

LETTER FROM PRESIDENT & CEO TO SHAREHOLDERS



Dear Fellow Shareholders,

The riskiest thing in the world is the belief that there is no risk. By the same token, the safest (and most rewarding) is when everyone is convinced there is a risk – that adage defined our way of operations in 2023 and paved the way we will operate in through 2024 and onwards.

2023 was a pivotal year for MLP Group and we have reported an excellent set of operating and financial results despite the fact that in 2023 we faced volatile economic conditions and potential risks aligned with economical slow-down. There has not been a recession in 2023 and most probably it will also not happen 2024 but economy still remains challenging, witnessing multiple geopolitical challenges. I have been always saying that there are 2 kinds of times => the times when we know what is going to happen and the times of uncertainties => the main difference is that in the first times we are continuously wrong.

Inflation and macroeconomics have been the most important subjects of discussion in recent months, as we have faced many adversities and, rather than easing, some have continued to intensify but the recession has not materialized. I have summarized the most important points regarding the matter:

- (a) economic activity** in Euro area slightly declined at the turn of the year, but has remained relatively resilient to the large negative supply shocks that have been hitting the economy,
- (b) inflation** - mix of negative and positive impulses. Inflation is sticky and probably will stay higher for longer across Europe with the downward trend.

Industrial & logistic market:

- (a) we saw meaningful rental growth as structural driver of demand that ensured occupiers continued to require well located, sustainable industrial assets,
- (b) occupiers seeking to enhance the resilience of their supply chains through nearshoring and friend-shoring, with production in Europe,
- (c) we have noticed continuous influx of Asian investments into Europe,
- (d) **2024 expects interest rate cuts which shall translate, among other things, into lower yields and consequently an increase in the valuation of real estate.**

Although I begin this letter to shareholders in a challenging landscape, I remain proud of what had been achieved in 2023. We delivered excellent results, both from an operational and financial point of view, driven by strong leasing performance across Europe. **MLP Group has one of the best and most modern pan-European industrial warehouse portfolio with approx. 70% of assets developed within recent 5 years.**

Looking back on 2023, our main highlights include:













- **Revenues amounted to PLN 360.8 million**, +29% YoY, EUR 79.7 million, +34% YoY
- **Value of investment properties** reached PLN 4 541.5 million (+2 % vs. 31 December 2022), EUR 1 044.5 million (+11% vs. 31 December 2022),
- **Net Assets Value (NAV)** reached PLN 2 395.6 million (-4% vs. 31 December 2022), EUR 551.0 million (+3% vs. 31 December 2022),
- **NAV per share** PLN 99.8 (- 4% vs. 31 December 2022), EUR 23.0 (+3% vs. 31 December 2022),
- **EBITDA without revaluation** amounted to PLN 178.7 million, (+ 32% vs. 31 December 2022), EUR 39.5 million (+37% vs. 31 December 2022),
- **FFO** amounted to PLN 93.3 million (+8% vs. 31 December 2022), EUR 20.6 million (+11% vs. 31 December 2022),
- **Net loss** amounted to PLN 52.1 million (EUR 11.5 million),
- **Lease agreements** signed in 2023 amount to 276 thousand sqm (incl binding LOI for 13 340 sqm)
- **BREEAM/ DGNB** almost 80% of our portfolio is certified with very good or excellent level.

Strong cash flow generating portfolio

MLP Group has stable occupancy rate at 95% for the last several years. The portfolio WAULT stood at above 7 years. Rent collection level stood at 99% with no deterioration in payment profile. Customer relationship management helps us develop long-term relations reaching even over 20 years with the retention rate of approx. 100%.

With approximately 200 tenants, MLP Group has a wide and diversified international tenant base, consisting of blue-chip companies with strong credit ratings. MLP Group's tenants represent a broad range of industries, including manufacturing, high-tech, automotive, and e-commerce, retail, wholesale, and third-party logistics. This tenant base is highly diversified, with no single tenant accounting for more than 7% of its annual rent roll. MLP Group's top 10 tenants provide 36% of annual rental income.

