



MLP

GROUP

Conservative approach to growth in industrial assets in core urban areas in Europe

Management **Board's Report**

On the activities of MLP Group S.A. Group
for the 12 Months ended 31 December 2024

This document is a translation. Polish version prevails.

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Authorisation by the MLP Group S.A. Management Board Management Board's Report on the activities of the MLP Group S.A. Group in the 12 months ended 31 December 2024

This Management Board's report on the activities of the MLP Group S.A. Group in the 12 months ended 31 December 2024 was prepared and authorised for issue by the Management Board of MLP Group S.A. on 18 March 2025.

Signed with qualified electronic signature.

Pruszków, 18 March 2025



Introduction

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

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

The Parent and its subsidiaries are engaged in business activities that include the development, purchase, and sale of their own real estate, lease of own real estate, managing both residential and non-residential real estate, and offering general building construction services. The code of the principal business activity according to the Polish Classification of Business Activities (PKD) is: 7032Z, i.e. property management services.

The majority shareholder MLP Group S.A. is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

The Group’s ultimate parent is The Israel Land Development Company Ltd. of Tel Aviv, Israel, whose shares are listed on the Tel Aviv Stock Exchange.



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

1.1 Structure of the Group

As at 31 December 2024, the MLP Group S.A. Group comprised the following entities:

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

No.	Entity	Country of registration	Parent's direct and indirect interest in equity	Parent's direct and indirect interest in voting rights
35	MLP Łódź II Sp. z o.o.	Poland	100%	100%
36	MLP Zgorzelec Sp. z o.o.	Poland	100%	100%
37	MLP Schwalmtal LP Sp. z o.o.	Poland	100%	100%
38	MLP Schwalmtal GP Sp. z o.o.	Poland	100%	100%
39	MLP Pruszków VI Sp. z o.o.	Poland	100%	100%
40	MLP Business Park Berlin I Sp. z o.o. & Co. KG	Germany	100%	100%
41	MLP Schwalmtal Sp. z o.o. & Co. KG	Germany	100%	100%
42	MLP Business Park Wien GmbH	Austria	100%	100%
43	MLP Wrocław West I Sp. z o.o.	Poland	100%	100%
44	MLP Gelsenkirchen GP Sp. z o.o.	Poland	100%	100%
45	MLP Gelsenkirchen LP Sp. z o.o.	Poland	100%	100%
46	MLP Gelsenkirchen Sp. z o.o. & Co. KG	Germany	100%	100%
47	MLP Gorzów Sp. z o.o.	Poland	100%	100%
48	MLP Idstein LP Sp. z o.o.	Poland	100%	100%
49	MLP Idstein GP Sp. z o.o.	Poland	100%	100%
50	MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%
51	MLP Business Park Trebur GP Sp. z o.o.	Poland	100%	100%
52	MLP Business Park Trebur LP Sp. z o.o.	Poland	100%	100%
53	MLP Business Park Trebur Sp. z o.o. & Co. KG	Germany	100%	100%
54	MLP Poznań West III Sp. z o.o.	Poland	100%	100%
55	MLP Łódź III Sp. z o.o.	Poland	100%	100%
56	Feniks PV Sp. z o.o.	Poland	100%	100%
57	MLP Bieruń West Sp. z o.o.	Poland	100%	100%
58	MLP Wrocław South Sp. z o.o. ¹⁾	Poland	100%	100%
59	MLP Bieruń II Sp. z o.o. ²⁾	Poland	100%	100%

Changes in the Group

¹⁾ MLP Wrocław South Sp. z o.o. was incorporated pursuant to a notarial deed of 27 March 2024. 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 23 April 2024.

²⁾ On 27 March 2024, MLP Bieruń II Sp. z o.o. was incorporated pursuant to a notarial deed. 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 17 April 2024.

1. 2 Principal business of the Company and the Group

We are a leading European logistics platform, specializing in the development, holding and management of Class A, modern multi-tenant warehouses and logistics properties located in core urban areas across our principal geographic markets: Poland, Germany, Austria and Romania. MLP Group's Investment Properties represent the one of the most modern portfolio in the European logistic market, with 90% of the buildings developed within the last 10 years and over 60% in the last 5 years.

Our logistic and industrial properties are strategically located near large urban areas and major road junctions in key locations with solid underlying demand fundamentals.

We hold, and aim to continue to acquire, development sites that are adjacent to our existing logistics properties, or in sought-after locations with proximity to strong logistics hubs and large, densely populated cities. We believe that we have a significant land bank offering potential development of up to 1.3 million sqm (comprising owned land and land with secured pre-emptive rights to purchase) as of December 31, 2024, allowing us to double the size of our current portfolio.

The map below shows the location of our properties as of December 31, 2024.



The Group develops and operates two types of warehouse space formats:

(1) big-box facilities, i.e. large-scale warehouse facilities within logistics parks, with units available for lease ranging from 2.5 to 30 thousand sqm. They are located near major urban centres with direct access to expressways and highways. The key tenants for warehouse parks are logistics companies, distributors, retail chains, and light manufacturing companies;

(2) city logistics/urban logistic facilities under the name MLP Business Park and offering small warehouse units (ranging from 700 sqm to 2.5 thousand sqm). Location is critical for MLP Business Park projects: they are strategically placed within city limits, ensuring easy access to public transport and labour pools. The office space in these projects is fitted-out to a high standard, which is important to tenants who want to base their headquarters alongside their warehouse operations. Additionally, the space can be customised to include showroom or exhibition facilities. Tenants in MLP Business Parks are typically companies in the service, IT, pharmaceutical and retail sectors, as well as those focusing on local distribution. The first project of this type is MLP Business Park Berlin, with further developments underway at MLP Business Park Łódź, MLP Business Park Vienna, and MLP Business Park Poznań. Construction of MLP Business Park Schalke and MLP Business Park Castrop-Rauel will begin shortly.

Group has a robust and diversified tenant base, characterized by a mix of blue-chip tenants from various industries, ensuring a balanced and stable yielding portfolio. As of December 31, 2024, our tenant base consisted of approximately 195 tenants across the manufacturing, logistics, retail, and e-commerce sectors.

This diversification is further strengthened by long-term contracts, with weighted average unexpired lease term ("WAULT") of 8 years (increase from 7.4 as at December 31, 2023), and a retention rate amounted to 99%. As a result of strategy to expand our city logistics portfolio, Group is increasingly attracting tenants seeking properties in proximity to qualified labor, such as those in the light industry sector. Given the significant capital expenditure requirements by light industry tenants, these tenants typically prefer long term leases. Typically projects are carried out on a pre-lease basis whereby the investment process is conditioned upon execution of a lease contract with a potential tenant.

MLP's Strengths

- High-Quality Portfolio of Class A, Standardized, Sustainable, and Modern Assets Located in Core Urban Areas
- Highly Diversified Tenant Base with an Approximately 100% Retention Rate
- Sustainable Organic Growth Across Our Geographies
- Robust Balance Sheet, Predictable Cashflow and Conservative Financial Policy
- Vertically Integrated Business Model with Diversified Revenue Streams, Economies of Scale, and High Barriers to Entry
- Sustainable Development Focus
- Strong Operational Platform Managed by an Experienced Team with a Long Track Record

MLP's Strategy

- Continued Focus on Growth and Market Opportunities
- Strategic Expansion and Development with Focus on City Logistics Projects in Core European Markets
- Continue Our Conservative Investment Strategy Focused on High-Quality Tenants
- Continue to Improve the Operating Performance of our Existing Properties Through Active Asset Management

MLP Group is a member of key industry initiatives, such as the European Public Real Estate Association (EPRA).

The short- and long-term strategy of MLP Group is increasingly focused on sustainable development. This strategy, grounded in environmental and social considerations, aligns with the United Nations 2030 Agenda for Sustainable Development Goals.

• Natural environment

MLP Group's foremost objective is to lessen its environmental footprint and achieve environmental neutrality. The carbon footprint of the Group has been assessed for scopes 1, 2 and 3, with total emissions estimated at 89,856 tCO₂e.

MLP Group is dedicated to maximising the energy efficiency of its warehouses by cutting down on the use of electricity and heating and gradually increasing the adoption of renewable energy sources within MLP Group properties. This initiative is aimed at reducing the emissions of CO₂ and other greenhouse gases.

In 2024, we provided our tenants in Poland with 100% renewable electricity. Starting from 2022, all electricity purchased for our logistics projects located in Poland has come from renewable sources, certified by guarantees of origin. This policy of purchasing green energy will continue in the coming years. Additionally, MLP Group runs its own energy generation program using photovoltaic (PV) systems. In 2024, we generated 2,007 MWh of electricity, resulting in a reduction of approximately 1,629 tonnes of CO₂ emissions. The Group is also investing in photovoltaic installations. As of the report's publication date, it has 8.1 MWp of photovoltaic panels installed, with an additional 1.9 MWp currently under development.

• We are advancing our sustainability initiatives by:

- Securing BREEAM or DGNB certification for new constructions;
- Implementing smart metering and monitoring systems in both new and existing parks, aiming for the optimal control of energy use within buildings;
- Using devices of the highest energy efficiency ratings, including the adoption of heat pumps and both indoor and outdoor LED lighting for new buildings;
- Gradually replacing inefficient heating and lighting systems in existing buildings;

- Systematically upgrading and insulating the external structures of buildings;
- Installing charging stations for electric vehicles within our logistics parks;
- Providing cycling infrastructure and public bike-sharing options across our logistics sites;
- Assessing emissions over the buildings' entire lifecycle;
- Incorporating green clauses into tenant agreements;
- Transitioning our vehicle fleet to hybrid and electric models;
- Using high-efficiency LED lighting both inside and outside buildings across all of the Group's logistics parks;
- Setting up utility consumption monitoring systems in our properties to streamline utility usage;
- Building city bike stations in the logistics parks;
- development of photovoltaic panel systems;
- Practicing effective energy management;

- **Society**

MLP Group's social initiatives, aligned with its ESG Strategy, are divided into internal and external activities.

The internal projects focus on fostering the professional development, health, and safety of employees. We are committed to further enhancing equality, diversity, inclusion, and open communication among our workforce.

All employees are provided with private healthcare, financial support for sports programmes, and language courses in English and German, as well as training and opportunities for career advancement.

We launched an ESG training programme for our team.

Our customer relationships are built on open dialogue. We regularly conduct surveys and actively engage with local communities.

- **Corporate governance**

As a company listed on the Warsaw Stock Exchange, MLP Group is committed to adhering to and fully complying with the principles outlined in the 'Best Practice for GPW Listed Companies' document.

Employees are required to follow a code of ethics that addresses issues such as equality, human rights, cybersecurity, privacy policy, conflict of interest, and the prevention of fraud and embezzlement. A mechanism for reporting irregularities has also been implemented.

We are members of the Chamber of Commerce for Energy and Energy Consumers, and we pursue our goals by: working to reduce costs associated with acquiring and using energy; removing administrative barriers and excessive fiscal burdens; engaging in public consultations on projects that have a substantial impact on the business environment in Poland; providing education in the field of industrial energy and energy-intensive industries.

All Business Partners of MLP Group are expected to adhere to our Code of Good Business Practice, which sets out our ethical standards and guidelines for collaboration with Tenants and other Business Partners. This document aligns with our ESG strategy and underscores our commitment to upholding the highest ethical and social standards across all areas of our operations. It is available at <https://mlpgroup.com/wp-content/uploads/2024/04/MB-Resolution-MLP-GROUP-Code-of-Good-Business-Practise-app-sig-sig-sig-sig.pdf>

The Code of Good Business Practice contains key guidelines on:

- Ethics and compliance: we are dedicated to conducting business with integrity, transparency, and in full compliance with the law;
- Human rights: we expect all Partners to respect human rights and safeguard the dignity of their employees;
- Sustainability: we encourage practices that protect the natural environment and promote sustainable development;
- Occupational health and safety: we are committed to ensuring safe and healthy working conditions;
- Anti-corruption: we enforce a zero-tolerance policy for any form of corruption or bribery.

In 2024, MLP GROUP S.A. became a Strategic Partner of the Responsible Business Forum. This initiative brings together industry leaders who collaborate with experts to enhance their ESG capabilities and undertake joint projects driving sustainable business transformation.

1. 3 Selected Group financial data

2024 was a landmark year for MLP Group - we leased record 307,194 sqm of industrial space, including 225,221 sqm of new contracts (+106% YoY). In 2024, MLP Group acquired 22 new tenants, 20% of the demand came from existing tenants.

	YE 2024 PLN mn	YE 2023 PLN mn	% change	YE 2024 EUR mn	YE 2023 EUR mn	% change
Revenues	372.4	360.8	3%	86.5	79.7	9%
Rental Income	214.8	200.9	7%	49.9	44.4	13%
Gross Assets Value (GAV)	5 519.4	4 507.7	22%	1 291.7	1 036.7	25%
Net Assets Value (NAV)	2 746.2	2 395.6	15%	642.7	551.0	17%
NAV per share [PLN/EUR]	114.4	99.8	15%	26.8	23.0	17%
EBITDA without revaluation	185.5	178.7	4%	43.1	39.5	9%
Net profit /loss	372.2	(52.1)	815%	86.5	(11.5)	852%
EPRA NRV	2 737.4	2 365.1	16%	640.6	544.0	18%
Company adjusted EPRA earnings	62.4	83.5	-25%	14.5	18.4	-21%
EPRA NRV per share [PLN/EUR]	114.1	98.6	16%	26.7	23.2	15%
Net Debt/EBITDA (without revaluation)	12.9	9.7		13.0	9.8	
Net Debt/ Run Rate EBITDA*	9.9	n/a		9.9	n/a	
LTV	42.9%	38.6%				
Signed leases in sqm	307 194	262 356				
Vacancy rate	5%	5%				
Like-for-Like**	10%	9%				

* Run Rate EBITDA ratio has been calculated since YE 2024

**Based on re-leased agreement

- In 2024, MLP Group leased 307,194 sqm of industrial space, including 225,221 sqm of new contracts (+106% YoY), delivered approx. 93 thousand sqm at a Yield on Cost ("YoC") of 12% with 65% leased area at completion, bringing the Group's standing portfolio to 1.4 million sqm of GLA.
- New annualized rentals and renewals from contracts signed in 2024 will reflect PLN 85.6 million growth in 2025 onwards (+40% vs current year revenues).



- In 20224, portfolio Yields stayed unchanged, NAV growth was generated by the signed new lease contracts.
- As at 31 December 2024, projects under construction totaled to 236 thousand sqm, with a potential rental income of EUR 17.0 million when fully leased and an expected minimum YoC of 11.5%.
- The Group's landbank increased to 257 ha, of which 115 ha is owned and on-balance sheet. This landbank secures substantial future growth potential for MLP Group, around the existing business parks in the core urban areas.
- MLP Group's portfolio WAULT stood at about 8.0 years (increase from 7.4 years).
- MLP Group has stable occupancy rate at 95%.
- 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. 99%.
- With approximately 195 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, e-commerce, retail, wholesale, and third-party logistics. Our tenants represent (1 or 2 Dun & Bradstreet rating) that exhibit high attention we put on client quality and credit rating.

MLP Group's Investment Properties represent the one of the most modern portfolio in the European logistic market, with 90% of the buildings developed within the last 10 years and over 60% in the last 5 years.

- MLP Group'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.
- 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, 2023 EUR 1 = PLN 4.3480 as at the reporting date of December 31, 2024 EUR 1 = PLN 4.2730, a decrease of PLN 0.0750 (-2%). As a consequence, the value of our investment properties decreased by PLN 77.3 million.
- In 2024, portfolio Yields stayed unchanged, NAV growth (gain on revaluation of investment properties) was generated by the signed new lease contracts.
- In Q42024, Moody's assigned Ba2, and FITCH BB+ rating with a stable outlook.
- In Q42024, MLP Group successfully placed its first Eurobond offering in the international capital markets. All offered senior green notes were fully subscribed, with a total nominal value of EUR 300 million. We adopted a financial policy based on a rebalancing our debt structure from the secured debt towards the unsecured debt.
- YE MLP Group liquidity position stood at EUR 161 million (cash and cash equivalents).
- Strong cash flow position
 - LTV at 42.9%, with in the interest coverage ratio at 1.6 x ICR
 - Long debt maturity ratio of 4.0 years

1. 4 The Group's property portfolio

The Group classifies its portfolio properties into the following main categories:

- properties generating rental income;
- projects under construction or in the pipeline;
- landbank (area).

Structure of the Group's property portfolio by property category and segment as at 31 December 2024:

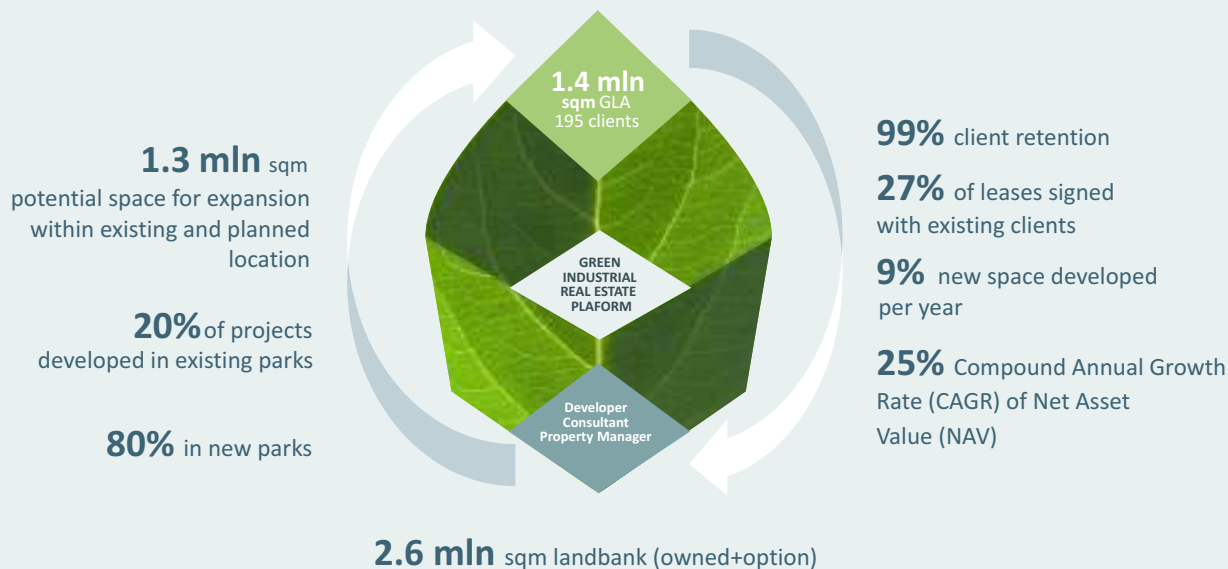
Property portfolio by segment	Total land area (sqm)	Development potential for the total land area (sqm)	Space completed (sqm)	Space under construction and in the pipeline (sqm)	Pipeline portfolio (sqm)
POLAND	3 684 312	1 591 351	1 063 832	235 102	292 417
GERMANY	540 897	282 267	75 347	134 082	72 838
AUSTRIA	98 249	54 520	-	54 520	-
ROMANIA	188 045	99 063	38 988	20 324	39 751
TOTAL	4 511 503	2 027 201	1 178 167	444 028	405 006

As at December 31, 2024, the Group has a land bank of 257 ha, of which: 115 ha are owned and 142 ha are covered by reservation agreements. This land bank allows for development of approx 1.3 million sqm of space.

Summary of the leasable space owned by the Group as at 31 December 2024 (sqm):

	Space completed (sqm)	Space completed and leased out (sqm)	Space completed but not leased out (sqm)	Space under construction and in the pipeline (sqm)	Pre-leased space under construction and in the pipeline (sqm)	Existing space, space under construction and in the pipeline (sqm)
POLAND	1 063 832	997 435	66 397	235 102	127 084	1 298 934
GERMANY	75 347	75 347	-	134 082	-	209 429
AUSTRIA	-	-	-	54 520	13 400	54 520
ROMANIA	38 988	38 808	180	20 324	20 324	59 312
TOTAL	1 178 167	1 111 590	66 577	444 028	160 808	1 622 195

MLP Group: Conservative approach to growth in industrial assets in core urban areas in Europe



Types of leasable space offered:

The Group offers two types of space to its tenants:

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

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

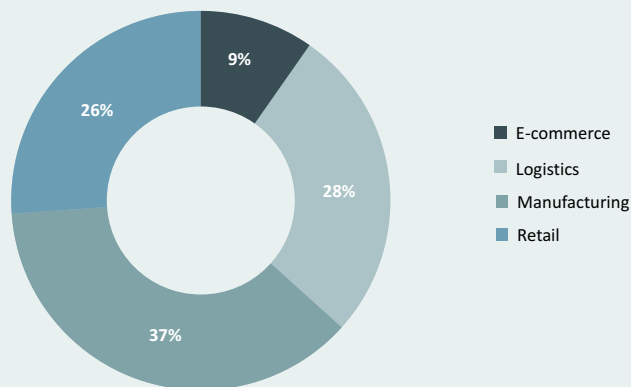
The space is available in two formats:

- city logistics projects;
- big box projects.

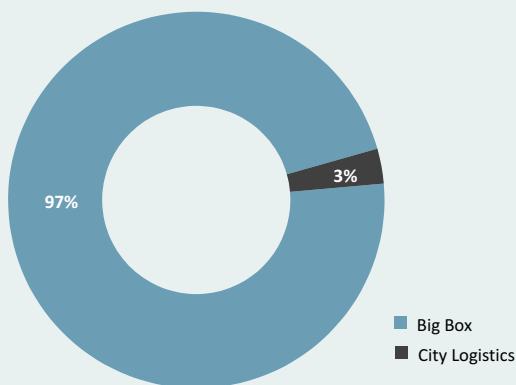


Space completed at the Group's parks as at 31 December 2024:

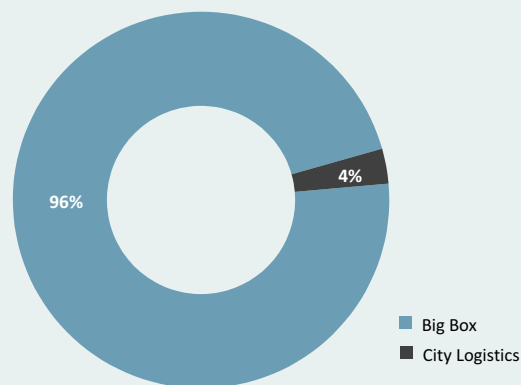
Developed space in the Group by type as at 31.12.2024



Existing space division by type as at 31.12.2024 (sqm)

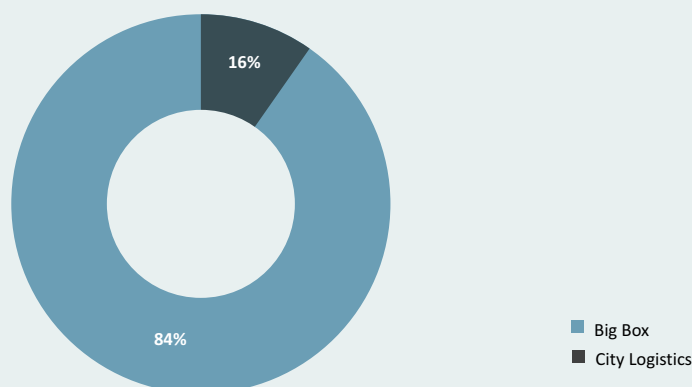


Existing space division by type as at 31.12.2024 (GAV)

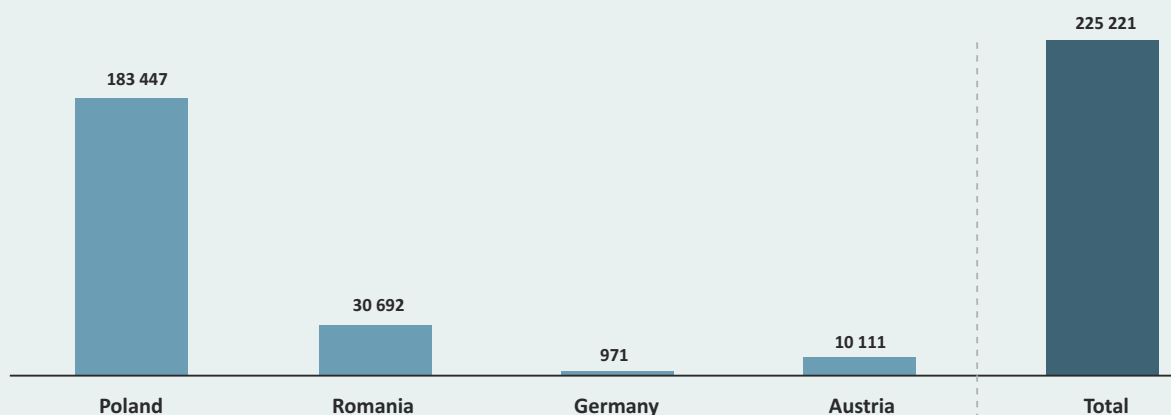


The share of city logistic projects in the MLP portfolio is set to rise progressively. Currently the Group is building new projects in this format, and more are in the pipeline. The first project of this type is MLP Business Park Berlin, with further developments underway at MLP Business Park Łódź, MLP Business Park Vienna, and MLP Business Park Poznań. Construction of MLP Business Park Schalke and MLP Business Park Castrop-Rauxel will begin shortly.

