MLP GROUP

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

2024
Consolidated Annual Report

This document is a translation. Polish version prevails.

Contents

LETTER FROM PRESIDENT & CEO TO SHAREHOLDERS

Dear Fellow Shareholders,

Oftentimes, we are best able to understand something we are interested in through analogies that clarify the matter by establishing connections between them and other parts of life and business. The paradox of risk-taking is inescapable. Taking them does not mean we will be successful; that's why they call it risk. Because the future is inherently uncertain, we usually have to choose between (a) avoiding risk and having little or no return, (b) taking a modest risk and settling for a commensurately modest return, or (c) taking on a high degree of uncertainty in pursuit of substantial gain but accepting the possibility of substantial loss. **At MLP Group we are combining growth with moderate risk, predominantly by focusing on projects in the core urban areas, attracting top quality tenants.**

2024 was a landmark year for MLP Group - we leased a 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.

Industrial & logistic market:

- Continued strong tenant demand drives rental growth,
- Developers have the fewest logistics and industrial projects under construction in over 4 years, which will translate into a lower vacancy rate in the European market and will boost further rental increases in the new projects,
- Continued influx of Asian investments into Europe,
- It is expected that there will be further interest rate cuts in 2025 which shall translate, among other things, into lower yields and consequently an increase in the valuation of real estate.

I. Main 2024 highlights include:

	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 (before 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)**, delivering approx. 93 thousand sqm at a **Yield on Cost ("YoC") of 12% with a 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 translate into PLN 85.6 million growth in 2025 onwards (+40% vs. current year revenues).

In 2024, portfolio Yields stayed unchanged, NAV growth was generated by the signed new lease contracts, which will translate into 2025 revenues and EBITDA growth.

As of 31 December 2024, projects under construction totaled 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 the on-balance sheet. This landbank secures substantial future growth potential for MLP Group, around the existing business parks in **the core urban areas.**

II. Strong cash flow generating portfolio

MLP Group's portfolio WAULT stood at about 8.0 years (increase from 7.4 years).

MLP Group has a stable occupancy rate at 95%.

Rent collection levels stood at 99% with no deterioration in payment profile. Customer relationship management helps us develop long-term partnerships lasting 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 a 1 or 2 Dun & Bradstreet rating which exhibits high attention we place on client quality and credit rating.

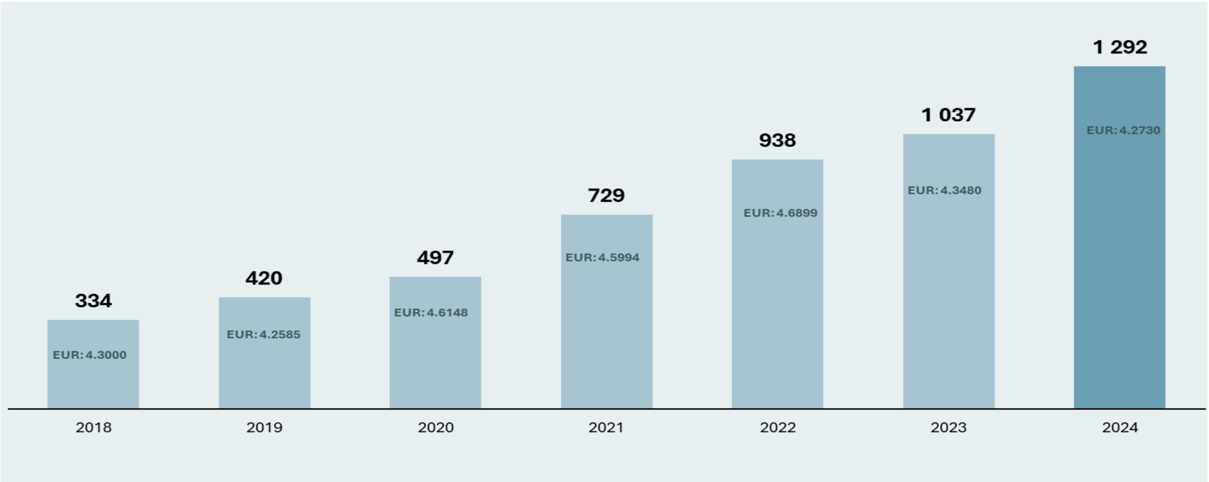
The quality and location of our portfolio is important to our tenants, but in our DNA we believe the high level of service we provide is crucial to maintaining high tenants' retention levels and satisfaction. According to our continuous satisfaction survey, 96% (increase by +1% vs. 2023) of tenants said that they considered MLP Group as their most professional business partner.

III. Investment properties

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

As of 31 December 2024, Gros Assets Value (GAV) reached PLN 5 519.4 million (+22 % vs. 31 December 2023), EUR 1 291.7 million (+25% vs. 31 December 2023). As of 31 December 2024, projects under construction totaled 236 thousand sqm, with a potential rental income of EUR 17.0 million when fully leased and an expected YoC minimum of 11.5%.

GROSS ASSET VALUE (IN MN EUR)



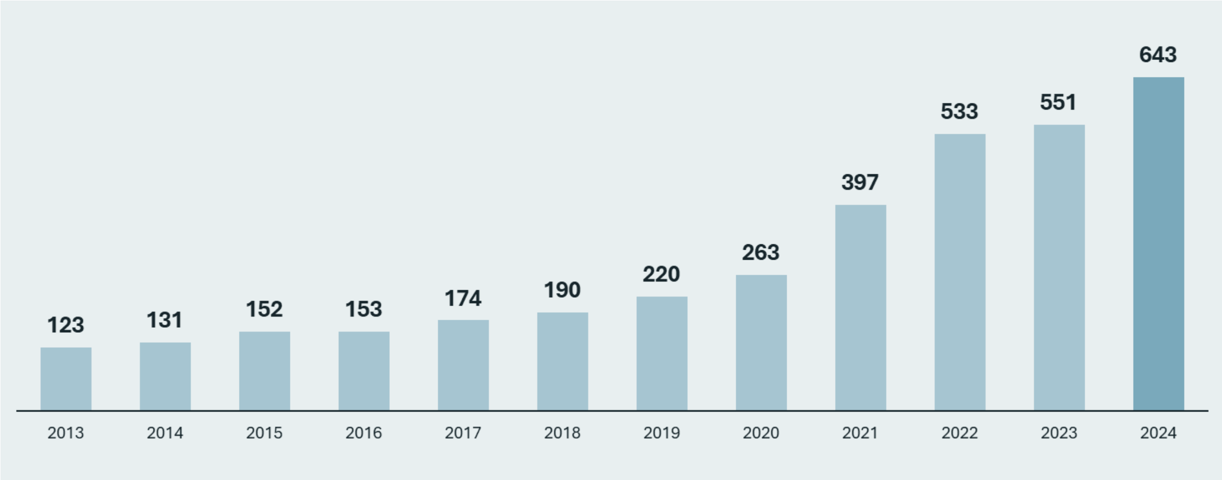
Gross Asset Value represents the value of our investment properties and Property, plant and equipment as recognized in the Group's accounting records and financial statements in accordance with IFRS, not including residential properties and perpetual usufruct.

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 strengthening against the EUR has had an 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 of 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.

NET ASSETS VALUE (IN MN EUR)

Net Assets Value (NAV) reached PLN 2 746.2 million (+15% vs. 31 December 2023), EUR 642.7 million (+17% vs. 31 December 2023).



NAV CONTRIBUTION (IN MN PLN)

In 2024, portfolio Yields stayed unchanged, NAV growth (gain on revaluation of investment properties) was generated by the signed new lease contracts.

(all data in PLN thousand unless stated otherwise)

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/a	n/a	n/a	n/a

*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.

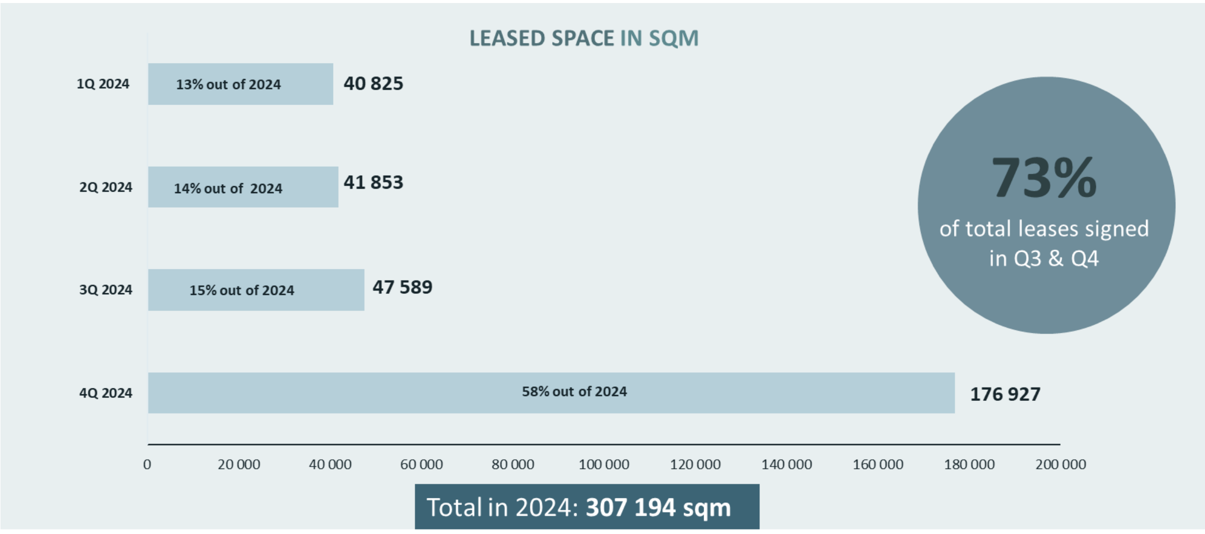
Undoubtedly, further interest rate cuts are expected in 2025 which shall inevitably translate, among other things, into lower yields and consequently an increase in the valuation of real estate.

Over 80% of MLP Group's portfolio is certified with **BREEAM/ DGNB** at very good or excellent level.

IV. 2024 developments

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.

Between Q3 and Q4, there was a significant 73% increase in warehouse space rental, highlighting a strong surge in demand in the last quarter.



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.

As of 31 December 2024, development projects were ongoing across all countries totalling 235 857 sqm i.e. in Poland 142 487 sqm, in Vienna 54 520 sqm and in Germany 38 850 sqm. We have already leased 40% of this development in the construction, which reconfirms the robustness of the occupier market.

(all data in PLN thousand unless stated otherwise)

Our total portfolio reached 1.4 million sqm of GLA.

Tenants from the light manufacturing and logistics sectors were the largest takers of our space during 2024. In 2024, we acquired 22 new tenants, and 20 % of the total demand came from existing tenants.

As of 31 December 2024, our portfolio generated rental income of PLN 214.8 million. During the year, we contracted PLN 22.2 million of new rent.

RENTAL INCOME

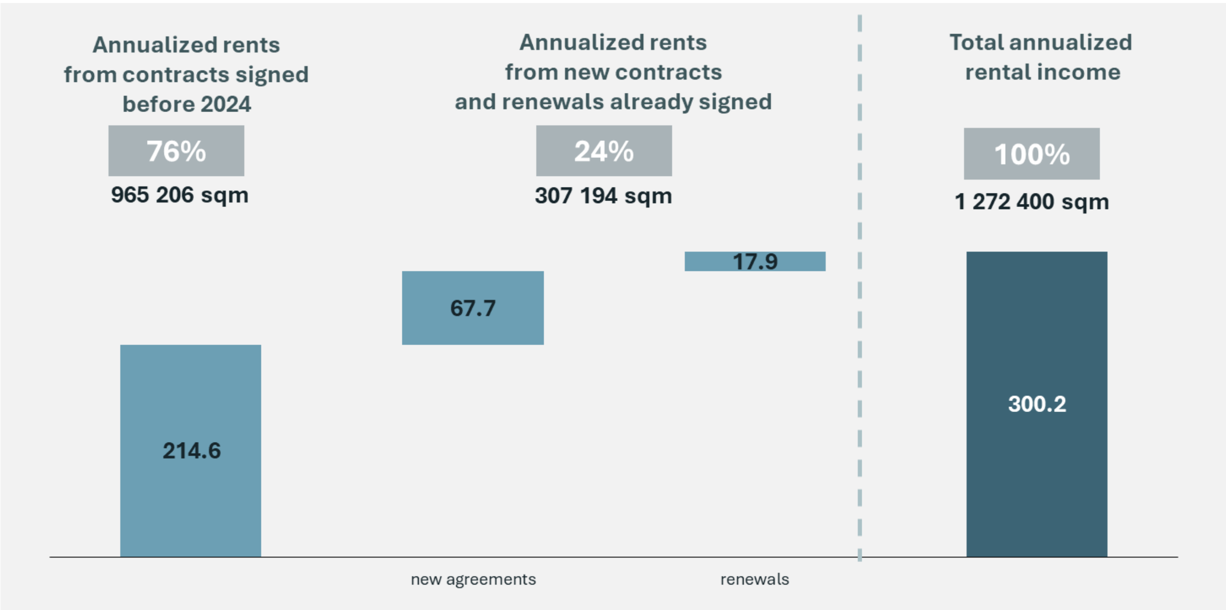
	Rental income in PLN ths.	Rental income in EUR ths.	Average exchange rate in the period	Revenue at the average exchange rate from YE 2023
2023	200 874	44 359	4.5284	200 874
2024	214 802	49 905	4.3042	225 991

Rental income increased by 7% in 2024 compared to 2023. The agreements concluded by the Group's Companies are in EUR or denominated in EUR. Therefore, eliminating the impact of negative exchange rate differences, revenue in EUR increased by 13% in 2024 compared to 2023.

When converted at a fixed exchange rate (the average rate from 2023), rental income for 2024 would amount to 225,991 thousand PLN.

Existing portfolio continues to perform well – none of MLP Group's tenants ran into insolvency or significant liquidity problems - very restrictive and conservative tenants' acceptance policy brings sufficient level of comfort for economic slowdown.

ANNUALIZED FUTURE RENTAL INCOME BASED ON ALL SIGNED CONTRACTS IN 2024 (IN MN PLN)



- 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 reflects PLN 85.6 million growth in 2025 onwards (+40% vs current year revenues.)

V. Financial standing of MLP Group

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

In Q4 2024, **Moody's assigned Ba2,and FITCH BB+ rating with a stable outlook.**

In Q4 2024, 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 of 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).**

Additional financial highlights:

- 100% lease agreements indexed with CPI for EUR without any cap;
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to fluctuations in exchange rates;
- Almost 85% of loans are hedged with IRS for the next 4 years, resulting in limited interest rates' exposure;
- 99% rent collection (collection reached within 60 days) across our portfolio;
- 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 years.

RUN RATE EBITDA (IN MN EUR)

	YE 2024 PLN mn	YE 2023 PLN mn	YE 2024 EUR mn	YE 2023 EUR mn
Net Debt/EBITDA	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 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 (2025 onwards).*

VI. PV/Solar energy

MLP Group has already installed 8.1 MWp of photovoltaic systems on the rooves and further 1.9 MWp shall be installed by the end of 2025. In 2024, we recorded a 9% increase in profits from energy sales due to the adoption of PV and the termination of maximum energy price regulations. The YoC is 11%.

MLP Group plans for 2025

MLP Group continued its disciplined capital allocation in its highly profitable pipeline as the demand stays stable. In 2025, we plan to deliver approx. 250–300 ths sqm. In addition, leasing contracts signed in 4Q 2024 **shall pave the way for a significant increase in revenue and EBITDA in 2025.**

In 2025, projects in Austria and Germany shall contribute to over 50% of total MLP Group results for the first time.

We expect further high single digit growth in rental rates and ERV (estimated rental values) supported by structural drivers of occupational demand and limited supply.

Data Center projects are the digital backbone of the economy, just like logistics for the standard economy. Obviously, we will participate in this market => the acquired plot in Castrop Rauxel in Q4 2024 will be primarily intended for Data Center projects.

Poland is our key market – and we will continue our development. In 2024, we acquired a plot in Rzeszów – which shall be a magnet for post war investment regarding Ukraine/international business. We are planning to increase our position in the Warsaw market.