Key ratio performance metrics in 2023 compared to our competitors

Company	Country of origin	Valuation change (%)	Rental revenue growth y/y	Like-for-Like rental growth	ICR	LTV	FFO Yield (%)	P/NAV
		10%* 2023: 1,031 bln EUR	+34%	+7.7%	2.3x	38.6%	5.48%	0.74x
		18.9% 2023: 12,089.2 mn EUR	+20.1%	+7.4%	3.8x	46.0%	5.25%	1.1x
		-4.0% 2023: 17,762 mn GBP	+12%	+6.5%	2.7x	34.0%	4.17%	1.0x
		0.2% 1H 2023: 6,367.2 mn EUR	+15.3%	+6.0%	6.5x	38.1%	3.92%	1.4x
		-0.6% 2023: 15,340 mn EUR	+5.1%	+5.7%	4.6x	48.9%	N/A	N/A
		4.9% 1H 2023: 6,759 mn EUR	+51.6%	N/A	10.5x	49.2%	1.06%	1.1x

* Gross Asset Value without Perpetual Usufruct and residential properties

MLP Group managed to deliver very good results, in both, from an operational and financial point of view, especially in relation to the competitors, proving that MLP Group is the fastest growing logistics platform in Europe, combining conservative business criteria with rapid business growth.

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. **According to our recurring satisfaction survey 95% (increase by +1 vs. 2022) of tenants said that they considered MLP as the most professional business partner.**

MLP GROUP – key developments in 2023

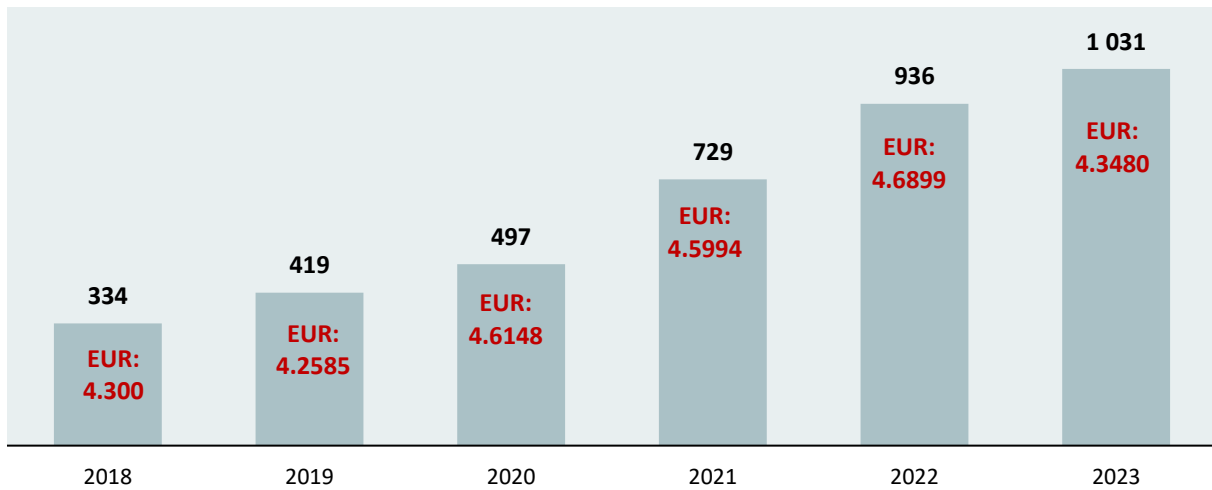
Value of investment properties

Despite of the challenging economic landscape, 2023 was a successful period for us - we continued our strategy deployed in 2021 but from a much stronger equity position than we had in the past years.

PLN/EUR strengthening had adverse impact on the value of our investment property. Due to the strengthening of PLN in the reporting period - as at December 31, 2022 EUR 1 = PLN 4.6899 as at the reporting date of December 31, 2023 EUR 1 = PLN 4.3480, a decrease of PLN 0.3419 (-7%). As a consequence, the value of our investment properties decreased by PLN 320,090 thousand.