Value of existing buildings, construction in progress, and pipeline portfolio by format as at 31 December 2024

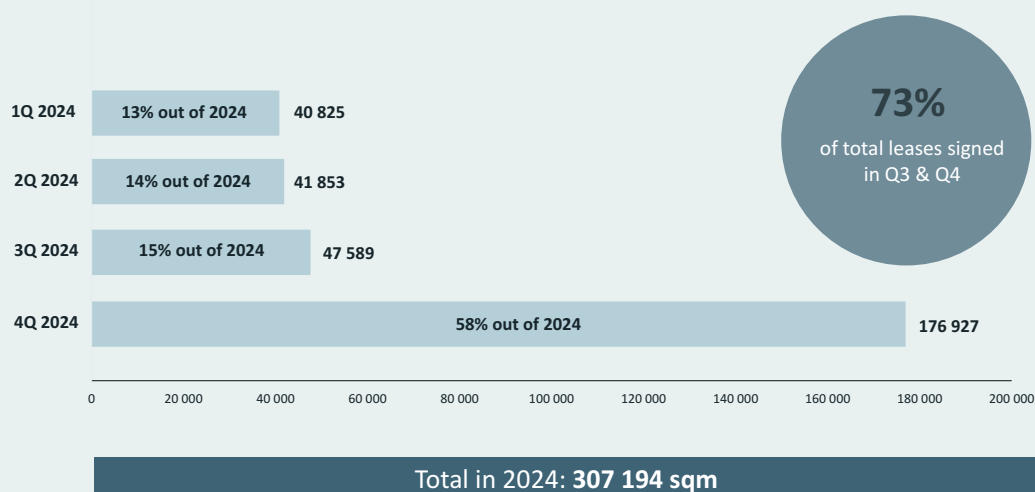


New lease contracts signed in 2024 [sqm] by country:



Lease agreements signed in 2024 were totalling 307,194 sqm, including 225,221 sqm of new contracts (+106% YoY). In 2024, MLP Group acquired 22 new tenants, and 20 percent of the total demand came from existing tenants.

Leased space in sqm



Majority of lease contract we have signed in Q4 2024, that shall pave the way for a significant increase in revenue and EBITDA in 2025.

The value of the investment property portfolio disclosed in the consolidated financial statements as at 31 December 2024 included: (i) market value of investment property of PLN 5,493,053 thousand, (ii) perpetual usufruct right of land of PLN 56,240 thousand, and (iii) the value of Feniks Obrót Sp. z o.o.'s apartments of PLN 320 thousand.

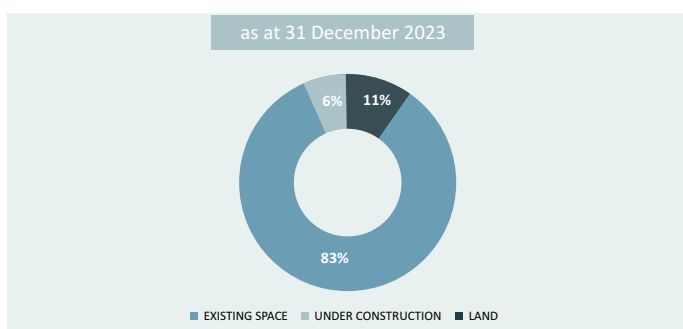
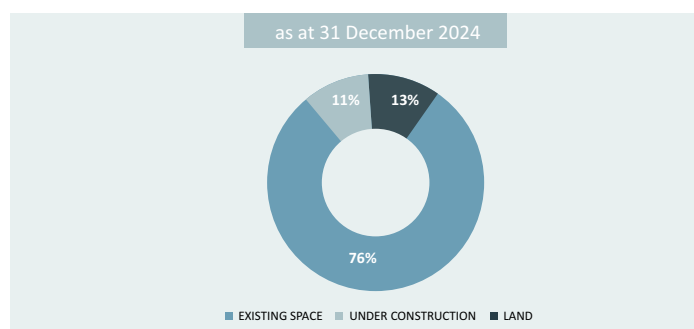
Value of the Group's property portfolio* by segment and type of space as at 31 December 2024:

Segment	Currency	Value of existing buildings	Value of construction in progress	Value of pipeline portfolio	Value of landbank	Total value
Poland	EUR thousand	837 161	44 856	58 102	32 425	972 545
	PLN thousand	3 577 189	191 668	248 270	138 552	4 155 681
Germany	EUR thousand	116 981	18 500	56 740	16 000	208 221
	PLN thousand	499 860	79 051	242 450	68 368	889 729
Austria	EUR thousand	-	74 800	-	-	74 800
	PLN thousand	-	319 620	-	-	319 620
Romania	EUR thousand	22 272	-	4 663	3 026	29 961
	PLN thousand	95 168	-	19 925	12 930	128 023
Total	EUR thousand	976 414	138 156	119 505	51 451	1 285 526
Total	PLN thousand	4 172 217	590 341	510 645	219 850	5 493 053

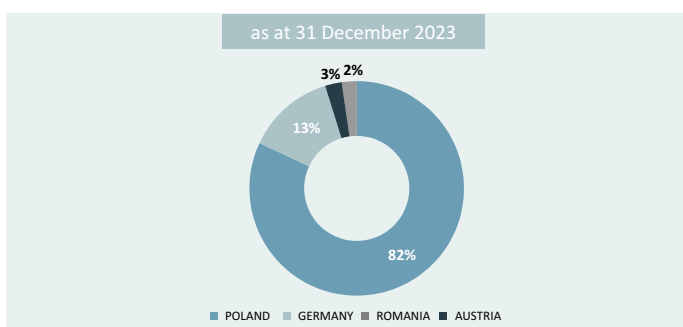
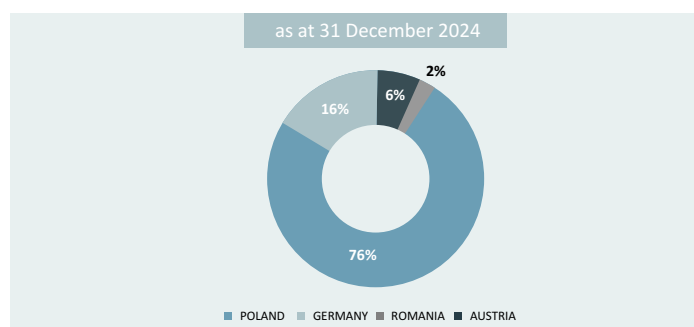
* Property value net of perpetual usufruct of land and residential properties.

Value of the Group's properties (GAV)

a) by type



b) by country



TOP 5 investment properties (value):

	Value EUR thousand	Value PLN thousand
MLP Poznań West II Sp. z o.o.	123 801	529 000
MLP Pruszków I Sp. z o.o.	100 602	429 874
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	80 345	343 313
MLP Business Park Wien GmbH	74 800	319 620
MLP Pruszków V Sp. z o.o.	70 685	302 037
Total value of TOP 5 investment properties in MLP portfolio	450 233	1 923 844

1. 5 Market, customers and suppliers

The Group specialises in constructing and managing modern warehouse centres. All facilities are strategically located near large urban areas and major road junctions. MLP Group operates on the Polish, German, Austrian and Romanian markets.

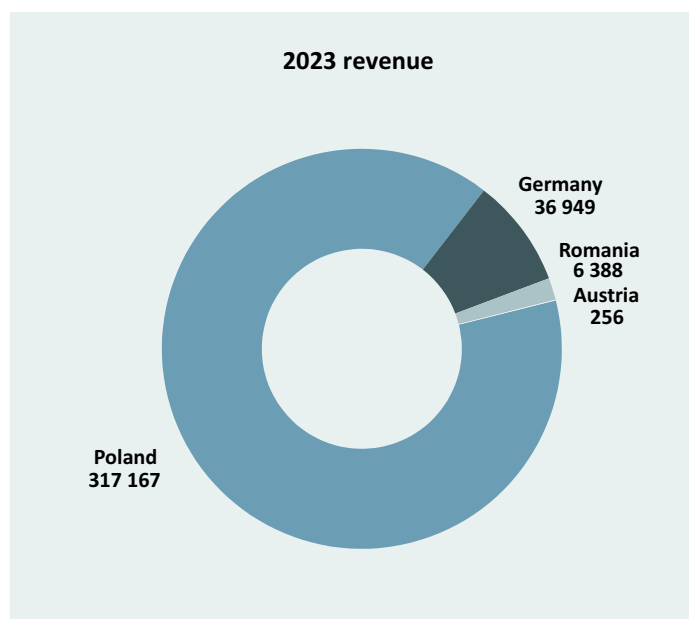
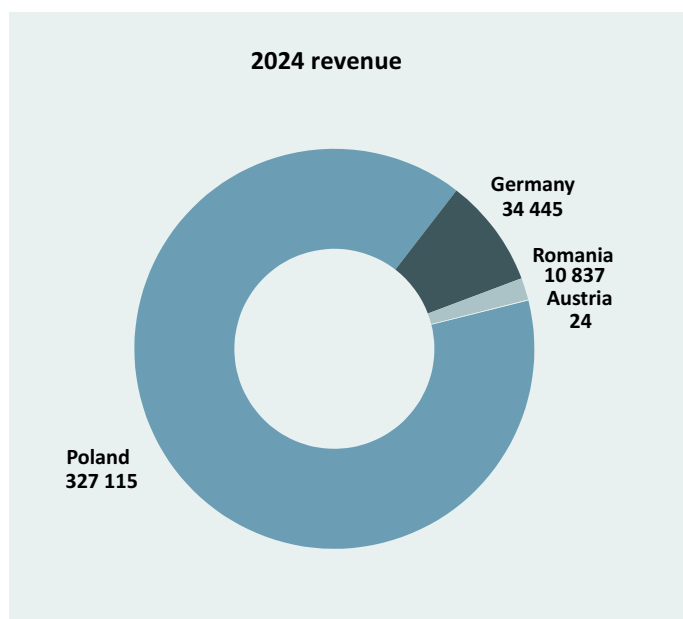
Currently, the Group operates 31 logistics projects located in four European countries, including 23 in strategic locations in Poland. The Group operates six logistics projects in Germany, and one in each of Romania and Austria.

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

1. 5.1 Structure of the Group's sales

The Group earns rental income from investment property in logistics parks in Poland, Germany, and Romania. The table below presents the types of revenue derived from lease of the properties.

Revenue for the 12 months ended 31 December	2024	2023	change (%)
Revenue from external customers:			
Rental income from investment property	214 802	200 874	6,9%
Recharge of service charges	76 173	67 687	12,5%
Recharge of utility costs	78 532	88 598	-11,4%
Other revenue	2 914	3 601	-19,1%
Revenue	372 421	360 760	3,2%



In 2024, the Group reported revenue of PLN 372,421 thousand, a 3% increase year on year. Rental income – the primary source of revenue – increased by 7% compared to 2023.

For information on the effect of exchange rate movements on rental income, see Section 3.1.1.

Poland, the principal operating segment of the Group, accounted for 88% of its revenue, a level similar to that reported for the corresponding period of 2023.

On the Romanian market, revenue reached PLN 10.8 million, an increase of 70% year on year, attributable to the delivery of new space to tenants.

The Group's ten largest tenants generated 29% of the Group's revenue in the 12 months ended 31 December 2024 (39% in the 12 months ended 31 December 2023).

1. 5.2 Key trading partners

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

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

For construction services, general contractors are selected in internally organised tender procedures. In 2024, the Group cooperated with Wielkopolskie Przedsiębiorstwo Inżynierii Przemysłowej Spółka Komandytowa, BIN - Biuro Inżynierskie Sp. z o.o., Goldbeck Rhomberg GmbH under the general contractor system, BREMER Sp. z o.o., and Pekabex BET S.A. The Group's turnover with these companies exceeded 10% of its revenue in 2024.

The other services are procured from a broad base of suppliers, and therefore the Group is not dependent on any single supplier. In 2024, none of the Group's other suppliers accounted for more than 10% of the Group's revenue.



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

2. 1 Activities of the MLP Group S.A. Group in 2024

In 2024, the Group continued its principal business activity consisting in the construction and lease of warehouse and manufacturing and business parks. Construction work was mainly outsourced to specialist third-party service providers on a general contractor basis.

During the reporting period, the Group was simultaneously engaged in more than a dozen development projects. As at the end of December 2024, the Group's portfolio comprised 1,178 thousand sqm of space completed and 444 thousand of space under construction or in the pipeline. The Company's Management Board reviewed and assessed on an ongoing basis:

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

2. 1.1 Projects started and projects completed

In 2024, the Group was engaged in the construction of projects with a total area of 329 thousand sqm, while a further 208 thousand sqm was in the pipeline as at 31 December 2024 (total: 537 thousand sqm)

2. 1.2 Projects under construction or in the pipeline

Of the 329 thousand sqm of projects under construction in 2024, a total of 93 thousand sqm were completed. These projects were located in Poland (including 34 thousand sqm at MLP Pruszków V, 22 thousand sqm at MLP Gorzów) and in Romania (16 thousand sqm).

As at 31 December 2024, 236 thousand sqm of space was under construction.

Projects are predominantly carried out on a pre-lease basis, i.e., launch of the investment process is conditional upon execution of a lease contract with a potential tenant. In 2024, the Group proceeded with speculative big-box and city logistics projects at specific locations, which, when combined with pre-lease projects, make up significant investment initiatives designed to address the current market dynamics.



2. 1.3 Material agreements

Material suppliers with whom agreements with a total value exceeding 10% of the MLP GROUP S.A.'s equity were concluded in 2024

On 24 January 2024, MLP Business Park Vienna, a subsidiary, entered into an agreement with Goldbeck Rhomberg GmbH of Vienna to construct four warehouse and office buildings (partly pe-leased), with an area of approximately 55 thousand sqm, at the MLP Business Park Vienna logistics park.

On 7 October 2024, MLP Spreenhagen, a subsidiary, signed a contract with LIST Bau Bielefeld GmbH & Co. KG for the construction of one building with an area of 38,850 sqm.

Shareholder agreements

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

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

2. 1.5 Partnership or cooperation agreements

In 2024, the Group did not enter into any significant cooperation or partnership agreements with other entities.

2. 1.6 Related-party transactions

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

For a description of related-party transactions, see Note 29 to the Group's condensed consolidated financial statements for the 12 months ended 31 December 2024.

2. 1.7 Litigation

Proceedings pending before courts, arbitration bodies or public administration bodies

On 19 February 2024, the Regional Court in Warsaw issued a decision to discontinue proceedings in the case brought by MLP Sp. z o.o. sp. SKA (formerly MLP Tychy Sp. z o.o.) against European Bakeries Sp. z o.o. and CreditForce Holding B.V. with respect to the defendant CreditForce Holding B.V. of Houten (the Netherlands).

In 2012-2014, MLP Pruszków I Sp. z o.o., MLP Pruszków II Sp. z o.o. and MLP Pruszków III received decisions concerning change of perpetual usufruct charge. As per these decision, the total potential amount to be paid, calculated as of 31 December 2024, is PLN 37,510 thousand. The management board of the companies does not accept the amount of the fees, and the matter has been referred to court. The District Governor did not take into account the expenses incurred by the companies.

In previous years and in the current year, the Group recognised provisions for a portion of potential claims of the Pruszków Governor due to the revision of the perpetual usufruct charge, totalling PLN 11,610 thousand.

2. 2 Development of the Group and risk factors

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

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

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

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

Credit risk

Credit risk is defined as the risk of financial loss to the Group if a trading partner or a counterparty in 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 objective of risk management is to establish and maintain a stable and sustainable portfolio of loans and other investments in debt instruments in terms of both quality and value. This is achieved by implementing an appropriate credit limit policy.

Liquidity risk

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

Market risk

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

Risks Related to the real estate market and Group's business

An economic downturn or a significant deterioration in macroeconomic conditions could have a material adverse effect on the Group's operations and value of the Group's real estate, including disruptions in financial markets, uncertain economic conditions, and recent inflationary pressure.

The development of the commercial real estate market in which the Group operate depends both on changes in the construction and real estate sectors, trends in manufacturing, trade, industry, services, transport, and on the development of the economy as a whole, which is influenced by a number of macroeconomic and geopolitical factors, such as: Russia's military aggression in Ukraine and the related sanctions imposed on Russia and Belarus (as well as the retaliations of these countries), the dynamics of economic growth, Gross Domestic Product ("GDP") levels, the level of inflation rates, the level of interest rates and expectations regarding changes in these rates, which influence the behavior of consumers and entrepreneurs, currency exchange rates, the situation on the labor market, the level of unemployment rates, the level of average wages and median wages and incomes, the value of foreign direct investment, the fiscal and monetary policy of the European Union, including the countries in which the Group operate. The growth rate of the domestic economy, and thus also Group's operations and results, may be affected by a downturn and slowdown in the

global economy. Negative changes in the macroeconomic situation and the economic and monetary policies of Poland, Romania, other countries and the European Central Bank may materially adversely affect Group's financial results and its ability to implement plans.

In particular, on February 24, 2022, troops of the Russian Federation launched a full-scale invasion of Ukraine, which caused major changes in the economic situation of all European countries and significantly affected the supply and transport routes of raw materials and products. The EU as well as a number of non-EU Member States have imposed sanctions on Russia, Belarus and their leadership and individuals. These sanctions are without precedent in relations between European countries. Given the volume of trade with Russia to date, and above all the dependence of EU countries on natural resources, including gas and oil, imported from Russia, as well as the role of Russia and Ukraine as food exporters, both the sanctions imposed and the retaliation by Russia continue to have a significant impact on the global economy, and are causing far-reaching changes in the direction of flows of both raw materials and products, in particular by limiting trade in goods with Russia and Belarus and restricting transit through Russia, Belarus and Ukraine between Europe and Asia. Higher energy costs and commodity prices, cyber disruptions or attacks, heightened general operating risks and disruption of logistic chains in Europe resulting from the foregoing have led to increased economic instability, market volatility and inflation, which have affected and may continue to affect the financial strength of many commercial real estate tenants and the logistics industry as a whole. Although the hostilities in Ukraine have not had a material adverse effect on the Group's operations thus far, possible unfavorable military developments in Ukraine could lead to changes in logistics routes and negatively affect the propensity for tenant investment in Poland and Romania, thereby leading to a reduction in demand for the Group's services. Any of the foregoing could adversely affect Group's business and its results of operations.

In addition, inflation has the potential to adversely affect Group's liquidity, business, financial condition and results of operations by increasing overall cost structure. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, weakening exchange rates and other similar effects.. Although the Group takes measures to mitigate the impact of inflation (including full indexation of 100% of lease agreements), these measures may not be effective and Group's business, financial condition, results of operations, and liquidity could be materially adversely affected.

Ability to actively manage our assets depends on market factors, some of which are beyond the Group's control.

One important part of the Group's business is active asset management, which includes managing vacancy rates and rental levels and the terms of leases for all properties, as well as ensuring the desired tenant mix.

In addition to legal restrictions, the Group's ability to lease vacant space, renegotiate rents and achieve the desired tenant mix depends on market factors.

Some of these factors, such as the general economic environment, consumer confidence, inflation and interest rates are beyond the Group's control. During recessions or economic downturns, competition between investors and developers makes it more difficult to retain existing tenants and attract new ones. If the Group is unable to generate or capitalize on demand for its properties, it may not be possible to reduce vacancy rates or renegotiate rents in a favorable manner.

If high vacancy rates persist for an extended period of time, this could result in an overall reduction in the rents paid by tenants, making it much more difficult to increase the average rental rates in accordance with our plans. Vacant space also results in an increase in overall operating costs, due to the need to cover costs generated by empty properties. Any such decrease in rental income or increase in operating expenses could have a material adverse effect on Group's financial position and results.

The Group's business may be adversely impacted by negative developments in the property and commercial real estate markets.

The Group is exposed to risks associated with the development, acquisition, ownership and management of properties in the commercial property market.

A number of factors may affect the revenue generated and the value of our properties, including:

- (i) changes in laws and administrative regulations relating to real estate, including those relating to obtaining permits or approvals, determining land use, taxes and other public charges;
- (ii) cyclical changes in the real estate markets in which the Group operate;
- (iii) ability to procure appropriate construction, management, maintenance, and property security services.

A general downturn in the property market may have a negative impact on the Group's performance in terms of income generated from the rental of warehouse space. If tenants default on their obligations or if there are no tenants, the Group will not earn rental income while incurring costs associated with the property. These costs may include but are not limited to: legal and valuation costs, maintenance costs, insurance, and local property taxes. The level of achievable rent as well as market price of a property are, in principle, dependent on the economic situation. Consequently, a fall in the level of market prices may result in rent levels that are different from projections and lead to losses within a project or the need to find alternative uses for land purchased for development.

The occurrence of any of the risk factors discussed above could have a significant negative impact on the Group's operations, financial position, results, and development prospects.

Risk associated with liabilities that are not covered by, or which exceed the coverage limits, of insurance policies.

The Group's properties may be damaged or destroyed due to a number of foreseeable or unforeseeable circumstances. It is also possible for third parties to suffer damage as a result of events for which the Group is liable. Although the Group has various insurance policies, including liability insurance related to its operations and real estate, as well as all-risk property insurance, income protection insurance and insurance for directors and officers, these policies may prove to be insufficient and may not cover all risks related to the Group's operations.

Certain risks, such as terrorist attacks, risks related to war or armed conflict, and natural disasters, may also not be insurable or may only be insurable at high costs which, in turn, may make insuring them uneconomical. The insurance policies may not protect the Group against all losses that may incur in connection with the Group's operations, and certain types of insurance may not be available on commercially reasonable terms or at all. Accordingly, insurance cover may not be sufficient to fully compensate for losses incurred in connection with Group's properties. If any such risks were to materialize, it could have a material adverse effect on the Group's business, financial condition, and results of operations.

Risk of failure to make profitable investments, particularly in ongoing development activities.

Ability to commence and complete the development, redevelopment or upgrading properties depends on a number of factors, some of which are beyond the Group's control. These factors include, in particular, the ability to obtain all required administrative decisions, to secure external financing on satisfactory terms or at all, to engage reliable contractors, and to secure suitable tenants.

Factors over which Group has limited or no control, which may delay or otherwise adversely affect the development or upgrading of its facilities, include:

- an increase in the cost of materials, labor or other costs that may make it uneconomical to complete the project;
- actions of public authorities and local governments resulting in unforeseen changes to land-use plans and architectural and construction requirements;
- defects or limitations in the legal titles to plots of land or buildings we acquire, or defects, limitations or conditions relating to administrative decisions concerning plots of land we hold;

- changes in applicable laws, norms, regulations or standards, or in their interpretation or application, which come into force after we have commenced the planning or construction phase of a project, resulting in additional costs or causing delays to the project;
- violations of building standards or norms, faulty construction methods or defective construction materials;
- industrial accidents, as yet undisclosed existing soil contamination, or potential liability under environmental and other relevant legislation, for example relating to archaeological finds or unexploded ordnance or building materials that are deemed harmful to health;
- forces of nature, such as bad weather, earthquakes, and floods, which can damage or delay projects; and
- acts of terror or riots, rebellions, strikes and/or civil unrest.

Investment projects may only be carried out if the relevant plots of land have the appropriate technical infrastructure required by law. The relevant authorities may require to create the legally required additional infrastructure as part of our construction work before issuing permits. Such additional work may significantly affect the construction costs of the facility in question.

In addition, the development of certain projects may become uneconomic and/or unfeasible for reasons beyond our control, such as a downturn in the property market or increased financing costs. The Group may not be able to complete these projects on time, within budget or at all, for any of the above or other reasons, which may increase costs, or delay or cause a project to be abandoned, which in turn may have a material adverse effect on Group's financial position and results.



Risks related to general contractors and other third parties.

Subcontracting of projects is outsourced to general contractors or other third parties. The successful completion of construction projects depends on the Group's ability to employ general contractors who deliver projects in accordance with accepted standards of quality and safety, on commercially reasonable terms, within agreed timeframes and within the approved budget. The inability to hire general contractors on commercially reasonable terms or the failure of general contractors to meet accepted quality and safety standards, their failure to complete construction or refurbishment on time or within the agreed budget, as well as the general contractors' demand for an increase in remuneration, especially due to an increase in the price of construction materials, may result in increased project costs, delays in project completion, or claims against the Group. In addition, the aforementioned events may adversely affect the Group's image and ability to sell completed projects.

Contractors and third-party service providers may be adversely affected by economic downturns, insolvencies or any other risks inherent to the provision of any such services. These risks include damages caused by severe weather conditions (e.g., fires, floods or natural disasters) and construction related delays due to personnel shortages, strikes, building site safety, governmental permits, adverse weather conditions, shortage of or inability to source building materials and transportation issues, any of which may be influenced by the respective parties' reliance on third parties. The financial strength and liquidity of the general contractors may prove to be insufficient in the event of a significant downturn in the property market or increases in the cost of development, which in turn could lead to their bankruptcy, adversely affecting the execution of the Group's strategy.

In connection with the construction of developments, the Group enters both general construction contracts, as well as contracts for the execution of specific works, including road-, water-, and sewage-related works. These contracts contain provisions to secure the performance of general contractors' obligations and secure claims against them, for example, by establishing a guarantee of proper and timely performance of the subject of the contract (in the form of a performance bond or a bank or insurance guarantee), as well as by establishing contractual penalties for delays.

However, these provisions may not cover all costs and damages incurred in such circumstances, and they may not completely eliminate the consequences of delays in the construction of a project, such as an unplanned increase in completion costs and a delay in revenue generation. In specific cases, it may turn out that the contractors are unable to satisfy the Group's claims, which in turn may result in an inability to cover the losses incurred.