We will continue further expansion of our business in Romania, where MLP Bucharest played a significant role in our 2024 growth. We are seeing gradual increase in leasing in MLP Bucharest Sud, predominantly by Polish and European light industry tenants.

We will continue our development in Germany and Austria, where we are systematically increasing our portfolio of projects. We plan to strengthen and expand our presence in the regions where we are already present i.e. Vienna, North Rhine-Westphalia, Brandenburg and Hessen and put our feet in Bavaria, where we are expecting to acquire our first plot in 2025.

Growth will be further boosted by lower construction costs, which have largely returned to pre-covid levels, which should further increase our profitability.

Urban/City logistics projects (MLP Business Park) will be in our focus in 2025 and onwards being a high growth potential, high profitability and resilient to economic downturns projects. Our 2028 target is to reach 30% value of Urban/City logistic projects to the total MLP Group portfolio GAV.


In closing

There is no doubt that we live in precarious times with geopolitical risks, and their impact on the economy and on the stability of economic development are immeasurable. **Good times or bad times are just adjectives** that do not say much. We need to adapt to the prevailing economic environment and **focus on risk management in order to balance stable business development** in the coming periods and avoid materially wrong decisions.

Undoubtedly, the planned remilitarization of Europe will translate into additional investments => military spending is always linked to investments in technology, investment in technology requires access to university. Our parks are located in core urban areas where there are academic centres, access to qualified staff, our projects are equipped with very good infrastructure, including access to energy and all these elements will provide an attractive offer to enticetechnological investments (almost half of our tenants are manufacturing/light industry/technology companies) => this is in line with our long-term strategy.

I do believe we have the best teams across all countries, which I am extremely proud of, always with a great desire to provide the best solutions for our tenants and always wanting to be better than our competition.

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

Radosław T. Krochta

President & CEO of MLP Group

I. Statement of the Management Board

The consolidated financial statements of the MLP Group S.A. Group (the "Group") for the period from 1 January 2024 to 31 December 2024 and the comparative data for the period from 1 January 2023 to 31 December 2023 have been prepared in compliance with the applicable accounting policies described in Note 3 and present a true, accurate and fair view of the Group's assets, financial condition and financial results. The Management Board's Report on the activities of the MLP Group S.A. Group presents a true view of the development, achievements and condition of the Group, including a description of key threats and risks.

We also represent that the entity qualified to audit the financial statements that audited the consolidated financial statements of the Group for the 12 months ended 31 December 2024, i.e., PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k., was appointed in accordance with the law. The entity and the statutory auditor who performed the audit satisfied the conditions to issue an unbiased and independent opinion on the audit, in compliance with the applicable laws and professional standards.

Signed by the Management Board and the person responsible for keeping the accounting books with qualified digital signatures

Pruszków, 18 March 2025

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

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

	31 December 2024	31 December 2023
Average mid exchange rate during the reporting period*	4.3042	4.5284
Mid exchange rate on the last day of the reporting period	4.2730	4.3480

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

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

as at 31 December	2024		2023	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Non-current assets	5,663,646	1,325,449	4,667,657	1,073,518
Current assets	806,351	188,708	421,971	97,049
Total assets	**6,469,997**	**1,514,157**	**5,089,628**	**1,170,567**
Non-current liabilities	3,365,501	787,620	2,351,692	540,867
Current liabilities	358,310	83,854	342,308	78,728
Equity, including:	2,746,186	642,683	2,395,628	550,972
Share capital	5,999	1,404	5,999	1,380
Total equity and liabilities	**6,469,997**	**1,514,157**	**5,089,628**	**1,170,567**
Number of shares	23,994,982	23,994,982	23,994,982	23,994,982
Book value per share and diluted book value per share attributable to owners of the parent (PLN)	114.45	26.78	99.84	22.96

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

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

for the year ended 31 December	2024		2023	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
Rental income	214,802	49,905	200,874	44,359
Revenue from property management services	157,619	36,620	159,886	35,307
Other income	5,317	1,235	2,140	473
Gain/(loss) on revaluation of investment property	359,376	83,494	(257,680)	(56,903)
Costs of self-provided property management services	(143,829)	(33,416)	(136,254)	(30,089)
Selling, general and administrative expenses	(46,690)	(10,848)	(35,233)	(7,780)
Operating profit/(loss)	542,996	126,155	(79,667)	(17,593)
Profit/(loss) before tax	454,539	105,604	(60,826)	(13,432)
Net profit/(loss)	**372,187**	**86,471**	**(52,058)**	**(11,496)**
Total comprehensive income	350,558	81,446	(102,287)	(22,588)
Net profit/ (loss) attributable to owners of the parent	372,187	86,471	(52,058)	(11,496)
Earnings per share and diluted earnings per share attributable to owners of the parent (PLN)	15.51	3.60	(2.17)	(0.48)

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

Key items of the consolidated statement of cash flows converted into the euro:

for the year ended 31 December	2024		2023	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
Net cash from operating activities	92,187	21,418	176,906	39,066
Cash from investing activities	(685,072)	(159,164)	(486,866)	(107,514)
Cash from financing activities	912,077	211,904	335,722	74,137
Total cash flows, net of exchange differences	**319,192**	**74,158**	**25,762**	**5,689**
Total cash flows	**323,808**	**75,231**	**29,047**	**6,414**

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

as at 31 December	2024		2023	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Cash at beginning of period	344,247	79,174	315,200	72,493
Cash at end of period	668,055	156,343	344,247	79,174

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

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

MLP GROUP

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

Consolidated **Financial Statements**

for the year ended 31 December 2024
prepared in accordance with EU IFRS

This document is a translation. Polish version prevails.

III. Consolidated financial statements

Authorisation of the consolidated financial statements for issue

On 18 March 2025, the Management Board of the Parent. i.e., MLP Group S.A., authorised for issue the consolidated financial statements (the “Consolidated Financial Statements”) of the MLP Group S.A. Group (the "Group") for the period from 1 January 2024 to 31 December 2024.

The Consolidated Financial Statements for the period from 1 January 2024 to 31 December 2024 have been prepared in accordance with International Financial Reporting Standards approved by the EU. In this report, information is presented in the following sequence:

1. Consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2024 to 31 December 2024, showing a net profit of PLN 372,187 thousand;
2. Consolidated statement of financial position as at 31 December 2024, showing total assets and total equity and liabilities of PLN 6,469,997 thousand;
3. Consolidated statement of cash flows for the period from 1 January 2024 to 31 December 2024, showing a net increase in cash of PLN 323,808 thousand;
4. Consolidated statement of changes in equity for the period from 1 January 2024 to 31 December 2024, showing an increase in consolidated equity of PLN 350,558 thousand;
5. Notes to the Consolidated Financial Statements.

These Consolidated Financial Statements have been prepared in thousands of PLN, unless otherwise stated.

Signed by the Management Board with qualified digital signatures.

(all data in PLN thousand unless stated otherwise)

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December	**Note**	**2024**	**2023**
Rental income	6	214,802	200,874
Revenue from property management services	6	157,619	159,886
Costs of self-provided property management services	9	(143,829)	(136,254)
Gross operating profit/(loss)		**228,592**	**224,506**
Selling, general and administrative expenses	9	(46,690)	(35,233)
Gain/(loss) on revaluation of investment property	13	359,376	(257,680)
Other income	7	5,317	2,140
Other expenses	8	(3,599)	(13,400)
Operating profit/(loss)		**542,996**	**(79,667)**
Finance income	10	40,003	100,473
Finance costs	10	(128,460)	(81,632)
Net finance costs		**(88,457)**	**18,841**
Profit/(loss) before tax		**454,539**	**(60,826)**
Income tax	11	(82,352)	8,768
Net profit/(loss)		**372,187**	**(52,058)**
Other comprehensive income that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(3,822)	(12,810)
Effective portion of changes in fair value of cash flow hedges		(22,229)	(45,951)
Other comprehensive income that will be reclassified to profit or loss, before tax		(26,051)	(58,761)
Other comprehensive income, gross		(26,051)	(58,761)
Income tax on other comprehensive income that will be reclassified to profit or loss		4,422	8,532
Other comprehensive income, net		**(21,629)**	**(50,229)**
Total comprehensive income		**350,558**	**(102,287)**
Comprehensive income attributable to:			
Owners of the Parent		**350,558**	**(102,287)**
Earnings/(loss) per ordinary share:			
- Earnings/(loss) per ordinary share		15.51	(2.17)
Diluted earnings per ordinary share:			
- Diluted earnings per ordinary share		15.51	(2.17)

(all data in PLN thousand unless stated otherwise)

Consolidated statement of financial position

as at 31 December	Note	2024	2023
Non-current assets			
Property, plant and equipment	12	26,391	24,683
Intangible assets		54	94
Investment property	13	5,549,613	4,541,505
Other long-term financial investments	15	62,921	87,481
Other non-current assets	16	20,959	7,853
Deferred tax asset	14	3,708	6,041
Total non-current assets		**5,663,646**	**4,667,657**
Current assets			
Inventories		-	504
Short-term investments	15	2,789	1,722
Income tax receivable	17	10,289	2,573
Trade and other receivables	17	124,321	64,315
Other short-term investments	15	897	8,610
Cash and cash equivalents	18	668,055	344,247
Total current assets		**806,351**	**421,971**
TOTAL ASSETS		**6,469,997**	**5,089,628**
Equity	20		
Share capital		5,999	5,999
Share premium		485,312	485,312
Cash flow hedge reserve		6,832	24,639
Translation reserve		(12,936)	(9,114)
Retained earnings, including:		2,260,979	1,888,792
Capital reserve		83,542	83,542
Statutory reserve funds		168,129	168,129
Profit/(loss) brought forward		1,637,121	1,689,179
Net profit		372,187	(52,058)
Equity attributable to owners of the parent		**2,746,186**	**2,395,628**
Total equity		**2,746,186**	**2,395,628**
Non-current liabilities			
Borrowings, other debt instruments and other liabilities	22.1	2,864,362	1,907,605
Deferred tax liability	14	423,951	365,113
Other non-current liabilities	22.1	77,188	78,974
Total non-current liabilities		**3,365,501**	**2,351,692**

(all data in PLN thousand unless stated otherwise)

Current liabilities			
Borrowings, other debt instruments and other liabilities	22.2	244,563	206,080
Employee benefit obligations	23	5,240	389
Income tax payable	24	6,010	8,375
Trade and other payables	24	102,497	127,464
Current liabilities other than held for sale		**358,310**	**342,308**
Total current liabilities		**358,310**	**342,308**
Total liabilities		**3,723,811**	**2,694,000**
TOTAL EQUITY AND LIABILITIES		**6,469,997**	**5,089,628**

(all data in PLN thousand unless stated otherwise)

Consolidated statement of cash flows

for the year ended 31 December	Note	2024	2023
Cash flows from operating activities			
Profit/(loss) before tax		**454,539**	**(60,826)**
Total adjustments:		**(351,030)**	**261,764**
Depreciation and amortisation		1,913	678
Change in fair value of investment property		(359,376)	257,680
Net interest		117,730	73,517
Exchange differences		(41,876)	(109,752)
Gain/(loss) on sale of property, plant and equipment		-	44
Other		(13,105)	(6,971)
Change in inventories		504	(504)
Change in receivables	19.2	(60,006)	27,495
Change in current and other liabilities	19.3	3,186	19,577
Cash from operating activities		**103,509**	**200,938**
Income tax paid		(11,322)	(24,032)
Net cash from operating activities		**92,187**	**176,906**
Cash flows from investing activities			
Repayment of loans	19.1	11	-
Payments for construction of investment property and purchase of land for development		(692,875)	(466,530)
Payments for intangible assest		(9)	(102)
Payments for acquisition of property, plant and equipment		(2,535)	(15,512)
Other cash provided by (used in) investing activities		10,336	(4,722)
Cash from investing activities		**(685,072)**	**(486,866)**
Cash flows from financing activities			
Increase in borrowings	19.1	183,206	590,713
Repayment of borrowings, including refinanced bank borrowings	19.1	(395,579)	(284,202)
Proceeds from fixed-rate hedging derivatives		24,415	25,242
Cost of new share issue		-	(36)
Redemption of bonds		(229,149)	(54,708)
Issue of debt securities		1,473,325	130,445
Interest paid on bank borrowings and bonds and others debt servicing cost		(141,718)	(71,593)
Finance lease payments		(2,423)	(139)
Cash from financing activities		**910,077**	**335,722**
Total cash flows, net of exchange differences		**319,192**	**25,762**
Effect of exchange differences on cash and cash equivalents		4,616	3,285
Total cash flows		**323,808**	**29,047**
Cash and cash equivalents at beginning of period	18	**344,247**	**315,200**
Cash and cash equivalents at end of period	18	**668,055**	**344,247**

(all data in PLN thousand unless stated otherwise)

Consolidated statement of changes in equity

	Share capital	Share premium	Cash flow hedge reserve*	Translation reserve	Total retained earnings, including:	*capital reserve*	*statutory reserve funds*	*including profit carried forward*	*including net profit*	Total equity attributable to owners of the parent	Total equity
As at 1 January 2024	**5,999**	**485,312**	**24,639**	**(9,114)**	**1,888,792**	**83,542**	**168,129**	**1,689,179**	**(52,058)**	**2,395,628**	**2,395,628**
<u>Comprehensive income:</u>											
Net profit/(loss)	-	-	-	-	372,187	-	-	-	372,187	372,187	372,187
Total other comprehensive income	-	-	(17,807)	(3,822)	-	-	-	-	-	(21,629)	(21,629)
Comprehensive income for the year ended 31 December 2024	**-**	**-**	**(17,807)**	**(3,822)**	**372,187**	**-**	**-**	**-**	**372,187**	**350,558**	**350,558**
Decrease in equity due to share issue	-	-	-	-	-	-	-	-	-	-	-
Allocation from net profit	-	-	-	-	-	-	-	**(52,058)**	**52,058**		
Changes in equity	**-**	**-**	**(17,807)**	**(3,822)**	**372,187**	**-**	**-**	***(52,058)***	***424,245***	**350,558**	**350,558**
As at 31 December 2024	**5,999**	**485,312**	**6,832**	**(12,936)**	**2,260,979**	**83,542**	**168,129**	**1,637,121**	**372,187**	**2,746,186**	**2,746,186**

* The cash flow hedge reserve consists of the effective portion of measurement gains and losses on hedging instruments.

(all data in PLN thousand unless stated otherwise)

	Share capital	Share premium	Cash flow hedge reserve*	Translation reserve	Total retained earnings, including:	*capital reserve*	*statutory reserve funds*	*including profit carried forward*	*including net profit*	Total equity attributable to owners of the parent	Total equity
As at 1 January 2023	**5,999**	**485,348**	**62,058**	**3,696**	**1,940,850**	**83,680**	**168,129**	**1,266,651**	**422,390**	**2,497,951**	**2,497,951**
Comprehensive income:											
Net profit/(loss)	-	-	-	-	(52,058)	-	-	-	(52,058)	(52,058)	**(52,058)**
Total other comprehensive income	-	-	(37,419)	(12,810)	-	-	-	-	-	(50,229)	**(50,229)**
Comprehensive income for the year ended 31 December 2023	**-**	**-**	**(37,419)**	**(12,810)**	**(52,058)**	**-**	**-**	**-**	**(52,058)**	**(102,287)**	**(102,287)**
Allocation from net profit	-	-	-	-	-	(138)	-	422,528	(422,390)	-	**-**
Increase in equity due to share issue	-	(36)	-	-	-	-	-	-	-	(36)	**(36)**
Changes in equity	**-**	**(36)**	**(37,419)**	**(12,810)**	**(52,058)**	**(138)**	**-**	**422,528**	**(474,448)**	**(102,323)**	**(102,323)**
As at 31 December 2023	**5,999**	**485,312**	**24,639**	**(9,114)**	**1,888,792**	**83,542**	**168,129**	**1,689,179**	**(52,058)**	**2,395,628**	**2,395,628**

* The cash flow hedge reserve consists of the effective portion of measurement gains and losses on hedging instruments.

Notes to the Consolidated Financial Statements

1. General information

1.1. The Parent

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

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

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

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

Management Board of the Parent:

- Radosław T. Krochta – President of the Management Board
- Michael Shapiro – Vice President of the Management Board
- Agnieszka Góźdź – Member of the Management 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 1 August 2024, the Supervisory Board of the Parent reappointed the following persons to the Company's Management Board for another term of office: Radosław T. Krochta, Michael Shapiro, Monika Dobosz, and Agnieszka Góźdź.