GROSS ASSET VALUE (IN MN EUR)



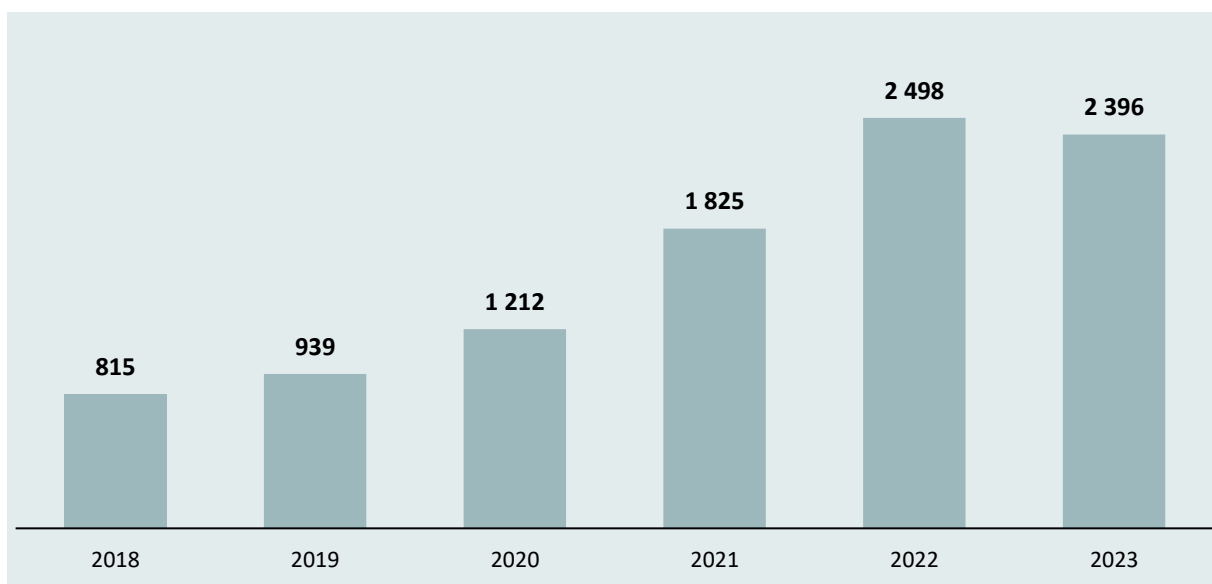
Gross Asset Value without Perpetual Usufruct and residential properties

MLP's Portfolio is valued in EUR and for the presentation in Financial Statement is translated into PLN with the exchange rate (EUR/PLN) at the balance date.

Despite slightly widening Yields (on average 24bps), we were able to slightly increase the Gross Asset Value (+11%), which was related to the handover of newly leased space to tenants and a significant increase in rental rates.

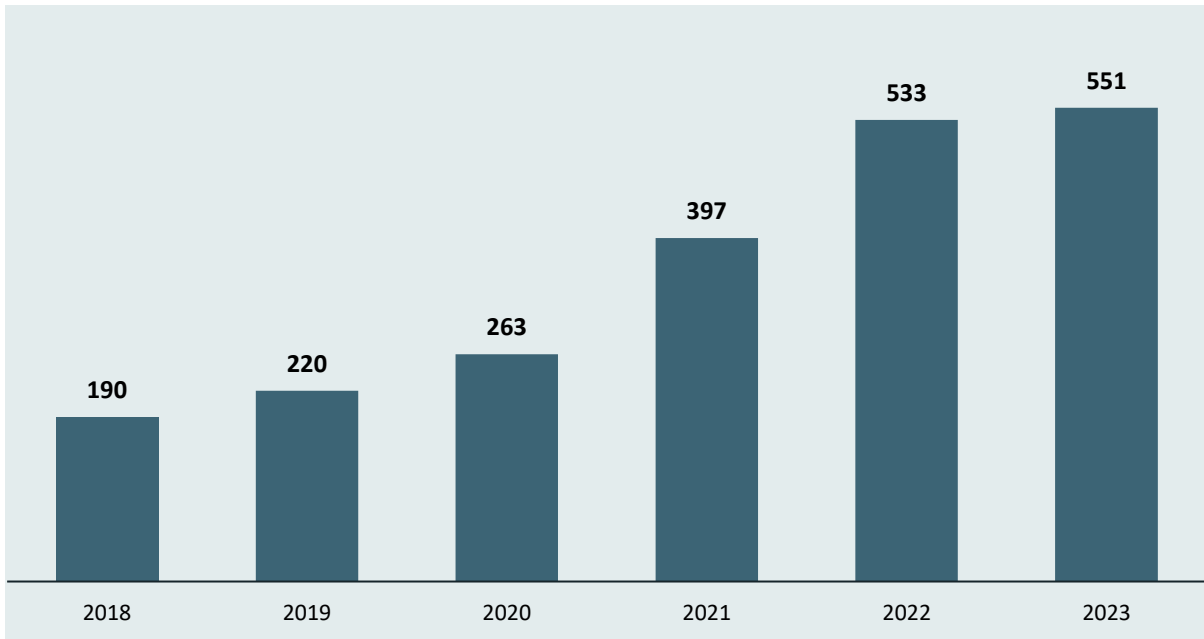
Net Assets Value (NAV) reached PLN 2 395.6 million (-4% vs. 31 December 2022), EUR 551.0 million (+3% vs. 31 December 2022).

