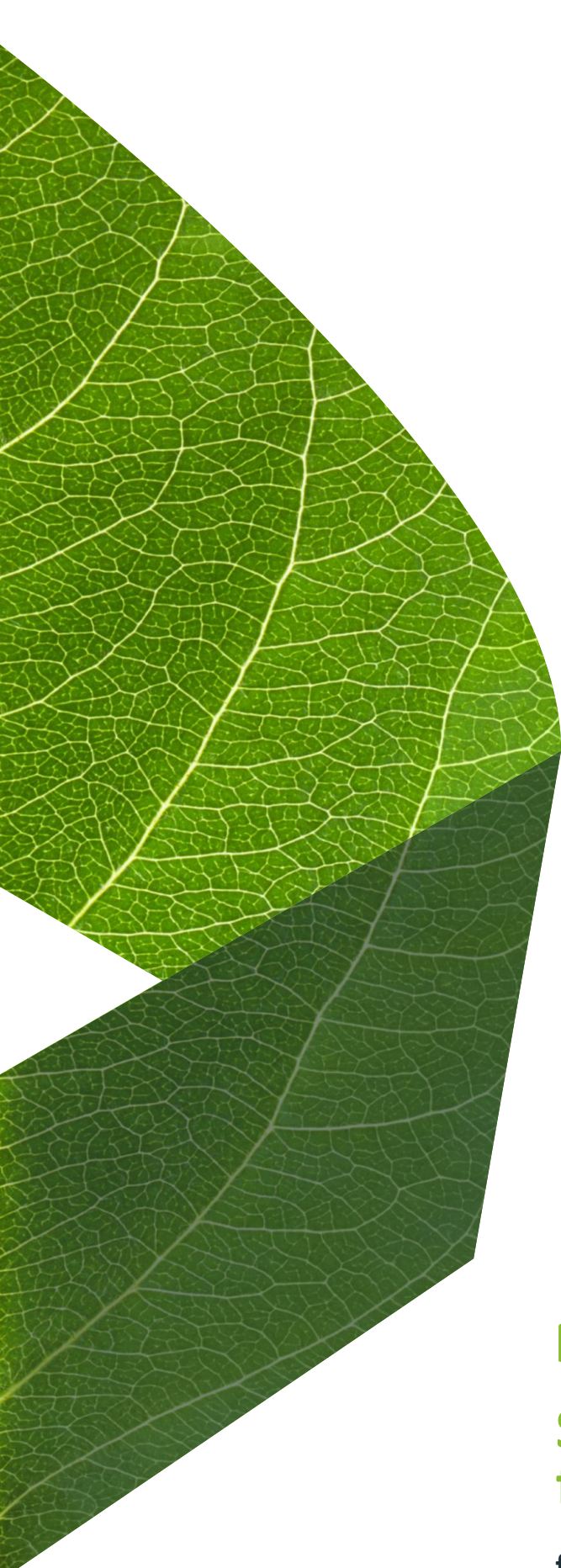
	<i>as at</i>	31 December 2022		31 December 2021	
		PLN '000	EUR '000	PLN '000	EUR '000
Cash at beginning of period		92 192	20 044	6 468	1 519
Cash at end of period		200 042	42 654	92 192	20 044

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 2020 was 4.6148.





**MLP Group S.A.**

**Separate  
financial statements**

**for the year ended 31 December 2022**  
*prepared in accordance with EU IFRS*

## IV. Separate financial statements of MLP Group S.A. for the year ended 31 December 2022

### Authorisation of the separate financial statements for issue

On 17 March 2023, 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 2022 to 31 December 2022.

The Financial Statements for the period from 1 January 2022 to 31 December 2022 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 2022, showing a net profit of PLN 23,022 thousand.
2. Separate statement of financial position as at 31 December 2022, showing total assets and total equity and liabilities of PLN 1,272,028 thousand.
3. Separate statement of cash flows for the period from 1 January to 31 December 2022, showing a net increase in cash of PLN 107,850 thousand.
4. Separate statement of changes in equity for the period from 1 January to 31 December 2022, showing an increase in equity of PLN 205,000 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.*

*Pruszków, 17 March 2023*

## Separate statement of profit or loss and other comprehensive income

for the year ended 31 December	Note	2022	2021
Revenue	6	16 311	20 949
Other income	7	177	145
Other expenses	8	(190)	(498)
Distribution costs and administrative expenses	9	(22 417)	(20 328)
<b>Operating profit/(loss)</b>		<b>(6 119)</b>	<b>268</b>
Finance income	10	53 457	32 469
Finance costs	10	(20 686)	(12 897)
<b>Net finance income/(costs)</b>		<b>32 771</b>	<b>19 572</b>
<b>Profit/(loss) before tax</b>		<b>26 652</b>	<b>19 840</b>
Income tax	11	(3 630)	(1 862)
<b>Profit from continuing operations</b>		<b>23 022</b>	<b>17 978</b>
<b>Net profit</b>		<b>23 022</b>	<b>17 978</b>
<b>Net profit attributable to:</b>			
Shareholders		23 022	17 978
<b>Total comprehensive income</b>		<b>23 022</b>	<b>17 978</b>
<b>Comprehensive income attributable to:</b>			
Shareholders		23 022	17 978
<b>Earnings per share</b>	20		
<b>Earnings per ordinary share:</b>			
Basic and diluted earnings per share (PLN) for the year		1,07	0,87
- attributable to holders of ordinary shares of the Parent			
- Basic earnings per share from discontinued operations		0	0
- Earnings per ordinary share		1,07	0,87
<b>Diluted earnings per ordinary share:</b>			
- Diluted earnings per share from continuing operations		1,07	0,87
- Earnings per ordinary share		1,07	0,87

## Separate statement of financial position

	<i>as at 31 December</i>	<b>Note</b>	<b>2022</b>	<b>2021</b>
<b>Non-current assets</b>				
Intangible assets			29	79
Property, plant and equipment			273	206
Non-current financial assets in related entities	12		123 465	123 450
Long-term financial investments	13		942 187	768 959
Deferred tax assets	16		-	2 846
Other long-term investments			632	3 666
<b>Total non-current assets</b>			<b>1 066 586</b>	<b>899 206</b>
<b>Current assets</b>				
Short-term investments	14		-	49 480
Income tax receivable	17		8	186
Trade and other receivables	17		5 392	3 059
Cash and cash equivalents	18		200 042	92 192
<b>Current assets other than held for sale or distribution to owners</b>			<b>205 442</b>	<b>144 917</b>
<b>Total current assets</b>			<b>205 442</b>	<b>144 917</b>
<b>TOTAL ASSETS</b>			<b>1 272 028</b>	<b>1 044 123</b>
<b>Equity</b>				
	19			
Share capital			5 999	5 344
Share premium			485 348	304 025
Capital reserve			4 194	4 194
Statutory reserve funds			65 097	65 097
Retained earnings, including:			57 688	34 666
Profit (loss) brought forward			34 666	16 688
Net profit			23 022	17 978
<b>Equity attributable to shareholders</b>			<b>618 326</b>	<b>413 326</b>
<b>Total equity</b>			<b>618 326</b>	<b>413 326</b>
<b>Non-current liabilities</b>				
Non-bank borrowings and other debt instruments	21		586 751	527 333
Deferred tax liability	16		784	-
<b>Total non-current liabilities</b>			<b>587 535</b>	<b>527 333</b>
<b>Current liabilities</b>				
Non-bank borrowings and other debt instruments	21		57 044	94 520
Employee benefit obligations	22		1 065	4 432
Trade and other payables	23		8 058	4 512
<b>Current liabilities other than held for sale</b>			<b>66 167</b>	<b>103 464</b>
<b>Total current liabilities</b>			<b>66 167</b>	<b>103 464</b>
<b>Total liabilities</b>			<b>653 702</b>	<b>630 797</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>1 272 028</b>	<b>1 044 123</b>