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

Supervisory Board of the Parent:

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

1.2. The Group

As at the reporting date, the MLP Group S.A. Group (the "Group") consisted of MLP Group S.A., i.e., the Parent, and 59 subsidiaries.

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

The ultimate parent is Israel Land Development Company Ltd. (headquartered in Tel Aviv, Israel), whose shares are listed on the Tel Aviv Stock Exchange.

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

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

(all data in PLN thousand unless stated otherwise)

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

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
MLP Pruszków I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków IV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Lublin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Poznań II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
Feniks Obrót Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Property Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Teresin Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Poznań Sp. z o.o.	Poland	100%	100%	100%	100%
MLP FIN Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Sp. z o.o.	Poland	100%	100%	100%	100%
LOKAFOP 201 Spółka z ograniczoną odpowiedzialnością SKA	Poland	100%	100%	100%	100%
MLP Wrocław Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gliwice Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Czeladź Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Temp Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Dortmund GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Logistic Park Germany I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bucharest West SRL	Romania	100%	100%	100%	100%
MLP Teresin II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków V Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Germany Management GmbH	Germany	100%	100%	100%	100%
MLP Wrocław West Sp. z o.o.	Poland	100%	100%	100%	100%

(all data in PLN thousand unless stated otherwise)

Entity	Country of registration	Parent's direct and indirect interest in share capital		Parent's direct and indirect interest in voting rights	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023
MLP Business Park Berlin I GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź II Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Zgorzelec Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Schwalmtal GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Pruszków VI Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Berlin I Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Schwalmtal Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Wien GmbH	Austria	100%	100%	100%	100%
MLP Wrocław West I Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Gelsenkirchen Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Gorzów Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Idstein Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Business Park Trebur GP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Trebur LP Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Business Park Trebur Sp. z o.o. & Co. KG	Germany	100%	100%	100%	100%
MLP Poznań West III Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Łódź III Sp. z o.o.	Poland	100%	100%	100%	100%
Feniks PV Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Bieruń West Sp. z o.o.	Poland	100%	100%	100%	100%
MLP Wrocław South Sp. z o.o. 1)	Poland	100%	0%	100%	0%
MLP Bieruń II Sp. z o.o. 2)	Poland	100%	0%	100%	0%

(all data in PLN thousand unless stated otherwise)

1.3. 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)] MLP Bieruń II 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 17 April 2024.

These Consolidated Financial Statements for the year ended 31 December 2024 include financial statements of the Parent and the subsidiaries controlled by the Parent (the "Group").

1.4. Shareholding structure of the Parent

1.4.1 Shareholders holding, directly or through subsidiaries, 5% or more of total voting rights in the Company; holdings of Company shares by members of the Management Board and Supervisory Board

To the best of the Management Board's knowledge, direct holdings of 5% or more of total voting rights in the Company and holdings of Company shares by members of the Management Board and Supervisory Board as at 31 December 2024 were as follows:

Shareholder	Number of shares and voting rights in the Company	% direct interest in share capital and voting rights
CAJAMARCA Holland BV	10,242,726	42.69%
Other shareholders	4,249,015	17.72%
The Israel Land Development Company Ltd.	3,016,229	12.57%
THESINGER LIMITED	1,771,320	7.38%
Allianz OFE	1,713,881	7.14%
Generali Otwarty Fundusz Emerytalny S.A.	1,591,360	6.63%
GRACECUP TRADING LIMITED	641,558	2.67%
MIRO HOLDINGS LIMITED.[1)]	617,658	2.57%
Shimshon Marfogel	149,155	0.62%
Oded Setter	2,080	0.01%
Total	**23,994,982**	**100.00%**

[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.

To the best of the Management Board's knowledge, direct holdings of 5% or more of total voting rights in the Company and holdings of Company shares by members of the Management Board and Supervisory Board as at 31 December 2023 were as follows:

Shareholder	Number of shares and voting rights in the Company	% direct interest in share capital and voting rights
CAJAMARCA Holland BV	10,242,726	42.69%
Other shareholders	4,249,015	17.72%
The Israel Land Development Company Ltd.	3,016,329	12.57%
THESINGER LIMITED	1,771,320	7.38%
Allianz OFE	1,713,881	7.14%
OFE NNLife	1,591,360	6.63%
GRACECUP TRADING LIMITED	641,558	2.67%
MIRO LTD.	617,658	2.57%
Shimshon Marfogel	149,155	0.62%
Oded Setter	2,080	0.01%
Total	**23,994,982**	**100.00%**

(all data in PLN thousand unless stated otherwise)

1.4.2 Shares and rights to shares of the Parent held by members of management and supervisory bodies

As at 31 December 2024 and 31 December 2023, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO HOLDINGS LIMITED, a 2.57% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO HOLDINGS LIMITED (formerly MIRO Ltd.) in Cajamarca Holland B.V., Mr. Shapiro was the beneficial owner of 10.67% of the share capital of MLP Group S.A. Therefore, in aggregate, Mr. Shapiro was the beneficial owner of a 13.24% interest in the share capital of MLP Group S.A.

As at 31 December 2024 and 31 December 2023, Eytan Levy held indirectly a 13.34% interest in MLP Group S.A.'s share capital: Mr. Levy held a 100% interest in N Towards the Next Millennium Ltd. This company held a 33.31% interest in RRN Holdings Ltd. which in turn held a 75% interest in the share capital of Cajamarca Holland B.V., resulting in a 10.67% interest in MLP Group S.A.'s share capital and 2.67% interest as the sole shareholder of GRACECUP TRADING LIMITED.

As at 31 December 2024 and 31 December 2023, Shimshon Marfogel, Chairman of the Supervisory Board, held directly a 0.62% interest in the Company's share capital, comprising Company shares subscribed for in September 2017.

As at 31 December 2024 and 31 December 2023, Oded Setter, member of the Supervisory Board, held directly a 0.0087% interest in the Company's share capital, comprising Company shares subscribed for in September 2021, October 2021, January 2022, March 2022 and June 2022.

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

2. Basis of accounting used in preparing the Consolidated Financial Statements

2.1. Statement of compliance

The MLP Group S.A. Group has prepared the consolidated financial statements in accordance with the accounting standards issued by the International Accounting Standards Board approved by the European Union, referred to as the International Financial Reporting Standards ("EU IFRS"). The Group applied all standards and interpretations which are applicable in the European Union except those which are awaiting approval by the European Union and those standards and interpretations which have been approved by the European Union but are not yet effective.

2.2. Status of standards approval in the European Union

2.2.1 Issued standards and interpretations which are not yet effective and have not been adopted early by the Group

The amendments to IFRS taking effect on or after 1 January 2025 have no material effect on these Consolidated Financial Statements.

Standards and interpretations approved by the European Union which are not yet effective for annual periods	Possible impact on the consolidated financial statements	Effective date for periods beginning on or after the date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability	no significant impact	amendments not approved by the EU – scheduled to come into force on 1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments	no significant impact	amendments not approved by the EU – scheduled to come into force on 1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	changes in the presentation of investing activities in the consolidated statement of profit or loss	amendments not approved by the EU – scheduled to come into force on 1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	no significant impact	amendments not approved by the EU – scheduled to come into force on 1 January 2027

(all data in PLN thousand unless stated otherwise)

IFRS 14 *Regulatory Deferral Accounts*	no impact	by decision of the European Union, the standard will not be approved
Amendments to IFRS 10 and IAS 28 concerning sale or contribution of assets between an investor and its associate or joint venture	no impact	by decision of the European Union, implementation is postponed

2.2.2 Standards and interpretations approved by the European Union effective as of 1 January 2024

The following new standards are applied for the first time in the Group's consolidated financial statements for 2024:

Standards and interpretations approved by the European Union	Possible impact on the consolidated	Effective date for periods beginning on or after the date
IFRS 16 *Leases*	**no impact**	**1 January 2024**
Amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*	**no significant impact**	**1 January 2024**

2.3. Basis of accounting used in preparing the Consolidated Financial Statements

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

These Consolidated Financial Statements have been prepared in accordance with the accounting policies described in the consolidated full-year financial statements for 2023.

2.4. Functional currency and presentation currency of the financial statements; rules applied to translate financial data

2.4.1 Functional currency and presentation currency

In these consolidated financial statements all amounts are presented in the Polish złoty (PLN), rounded to the nearest thousand. The Polish złoty is the functional currency of the Parent and the presentation currency of the consolidated financial statements. The functional currencies of consolidated foreign entities are the euro (Germany and Austria) and the Romanian leu (Romania).

2.4.2 Rules applied to translate financial data

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

Consolidated statement of financial position:

	31 December 2024 Average mid exchange rate at the reporting date	31 December 2024 Average mid exchange rate during the reporting period*	31 December 2023 Average mid exchange rate at the reporting date	31 December 2023 Average mid exchange rate during the reporting period*
EUR	4.2730	4.3042	4.3480	4.5284
USD	4.1012	3.9853	3.9350	4.1823
RON	0.8589	0.8652	0.8742	0.9145

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

2.5. Use of estimates and judgements

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

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

For information on the significant uncertainties concerning estimates and judgements made using the accounting policies which had the most significant effect on the amounts disclosed in the consolidated financial statements, see Note 13. "Investment property".

Other areas in which estimates are made in the Consolidated Financial Statements include: lease assets and liabilities (land usufruct rights), provision for variable costs of remuneration for the Management Board, provision for repairs, and provision for part of potential claims arising in connection with land usufruct rights.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by all the Group entities.

3.1. Basis of consolidation

The consolidated financial statements of the Group include data of MLP Group S.A. and its subsidiaries prepared as at the same reporting date.

Due to the fact that not all Group companies apply the same accounting policies as those applied by the Parent, appropriate restatement of the financial statements of such entities was made to ensure compliance with the accounting policies applied by the Parent in the preparation of these consolidated financial statements.

Subsidiaries are controlled by the Parent. The Parent controls an investee if and only if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Financial statements of subsidiaries are consolidated from the date of assuming control over subsidiaries to the date on which such control ceases to exist.

In preparing the consolidated financial statements, the financial statements of the Parent and its subsidiaries are aggregated by adding individual items of assets, liabilities, equity, income and expenses. In order to ensure presentation in the consolidated financial statements of the Group as if it were a single business entity, the carrying amount of the Parent's investment in each of the subsidiaries is eliminated. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated during the preparation of the consolidated financial statements.

3.2. Foreign currencies

Foreign currency transactions

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

For the purpose of preparing consolidated financial statements in the presentation currency of PLN, individual items of the financial statements of foreign operations for which the functional currency is a currency other than PLN are translated as follows:

(i) assets and liabilities - at the closing rate announced for a given currency by the NBP,

(ii) income, expenses, profits and losses - at the exchange rate being the arithmetic mean of average exchange rates announced for a given currency by the National Bank of Poland on the last day of each month of in the reporting period. If there are significant fluctuations in the exchange rate during the period, income and expenses are translated at exchange rates prevailing on the transaction date.

Exchange differences on translation of financial statements of foreign operations are recognised in other comprehensive income for the period and cumulatively in equity.

3.3. Financial instruments

3.3.1 Derivative financial instruments, including hedge accounting

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

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

If the Group applies cash flow hedge accounting, then:

- the portion of the gain or loss on the hedging instrument that is designated to be an effective hedge of the hedged risk is recognised in other comprehensive income;

- the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. If cash flows from operating activities are hedged, the ineffective portion is recognised in other income/expenses, and where the hedging covers cash flows from financing activities – in finance income/costs,

- gains or losses recognised directly in other comprehensive income are reclassified from equity to profit or loss for the current period as a reclassification adjustment in the same period or periods in which the hedged planned cash flows affect profit or loss for the current period.

3.3.2 Financial assets and liabilities at fair value

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, arising from the issuance of cash, the delivery of goods or the performance of services to a debtor without any intention to classify these receivables as financial assets measured at fair value through profit or loss. They are recognised as current assets unless their maturity exceeds 12 months.

Financial assets classified in this category are measured at amortised cost using the effective interest rate less impairment losses. Revaluation takes into account the timing and likelihood of their payment.

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

- the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

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

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

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

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

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

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

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

3.3.3 Financial instruments measured at fair value through profit or loss

An instrument is classified as an investment at fair value through profit or loss if it is held for trading or will be classified as such upon initial recognition. Financial instruments are classified as measured at fair value through profit or loss if the Group actively manages such investments and makes purchase and sale decisions based on their fair value. On initial recognition, transaction costs related to the investment are recognised in profit or loss on the date they are incurred. Any gains and losses on these investments are recognised in profit or loss.

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

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

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

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

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

3.4. Equity

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

3.4.1 Share capital

Share capital is disclosed at the amount specified in the Articles of Association and recorded in the court register. The Group's share capital is the share capital of MLP Group S.A.

3.4.2 Statutory reserve funds

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

3.4.3 Share premium

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

3.4.4 Cash flow hedge reserve

Cash flow hedge reserve includes an effective portion of the gain or loss on a financial instrument that meets the hedge accounting requirements.

(all data in PLN thousand unless stated otherwise)

3.4.5 Capital reserve

Reserve capital comprises retained earnings from prior years.

3.4.6 Profit/(loss) brought forward

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

3.5. Property, plant and equipment

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

3.5.1 Measurement of property, plant and equipment

Items of property, plant and equipment are recognised at cost, less depreciation charges and impairment losses. Items of property, plant and equipment which were remeasured to fair value as at 1 January 2006, i.e. the date of first-time application of EU IFRS by the Group, are measured at deemed cost equal to the fair value at the date of the remeasurement.

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

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

3.5.2 Subsequent expenditure

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

3.5.3 Depreciation and amortisation

Items of property, plant and equipment or their significant and separate parts are depreciated on a straight-line basis over the estimated useful life, allowing for the expected net selling price of an asset (residual value). Land is not depreciated. Depreciation is based on the cost of an item of property, plant and equipment, less its residual value, based on the adopted by the Group and periodically reviewed useful life of the item of property, plant and equipment. Property, plant and equipment are depreciated from the date when they are available for use until the earlier of: the day an item of property, plant and equipment is classified as held for sale, is derecognised from the consolidated statement of financial position, the residual value of the asset exceeds its carrying amount, or when the asset has been fully depreciated.

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

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

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

3.6. Intangible assets

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

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

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

3.7. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or for use in operating activities. Investment property is initially recognised at cost, increased by transaction costs, such as notarial fees, costs of real estate agent fees. Following initial recognition, investment property is carried at fair value, with gains or losses from changes in the fair value recognised in profit or loss in the period in which they arise under gain/(loss) on revaluation of investment property.

The Company applies the cost model of IFRS 16 to all investment properties if their fair value cannot be reliably estimated.

Investment property is derecognised from the consolidated statement of financial position on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any resulting gain or loss is recognised in profit or loss in the period in which the investment property was liquidated or sold.

As of 2022, due to a change in regulations in Poland, investment properties are not depreciated for tax purposes.

Recognition of right-of-use assets

In accordance with IFRS 16, the Group recognises assets under usufruct rights to land at discounted amounts of liabilities. These assets are presented on the statement of financial position in the same line item as the underlying assets owned by the Company would be presented. The item includes usufruct rights related to investment property. Depreciation of right-of-use assets is recognised in the statement of profit or loss in the same line items as other expenses of this type, i.e., under depreciation.

Recognition of a lease requires making certain estimates, judgements and calculations that influence the measurement of finance lease liabilities and right-of-use assets. These include:

- assessment whether a lease payment is a fixed, in-substance fixed or variable payment;
- assessment whether a contract contains a lease under IFRS 16;
- determining the lease term (including for contracts with an indefinite term or an extension option);
- determining the interest rate to be used to discount future cash flows;
- determining the depreciation rate.

3.8. Investment property under construction

Investment property under construction is recognised as investment property.

Throughout the construction process the Group measures the investment property using the fair value method or the cost method. The cost method can be used in the following two cases:

- it is not possible to determine the fair value of the investment property under construction, but it is expected that such property may be measured at fair value after completion of the work,
- it is not possible to determine the fair value of the investment even after its completion.