NET ASSETS VALUE (IN MN PLN)

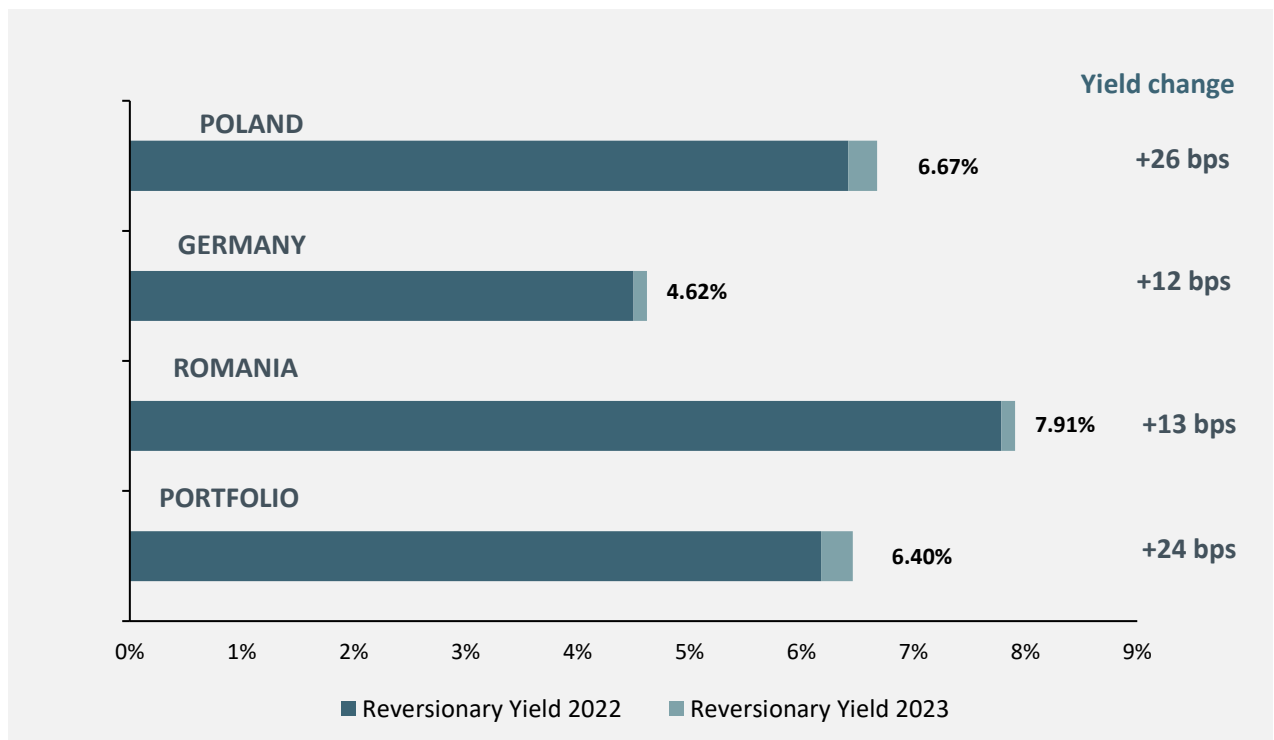




NET ASSETS VALUE (IN MN EUR)



PROPERTY YIELDS



Having faced challenging conditions last year, we were able to increase the value of our assets. Yield widening significantly offset with increase in ERV and rents in MLP's portfolio.