## Separate statement of cash flows

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Profit before tax		26 652	19 840
<i>Total adjustments, including:</i>		<b>(32 422)</b>	<b>(14 163)</b>
Depreciation and amortisation		120	113
Net interest		(22 050)	(8 643)
Exchange differences		(1 029)	(930)
Dividend income		(10 764)	(10 586)
Other		3 455	(2 866)
Change in receivables		(2 333)	12 027
Change in current and other liabilities		179	(3 278)
<b>Cash from operating activities</b>		<b>(5 770)</b>	<b>5 677</b>
Income tax (paid)/refunded		178	(2 278)
<b>Net cash from operating activities</b>		<b>(5 592)</b>	<b>3 399</b>
<b>Cash flows from investing activities</b>			
Repayment of loans		221 058	268 394
Dividends received		10 764	10 586
Interest received		4 057	12 273
Acquisition of shares	12	(15)	(30)
Purchase of investment property, property, plant and equipment and intangible assets		(228)	(193)
Disposal of investment property, property, plant and equipment and intangible assets		91	32
Proceeds from disposal of other investments in financial assets		49 059	103 381
Purchase of other financial assets		-	(132 700)
Loans		(348 255)	(386 356)
<b>Cash from investing activities</b>		<b>(63 469)</b>	<b>(124 613)</b>
<b>Cash flows from financing activities</b>			
Proceeds from non-bank borrowings		66 061	12 433
Repayment of non-bank borrowings		-	(12 433)
Issue of bonds		28 547	93 304
Net proceeds from issue of shares and other equity instruments and contributions to equity		181 978	123 585
Interest paid on non-bank borrowings		-	(76)
Interest paid on bonds		(9 612)	(8 660)
Redemption of bonds		(94 118)	
<b>Cash from financing activities</b>		<b>172 856</b>	<b>208 153</b>
<b>Total cash flows, net of exchange differences</b>		<b>103 795</b>	<b>86 939</b>
Effect of exchange differences on cash and cash equivalents		4 055	(1 215)
<b>Total cash flows</b>		<b>107 850</b>	<b>85 724</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>92 192</b>	<b>6 468</b>
<b>Cash and cash equivalents at end of period</b>	18	<b>200 042</b>	<b>92 192</b>

## Separate statement of changes in equity

	Share capital	Share premium	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
<b>As at 1 January 2022</b>	<b>5 344</b>	<b>304 025</b>	<b>4 194</b>	<b>65 097</b>	<b>34 666</b>	<b>413 326</b>	<b>413 326</b>
<b><u>Comprehensive income:</u></b>							
Net profit/(loss)	0	0	0	0	23 022	23 022	<b>23 022</b>
<b>Comprehensive income for the year ended 31 December 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>23 022</b>	<b>23 022</b>	<b>23 022</b>
Increase in equity due to share issue	655	181 323	0	0	0	181 978	<b>181 978</b>
<b>Changes in equity</b>	<b>655</b>	<b>181 323</b>	<b>0</b>	<b>0</b>	<b>23 022</b>	<b>205 000</b>	<b>205 000</b>
<b>As at 31 December 2022</b>	<b>5 999</b>	<b>485 348</b>	<b>4 194</b>	<b>65 097</b>	<b>57 688</b>	<b>618 326</b>	<b>618 326</b>

	Share capital	Share premium	Capital reserve	Statutory reserve funds	Retained earnings	Total equity attributable to owners of the parent	Total equity
<b>As at 1 January 2021</b>	<b>4 931</b>	<b>180 853</b>	<b>4 194</b>	<b>65 097</b>	<b>16 688</b>	<b>271 763</b>	<b>271 763</b>
<b><u>Comprehensive income:</u></b>							
Net profit/(loss)	0	0	0	0	17 978	17 978	<b>17 978</b>
<b>Comprehensive income for the year ended 31 December 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>17 978</b>	<b>17 978</b>	<b>17 978</b>
Increase in equity due to share issue	413	123 172			-	123 585	<b>123 585</b>
<b>Changes in equity</b>	<b>413</b>	<b>123 172</b>	<b>0</b>	<b>0</b>	<b>17 978</b>	<b>141 563</b>	<b>141 563</b>
<b>As at 31 December 2021</b>	<b>5 344</b>	<b>304 025</b>	<b>4 194</b>	<b>65 097</b>	<b>34 666</b>	<b>413 326</b>	<b>413 326</b>

## 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 54 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., MLP Idstein Sp. z o.o. & Co. KG, MLP Business Park Trebur GP Sp. z o.o., MLP Business Park Trebur LP Sp. z o.o., MLP Trebur Sp. z o.o. & Co. KG and MLP Poznań West III

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
- Monika Dobosz - Member of the Management Board
- Agnieszka Gózdź - Member of the Management Board

On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Gózdź as Members of the Company's 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 accounting used in preparing 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 effective as of 1 January 2022**

The following new standard was applied for the first time in the Company's separate financial statements for 2022:

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
<b>IFRS 3 <i>Business Combinations</i></b>	no impact	1 January 2022
<b>Amendments to IAS 16 <i>Property, Plant and Equipment</i></b>	no significant impact	1 January 2022
<b>Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i></b>	no significant impact	1 January 2022



**Annual Improvements to International Financial Reporting Standards 2018-2020**

**Cycle , including:**

IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i>		
IFRS 9 <i>Financial Instruments</i>	no significant impact	1 January 2022
IAS 41 <i>Agriculture</i>		
Illustrative Examples accompanying IFRS 16 <i>Leases</i>		

**2. 2. 2 Issued standards and interpretations which are not yet effective and have not been adopted early by the Company.**

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
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
IFRS 16 <i>Leases</i>	no significant impact	1 January 2024
Amendments to IAS 1 <i>Presentation of Financial Statements</i>	no significant impact	1 January 2024
Amendments to IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	no significant impact	1 January 2023
Amendment to IAS 1 <i>Presentation of Financial Statements and the IASB Practice Statement on Disclosure of Accounting Policies</i>	no significant impact	1 January 2023
Amendments to IAS 12 <i>Income Taxes</i>	no significant impact	1 January 2023
IFRS 17 <i>Insurance Contracts</i>	no impact	1 January 2023

**2. 3 Basis of accounting**

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

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

## **2. 4 Functional currency and presentation currency of the financial statements; rules applied to translate financial data**

### **2. 4.1 Functional currency and presentation currency**

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

### **2. 4.2 Rules applied to translate financial data**

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

#### **Separate statement of financial position:**

	<b>31 December 2022</b>	<b>31 December 2021</b>
EUR	4,6899	4,5994
USD	4,4018	4,0600
RON	0,9475	0,9293

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

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

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

The following estimates were made for the purpose of the separate financial statements: estimate of expected credit loss (ECL) against financial assets, provision for variable salary costs 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 złoty are translated into the Polish złoty 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 Derivative financial instruments, including hedge accounting**

Derivatives designated as hedging instruments whose fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item are recognised in accordance with fair value hedge accounting or cash flow hedge accounting.

The Company assesses the hedge effectiveness both at inception of the hedge and then at least at the end of each reporting period. Verification of the fulfilment of the conditions for the effectiveness of the relation is made on a prospective basis, based on qualitative analysis. If necessary, the Company uses quantitative analysis (linear regression) to confirm the existence of an economic relationship between the hedging instrument and the hedged item.

If the Company applies cash flow hedge accounting then:

- the portion of the gain or loss on the hedging instrument that is designated to be an effective hedge of the hedged risk is recognised in other comprehensive income;
- the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If cash flows from operating activities are hedged, the ineffective portion is recognised in other income/expenses, and where the hedging covers cash flows from financing activities – in finance income/costs,
- capital gains or losses are reclassified to the statement of profit or loss, in the line item in which the hedged item is presented,
- capital gains or losses are derecognised and the initial value of the hedged item is adjusted.

For fair value hedges (operating activities), changes in the fair value of the hedging instrument and the hedged item are recognised in profit or loss as other income/expenses.

If a hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or its designation is changed, the Company ceases to apply hedge accounting. Any accumulated gains or losses previously recognised in other comprehensive income until the planned transaction is completed and recognised are recognised as profit or loss for the current period.

#### **3. 2. 2 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. 3 *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. 4 *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. 5 *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 invoiced 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 (including currency risk, Note 24.2.2., and interest rate risk, Note 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 Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, evaluate the potential impact of those risks, establish appropriate risk limits and controls, and monitor the risks and adherence to the limits. The Company regularly reviews its risk management policies and systems to ensure they reflect any changes in market conditions and the Company's business. The Company seeks to build an environment in which all employees understand their respective roles and responsibilities, using such tools as training, management standards and procedures.

##### **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 fulfill 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 (interpreted as the sum of share capital and share premium), excluding non-redeemable preferred shares and non-controlling interests. The Management Board also monitors the level of dividends to ordinary shareholders.

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

The Company is not subject to any external capital requirements.