Dependence on general contractors also exposes Group to all risks relating to the poor quality of the work of such general contractors, their subcontractors and employees, and to construction defects. In particular, the Group may incur damages due to the need to engage other contractors to correct faulty work or due to the need to pay compensation to persons who have suffered damages due to faulty work. Furthermore, there is a risk that such losses or costs will not be covered by the Group's insurance, by the contractor or by the relevant subcontractor. In addition, the Group may be affected by occupational accidents involving persons employed by its contractors.

Although the Group is not directly liable for workplace accidents affecting employees of construction contractors carrying out work on construction sites, accidents may nevertheless cause disruptions to the contractors' work, which may consequently cause delays in project execution and generate additional costs.

Furthermore, there can be no assurance that contractors or third-party service providers will not terminate agreements with the Group or enter into default. The Group's ability to continue its business operations upon any termination, default or similar circumstances caused by contractors or service providers is limited by, among others, the availability of qualified replacement contractors or service providers and/or our ability to enter into favorable agreements with them. Subsequently, following any termination, default or similar circumstance, the Group may no longer be able to develop, manage, operate, and maintain real estate properties or to assess or manage Group's transactions.

Any of these events could negatively affect the Group's profitability and financial position or result in claims, which could have an adverse effect on Group's reputation.

The risk of failure to obtain the necessary approvals, licenses, titles or permits for properties and future developments, which could have a material adverse effect on the Group's business, financial condition or results of operations.

As part of operations and in managing assets, the Group is required to obtain numerous permits, arrangements, approvals, consents, administrative decisions or other types of rulings by public authorities including permits for the construction and use of its investment properties. Further approvals and permits with respect to, among others, density, site planning and protection of the environment may also be required. Obtaining such permits and approvals may be time consuming and is often, in particular with regard to land use plans (including the implementation of new zoning plans for our projects), subject to the discretion of the local authorities and may require significant resources.

The Group cannot assure that all such permits, arrangements, approvals, consents, administrative decisions or other types of rulings by public authorities in connection with existing properties or new investments will be obtained in a timely manner, or that they will be obtained at all, or that permits, consents, administrative decisions or other types of rulings by public authorities held now or obtained in the future will not expire, be revoked or cancelled, or that their validity will be extended in a timely manner.

In addition, public administration authorities may make the issuance of certain administrative decisions or other rulings subject to compliance with certain additional conditions (including, for example, provision of appropriate infrastructure) or obligations, which may involve additional costs and prolong the proceedings, resulting in a temporary inability to generate revenue.

In addition, the Group may seek to make changes to some of projects or facilities, as well as changes to the use of the properties so as to use them more efficiently or in line with trends in the property market at the time. It may not be possible to implement such changes, due to difficulties in obtaining or amending the required permits, approvals, administrative decisions or other rulings by public administration authorities, particularly in the case of properties entered in the register of historic buildings.

The Group's ability to obtain the permits required to realize development projects is dependent on ability to meet the relevant regulatory and planning requirements. The Group own property in numerous geographies and may therefore need to meet different requirements for each geography while being subject to various authorities' discretion in granting such permits.

The Group's progress in development activities is highly dependent on the decisions of such local authorities, and this process is often uncertain and political, and may require significant efforts in order to secure the necessary approvals. There can be no assurance that the necessary approvals will be received, or that they will be received in a timely manner or without unfavorable provisions and/or conditions. Planning regulations and permits could also be challenged within the relevant statutory period, which could eventually lead to delays in the realization or even in completion of a particular development project.

In addition, social and environmental organizations, as well as owners of neighboring properties and local residents may take action to prevent from obtaining the required permits, approvals, administrative decisions or other rulings by public authorities, including by participating in administrative and court proceedings, challenging decisions, rulings and judgments issued in the course of such proceedings, as well as by disseminating negative and defamatory information regarding Group's investments. In particular, the above actions may significantly delay execution of investment activities, the achievement of expected revenues, and may cause the Group to incur additional costs in connection with its investments.

The materialization of any of the foregoing risks could materially affect development activities and results of operations.

Development activities depend on the Group's ability to acquire real estate properties at economically reasonable prices.

The efficiency and scale of the Group's operations depend on the supply of suitable land properties for development, the price level of these properties, and their legal status. The Group's ability to secure land for development projects in attractive locations depends on several factors, including the efficiency of operations, as well as on objective factors within the market environment, such as strong competition in the land market, the length of time required to change the legal purpose of land and limited supply of land with appropriate infrastructure.

Land prices are indirectly influenced by the demand for the rental of warehouse, manufacturing and office space, as well as the macroeconomic situation, the availability of financing, the supply of warehouse, manufacturing and office space in a given area, and tenants' expectations regarding standard and location of the properties. An increase in future land prices may also adversely affect the competitiveness and profitability of the Group's new developments. Conversely, a decline in the value of land may result in lower valuations of the Group's investment properties and may adversely affect the competitiveness, profitability and valuation of some of existing projects.

In addition, an inability to identify and acquire land for development projects at economically feasible prices could materially impact Group's business, financial position, and results of operations.

The Group may be unable to identify all risks associated with properties and may overestimate the value of such acquisition and development opportunities.

The development and management of real estate properties are subject to risks caused by, including, the condition of the real estate property, the inaccurate assessment of any of the investments, unfavorable financing conditions, and changes in the legislative and regulatory environment or any other factor, including those beyond the Group's control.

We may not be able to identify all material risks in connection with the due diligence processes that the Group conduct prior to an acquisition. The Group may also not be able to assess whether the original owner of an acquisition target or any potential successor has obtained, maintained or renewed all required permits, satisfied all permit conditions and obtained all necessary licenses.

Any acquisition target may suffer from hidden defects or damages that we were not able to discover in the course of the acquisition process. Consequently, there can be no assurance that all risks related to the acquisition of real estate properties have been identified, evaluated and addressed accordingly. The Group's ability to identify and evaluate all risks relating to the unrestricted ownership title to real estate properties and third-party rights relating to acquisition targets may also be limited in certain instances. Legal, tax and/or economic liabilities may be, or may have been, insufficiently or inaccurately evaluated.

In addition, the representations and warranties we receive from sellers in the sale and purchase agreements for such acquisitions may not cover all risks or fail to cover known and existing risks sufficiently. Additionally, warranties may be or become unenforceable. In some cases, a seller may refuse to make any representation or warranty as to risks associated with the acquisition or make no representation or warranty as to the sufficiency and correctness of the information made available in the context of a due diligence investigation. Due to the high competition for attractive land plots or buildings suitable for development projects, the Group may have to accept purchase agreements with very limited or even no representations and warranties.

Furthermore, the Group may overestimate the earnings potential and potential synergies from acquisitions, as well as underestimate the rental and cost risks, including expected demand from tenants for the respective property and expected capital expenditures for developing, maintaining or modernizing the property, and consequently pay a purchase price that exceeds a property's actual value. In addition, properties could be inaccurately appraised, even if they were acquired on the basis of valuation reports by reputable independent appraisers and due diligence investigations. Therefore, neither a particular cash flow from rentals, nor a certain retail price can be guaranteed with respect to acquired properties.

The realization of any risk described above could have a material adverse effect on the Group's business, financial condition, and results of operations.

Risks related to operating in multiple jurisdictions and dependence on economic, political and market developments.

The Group operates in the following four jurisdictions: Poland, Germany, Romania and Austria. As a result, Group needs to appropriately adapt internal regulations, including those related to monitoring and reporting. Any mismanagement of foreign investments or inadequacy of internal regulations could materially adversely affect Group's reputation, business, and financial performance.

A significant portion of Group's properties is located in Poland, which increases the risk of geographical concentration.

As of December 31, 2024, 76% of the Group's portfolio based on fair value was located in Poland and for the twelve months ended December 31, 2024, 85% of rental income was generated by properties located in Poland. As a result of the geographical concentration of the Group's portfolio, performance may be disproportionately affected by negative market developments in Poland. In addition, given the geographic concentration of properties, the outcome of a catastrophic environmental or other event, such as a flood, fire, terrorism or other disaster, could be more severe for the Group compared to a more geographically diversified portfolio of properties.

The business is dependent on qualified personnel, including key personnel such as senior management.

The success of the Group's business depends on a large extent on executives, who have the knowledge and experience in running the business of developing, leasing and operating warehouse and manufacturing centers. The current members of management have substantial experience in the real estate industry and/or have held other key senior management positions and have gained expertise that is particularly necessary to run and develop our business with respect to the search for and acquisition of both new locations for investments and tenants with an established position in the market, as well as the construction, marketing and management of logistics parks. In the event of departure of one or more of these key personnel, the Group may not be able to replace them with suitable successors, which could affect operational and financial results. Any unanticipated changes in key personnel may also be disruptive to our business operations, and growth strategy may require hiring of additional qualified employees. In addition, these factors may adversely affect Group's ability to further develop its business or even to complete projects already underway.

The Group is subject to strict environmental regulations and may face liability for environmental claims.

The owners and operators of real estate in the Group's jurisdictions are subject to strict environmental laws that require them to comply with current and future environmental standards and to prevent and remediate any contamination or damage. According to the applicable legislation, the entity using the environment is obliged to take preventive and remedial measures to prevent or eliminate environmental damage. In addition, if an imminent threat of environmental damage or environmental damage has been caused with the consent or knowledge of the landowner, the landowner is obliged to take preventive and remedial measures jointly and severally with the entity using the environment that caused it.

In addition, to develop projects, the Group must obtain a number of environmental approvals and permits, including waste management and water permits, and pay environmental fees. The Group properties may be affected by environmental issues that could expose Group to liabilities and put us at risk of non-compliance with our obligations under existing permits. The Group also may be exposed to damage as a consequence of sudden and unforeseen environmental pollution caused by events related to infrastructural development or caused by forces of nature.

The Group has complied with all environmental protection requirements stipulated by the applicable legislation, and the tenants of warehouse and manufacturing spaces have not conducted or are not conducting activities harmful to the environment within the meaning of environmental protection regulations. However, the Group may be required to pay damages, administrative fines or incur remediation costs resulting from environmental pollution on its land or on land the Group's acquires in the future.

If the relevant authorities discover violations of applicable environmental laws, the Group may be subject to fines and other penalties. Any of the foregoing could have a negative impact on Group's reputation, financial position, and results of operations.

Legislative changes may have negative consequences for the markets in which the Group operates, which may significantly affect the Group's operations and financial situation.

The Group's operations are subject to several laws and regulations. Changes to applicable laws, could have a significant impact on the Group's business and its financial results. The entry into force of a new, economically significant regulation may directly cause significant changes in the commercial real estate market through a significant rise in project costs or a change in agreements with purchasers or tenants.

Local zoning laws are subject to change and may interfere with the intended use of the Group's properties. In addition, the enactment of any new law or regulation that is open to conflicting interpretations may give rise to uncertainty as to the current legal status, which may in turn lead to the temporary suspension of projects for fear of possible adverse consequences of the ambiguous laws or regulations. The above factors may have a material adverse effect on Group's business, financial position, and results of operations.

Risks related to changes in and unfavorable interpretations of tax laws.

The Polish tax system is characterized by a lack of stability. At the same time, the interpretation of the regulations themselves by the tax authorities and administrative courts is also subject to significant changes, which may have negative consequences for entities adhering to known previous interpretations of these regulations. The Group also has operations in Romania, Germany and Austria. Tax laws are changed frequently, many times to the disadvantage of taxpayers. The interpretation of the rules may also be subject to similar changes. Frequent changes in the law governing the taxation of business activities and divergent interpretations and variability of such interpretations in the application of tax laws by the tax authorities may prove detrimental to the Group's business and results of operations.

The Group may be unable to find or retain suitable tenants on acceptable terms or in a timely manner, and existing tenants may be unable to meet their payment obligations.

Attracting good tenants, especially anchor tenants is crucial to ensuring commercial success. Key tenants play an important role in generating further growth of the logistics park segment. The Group may face difficulties in securing tenants during periods of economic downturn.

In addition, the termination of a lease agreement by any of the key tenants may adversely affect the attractiveness of the park. If a tenant defaults on its lease agreement, is declared bankrupt or restructuring proceedings are initiated against it, there may be a delay in rent payments or a decline in rental income, the effects of which Group may not be able to offset.

Furthermore, new developments or trends in the market standard of commercial real estate could result in decreasing demand if such properties do not meet such new requirements. Any extension or change to the property may lead to additional unforeseen costs and expenses. The materialization of this risk may lead to a significant deterioration in the Group's rental income, and by extension, its financial position and results of operations.

In addition, when existing lease agreements expire, the Group may not be able to release its commercial properties immediately, and it may take time to locate and secure a successor tenant for such space or property, which could have a negative effect on its business, financial position and results of operations. In extreme cases, long-term vacancies may occur. The economic success of the Group's business depends significantly on its ability to generate rental income from the lease of properties to suitable tenants. Tenants may fail to meet their rental obligations for a plethora of reasons, including a change in financial position. Adverse developments of any of the foregoing factors may lead to tenants' inability to meet their obligations under their lease agreements.

Tenants' operations in logistics properties of the Group may give rise to third-party damage claims.

The Group leases warehouse and manufacturing space to entrepreneurs conducting various types of business activities on the premises. In their lease agreements, tenants undertake third-party liability insurance on account of conducting business activities on the properties; nevertheless, an injured person may be unable to pursue compensation claims against the tenants for damages arising in connection with their business activities, in particular business activities that may cause environmental damage or damage resulting from faulty construction of the warehouse facilities. Such a situation could give rise to civil claims against Group as owner of the land and facilities where the activities giving rise to third-party damage are carried out.

Insufficient utility volumes may have a negative impact on Group's business, financial condition or results of operation.

In connection with the lease agreements concluded with prospective tenants, the Group undertakes to connect the constructed properties to the utilities necessary for the tenants' operations. In turn, tenants pay for all services related to the use of the facilities, including fees for, among other things, electricity and gas consumption, central heating, cold and hot water, sewage disposal, and waste disposal.

All logistics parks have secured access to utilities adequate to meet the tenants' current demand, and properties purchased by the Group can be connected to utilities of a similar type. However, due to an increase in the demand for utilities, the current capacities may prove insufficient in the future or the projected capacities of new investments may be underestimated. Any resulting shortfall in utility volumes may have a negative impact on Group's operations, financial position or results.

Risks associated with unfavorable ground conditions.

When purchasing land for new investments, an analysis of the terrain is carried out. However, due to the limited scope of this analysis and the possibility of the occurrence of ground features that are difficult to identify, there may be unforeseen difficulties during the development of the project, which may result in delays and increased costs of site preparation for construction. Adverse ground conditions may result from, among other things, high groundwater levels, instability of lower ground, environmental contamination and archaeological finds. The occurrence of such situations may adversely affect Group's operations and financial performance.

We may be required to provide a guarantee of payment for construction works under Polish civil law.

Pursuant to the provisions of the Polish Civil Code, a contractor of construction works commissioned by an investor to carry out a development project may at any time demand from the investor a payment guarantee in the form provided for by the Polish Civil Code, up to the amount of any claim for remuneration under the contract and additional works or works necessary for the performance of the contract accepted in writing by the investor. The right to demand a payment guarantee may not be excluded or limited by a legal act, and a withdrawal from the contract caused by a demand for a payment guarantee shall be ineffective. The request for a guarantee may entail costs for us, and the absence of the requested payment guarantee constitutes an obstacle to the execution of the works for reasons attributable to us. This in turn would entitle the contractor to demand remuneration under the rules specified in the Polish Civil Code, which may increase costs and delay the execution of projects and thus have a negative impact on our operations, financial position, or results.

Risk of liability in the event of delays in completion or damage to leased warehouse space.

The Group activities include the leasing of warehouse halls in storage and manufacturing centers. In the event that the halls are not completed on time or are damaged, Group may be obligated to pay contractual penalties, and risk tenants withdrawing from their leases or additional claims. In such circumstances, it may be required to make payments in connection with the termination of leases or to settle payments due under such leases. The occurrence of any of the events described above could have a material adverse effect on Group's operations, financial position, or results.

Leases may be subject to termination or non-performance by prospective tenants.

Prior to the construction of warehouse and manufacturing facilities, the Group enters into certain lease agreements with future tenants. In connection with these agreements, prospective tenants undertake to use the facilities which are going to be constructed in the future, for a fee, from the time agreed in the lease agreement. Such leases may expire or be subject to non-performance, for instance, due to insolvency, loss of creditworthiness or withdrawal by the tenants. The termination or non-performance of lease agreements by existing tenants may lead to the deterioration of Group's tenant portfolio and have a significant negative impact on its operations and results.

The Group may be required to incur maintenance, renovation and modernization costs, and any failure or inability to undertake such measures could have an adverse effect on its rental income.

The attractiveness of rental properties in logistics parks depends not only on their location, but also on the condition in which they are kept. In order to maintain the attractiveness and profitability of the properties in the long term, the properties must be kept in good condition and sometimes may need to be upgraded to meet ever-changing market demands. In addition, the Group may be required from time to time to incur costs to undertake various maintenance and modernization measures to meet changing legal, environmental or market requirements, particularly with regard to health and safety requirements and fire protection. Any failure to maintain the properties could also pose a risk to the health and safety of our tenants as well as their employees, which in turn could cause the Group to be liable for any damages.

Maintenance, renovation and modernization measures may also lead to properties remaining vacant, at least temporarily, thereby leading to decreased rental income, especially if such measures take longer than expected.

While the Group anticipates that its properties may only require periodic maintenance for years following completion, the period of time between modernization measures may decrease in the future, due to applicable legal and regulatory requirements or tenants' increasing demand for modern, up-to-date infrastructure. The maintenance or upgrading of these properties will require significant financial expenditure. If the actual costs of maintaining or upgrading such properties were to exceed the costs anticipated, or if, in the course of maintenance or upgrading work, the existence of latent defects not covered by insurance or a guarantee or warranty for the work performed were to be discovered, or if the Group is unable to increase rental rates in light of the legislation in force at the time or the provisions of the relevant leases, the Group will be forced to incur additional expenditure on the properties. The occurrence of the above-mentioned factors could have a material adverse effect on Group's business, financial condition, or results of operations.

The Group face business risks stemming from central banks' monetary policy decisions.

The global economy is characterized by volatility, uncertainty and declining growth. Rising inflation as a result of, among other things, supply-chain disruptions and Russia's aggression in Ukraine have prompted the European Central Bank as well as central banks in Poland and Romania to raise interest rate levels. A further rise in interest rates in Europe may increase Group's borrowing costs under the financial liabilities and thus affect its profitability.

The Group's profitability could suffer if operating, energy, heating and other costs related to the property management and maintenance of our commercial real estate portfolio increase.

In managing and maintaining property holdings, The Group is subject to the risk that operating, energy, heating, insurance and other property maintenance costs could rise and that such costs cannot or can only in part be transferred to tenants. This can be triggered, for example, by the imposition of new and/or higher land taxes and other statutory contributions, changes in laws, regulations, and government measures (including those concerning health and safety as well as environmental protection), a rise in the inflation rate, higher energy prices, an increase in insurance premiums or an increase in maintenance and repair costs or capital expenditure for properties. Each of the aforementioned factors could reduce Group's profitability in the absence of a simultaneous rise in rental income or recharge of utility costs and service charges by tenants, or due to exhausted net rent potential. This in turn could have material adverse effects on Group's business, financial condition, and results of operations.

Title to some of Group's properties may be challenged or defective. Any impairment or defect in title could have a negative impact on Group's business, financial condition and results of operation.

There is no guarantee that title to any of Group's properties will not be challenged or impaired. Third parties may have valid claims underlying portions of interests, including prior unregistered liens, agreements, transfers or claims and title may be affected by, among other things, undetected defects. As a result, Group may be constrained in ability to operate its properties or unable to enforce rights with respect to Group's properties. An impairment to, or defect in, title to Group's properties could have a material adverse effect on its business, financial condition, or results of operations.

The Group is exposed to the risk of construction defects and defective construction materials.

The Group is exposed to various risks relating to defective construction work or the use or installation of defective construction materials by third-party suppliers or contractors. The construction of new real estate properties involves health, safety and environmental risks. Specifically, building components might contain hazardous substances or the properties could bear other environmental risks. The warranty, guarantee or indemnity protection set forth in contracts with third-party suppliers and contractors, and the arrangements with insurance providers to insure against certain risks may prove to be insufficient or may not adequately protect Group against relevant risks. Furthermore, the Group may not be able to enforce claims in the respective amount, or at all, due to the third-party contractor's or supplier's insolvency, or for other reasons. Significant liabilities may not be identified or may only come to light after the expiry of our warranty, guarantee or indemnity claims. Unexpected levels of expenditure attributable to such construction defects or defective construction materials arising in relation to a development project may adversely affect Group's business, financial position, and results of operation.

We are exposed to risks related to environmental pollution and natural disasters, such as earthquakes, floods and other extreme weather events, including those related to infrastructural development, primarily technical disasters, or the effects of climate change.

The real estate sector is exposed to risks relating to natural disasters and environmental pollutants. This damage could lead to additional costs for us that may not be, in whole or in part, covered by our insurance policies. During construction, there is a risk of water and soil pollution linked to the presence of hydrocarbons, chemicals, and other pollutants. There is also a risk of air pollution due to dust emissions and fine particles. Group's development projects may impact biodiversity due to the loss of vegetation from soil sealing. This could have a negative impact on Group's reputation and increase the risk of litigation. Environmental damage and pollution, whether caused by natural disasters, environmental pollutants or failure of or defects in the technology and equipment used by Group's buildings, or any other factor outside of our control could also prompt a loss of recognitions for certain environmental or health certifications. Any of the foregoing could have material adverse effects on our business, financial condition, and results of operations.

A failure to successfully manage the impacts of climate change may leave properties vulnerable to negative effects of changing climate conditions. Group's properties are increasingly exposed to extreme weather conditions which are becoming more frequent and harsher.

Such actual or threatened climate change related damage could increase the cost of, or make unavailable, insurance on favorable terms. The Group may face increased costs of resources such as water, energy, building materials and techniques due to climate change. Further, The Group may also need to comply with more stringent regulatory requirements and respond to higher stakeholder expectations regarding sustainability.

The Group is exposed to risks associated with changes in currency exchange rates.

The Group is subject to risks arising in connection with sale, purchase, credit and loan transactions which are denominated in currencies (chiefly the euro) other than functional currency. Financial statements are prepared in the Polish zloty, which is functional currency. In order to make estimates as to the level of capital required to achieve our strategic goals, The Group uses euro as a reference currency. Most of the investments executed and planned as part of business strategy is expressed in euro. Across all countries where the Group operate, debt financing is denominated in euros, contracts with general contractors are also concluded in the euro or denominated in this currency, and the Group earn rental income in euro or rents are denominated in euro. Hence, while the Group uses natural hedging to minimize or completely eliminate foreign exchange risk, a specific segment of its expenses, including certain construction costs, service fees, materials, utilities, and employee salaries, are incurred in the currencies of the geographic markets where we the Group is active, namely the Polish zloty, Romanian leu, or the euro.

For reporting purposes, the Group translate amounts denominated in the euro into functional currency. Considering the fluctuations in the PLN/EUR exchange rates, any significant appreciation of functional currency could notably decrease Group's revenue due to the conversion of rents denominated in the euro into PLN. If currency translation or transaction risk materialized, the value of revenue, costs, assets and liabilities reported in euro and translated into zloty could fluctuate due to changes in foreign exchange rates, thereby impacting Group's financial position.



The Group may be adversely impacted by environmental, social and governance matters

In recent years, there has been an increased focus from investors, governmental and nongovernmental entities, and the public on ESG matters, including greenhouse gas emissions, renewable energy, packaging and waste, practices related to sustainable supply chain, energy and water use, diversity, equity and inclusion, human rights and social commitment. A variety of organizations evaluate, and measure the performance of, companies on such ESG matters, and the results of these assessments are widely publicized. If Group's ESG practices do not meet investor, tenant, or employee expectations, which continue to evolve, our brand, reputation, and tenant and employee retention may be negatively impacted.

The execution of ESG strategies to achieve goals, commitments, and targets are subject to risks and uncertainties, many of which may be outside of control and prove to be more costly than Group anticipate.

These risks and uncertainties include ability to achieve goals, commitments, and targets within the currently projected costs and the expected timeframes; unforeseen operational and technological difficulties; the outcome of research efforts and future technology developments; and the success of collaborations with third parties. It is possible that stakeholders may not be satisfied with ESG reporting, ESG practices or speed of adoption.

The Group could also incur additional costs and devote additional resources to monitor, report, and implement various ESG practices. Any failure, or perceived failure, to achieve ESG goals, commitments, and targets could damage Group's reputation and tenant, investor and other stakeholder relationships, and may even result in regulatory enforcement action.

The Group may become involved in disputes in relation to property rights.

Certain acquisitions or sales of property may be rendered void under applicable local law provisions as a result of insolvency, fraud, lack of consideration, gross undervaluation, avoidance of creditors, defrauding of creditors or as a result of other technical requirements in the conveyance of property. Further, there may be a risk of legal disputes with neighboring landowners, architects, project managers and suppliers, with respect to Group's refurbishment/construction projects. In addition, there can be no assurance that all permits necessary to legally own, develop or operate the properties have been obtained in compliance with all applicable laws. While the Group conduct detailed due diligence to identify any issues related to such permits and take all steps necessary to remedy any defects, there can be no assurance that this can be achieved on time and that regulators will not impose the suspension of the relevant properties' operation. If ownership interests over property or permits are successfully challenged, this could have a material adverse effect on Group's business, prospects, results of current and future operations, as well as financial condition.