Gains and losses arising from fair value measurement are recognised directly in profit or loss.

3.9. Leased assets – the Group as the lessee

Lease contracts under which the Group assumes substantially all risks and benefits resulting from the ownership of property, plant and equipment are classified as lease contracts. Property, plant and equipment acquired under lease contracts are initially recognised at the lower of their fair value or present value of the minimum lease payments, less any depreciation charges and impairment losses.

Lease payments are apportioned between finance costs and the reduction of the remaining balance of liabilities using the effective interest rate method. The finance cost is recognised directly in profit or loss. If there is no reasonable probability that items of property, plant and equipment used under lease contracts will be acquired as at the end of the lease term, they are depreciated over the shorter of the lease term and the useful life. Otherwise, property, plant and equipment are depreciated over their useful lives.

3.10. Impairment of assets

3.10.1 Financial assets

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

a) an unbiased and probability-weighted amount of credit losses that is determined by evaluating a range of possible outcomes;

b) time value of money; and

c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

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

- a loan is past due 30 days or more;
- there have been legislative, technological or macroeconomic changes having a material adverse effect on the debtor;
- a significant adverse event has been reported concerning the loan or another loan taken by the same debtor from another lender, for instance a loan agreement has been terminated, there has been a default under its terms and conditions, or the loan agreement has been renegotiated due to financial distress of the debtor, etc.;
- the debtor has lost a significant customer or supplier or has experienced other adverse developments on its market.

The Company has performed an analysis of the effect of expected losses for short-term receivables using the simplified method with respect to the effect of expected losses.

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

3.10.2 Non-financial assets

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

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

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

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

3.11. Employee benefits

Defined benefit plans

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

3.12. Trade and other receivables

Trade receivables and other receivables representing financial assets are initially measured at fair value. Receivables that satisfy the SPPI test and are held for collection are measured at amortised cost including impairment losses calculated using the expected loss model. For short-term receivables, the fair value and amortised cost measurements are not materially different from the nominal amount.

For short-term trade receivables without a significant financing component, the Group applies the simplified approach required under IFRS 9 and measures impairment losses in the amount of credit losses expected over the entire lifetime of the receivable from initial recognition. The Group uses the provision matrix to calculate impairment losses on trade receivables classified in different age groups or delinquency periods. For the purpose of determining expected credit losses, trade receivables were grouped based on similarity of credit risk characteristics (one group of B2B receivables was identified).

To determine the overall default rate, an analysis of collectability of receivables for the last five years is carried out. Default rates are calculated for the following time past due ranges: current (not past due), past due up to 1 month, past due from 1 month to 3 months, past due from 3 months to 6 months, past due from 6 months to 1 year, past due over 1 year. To determine the default rate for a given period, the amount of written off trade receivables is compared with the amount of outstanding receivables.

Impairment losses are calculated taking into account default rates adjusted for the effect of future factors and the amount of receivables outstanding at the reporting date for each period.

The Group concluded that it has homogeneous groups of receivables from institutional customers.

For receivables other than trade receivables, the Group applies a three-stage impairment model.

Impairment losses on receivables are charged to other expenses or finance costs, depending on the nature of the receivables. The amount of an impairment loss on receivables is determined in accordance with local legal regulations and taking into account specific provisions of contracts.

3.13. Cash and cash equivalents

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

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

3.14. Provisions

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

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

3.15. Borrowings and other debt instruments

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

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

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

3.16. Trade and other payables

Liabilities represent the Group's current obligation arising from past events, where the resolution of such obligation will lead to an outflow of resources embodying economic benefits from the Group.

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

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

Non-financial liabilities are measured at amounts receivable.

3.17. Revenue

3.17.1 Rental income

The Group’s principal business activity is leasing properties to tenants, with the Group acting as the lessor. The Group has entered into lease contracts for properties within its portfolio. Lease contracts under which the Group does not transfer substantially all risks and rewards of ownership of the leased assets are classified as operating leases.

The Group recognises rental income on a straight-line basis over the lease term, in accordance with IFRS 16 *Leases*, reflecting the average rent over the lease duration.

Commercial property lease contracts typically include clauses permitting periodic increases in rental charges based on the European Consumer Price Index.

3.17.2 Revenue from property management services

The Group also generates revenue from property management services.

This revenue consists of charges paid by tenants of the Group’s investment properties to cover the costs of services provided by the Group in connection with their leases. Service charges are invoiced monthly, based on a rate agreed upon in the contract, reflecting the best estimate for each project. Additionally, the Group earns income by recharging utility costs to tenants, which are recharged based on actual consumption. Such income is recognised in accordance with IFRS 15.

The Group recognises revenue from property management services primarily as revenue from acting as a principal. This means that for the purposes of financial statements, such costs are recognised on a gross basis since the Group acts as a principal that controls goods or services before they are transferred to the customer.

3.18. Lease payments

Minimum lease payments made under leases are apportioned between finance expense and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent payments are accounted for by adjusting the minimum lease payments over the remaining term of the lease, when the lease adjustment is confirmed.

3.19. Finance income and costs

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

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

Borrowing costs that are directly attributable to the acquisition or construction of an investment property are part of the purchase price or production cost of the investment property.

3.20. Income tax

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

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

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

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

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

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

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

3.21. Earnings per share

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

3.22. Segment reporting

An operating segment is a separate part of the Group which is engaged in providing certain products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is exposed to other risks and derives other benefits than the other segments. The primary and sole business activity of the Group is construction and management of logistics space. The Group's revenue is derived from renting of own property and from property revaluation. The Group operates in Poland, Germany, Romania, and Austria.

The financial data prepared for management reporting purposes is based on the same accounting principles as those applied in the preparation of consolidated financial statements.

4. Financial risk management

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

- Credit risk (Note 25.3.4),
- Liquidity risk (Note 25.3.1),
- Market risk (Notes 25.3.2 and 25.3.3).

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

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

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

Moreover, the pursuit of a low-carbon economy and the fulfilment of international targets to lessen the effects of climate change demand that sustainability risks be evaluated in conjunction with financial risks. These issues are described in Section 1.2. Management Board's Report on the activities of the MLP Group S.A. Group in the 12 months ended 31 December 2024

4.1. 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.

4.1.1 Trade and other receivables

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

There are no significant concentrations of credit risk with respect to the Group's customers. The Group manages the risk by demanding that customers provide bank guarantees to secure rental payments. In some cases, tenants also provide security deposits.

In only few cases has the Group incurred losses as a result of a customer's failure to pay.

4.1.2 Loans

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

4.2. Liquidity risk

Liquidity risk is the risk 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.

4.3. 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.

4.3.1 Currency risk

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 złoty, 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 złoty, 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.

4.3.2 Interest rate risk

The main objective of the interest rate risk management is to protect the Company from variable market conditions and to enable precise planning of costs in individual periods. Accordingly, the effect of hedging activities should be recognised in a manner that does not affect profit or loss as hedging effects are not of operating nature.

Corporate bonds issued on the Polish capital market bear interest at variable rates.

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

The purpose is to hedge interest cash flows exposed to interest rate risk.

To meet this goal, the Group companies strive to enter into credit facility agreements with fixed interest rates, whenever feasible.

An increase in interest rates may also affect the rise in capitalization rates, which in turn may negatively impact property valuation and lead to a breach of bank covenants.

4.4. Risk related to the Group's dependence on macroeconomic conditions

The growth of the commercial real estate market, where the Group is active, is influenced by fluctuations in the construction and real estate sectors, trends within manufacturing, commerce, industry, services, and transportation, as well as the overall economic development. This development is shaped by various macroeconomic factors, including the impact of Russia's military aggression in Ukraine, the associated sanctions against Russia and Belarus (along with their retaliatory measures), the rate of economic growth, inflation, interest rates, labour market conditions, and the volume of direct foreign investments. Also, the Group's business depends indirectly on changes in the global economy. The Group's activities are affected by a range of factors: the military aggression of Russia towards Ukraine and the subsequent sanctions levied against Russia and Belarus (including their reciprocal responses), the dynamics of GDP growth, inflation rates, the level of interest rates and the expectations for their future adjustments, which sway the behaviours of both consumers and businesses, exchange rates, the rate of unemployment, the average wage levels, and the medians of salaries and incomes. Furthermore, the fiscal and monetary policies within the European Union, especially in the nations where the Group's subsidiaries operate, are also significant influencing factors. The rate of growth of the domestic economy, and thus the Group's business and results, may be affected by slowdown of the global economy. Adverse changes in the macroeconomic conditions and economic and monetary policies in Poland, Romania, the European Central Bank and other countries may have a material adverse effect on the Group's financial results and its ability to implement its plans.

4.5. Risks related with factors specific to the real estate sector

The Group is also exposed to risks inherent to the real estate sector that arise from the acquisition, ownership, and management of properties. The revenue and value of properties can be affected by a variety of factors, including changes in legal and administrative regulations, such as those concerning the acquisition of permits or licenses, land use determinations, and taxation; cyclical variations in the real estate markets where the Group is active; and the capability to obtain suitable construction, management, maintenance, and property security services. The Group takes steps to safeguard its operations from the adverse impacts of these factors.

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

A downturn in the real estate market could adversely affect the Group's financial performance, particularly in terms of income derived from warehouse space rentals. If tenants default on their obligations or if there are vacancies, the Group would be unable to generate rental revenue, yet would continue to bear property-related expenses such as legal and appraisal fees, maintenance costs, insurance, and local property taxes. As a rule, lease rents and market prices of property depend on economic conditions. A decrease in market prices may result in lease rents being set at levels lower than those originally planned, may lead to losses on individual projects, or may result in a need to find an alternative use of the purchased land. The occurrence of such events may have a material adverse effect on the Group's business, financial position and results.

4.7. Risk related to land acquisition

The effectiveness and scale of the Group's operations depend, among other factors, on the supply of appropriate land properties for development, their prices and legal status. The ability to find and acquire appropriate real estate at competitive prices and to obtain financing on appropriate terms is a prerequisite for efficient execution of the adopted strategy and delivery of the planned results. The ability to secure land for investment projects in prime locations depends on the Group's operational effectiveness, the legal framework governing the Group's business, and objective factors within the market environment. The price of land is driven indirectly by such factors as demand for lease of warehouse, manufacturing and office space, as well as macroeconomic conditions, availability of financing, supply of warehouse, manufacturing and office space in a given area, and tenants' expectations as to the standard and location of the properties. The Group seeks to effectively respond to changes in the macroeconomic environment through such measures as phased approach to project execution. The Group has established a dedicated department responsible for identifying and securing land for purchase that meets the specified criteria.

4.8. Risk related to property rental

The company's activity in the real estate market entails risks associated with the loss of key tenants and risks stemming from the deterioration of tenants' financial situation. Securing tenants, especially key ones, for the Group's logistics parks is crucial for ensuring commercial success. Such anchor tenants play a significant role in the further development of the logistics park. The Group may face challenges in attracting tenants during economic downturns or when competing with other parks. The Group's performance can also be adversely affected by the financial situation of its tenants, which may deteriorate due to changes in their economic circumstances independent of the quality of their operations. Economic changes may arise from a general market downturn, a slowdown in demand, financial difficulties faced by business partners, rising interest rates, etc. Tenants' problems can adversely impact the Group's financial situation. The Group mitigates this risk by carefully selecting business partners and conducting thorough analyses of their financial situation.

4.9. 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.

4.10. 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.

4.11. 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.

4.12. 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.

4.13. 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.

4.14. 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.

4.15. 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.

4.16. 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.

4.17. The Group is 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.

4.18. 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.

4.19. 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.

4.20. 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.

4.21. 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.

4.22. 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.

4.23. 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 has 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.

4.24. 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.

4.25. 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.

4.26. 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.

4.27. 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.

4.28. 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.

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. 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.

4.29. 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 ownerof the land and facilities where the activities giving rise to third-party damage are carried out.

4.30. 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.

4.31. 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.

4.32. 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.

4.33. 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.

4.34. 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.

4.35. 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.

4.36. 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.

4.37. 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.

4.38. 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.

4.39. 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.

4.40. The Group is 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.

4.41. 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.

4.42. 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.

4.43. 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.

4.44. 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.

4.45. 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.

4.46. 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.

4.47. 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.

4.48. Restrictions imposed by the Notes, 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;

or • 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.

4.49. 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.

4.50. Capital management

The primary objective of the Group's capital management is to drive operational growth and enhance value by implementing prudent capital management strategies and maintaining secure equity ratios that support the Group's operations and maximise shareholder value.

Capital corresponds to the equity presented in the consolidated statement of financial position.

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

The Management Board analyses the equity ratio, which is defined as total equity divided by total assets. In accordance with the terms and conditions of the Series C, Series D, Series E and Series F bonds, the equity ratio may not be less than 35%.

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

The Group monitors its capital position using the leverage ratio, calculated as the ratio of gross debt, net of cash and deposits, to the value of property investments. The Group's long-term strategy is to maintain the LTV (loan-to-value ratio) at no more than 40%.

There were no changes in the Group's approach to capital management during the reporting period.

Neither the Parent nor any of its subsidiaries is subject to external capital requirements.

5. Segment reporting

The primary and sole business activity of the Group is construction and management of logistics space. The Group's revenue is derived from renting of own property and from property revaluation. None of the customers' accounts for 10% or more of the Group's revenue.

Investment property comprises properties generating rental income (existing buildings), construction in progress, land for development, and perpetual usufruct of land.

The Group's focus is on the warehousing sector.

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

As at 31 December 2024 and in the reporting period then ended the Group had four geographical segments – Poland, Germany, Romania and Austria.

The Management Board is the chief operating decision-maker within the Group.

(all data in PLN thousand unless stated otherwise)

A segment's profitability is measured by operating profit.

Operating segments:

for the year ended 31 December	2024					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Rental income	181,663	25,341	7,798	-	-	214,802
Revenue from property management services	149,239	9,104	3,039	24	(3,787)	157,619
Gain/(loss) on revaluation of investment property	112,648	205,903	5,570	35,092	163	359,376
Segment's total revenue	443,550	240,348	16,407	35,116	(3,624)	731,797
Operating expenses	(166,729)	(18,183)	(4,293)	(4,938)	3,624	(190,519)
Segment's operating profit/(loss)	**276,821**	**222,165**	**12,114**	**30,178**	**-**	**541,278**
Segment's other income/(expense)	(2,239)	3,974	(17)	-	-	1,718
Profit/(loss) before tax and net finance costs	**274,582**	**226,139**	**12,097**	**30,178**	**-**	**542,996**
Net finance income/(costs)	(60,078)	(17,988)	(1,748)	(80)	(8,563)	(88,457)
Profit/(loss) before tax	**214,504**	**208,151**	**10,349**	**30,098**	**(8,563)**	**454,539**
Income tax	(40,589)	(33,614)	(1,525)	(6,624)	-	(82,352)
Net profit/(loss)	**173,915**	**174,537**	**8,824**	**23,474**	**(8,563)**	**372,187**

The above data includes reconciliation of the segments' financial results with consolidated net profit for the year ended 31 December 2024, which was PLN 372,187 thousand.

for the year ended 31 December	2023					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Rental income	172,128	24,774	3,972	-	-	200,874
Revenue from property management services	145,431	12,175	2,416	256	(392)	159,886
Gain/(loss) on revaluation of investment property	(212,478)	(46,755)	2,045	(461)	(31)	(257,680)
Segment's total revenue	105,081	(9,806)	8,433	(205)	(423)	103,080
Segment's operating profit/(loss)	**(37,049)**	**(34,214)**	**4,843**	**(1,987)**	**-**	**(68,407)**
Segment's other income/(expense)	(6,511)	(4,749)	-	-	-	(11,260)
Profit/(loss) before tax and net finance costs	(43,560)	(38,963)	4,843	(1,987)	-	(79,667)
Net finance income/(costs)	42,988	(15,802)	(2,222)	(4)	(6,119)	18,841
Profit/(loss) before tax	(572)	(54,765)	2,621	(1,991)	(6,119)	(60,826)
Income tax	2,036	6,843	(634)	523	-	8,768
Net profit/(loss)	**1,464**	**(47,922)**	**1,987**	**(1,468)**	**(6,119)**	**(52,058)**

The above data includes reconciliation of the segments' financial results with consolidated net loss for the year ended 31 December 2023, which was PLN 52,058 thousand.