#### 5. **Segment reporting**

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

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

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

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

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

	2022	2021
MLP Pruszków I Sp. z o.o.	18%	14%
MLP Pruszków III Sp. z o.o.	9%	7%
MLP Business Park Berlin I sp. z o.o. & Co. KG	8%	0%
MLP Łódź II sp. z o.o.	7%	0%
MLP Lublin Sp. z o.o.	7%	10%
MLP Poznań West II Sp. z o.o.	6%	7%
MLP Gliwice Sp. z o.o.	6%	8%
MLP Pruszków IV Sp. z o.o.	6%	5%

## 6. Revenue

	for the year ended 31 December	2022	2021
Property management		5 979	5 097
Project management		887	816
Advisory services		8 260	12 498
Recharge of services		1 185	658
Revenue from development contract <sup>1)</sup>		-	1 880
<b>Total revenue</b>		<b>16 311</b>	<b>20 949</b>
<i>- including from related entities</i>		<i>16 126</i>	<i>19 029</i>

<sup>1)</sup> 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 2021, the Company recognised PLN 1,880 thousand in revenue from that contract.

In accordance with IFRS 15, revenue derived from the development contract in 2021, of PLN 1,880 thousand, is recognised as revenue from a fixed-price contract.

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

## 7. Other income

	<i>for the year ended 31 December</i>	2022	2021
Reversal of provision for future costs		-	11
Proceeds from sale of property, plant and equipment		15	23
Other		162	111
<b>Other income</b>		<b>177</b>	<b>145</b>

## 8. Other expenses

	<i>for the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
Costs of liquidated property, plant and equipment		(46)	-
Court fees		-	(19)
Other expenses		(129)	(394)
Damages and contractual penalties		-	(81)
Donations made		(15)	(4)
<b>Other expenses</b>		<b>(190)</b>	<b>(498)</b>

## 9. Distribution costs and administrative expenses

	<i>for the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
Depreciation and amortisation		(120)	(113)
Materials and consumables used		(494)	(364)
Services		(15 646)	(11 398)
Taxes and charges		(402)	(238)
Wages and salaries		(4 111)	(6 894)
Social security and other employee benefits		(980)	(630)
Other expenses by nature		(664)	(691)
<b>Distribution costs and administrative expenses</b>		<b>(22 417)</b>	<b>(20 328)</b>

Distribution costs and administrative expenses for the six months ended 31 December 2022 were PLN 22,417 thousand. Most of the above costs incurred by the Company relate to the operations of the Group and services rendered to the Group. In 2021, these costs were increased by expenses related to the execution of the development contract of PLN 1,529 thousand.

## 10. Finance income and costs

	<i>for the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
Interest on loans to related entities		41 592	20 292
Dividend income		10 764	10 586
Other		31	-
Net exchange differences		1 007	1 036
Revenue from investment fund units		63	555
<b>Total finance income</b>		<b>53 457</b>	<b>32 469</b>
Interest expense on non-bank borrowings from related entities		(8 460)	(3 355)
Interest paid to state budgets		(5)	(6)
Interest on bonds		(11 145)	(8 849)
Other finance costs		(1 076)	(687)
<b>Total finance costs</b>		<b>(20 686)</b>	<b>(12 897)</b>

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>	<b>2022</b>	<b>2021</b>
Current income tax		-	2 092
Temporary differences/reversal of temporary differences		3 630	(230)
<b>Income tax</b>		<b>3 630</b>	<b>1 862</b>

### Effective tax rate

	<b>2022</b>	<b>2021</b>
<b>Profit before tax</b>	<b>26 652</b>	<b>19 840</b>
Tax at the applicable tax rate (19%)	(5 064)	(3 770)
Dividend income	2 045	2 011
Write-off of assets on tax loss	399	-
Non-taxable income	(9)	-
Expenses not deductible for tax purposes	(1 001)	(103)
<b>Income tax</b>	<b>(3 630)</b>	<b>(1 862)</b>

### Calculation of corporate income tax

	<i>for the year ended 31 December</i>	<b>2022</b>	<b>2021</b>
<b>Profit before tax</b>		<b>26 652</b>	<b>19 840</b>
<b>Non-tax deductible expenses:</b>			
Interest on non-bank borrowings		8 460	3 279
Audit provision		211	133
Foreign exchange losses		37 182	36 450
Provision for remuneration of the Supervisory Board and the Management Board, and costs of advisory and management services		7 579	8 221
Reversal of foreign exchange gains on opening balance measurement		13 630	21 125
Provisions for employee benefit obligations			15
Interest accrued on bonds		2 187	2 533
Interest paid to state budgets		5	6
Other		12 892	670
Donations made			4
		<b>82 146</b>	<b>72 436</b>
<b>Costs increasing tax-deductible expenses:</b>			
Interest paid on non-bank borrowings			-
Use of audit provision		133	100
Use of provision for remuneration of the Management Board and the Supervisory Board		8 121	5 742
Use of provision for interest on bonds		2 533	2 417
Use of for costs of development contract		-	4 709
Other		-	-
		<b>10 787</b>	<b>12 968</b>



<b>Income increasing taxable income:</b>		
Payment of interest on loan	3 494	9 655
Revenue from development contract	-	6 403
Other	-	40
	<b>3 494</b>	<b>16 098</b>
<b>Non-taxable income:</b>		
Foreign exchange gains on measurement	15 360	13 630
Dividend received	10 764	10 586
Interest accrued on loans but not paid	41 039	18 446
Other	352	8
Reversal of foreign exchange losses on opening balance measurement	36 450	37 817
	<b>103 965</b>	<b>80 487</b>
<b>Taxable income</b>	<b>(2 460)</b>	<b>14 919</b>
<b>Deductions from income</b>		
Loss brought forward	-	(3 911)
<b>Tax base</b>	<b>-</b>	<b>11 008</b>
<b>Income tax</b>	<b>-</b>	<b>2 092</b>

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

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

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

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
<b>Gross amount at beginning of period</b>		<b>123 450</b>	<b>123 420</b>
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
Acquisition of shares in MLP Business Park Trebur GP Sp. z o.o. (formerly: MLP Schwäbisch Gmünd GP Sp. z o.o.)		5	-
Acquisition of shares in MLP Business Park Trebur LP Sp. z o.o. (formerly: MLP Schwäbisch Gmünd LP Sp. z o.o.)		5	-
Acquisition of shares in MLP Poznań West III		5	-
<b>Gross amount at end of period</b>		<b>123 465</b>	<b>123 450</b>
<b>Net amount at end of period</b>		<b>123 465</b>	<b>123 450</b>

As at 31 December 2022, 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 2022	31 December 2021	31 December 2022	31 December 2021
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.	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 2022	31 December 2021	31 December 2022	31 December 2021
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. <sup>5)</sup>	Poland	100%	100%	100%	100%
MLP Schwalmthal LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmthal GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków VI Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Schwalmthal 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.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Gorzów Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Trebur GP Sp. z o.o. <sup>1)</sup>	Poland	100%	-	100%	-
MLP Business Park Trebur LP Sp. z o.o. <sup>2)</sup>	Poland	100%	-	100%	-
MLP Business Park Trebur Sp. z o.o. & Co. KG <sup>3)</sup>	Germany	100%	-	100%	-
MLP Poznań West III Sp. z o.o. <sup>4)</sup>	Poland	100%	-	100%	-

<sup>1)</sup> On 16 February 2022, MLP Schwäbisch Gmünd GP Sp. z o.o. was established. All shares in the 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 22 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur GP Sp. z o.o. The change in the company's name was entered in the National Court Register on 23 June 2022.

<sup>2)</sup> On 16 February 2022, MLP Schwäbisch Gmünd LP Sp. z o.o. was established. All shares in the 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 March 2022. On 14 June 2022, the Extraordinary General Meeting of the company resolved to rename it MLP Business Park Trebur LP Sp. z o.o. The change in the company's name was entered in the National Court Register on 22 June 2022.

<sup>3)</sup> MLP Business Park Trebur Sp. z o.o. & Co. KG was established pursuant to a notarial deed of 6 July 2022, with MLP Business Park Trebur LP Sp. z o.o. as the limited partner and MLP Business Park Trebur GP Sp. z o.o. as the general partner.

<sup>4)</sup> MLP Poznań West III Sp. z o.o. was established pursuant to a notarial deed of 14 December 2022. All shares in the 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 4 January 2023.

<sup>5)</sup> On 16 January 2023, the change of the name of MLP Poznań East sp. z o.o. to MLP Zgorzelec Sp. z o.o. was registered.

### 13. Long-term investments

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Long-term loans to related entities		942 187	768 959
<b>Long-term investments</b>		<b>942 187</b>	<b>768 959</b>

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

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.

As at 31 December 2022, there were no indications of impairment of long-term investments.