Leasing results

Lease agreements signed in 2023 around 276 thousand sqm (including binding LOI for 13 340 sqm).

As occupier demand remains robust and the supply of new industrial & logistics space is decreasing, vacancies stay low, allowing us to continue to drive rental growth but occupiers taking longer to make final decisions but in summary the business environment is positive.

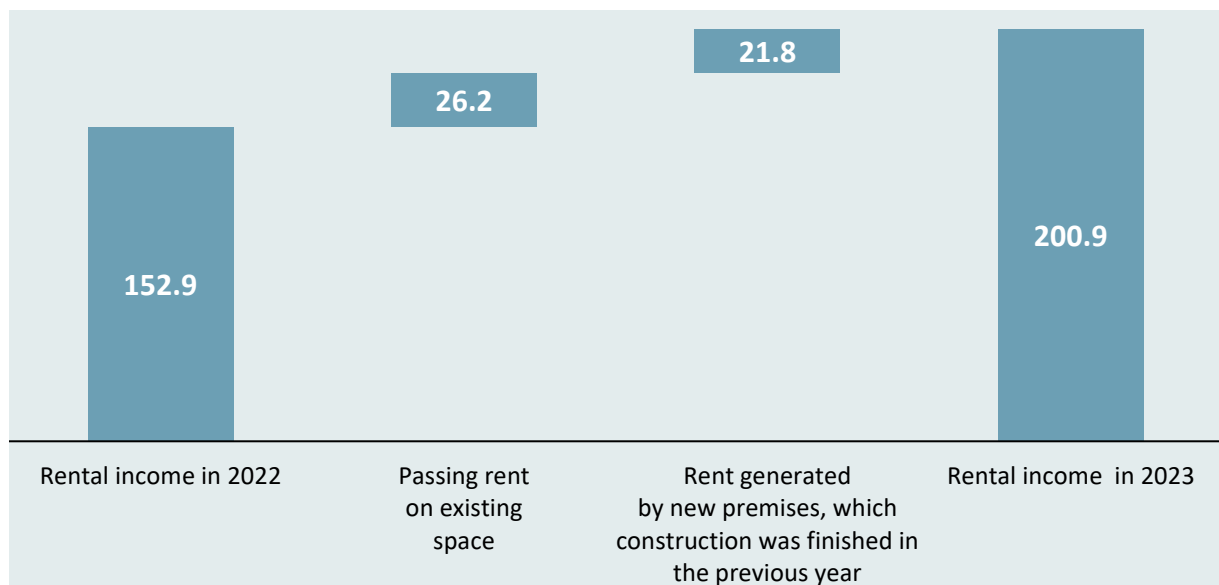
As at 31 December 2023, development projects were ongoing across all countries totalling 182,332 sqm i.e. in Poland 166,332 sqm and in Romania 16,000 sqm of spec development." . We leased 40 % of this development in the construction, which reconfirms the robustness of the occupier market. We expect to lease all properties under construction by YE. It is worth mentioning that the average rental rate is 20% higher vs. 2022 and the lease vault will be close to 11 years.

Our total portfolio reached 1,079,038 sqm with 95.0% occupancy across all our assets and new space under development amounts to 182,000 sqm.

Our customer base remains well diversified, reflecting the multitude of uses of warehouse space. Top 10 tenants provide 36% of annual rental income. Customers from the light manufacturing and logistics sector were the largest takers of our space during 2023. We strongly believe that the trend of near-shoring will be maintained in 2024. In the last year, 56% of new leases was generated by existing MLP Group's tenants.

In 2023, we saw strong like-for-like rental growth of 7.7% during the year. We continue to see robust occupier demand combined with market vacancies close to historic lows in supply-constrained markets. Moreover, 2023 saw the delivery of approx. 106 thousand sqm of GLA in MLP Group portfolio, adding PLN 47.5 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 11%**, mobilizing our industry leading landbank, which we have been able to acquire at attractive prices.