(all data in PLN thousand unless stated otherwise)

as at 31 December	2024					
	Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities						
Segment's assets	5,733,744	958,434	133,676	337,148	(693,005)	6,469,997
Total assets	**5,733,744**	**958,434**	**133,676**	**337,148**	**(693,005)**	**6,469,997**
Segment's liabilities	3,311,653	668,009	114,072	314,301	(684,224)	3,723,811
Equity	2,422,091	290,425	19,604	22,847	(8,781)	2,746,186
Total equity and liabilities	**5,733,744**	**958,434**	**133,676**	**337,148**	**(693,005)**	**6,469,997**
Expenditure on property	**348,912**	**39,423**	**12,294**	**185,222**	**-**	**585,851**

as at 31 December	2023					
	Poland	Germany	Romania	Austria	Intersegment eliminations	Total
Assets and liabilities						
Segment's assets	4,549,246	645,890	125,076	101,790	(332,374)	5,089,628
Total assets	**4,549,246**	**645,890**	**125,076**	**101,790**	**(332,374)**	**5,089,628**
Segment's liabilities	2,288,048	529,231	110,617	92,162	(326,058)	2,694,000
Equity	2,261,198	116,659	14,459	9,628	(6,316)	2,395,628
Total equity and liabilities	**4,549,246**	**645,890**	**125,076**	**101,790**	**(332,374)**	**5,089,628**
Expenditure on property	**315,015**	**57,840**	**34,565**	**1**	**-**	**407,421**
Revaluation of perpetual usufruct of land	**16,741**	**-**	**-**	**-**	**-**	**16,741**

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

6. Revenue

for the year ended 31 December	2024	2023
Rental income	214,802	200,874
Rental income	**214,802**	**200,874**

Rental income increased by 7% in the 12 months ended 31 December 2024 relative to corresponding period in 2023. Rent in contracts entered into by the Group companies is either stated or denominated in euros. Therefore, excluding the effect of foreign exchange losses, revenue in the euro grew by 13% in the 12 months ended 31 December 2024 compared to the same period in 2023.

Converted at a constant exchange rate (the same as for the 12 months ended 31 December 2023), rental income for the 12 months ended 31 December 2024 would amount to PLN 225,991 thousand.

The Group companies' rental income does not exhibit seasonal fluctuations.

(all data in PLN thousand unless stated otherwise)

The Group's principal business activity is leasing properties to tenants, with the Group acting as the lessor. The Group has entered into lease contracts for properties within its portfolio. Lease contracts under which the Group does not transfer substantially all risks and rewards of ownership of the leased assets are classified as operating leases.

The Group recognises rental income on a straight-line basis over the lease term, in accordance with IFRS 16 *Leases*, reflecting the average rent over the lease duration.

Commercial property lease contracts typically include clauses permitting periodic increases in rental charges based on the European Consumer Price Index.

for the year ended 31 December	**2024**	**2023**
Recharge of service charges	76,173	67,687
Recharge of utility costs	78,532	88,598
Rental income from residential units	60	58
Services provided to tenants	2,099	2,940
Other revenue	755	603
Revenue from property management services	**157,619**	**159,886**

The Group also generates revenue from property management services.

This revenue consists of charges paid by tenants of the Group's investment properties to cover the costs of services provided by the Group in connection with their leases. Service charges are invoiced monthly, based on a rate agreed upon in the contract, reflecting the best estimate for each project. Additionally, the Group earns income by recharging utility costs to tenants, which are recharged based on actual consumption. Such income is recognised in accordance with IFRS 15.

The Group recognises revenue from property management services primarily as revenue from acting as a principal. This means that for the purposes of financial statements, such costs are recognised on a gross basis since the Group acts as a principal that controls goods or services before they are transferred to the customer.

In the operations of the Group companies, the primary costs of property management services, and therefore the revenue from these services, do not exhibit seasonality, with the exception of the cost of purchased gas (and, consequently, income from recharging utility costs). Gas is used by the Group's tenants mainly in the heating season.

7. Other income

for the year ended 31 December	**2024**	**2023**
Reimbursement of court fees	12	-
Reversal of allowances for receivables	-	63
Past due liabilities written off	-	361
Compensation received	519	801
Other	830	670
Gain on disposal of non-current non-financial assets	3,905	19
Reversal of provision for future costs	51	226
Other income	**5,317**	**2,140**

(all data in PLN thousand unless stated otherwise)

8. Other expenses

for the year ended 31 December	**2024**	**2023**
Loss on disposal of non-current non-financial assets	-	(44)
Perpetual usufruct charge for previous years	(338)	-
Costs of donations	(16)	(29)
Contribution to electricity producers and traders fund under Act of 27 October 2022	-	(6,640)
Costs covered by insurance policies	(59)	(46)
Other	(233)	(851)
Investment site acquisition costs	(2,112)	(5,645)
Written-off statute-barred receivables	(124)	(132)
Damages and contractual penalties	(717)	(13)
Other expenses	**(3,599)**	**(13,400)**

9. Distribution costs and administrative expenses

for the year ended 31 December	**2024**	**2023**
Depreciation and amortisation	(1,913)	(678)
Materials and consumables used	(72,467)	(75,669)
Services	(52,699)	(42,407)
Taxes and charges	(42,546)	(37,664)
Wages and salaries	(14,386)	(9,767)
Social security and other employee benefits	(2,615)	(2,064)
Other expenses by nature	(3,887)	(3,206)
Cost of merchandise and materials sold	(6)	(32)
Distribution costs and administrative expenses	**(190,519)**	**(171,487)**

In 2024, distribution costs and administrative expenses were PLN 190,519 thousand, up 11% year on year. They grew faster than revenue from property management services. Distribution costs and administrative expenses include mainly: (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 administrative expenses.

for the year ended 31 December	**2024**	**2023**
Cost of maintenance of property generating rental income	(66,755)	(57,848)
Cost of maintenance of property other than generating rental income	(6,604)	(4,026)
Utilities	(70,422)	(74,161)
Other recharged costs	(48)	(219)
Costs of self-provided property management services	**(143,829)**	**(136,254)**
Depreciation and amortisation	(1,041)	(678)
Selling, general and administrative expenses	(45,649)	(34,555)
Distribution costs and administrative expenses	**(190,519)**	**(171,487)**

(all data in PLN thousand unless stated otherwise)

The higher costs of maintenance of property, including property generating income and other property, were due mainly to an increase in property tax rates and in the volumes of buildings and land based on which property tax is calculated.

The increase in selling, general and administrative expenses was mainly attributable to the creation of a provision for variable remuneration of the Management Board (financial targets were not met for 2023 and no provision was recognised), as well as an increase in salaries and wages and service fees.

10. Finance income and costs

for the year ended 31 December	**2024**	**2023**
Interest on loans advanced	730	771
Ineffective portion of measurement gains and losses on cash flow hedge instruments	492	-
Interest on bank deposits	7,013	8,231
Measurement of borrowings at amortised cost	7,183	-
Net exchange differences	24,580	91,167
Other interest	-	300
Interest on receivables	5	4
Total finance income	**40,003**	**100,473**

for the year ended 31 December	**2024**	**2023**
Interest on borrowings*	(84,640)	(49,139)
Income from fixed-rate hedging derivatives*	23,396	-
Other interest	(2,690)	(445)
Interest paid on swap contracts	(2,542)	-
Ineffective portion of measurement gains and losses on cash flow hedge instruments	(20)	(145)
Interest on bonds	(52,271)	(25,699)
Other finance costs	(2,348)	(1,231)
Debt service costs	(7,345)	(4,973)
Total finance costs	**(128,460)**	**(81,632)**

** In the financial statements for the 12 months ended 31 December 2023, the amount disclosed as interest expense on borrowings was offset against income from fixed-rate hedging derivatives.*

Foreign exchange gains and losses are mainly attributable to the effect of measurement of liabilities under EUR-denominated borrowings at the end of the reporting period. In the period from 31 December 2023 to 31 December 2024, the Polish currency depreciated by PLN 0.75, or 1.76%. As a result of the appreciation of the złoty against the euro, foreign exchange gains of PLN 24,580 thousand were recognised, which had an effect on the Group's net finance income/(costs).

(all data in PLN thousand unless stated otherwise)

11. Income tax

In accordance with Polish laws, in 2024 and 2023, consolidated entities calculated their corporate income tax liabilities at 9% or 19% of taxable income. The lower tax rate was applicable to small taxpayers.

The following tax rates were applied in 2024 and 2023 by the Group's foreign operations to calculate current income tax liabilities: in Germany: 15.825%, in Romania: 16%, and in Austria: 23%.

for the year ended 31 December	**2024**	**2023**
Current income tax	15,821	16,905
Temporary differences/reversal of temporary differences	66,532	(25,673)
Income tax	**82,353**	**(8,768)**

Effective tax rate

for the year ended 31 December	**2024**	**2023**
Profit/(loss) before tax	**454,539**	**(60,826)**
Tax at the applicable tax rate (19%)	(86,362)	11,557
Excess of commercial property tax over income tax	(1,077)	(625)
Difference due to income tax rate change from 19% to 9%	5,894	8,632
Differences in income tax for previous years recognised in the separate financial statements after the issue of the consolidated financial statements for a given year	118	422
Difference due to different rates of tax paid by the Austrian company	(1,148)	77
Non-taxable income	119	(311)
Difference due to different rates of tax paid by the German and Romanian companies	7,310	(332)
Unrecognised asset for tax loss	1,301	(2,063)
Write off of unused deferred tax asset for tax loss	(307)	(182)
Expenses not deductible for tax purposes	(8,201)	(8,407)
Income tax	**(82,353)**	**8,768**

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

The Group also operates in Romania, Germany, and Austria. Especially in Romania, the tax laws have undergone significant changes in recent years.

The frequent changes to tax laws are also attributable to the adoption of new regulations required by the EU law in the countries where the Group operates and commitments made by OECD member countries.

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

The Global Minimum Tax (Pillar 2) framework will apply to groups of companies with consolidated annual revenues of at least EUR 750 million. Accordingly, the Group is not subject to these regulations. As of 1 January 2024, the minimum corporate income tax provisions, previously suspended, took effect again. The Group calculated the tax for the 12 months ended 31 December 2024 and did not identify any material effect on its current tax amount.

(all data in PLN thousand unless stated otherwise)

12. Property, plant and equipment

	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Gross carrying amount as at 31 December 2023	**3,382**	**6,248**	**928**	**53**	**17,205**	**27,816**
Increase	**31**	**7,083**	**886**	**31**	**-**	**8,031**
Acquisition	31	2,113	190	-		2,334
Transfer from property, plant and equipment under construction	-	4,992	-	31	-	5,023
Lease	-	-	698	-	-	698
Exchange differences on translation of foreign operations	-	(22)	(2)	-	-	(24)
Decrease	**-**	**(77)**	**(128)**	**-**	**(5,023)**	**(5,228)**
Transfer to property, plant and equipment	-	-	-	-	(5,023)	(5,023)
Retirement	-	-	(128)	-	-	(128)
Gross carrying amount as at 31 December 2024	**3,413**	**13,254**	**1,686**	**84**	**12,182**	**30,619**

(all data in PLN thousand unless stated otherwise)

	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Total
Accumulated depreciation as at 31 December 2023	**1,914**	**1,065**	**109**	**45**	**-**	**3,133**
Increase	**81**	**642**	**363**	**14**	**-**	**1,100**
Depreciation and amortisation	81	642	363	14	-	1,100
Exchange differences on translation of foreign operations	-	-	-	-	-	-
Decrease	**-**	**50**	**(55)**	**-**	**-**	**(5)**
Retirement	-	-	-	-	-	-
Sale	-	-	(42)	-	-	(42)
Exchange differences on translation of foreign operations	-	50	(13)		-	37
					-	-
Accumulated depreciation as at 31 December 2024	**1,995**	**1,757**	**417**	**59**	**-**	**4,228**
Net carrying amount as at 31 December 2023	**1,468**	**5,183**	**819**	**8**	**17,205**	**24,683**
Net carrying amount as at 31 December 2024	**1,418**	**11,497**	**1,269**	**25**	**12,182**	**26,391**

The Group's plant and equipment include mainly solar photovoltaic systems on rooftops of the logistics parks.

Capital expenditure on property, plant and equipment under construction primarily includes amounts spent on the construction of new rooftop systems at the logistics parks in Poland and abroad.

(all data in PLN thousand unless stated otherwise)

13. Investment property

as at 31 December	2024	2023
Carrying amount at beginning of period	**4,541,505**	**4,432,975**
Purchase of land	104,333	107,990
Expenditure on property	583,851	299,431
Revaluation of perpetual usufruct of land	(1,271)	16,741
Exchange differences on translation of foreign operations	(15,766)	(57,952)
Change in fair value	359,337	(257,680)
Other	(24,415)	-
Carrying amount at end of period	**5,549,613**	**4,541,505**

Investment property comprises existing warehouse and office buildings, warehouse and office buildings under construction, and land for development. Rental income from lease of warehouse space is the key source of the Group's revenue. Investment property as at 31 December 2024 included a perpetual usufruct asset measured at PLN 56,240 thousand (PLN 58,382 thousand as at 31 December 2023).

Change during 2024 in the value of assets recognised as investment property in accordance with IFRS 16

As at 1 January 2024	Increase	Decrease (depreciation)	As at 31 December 2024
58,382	996	(3,138)	56,240

As at 1 January 2023	Increase	Decrease (depreciation)	As at 31 December 2023
42,280	16,741	(639)	58,382

In the period from 31 December 2023 to 31 December 2024, the carrying amount of investment property increased by PLN 1,008,108 thousand.

Factors contributing to the change:

1. increase of PLN 1,109,461 thousand in the fair value of the property portfolio as at 31 December 2024 (including PLN 664,494 thousand fair value change corresponding to the amount of expenditure incurred in the reporting period, and PLN 422,674 thousand change in excess of the expenditure amount),

2. foreign exchange losses of PLN 76,918 thousand on the translation of the property portfolio (including PLN 15,766 thousand attributable to the foreign portfolio and PLN 61,152 thousand attributable to the Polish portfolio),

3. decrease of PLN 2,142 thousand in the value of the perpetual usufruct right.

Litigation concerning revision of the perpetual usufruct charge rate for some of the land used by MLP Pruszków I, MLP Pruszków II, MLP Pruszków III continued in 2024. As at the date of issue of this report, the Management Board of MLP Group S.A. estimated, where appropriate, a provision for the perpetual usufruct charge rate revision from 2022 onwards. The amount determined by the court may be different and may affect the carrying amount of investment property and finance lease liabilities. For a description of disputes, see Note 30.

The value of assets and liabilities relating to perpetual usufruct of land was revised based on the amount used to calculate the provision.

Litigation concerning revision of the perpetual usufruct charge rate for some of the land used by MLP Pruszków I, MLP Pruszków II, MLP Pruszków III continued in 2024. As at the date of issue of this report, the Management Board of MLP Group S.A. estimated, where appropriate, a provision for the perpetual usufruct charge rate revision from

(all data in PLN thousand unless stated otherwise)

2022 onwards. The amount determined by the court may be different and may affect the carrying amount of investment property and finance lease liabilities. For a description of disputes, see Note 30.

The value of assets and liabilities relating to perpetual usufruct of land was revised based on the amount used to calculate the provision.

Investment property by country

		as at 31 December	
		2024	**2023**
Poland		**4,212,242**	**3,779,936**
	Fair value of property	4,156,002	3,721,554
	Perpetual usufruct of land*	56,240	58,382
Germany		**889,728**	**548,457**
	Fair value of property	889,728	548,457
Austria		**319,620**	**101,308**
	Fair value of property	319,620	101,308
Romania		**128,023**	**111,804**
	Fair value of property	128,023	111,804
Gross carrying amount at end of period		**5,549,613**	**4,541,505**

* Perpetual usufruct of land is recognised as finance lease in accordance with IFRS 16.