### 14. Short-term investments

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Money fund units		-	49 480
<b>Short-term investments</b>		<b>-</b>	<b>49 480</b>

Units held in a money market fund were redeemed by the fund in the first half of 2022.

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

	<i>Shares</i>
<b>As at 31 December 2021</b>	<b>123 450</b>
Subscription for shares	15
<b>As at 31 December 2022</b>	<b>123 465</b>

	<i>Loan assets</i>
<b>As at 31 December 2021</b>	<b>768 959</b>
Loan advanced	348 255
Repayment of principal	(221 058)
Interest accrued	41 592
Payment of interest on loan	(3 994)
Realised foreign exchange gains/(losses)	7 014
Change in carrying amount	1 419
<b>As at 31 December 2022</b>	<b>942 187</b>

## 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>	2022	2021	2022	2021	2022
Loans and non-bank borrowings	-	351	5 036	-	5 036	(351)
Tax loss	467	430	-	-	(467)	(430)
Other	3 369	1 584	-	-	(3 369)	(1 584)
Bonds	416	481	-	-	(416)	(481)
<b>Deferred tax assets / liabilities</b>	<b>4 252</b>	<b>2 846</b>	<b>5 036</b>	<b>-</b>	<b>784</b>	<b>(2 846)</b>

	1 January 2021	changes	31 December	changes	31 December
		recognised in	2021	recognised in	2022
		profit or loss		profit or loss	
Loans and non-bank borrowings	(234)	(117)	(351)	5 387	5 036
Tax loss	(1 141)	711	(430)	(37)	(467)
Other	(782)	(802)	(1 584)	(1 785)	(3 369)
Bonds	(459)	(22)	(481)	65	(416)
	<b>(2 616)</b>	<b>(230)</b>	<b>(2 846)</b>	<b>3 630</b>	<b>784</b>

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Trade receivables from related entities		3 117	1 662
Trade receivables from other entities		4	38
Taxes and social security receivable		56	108
Prepayments and accrued income		1 969	1 212
Other		246	39
<b>Trade and other receivables</b>		<b>5 392</b>	<b>3 059</b>
Income tax receivable		8	186
<b>Short-term receivables</b>		<b>5 400</b>	<b>3 245</b>

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

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

Days past due of trade and other receivables as well as impairment losses are presented in the table below.

	<b>31 December 2022</b>		<b>31 December 2021</b>	
	Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due	2 964	-	1 370	-
Past due from 1 to 90 days	60	-	153	-
Past due from 91 to 180 days	44	-	39	-
Pas due over 180 days	299	-	177	-
<b>Total receivables</b>	<b>3 367</b>	<b>-</b>	<b>1 739</b>	<b>-</b>

## 18. Cash and cash equivalents

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Cash in hand		11	6
Cash at banks		31 031	92 186
Short-term deposits		169 000	-
<b>Cash and cash equivalents in the separate statement of financial position</b>		<b>200 042</b>	<b>92 192</b>
<b>Cash and cash equivalents in the separate statement of cash flows</b>		<b>200 042</b>	<b>92 192</b>

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. All the banks which the Group holds cash with are rated at least A- (according to Fitch Ratings)

## 19. Equity

### 19. 1 Share capital

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
<b>Share capital</b>			
Series A ordinary shares		11 440 000	11 440 000
Series B ordinary shares		3 654 379	3 654 379
Series C ordinary shares		3 018 876	3 018 876
Series D ordinary shares		1 607 000	1 607 000
Series E ordinary shares		1 653 384	1 653 384
Series F ordinary shares		2 621 343	-
<b>Ordinary shares – total</b>		<b>23 994 982</b>	<b>21 373 639</b>
Par value per share		0,25	0,25

As at 31 December 2022, the Parent's share capital amounted to PLN 5,998,745.5 and was divided into 23,994,982 shares conferring 23,994,982 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

On 16 May 2022, the Extraordinary General Meeting of MLP Group S.A. passed a resolution amending the Company's Articles of Association. This resolution authorises the Management Board to increase the share capital of the Company within the limit of the authorised share capital, with the existing shareholders' pre-emptive rights waived.

Pursuant to the resolution, the Company's Management Board has been authorised to increase the Company's share capital by no more than PLN 655,335.75 (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 authorization by increasing the share capital once through the issuance of Series F shares, within the limit of the Authorized Capital. The increase in the share capital up to the amount of the Authorized Capital can only be made through 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 8 December 2022, the Company issued 2,621,343 Series E ordinary shares with a total par value of PLN 655,335.75. 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 23,994,982.

On 22 December 2022, 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 5,343,409.75 to PLN 5,998,745.50.

Series F 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 12 January 2023 under ISIN PLMLPGR00017.

Changes in the share capital in the reporting period:

	<i>as at</i>	<b>31 December 2022</b>		<b>31 December 2021</b>	
		<b>number of shares</b>	<b>Par value</b>	<b>number of shares</b>	<b>Par value</b>
<b>Number/value of shares at beginning of period</b>		<b>21 373 639</b>	<b>5 344</b>	<b>19 720 255</b>	<b>4 931</b>
Issue of shares		2 621 343	655	1 653 384	413
<b>Number/value of shares at end of period</b>		<b>23 994 982</b>	<b>5 999</b>	<b>21 373 639</b>	<b>5 344</b>

### 19. 1. 1 Shareholders holding directly, or by 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 holdings of 5% or more of total voting rights in the Company, and as at 31 December 2022 the holdings were as follows:

Shareholder	Number of shares and voting rights	% direct interest in share capital and voting rights
CAJAMARCA Holland BV	10 242 726	42,69%
Other shareholders	4 183 253	17,44%
Israel Land Development Company Ltd. <sup>2)</sup>	3 016 329	12,57%
THESINGER LIMITED	1 771 320	7,38%
Allianz OFE, Allianz DFE i Drugi Allianz OFE	1 714 881	7,15%
OFE NNLife <sup>3)</sup>	1 656 022	6,90%
GRACECUP TRADING LIMITED	641 558	2,67%
MIRO LTD. <sup>4)</sup>	617 658	2,57%
Shimshon Marfogel	149 155	0,62%
Oded Setter <sup>1)</sup>	2 080	0,01%
<b>Total</b>	<b>23 994 982</b>	<b>100,00%</b>

On 8 December 2022, the Parent issued 2,621,343 Series E shares with a total par value of PLN 655,335.75 (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 23,994,982.

<sup>1)</sup> On 12 January 2022, 30 March 2022 and 8 January 2022, Oded Setter, member of the Supervisory Board, acquired 420, 640 and 600 ordinary shares, respectively. As at 31 December 2022, Mr Setter held a total of 2,080 ordinary shares, representing 0.0087% of the Company's share capital and conferring the right to 2,080 votes, i.e. 0.0087% of total voting rights.

<sup>2)</sup> On 13 May 2022 Israel Land Development Company Ltd. with its registered office in Bnei Brak, Israel acquired 100 ordinary shares increasing its holding to 1,933,619 Company shares, which after the changes constitutes 9.05% of the share capital and carries 1,933,619 voting rights, i.e., 9.05% of the total number of voting rights.

Furthermore, on December 8, 2022, as part of the issuance of Series F shares, 1,082,710 shares were subscribed for by Israel Land Development Company Ltd. As a result, the shareholder increased its holding to 3,016,329 Company shares, representing 12.57% of the Company's share capital and conferring the right to 3,016,329 votes, i.e., 12.57% of total voting rights.

As at 31 December 2012, Israel Land Development Company Ltd. held an indirect interest of 28.73% in the share capital of MLP Group S.A. through:

(a) RRN Holdings Ltd. (66.69% equity interest), which holds a 75% interest in the share capital of Cajamarca Holland B.V. (economic interest of 21.35%);

b) 100% of the share capital held by Thesinger Limited (economic interest of 7.38%).

Therefore, Israel Land Development Company LTD. holds a total effective economic interest of 41.30% in the share capital of MLP Group S.A.

<sup>3)</sup> Previous name MetLife OFE - from 01.02.2023 managed by Generali Powszechne Towarzystwo S.A - the number of shares hold as of 01.02.2023 - 1 591 360.

<sup>4)</sup> On December 8, 2022, 65,533 Series F shares were acquired by MIRO Ltd. as part of the issue. This increased the shareholder's interest in the Company to 617,658 shares, which represents 2.57% of the share capital and confers the right to 617,658 votes, or 2.57% 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

On 8 December 2022, MIRO Ltd acquired 65,533 ordinary shares, representing 0.27% of the share capital and 65,533 voting rights, or 0.27% of total voting rights. As at 31 December 2022, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.57% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO Ltd. in Cajamarca Holland B.V., Mr Shapiro was the beneficial owner of 10.67% of the share capital of MLP Group S.A. In total, Mr Shapiro was the beneficial owner of a 13.24% interest in the share capital of MLP Group S.A.