BREAK-DOWN OF THE RENTAL INCOME (IN MN PLN)



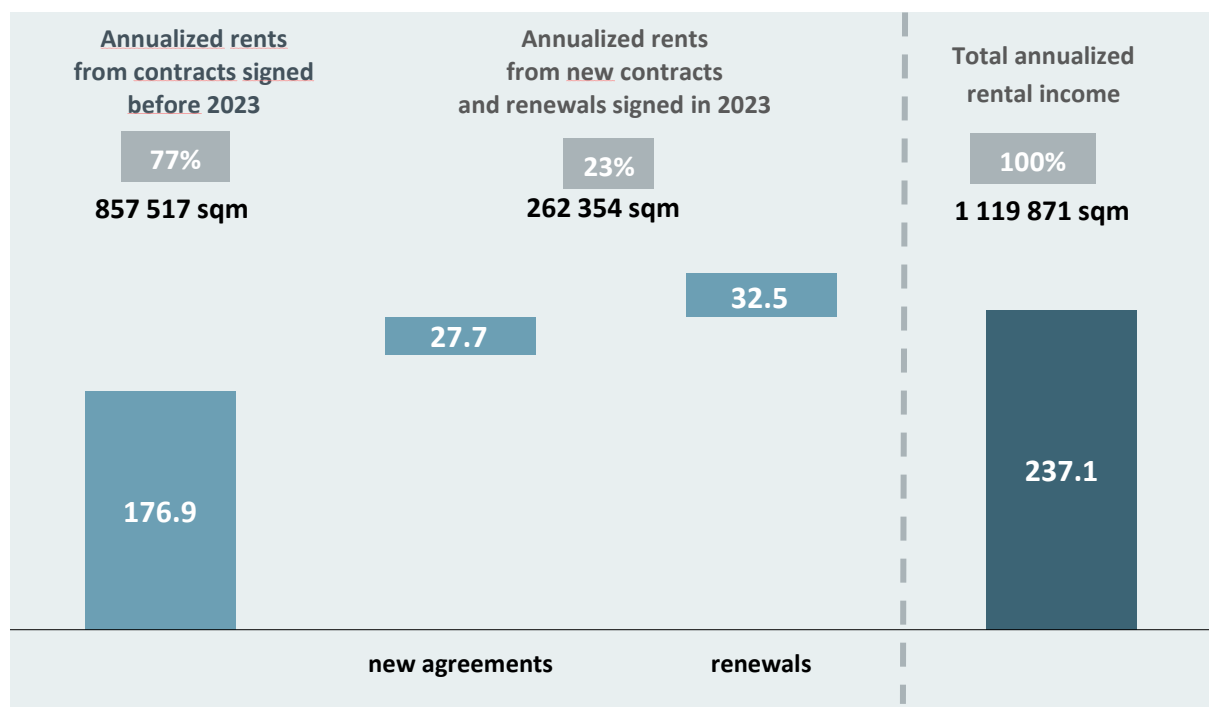
Existing portfolio continues to perform well and delivered another set of strong operating metrics.

Strong tenants' portfolio – none of MLP Group’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 any tenants to have any problems with paying rent on time - which only further confirms our very conservative customer acceptance policy brings expected results.

At 31 December 2023, our portfolio generated rental income of PLN 200.9 million. During the year, we contracted PLN 21.8 million of new rent. We increased the rent from our existing space significantly by capturing reversionary potential and due to the impact of indexation by PLN 26.2 million.

ANNUALIZED FUTURE RENTAL INCOME BASED ON ALL SIGNED CONTRACTS IN 2023

(IN MN PLN)



- PLN 176.9 million of rent from existing assets from contracts signed by YE2023.
- Rental growth from new lease reviews and renewals generated PLN 60.2 million.
- **Customer retention rate stayed at approx. 100%.**

PV/ Solar energy

MLP Group is on track with its expansion plan for the roll-out of photovoltaic systems over the course of 2023. With an average cost of approx. EUR 770,000 per MWp, MLP Group targets a YoC of 15% for these investments. MLP Group sustainability ambition goes hand in hand with more and more tenants requesting photovoltaic systems, as they provide them with i) improved energy security, ii) a lower cost of occupancy, iii) compliance with increased regulation and / or their clients requirements and iv) the ability to fulfil their own ESG ambitions.