Risks Related to Regulatory, Legal, and Tax Matters

In the event that contract clauses prove to be invalid, the use of standardized contracts could lead to claims against the Group from numerous contracts to a loss of receivables, or to increases expenses.

The Group uses standardized contracts in the ordinary course of business in contractual relationships with a large number of parties, in particular with tenants. A lack of clarity or any errors in these model contracts could therefore impact numerous contractual relationships. Changes in the legal environment affecting existing contracts could also impact numerous contractual relationships. Moreover, contracts seemingly signed as individual agreements could be considered general terms and conditions of business and, if violations of the applicable regulations were to occur, could be invalid or eligible for termination. Such developments could result in Group being forced to bear costs or could subject to large claims or cause us to suffer a loss of receivables.

Real estate properties may be in violation of building codes and environmental regulations.

Group's business is exposed to the risk of non-compliance with building codes or environmental regulations. There can be no assurance that all building codes or environmental regulation were, or are, complied with for all of our real estate properties. The Group may acquire real estate properties that are, at the time of the acquisition, not in compliance with environmental regulations, which remain undiscovered during the acquisition process. There can be no assurance that landlord responsibilities relating to environmental regulations, including, among others, environmental protection and energy efficiency, will not be amended or tightened in the future. Any measures utilized to adapt to future regulations could require capital-intensive modernization measures, which, in turn, may depend on the grant of building permits, issued by relevant building authorities. Subsequently, the Group may not comply with applicable building codes or environmental regulations and ultimately be in violation thereof.

Risks related to legal proceedings.

In the ordinary course of its business, the Group may, from time to time, become involved in various claims, lawsuits, investigations, arbitration or administrative proceedings, which may involve substantial claims for damages or other payments. Such lawsuits, investigations or proceedings may arise, in particular, from relationships with investors, tenants, employees, building contractors and other contractual counterparties as well as public authorities, including tax authorities. Adverse judgments or determinations in such lawsuits, investigations or proceedings may require the Group to change the way we do business or use substantial resources in adhering to settlements or pay fines or other penalties. In addition, the costs related to such proceedings may be significant and, even if there is a positive outcome, we may still have to bear part or all of advisory and other costs to the extent they are not reimbursable by other parties. In the ordinary course of its business, the Group may, from time to time, become involved in various claims, lawsuits, investigations, arbitration or administrative proceedings, which may involve substantial claims for damages or other payments. Such lawsuits, investigations or proceedings may arise, in particular, from relationships with investors, tenants, employees, building contractors and other contractual counterparties as well as public authorities, including tax authorities. Adverse judgments or determinations in such lawsuits, investigations or proceedings may require the Group to change the way we do business or use substantial resources in adhering to settlements or pay fines or other penalties. In addition, the costs related to such proceedings may be significant and, even if there is a positive outcome, we may still have to bear part or all of advisory and other costs to the extent they are not reimbursable by other parties.

The Group may be able to incur substantially more debt in the future. This could further exacerbate the risks associated with its leverage.

Subject to the restrictions in senior secured loan facilities, the Bonds, and other outstanding debt, the Group may be able to incur substantial additional debt in the future, some of which could also be secured. In addition, the senior secured loan facilities do not, and the Indenture will not, prohibit the Group from incurring additional debt, including secured debt, or from repurchasing the Notes.

To the extent that the Group incurs additional debt or such other obligations, the risk associated with its debt described above, including possible inability to service debt, will increase.

Furthermore, subject to compliance with the terms of the Notes, additional debt that the Group incurs may be guaranteed by one or more of our subsidiaries or secured, with the result being that the Notes may be structurally or effectively subordinated to such additional debt. Accordingly, in any insolvency, the creditors under such structurally or effectively senior debt will generally be entitled to payment in full from the sale or other disposal of the assets of such subsidiary before the Issuer, as such subsidiary's direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

The Group's ability to generate cash depends on many factors beyond its control, and the Group may not be able to generate cash required to service its debt.

The Group's ability to make scheduled payments to meet its other debt service obligations or to refinance its debt depends on its future operating and financial performance and ability to generate cash. The Issuer is dependent upon the cash flow from its operating subsidiaries in the form of dividends or other distributions or payments to meet its obligations, including the obligations under the Notes.

The operating performance and financial condition of such operating subsidiaries and the ability of such subsidiaries to provide funds to the Issuer will be affected by Group's ability to successfully implement its business strategy, as well as general economic, financial, competitive, regulatory, technical and other factors beyond its control. The operating subsidiaries may not generate enough income and cash flow sufficient to enable the Group to meet its payment obligations under the Notes.

If the Group cannot generate sufficient cash to meet its debt service obligations, including the Notes, or fund our other business needs, the Group may, among other things, need to refinance all or a portion of its debt, including the Notes, obtain additional financing, delay planned acquisitions, capital expenditures and capital allocation or sell assets.

Restrictions imposed by the Bonds, the senior secured loan facilities and certain of our other debt agreements limit or will limit Group's ability to take certain actions.

The senior secured loan facilities, the Existing Polish Bonds and other outstanding debt agreements limit, and the Indenture will limit, Group's flexibility to operate its business and engage in transactions that might otherwise be beneficial to the Group. For example, certain of these agreements restrict the Issuer's ability to, among other things:

- borrow money;
- create certain liens;
- make certain payments;
- make certain asset dispositions;
- guarantee indebtedness;
- merge, consolidate or sell, lease or transfer all or substantially all of our assets.

All of these limitations currently are and will be subject to significant exceptions and qualifications. The Group's senior secured loans and existing Polish bonds also require that certain financial ratios be met and certain financial covenants be observed. For example, the Issuer is required to maintain a minimum capital ratio of 35% under the Existing Polish Bonds.

Furthermore, borrowers certain of Group's senior secured loan facilities are required to maintain a minimum DSCR of 1.2. The Group's ability to comply with these covenants and ratios and to meet these tests is dependent on its future performance, which will be subject to many factors, some of which are beyond the Group's control, including prevailing economic conditions. Group's failure to comply with these obligations could lead to a default under the senior secured loan facilities or the Existing Polish Bonds unless Group can obtain waivers or consents in respect of any breaches of these obligations under these credit facilities. The operating and financial restrictions and covenants in the senior secured loan facilities, the Existing Polish Bonds, the Indenture and certain of Group's other debt agreements may adversely affect ability to finance its future operations or capital needs or engage in other business activities that may be in its interest. In addition to limiting Group's flexibility in operating its business, a breach of the covenants in the senior secured loan facilities, the Notes or the inability to comply with the required financial ratios could cause a default under the terms of each of those agreements, causing all the debt under those agreements to be accelerated. If any of the Group's debt is accelerated, Group may not have sufficient funds available to repay such debt, which could materially and negatively affect its financial condition and results of operation and, consequently, its ability to service, or otherwise make payments on, the Notes.

Certain covenants may be suspended upon the occurrence of a change in the Group's ratings.

The terms of the Green Bond will provide that if, at any time following the date of the issuance date, the Issuer receives any two of the following ratings (a) Baa3 or higher by Moody's, (b) BBB- or higher from S&P or (c) BBB- or higher from Fitch, and no Default or Event of Default has occurred and is continuing, then, beginning on that day, certain covenants will cease to be applicable to the Notes. Please see "Description of the Notes—Suspension of certain covenants when Notes rated investment grade."

If these covenants were to cease to be applicable, the Group would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes.



2. 2.2 Business development prospects

MLP Group's strategic goal is to continuously expand its warehouse space portfolio in the European market, specifically in Poland, Germany, Austria, and Romania.

The Group aims to achieve its strategic objectives by constructing the following types of buildings:

(1) big-box warehouse facilities, primarily addressing e-commerce growth and increased demand from light industry customers, driven by such factors as relocation of production from Asia to Europe; and

2) city logistics projects as assets with a high potential for growth driven by rapid growth of the e-commerce business; The Group responds to this demand by offering: smaller warehouse units (ranging from 700 sqm to 2,500 sqm), located within or close to city boundaries with easy access to labour and public transport.

The strategic goals of MLP Group were announced in Current Reports No. 10/2024 of 28 March 2024 and 10/2024/K of 4 March 2024.

According to the Statistics Poland (GUS) data, Gross Domestic Product in the fourth quarter of 2024 increased by 3.2% year on year. Compared with the third quarter, the increase was 1.3%. The average annual inflation rate was 3.6% in 2024 (compared with 11.4% in 2023).

MLP Group has taken measures to mitigate various risks, including the current high prices. The Group's commercial rents are automatically adjusted based on the HICP inflation index, as stipulated in the contracts with tenants. MLP Group is also resilient to currency risk thanks to a natural hedging strategy, as rents are expressed or denominated in the euro, which is also the currency of contracts with general contractors and financial liabilities. Moreover, the property portfolio is also valued in the euro. With respect to its interest rate risk exposure, the Group has in place an IRS or fixed interest rate locked in for five years to hedge cash flows related to repayment of its credit facilities. The hedging covers 80% of liabilities under the Group's credit facility agreements.

MLP Group is optimistic about the future of the warehouse market in all the countries where it operates. Demand for state-of-the-art warehouse and manufacturing space remains high. Russia's aggression in Ukraine is leading to shorter supply chains, higher levels of warehouse stocks, and relocation of production from conflict zones. Ukrainian businesses and international companies operating in Ukraine will relocate warehouses to other countries, including Poland. Also, foreign companies are withdrawing from the Russian market. This will increase demand for warehouse and logistics space in Poland and other markets served by MLP Group.

Warehouse space market in 2024

- **Poland**

The Polish industrial property market continues to grow rapidly, as evidenced by 2.6 million sqm of modern warehouse space delivered in 2024. The total stock of warehouse space already amounts to 34.5 million sqm, of which as many as 15.8 million sqm are projects delivered over the last five years. In 2025, the new supply will be lower than in previous years, but still significant (approximately 1.8 million sqm).

Total demand in 2024 reached 5.828 million sqm, up 4% year on year, with no major change in the contract structure. As in 2023, new contracts and expansions accounted for approximately 58% of lease transactions. 42% of the lease transaction volume consisted of renegotiations. The sectors with the largest share of demand included retail and e-commerce (38%), logistics and distribution (32%), production and automotive (16%).

Low speculative supply and strong demand in the fourth quarter (2.03 million sqm) led to a 0.5pp drop in the vacancy rate, which reached 7.5% at the end of December 2024 (up 0.1pp year on year).

Monthly base rents remained stable at EUR 3.20–5.75 per sqm for big-box warehouses and EUR 4.00–8.25 per sqm for SBU/city logistics projects.

Source: MARKETBEAT Polska, Warehouse Space Market Q4 2024, Cushman & Wakefield

- **Germany**

In the German industrial and logistics property market, demand remained suppressed throughout 2024. The total lease volume was 4.9 million sqm, down by approximately 8% year on year. However, this decline was much less significant than in 2023, when the lease volume fell by 35%.

Similarly to the previous year, the number of completed projects continued to decrease, with the total completed space shrinking to 3.7 million sqm. Currently, approximately 4 million sqmm of warehouse space is under construction, indicating that the situation is not expected to worsen further in 2025.

Despite the sharp decline in newly completed warehouse space and cautious demand from tenants, the vacancy rate nationwide rose to 3% by the end of 2024. In the case of big box facilities, the vacancy rate reached 3.4%. The upward trend slowed significantly throughout the year, and the situation is expected to continue stabilising in 2025.

Investment activity in the German industrial and logistics property market reached EUR 7.7 billion, marking a 7% increase compared to the previous year. This makes this segment the most important asset class in the commercial property market. As many German investors maintain a cautious stance, this strong result is largely attributed to foreign investors, who have expanded their engagement. They accounted for 78% of the total volume, an increase of 26 percentage points. This trend clearly highlights the strong confidence international investors have in the German market.

Source: *Germany Real Estate Market Outlook 2025, CBRE Research*

- **Romania**

By the end of 2024, the stock of modern industrial and logistics space in Romania reached 7.9 million sqm. The annual supply of new space was approximately 690,000 sqm of leasable space, up 40% year on year.

The regional distribution of modern warehouse stock clearly positions Bucharest as the country's logistics and industrial hub, accounting for 47% of the total leasable space. In 2024, with the addition of 192,100 sqm, the total space of modern industrial warehouse facilities in Bucharest reached 3.7 million sqm. It is expected that in 2025, the inventory of modern warehouse space in the country will increase by an additional 265,500 sqm of leasable space, taking into account projects under construction at the end of 2024.

As at the end of the fourth quarter, the total vacancy rate for modern warehouse space fell to 4.0%, from 5.6% at the end of the first half of the year. In Bucharest, the vacancy rate is slightly higher, reaching 5%, compared to 3.2% in regional cities.

In 2024, 880,400 sqm of space was contracted as part of the total leasing activity (TLA). This is slightly lower than the historical highs reached in 2022 and 2023, when annual lease volumes exceeded 1 million sqm.

In 2024, monthly rents at the best facilities rose by EUR 0.25/sqm. to EUR 4.75/sqm at the end of the third quarter. In the fourth quarter, the rents remained stable. Given the high development costs, steady demand, and the decline in the number of speculative projects, it is expected that rents for the best properties will rise in 2025.

Source: *Market Outlook 2025 Romania Real Estate, CBRE Research.*

- **Austria**

In 2024, approximately 474,000 sqm of new space was built in the Austrian market, while demand was around 137,000 sqm. For the first time since 2020 and for the second time in the last eight years, the number of completed projects significantly exceeded the level of demand for lease.

Approximately 145,000 sqm of new space is expected to be completed in 2025. Speculative construction of new facilities is limited, as developers are increasingly starting projects only after securing a certain level of initial lease commitment.

The vacancy rate is expected to increase further from the 4.75% recorded in April 2024. Luxury locations remain in high demand, with interest in new projects primarily focused on these areas.

At the end of the previous year, the monthly rent was EUR 7.10/sqm, up 2.2% on 2023. By the end of 2025, it is expected to reach EUR 7.25/sqm. Rent for logistics properties in the city centre is expected to be higher due to lower supply.

Source: Austria Real Estate Market Outlook 2025, CBRE Research



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

3. 1 Key economic and financial data disclosed in the Group's consolidated financial statements for 2024

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

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

	31 December		31 December		Change (%)
<i>as at</i>	2024	% share	2023	% share	
ASSETS	6 469 997	100%	5 089 628	100%	27%
Non-current assets	5 663 646	88%	4 667 657	92%	21%
Including:					
Investment property	5 549 613	86%	4 541 505	89%	22%
Other long-term investments	62 921	1%	87 481	2%	-28%
Current assets	806 351	12%	421 971	8%	91%
Including:					
Short-term investments	2 789	0%	1 722	0%	62%
Trade and other receivables	124 321	2%	64 315	1%	93%
Other short-term investments	897	0%	8 610	0%	-90%
Cash and cash equivalents	668 055	9%	344 247	7%	94%

	31 December		31 December		Change (%)
<i>as at</i>	2024	% share	2023	% share	
EQUITY AND LIABILITIES	6 469 997	100%	5 089 628	100%	27%
Total equity	2 746 186	42%	2 395 628	47%	15%
Non-current liabilities	3 365 501	52%	2 351 692	46%	43%
Including:					
Borrowings and other debt instruments, and other non-current liabilities	2 941 550	45%	1 986 579	39%	48%
Current liabilities	358 310	6%	342 308	7%	5%
Including:					
Borrowings and other debt instruments	244 563	4%	206 080	4%	19%
Trade and other payables	102 497	2%	127 464	3%	-20%

As at 31 December 2024, the Group's investment property, comprising logistics projects, continued as the key item of the Group's assets, accounting for 86% of total assets. Liabilities under borrowings and other debt instruments and equity were the largest items of total equity and liabilities, representing 49% and 42% of the total, respectively.

The increase in liabilities under borrowings and other debt instruments was mainly attributable to:

- (i) the issue of new Series G notes worth EUR 41 million on 8 March 2024,
- (ii) the issue of notes with a total nominal value of EUR 300 million on 9 October 2024,
- (iii) the execution of a new credit facility agreement with ING Bank Śląski S.A. in April 2024 by the subsidiaries MLP Poznań and MLP Poznań II; the facility amount is EUR 15.2 million (including EUR 13.3 million to refinance existing debt),
- (iv) the execution of an amendment to the credit facility agreement by the subsidiary MLP Pruszków V Sp. z o.o. with BNP Paribas Bank in September 2024; a credit facility tranche of EUR 11.2 million was disbursed in 2024 .

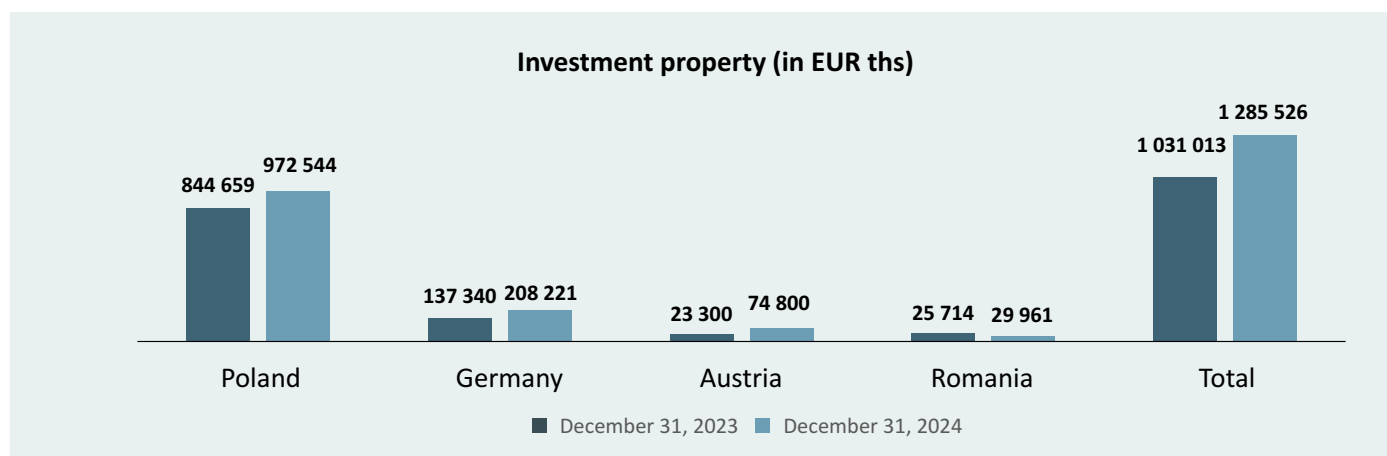
At the same time, the Group:

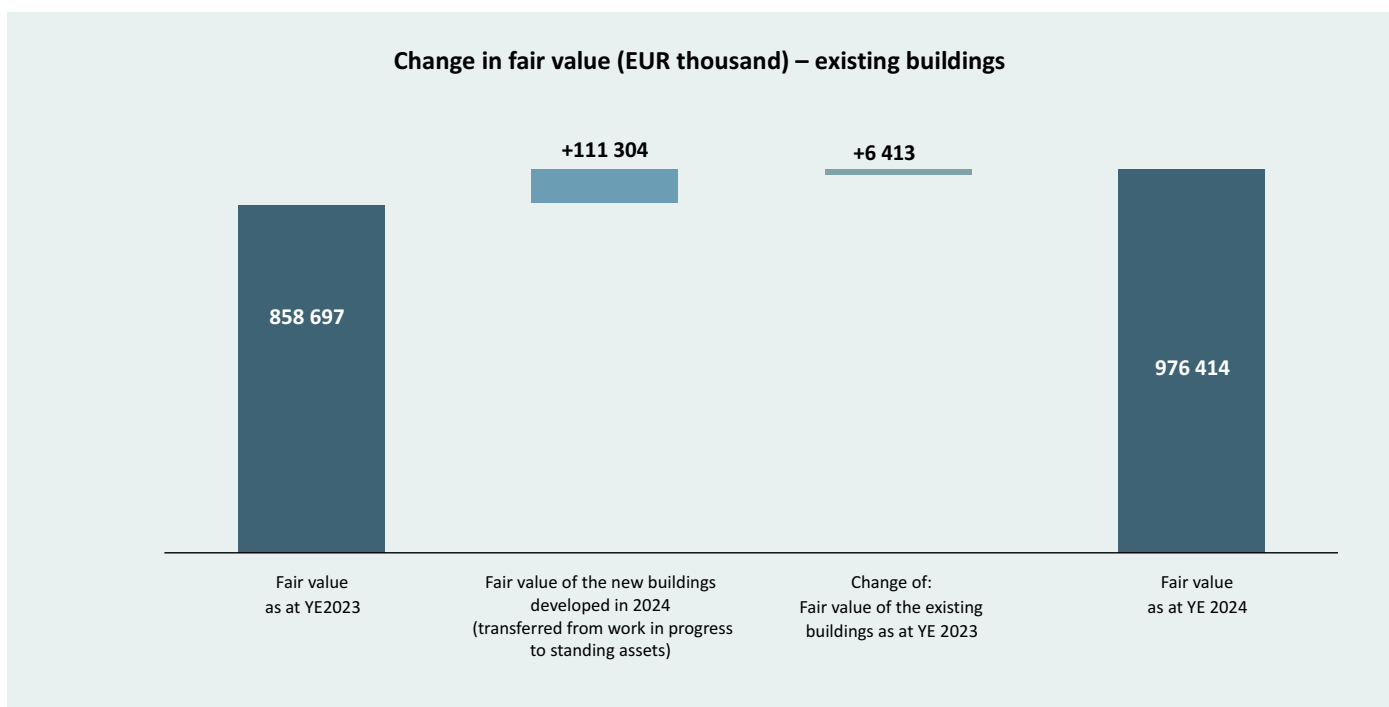
- (i) redeemed EUR 20 million worth of Series D notes at maturity,
- (ii) redeemed EUR 4 million worth of Series E notes on 15 October 2024,
- (iii) made an early redemption of EUR 29 million worth of Series F notes on 25 November 2024,
- (iv) made a full prepayment of debt for a total principal amount of EUR 67.4 million, including accrued interest and other fees related to the prepayment, in respect of credit facilities taken out by MLP Pruszków VI, MLP Czeladź, MLP Łódź, II, MLP Pruszków II, and MLP Bucharest West SRL. The prepayment took place in October 2024.

Logistics park	31 December	31 December	31 December	31 December	Change
	2024	2024	2023	2023	
	[EUR thousand]	[PLN thousand]	[EUR thousand]	[PLN thousand]	[EUR thousand]
POLAND	972 544	4 155 681	844 659	3 672 575	127 885
GERMANY	208 221	889 729	137 340	597 154	70 881
AUSTRIA	74 800	319 620	23 300	101 308	51 500
ROMANIA	29 961	128 023	25 714	111 805	4 247
Total	1 285 526	5 493 053	1 031 013	4 482 842	254 513

* Property value net of perpetual usufruct of land and residential properties.

According to valuations made as at 31 December 2024, the total value of the Group's property portfolio was EUR 1,285,526 thousand (PLN 5,493,053 thousand), having increased by EUR 254,513 thousand relative to 31 December 2023. The change was primarily driven by (i) the completion and partial delivery of 93 thousand sqm of new space in Poland, and (ii) the construction of new buildings with a total area of 156 thousand sqm in Poland and Austria.





The higher valuation of existing buildings in 2024 was driven by: (i) valuation of properties that were transferred from construction in progress in 2023 to existing buildings (EUR 111,304 thousand), and (ii) a EUR 6,413 thousand increase in the valuation of existing buildings.

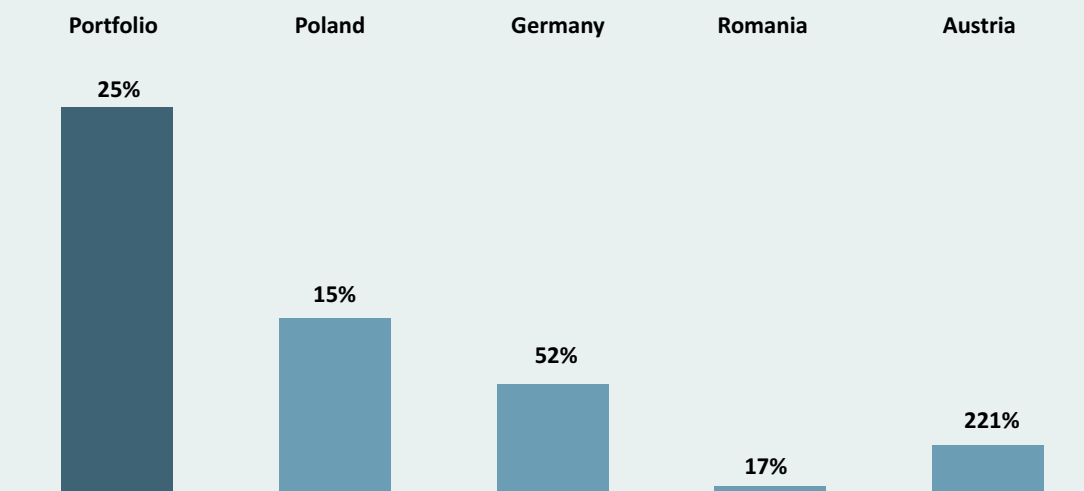
Yield on existing portfolio (LFL Projects)

	YE 2024	YE 2023	Change %	Change in bps
Reversionary Yield	6,40%	6,43%	-0,02%	-2 bps
POLAND	6,54%	6,61%	-0,07%	-7 bps
GERMANY	5,22%	5,08%	0,14%	14 bps
ROMANIA	7,75%	7,75%	0,00%	0 bps
AUSTRIA*	n/d	n/d	n/d	n/d

**As at December 31, 2024 the project in Austria was under construction, and as at December 31, 2023 the project was in the process of obtaining a building permit.*

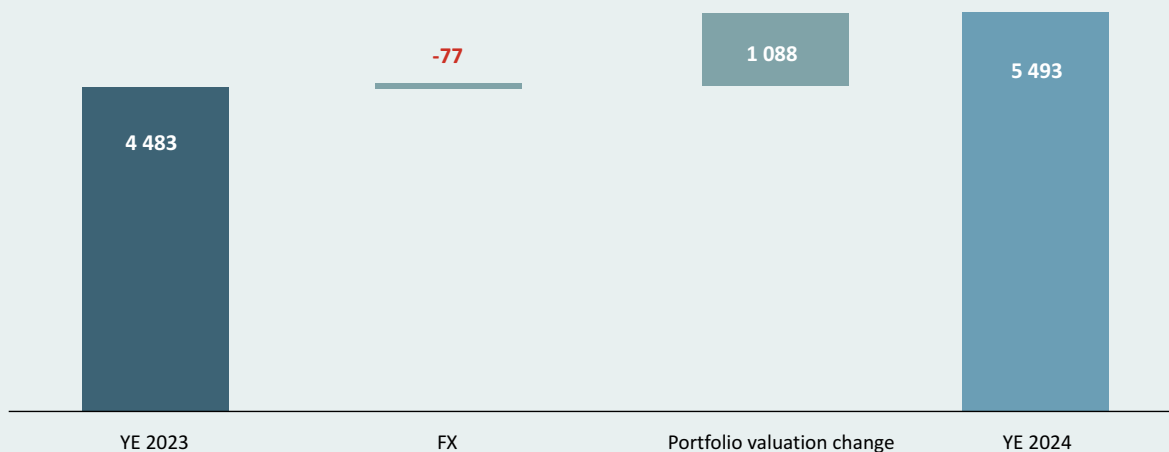
Undoubtedly, further interest rate cuts are expected in 2025 which shall inevitably translate, among other things, into lower yields and consequently an increase in the valuation of real estate.