As at 31 December 2022, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.62% of the Company's share capital.

As at 31 December 2022, Oded Setter, member of the Supervisory Board, held directly, through the Company shares acquired in September 2021, October 2021, January 2022, March 2022 and June 2022, 0.0087% of the Company's share capital.

Eytan Levy holds indirectly 10,67% of the share capital of MLP Group S.A.: Mr Levy holds 100% interest in N Towards the Next Millenium Ltd. The company holds 33.33% (1/3) of the share capital of RRN Holdings Ltd, which holds 75% of the share capital of Cajamarca Holland B.V. Mr Levy is the beneficial owner of 10,67% of the share capital of MLP Group S.A.

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

### 19. 2 Capital reserve

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

### 20. Earnings and dividend per share

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

for the year ended 31 December	2022	2021
<b>Net profit(loss) for period</b>	<b>23 022</b>	<b>17 978</b>
Number of outstanding shares	23 994 982	21 373 639
Weighted average number of outstanding shares	21 452 279	20 679 218
<b>Earnings per share for period (PLN per share):</b>		
- basic	1,07	0,87
- diluted	1,07	0,87

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Bonds <sup>1)</sup>		332 983	344 955
Redeemable preference shares			
Non-bank borrowings from related entities		253 768	182 378
<b>Non-current liabilities under non-bank borrowings and other debt instruments</b>		<b>586 751</b>	<b>527 333</b>

<sup>1)</sup> The Company redeemed Series A bonds with a total nominal value of EUR 20,000,000 on their maturity date, i.e. 10 May 2022.

### 21. 2 Current liabilities

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Bonds		50 896	94 520
Non-bank borrowings from related entities		6 148	-
<b>Current liabilities under non-bank borrowings and other debt instruments</b>		<b>57 044</b>	<b>94 520</b>

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

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

	<i>Bonds</i>
<b>As at 31 December 2021</b>	<b>439 475</b>
Issue of bonds	28 547
Redemption of bonds	(94 118)
Interest accrued on bonds	11 144
Interest paid on bonds	(9 612)
Change in carrying amount	8 443
<b>As at 31 December 2022</b>	<b>383 879</b>

	<i>Non-bank borrowings from related entities</i>
<b>As at 31 December 2021</b>	<b>182 378</b>
Increase in non-bank borrowings	66 061
Interest accrued	8 460
Unrealised foreign exchange gains/(losses)	3 017
<b>As at 31 December 2022</b>	<b>259 916</b>

#### 21. 4 Liabilities under bonds

Instrument	currency	nominal value	maturity date	interest rate	guarantees and collateral	Listing venue
Private bonds – Series B	EUR	10 000 000	May 11 2023	6M EURIBOR + margin	<i>none</i>	Catalyst
Public bonds – Series C	EUR	45 000 000	Feb 19 2025	6M EURIBOR + margin	<i>none</i>	Catalyst
Public bonds – series D	EUR	20 000 000	May 17 2024	6M EURIBOR + margin	<i>none</i>	Catalyst
Public bonds – Series E <sup>1)</sup>	EUR	6 000 000	Jan 21 2024	3M EURIBOR + margin	<i>none</i>	Catalyst

The Company redeemed Series A bonds with a total nominal value of EUR 20,000,000 on their maturity date, i.e. 10 May 2022.

<sup>1)</sup> On 22 July 2022, the Company issued, by way of public offering for qualified investors, 6,000 Series E bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 6,000,000

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

Loan from	currency	effective interest rate (%)	as at 31 December 2022		31 December 2021			
			matures in foreign currency	in PLN	matures in foreign currency	in PLN		
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2027	15 186	71 223	2027	14 772	67 941
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2026	298	1 397	2026	294	1 350
MLP Pruszków I Sp. z o.o.	EUR	3M EURIBOR + margin	2025	519	2 436	2025	512	2 354
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2025	-	8 445	2025	-	7 970
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	45 454	2026	-	42 465
MLP Pruszków I Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	3 028	-	-	-
MLP Pruszków I Sp. z o.o.	EUR	1M EURIBOR + margin	2025	7 366	34 547	2025	7 280	33 483
MLP Pruszków III Sp. z o.o.	EUR	3M EURIBOR + margin	2027	4 526	21 228	-	-	-
MLP Pruszków III Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	2 956	-	-	-
MLP Poznań II Sp. z o.o.	PLN	3M WIBOR + margin	2026	-	5	2026	-	5
MLP Poznań II Sp. z o.o.	PLN	3M WIBOR + margin	2023	-	6 148	-	-	-
MLP BUSINESS PARK BERLIN I LP Sp. z o.o	PLN	3M WIBOR + margin	2027	-	102	-	-	-
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	2 213	10 378	2027	2 176	10 010
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2027	60	284	-	-	-
MLP Temp Sp. z o.o.	EUR	3M EURIBOR + margin	2025	1 110	5 206	2025	1 092	5 020
MLP Temp Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	173	-	-	-
MLP Pruszków IV Sp. z o.o.	EUR	3M EURIBOR + margin	2027	3 232	15 157	-	-	-
MLP Pruszków IV Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	7 254	-	-	-
MLP Bieruń Sp. z o.o.	EUR	3M EURIBOR + margin	2027	7	31	2027	6	29
LOKAFOP 201 Sp. z o.o. SKA	PLN	3M WIBOR + margin	2025	-	12 494	2025	-	11 751
Feniks Obrót Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	11 615	-	-	-
MLP TERESIN II Sp. z o.o.	PLN	3M WIBOR + margin	2027	-	355	-	-	-
<b>Total</b>				<b>34 517</b>	<b>259 916</b>		<b>26 132</b>	<b>182 378</b>

## 22. Employee benefit obligations

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Special accounts		157	157
Variable salary costs		908	4 275
<b>Employee benefit obligations</b>		<b>1 065</b>	<b>4 432</b>

The provision for variable salary costs has been recognised under distribution costs and administrative expenses in the statement of profit or loss.

## 23. Trade and other payables

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Trade payables to other entities		666	393
Taxes and social security payable		211	134
Accrued expenses		7 059	3 979
Investment and other commitments		122	6
<b>Trade and other payables</b>		<b>8 058</b>	<b>4 512</b>
<b>Current liabilities</b>		<b>8 058</b>	<b>4 512</b>

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

The table below presents days past due of trade and other payables:

	<i>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Not past due		7 739	4 260
Past due from 1 to 90 days		92	104
Past due from 91 to 180 days		-	-
Pas due over 180 days		16	14
<b>Total trade and other payables</b>		<b>7 847</b>	<b>4 378</b>

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 2022 and 31 December 2021 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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
<b>Available-for-sale financial assets:</b>			
Other financial instruments		-	-
<b>Financial assets measured at amortised cost:</b>			
Cash and cash equivalents		200 042	92 192
Loans and receivables, including:			
• Trade and other receivables		3 367	1 739
• Money fund units		-	49 480
• Loans		942 187	768 959
<b>Total financial assets measured at amortised cost</b>		<b>1 145 596</b>	<b>912 370</b>
<b>Total financial assets</b>		<b>1 145 596</b>	<b>912 370</b>

**Measurement of assets at amortised cost as at 31 December 2022:**

	Stage 1	Stage 2	Stage 3
<b>Gross carrying amount</b>	<b>1 142 229</b>	<b>3 367</b>	-
Cash and cash equivalents	200 042	-	-
Loans and receivables, including:			
• Trade and other receivables	-	3 367	-
• Loans	942 187	-	-
<b>Impairment losses (IFRS 9)</b>	-	-	-
<b>Carrying amount (IFRS 9)</b>	<b>1 142 229</b>	<b>3 367</b>	-

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

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

**24. 1. 2 Financial liabilities**

	<i>as at 31 December</i>	2022	2021
<b>Financial liabilities measured at amortised cost:</b>			
Non-bank borrowings		259 916	182 378
Trade and other payables		7 847	4 378
Bonds		383 879	439 475
Lease liabilities		-	-
<b>Total financial liabilities measured at amortised cost</b>		<b>651 642</b>	<b>626 231</b>
<b>Total financial liabilities</b>		<b>651 642</b>	<b>626 231</b>

## 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
<b>31 December 2022</b>	6 296	313 572	-	<b>319 868</b>
<b>31 December 2021</b>	-	117 093	85 970	<b>203 063</b>