MLP Group has already assembled 4.67 MWp of photovoltaic systems on the top of the roof and plans to increase this amount to 7.12 MWp by the end of this year. The goal is to install a photovoltaic system on every project and treat it as a standard for constructing new properties.

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.

- **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 4.3 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;
- 99% rent collection across our portfolio;
- Strong cash flow position
 - **LTV at 38.6%**, with **interest coverage ratio at 2.3 x ICR**
 - **Long debt maturity** ratio of 4 years
 - **FFO** amounted to PLN 93.3 million (+ 8% vs. 2022), EUR 20.6 million (+11% vs. 2022).

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 4 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 2024

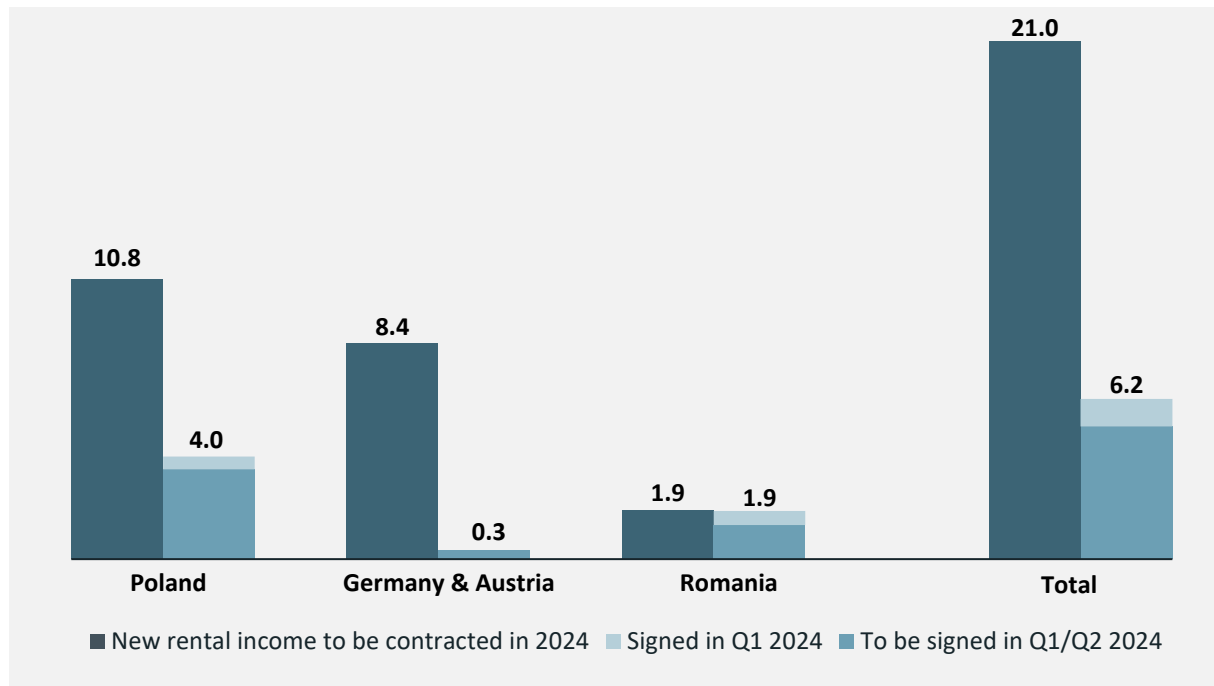
Let me start with this adage - all of our knowledge is about the past and all our decisions are about the future, which is unknown by definition.

Occupier demand for warehouse space across all markets where we operate, is robust and the combination of near-shoring, influx of Asian investors, enhancing resilience of supply chains are expected to further drive the demand. We expect this contrast between positive demand and limited supply to drive further growth in rental levels.

As the demand stays stable, we have defined our geographical new rental target for 2024. In 2024 we lease our Business Park Projects in Vienna, Schalke (Gelsenkirchen), Łódź and Big-Box projects in Poznań, Idstein (Frankfurt am Main), Berlin-Spreehagen => those projects shall significantly contribute not only to our rental but also to NAV in 2024. In previous years we were focusing on preparation of those projects and 2024 will be the harvesting year.