Change in valuation of investment property by country in 2024



The chart above does not include perpetual usufruct of land and residential properties.

Change in property valuation in 2024 (in PLN thousand)*



* The chart above does not include perpetual usufruct of land and residential properties.

* MLP Group performs a valuation of its property portfolio twice a year, as at 30 June and 31 December.

The valuation adjustment of PLN 1,010,211 thousand in 2024 reflects an increase based on the independent appraiser's valuation.

Factors contributing to the change:

- increase of PLN 1,087,542 thousand in the fair value of the property portfolio (including PLN 666,471 thousand fair value change corresponding to the amount of expenditure incurred in the reporting period, and PLN 421,071 thousand change in excess of the expenditure amount),
- foreign exchange losses of:
 - PLN 15,766 thousand on the translation of the foreign property portfolio,
 - PLN 61,564 thousand on the translation of the Polish property portfolio.

Investments and other investments

	<i>as at</i>	31 December 2024	31 December 2023
Other long-term investments		35 157	37 803
Long-term loans		17 554	16 922
Receivables from measurement of Swap contracts		12 999	34 478
Other short-term investments		897	8 610
Total investments and other investments		66 607	97 813

Other long-term investments comprise the long-term portion of restricted cash of PLN 35,157 thousand, including: (i) cash of PLN 21,760 thousand set aside pursuant to the terms of credit facility agreements to secure payment of principal and interest, (ii) a PLN 9,283 thousand deposit comprising a security deposit retained from a tenant, (iii) cash of PLN 214 thousand set aside on the CAPEX account, (iv) other retained security deposits of PLN 3,761 thousand, and (v) a PLN 136 thousand bank guarantee.

Other short-term investments include restricted cash of PLN 897 thousand. The amount comprised mainly cash of PLN 767 thousand from a security deposit provided by a tenant and deposited with a bank.

Cash

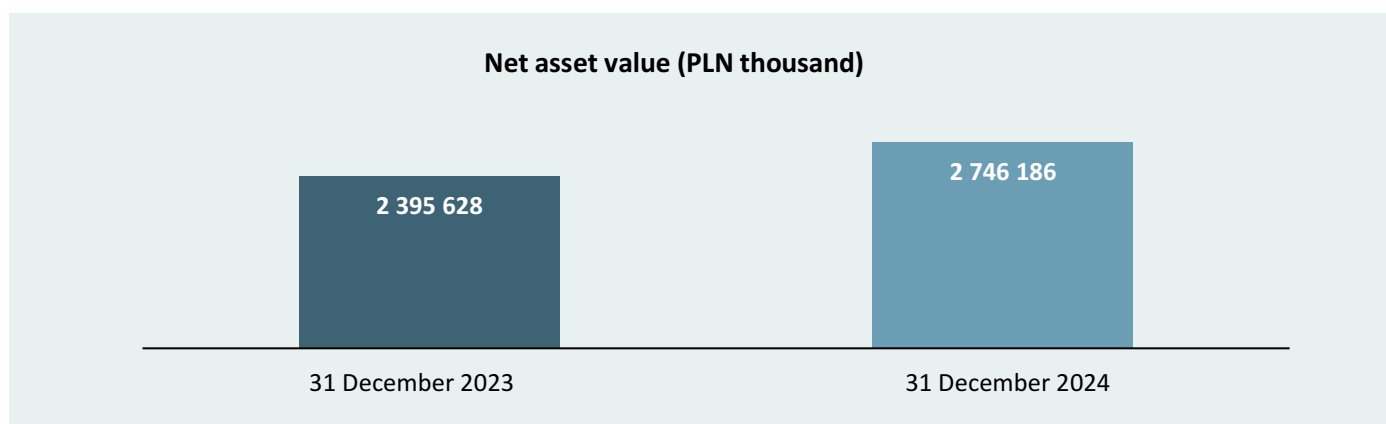
	<i>as at</i>	31 December 2024	31 December 2023
Cash in hand		81	117
Cash at banks		133 498	225 321
Short-term deposits		534 476	118 809
Cash and cash equivalents in the consolidated statement of financial position		668 055	344 247
Cash and cash equivalents in the consolidated statement of cash flows		668 055	344 247

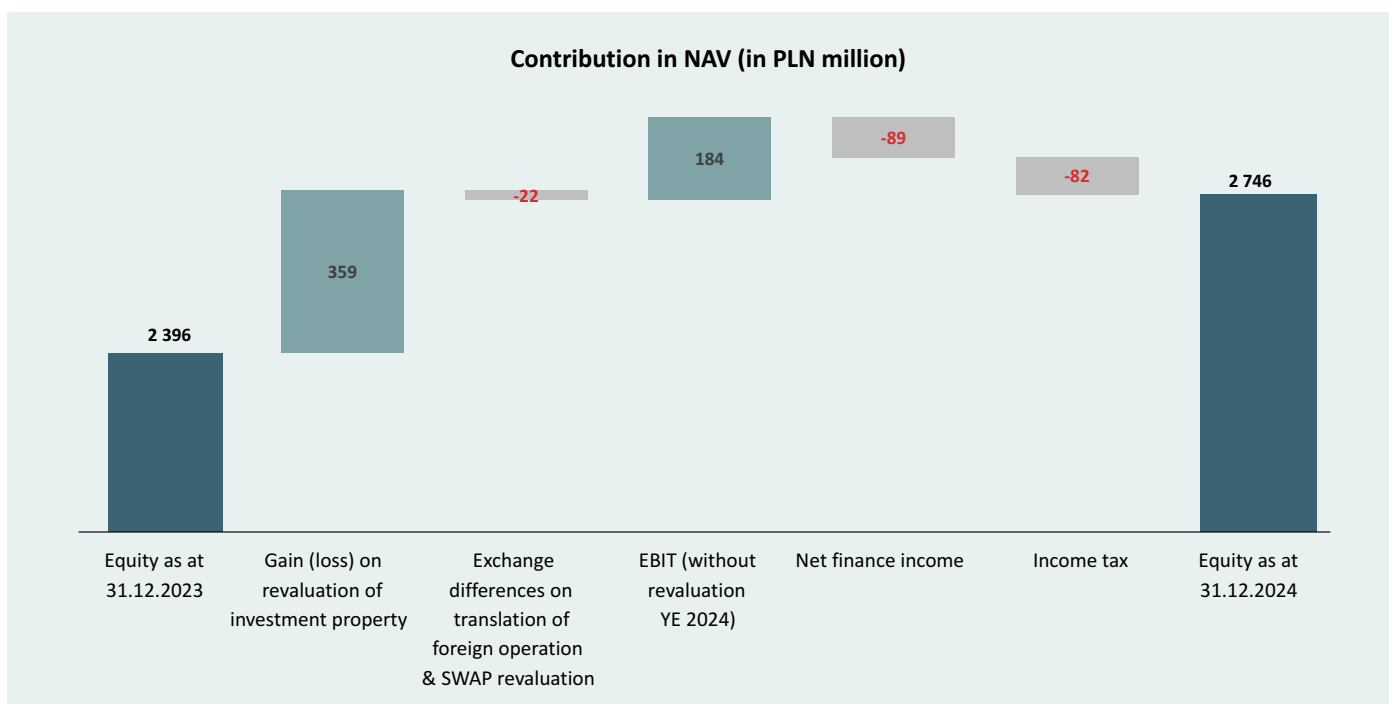
Cash and cash equivalents disclosed in the interim condensed consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

As at 31 December 2024, the balance of cash was PLN 668,055 thousand, having increased by PLN 323,808 thousand on 31 December 2023.

Equity

Net assets (NAV)



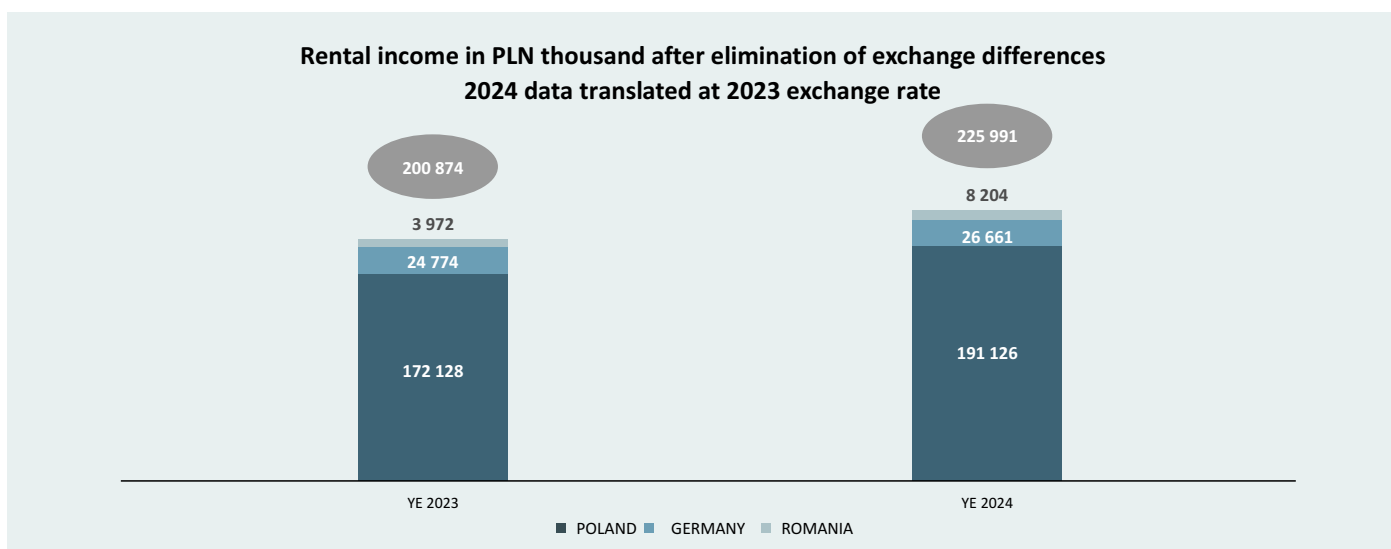
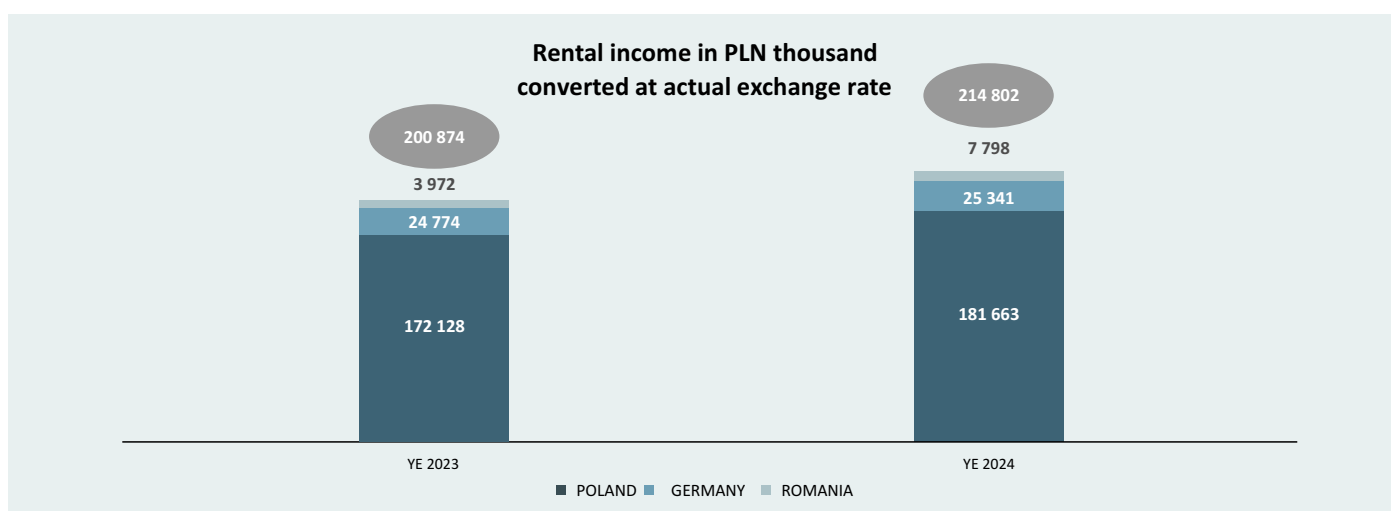
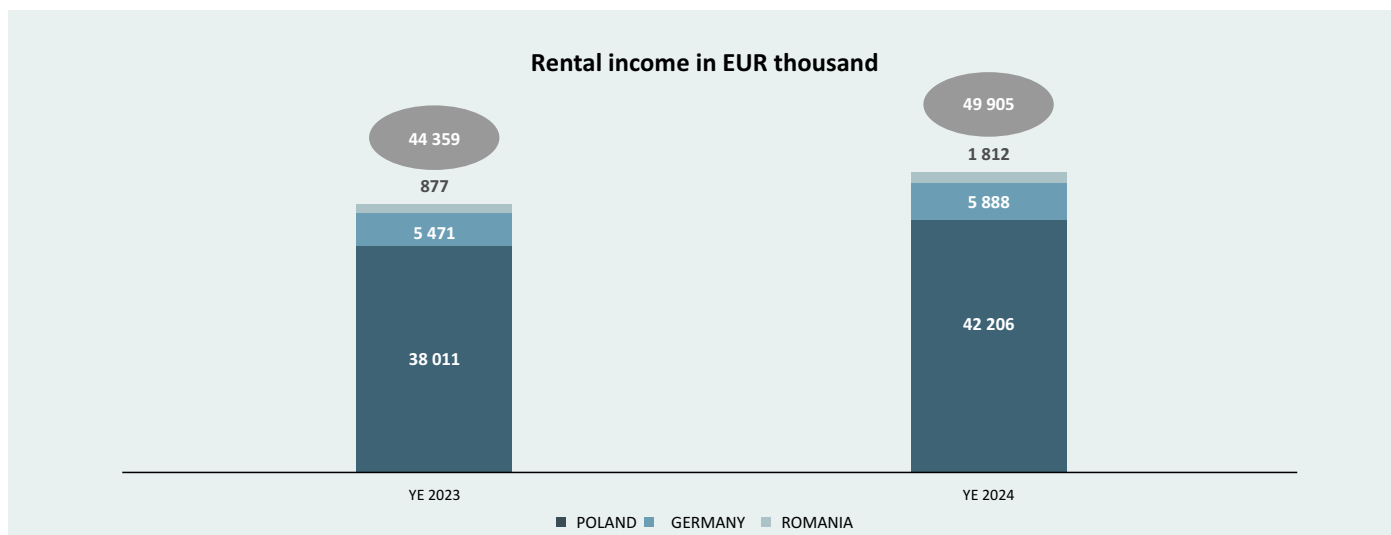


As at 31 December 2024, the net asset value was PLN 2,746,186 thousand, up by PLN 350,558 thousand (15%).

EBIT excluding the effect of revaluation was PLN 183,620 thousand as at 31 December 2024, having increased by 3% year on year (2023: PLN 178 013 thousand).



Factoring out the negative effect of foreign exchange differences on rental income, caused by the appreciation of the zloty against the euro, the improvement in EBIT would have been 13%, with rental income, denominated in the euro, as a key contributor to this result. If the 2024 rental income was converted at the average exchange rate for 2023, it would be PLN 25 million higher, as shown in the charts below.



	EPRA NRV		EPRA NTA		EPRA NDV	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	PLN million	PLN million	PLN million	PLN million	PLN million	PLN million
IFRS Equity attributable to shareholders	2 746	2 396	2 746	2 396	2 746	2 396
Diluted NAV	2 746	2 396	2 746	2 396	2 746	2 396
Diluted NAV at Fair Value	2 746	2 396	2 746	2 396	2 746	2 396
Exclude*:						
Fair value of financial instruments	9	31	9	31	-	-
NAV	2 737	2 365	2 737	2 365	2 746	2 396
Fully diluted number of shares	23 994 982	23 994 982	23 994 982	23 994 982	23 994 982	23 994 982
NAV per share	114,1	98,6	114,1	98,6	114,4	99,8

EPRA NRV	The EPRA Net Reinstatement Value is a measure of net asset value aimed at reflecting the cost required to rebuild the entity, assuming the entity will not sell its assets.
EPRA NTA	EPRA Net Tangible Assets is a measure of net asset value, assuming entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. It is calculated as total equity minus non-controlling interests, excluding derivatives measures at fair value and deferred tax on properties (unless such an item is related to assets held for sale).
EPRA NDV	EPRA Net Disposal Value is a measure of net asset value under the assumption that the entity will sell its assets.

Share capital

Share capital [number of shares]	as at	31 December 2024	31 December 2023
Series A shares		11 440 000	11 440 000
Series B shares		3 654 379	3 654 379
Series C shares		3 018 876	3 018 876
Series D shares		1 607 000	1 607 000
Series E shares		1 653 384	1 653 384
Series F shares		2 621 343	2 621 343
Total		23 994 982	23 994 982
Par value per share [PLN]		0,25 PLN	0,25 PLN

As at 30 June 2024, the Parent's share capital amounted to PLN 5,998,745.50 and comprised 23,994,982 shares conferring 23,994,982 voting rights in the Company. The par value per share is PLN 0.25. The entire capital has been paid up.

Liabilities under borrowings and other debt instruments, and other liabilities

	31 December as at 2024	31 December 2024
Borrowings secured with the Group's assets	1 390 177	1 568 901
Bonds	1 457 088	321 752
Non-bank borrowings	17 097	16 952
Total non-current liabilities under borrowings and other debt instruments	2 864 362	1 907 605
Finance lease liabilities (perpetual usufruct of land)	56 240	58 382
Liabilities from measurement of interest rate hedges	4 237	3 959
Performance bonds, security deposits from tenants and other deposits	15 888	16 272
Lease liabilities (vehicles)	823	361
Total other non-current liabilities	77 188	78 974
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	28 823	94 643
Bonds	215 463	111 248
Total current liabilities under borrowings and other debt instruments, and other current liabilities	244 286	205 891
Liabilities under borrowings and other debt instruments, and other liabilities	3 185 836	2 192 470

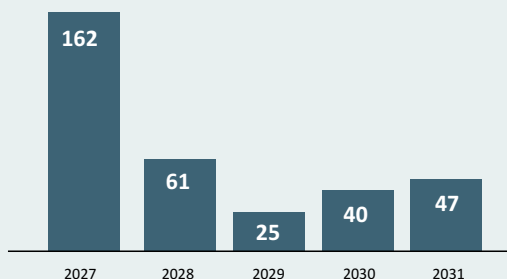
Liabilities under borrowings and other debt instruments represent a significant portion of the Group's total equity and liabilities. The Group uses mainly bank credit and corporate bonds to finance the construction of new facilities in the existing logistics parks and the purchase of land in new locations.



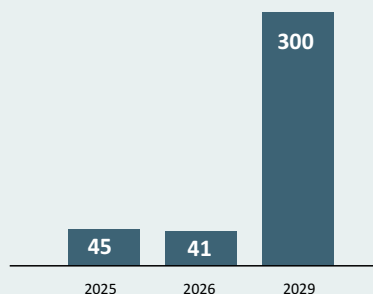
The primary factors driving the amount of liabilities under borrowings and other debt instruments, and other liabilities were:

- issue of new Series G bonds and Eurobonds with a total value of EUR 300,041 thousand, partly offset by redemption of Series E, D and F bonds for a total amount of EUR 53,000 thousand;
- new bank loan agreement signed with ING Bank Śląski S.A. in April 2024 by the subsidiaries MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o.; disbursements under the facility made in 2024 totalled EUR 15,177 thousand;
- new bank loan agreement signed with Erste Bank der oesterreichischen Sparkassen in June 2024 by the subsidiary MLP Business Park Wien GmbH; no disbursements have yet been made under the facility;
- an amendment to a bank loan agreement, executed in September 2024 by the subsidiary MLP Pruszków V Sp. z o.o. with BNP Paribas Bank; in 2024, credit facility tranches totalling EUR 11,177 thousand were disbursed.

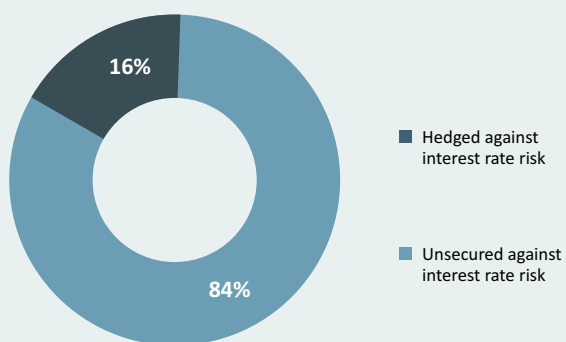
Existing bank loans by maturity in EUR mn



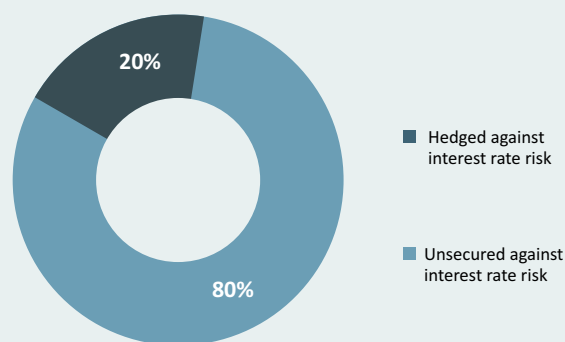
Bonds by maturity in EUR mn



Bank Loans



Bank loans and bonds



Almost 85% of the credit facilities (and 80% bank loans and bonds) are hedged with IRS contracts for the next four years, resulting in limited exposure of interest rate fluctuations.