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

Bonds - expected payments	up to 1 year	from 1 to 5 years	over 5 years	Total
<b>31 December 2022</b>	65 852	344 023	-	409 875
<b>31 December 2021</b>	104 132	370 951	-	475 083

### 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 2022 (PLN thousand):

Financial assets	PLN	EUR	other	Total
<b>Financial assets measured at amortised cost:</b>				
Cash and cash equivalents	172 112	27 785	145	<b>200 042</b>
Loans and receivables, including:				
• Trade and other receivables	1 871	1 496	-	<b>3 367</b>
• Money fund units	-	-	-	-
• Loans	317 218	624 969	-	<b>942 187</b>
<b>Total financial assets measured at amortised cost</b>	<b>491 201</b>	<b>654 250</b>	<b>145</b>	<b>1 145 596</b>
<b>Financial liabilities</b>				
<b>Financial liabilities measured at amortised cost:</b>				
Non-bank borrowings	98 029	161 887	-	<b>259 916</b>
Trade and other payables	7 847	-	-	<b>7 847</b>
Bonds	-	383 879	-	<b>383 879</b>
<b>Total financial liabilities measured at amortised cost</b>	<b>105 876</b>	<b>545 766</b>	<b>-</b>	<b>651 642</b>



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

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

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

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Increase in the EUR/PLN exchange rate by 5%		5 424	3 548
Increase in the USD/PLN exchange rate by 5%		7	8

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
EURIBOR + 50 bp		(2 729)	(2 798)
WIBOR + 50 bp		(490)	(311)

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
EURIBOR + 50 bp		3 125	2 700
WIBOR + 50 bp		1 586	1 145
LIBOR + 50 bp		-	-

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
EURIBOR + 50 bp		139	452
WIBOR + 50 bp		861	8

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.

**IBOR Reform**

Due to the reform and replacement of various inter-bank offered rates ('IBORs'), many IBOR rates stopped being published on 31 December 2021, and some would stop being published by 30 June 2023.

The Company is subject to the following financial assets and liabilities based on variable rates which are yet to transition to alternative interest rate benchmarks:

<b>Financial assets (PLN thousand)</b>	<b>EONIA</b>	<b>Total</b>
Long-term loans to related entities	942 187	942 187
<b>Total financial assets</b>	<b>942 187</b>	<b>942 187</b>

<b>Financial liabilities (PLN thousand)</b>	<b>EONIA</b>	<b>Total</b>
Non-bank borrowings	259 916	259 916
Bonds	383 879	383 879
<b>Total financial liabilities</b>	<b>643 795</b>	<b>643 795</b>

#### 24. 2. 4 Credit risk

Credit risk the risk of financial loss to the Company if a trading partner or counterparty to a transaction fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables from customers, loans and cash and cash equivalents. The Company's maximum exposure to credit risk corresponds to the carrying amount of these financial instruments. For information on days past due of trade and other receivables, see Note 17.

#### 25. Contingent liabilities and security instruments

As at 31 December 2022, the following security interests were established in the Company's assets:

##### 25. 1 Financial and registered pledges on shares

Security interests in MLP Group S.A.'s shares in the following companies:	Secured claims	Amount of security interest
<i>Registered pledges on shares:</i>		
MLP Pruszków I Sp. z o.o.	claims of ING Bank 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 for 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 for 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 76,662 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
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
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
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
MLP Łódź II Sp. z o.o.	claims of Santander Bank Polska S.A. under credit facility of 30 December 2022 granted to MLP Łódź II sp. z o.o. (investment credit facility)	EUR 28,648,630.50

## 25. 2 Guarantees

As at 31 December 2022 the Company did not provide any guarantees.

## 25. 3 Sureties

On 24 May 2019, MLP Group S.A. provided a surety to MLP Gliwice Sp. z o.o. in connection with the Agreement on the reconstruction of the communication system, including liabilities related to the implementation of the Road Investment project in whole or in part - up to PLN 2,745,888.30 till 31 August 2022 and then in the period 1 September 2022 - 31 August 2027 up to PLN 136,377.10.

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.

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.

#### **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.
- Agreement to subordinate loans granted to MLP Business Park Berlin I Sp. z o.o. & Co. KG in connection with the credit facility agreement of 21 March 2022

## 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 2022 were as follows:

	Trade and other receivables	Trade and other payables <sup>1)</sup>
<b>Parent</b>		
MLP FIN Sp. z o.o. Spółka Komandytowa	-	
Fenix Polska Sp. z o.o.	-	-
The Israel Land Development Company Ltd., Tel-Aviv	8	-
	<b>8</b>	<b>-</b>
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	293	-
MLP Pruszków II Sp. z o.o.	85	-
MLP Pruszków III Sp. z o.o.	145	-
MLP Pruszków IV Sp. z o.o.	95	-
MLP Pruszków V Sp. z o.o.	56	-
MLP Poznań Sp. z o.o.	29	-
MLP Poznań II Sp. z o.o.	25	-
MLP Lublin Sp. z o.o.	107	-
MLP Teresin Sp. z o.o.	49	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	122	-
MLP Wrocław Sp. z o.o.	91	-
MLP Czeladź Sp. z o.o.	43	-
MLP Gliwice Sp. z o.o.	95	-
MLP Property Sp. z o.o.	2	-
MLP Business Park Poznań Sp. z o.o.	21	-
MLP Temp Sp. z o.o.	4	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	2	-
MLP Bieruń Sp. z o.o.	2	-
MLP Bieruń I Sp. z o.o.	5	-
MLP Sp. z o.o.	2	-
MLP FIN Sp. z o.o.	2	-
LOKAFOP 201 Sp. z o.o.	2	-
MLP Business Park Berlin I LP Sp. z o.o.	1	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	2	-
MLP Poznań West II Sp. z o.o.	180	-
MLP Bucharest West Sp. z o.o.	2	-
MLP Dortmund LP Sp. z o.o.	2	-
MLP Dortmund GP Sp. z o.o.	2	-
MLP Teresin II Sp. z o.o.	4	-
MLP Wrocław West Sp. z o.o.	17	-
MLP Łódź II Sp. z o.o.	1 142	-
MLP Poznań East Sp. z o.o.	11	-
MLP Pruszków VI Sp. z o.o.	11	-
MLP Business Park Berlin I GP Sp. z o.o.	2	-
MLP Schwalmtal LP Sp. z o.o.	2	-
MLP Schwalmtal GP Sp. z o.o.	2	-
MLP Wrocław West I Sp. z o.o.	4	-
MLP Gelsenkirchen GP Sp. z o.o.	4	-
MLP Gelsenkirchen LP Sp. z o.o.	4	-
MLP Gorzów Sp. z o.o.	5	-
MLP Idstein GP Sp. z o.o.	4	-



MLP Idstein LP Sp. z o.o.	4	-
MLP BUSINESS PARK TREBUR GP Sp. z o.o.	2	-
MLP BUSINESS PARK TREBUR LP Sp. z o.o.	2	-
MLP Bucharest West SRL	413	-
MLP Germany Management GmbH	4	-
MLP FIN Sp. z o.o. Spółka Komandytowa	2	-
Fenix Polska Sp. z o.o.	4	-
	<b>3 109</b>	-
<b>Total</b>	<b>3 117</b>	-

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 <sup>1)</sup>
<b>Parent</b>		
The Israel Land Development Company Ltd., Tel-Aviv	43	-
<b>Other related parties</b>		
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	-
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	-
	<b>1 619</b>	-
<b>Total</b>	<b>1 662</b>	-