NEW RENTAL TARGET INCOME (ANNUALIZED) TO BE CONTRACTED IN 2024

(IN MN EUR)



In 2024, we signed or in signing process by June 2024 of approx. 84 thousand sqm. That should already translated to new rental annualized income of EUR 6.2 million.

Key challenges for 2024 are focused on deploying acquired plots:

- **MLP Wrocław West (2nd stage)** - building permit for the buildings expected Q4 2024 and subsequent possible start of construction 1Q 2025,
- **MLP Łódź** - remaining development part of approx. 36,000 sqm of warehouse and office area – building permit for the bridge building expected 4Q 2024 and subsequent construction starting 1Q 2025,
- **MLP Zgorzelec** | building permit in place, construction started in 1/2024 of ca. 33,500 sqm for Auto Partner (prelease) and 16,500 sqm speculative buildings,
- **MLP Poznań West III** - 30,240 sqm - building permit for the building expected 2Q 2024 and subsequent construction starting 3Q 2024,
- **MLP Pruszków II** (extension) - approx. 65,000 sqm (30,000 sqm already developed, building permit for the remaining building expected 2Q 2024 and construction 3Q 2024),
- **MLP Pruszków VI** - approx. 62,000 sqm, building permit for the remaining building expected 2Q 2024 and construction 3Q 2024 (25,000 sqm).
- **MLP Idstein** | approx. 20,500 sqm of warehouse and office area - building permit for the building expected 4Q 2024 and subsequent construction starting 4Q 2024,

Start next Urban/City logistics projects (MLP Business Park) in 2023 and plans for 2024:

- **MLP Business Park Poznań** | approx. 32,000 sqm of warehouse and office area - demolition & construction start in 2Q 2024,
- **MLP Business Park Łódź** | approx. 28,000 sqm of warehouse and office area –construction will be completed in 3Q 2024,
- **MLP Business Park Vienna** | approx. 54,000 sqm of warehouse and office area - construction and leasing started 1/2024,
- **MLP Business Park Schalke** | approx. 55,000 of warehouse and office area 4Q 2023 start of demolition, building permit for the building expected 2Q 2024 and subsequent construction start 2Q 2024.

Our Projects in Vienna and Schalke will become ultimately our signature projects and will create point of reference in industrial-logistic sector.

New plots acquisition

Our strategic goal is to constantly expand the warehouse portfolio. MLP Group replenishes its landbank on a continual basis. In the reporting period, among others, we acquired the following plots reflecting our strategic development goals:

- **MLP Berlin Spreenhagen** - size of the plot 8.4 ha | approx. 40,000 sqm of warehouse and office area | planned acquisition in 3Q 2023. The project goes on to build over the previous success of MLP Business Park Berlin (Ludwigsfelde) which was super successful and is fully rented (100%), by offering mid-sized boxes which shall be complementary to MLP Business Park Berlin (Ludwigsfelde). MLP Business Park Berlin is/was 100% leased. The project shall strengthen our position in Brandenburg/German market,
- **MLP Bieruń** – size of the plot 11.6 ha | approx. 60,000 sqm of warehouse and office area | acquired in November 2024. The project will increase our presence in Silesia / South of Poland. Additionally, we will capitalize on the success of previously disposed to logistic projects in 2016 i.e. MLP Tychy and MLP Bieruń. The project will be located along S1 motorway,

- Additionally, we acquired in 1H 2023 adjacent plots to **MLP Poznań West & MLP Pruszków II** cementing our leading position on those markets.

We expect further growth in rental rates and ERV (estimated rental values) supported by structural drivers of occupational demand and limited supply (vacancy rate at the lowest level).

In 2024, capital expenditure (CAPEX) will amount to approximately EUR 190 million, of which approximately 25% will be allocated to plots' purchases. We plan to lease approx. 200-300 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 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.

Urban/City logistics projects (MLP Business Park) as will be of our focused in 2024 and onwards being a high growth potential, high profitability and resilient to economic downturns products. **Our target is to equalize value of Urban logistic projects with Big-Box by 2028.**

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.

2023 might not have been the time 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