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

Consolidated statement of profit or loss for the 12 months ended 31 December 2024 and the corresponding period of 2023:

<i>for the 12 months ended 31 December</i>	2024	<i>% sales</i>	2023	<i>% sales</i>	Change (%)
Rental income	214 802	100%	200 874	100%	7%
Revenue from property management services	157 619	73%	159 886	80%	-1%
Costs of self-provided property management services	(143 829)	-67%	(136 254)	-68%	6%
Gross operating profit/(loss)	228 592	106%	224 506	112%	2%
Selling, general and administrative expenses	(46 690)	-22%	(35 250)	-18%	32%
Gain/(loss) on revaluation of investment property	359 376	167%	(257 680)	-128%	239%
Other income	5 317	2%	2 140	1%	148%
Other expenses	(3 599)	-2%	(13 400)	-7%	73%
Operating profit/(loss) before gain/(loss) on revaluation of investment property	542 996	253%	(79 684)	-40%	781%
Net finance income/(costs)	(88 457)	-41%	18 841	9%	-569%
Profit/(loss) before tax	454 539	212%	(60 843)	-30%	847%
Income tax	(82 352)	-38%	8 768	4%	-1039%
Net profit/(loss)	372 187	173%	(52 075)	-26%	815%
EBITDA without revaluation	185 533		178 674		
EPRA earnings calculation			2024		2023
Net profit/(loss)			372 187		-52 058
EPRA Earnings adjustments					
Gain on revaluation of investment property			-359 376		257 680
Changes in the fair value of financial instruments and related closing costs			(472)		145
Deferred tax on EPRA Earnings adjustments			68 371		(48 987)
EPRA Earnings			80 710		156 780
EPRA Earnings adjustments for the Group					
Depreciation and amortisation			1 913		678
Exchange differences			(24 580)		(91 167)
Deferred tax on the above adjustments			4 307		17 193
Company adjusted EPRA Earnings			62 350		83 484
Company adjusted EPRA Earnings per share (PLN)			2,60		3,48
EPRA Cost Ratio calculation			2024		2023
Administrative/operating expenses as per statement of profit or loss excluding depreciation of investment property			46 690		35 250
Rental income			214 802		200 874
EPRA Cost Ratio			22%		18%

<i>for the 12 months ended 31 December</i>	2024	2023
Earnings per share:		
- Basic earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	15,51	(2,17)
Diluted earnings per share (PLN) for the period attributable to holders of ordinary shares of the Parent	15,51	(2,17)

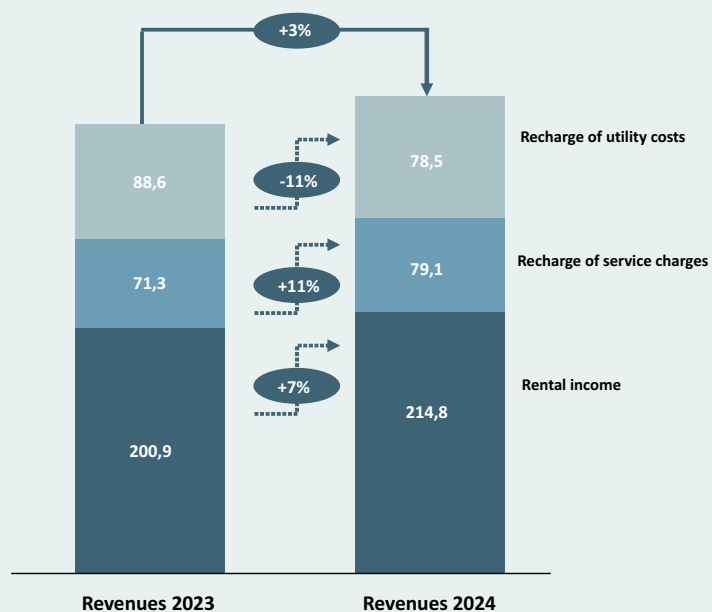
<i>for the 12 months ended 31 December</i>	2024	2023	change (%)
Rental income from investment property	214 802	200 874	6,9%
Recharge of service charges	76 173	67 687	12,5%
Recharge of utility costs	78 532	88 598	-11,4%
Other revenue	2 914	3 601	-19,1%
Rental income	372 421	360 760	3,2%

Rental income from investment properties is the main source of the Group's revenue. In 2024, rental income was PLN 214,802 thousand, having increased by 6.9% year on year. The rise in rental income (up PLN 13,928 thousand) was primarily due to: (i) the delivery of a total of 225 thousand sqm of leased space in 2024, (ii) the renewal of lease agreements expiring in 2024, and (iii) the indexation of rents (5.4%).

The 11% decrease in revenue and 5% reduction in costs were a result of lower energy prices. Additionally, the gas price for 2023 was contracted before the outbreak of the war in Ukraine at a very attractive price, and after the increase in gas prices, MLP Group was able to achieve a high margin on gas sales in 2023. Such a situation did not occur in 2024, when gas prices stabilized.



Change in key items of revenue in 2024 and 2023 (PLN million):



Annualized rental income calculated from all existing lease contracts (PLN million)



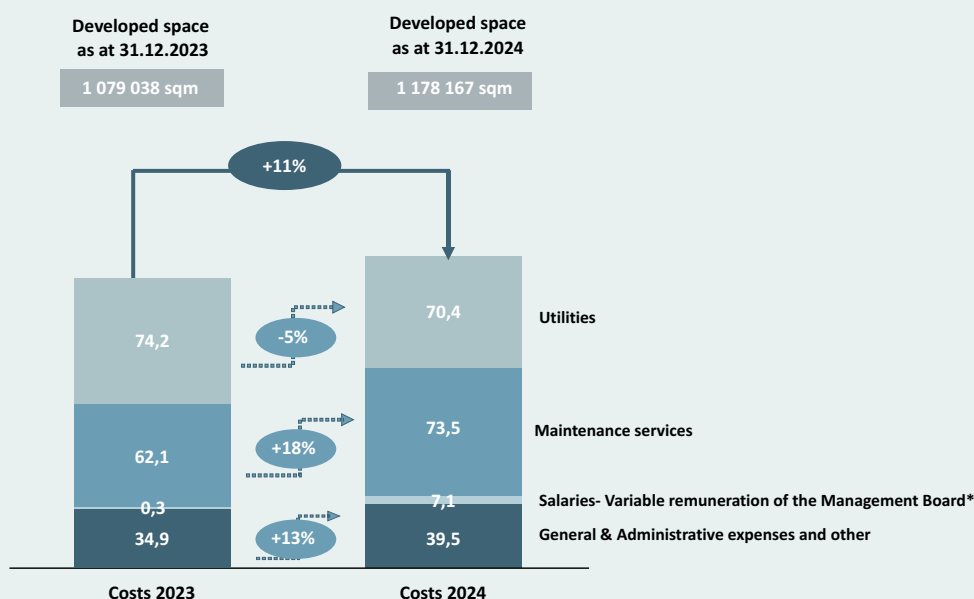
*Based on headline rent

- PLN 214.6 million of rent from existing assets from contracts signed before 2024.
- New annualized rentals and renewals from contracts signed in 2024 will reflect PLN 85.6 million growth in 2025 onwards (+40% vs current year revenues.)

<i>for the 12 months ended 31 December</i>	2024	2023	change (%)
Depreciation and amortisation	(1 041)	(695)	49,8%
Property maintenance services	(73 359)	(61 874)	18,6%
Utilities	(70 422)	(74 161)	-5,0%
Administrative expenses and business development costs	(45 649)	(34 555)	32,1%
Other recharged costs	(48)	(219)	-78,1%
Distribution costs and administrative expenses	(190 519)	(171 504)	11,1%

In 2024, distribution costs and administrative expenses amounted to PLN 190,519 thousand, representing a year-on-year increase of 11%. These costs include (i) costs of consumables and energy used, (ii) services, (iii) taxes and charges. The costs of consumables and energy used include the cost of utilities that are recharged to tenants. The main components of taxes and charges are property tax and usufruct charges, which are also recharged to tenants. Services include two cost groups: (i) property maintenance services, recharged to tenants, (ii) and services recognised as part of administrative expenses.

Change in key items of distribution costs and administrative expenses in 2024 and 2023 (PLN million)



*The increase in general and administrative expenses was mainly due to the creation of a provision for variable remuneration of the Management Board (as the financial indicators were not met for 2023, no provision was made), and disbursement of an additional bonus to the Executive Board

The 5% (PLN 3,739 thousand) decrease in utility costs was attributable to a decrease in electricity purchase prices.

The 18% (PLN 11,485 thousand) growth in property maintenance costs was primarily due to a PLN 5,800 thousand rise in property tax expenses, of which 58% was attributable to the larger volume of space completed in 2023 (with tax payable from 2024), and the remaining 42% was due to higher property tax rates. Other factors behind the increase in property maintenance costs included: PLN 1,000 thousand increase in insurance costs, PLN 1,800 thousand increase in technical maintenance costs, and PLN 2,100 thousand increase in security and cleaning costs, reflecting the larger volume of space completed and the rise of the minimum statutory wages in 2024.

The Group also incurs administrative expenses and business development costs associated with its development activities. In 2024, administrative expenses and business development costs amounted to PLN 45,649 thousand, having increased by PLN 11,094 thousand year on year. In 2024, this item included costs of advisory, banking and consultancy services, costs of audit, valuations and marketing, IT expenses, and salaries and wages. The increase in selling, general and administrative expenses was mainly attributable to:

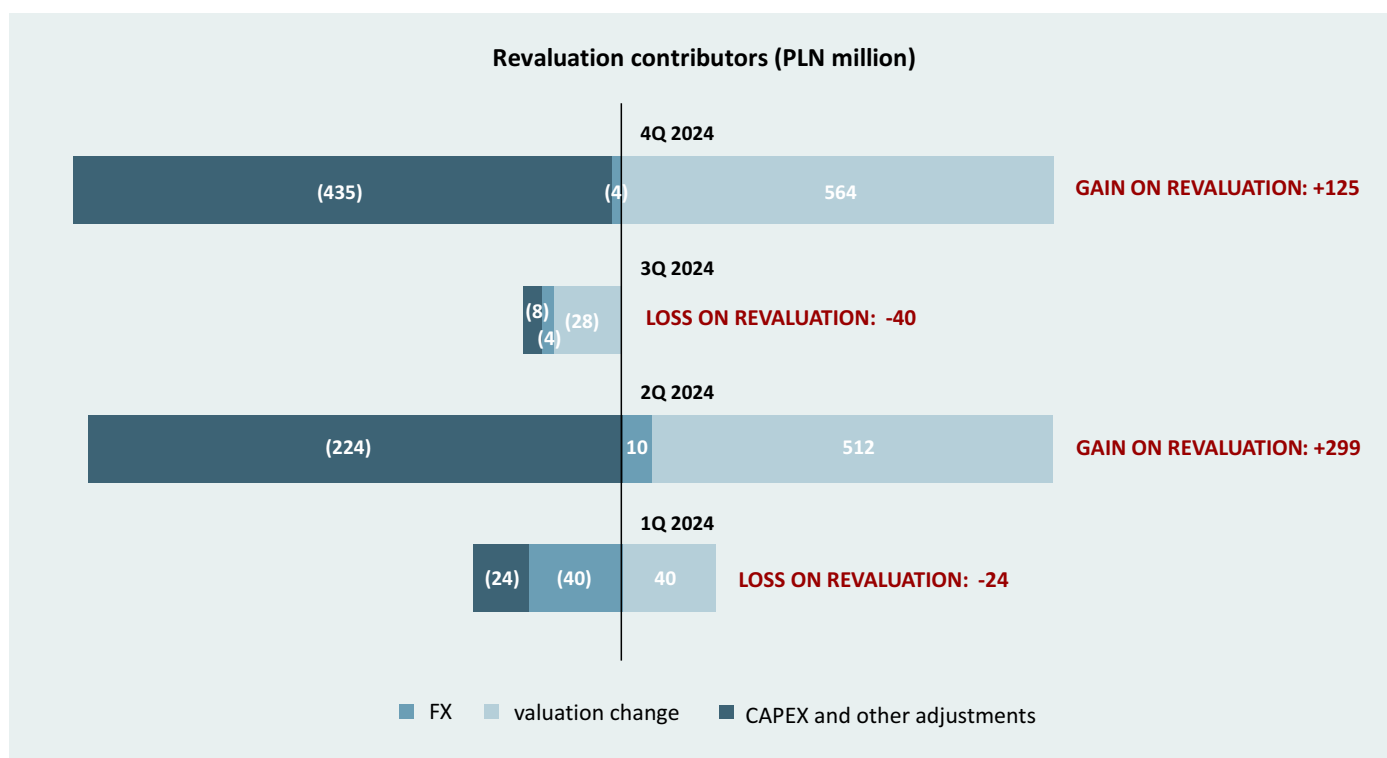
- (i) payment of PLN 2,044 thousand as an additional bonus to the Management Board,
- (ii) recognition of a PLN 5,012 thousand provision for variable remuneration of the Management Board (financial targets were not met for 2023 and no provision was recognised),
- (iii) PLN 1,386 thousand increase in salaries and wages including employer paid contributions and benefits,
- (iv) PLN 3,000 thousand increase in other administrative expenses and business development costs

In 2024, the Group reported net finance costs of PLN 88,459 thousand, being chiefly the effect of foreign exchange gains (PLN 24,580 thousand), interest on borrowings (PLN 84,639 thousand), and interest on notes (PLN 52,271 thousand).

In 2024, gain on revaluation of investment property of PLN 359,376 thousand was mainly attributable to:

- PLN 35,092 thousand gain on the revaluation of a project in Austria (transition to the construction phase),
- PLN 205,904 thousand gain on the revaluation of the German portfolio,
- PLN 114,051 thousand gain on the revaluation of the Polish portfolio.

The chart below presents changes in gain/loss on revaluation of investment property by quarter in 2024.



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

	<i>for the 12 months ended 31 December</i>	2024	2023
Net cash from operating activities		92 187	176 906
Net cash from investing activities		(685 072)	(486 866)
Net cash from financing activities		912 077	335 722
Total net cash flows		319 192	25 762
Cash at beginning of period		344 247	315 200
Effect of exchange differences on cash and cash equivalents		4 616	3 285
Cash and cash equivalents at end of period		668 055	344 247

In 2024, the Group reported positive operating cash flows of PLN 92,187 thousand. As at the end of 2024, a year on-year drop in investment commitments, higher VAT and CIT receivables, as well as the recognition in 2024 of an asset under recorded operating lease payments led to a PLN 84,247 thousand decrease in cash for 2024 relative to 2023.

The Group reported negative cash flows from investing activities of PLN 685,072 thousand in 2024. In the corresponding period of 2023, negative cash flows from investing activities amounted to PLN 486,866 thousand. The largest expenditures incurred by the Group were outlays on the development of logistics parks in Poland as well as purchases of land at new locations, totalling more than PLN 690,914 thousand.

The largest expenditure item in both periods consists of capital expenditures on projects executed by the Group.

In 2024, the Group's cash flows from financing activities were positive, at PLN 912 million. The excess of financing cash inflows over outflows was mainly attributable to:

- an excess of proceeds from new issues: Series G notes with the nominal amount of EUR 41.0 million and green notes of EUR 300 million (total: PLN 1,473 million), over redeemed Series E, D, and F notes with a total nominal value of EUR 53 million (PLN 229 million),
- the refinancing of two projects, new credit facilities contracted and repayments of existing credit debt, resulting in a net positive cash flow of PLN 75 million,
- a full prepayment of debt for a total principal amount of EUR 67.4 million (PLN 299 million), including accrued interest and other fees related to the prepayment, in respect of credit facilities taken out by MLP Pruszków VI, MLP Czeladź, MLP Łódź, II, MLP Pruszków II, and MLP Bucharest West SRL. The prepayment took place in October 2024.

3. 2 Management Board's position on published forecasts

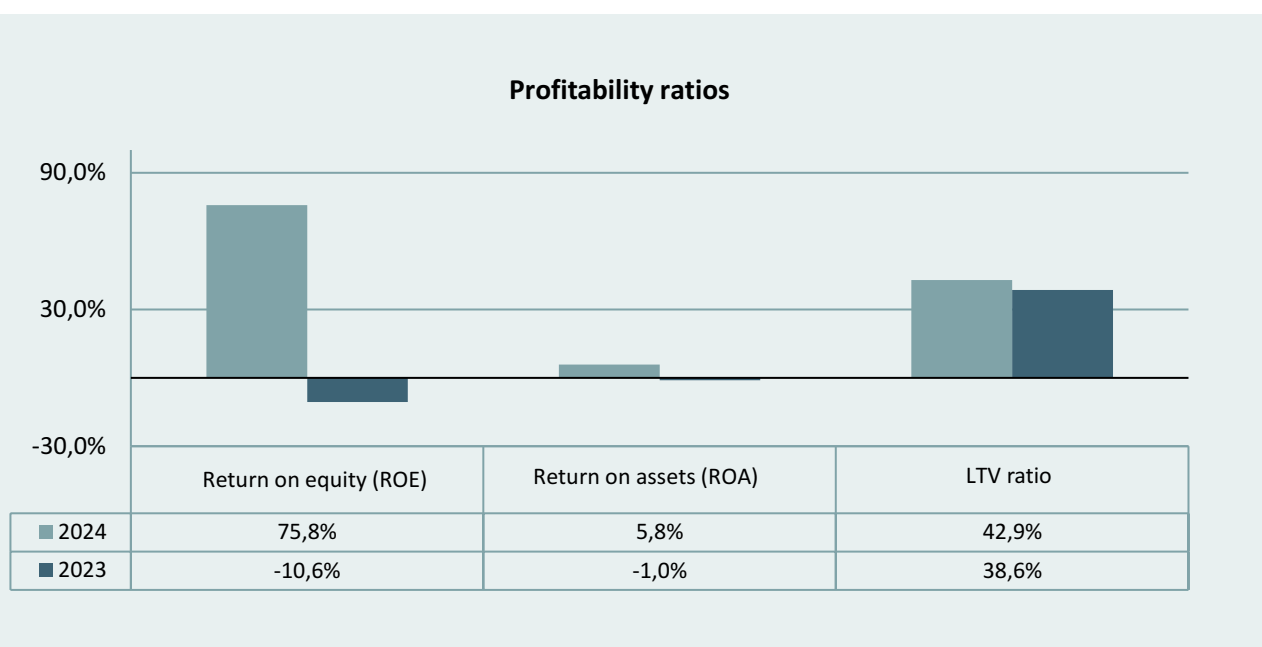
The Management Board of MLP Group S.A. does not see any indications that the previously published forecasts of financial liabilities as at the end of 2024 may fail to be met considering the data disclosed in this quarterly report relative to the forecast presented in Current Report 5/2024.

3.3 Management of the Group's financial resources

In 2024, in connection with its investment projects involving construction of storage and office space, the Group's efforts in the area of managing its financial resources were mainly focused on securing and appropriately structuring the financing sources, and on maintaining safe liquidity ratios. The Management Board analyses and plans the Group's financing structure on an ongoing basis to deliver the budgeted ratios and financial results while ensuring that the Group's liquidity and wider financial security are maintained.

The Management Board believes that as at 31 December 2024 the Group's assets and financial standing were stable thanks to the Group's well-established position on the warehouse space market, combined with the relevant experience and operational capabilities in managing property development projects and leasing commercial space. Further in this report the Group's financial standing and assets are discussed in the context of the liquidity and debt ratios.

3.3.1 Profitability ratios



The profitability analysis is based on the following ratios:

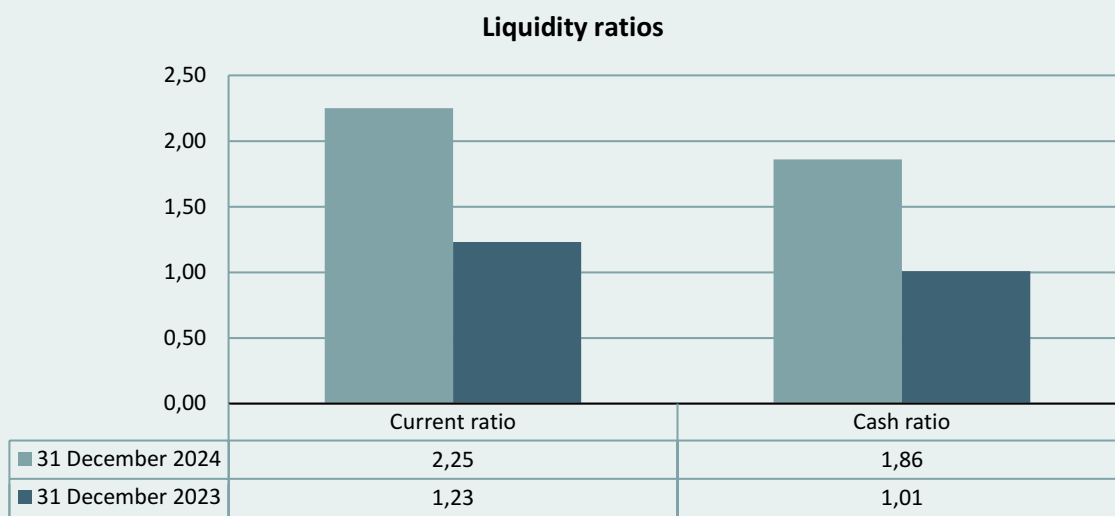
- **return on equity (ROE):** net profit/(loss)/adjusted equity (weighted average of the sum of share capital and share premium)
- **return on assets (ROA):** net profit (loss) / total assets.
- **LTV ratio:** means the quotient of total net debt (excluding valuation of borrowings at amortised cost) and the fair value of investment property (excluding PWUG) and the value of non-current assets.

Return on equity (ROE) was 75.8% (2023: -10.6%).

Return on assets (ROA) was 5.8% (2023: -1.0%).

In 2024, the LTV ratio was 42.9%, down year on year (2023: 38.6%). Its level is considered safe.

3. 3.2 Liquidity ratios



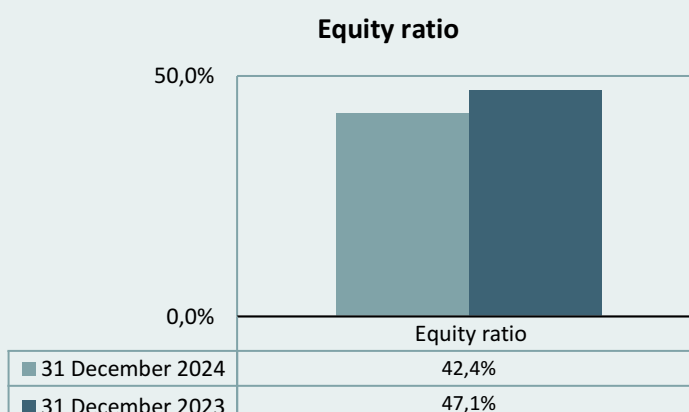
The liquidity analysis is based on the following ratios:

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

The current and cash ratios as at 31 December 2024 were 2,25 and 1,86, respectively, and remained at stable and safe levels.



3. 3.3 Equity ratio



The debt analysis is based on the following ratios:

- **equity ratio:** total equity / total assets;

As at 31 December 2024, the equity ratio was 42.4%, down 4.7pp on 31 December 2023. In accordance with the terms and conditions of Series C, Series G, and Series F notes, it may not be less than 35%.

	YE 2024 PLN mn	YE 2024 PLN mn	YE 2024 PLN mn	YE 2024 PLN mn
Net Debt/EBITDA without revaluation	12.9	9.7	13.0	9.8
Net Debt/Run Rate EBITDA*	9.9	n/a	9.9	n/a

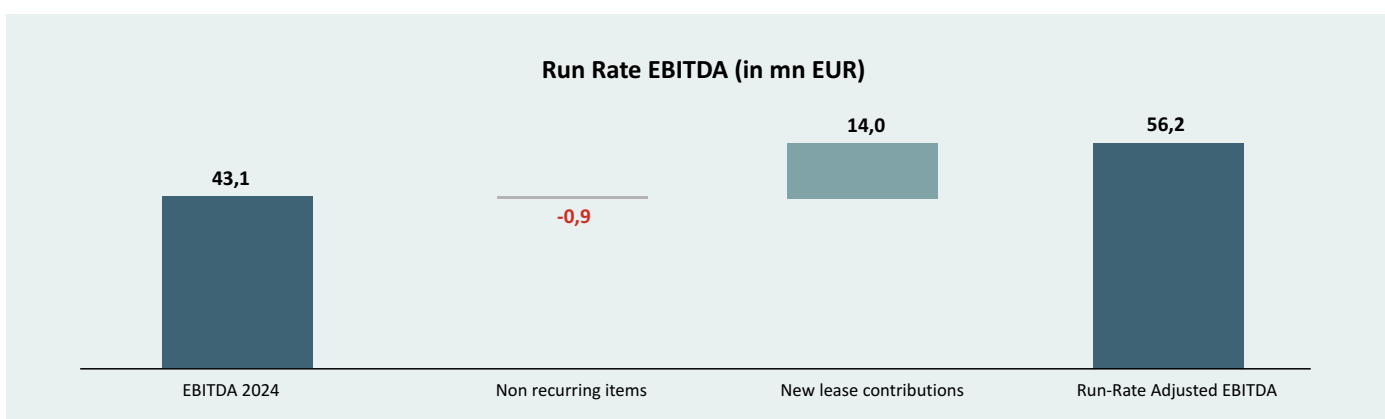
*Run Rate EBITDA ratio has been calculated since YE 2024.

Run-Rate EBITDA represents:

(i) EBITDA before revaluation plus

(ii) run-rate contribution of new lease agreements entered into prior to December 31, 2024, which started generating revenue in the twelve months ended December 31, 2024, but whose impact was not reflected fully in the results for the twelve months ended December 31, 2024, plus

(iii) run-rate contribution of new lease agreements entered into prior to December 31, 2024, which have not started generating revenue in the twelve months ended December 31, 2024, but which are expected to start generating revenue after reporting date.



New lease contributions = (ii)+(iii)

3. 4 Borrowings, notes, sureties and guarantees

3. 4.1 New and terminated non-bank borrowings

In 2024, the Group did not take out any new non-bank borrowings.

3. 4.2 New and terminated bank borrowings

- **New credit facility agreements in 2024**

On 26 April 2024, MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o. entered into a credit facility agreement with ING Bank Śląski S.A. for a total amount of EUR 26,877 thousand.

On 28 June 2024, MLP Business Park Wien GmbH executed a credit facility agreement with Erste Bank der oesterreichischen Sparkassen for a total amount of EUR 74,000 thousand.

On 29 September 2024, an amendment was signed to a credit facility agreement executed between MLP Pruszków V Sp. z o.o. and BNP Paribas Bank Polska S.A. for a total amount of EUR 21,500 thousand.

- **Repayment of bank borrowings in 2024**

On 25 October 2024, credit facilities granted by mBank S.A. (mBank) to MLP Pruszków VI sp. z o.o., BNP Paribas Bank Polska S.A. (BNP) to MLP Czeladź sp. z o.o. and by Santander Bank Polska S.A. (Santander) to MLP Łódź II sp. z o.o. were repaid in full.

On 29 October 2024, credit facilities granted by Bank Polska Kasa Opieki S.A. (Pekao) to MLP Pruszków II sp. z o.o. were repaid in full.

On 31 October 2024, the credit facility provided by OTP Bank Romania SA (Banca Transilvania SA) of Romania (OTP) to MLP Bucharest West SRL of Bucharest (Romania) was repaid in full.

The above credit facilities were repaid for a total amount of EUR 67,439,683, including accrued interest and other prepayment fees.