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

## 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 2022:

	Loans	Non-bank borrowings
<b>Other related parties</b>		
MLP Pruszków I Sp. z o.o.	-	166 530
MLP Pruszków II Sp. z o.o.	31 970	-
MLP Pruszków III Sp. z o.o.	-	24 184
MLP Pruszków IV Sp. z o.o.	-	22 411
MLP Pruszków V Sp. z o.o.	27 750	-
MLP Poznań Sp. z o.o.	4 181	-
MLP Poznań II Sp. z o.o.	186	6 153
LOKAFOP 201 Sp. z o.o.	10	-
MLP Business Park Berlin I LP Sp. z o.o.	-	102
MLP Wrocław Sp. z o.o.	16 080	-
MLP Czeladź Sp. z o.o.	64 700	-
MLP Gliwice Sp. z o.o.	11 087	-
MLP Business Park Poznań Sp. z o.o.	42 221	-
MLP Temp Sp. z o.o.	-	16 041
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	-	12 494
MLP Bieruń Sp. z o.o.	-	31
MLP Bieruń I Sp. z o.o.	6 496	-
Fenix Polska Sp. z o.o.	6 526	-
MLP FIN Sp. z o.o.	110	-
MLP Business Park Berlin I GP Sp. z o.o.	98	-
MLP Poznań East Sp. z o.o.	15 040	-
MLP Property I Sp. z o.o.	65 152	-
MLP Poznań West II Sp. z o.o.	113 784	-
MLP Bucharest West Sp. z o.o.	22 941	-
MLP Dortmund LP Sp. z o.o.	92	-
MLP Dortmund GP Sp. z o.o.	71	-
MLP Teresin II Sp. z o.o.	-	355
MLP Wrocław West Sp. z o.o.	78 548	-
MLP FIN Spółka z ograniczoną odpowiedzialnością sp.k.	95	-
MLP Logistic Park Germany I Sp. z o.o. & Co KG.	51 309	-
MLP Bucharest West SRL	14 347	-
MLP Business Park Berlin I LP Sp. z o.o.	116 560	-
MLP Germany Management GmbH	11 540	-
MLP Business Park Berlin I Sp. z o.o. & Co. KG	25 075	-
MLP Schwalmtal Sp. z o.o. & Co. KG	10 787	-
MLP Schwalmtal LP Sp. z o.o.	53	-
MLP Schwalmtal GP Sp. z o.o.	46	-
MLP Wrocław West I Sp. z o.o.	44	-
MLP Gelsenkirchen GP Sp. z o.o.	44	-
MLP Gelsenkirchen LP Sp. z o.o.	44	-
MLP Gorzów Sp. z o.o.	18 759	-
MLP Idstein LP Sp. z o.o.	57	-

MLP BUSINESS PARK TREBUR GP Sp. z o.o.	15	
MLP BUSINESS PARK TREBUR LP Sp. z o.o.	15	
MLP Business Park Wien GmbH	83 460	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	69 105	-
MLP Idstein Sp. z o.o. & Co. KG	33 789	-
Feniks Obrót Sp. z o.o.	-	11 615
<b>Total</b>	<b>942 187</b>	<b>259 916</b>

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

#### 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 Pruszków VI Sp. z o.o. (formerly: 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	-
<b>Total</b>	<b>768 959</b>	<b>182 378</b>

### 26. 3 Income and expenses

Below are presented income and expenses under related-party transactions as at 31 December 2022.

	Sale of services	Interest income	Other finance income
<b>Parent</b>			
The Israel Land Development Company Ltd.	177	-	-
	177	-	-
<b>Other related parties</b>			
MLP Pruszków I Sp. z o.o.	2 958	-	4 793
MLP Pruszków II Sp. z o.o.	733	1 057	-
MLP Pruszków III Sp. z o.o.	1 496	134	-
MLP Pruszków IV Sp. z o.o.	966	98	-
MLP Poznań Sp. z o.o.	330	152	-
MLP Poznań II Sp. z o.o.	292	10	-
MLP Lublin Sp. z o.o.	1 106	-	-
MLP Teresin Sp. z o.o.	519	-	-
Feniks Obrót Sp. z o.o. (MLP Energy Sp. z o.o.)	576	-	-
MLP Wrocław Sp. z o.o.	909	87	1 555
MLP Czeladź Sp. z o.o.	340	1 164	-
MLP Gliwice Sp. z o.o.	982	605	1 176
MLP Property Sp. z o.o.	4	-	3 240
MLP Business Park Poznań Sp. z o.o.	233	2 717	-
MLP Temp Sp. z o.o.	6	-	-
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	7	-	-
MLP Bieruń Sp. z o.o.	2	-	-
MLP Bieruń I Sp. z o.o.	24	324	-
MLP Sp. z o.o.	2	-	-
MLP FIN Sp. z o.o.	2	7	-
LOKAFOP 201 Sp. z o.o.	2	-	-
MLP Business Park Berlin I LP Sp. z o.o.	6	-	-
MLP Spółka z ograniczoną odpowiedzialnością SKA	2	-	-
MLP Poznań West II Sp. z o.o.	1 022	6 067	-
MLP Bucharest West Sp. z o.o.	7	826	-
MLP Dortmund LP Sp. z o.o.	2	7	-
MLP Dortmund GP Sp. z o.o.	2	4	-
MLP Teresin II Sp. z o.o.	3	-	-
MLP Pruszków V Sp. z o.o.	581	1 307	-
MLP Wrocław West Sp. z o.o.	137	5 340	-
MLP Łódź II Sp. z o.o.	1 165	4 864	-
MLP Poznań East sp. z o.o.	29	1 120	-
MLP Pruszków VI Sp. z o.o.	27	3 200	-
MLP Business Park Berlin I GP Sp. z o.o.	2	6	-
MLP Schwalmtal LP Sp. z o.o.	2	4	-
MLP Schwalmtal GP Sp. z o.o.	2	4	-
MLP Wrocław West I Sp. z o.o.	4	4	-
MLP Gelsenkirchen GP Sp. z o.o.	4	4	-
MLP Gelsenkirchen LP Sp. z o.o.	4	4	-
MLP Gorzów Sp. z o.o.	7	1 212	-
MLP Idstein LP Sp. z o.o.	4	-	-
MLP Idstein GP Sp. z o.o.	4	3	-
MLP Logistic Park Germany I Sp. z o.o. & Co. K	-	1 963	-
MLP Bucharest West SRL	184	537	-
MLP Germany Management GmbH	1	292	-
MLP Schwalmtal Sp. z o.o. & Co. KG	-	339	-

MLP Business Park Berlin I Sp. z o.o. & Co. KG	1 234	1 921	-
MLP Business Park Wien GmbH	13	3 081	-
MLP Gelsenkirchen Sp. z o.o. & Co. KG	-	2 015	-
MLP Idstein Sp. z o.o. & Co. KG	-	988	-
MLP FIN Sp.z o.o. Sp.k.	2	7	-
Fenix Polska Sp. z o.o.	6	118	-
MLP BUSINESS PARK TREBUR GP Sp. z o.o.	2	-	-
MLP BUSINESS PARK TREBUR LP Sp. z o.o.	2	-	-
	<b>15 949</b>	<b>41 592</b>	<b>10 764</b>
<b>Total income</b>	<b>16 126</b>	<b>41 592</b>	<b>10 764</b>

		Purchase of services and salaries	Interest expense
<b>Other related parties</b>			
MLP Pruszków I Sp. z o.o.		(48)	(5 900)
MLP Pruszków III Sp. z o.o.		-	(546)
MLP Pruszków IV Sp. z o.o.		-	(640)
MLP Poznań II Sp. z o.o.		-	(148)
MLP Teresin Sp. z o.o.		(6)	-
MLP Energy Sp. z o.o.		-	(211)
MLP Wrocław Sp. z o.o.		(5)	-
MLP Gliwice Sp. z o.o.		(5)	-
MLP Poznań West Sp. z o.o.		(2)	-
MLP Temp Sp. z o.o.		-	(263)
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA		-	(743)
MLP Bieruń Sp. z o.o.		-	(1)
MLP Łódź Sp. z o.o.		-	(2)
MLP Poznań West II Sp. z o.o.		(9)	-
MLP Teresin II Sp. z o.o.		(6 987)	(6)
		<b>(7 062)</b>	<b>(8 460)</b>

		Purchase of services and salaries	Interest expense
<b>Key management personnel</b>			
Radosław T. Krochta	see Note 29	(556)	-
Michael Shapiro	see Note 29	(506)	-
Tomasz Zabost	see Note 29	(336)	-
Monika Dobosz	see Note 29	(287)	-
Agnieszka Gózdź	see Note 29	(484)	-
Other key management personnel	see Note 29	(523)	-
		<b>(2 692)</b>	<b>-</b>
<b>Total expenses</b>		<b>(9 754)</b>	<b>(8 460)</b>

Below are presented income and expenses under related-party transactions as at 31 December 2021.