Fair value of properties by country and property type as at 31 December 2024

	Existing buildings	**Construction in progress**	**Pipeline portfolio**	**Landbank**	**Perpetual usufruct of land**
Poland	3,577,510	191,670	248,270	138,552	56,240
Germany	499,860	79,051	242,449	68,368	-
Austria	-	319,620	-	-	-
Romania	95,168	-	19,925	12,930	-
TOTAL	**4,172,538**	**590,341**	**510,644**	**219,850**	**56,240**

Fair value of properties by country and property type as at 31 December 2023

	Existing buildings	**Construction in progress**	**Pipeline portfolio****	**Landbank****	**Perpetual usufruct of land**
Poland	3,204,407	248,314	91,982	128,153	58,382
Germany	475,236	-	96,960	24,958	-
Austria	-	-	-	101,308	-
Romania	54,250	36,054	-	21,501	-
TOTAL	**3,733,893**	**284,368**	**188,942**	**275,920**	**58,382**

** In the consolidated financial statements for the 12 months ended 31 December 2023, the pipeline portfolio and landbank were disclosed together as landbank.

13.1. Fair value of the Group's investment property

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

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

For the valuation of existing buildings and construction in progress in the Polish portfolio, the external property appraisers applied either the Hardcore or the Term and Reversion technique, based on their professional judgement.

In the Hardcore technique (also known as the layer method, based on a horizontal split of rental income into "layers"), two main income layers are considered in the valuation:

- the 'hardcore' (lower-risk) layer: income actually earned on the property, which is at or below market levels,

- the 'top slice' (higher-risk) layer: any excess income generated by the property above the market levels.

In this technique, the value of property represents the sum of capitalised hardcore income and top slice income. The capitalised value of hardcore income is calculated using the traditional simple capitalisation method.

The capitalised value of top slice income is calculated as the difference between the income actually generated by the property on the valuation date, and the potential income thar can be earned from the property on the market, capitalised over the period from the valuation date to the end of the term of the lease that guarantees income above market levels.

This technique is typically used for properties where rental income exceeds (or in some cases, is equal to) market rent.

The valuation accounts for, where appropriate, the type of tenants actually in occupation or responsible for meeting obligations under the lease contracts, or likely to be in occupation after vacant space is leased, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the lessor and lessee; and the remaining economic life of the property. In accordance with the hardcore valuation method, the fair value of the property is higher when the rent rate is higher and the yield is lower.

The Term and Reversion technique (block approach, based on a 'vertical' split of income) involves consideration of income from property over two periods:

- the term of the existing lease contract: the 'term' part of the valuation, based on income earned during the existing lease period,

- period after the current lease expires: the 'reversion' part of the valuation, based on potential income after the end of the lease term (market rent rates as at the valuation date).

The Term & Reversion technique is typically opted for when the rent rates in the two periods differ.

Due to differences in risk levels, in the majority of cases it may be justified to apply different yields in the capitalisation of income for the period corresponding to the 'contract block' and the period corresponding to the 'market block'.

When using the Term & Reversion technique, the market value of the property is calculated by capitalising net operating income (NOI) generated by the property on the valuation date over the period corresponding only to the 'contract block'. The result is then increased by the amount of rental income in the period corresponding to the 'market block', which is capitalised over a perpetuity at a market yield and discounted to its present value as at the valuation date.

The value of the existing buildings in Romania and Germany was calculated by the appraisers using the discounted cash flow method. This approach discounts expected future income streams and residual value to estimate the present value of the property. The DCF method makes it possible to explicitly reflect valuation parameters over a selected time horizon, and typically involves two stages:

1. detailed cash flow projections for a defined period,

2. calculation of the terminal value.

In the detailed cash flow projection period (typically 10 years), all costs associated with the property for each year are deducted from the expected income (gross rental income) to arrive at the net cash flow (net operating income) from the property for that year. The calculations account for various factors, including rent changes, costs of repair and maintenance, costs of management,

running costs borne by the lessor, re-letting costs, and capital costs. The net operating income for each year is then discounted to the valuation date at a selected discount rate, monthly in advance. Inflation rate and rent growth expectations are taken into account during the detailed cash flow projection period, and therefore are not reflected in the cash flow forecast and the discount rate applied.

At the end of the detailed cash flow projection period, the property value is estimated using the income capitalisation method.

The income capitalisation method involves capitalising stabilised net rental income at an appropriate capitalisation rate over a perpetuity. After deducting acquisition costs, the net terminal value is then discounted to the valuation date at the DCF discount rate. The income capitalisation method is a static approach, providing a 'snapshot' calculation with only implicit consideration of rent growth or cost changes over time. The effects of rent changes, ageing building structure, and other market or financial factors are implicitly taken into account in the applied capitalisation rate (yield).

The terminal value is based on the stabilised net rental income. From this income, inflation-adjusted costs of ongoing maintenance and management, as well as other running costs, are deducted. After capitalising the resulting stabilised net rental income, the relevant acquisition costs are deducted from the gross terminal value as follows:

- transfer tax on the transfer of land, at a rate depending on the location of the property,

- costs of agent services,

- costs of notary public’s services and other legal costs, depending on the level of value.

The residual method of property valuation is applied for investment properties under construction. In this method, the property value is estimated based on its development value (i.e. on completion of the development project) using the income/market approach, taking into account the development budget, including the developer’s profit. Development costs include total construction costs, including fit-out costs, professional fees, financing costs and the developer’s profit. In accordance with the valuation method, the higher the rent rate is, the higher the fair value of the property; the lower the yield rate – the higher the fair value of the property is, and the higher the estimated construction costs – the lower the fair value of the property.

The valuation of the pipeline portfolio is based on a development appraisal to assess the potential value (Gross Development Value) of a project once it is fully completed and leased/sold in its currently proposed form. From this Gross Developer Value, the appraisers deducted the project expenditure, including hard costs, soft costs, financing costs, and the developer's profit, to reflect the required level of return to the developer and to account for the project’s risk. In assessing the Gross Development Value, the appraisers used a market approach, estimating the market rents for the space to be constructed as well as the appropriate capitalisation rate that would be required by a potential investor, in order to form an opinion on the market value of the completed and leased building.

For valuing the landbank, the appraisers use the sale comparison approach, where the probable value of property (land) is established using data from recent sale transactions involving similar assets.

This method determines the value of sites by comparing them against the selling prices of similar properties. The selling prices of properties that are considered the most comparable provide a range within which the value of the property being valued is likely to fall. The degree of similarity or difference between the property subject to valuation and comparable sale transactions was estimated, taking into account various elements of comparison. Then, percentage adjustments were applied to the selling prices of comparable properties, as the prices of these properties are known, whereas the value of the property being valued is not. This procedure produced the estimated value of the property being valued as at a specific date.

In order to arrive at an estimate of the property’s value, the appraisers apply price adjustments as required. The appraisers rely on actual sales or lease evidence for similar properties, considering factors such as the date of sale, location, size of the site, property configuration, technical condition, and available utilities. In the sale comparison approach, the higher the price per square metre, the higher the fair value.

The Group measures the fair value of its property portfolio twice a year, i.e., as at 30 June and 31 December, unless changes occur which require remeasurement. The fair value of property, which is expressed in the euro in valuation reports, is translated at the mid rates quoted by the National Bank of Poland at the end of the reporting period.

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

The valuation method did not change relative to previous periods.

In the year ended 31 December 2024, there were no transfers between the levels.

In the commercial property market in Poland, there is a shortage of market data that could be used to effectively capture the risks associated with the transition towards a net zero carbon footprint in 2026. To date, no standards have been developed to accurately reflect the impacts of this transition in property valuations. Moreover, there are no existing methodologies that directly link decarbonisation with property valuations. In the case of property leases, the risk involves potential changes to rental income levels due to decarbonisation initiatives, which have been factored into the valuations through rent rates for leased space and yield rates in property sale processes. In particular, the age of buildings and their technical specifications have been taken into account for valuation purposes.

13.2. Significant assumptions made by independent expert appraisers for the valuation of existing buildings and buildings under construction

as at	*31 December 2024*		
			Reversionary yield
	mean	**minimum**	**maximum**
Poland	6.30%	6.01%	8.82%
Germany	5.26%	4.55%	5.48%
Austria	4.50%	4.50%	4.50%
Romania	7.75%	7.75%	7.75%
Total portfolio	**6.19%**	**4.50%**	**8.82%**

A sensitivity analysis was performed to examine the sensitivity of yields (rates of return and capitalisation rates) to changes in the valuations of completed investment property. The table below presents the sensitivity of profit/(loss) before tax as at 31 December 2024.

	Present value of investment property PLN million	**Estimated value of investment property after yield change PLN million**	**Valuation difference PLN million**
Yield -25pp	4,173	4,374	202
Yield -50pp	4,173	4,592	420
Yield +25pp	4,173	3,991	(181)
Yield +50pp	4,173	3,816	(356)

A sensitivity analysis was also conducted to assess how changes in rent rates affect the valuations of completed investment properties. The table below presents the sensitivity of profit/(loss) before tax as at 31 December 2024.

	Present value of investment property PLN million	Estimated value of investment property after rent rate change PLN million	Valuation difference PLN million
Rental income -25pp	4,172	4,090	(82)
Rental income -50pp	4,172	4,013	(159)
Rental income +25pp	4,172	4,254	82
Rental income +50pp	4,172	4,329	157

Estimated rental value (ERV) per m^2

	average for warehouse and office space	warehouse space	office space
Poland	EUR 4.64	EUR 4.35	EUR 11.50
Germany	EUR 7.43	EUR 7.20	EUR 11.50
Austria	EUR 8.46	EUR 7.95	EUR 12.00
Romania	EUR 4.56	EUR 4.50	EUR 8.50

For existing buildings and construction in progress

Reversionary yield

as at	*31 December 2023*		
	mean	**minimum**	**maximum**
Poland	7.07%	6.18%	9.22%
Germany	5.08%	4.96%	5.14%
Austria	n/a	n/a	n/a
Romania	6.82%	6.82%	6.82%
Total portfolio	**6.46%**	**4.96%**	**9.22%**

As the project located in Austria was in the process of obtaining a building permit, the land was valued using the comparative method.

A sensitivity analysis was performed to examine the sensitivity of yields (rates of return and capitalisation rates) to changes in the valuations of completed investment property. The table below presents the sensitivity of profit/(loss) before tax as at 31 December 2023.

	Present value of investment property PLN million	Estimated value of investment property after yield change PLN million	Valuation difference PLN million
Yield -25pp	3,734	3,907	173
Yield -50pp	3,734	4,097	363
Yield +25pp	3,734	3,580	(154)
Yield +50pp	3,734	3,435	(299)

Estimated rental value (ERV) per m^2

	31 December 2023		
	average for warehouse and office space	**warehouse space**	**office space**
Poland	EUR 4.58	EUR 4.25	EUR 10.75
Germany	EUR 6.01	EUR 5.53	EUR 9.13
Austria	n/a	n/a	n/a
Romania	EUR 4.53	EUR 4.50	EUR 8.50

The landbank is valued using the comparative method. The average rates per square metre of land used for each geographic segment are as follows:
– Poland in 2024: from EUR 49 to EUR 335; in 2023: from EUR 47 to EUR 86,
- Germany in 2024: EUR 110 ; in from EUR 98 to EUR 141;
- Austria in 2023: EUR 237; in 2024: valued as construction in progress,
– Romania in 2024: EUR 4; in 2023: EUR 46.

(all data in PLN thousand unless stated otherwise)

14. Deferred tax

	Deferred tax asset		Deferred tax liability		Net amount	
as at 31 December	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Investment property [1]	-	-	428,154	360,743	428,154	360,743
Borrowings and loans	-	(9,669)	22,156	-	22,156	9,669
Derivatives	-	-	1,775	6,100	1,775	6,100
Other	3,723	11,133	-	-	(3,723)	(11,133)
Tax losses deductible in future periods	22,383	7,635	-	-	(22,383)	(7,635)
Interest on bonds	5,736	(1,328)	-	-	(5,736)	1,328
Deferred tax asset / liability	**31,842**	**7,771**	**452,085**	**366,843**	**420,243**	**359,072**

as at 31 December	**2024**	**2023**
Including:		
Deferred tax asset	(3,708)	(6,041)
Deferred tax liability	423,951	365,113
	420,243	**359,072**

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

[1] Deferred tax on investment property relates fully to a long period. Therefore, at least 95% of the deferred tax liability shown above is a long-term deferred tax liability.

(all data in PLN thousand unless stated otherwise)

	1 January 2023	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2023
Investment property	408,332	(43,796)	-	(3,793)	360,743
Borrowings and loans	(8,282)	17,951	-	-	9,669
Derivatives	14,643	(11)	(8,532)	-	6,100
Other	(13,869)	2,666	-	70	(11,133)
Tax losses deductible in future periods	(3,823)	(3,812)	-	-	(7,635)
Interest on bonds	(1)	1,329	-	-	1,328
	397,000	**(25,673)**	**(8,532)**	**(3,723)**	**359,072**

	1 January 2024	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2024
Investment property	360,743	68,356	-	(945)	428,154
Borrowings and loans	9,669	12,487	-	-	22,156
Derivatives	6,100	97	(4,422)	-	1,775
Other	(11,133)	7,404	-	6	(3,723)
Tax losses deductible in future periods	(7,635)	(14,748)	-	-	(22,383)
Interest on bonds	1,328	(7,064)	-	-	(5,736)
	359,072	**66,532**	**(4,422)**	**(939)**	**420,243**

(all data in PLN thousand unless stated otherwise)

15. Investments and other investments

s at 31 December	**2024**	**2023**
Long-term receivables from measurement of swap contracts	10,210	32,756
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – long-term portion	21,760	25,690
Bank deposits comprising security deposits from tenants	9,286	8,015
Cash set aside in CAPEX account	214	214
Long-term performance bonds retained	3,761	3,748
Deposit under bank guarantee	136	136
Long-term loans to related entities	17,554	16,922
Other long-term investments	**62,921**	**87,481**

The main bank with which the Group holds deposits comprising security deposits from tenants, cash set aside in accordance with credit facility agreements, and deposits comprising retained performance bonds is a bank with an A+ investment grade ranking (45% of total long-term and short-term investments in the form of deposits).

as at 31 December	**2024**	**2023**
Short-term receivables from measurement of swap contracts	2,789	1,722
Short-term investments	**2,789**	**1,722**
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – short-term portion	-	2,432
Short-term performance bonds retained	896	5,881
Deposit under bank guarantee	1	297
Other short-term investments	**897**	**8,610**

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

	Loan assets
As at 31 December 2022	**16,626**
Interest accrued	771
Exchange differences on measurement	(475)
As at 31 December 2023	**16,922**
Interest accrued	730
Loans	22
Repayment of loan principal	(11)
Exchange differences on measurement	(109)
As at 31 December 2024	**17,554**

(all data in PLN thousand unless stated otherwise)

16. Other non-current assets

as at 31 December	2024	2023
Long-term prepayments and accrued income	20,959	7,853
Other non-current assets	**20,959**	**7,853**

17. Trade and other receivables

as at 31 December	2024	2023
Trade payables	26,628	21,453
Investment settlements	1,851	628
Prepayments and accrued income	9,920	3,972
Prepayments for property, plant and equipment and investment property under construction	235	225
Assets from accrued rents from operating leases	24,415	-
Advance payment for purchase of land	5,819	-
Taxes and social security receivable*	55,453	38,037
Trade and other receivables	**124,321**	**64,315**
Income tax receivable	10,289	2,573
Short-term receivables	**134,610**	**66,888**

* As at 31 December 2024 (and as at 31 December 2023), tax and social security receivable comprised mainly VAT receivable of PLN 46,325 thousand (PLN 28,920 thousand) as disclosed in the VAT returns filed, and input VAT of PLN 9,128 thousand (PLN 8,920 thousand) to be deducted in future periods.

Trade receivables remained at a similar level relative to the previous year.

The rent collection ratio was 99%, largely unchanged year on year.

For more information on receivables from related entities, see Note 29.

The Group uses a provision matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables have been grouped on the basis of similarity of credit risk characteristics and past due periods. The Group concluded that it has the following homogeneous groups of receivables: receivables from tenants and receivables under development contracts.