3. 4.3 Notes

On 21 January 2024, the Company redeemed at maturity Series E notes with a total nominal value of EUR 4,000,000.

On 27 February 2024, the Company redeemed early a portion of Series D bonds with a total nominal value of EUR 8,600,000. On 17 May 2024, the Company redeemed at maturity all outstanding Series D bonds, with a total nominal value of EUR 11,400,000.

On 8 March 2024, the Company issued Series G bonds with a total nominal value of EUR 41,000,000.

On 9 October 2024, the Company issued bonds with a total nominal value of EUR 300,000,000.

On 15 October 2024, the Company's Management Board decided to redeem Series F bonds with a total nominal value of EUR 29,000,000, and set the early redemption date at 25 November 2024.

The MLP Group S.A. notes outstanding as at 31 December 2024 are presented below.

Instrument	Currency	Nominal value	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Public bonds – series C ¹⁾	EUR	45 000 000	19.02.2025	6M EURIBOR + margin	none	Catalyst
Public notes – Series G	EUR	41 000 000	04.12.2026	6M EURIBOR + margin	none	Catalyst
Public bonds – Green Bonds	EUR	300 000 000	15.10.2029	Fixed interest rate	none	Euro MTF

¹⁾ On 19 February 2025, the Company redeemed at maturity Series C notes with a nominal value of EUR 45,000,000.

3. 4.4 Loans

As at 31 December 2024, the Group had outstanding receivables under loans advanced in 2024:

Lender	Borrower	Loan agreement date	Loan amount	Outstanding principal
MLP Group S.A.	MLP FIN SP. Z O.O. Spółka Komandytowa	19 Dec 2024	PLN 10,000	PLN 10,000

3. 4.5 Sureties provided and received in 2024

On 26 April 2024, MLP Group S.A. provided a surety (corporate guarantee) for a maximum amount of EUR 5,220,000.00 (VAT exclusive) to the general contractor GOLDBECK Rhomberg GmbH of Vienna to secure the liabilities of MLP Business Park Wien GmbH of Vienna related to the payment for the general contractor's services.

On 27 June 2024, MLP Group SA provided a surety of EUR 1,409 thousand for MLP Business Park Gelsenkirchen Sp. z o.o. & Co. KG under a mandate agreement between PKO BP S.A. and MLP Gelsenkirchen Sp. zo.o. & Co. KG concerning the issuance of a bank guarantee. The surety agreement will remain in effect until the date falling 4 (four) years after the date when the guarantee is returned to PKO BP and no new obligations may arise on its basis, and may not be revoked by the surety provider during that period.

On 22 July 2024, MLP Group S.A. provided a surety for a maximum amount of PLN 15,046,353.90 to Santander Bank Polska S.A. (Santander) to secure the liabilities of MLP Łódź II Sp. z o.o. towards Santander as a guarantor under bank guarantee No K00992/24 of 23 July 2024 issued by Santander on behalf of MLP Łódź II.

3. 4.6 Guarantees provided and received

On 27 June 2024, PKO Bank Polski SA Niederlassung Deutschland (PKO BP) issued a bank guarantee (surety under German law) of up to EUR 1,280,676.71 to secure the liabilities of MLP Business Park Gelsenkirchen Sp. z o.o. & Co. KG (Germany) towards the City of Gelsenkirchen under a road construction contract signed with the City.

On 23 July 2024, Santander Bank Polska S.A. (Santander) issued a bank guarantee of up to PLN 7,523,276.94 to secure the liabilities of MLP Łódź II Sp. z o.o. towards PGE Dystrybucja S.A. under a 110 KV overhead power line collision removal agreement; until 30 June 2025

3. 5 Feasibility of investment plans

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

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

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

3. 6 Non-recurring factors and events with a bearing on the consolidated financial result for the 12 months ended 31 December 2024

In 2024, there were no non-recurring factors or events that would have a material effect on the consolidated profit or loss for the financial period.

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

On 23 September 2022, the Management Board of MLP Group S.A. adopted Resolution No. 1/09/2022 to establish a new note issuance programme (the "Programme"). On the same day, the Company entered into an issuance agreement with mBank S.A. to establish the new note issuance programme, where mBank S.A. will act as the arranger, calculation agent, technical agent, issuance agent, and dealer. For more information, see Note 3.4.3.

3. 8 Material achievements and failures in the 12 months ended 31 December 2024

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

3. 9 Seasonality and cyclicity

The Group's operations are not subject to seasonality or cyclicity, except for gas sales to tenants, which are linked to the heating season.

3. 10 Key intangible resources of the Group

The Group's key intangible resources include in particular:

- Human capital – the knowledge, expertise, and experience of employees in property management, customer relations, and technical and administrative services directly impacts service quality – this, in turn, drives customer satisfaction, fosters long-term partnerships, and enhances operational efficiency, ultimately boosting the Group companies' competitive advantage;
- Brand and reputation – key drivers of the Group's market recognition, customer trust, and appeal to potential tenants, contributing to lease stability, long-term agreements, and reliable cash flows;
- Relational capital – strong, long-term relationships with customers and business partners (e.g., logistics companies) ensure a high occupancy rate of warehouse and office spaces while facilitating successful expansion;
- Market knowledge and know-how – expertise in the local warehouse property market, combined with efficient management of warehouse lease and operation processes, enhances the Group's competitiveness, optimises costs, and enables agile responses to market shifts, ultimately driving profitability.

4. Statement of compliance with corporate governance standards

MLP Group S.A. of Pruszków (the "Company", the "Issuer", or the "Parent") issues this statement concerning specific corporate governance regulations outlined in the Annex to Resolution No. 14/1835/2021 of the Exchange Supervisory Board, dated 29 March 2021, that were not adhered to during the financial year ended on 31 December 2024. Below are the details explaining the circumstances and reasons for this non-compliance.

The Management Board of the Company recognises the significance of corporate governance principles to guarantee clarity in the Company's internal and external relations, especially with its current and potential shareholders. In accordance with the requirements set out in Par. 29.3 of the WSE Rules, the Company hereby declares that during the financial year ended 31 December 2024 it applied all corporate governance regulations outlined in the 'Code of Best Practice for WSE Listed Companies', except for:

1. Disclosure Policy and Investor Communications

1.4.2. Present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

Explanation of the reasons for the non-compliance:

The participation of men and women depends on the competencies, skills and effectiveness of each individual. Hiring decisions do not depend on the gender of the candidate. Therefore, the Company cannot ensure a balanced participation of women and men in the total number of employees. Consequently, the equal pay index for remuneration paid to employees would not be reliable.

1.5. Companies disclose at least on an annual basis the amounts expensed by the company and its group in support of culture, sports, charities, the media, social organisations, trade unions, etc. If the company or its group pay such expenses in the reporting year, the disclosure presents a list of such expenses.

Explanation of the reasons for the non-compliance:

The Group supports charitable institutions but does not publish detailed information regarding that support.

2. Management Board and Supervisory Board

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

Explanation of the reasons for the non-compliance:

The principle has been complied with, except for the provisions related to gender.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

Explanation of the reasons for the non-compliance:

The effectiveness of management and supervisory functions within the Company's structures depends on the competence and skills of its personnel. Appointments of key managers and members of the management and supervisory bodies are made without regard to gender or age.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:

2.11.1. Information about the members of the supervisory board and its committees, including indication of those supervisory board members who fulfil the criteria of being independent referred to in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and those supervisory board members who have no actual and material relations with any shareholder who holds at least 5% of the total vote in the company, and information about the members of the supervisory board in the context of diversity;

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

2.11.3. assessment of the company's standing on a consolidated basis, including assessment of the internal control, risk management and compliance systems and the internal audit function, and information about measures taken by the supervisory board to perform such assessment; such assessment should cover all significant controls, in particular reporting and operational controls;

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

2.11.4. assessment of the company's compliance with the corporate governance principles and the manner of compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the Exchange Rules and the regulations on current and periodic reports published by issuers of securities, and information about measures taken by the supervisory board to perform such assessment;

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

2.11.5. assessment of the rationality of expenses referred to in principle 1.5;

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

Explanation of the reasons for the non-compliance:

The Company will take measures to ensure compliance with the principle in the future.

3. Systems and functions

3.2. Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

Explanation of the reasons for the non-compliance:

Due to the small size of the company and its organisational structure, the Company does not have separate units responsible for individual systems or functions.

3.10. Companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.

Explanation of the reasons for the non-compliance:

The Company is not included in WIG20, mWIG40 or sWIG80.

The Company has published its set of corporate governance rules on its website.

4. 1 Share capital and shareholders

4. 1.1 Shareholders

The majority shareholder MLP Group S.A. is CAJAMARCA HOLLAND B.V. of the Netherlands, registered address: Locatellikade 1, 1076 AZ Amsterdam.

The Group's ultimate parent is Israel Land Development Company Ltd. of Tel Aviv, Israel, whose shares are listed on the Tel Aviv Stock Exchange.

The table below presents the list of shareholders as at 31 December 2024:

Shareholder	Number of shares	% interest in share capital	% of total voting rights
CAJAMARCA Holland BV	10 242 726	42,69%	42,69%
Other shareholders	4 249 015	17,72%	17,72%
The Israel Land Development Company Ltd.	3 016 229	12,57%	12,57%
THESINGER LIMITED	1 771 320	7,38%	7,38%
Allianz OFE	1 713 881	7,14%	7,14%
Generali Otwarty Fundusz Emerytalny	1 591 360	6,63%	6,63%
GRACECUP TRADING LIMITED	641 558	2,67%	2,67%
MIRO HOLDINGS LIMITED ¹⁾	617 658	2,57%	2,57%
Shimshon Marfogel	149 155	0,62%	0,62%
Oded Setter	2 080	0,01%	0,01%
Total	23 994 982	100%	100%

¹⁾ The merger between MIRO HOLDINGS LIMITED (the acquirer) and MIRO LTD (the acquiree) was registered on 26 January 2024. As a result of this transaction, MIRO HOLDINGS LIMITED has been a shareholder in MLP Group S.A. since 26 January 2024.

4. 1.2 Special rights of the Shareholders

MLP Group S.A. has not issued any shares conferring special rights to their holders.

Pursuant to the Articles of Association, Cajamarca Holland B.V., as long as it holds at least 25% of the shares, has a personal right to appoint and dismiss three members of the Supervisory Board, including the Chair of the Supervisory Board; and MIRO Holdings LTD, as long as it holds at least 2.5% of the shares, has a personal right to appoint and dismiss one member of the Supervisory Board. The personal rights of these shareholders expire if the combined interest of Cajamarca Holland B.V. and Miro Holdings LTD in the Company's share capital falls below 40%.

According to representations made by the major shareholders, they do not hold any other special voting rights.

4. 1.3 Restrictions on rights attached to shares

Restrictions on voting rights, such as limitation of the voting rights of holders of a given percentage or number of votes, time limits on the exercising of voting rights, or provisions under which, with the Company's cooperation, equity rights attaching to securities are separated from the holding of the securities.

There are no restrictions on voting rights at MLP Group S.A.

Restrictions on transferability of securities issued by MLP Group S.A.

There are no restrictions on the transferability of securities issued by MLP Group S.A.

4.2 General Meeting

Operation of the General Meeting and its key powers; shareholders' rights and the manner of exercising those rights, including in particular the standards set out in the rules of procedure for the General Meeting (if such rules have been adopted) to the extent not prescribed directly by the applicable laws.

The General Meeting may be held as an annual or extraordinary meeting and, as the Company's governing body, operates pursuant to the Commercial Companies Code of 15 September 2000 (Dz.U. of 2000, No. 94, item 1037, as amended), the Company's Articles of Association and the Rules of Procedure for the General Meeting of MLP Group S.A. dated 2 December 2009.

Pursuant to the Articles of Association, the following matters fall within the remit of an Annual General Meeting:

- examination and approval of the Management Board's Report and the Company's financial statements for the previous financial year;
- adopting a resolution on the distribution of profit or set-off of loss;
- approval of discharge of duties by members of the Supervisory Board and the Management Board,
- Any matters reserved for in the Commercial Companies Code require a resolution of the General Meeting unless the Articles of Association provide otherwise to the extent permitted by law. Resolutions of the General Meeting are also required to:
 - appoint and remove from office Supervisory Board members, subject to the provisions of the Articles of Association governing the appointment of Supervisory Board members by individual shareholders,
 - amend the Company's Articles of Association,
 - define the rules and amounts of remuneration for members of the Supervisory Board,
 - merge or dissolve the Company and appoint the liquidators,
 - examine claims against members of the Company's governing bodies or the Company's founders for redress of damage caused by their unlawful conduct.

Resolutions of the General Meeting are not required to acquire and dispose of real property, perpetual usufruct or a share in property or perpetual usufruct; and to pledge real property or perpetual usufruct as security.

The General Meeting is convened by way of a notice on the Company's website and in the manner required for the publication of current information under the Act on Public Offering. The notice should be published at least twenty-six days before the date of the General Meeting.

General Meetings are convened by the Management Board as annual or extraordinary meetings. An Annual General Meeting should be held within six months from the end of each financial year. However, if the Company's Management Board fails to convene the Annual General Meeting within the prescribed time, the right to convene the Meeting rests with the Supervisory Board.

The Management Board may convene an Extraordinary General Meeting:

- on its own initiative,
- at the request of the Supervisory Board,
- at the request of shareholders representing in aggregate a minimum of one twentieth of the share capital,
- based on a resolution of the General Meeting in accordance with contents of the resolution, and sets the Meeting's agenda.

In addition to the persons specified in the Commercial Companies Code, each Independent Member of the Supervisory Board may demand that:

- the General Meeting be convened,
- specific matters be placed on the agenda of the General Meeting.

Removal of items placed on the agenda of the General Meeting at the request of a person or persons entitled to do so requires their consent.

The agenda of the General Meeting is set by the Management Board.

Upon a relevant request, the Management Board convenes a General Meeting within two weeks of receiving the request.

Pursuant to the Articles of Association, if the Company's Management Board fails to convene an Extraordinary General Meeting within the prescribed time limit, the right to convene an Extraordinary General Meeting is vested in the persons who submitted the request to convene the General Meeting, upon obtaining the authorisation from the Registry Court, or in the Supervisory Board if it requested the Management Board to convene an Extraordinary General Meeting.

Resolutions may be adopted without a General Meeting having been formally convened if the entire share capital is represented at the Meeting and none of those present objects to holding the General Meeting or placing particular matters on its agenda.

All shareholders are entitled to attend the General Meeting in person or by proxy. A power of proxy to attend and vote at a General Meeting must be granted in writing or in electronic form. A power of proxy granted in electronic form does not require to be signed with a secure electronic signature verifiable with a valid qualified certificate. The right to appoint a proxy for the General Meeting and the number of proxies may not be restricted.

Only persons who are Company shareholders sixteen days prior to the date of the General Meeting (the record date) have the right to participate in the Meeting.

The General Meeting may also be attended by members of the Company's governing bodies, including members of the governing bodies whose mandate has expired but whose activities are assessed by the General Meeting, as well as persons designated by the Management Board to provide support to the General Meeting

As a rule, resolutions of the General Meeting are passed by an absolute majority of the votes cast, and voting at the General Meeting is by open ballot. A secret ballot is ordered in the case of voting on appointment or removal from office of members of the Company's governing bodies or its liquidators, on bringing them to account, on personnel matters, or on request of at least one shareholder present or represented at the General Meeting.

General Meetings are held in Warsaw or at the Company's registered office.

4. 3 Rules for amending the Articles of Association

Pursuant to Art. 430.1 and Art. 415.1 of the Commercial Companies Code, amendments to the Articles of Association of MLP Group S.A. require a resolution of the General Meeting adopted by a three-fourths majority of votes and must be recorded in the register. Where a resolution to amend the Articles of Association is to increase the shareholders' benefits or limit the rights granted personally to individual shareholders pursuant to Art. 354 of the Commercial Companies Code, the consent of all shareholders concerned is required. Amendments to the Articles of Associations are notified to the registry court by the Management Board. The General Meeting may authorise the Supervisory Board to prepare a consolidated text of the amended Articles of Association or to make other editorial changes therein specified in the General Meeting's resolution.

4. 4 Management Board

On 20 December 2024, the Extraordinary General Meeting adopted a resolution to amend the Articles of Association. The change was registered with the court.

According to the Articles of Association, the Management Board is composed of two to five members, appointed and removed by the Supervisory Board. The President of the Management Board is appointed by the Supervisory Board.

Management Board members are appointed for joint three-year terms. The President of the Management Board is appointed by the Supervisory Board. The Management Board, as well as any of its members, may be removed from office or suspended from duties by the General Meeting.

The current term of office of the Management Board began on 30 June 2021 following the appointment, by the Supervisory Board, of Mr Radosław T. Krochta as President of the Management Board, Mr Michael Shapiro as Vice President of the Management Board and Mr Tomasz Zabost as Member of the Management Board. On 26 July, the Supervisory Board appointed Ms Monika Dobosz and Ms Agnieszka Góźdź as Members of the Management Board for the current term of office. Pursuant to the provisions of the Commercial Companies Code and the Articles of Association, the three-year term of office of the Management Board end on or before 30 June 2024. However, the mandates of the Management Board members expire no later than on the date of the Annual General Meeting of the Company which is to examine the financial statements for 2023.

Mr Radosław T. Krochta was appointed President of the Management Board for the first time on 9 June 2016, in accordance with a resolution of the Supervisory Board.

Mr Michael Shapiro was appointed Vice President of the Management Board for the first time on 9 June 2016, in accordance with a resolution of the Supervisory Board.

Mr Tomasz Zabost was appointed Member of the Management Board for the first time on 25 June 2015, in accordance with a resolution of the Supervisory Board.

Ms Monika Dobosz was appointed Member of the Company's Management Board for an ongoing term for the first time on 26 July 2022, in accordance with a resolution of the Supervisory Board.

Ms Agnieszka Góźdź was appointed Member of the Company's Management Board for an ongoing term for the first time on 26 July 2022, in accordance with a resolution of the Supervisory Board.

On 29 February 2024, Tomasz Zabost stepped down from his position as Member of the Company's Management Board, effective immediately, without providing reasons for his resignation.

On 21 February 2024, Monika Dobosz stepped down from her position as Member of the Company's Management Board, effective immediately, without providing reasons for her resignation.

4. 4.1 Powers and competencies of the Management Board

Pursuant to the Articles of Association, the Management Board manages the Company's affairs and represents the Company, in particular manages the Company's business, manages and dispose of its assets and rights vested in the Company, and adopts resolutions and makes decisions on all matters not reserved for the General Meeting or the Supervisory Board.

Two members of the Management Board acting jointly have the right to represent the Company. The Company may also be represented by proxies appointed by the Management Board under and within the scope of powers of proxy granted to them. The Management Board may also unanimously decide to appoint a commercial proxy.

A Management Board resolution is required for any of the following:

- issuance of a bill of exchange;
- grant of security interest to support debt of another entity, including of a subsidiary;
- establishing a mortgage or other encumbrance on any assets of the Company;
- execution of an agreement under which the Company is obliged to deliver, or a risk arises that the Company could be obliged to deliver, during one financial year, assets, services or cash for a total amount of EUR 1,100,000 its equivalent in another currency (except intra-Group loans or amendments to the loan agreements), unless execution of such agreement is provided for in the full-year financial plan (budget) of the MLP Group S.A. adopted by the Management Board and approved by the Supervisory Board;

- convening a General Meeting or demanding that a meeting of the Supervisory Board is convened;
- filing a petition for cancellation or invalidation of resolutions of the General Meeting;
- filing a petition for bankruptcy of the Company;
- taking any action to change authorisations to sign on behalf of the Company or to approve banking transactions;
- hiring, dismissing and determining the remuneration of the Company's department heads (marketing, investment, finance and administration);
- nominating or appointing a member of any body in any entity controlled by the Company;
- representing the Company at general meetings of the Company's subsidiaries or granting powers of proxy to represent the Company at such general meetings, together with voting instructions (if applicable);
- participating in other companies, except companies of the Group, or disposing of shares in other companies, except transactions within the Group;
- issuance of shares, notes, warrants, bills of exchange, or amending terms of the Company's notes in issue; making contractual commitments to acquire or dispose of real estate, right of perpetual usufruct or fractional parts thereof, except for execution of preliminary agreements to acquire ownership or perpetual usufruct of real property which unilaterally oblige the other party and do not contain any obligations of the Company to pay a down payment or advance payment;
- execution, amendment or termination of an agreement for the provision of a credit facility, a bank guarantee or an insurance guarantee, or an agreement concerning a bank account, a letter of credit or other financial product or financial service, to which the Company and a domestic bank, a foreign bank, a credit institution or a financial institution within the meaning of the Banking Law Act of 29 August 1997 is a party or is to be a party;
- releasing a debtor of the Company from debt in excess of PLN 100,000 or an equivalent of the amount in another currency;
- approving annual budgets or long-term financial plans.

By the end of the third month from the end of a financial year, the Management Board prepares full-year financial statements, which – together with the draft resolution on the distribution of profit and the auditor's report – are submitted to the Supervisory Board for assessment prior to the General Meeting.

4. 4.2 Operation of the Management Board

The Management Board operates pursuant to the Company's Articles of Association, the Rules of Procedure for the Management Board and the Commercial Companies Code.

The Rules of Procedure for the Management Board govern matters related to the organisation of Management Board meetings and the Management Board's decision-making process. Pursuant to the Rules of Procedure, meetings of the Management Board are held as needed, but in any case at least two times a month.

The Management Board adopts resolutions during its meetings, with the proviso that Management Board members may attend a meeting by means of remote communication and cast their votes by electronic means, fax or telephone. Management Board members may also participate in adopting resolutions by casting their votes in writing through another member of the Management Board. Resolutions may be passed outside of a Management Board meeting if all members of the Management Board give their written consent to the decision to be passed or to vote in writing.

The Rules of Procedure define the manner in which declarations of will are to be made on behalf of the Company. Declarations of will may be submitted by email where the nature or content of the legal relationship so permits. The Rules of Procedure also provide that commercial power of proxy may be granted or revoked by the Management Board at a meeting with all members present. A commercial power of proxy may also be granted at a meeting held using means of remote communication. The Rules of Procedure further provide that resolutions may also be passed by circulation.

4. 4.3 Composition of the Management Board

As at 31 December 2024, the Management Board was composed of three members.

Below is presented information on the Management Board members, including the position held, date of appointment, and the date of the end of the current term of office.

First name	Surname	Position held	Most recent appointment	End of term
Michael	Shapiro	Vice President of the Management Board	1 August 2024	1 August 2027
Radosław Tomasz	Krochta	President of the Management Board	1 August 2024	1 August 2027
Tomasz	Zabost*	Member of the Management Board	30 June 2021	29 February 2024
Monika	Dobosz**	Member of the Management Board	1 August 2024	21 November 2024
Agnieszka	Góźdź	Member of the Management Board	1 August 2024	1 August 2027

* On 29 February 2024, Tomasz Zabost stepped down from his position as Member of the Company's Management Board, effective immediately, without providing reasons for his resignation.

** On 21 February 2024, Monika Dobosz stepped down from her position as Member of the Company's Management Board, effective immediately, without providing reasons for her resignation.

Radosław T. Krochta – President of the Management Board

Radosław T. Krochta graduated from Management and Banking College in Poznań (Finance). In 2003, he completed postgraduate studies in Management at Nottingham University and an MBA postgraduate programme. He has a long track record in corporate finance positions in Poland, Eastern Europe and the United States. In 2001-2004, Mr Krochta served as CFO at Dresdner Bank Polska S.A. He was also Director of the Department of Strategic Consulting at Deloitte Advisory and previously worked as a manager at PWC in Warsaw and in the United States. He joined MLP Group S.A. in 2010, and currently serves as President of the Management Board.

Michael Shapiro – Vice President of the Management Board

Michael Shapiro has over twenty years of experience in the real estate sector. He graduated from the Faculty of Management and Industrial Engineering at the Israel Institute of Technology in Haifa. From 1957 to 2000, he served as Chief Executive Officer and managed Miro Engineering Ltd and S.M. Shapiro Engineers Ltd. In 1995–2016, he served as President of the Management Board of MLP Group S.A., and in June 2016 he took the position of Vice President of the Management Board. He was responsible for the development and commercialisation of the Group's logistics parks and for the Group's investments in the land bank.

Agnieszka Góźdź – Member of the Management Board

The primary responsibility of Agnieszka Góźdź is the commercialisation of logistic parks and land banking in Poland. She also supports MLP Group's expansion into new European markets and business growth. She became part of the MLP Group team seven years ago. She has 16 years of experience in the warehouse space market. Before joining MLP Group, she worked as an expert for leading property advisory firms, including Cushman & Wakefield, CA IMMO Real Estate Management Poland, AXI IMMO GROUP, and King Sturge. She is a graduate of Private School of Business and Administration in Warsaw. In addition, she completed postgraduate studies in commercial property management at Warsaw University of Technology.

4. 5 Supervisory Board

The Supervisory Board exercises ongoing supervision over the Company's business in each area of its activity.

The Supervisory Board is composed of six members, including Chair and Deputy Chair, appointed for a joint three-year term of office. At least two members of the Supervisory Board are Independent Members.

The current term of office of the Supervisory Board began on 30 June 2021, and spans three full financial years in accordance with the Articles of Association. However, the mandates of the Supervisory Board members expire no later than on the date of the Annual General Meeting of the Company which is to examine the financial statements for the last year of the Supervisory Board's term.

As at 31 December 2024, the Supervisory Board was composed of six members.