	Sale of services	Interest income	Other finance income
<b>Parent</b>			
The Israel Land Development Company Ltd.	204	-	-
<b>Other related parties</b>			
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 Logistic Park Germany I Sp. z o.o. & Co. KG	2 581	1 492	-
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	-
MLP Bieruń Sp. z o.o.	4	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 Bieruń I Sp. z o.o.	53	168	-
MLP Spółka z. o.o.	-	1	-
MLP FIN Sp.z o.o.	-	4	-
LOKAFOP 201 Sp. z o.o.	4	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.	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 VI Sp. z o.o.	4	535	-
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 Sp. z o.o.	6	106	-
MLP BUCHAREST WEST SRL	138	1 040	-
MLP Germany Management GmbH	9	66	-
MLP Schwalmtal 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	-
	<b>18 825</b>	<b>20 292</b>	<b>10 586</b>
<b>Total income</b>	<b>19 029</b>	<b>20 292</b>	<b>10 586</b>

		Purchase of services and salaries	Interest expense
<b>Other related parties</b>			
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 Energy Sp. z o.o.		-	-
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)	-
		<b>(3 321)</b>	<b>(3 355)</b>

		Purchase of services and salaries	Interest expense
<b>Key management personnel</b>			
Radosław T. Krochta		(2 898)	
Michael Shapiro	<i>see Note 29</i>	(494)	-
Tomasz Zabost	<i>see Note 29</i>	(1 596)	
Other key management personnel	<i>see Note 29</i>	(625)	
		<b>(5 613)</b>	-
<b>Total expenses</b>		<b>(8 934)</b>	<b>(3 355)</b>

## 27. Significant litigation and disputes

As of December 31, 2022, the Company was not involved in any significant litigation.

## 28. Significant events during and subsequent to the reporting period

- 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.
- On 22 July 2022, the Company issued, by way of public offering for qualified investors, 6,000 Series E bearer bonds with a nominal value of EUR 1,000 per bond and total nominal value of EUR 6,000,000. The bonds were issued as unsecured instruments. The objective of the issue was not specified. The bonds were registered with the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) under ISIN number PLMLPGR00108, and the bonds have been traded in the Catalyst alternative trading system since 22 July 2022. The bonds pay variable interest at 3M EURIBOR plus margin. The Series E bonds mature on 22 January 2024.

- On 26 July 2022, the Supervisory Board resolved to appoint Ms Monika Dobosz and Ms Agnieszka Góźdz as Members of the Company's Management Board.
- On 8 December 2022, the Company issued 2,621,343 Series E ordinary shares with a total par value of PLN 655,335.75. 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 23,994,982. 14th
- On 22 December 2022, the District Court for the Capital City of Warsaw in Warsaw, the Commercial Division of the National Court Register, recorded in the Business Register of PLN National Court Register an increase in the Company's share capital from PLN 5,343,409.75 to 5,998,745.50. trading
- Series F ordinary bearer shares with a par value of PLN 0.25 per share were introduced to on the main market of the WSE on 12 January 2023 under ISIN PLMLPGR00017.
- On 30 December 2022, a new credit facility agreement was executed between MLP Łódź II sp. z o.o. and Santander Bank Polska S.A. (Santander).
- In connection with the execution of the credit facility agreement on 30 December 2022 by MLP Łódź II sp. z o.o. and Santander Bank S.A. (Santander), on 10 January 2023 the following security interests were established to secure the lender's receivables under the facility agreement as well as the master agreement and hedging transactions:
  - (a) contractual mortgage of up to EUR 28,648,630.50, securing claims under the credit facility agreement with respect to construction and investment credit facilities;
  - (b) contractual mortgage of up to PLN 6,000,000.00, securing claims under the credit facility agreement with respect to the VAT facility;
  - (c) contractual mortgage of up to EUR 2,700,000.00, securing Santander's claims under the master agreement and hedging transactions.
  - (d) two registered pledges over shares in MLP Group S.A. up to the maximum secured amount of EUR 28,648,630.50 (as security for the construction and investment credit facility) and PLN 6,000,000.00 (as security for the VAT facility), and three financial pledges over shares in MLP Group S.A. up to the maximum secured amount of EUR 20,166,382.50 (as security for the construction credit facility), EUR 28,648,630.50 (as security for the investment credit facility), PLN 6,000,000.00 (as security for the VAT facility);
  - (e) pledges over bank accounts: 24 registered pledges (12 pledges up to the amount of EUR 28,648,630.50 as security for the construction and investment credit facility, and 12 pledges up to the amount of PLN 6,000,000.00 as security for the VAT facility) and 33 financial pledges (as security for the construction credit facility (12) up to EUR 20,166,382.50, for the investment credit facility (12) up to EUR 28,648,630.50, and for the VAT facility (12) of PLN 6,000,000.00);
  - (f) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction;
  - (g) statement of voluntary submission to enforcement,
  - (h) statement of voluntary submission to enforcement by the borrower's sole shareholder;
  - (i) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement;
  - (j) sponsor's commitment under the Support Agreement for cost overruns in the construction of Buildings B and Building C;
  - (k) sponsor's commitments under the Support Agreement to address the borrower's liquidity
- On 20 February 2023, MLP Group S.A. issued a guarantee of up to PLN 5,000,000 to support MLP Wrocław West Sp. z o.o. (as the investor) in connection with a road construction contract concluded by the latter with the Kąty Wrocławskie Municipality. MLP Group S.A. also agreed to voluntary enforcement of the guarantee in a notarial deed.



There have been no events between the end of the reporting period and the date of authorisation of these separate financial statements for issue which should have been, but were not, included in the accounting records for the reporting period or the separate financial statements of the Company.

## **28. 1 Impact of the political and economic situation in Ukraine on the business of MLP Group S.A.**

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 in Poland's eastern neighbour on the Company's Polish, German, Romanian or Austrian operations. 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 of products and materials, 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 Company, this may increase demand for warehouse and logistics space offered by the Company.

Witnessing the unfolding events in Ukraine, in March 2022 the Group decided to provide tangible aid to refugees seeking a safe haven in Poland. MLP Group has converted one of its unoccupied facilities into a place of accommodation for people fleeing the war in Ukraine. The more than 820 sqm two-storey office building has been properly refurbished and refitted and currently features 14 single-room dwellings, three fully equipped kitchens, four bathrooms, a laundry room, a dining room, a playroom for children, and a TV room. The aid was coordinated with the authorities of the town of Pruszków, which, having been notified of available space in the building, directed refugees there. MLP Group's suppliers and tenants were also involved in preparing the accommodation.

## 29. Variable remuneration paid to Management and Supervisory Board members

<i>as at 31 December</i>		<b>2022</b>	<b>2021</b>
<b>Fixed remuneration of the Management Board:</b>			
Radosław T. Krochta	<i>see Note 26.3</i>	121	127
Michael Shapiro	<i>see Note 26.3</i>	506	494
Tomasz Zabost	<i>see Note 26.3</i>	99	104
Monika Dobosz	<i>see Note 26.3</i>	50	-
Agnieszka Gózdź	<i>see Note 26.3</i>	247	-
		<b>1 023</b>	<b>725</b>
<b>Provision for variable remuneration of the Management Board:</b>			
Radosław T. Krochta	<i>see Note 26.3</i>	435	2 771
Michael Shapiro	<i>see Note 26.3</i>	-	-
Tomasz Zabost	<i>see Note 26.3</i>	237	1 492
Monika Dobosz	<i>see Note 26.3</i>	237	-
Agnieszka Gózdź	<i>see Note 26.3</i>	237	-
		<b>1 146</b>	<b>4 263</b>
<b>Provision from the previous year for variable remuneration of the Management Board used</b>			
Radosław T. Krochta	<i>see Note 26.3</i>	2 779	783
Tomasz Zabost	<i>see Note 26.3</i>	1 496	422
		<b>4 275</b>	<b>1 205</b>
<b>Remuneration of the Supervisory Board:</b>			
• <b>Remuneration and other benefits</b>			
Matusiak Maciej		57	48
Levy Eytan		57	48
Shimshon Marfogel		57	48
Guy Shapira		57	48
Piotr Chajderowski		57	48
Oded Setter		57	48
		<b>342</b>	<b>288</b>
<b>Total remuneration paid to Management and Supervisory Board members</b>		<b>5 640</b>	<b>2 219</b>
<b>Other management personnel:</b>			
• Remuneration and other benefits		<i>see Note 26.3</i>	523
		<b>523</b>	<b>625</b>
<b>Total remuneration paid to members of the management, supervisory bodies and other management personnel of the Company</b>		<b>6 163</b>	<b>2 884</b>

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>as at 31 December</i>	<b>2022</b>	<b>2021</b>
Number of employees		23	18

*Signed with a qualified digital signature.*

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

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

---

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

---

**Monika Dobosz**  
*Member of the Management  
Board*

---

**Agnieszka Góźdź**  
*Member of the  
Management Board*

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**Nina Warzycka**  
*Signature of the person  
responsible for keeping  
books of account.*

*Pruszków, 17 March 2023*