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

as at 31 December	2024		2023	
	Gross receivables	Impairment loss	Gross receivables	Impairment loss
Not past due	39,459	-	13,803	-
Past due from 1 to 30 days	1,253	-	4,875	-
Past due from 31 to 60 days	6,641	-	157	-
Past due from 61 to 90 days	1,210	-	22	-
Past due from 91 to 180 days	3	-	99	(7)
Past due over 181 days	3,017	(540)	5,201	(2,697)
Total receivables	**51,583**	**(540)**	**24,157**	**(2,704)**

(all data in PLN thousand unless stated otherwise)

	2024	2023
Allowances for receivables as at 1 January	**(2,704)**	**(2,716)**
Recognition	-	(7)
Use of allowances	2,164	19
Impairment losses on receivables as at 31 December	**(540)**	**(2,704)**

18. Cash and cash equivalents

as at 31 Decembe	2024	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 consolidated statement of financial position include cash in hand and bank deposits with original maturities of up to three months.

Indications of impairment of cash and cash equivalents were determined separately for each balance held with the financial institutions. Credit risk was assessed using external credit ratings and publicly available information on default rates set by external agencies for a given rating. The analysis showed that the credit risk of the assets as at the reporting date was low.

All banks with which the Group holds cash have investment grade ratings (BBB- or higher).

The main bank where the Group holds 75% of its cash and cash equivalents as well as restricted deposits is a financial institution with an A+ credit rating. The second primary bank, where the Group holds 6% of its funds, is also an institution with an A+ credit rating. The Group monitors the banks' credit ratings and manages concentration risk by placing deposits in multiple (over 10) financial institutions.

19. Notes to the consolidated statement of cash flows

19.1. Cash flows from borrowings

for the year ended 31 December	2024	2023
Proceeds from bank borrowings	183,206	590,713
Cash flows from proceeds from borrowings	**183,206**	**590,713**
Cash flows from proceeds from borrowings – amount disclosed in the consolidated statement of cash flows	**183,206**	**590,713**

(all data in PLN thousand unless stated otherwise)

for the year ended 31 December	**2024**	**2023**
Repayment of bank borrowings, including refinanced bank borrowings	(395,578)	(258,960)
Repayment of non-bank borrowings	(473)	-
Total repayment of borrowings	**(396,051)**	**(258,960)**
Cash flows from repayment of borrowings	**(396,051)**	**(258,960)**
Cash flows from repayment of borrowings – amount disclosed in the consolidated statement of cash flows	**(396,051)**	**(258,960)**

for the year ended 31 December	**2024**	**2023**
Cash flows from repayment of loans	11	-
Cash flows from repayment of loans	**11**	**-**
Cash flows from repayment of loans – amount disclosed in the consolidated statement of cash flows	**11**	**-**

19.2. Change in receivables

for the year ended 31 December	**2024**	**2023**
Change in trade and other receivables	(60,006)	27,495
Change in receivables	**(60,006)**	**27,495**
Change in receivables disclosed in the consolidated statement of cash flows	**(60,006)**	**27,495**

19.3. Change in current and other liabilities

for the year ended 31 December	**2024**	**2023**
Change in trade and other payables	(24,967)	(40,527)
Change in employee benefit obligations	4,851	(1,682)
Change in current liabilities under performance bonds and security deposits	(384)	3,493
Change in finance lease and swap liabilities	828	20,611
Elimination of changes in investment commitments	22,858	41,640
Change in current and other liabilities	**3,186**	**23,535**
Change in current and other liabilities disclosed in the consolidated statement of cash flows	**3,186**	**23,535**

(all data in PLN thousand unless stated otherwise)

20. Equity

20.1. Share capital

as at 31 December	2024	2023
Share capital		
Series A ordinary shares	11,440,000	11,440,000
Series B ordinary shares	3,654,379	3,654,379
Series C ordinary shares	3,018,876	3,018,876
Series D ordinary shares	1,607,000	1,607,000
Series E ordinary shares	1,653,384	1,653,384
Series F ordinary shares	2,621,343	2,621,343
Ordinary shares – total	**23,994,982**	**23,994,982**
Par value per share	0.25	0.25

As at 31 December 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.

as at 31 December	**31 December 2024**		**31 December 2023**	
	Number of shares	**Par value**	**Number of shares**	**Par value**
Number/value of shares at beginning of period	**23,994,982**	**5,999**	**23,994,982**	**5,999**
Issue of shares	-	-	-	-
Number/value of shares at end of period	**23,994,982**	**5,999**	**23,994,982**	**5,999**

21. Earnings and dividend per share

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

for the year ended 31 December	2024	2023
Net profit/(loss) for period	**372,187**	**(52,058)**
Number of outstanding shares	23,994,982	23,994,982
Weighted average number of outstanding shares	23,994,982	23,994,982

Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):		
- basic	15.51	(2.17)
- diluted	15.51	(2.17)

There were no dilutive factors in the presented periods.

(all data in PLN thousand unless stated otherwise)

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

22.1. Non-current liabilities

as at 31 December	2024	2023
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
Non-current liabilities under borrowings and other debt instruments	**2,864,362**	**1,907,605**

as at 31 December	2024	2023
Finance lease liabilities (perpetual usufruct of land)[1)]	56,240	58,382
Liabilities from measurement of swap contracts	4,237	3,959
Performance bonds	3,157	7,241
Security deposits from tenants and other	12,731	9,031
Lease liabilities (vehicles)	823	361
Other non-current liabilities	**77,188**	**78,974**

[1)] The Group is a party to pending court proceedings concerning revision of the perpetual usufruct charge rate. As at the date of issue of this report, the Management Board of MLP Group S.A. estimated, where appropriate, a provision for a portion of potential claims against MLP Pruszków I, MLP Pruszków II, MLP Pruszków III Sp. z o.o. The amount determined by the court may affect the carrying amount of investment property and finance lease liabilities. For a description of disputes, see Note 26.

22.2. Current liabilities

as at 31 December	2024	2023
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
Current liabilities under borrowings and other debt instruments	**244,286**	**205,891**

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

as at 31 December	2024	2023
Liabilities under lease of vehicles	277	189
Other current liabilities	**277**	**189**

(all data in PLN thousand unless stated otherwise)

22.3. Change in financial liabilities attributable to financing and other activities

	Bonds
As at 31 December 2022	**383,879**
Issue of bonds	130,445
Interest accrued on bonds	25,700
Interest paid on bonds	(22,298)
Redemption of Series A bonds	(54,708)
Exchange differences on measurement	(30,018)
As at 31 December 2023	**433,000**
Issue of bonds	1,473,325
Interest accrued on bonds	52,271
Interest paid on bonds	(35,923)
Redemption of Series E bonds and portion of Series D bonds	(229,149)
Exchange differences on measurement	(20,973)
As at 31 December 2024	**1,672,551**

	Non-bank borrowings
As at 31 December 2022	**16,654**
Interest accrued	782
Exchange differences on measurement	(484)
As at 31 December 2023	**16,952**
Repayment of loan principal	(473)
Interest accrued	724
Exchange differences on measurement	(106)
As at 31 December 2024	**17,097**

	Bank borrowings
As at 31 December 2022	**1,455,952**
including derecognised commission fee as at 31 December 2022	2,991
Interest accrued	76,869
Interest paid – credit facilities	(74,435)
Interest accrued – IRS	(27,309)
Interest received – IRS	25,242
Increase in bank borrowings	590,713
Repayment of principal	(258,960)
Realised foreign exchange gains/(losses)	(2,197)
Exchange differences on measurement	(118,079)
Interest capitalised	(577)

(all data in PLN thousand unless stated otherwise)

As at 31 December 2023	**1,663,544**
including derecognised commission fee as at 31 December 2023	**6,666**
As at 31 December 2023	**1,663,544**
including derecognised commission fee as at 31 December 2023	6,666
Interest accrued	83,913
Interest capitalised	552
Interest paid – credit facilities	(90,176)
Interest accrued – IRS	(20,854)
Interest received – IRS	24,415
Increase in bank borrowings	183,206
Repayment of principal	(395,579)
Realised foreign exchange gains/(losses)	(15,857)
Exchange differences on measurement	(1,466)
Bank borrowings measured at amortised cost	(7,183)
As at 31 December 2024	**1,419,000**
including valuation at amortized cost as at 31 December 2024	**(12,181)**

	Leases (perpetual usufruct of land)
As at 31 December 2022	**42,280**
Revaluation of perpetual usufruct of land at companies engaged in litigation with the Pruszków District Governor	16,741
Annual payment	(639)
As at 31 December 2023	**58,382**
Revaluation of perpetual usufruct of land at companies engaged in litigation with the Pruszków District Governor	(1,271)
Annual payment	(871)
As at 31 December 2024	**56,240**

(all data in PLN thousand unless stated otherwise)

22.4. Liabilities under bonds

22.4.1. Liabilities under bonds as at 31 December 2024

Instrument	Currency	Nominal value [EUR]	Valuation [EUR]	Total [EUR]	Total [PLN]	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Public bonds – Series C	EUR	45,000,000	1,055,700	46,055,700	196,796,006	19 Feb 2025	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series F[2)]	EUR	-	-	-	-	26 May 2025	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series G[1)]	EUR	41,000,000	190,240	41,190,240	176,005,896	4 Dec 2026	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Green Bonds	EUR	300,000,000	4,178,425	304,178,425	1,299,749,431	15 Oct 2029	Fixed interest rate	*none*	Euro MTF

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

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

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.

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

[2)] 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.

22.4.2. Liabilities under bonds as at 31 December 2023

Instrument	Currency	Nominal value [EUR]	Valuation [EUR]	Total [EUR]	Total [PLN]	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Public bonds – Series B	EUR	-	-	-	-	11 May 2023	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series C	EUR	45,000,000	1,142,100	46,142,100	200,625,851	19 Feb 2025	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series D	EUR	20,000,000	154,200	20,154,200	87,630,462	17 May 2024	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series E	EUR	4,000,000	60,920	4,060,920	17,656,880	21 Jan 2024	6M EURIBOR + margin	*none*	Catalyst
Public bonds – Series F	EUR	29,000,000	229,100	29,229,100	127,088,127	26 May 2025	6M EURIBOR + margin	*none*	Catalyst

22.5. Bank borrowings secured with the Group's assets

22.5.1. As at 31 December 2024

Bank borrowings secured with the Group's assets, taken in PLN

					31 December 2024					
Bank	**currency**	**Facility type**	**interest rate (%)**	**matures in**	**Principal**	**Valuation**	**Total**	**Principal**	**Valuation**	**Total**
PEKAO S.A.	PLN	working capital credit facility	1M WIBOR + margin	2029	-	-	-	-	-	-
ING Bank Śląski S.A.	PLN	working capital credit facility	1M WIBOR + margin	2029	-	-	-	-	-	-
Total bank borrowings taken in PLN:					**-**	**-**	**-**	**-**	**-**	**-**

Bank borrowings secured with the Group's assets, taken in EUR

						EUR thousand			PLN thousand	
Bank	**currency**	**Facility type**	**interest rate (%)**	**matures in**	**Principal**	**Valuation**	**Total**	**Principal**	**Valuation**	**Total**
PEKAO S.A.**	EUR	investment credit facility	1M EURIBOR + margin	2029	-	-	-	-	-	-
BNP Paribas S.A.	EUR	investment credit facility	1M EURIBOR + margin	2031	27,659	(207)	27,452	118,189	(887)	117,302
BNP Paribas S.A.**	EUR	construction credit facility	3M EURIBOR + margin	2030	-	-	-	-	-	-
ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	investment credit facility	3M EURIBOR + margin	2027	95,412	(1,098)	94,314	407,701	(4,692)	403,010
Aareal Bank AG	EUR	investment credit facility	fixed interest rate	2028	60,800	(1,041)	59,759	259,799	(4,450)	255,349
mBank S.A.**	EUR	construction credit facility	1M EURIBOR + margin	2029	-	-	-	-	-	-
PKO BP S.A. and BNP Paribas S.A.	EUR	investment credit facility	3M EURIBOR + margin	2027	66,936	(115)	66,821	286,016	(487)	285,529
ING Bank Śląski S.A.**	EUR	investment credit facility	3M EURIBOR + margin	2029	25,264	(89)	25,174	107,953	(382)	107,570
Santander Bank Polska S.A.**	EUR	investment credit facility	3M EURIBOR + margin	2027	-	-	-	-	-	-
Santander Bank Polska S.A.**	EUR	construction credit facility	3M EURIBOR + margin	2027	-	-	-	-	-	-
Bayerische Landesbank	EUR	investment credit facility	fixed interest rate	2030	39,806	(201)	39,605	170,092	(858)	169,234
Bayerische Landesbank	EUR	investment credit facility	fixed interest rate	2031	19,057	(99)	18,958	81,431	(425)	81,006
OTP Bank Romania S.A.**	EUR	investment credit facility	3M EURIBOR + margin	2031	-	-	-	-	-	-
Total bank borrowings taken in EUR:					**334,934**	**(2,850)**	**332,083**	**1,431,181**	**(12,181)**	**1,419,000**

*** In October 2024, all of the debt was prepaid; for details, see Current Report No. 22/2024 of 25 October 2024.*

22.5.2. As at 31 December 2023

Bank borrowings secured with the Group's assets, taken in PLN — **31 December 2023**

					EUR thousand			PLN thousand		
Bank	**currency**	**Facility type**	**interest rate (%)**	**matures in**	**Principal**	**Valuation**	**Total**	**Principal**	**Valuation**	**Total**
PEKAO S.A.	PLN	working capital credit facility	1M WIBOR + margin	2029	322	(1)	321	1,400	(2)	1,398
Total PLN-denominated bank borrowings					**322**	**(1)**	**321**	**1,400**	**(2)**	**1,398**

Bank borrowings secured with the Group's assets, taken in EUR

					EUR thousand			PLN thousand		
Bank	**currency**	**Facility type**	**interest rate (%)**	**matures in**	**Principal**	**Valuation**	**Total**	**Principal**	**Valuation**	**Total**
PEKAO S.A.	EUR	investment credit facility	1M EURIBOR + margin	2029	21,659	(48)	21,611	94,165	(197)	93,968
BNP Paribas S.A.	EUR	investment credit facility	1M EURIBOR + margin	2029	16,740	32	16,772	72,785	141	72,926
BNP Paribas S.A.	EUR	construction credit facility	3M EURIBOR + margin	2030	11,045	79	11,124	48,023	345	48,368
ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	investment credit facility	3M EURIBOR + margin	2027	97,553	(380)	97,173	424,155	(1,651)	422,504
Aareal Bank AG	EUR	investment credit facility	fixed interest rate	2028	60,800	(948)	59,852	264,358	(4,121)	260,237
mBank S.A.	EUR	construction credit facility	1M EURIBOR + margin	2029	11,700	(96)	11,604	50,871	(416)	50,455
PKO BP S.A. and BNP Paribas S.A.	EUR	investment credit facility	3M EURIBOR + margin	2027	69,230	430	69,660	301,011	1,871	302,882
ING Bank Śląski S.A.	EUR	investment credit facility	3M EURIBOR + margin	2024	13,274	-	13,274	57,714	-	57,714
Santander Bank Polska S.A.	EUR	investment credit facility	3M EURIBOR + margin	2027	5,444	(18)	5,426	23,669	(76)	23,593
Santander Bank Polska S.A.	EUR	construction credit facility	3M EURIBOR + margin	2027	10,384	(34)	10,350	45,148	(146)	45,002
Bayerische Landesbank	EUR	investment credit facility	fixed interest rate	2030	40,631	-	40,631	176,665	-	176,665
Bayerische Landesbank	EUR	investment credit facility	fixed interest rate	2031	19,450	(55)	19,395	84,569	(238)	84,331
OTP Bank Romania S.A.**	EUR	investment credit facility	3M EURIBOR + margin	2031	5,413	(9)	5,404	23,541	(40)	23,501
Total bank borrowings taken in EUR:					**383,323**	**(1,047)**	**382,276**	**1,666,674**	**(4,528)**	**1,662,146**
Total bank borrowings								**1,668,074**	**(4,530)**	**1,663,544**

22.6. Non-bank borrowings secured with the Group's assets

			31 December 2024			31 December 2023		
	currency	effective interest rate (%)	matures in	EUR thousand	PLN thousand	matures in	EUR thousand	PLN thousand
Non-bank borrowings not secured with the Group's assets								
Fenix Polska S.A.	EUR	3M EURIBOR + margin	2029	1,492	6,377	2029	1,389	6,236
Fenix Polska S.A.	PLN	3M WIBOR + margin	2026	-	146	2026	-	139
Fenix Polska S.A.	PLN	3M WIBOR + margin	1932	-	7,854	2032	-	7,523
Fenix Polska S.A.	PLN	3M WIBOR + margin	1932	-	1,118	2032	-	1,065
Fenix Polska S.A.	PLN	3M WIBOR + margin	1932	-	1,038	2032	-	992
Fenix Polska S.A.	PLN	3M WIBOR + margin	1932	-	420	2032	-	666
Fenix Polska S.A.	PLN	3M WIBOR + margin	1932	-	144	2032	-	331
Total non-bank borrowings					**17,097**			**16,952**

(all data in PLN thousand unless stated otherwise)

23. Employee benefit obligations

as at 31 December	**2024**	**2023**
Wages and salaries	29	88
Provision for variable remuneration	5,211	301
Employee benefit obligations	**5,240**	**389**

24. Trade and other payables

as at 31 December	**2024**	**2023**
Trade payables	48,984	30,021
Deferred income	3,756	3,856
Taxes and social security receivable	9,568	11,199
Unbilled trade payables	15,343	21,905
Investment commitments, security deposits and other obligations	24,846	60,508
Trade and other payables	**102,497**	**127,489**
Income tax receivable	6,010	8,375
Current liabilities	**108,507**	**135,864**

As at 31 December 2024, the Group did not have any past due trade payables owed to related parties.