Subject to the personal rights described in Section 4.1.2 of this report (in Special rights of the Shareholders), members of the Supervisory Board are appointed and removed by the General Meeting.

4. 5.1 Powers and competencies of the Supervisory Board

The Supervisory Board exercises ongoing supervision over the Company in all areas of its business, and in addition to the matters specified in the Commercial Companies Code the special powers of the Supervisory Board under Art. 21.2 of the Articles of Association include:

- giving consent to the issuance of shares within the limit of the authorised share capital, including rules governing the determination of the issue price and waiver of the existing shareholders' pre-emptive rights if a resolution of the Management Board provides for such waiver;¹⁾
- approving annual budgets and development plans of the Company and the Group;
giving consent to the Company incurring liabilities or making expenditure in a single transaction or related transactions not provided for in the Company's and Group's budget, with a value of exceeding EUR 2,500,000;
- giving consent to acquisition or disposal and cancellation by the Company of shares in other companies, except for transactions within the Group and transactions provided for in the Company's annual budget or financial plan;
- giving consent to the acquisition or disposal of real property (including perpetual usufruct rights) or interest in real property (including in perpetual usufruct rights) with a value in excess of PLN 1,000,000, except for transactions provided for in the Company's annual budget or financial plan;
- appointing and dismissing members of the Management Board;
- appointing the auditor to audit or review the Company's financial statements;¹⁾
- concluding agreements between the Company and members of the Management Board;
- adopting resolutions to approve execution of agreements between the Company and a Company shareholder who holds, directly or indirectly, shares conferring more than 5% of total voting rights in the Company;
- giving consent to members of the Management Board to engage in activities which are competitive to the Company's business in person or as participants in partnerships, members of the governing bodies of companies or cooperatives, as well as shareholders of companies or cooperatives if their share in the share capital of such companies or cooperatives exceeds 5%, or if under such organisations' articles of association or under shareholder agreements they are entitled to appoint at least one member of the organisation's management board or a supervisory body;
- adopting resolutions on the rules and amounts of remuneration of the Management Board members;¹⁾
- approving the Rules of Procedure for the Management Board;¹⁾

- considering and giving opinions on matters to be decided by resolutions of the General Meeting,
- giving consent to encumbrance of real property, perpetual usufruct to, or interest in, the Company's real property with a mortgage to be established in favour of an entity other than a bank.

¹⁾ Resolutions on these matters require that at least one Independent Members votes in favour of the resolution.

In order to exercise its powers, the Supervisory Board may examine any documents, request reports and explanations from the Management Board and employees, and review the Company's assets.

The Supervisory Board may issue opinions on any matter relating to the Company, and may submit requests and initiatives to the Management Board. The Management Board is obliged to notify the Supervisory Board of its position on opinions, requests or initiatives of the Supervisory Board no later than within two weeks of the date of such requests, opinions or initiatives, provided that the opinion of the Supervisory Board is inconsistent with the Management Board's proposal or initiative, and no consent of any of the Company's governing body is required for the performance of activities covered by the Supervisory Board's opinion.

Independent Members of the Supervisory Board have the right to convene a General Meeting or place certain matters on its agenda.

4. 5.2 Operation of the Supervisory Board

The Supervisory Board operates in accordance with the Rules of Procedure for the Supervisory Board adopted by the General Meeting, which defines its powers, organisation and manner of operation. Pursuant to the Rules of Procedure, the Supervisory Board performs its tasks collectively, at its meetings. Meetings are held as needed, but in any case at least once every two months, and are held at the Company's registered office. The Rules of Procedure permit holding Supervisory Board meetings by means of remote communication.

The Supervisory Board may adopt resolutions if at least half of all its members are present at a meeting, and all the members have been invited to participate in the meeting at least 7 Business Days in advance. However, in urgent matters the Chair of the Supervisory Board, or under another member of the Supervisory Board duly authorised by the Chairman, may convene a meeting at a shorter notice. As a rule, resolutions of the Supervisory Board are adopted by an absolute majority of votes. If the numbers of votes for and against are equal, the Chair of the Supervisory Board has the casting vote.

Supervisory Board members may also participate in adopting resolutions by casting their votes in writing through another member of the Supervisory Board. Meetings may be held in writing. Meetings of the Supervisory Board may be held by means of direct remote communication. A detailed procedure for holding meetings and adopting resolutions using means of remote communication is provided for in the Rules of Procedure for the Supervisory Board. Meetings of the Supervisory Board are held as needed, but at least once every quarter.

At least two members of the Supervisory Board appointed by the General Meeting should be Independent Members of the Board, at least one of whom should have qualifications in accounting or financial auditing specified in the Act on Statutory Auditors. The independence criteria are set out in Art. 18.12 of the Company's Articles of Association.



4. 5.3 Composition of the Supervisory Board

As at 31 December 2024, the composition of the Parent's supervisory bodies was as follows:

First name	Surname	Position held	Most recent appointment	End of term ¹⁾
Shimshon	Marfogel	Chair of the Supervisory Board	30 June 2021	31 December 2024
Eytan	Levy	Deputy Chair of the Supervisory Board	30 June 2021	31 December 2024
Oded	Setter	Member of the Supervisory Board	30 June 2021	31 December 2024
Guy	Shapira	Member of the Supervisory Board	30 June 2021	31 December 2024
Piotr	Chajderowski	Member of the Supervisory Board	30 June 2021	31 December 2024
Maciej	Matusiak	Member of the Supervisory Board	30 June 2021	31 December 2024

¹⁾ The three-year term of office is calculated in full financial years, but the mandates expire no later than on the date of the Company's Annual General Meeting which is to approve the financial statements for the last year of the Supervisory Board's term.

Shimshon Marfogel – Chair of the Supervisory Board

Shimshon Marfogel graduated from the Hebrew University of Jerusalem, earning a B.A. (Bachelor of Arts) at the Faculty of Accounting and Economics.

He has been employed at Israel Land Development Company Ltd. of Tel Aviv since 1985, first as Chief Accountant (1985-1986), then Vice President and Chief Accountant (1986-2001), and Chief Executive Officer (2001-2004); Since 2004, Mr. Shimshon Marfogel has been serving as Vice President of the Management Board at Israel Land Development Company Ltd. of Bnei Brak.

Eytan Levy – Deputy Chair of the Supervisory Board

Eytan Levy graduated from Bar-Ilan University in Ramat Gan, earning a B.A. (Bachelor of Arts) in Political Science.

In 1982-1991, he held various managerial positions, including Head of Special Products Division and Vice President of the Management Board for Marketing at the Israel National Post Authority, based in Jerusalem. Between 1991 and 1997, he also held a number of managerial roles, including Director of Security and Logistics, Vice President of the Management Board for Marketing and Sales at the Israel National Telecommunications Company, based in Jerusalem. In 1998-2000, he worked as a partner in the Tel Aviv office of the American law firm Gerard Klauer & Mattison. Since 1997 he has served as Director in the Israel law company Percite Technology, based in Rosh Ha'ayin.

Oded Setter – Member of the Supervisory Board

Oded Setter holds the position of Vice President for Financing, Investments & Business Development at The Israel Land Development Company Ltd. ("ILDC"). He also serves on the Management Boards of Skyline Investments and a subsidiary of ILDC. Mr Setter is a Certified Public Accountant (CPA). He graduated from the Faculty of Law of the Bar-Ilan University, and holds Bachelor's degrees in Accounting and in Communications and Journalism from the Hebrew University of Jerusalem.

His professional experience includes positions as Vice President for Strategy, Finance and Control at Shikun & Binui, Director for Finance, Control and Strategy at Shikun & Binui, a Management Board Member at Shikun & Binui's subsidiary, Business Finance Director at Arison Investments, and Senior Consultant at KPMG.

According to Oded Setter's representation, he does not conduct any activities outside the Company's business which would compete with the Company's business, he is not a partner in a competing civil law partnership, a member of a competing company under commercial law or a member of a governing body of any competing legal entity, and is not entered in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register (KRS).

Maciej Matusiak – Member of the Supervisory Board

Mr Maciej Matusiak graduated from the Technical University of Łódź, has the title of Chartered Financial Analyst (CFA), and is a licensed stock broker. In 1995-1996, he worked at Daewoo Towarzystwo Ubezpieczeniowe S.A. in the Department of Capital Investments as securities dealer and financial analyst. Between 1996 and 1998, he worked as financial analyst at PKO BP Bankowy Dom Maklerski. From 1998 to 2002, he worked at the Commercial Union Group – initially at the Investment Department of Commercial Union Polska – Towarzystwo Ubezpieczeń na Życie S.A., and then at Commercial Union Investment Management (Polska) S.A. Since 2006, he has served as President of the Management Board of Artemis Investment Sp. z o.o. of Warsaw.

Guy Shapira – Member of the Supervisory Board

Mr Guy Shapira graduated with honours from Interdisciplinary Center Herzliya (IDC) in Israel with degrees from the faculty of Business and Administration (B.A.) and Law (LL.B), with specialisation in International Business Law. Mr Shapira is also licenced to practice law in Israel. Before appointment to the Supervisory Board, he worked for Steinmetz, Haring, Gurman & Co. lawfirm in Israel, and was a member of the Audit Committee of Students Association at IDC.

According to Mr Shapira's representation, he conducts activities outside the Company's business which do not compete with the Company's business, is not a partner in a competing civil law partnership, is not a member of a competing company under commercial law or a member of a governing body of any competing legal entity, and is not entered in the Register of Insolvent Debtors maintained pursuant to the provisions of the Act on the National Court Register (KRS).

Piotr Chajderowski – Member of the Supervisory Board

Mr Piotr Chajderowski graduated from the University of Łódź with an M.A. degree in Economics. In 2008, he joined the group of supervisory board members at the Ministry of Treasury.

In 1994-2018, he held various managerial positions, including as securities accountant (1995-1997) and (1997-1999) investment manager at PTP Kleinwart. He served as Vice President / President of management boards at the following companies: ALPHA FINANSE Sp. z o. o., Zakłady Metalurgiczne SKAWINA S.A. Grupa Impexmetal, SIGNUM FINANSE, Nowy Przewoźnik Sp. z o. o., DEUTSCHE BINNENREEDEREI AG of Berlin and Grupa WORK SERVICE S.A.

Currently, he is a member of the Supervisory Board and Chair of the Audit Committee, and serves as Adviser to the President of the Employers of Poland on corporate restructuring.

4. 5.4 Audit Committee

On 15 January 2014, the Supervisory Board established an Audit Committee which is responsible for overseeing the Company's financial matters. The Committee's detailed tasks and manner of operation are defined in the rules of procedure of the Audit Committee, attached as an appendix to the Rules of Procedure for the Supervisory Board. The role and responsibilities of the Audit Committee include supervision, monitoring and advising the Management Board and the Supervisory Board on all matters relating to risk management, audit of financial statements, and monitoring and compliance with applicable laws and regulations. The Audit Committee evaluates the work performed by the independent auditor and the associated costs.

The Audit Committee held nine meetings in 2024.

As at 31 December 2024, the Audit Committee was composed of the following persons:

- Piotr Chajderowski,
- Eytan Levy,
- Maciej Matusiak.

As at 31 December 2024, Maciej Matusiak and Piotr Chajderowski satisfied the requirements of Art. 129.1 of the Act on Certified Auditors (they had the required accounting or auditing qualifications) and the independence criteria set out in Art. 129.3 of the Act on Certified Auditors.

On 1 August 2024, the Supervisory Board held a meeting at which a Remuneration Committee was appointed, consisting of three members. The tasks of the Remuneration Committee include those specified in the Rules of Procedure for the Supervisory Board as responsibilities of the Remuneration Committee, and in particular:

- (i) Supervising the recruitment and hiring process for Management Board members;
- (ii) Supervising the implementation of the remuneration system for the Company's Management Board;
- (iii) Submitting recommendations and proposals to the Supervisory Board to further define the elements of the Company's Remuneration Policy, in accordance with the authority granted to the Supervisory Board to define the details of the remuneration policy;
- (iv) Submitting recommendations and proposals to the Supervisory Board regarding changes to the Company's Remuneration Policy, as well as to the rules of remuneration and terms of employment set for the President and Members of the Management Board;
- (v) Monitoring and periodically analysing the remuneration system for the Company's management staff, including data and information presented in the Supervisory Board's annual remuneration report, and, if required, formulating recommendations for the Supervisory Board;
- (vi) Submitting recommendations and proposals to the Supervisory Board regarding an incentive scheme that entitles participants to subscribe for Company shares or instruments linked to Company shares or their value (if such a scheme is implemented).

4. 5.5 Key assumptions of the policy for selection and appointment of the audit firm

The audit firm is selected in advance to ensure that the audit contract can be signed within a timeframe enabling the audit firm to carry out the audit in a reliable and timely manner.

In the selection of the audit firm, particular attention is paid to the compliance of the audit firm and the statutory auditor with the independence requirements, but also to the extent of the services performed by the audit firm or the statutory auditor in the last five years preceding the appointment of the audit firm.

The audit firm is selected taking into account its experience in auditing financial statements of public-interest entities, including companies listed on the Warsaw Stock Exchange. In the process, consideration is also given to the firm's operating ability to conduct the audit of the Company's financial statements.

Key assumptions of the policy for the provision of permitted non-audit services by the audit firm, its related entities, or members of the firm's network

The statutory auditor or the audit firm carrying out the statutory audit of the Company, as well as entities related to the statutory auditor or the audit firm, may provide directly or indirectly to the audited entity, its parent and entities controlled by it within the European Union, the non-audit services listed below, subject to approval by the Audit Committee. For the purposes of this policy, the permitted non-audit services mean:

assurance concerning financial statements or other financial information for regulatory authorities, the supervisory board or other supervisory body of the Company, going beyond the scope of a statutory audit and designed to assist those authorities in fulfilling their statutory duties, audit of historical financial information in a prospectus, issuance of assurance letters and due diligence services in connection with a prospectus.

4. 6 Remuneration and employment contracts of members of the Management Board of the Group companies and of the Supervisory Board

4. 6.1 Amount of remuneration, awards and benefits for members of the Management Board and the Supervisory Board

Remuneration of the Group's Management Board in 2024:

Fixed remuneration of the Management Board:

Radosław T. Krochta	953
Michael Shapiro	662
Tomasz Zabost**	93
Marcin Dobieszewski	423
Monika Dobosz**	584
Agnieszka Gózdź	650

3 365

** For the period of service on the Management Board.

Provision for variable remuneration of the Management Board* in 2024:

Radosław T. Krochta	2 321
Michael Shapiro	1 169
Tomasz Zabost	-
Marcin Dobieszewski	353
Monika Dobosz	-
Agnieszka Gózdź	1 169

5 012

* Total provision for variable remuneration for services and under employment contracts.

Variable remuneration paid to the Management Board

Radosław T. Krochta	859
Michael Shapiro	515
Tomasz Zabost	-
Marcin Dobieszewski	-
Monika Dobosz	515
Agnieszka Gózdź	515

2 404

Members of the Management Board received remuneration from the Company and the subsidiaries: (i) under employment contracts, (ii) for provision of services to the Group, (iii) for serving on management boards, and (iv) variable remuneration.

Remuneration of the Supervisory Board in 2024

Maciej Matusiak	80
Eytan Levy	80
Shimshon Marfogel	70
Guy Shapira	70
Piotr Chajderowski	80
Oded Setter	70

450

In 2024, the total amount of remuneration due to and received by the Supervisory Board was PLN 450 thousand.

4. 6.2 **Agreements with members of the Management Board in case of resignation, dismissal**

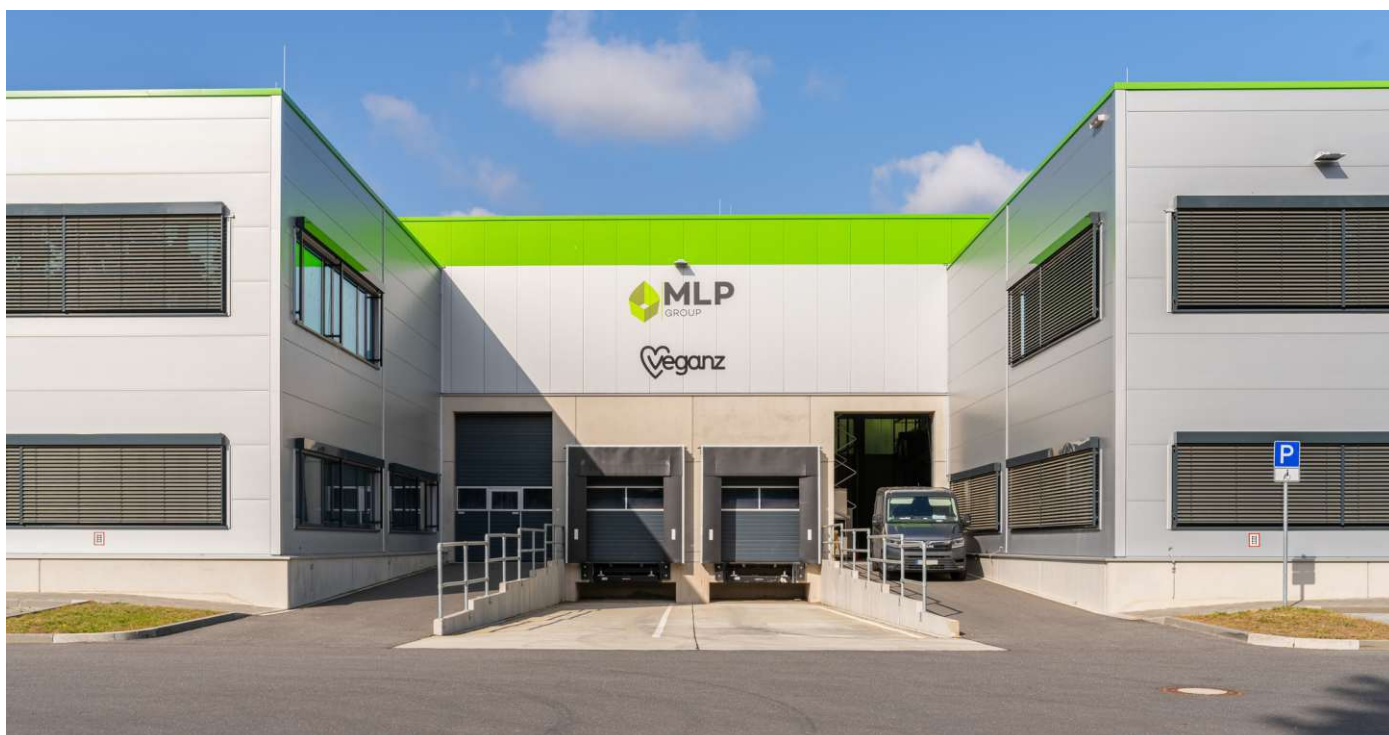
Mr Radosław T. Krochta, President of the Management Board, is employed under an employment contract. If Mr Krochta's employment contract is terminated, he is entitled to receive remuneration during the notice period according to the terms of his contract.

Mr Michael Shapiro, Vice President of the Management Board, is employed by the Company under an employment contract. As per the terms of the contract, in the event of contract termination, Mr. Shapiro is entitled to receive remuneration during the notice period.

Mr Tomasz Zabost, Member of the Management Board, was employed under an employment contract. According to the terms of the employment contract, the termination of the employment relationship entitles Mr. Zabost to receive remuneration during the notice period.

Ms Monika Dobosz, Member of the Management Board, was employed under an employment contract. According to the terms of the employment contract, the termination of the employment relationship entitles Ms. Dobosz to receive remuneration during the notice period.

Ms Agnieszka Gózdź, Member of the Management Board, is employed at the Company under an employment contract. If Ms Gózdź's contract is terminated, she is entitled to receive remuneration during the notice period according to the terms of her contract.



4. 7 Shares held by members of the Management Board and the Supervisory Board

As at 31 December 2024, 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 2024, 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.

On 8 December 2022, MIRO Ltd (currently MIRO HOLDINGS 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 2024, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIROHOLDINGS Ltd., a 2.57% in MLP Group S.A.'s share capital, and, through a 25% in the share capital held by MIRO HOLDINGS 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% in the share capital of MLP Group S.A.

Eytan Levy indirectly holds a 13.34% in MLP Group S.A.'s share capital. Specifically, Mr Levy owns a 100% interest in N Towards the Next Millennium Ltd., which holds a 33.31% in RRN Holdings Ltd. RRN Holdings Ltd. holds 75% of the share capital of Cajamarca Holland B.V., which in aggregate results in the 10.67% in MLP Group S.A.'s share capital and holds 100% in GRACECUP TRADING LIMITED, which results in 2,67% in MLP Group S.A.'s share capital.

The other members of the Supervisory Board do not directly hold shares of the Company.

4. 8 Changes in the Company's and the Group's key business management policies

In 2024, there were no major changes in the key management policies. The development of the organisation requires that management procedures applicable in MLP Group S.A. be improved on a continuous basis.

4. 9 Internal control and risk management system

The Company's Management Board is responsible for the internal control system and its effectiveness in the process of preparing financial statements and reports required to be prepared and published pursuant to the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz.U. of 2018, item 757, as amended).

The Audit Committee directly oversees the effectiveness of the internal control, internal audit and risk management systems and monitors the financial reporting process.

The efficiency and proper functioning of the internal control and risk management system are ensured through:

- established organisational structure,
- competences, knowledge and experience of the persons involved in the internal control processes,
- control mechanisms, including internal procedures, proper division of responsibilities, authorisations of financial and economic operations,
- internal audit as a tool supporting the monitoring process of the internal control system,
- oversight of the system by the management and regular assessment of the Group's business,
- verification of financial statements and reports by an independent auditor.

The overlapping of and interactions between individual features of the internal control system in several areas, such as:

- operating activities,
- financing activities,
- the reporting process (including preparation of financial statements),
- analysis of project costs and expenses, distribution costs and administrative expenses, as well as costs and expenses related to the operation of leased space,
- risk management,

not only guarantee the efficiency of the internal control system but also support the management processes across the entire Group.

The main features of the system of internal control and risk management pertaining to the preparation of separate and consolidated financial statements include in particular:

- established organisational structure,
- qualified staff,
- direct management supervision,
- verification of financial statements and reports by an independent auditor.

The persons responsible for the preparation of financial statements within the financial and management reporting functions are highly qualified staff of the Finance Division, managed directly by the CFO and indirectly by the Management Board.

In accordance with the applicable laws, the Group presents its financial statements for review or audit, as applicable, by a renown and highly qualified independent auditor. In the course of an independent audit, employees of the Finance Division involved in the preparation of the financial statements provide all necessary information and clarifications.

The Company's controlling function, with internal control as its primary and significant component, is based on the budget system. The Company reviews its short-, medium- and long-term plans on an annual basis, with a detailed budget for the next year prepared for:

- construction projects,
- operational projects,
- distribution costs and administrative expenses.

The Group's financial and accounting system is a source of data for the Group's entire reporting system, i.e.:

- the financial reporting process,
- interim reports,
- the management reporting system.

After accounting books are closed, budget performance reports and forecasts are prepared. For the reporting periods ended, the Group's financial results are analysed in detail in the context of the original budget assumptions.

The key element of the process is to monitor deviations from the plan and explain the underlying causes. Monitoring of the deviations and identification of the causes help to optimise the Group's operations and minimise potential risks. Due to the nature of the industry, analyses are conducted on many levels – not only are individual cost groups reviewed, but also individual projects are analysed on a case-by-case basis. Based on these reports, the Company's Management Board analyses the current financial results by comparing them with the original budgets.

Effective internal control (with its reporting functions) is an essential step in risk identification and change management. Effective risk management involves not only a reporting system but also risk analysis. Therefore, the key objective of the Group's efforts to reduce exposure to risk is to properly assess potential and monitor current projects. Any potential changes in project budgets are reflected in profit and cash-flow forecasts to provide a high-level overview and eliminate not only project risks but also other risks, such liquidity or currency risks. Such high-level management and monitoring of risks and internal controls in all areas relevant to the organisation largely eliminates most of the risks to which the Group is exposed.

4. 10 Entity qualified to audit the financial statements

By a resolution passed on 9 April 2024, the Company's Supervisory Board, acting pursuant to Art. 21.2g) of the Company's Articles of Association, appointed PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt spółka komandytowa of Warsaw as the entity qualified to audit the Company's separate and consolidated financial statements for the financial year ended 31 December 2024 and to review the interim financial statements prepared for the six months ended 30 June 2024. The audit and review engagement will also include the years 2025–2028.

The registered office of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt spółka komandytowa is located at ul. Polna 11, 00-633 Warsaw. PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt spółka komandytowa is registered as a qualified auditor of financial statements under entry no. 144.

The contract with the auditor was executed by the Company's Management Board for a period necessary to perform the auditor's duties.

The contract was signed on 8 August 2024.

In 2024, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością spółka Audyt komandytowa, in addition to auditing and reviewing financial statements and group packages, also issued a comfort letter for the financial data included in the Information Memorandum related to the issuance of Green Bonds.

The table below presents the fees paid to the auditor for the services performed.

	<i>for the year ended 31 Decmber</i>	2024	2023
Audit of annual financial statements*		105	134
Audit of separate financial statements of subsidiaries		340	255
Review of consolidated and individual financial statements*		40	40
Audit and review of group reports and other procedures		305	297
Other permitted services		250	-
Total fees		1 041	726

* The amount provided pertains to the audit and review of both individual and consolidated financial statements.

Signed with qualified electronic signature.

Radosław T. Krochta
President of the Management Board

Michael Shapiro
Vice President of the Management Board

Agnieszka Góźdź
Member of the Management Board

Pruszków, 18 March 2025