The amount of trade payables was in line with the balance reported in December 2023.

The decrease in investment commitments compared to 2023 was due to an advanced stage of completion of the projects carried out by the Group in 2024. The investment commitments are classified as current liabilities.

The table below presents time past due for trade and other payables:

as at 31 December	**2024**	**2023**
Not past due	107,026	119,882
Past due from 1 to 90 days	2,959	8,678
Past due from 91 to 180 days	242	48
Pas due over 180 days	74	53
Total trade and other payables	**110,301**	**128,661**

The time past due structure presented above includes non-current liabilities.

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

(all data in PLN thousand unless stated otherwise)

25. Financial instruments

25.1. Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 31 December 2024 and 31 December 2023 was equal to the respective amounts disclosed in the consolidated statement of financial position.

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

- **cash and cash equivalents:** the carrying amount corresponds to the amortised cost value;
- **trade receivables, other receivables, trade payables, and accrued expenses:** the carrying amount corresponds to the amortised cost;
- **loans:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rate of these instruments, which is close to the market interest rate;
- **borrowings and other debt instruments:** the carrying amount corresponds to the amortised cost value, it is close to the fair value due to variable interest rates on these instruments which are close to market interest rates;
- **receivables and liabilities from measurement of swap contracts:** measured at fair value through other comprehensive income, determined by reference to instruments quoted in an active market.

25.1.1 Financial assets

as at 31 December	**2024**	**2023**
Hedging financial instruments:		
Receivables from measurement of Swap contracts	12,999	34,478
	12,999	**34,478**
Financial assets measured at amortised cost:		
Cash and cash equivalents	668,055	344,247
Loans and receivables, including:		
• Trade and other receivables	53,129	22,306
• Loans	17,554	16,922
• Other long-term investments	35,157	37,803
• Other short-term investments	897	8,610
	774,792	**429,888**
Total financial assets	**787,191**	**464,366**

As at 31 December 2024, the fair value of hedging instruments was PLN 12,999 thousand, measured on the basis of other directly or indirectly observable quotations (Level 2). The information is provided by banks and is based on reference to instruments traded on an active market.

In the year ended 31 December 2024, there were no transfers between the levels.

(all data in PLN thousand unless stated otherwise)

Measurement of assets at amortised cost as at 31 December 2024:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**721,663**	**53,669**	**-**
Cash and cash equivalents	668,055	-	-
Loans and receivables, including:			
• Trade and other receivables	-	53,669	-
• Loans	17,554	-	-
• Other long-term investments	35,157	-	-
• Other short-term investments	897	-	-
Impairment losses (IFRS 9)	**-**	**(540)**	**-**
Loans and receivables, including:			
• Trade and other receivables	-	(540)	-
Carrying amount (IFRS 9)	**721,663**	**53,129**	**-**

Measurement of assets at amortised cost as at 31 December 2023:

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**407,582**	**25,010**	**-**
Cash and cash equivalents	344,247	-	-
Loans and receivables, including:			
• Trade and other receivables	-	25,010	-
• Loans	16,922	-	-
• Other long-term investments	37,803	-	-
• Other short-term investments	8,610	-	-
Impairment losses (IFRS 9)	**-**	**(2,704)**	**-**
Loans and receivables, including:			
• Trade and other receivables	-	(2,704)	-
Carrying amount (IFRS 9)	**407,582**	**22,306**	**-**

25.1.2 Financial liabilities

as at 31 December	2024	2023
Hedging financial instruments measured at fair value:		
Liabilities from measurement of swap contracts	4,237	3,959
	4,237	**3,959**
Financial liabilities measured at amortised cost:		
Bank borrowings	1,419,000	1,663,544
Non-bank borrowings	17,097	16,952
Trade and other payables	110,301	128,661
Lease liabilities	57,340	58,932
Bonds	1,672,551	433,000
	3,276,289	**2,301,089**
Total financial liabilities	**3,280,526**	**2,305,048**

25.2. Other disclosures relating to financial instruments

Security instruments

For information on security instruments, see Note 26.

Cash flow hedge accounting

On 8 February 2024, MLP Pruszków II Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with Bank Polska Kasa Opieki S.A.

On 29 February 2024, MLP Czeladź Sp. z o.o. terminated its existing variable-to-fixed interest rate swap contract with BNP Paribas Bank Polska S.A. and entered into a new variable-to-fixed interest rate swap contract with the bank.

On 20 May 2024, MLP Poznań Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with ING Bank Śląski S.A.

On 16 May 2024, MLP Poznań II Sp. z o.o. entered into a variable-to-fixed interest rate swap contract with ING Bank Śląski S.A.

On 26 September 2024, MLP Pruszków V Sp. z o.o. terminated its existing variable-to-fixed interest rate swap contract with BNP Paribas Bank Polska S.A. and entered into a new variable-to-fixed interest rate swap contract with the bank.

Hedging instruments and hedged item

	Hedged item as at 31 December 2024 at:		Hedging instrument – amortised interest rate swap:		Fair value of the hedging instrument (EUR thousand) as at 31 December		Fair value of the hedging instrument (PLN thousand) as at 31 December	
Entity	**EUR thousand**	**PLN thousand**	**EUR thousand**	**PLN thousand**	**2024**	**2023**	**2024**	**2023**
MLP Pruszków I sp. z o.o.	40,943	174,951	40,943	174,951	34	1,282	144	5,574
MLP Wrocław sp. z o.o.	14,832	63,378	14,832	63,378	656	1,238	2,801	5,383
MLP Pruszków III sp. z o.o.	26,145	111,719	26,145	111,719	8	696	33	3,025
MLP Gliwice sp. z o.o.	16,012	68,421	16,012	68,421	708	1,337	3,025	5,812
MLP Poznań sp. z o.o.	5,379	22,983	5,379	22,983	(153)	22	(653)	95
MLP Teresin sp. z o.o.	6,566	28,057	6,566	28,057	290	548	1,240	2,383
MLP Poznań II sp. z o.o.	5,791	24,743	5,791	24,743	(165)	28	(704)	121
MLP Pruszków IV sp. z o.o.	16,326	69,762	16,326	69,762	(12)	411	(50)	1,787
MLP Pruszków V sp. z o.o.	19,314	82,530	19,314	82,530	(51)	596	(218)	2,592
MLP Czeladź sp. z o.o.	-	-	-	-	-	(331)	-	(1,440)
MLP Lublin sp. z o.o.	16,659	71,183	16,659	71,183	736	1,391	3,144	6,046
MLP Pruszków VI sp. z o.o.	-	-	-	-	-	(483)	-	(2,098)
MLP Łódź II sp. z o.o.	-	-	-	-	-	(97)	-	(421)
MLP Pruszków II sp. z o.o.	-	-	-	-	-	674	-	1,660
Total	**167,967**	**717,727**	**167,967**	**717,727**	**2,051**	**7,312**	**8,762**	**30,519**

Hedged item and hedging instrument – amortised Interest Rate Swap as at 31 December 2024.

The ineffective portion of the hedge in the amount of PLN 472 thousand is due to the cumulative change in the notional derivative in relation to the cumulative change in the hedging instrument.

PLN 17,708 thousand was reclassified from other comprehensive income to profit or loss in 2024.

The fair value of the hedging instrument between 31 December 2024 and 31 December 2023 fell by PLN 21,757 thousand (PLN 10,387 thousand in SWAP receivables and PLN 1,625 thousand in SWAP payables as at 31 December 2024 – net amount of PLN 8,762 thousand in SWAP receivables vs PLN 34,478 thousand in SWAP receivables and PLN 3,959 in SWAP payables as at 31 December 2023 – net amount of PLN 30,519 thousand in receivables).

(all data in PLN thousand unless stated otherwise)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in 2024:

Entity	Amounts recognised as finance costs – ineffective portion	Amounts recognised as finance costs – net interest income	Amounts recognised in other comprehensive income
MLP Pruszków I Sp. z o.o.	81	-	(5,517)
MLP Pruszków III Sp. z o.o.	89	-	(3,081)
MLP Pruszków V Sp. z o.o.	-	-	(2,810)
MLP Pruszków IV Sp. z o.o.	63	-	(1,900)
MLP Czeladź Sp. z o.o.	-	-	1,440
MLP Teresin Sp. z o.o.	14	-	(1,157)
MLP Poznań II Sp. z o.o.	(1)	-	(824)
MLP Poznań Sp. z o.o.	(9)	-	(739)
MLP Gliwice Sp. z o.o.	39	-	(2,826)
MLP Wrocław Sp. z o.o.	32	-	(2,614)
MLP Pruszków II Sp. z o.o.	-	-	(1,659)
MLP Lublin Sp. z o.o.	36	-	(2,936)
MLP Łódź II Sp. z o.o.	16	-	405
MLP Pruszków VI Sp. z o.o.	112	-	1,989
Total	**472**	**-**	**(22,229)**

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in 2023:

Entity	Amounts recognised as finance costs – ineffective portion	Amounts recognised as finance costs – net interest income	Amounts recognised in other comprehensive income
MLP Pruszków I Sp. z o.o.	-	-	(9,438)
MLP Pruszków III Sp. z o.o.	-	-	(5,585)
MLP Pruszków V Sp. z o.o.	-	-	(2,395)
MLP Pruszków IV Sp. z o.o.	(39)	-	(3,506)
MLP Czeladź Sp. z o.o.	-	-	(2,701)
MLP Teresin Sp. z o.o.	2	-	(1,494)
MLP Poznań II Sp. z o.o.	1	-	(897)
MLP Poznań Sp. z o.o.	9	-	(724)
MLP Gliwice Sp. z o.o.	-	-	(3,638)
MLP Wrocław Sp. z o.o.	4	-	(3,374)
MLP Poznań West II Sp. z o.o.	-	-	(2,670)
MLP Pruszków II Sp. z o.o.	-	-	(3,346)
MLP Lublin Sp. z o.o.	4	-	(3,789)
MLP Łódź II Sp. z o.o.	(16)	-	(405)
MLP Pruszków VI Sp. z o.o.	(110)	-	(1,989)
Total	**(145)**	**-**	**(45,951)**

(all data in PLN thousand unless stated otherwise)

25.3. Nature and extent of risks arising from financial instruments

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

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

Liquidity risk is primarily the risk that the Group will encounter difficulty in meeting its future obligations under long-term borrowings.

The following table presents the maturity structure of bank borrowings based on contractual undiscounted cash flows:

Bank borrowings – expected payments	up to 1 year	from 1 to 5 years	above 5 years	Total
2024	158,865	1,210,013	326,839	**1,695,717**
2023	175,808	1,313,290	441,773	**1,930,871**

The following table presents the maturity structure of bonds based on contractual undiscounted cash flows:

Bonds – expected payments	up to 1 year	from 1 to 5 years	above 5 years	Total
2024 – nominal amount	-	192,285	-	**192,285**
2024 – interest	230,740	1,283,072	-	**1,513,812**
2023 – nominal amount	104,352	321,752	-	**426,104**
2023 – interest	22,159	18,094	-	**40,253**

The following table presents the maturity structure of derivative instruments based on contractual undiscounted cash flows:

Derivative instruments – expected payments		up to 1 year	from 1 to 5 years	above 5 years	Total
2024	inflows	18,239	20,961	-	**39,200**
	outflows	(11,233)	(19,205)	-	**(30,438)**
	net cash flow	**7,006**	**1,756**	**-**	**8,762**
2023	inflows	1,394	6,353	1,603	**9,350**
	outflows	(1,331)	(9,755)	(2,223)	**(13,309)**
	net cash flow	**63**	**(3,402)**	**(620)**	**(3,959)**

The following table presents the maturity structure of loans based on contractual undiscounted cash flows:

Loans – expected payments	up to 1 year	from 1 to 5 years	above 5 years	Total
2024	-	-	18,149	**18,149**
2023	-	161	22,676	**22,837**

The table below presents the maturity structure of other non-current and current liabilities, i.e., lease liabilities, as well as investment and guarantee deposits from tenants and other entities:

Expected payments	up to 1 year	from 1 to 5 years	above 5 years	Total
2024	277	17,138	60,050	**77,465**
2023	189	16,643	62,331	**79,163**

25.3.1 Currency risk

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

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

Currency structure of financial instruments as at 31 December 2024 (PLN thousand):

Financial assets	PLN	EUR	other	Total
Hedging financial instruments measured at fair value through other comprehensive income				
Receivables from measurement of Swap contracts	-	12,999	-	**12,999**
Financial assets measured at amortised cost:				
Cash and cash equivalents	89,198	572,062	6,795	**668,055**
Loans and receivables, including:				
Trade and other receivables	49,695	2,650	784	**53,129**
Loans	-	17,554	-	**17,554**
Money fund units	-	-	-	**-**
Other long-term investments	9,451	25,706	-	**35,157**
Other short-term investments	215	682	-	**897**
	148,559	**631,653**	**7,579**	**787,791**

Financial liabilities	PLN	EUR	other	Total
Hedging financial instruments measured at fair value through other comprehensive income				
Liabilities from measurement of swap contracts	-	4,237	-	**4,237**
Financial liabilities measured at fair value through profit or loss:				
Financial liabilities held for trading				**-**
Financial liabilities measured at amortised cost:				
Bank borrowings	-	1,419,000	-	**1,419,000**
Non-bank borrowings	10,720	6,377	-	**17,097**
Trade and other payables	64,507	45,794	-	**110,301**
Lease liabilities	57,340	-	-	**57,340**
Bonds	-	1,672,551	-	**1,672,551**
	132,567	**3,147,959**	**-**	**3,280,526**

Currency structure of financial instruments as at 31 December 2023 (PLN thousand):

Financial assets	PLN	EUR	other	Total
Receivables from measurement of swap contracts at other comprehensive income	-	34,478	-	34,478
Financial assets at amortised cost:				
Cash and cash equivalents	178,792	159,600	5,855	**344,247**
Loans and receivables, including:				
Trade and other receivables	21,273	617	416	**22,306**
Loans	-	10,752	6,170	**16,922**
Money fund units		-	-	**-**
Other long-term investments	10,396	27,407	-	**37,803**
Other short-term investments	2,068	6,542	-	**8,610**
	212,529	**239,396**	**12,441**	**464,366**

Financial liabilities	PLN	EUR	other	Total
Hedging financial instruments measured at fair value through other comprehensive income				
Liabilities from measurement of swap contracts	-	3,959	-	**3,959**
Liabilities from measurement of CAP transactions	-	-	-	**-**
Financial liabilities measured at fair value through profit or loss:				
Financial liabilities held for trading	-	-	-	**-**
Financial liabilities measured at amortised cost:				
Bank borrowings	1,400	1,662,144	-	**1,663,544**
Non-bank borrowings	10,716	6,236	-	**16,952**
Trade and other payables	74,823	53,832	6	**128,661**
Lease liabilities	58,932	-	-	**58,932**
Bonds	-	433,000	-	**433,000**
	145,871	**2,159,171**	**6**	**2,305,048**

Due to its open short currency position, the Group is particularly exposed to changes in the EUR/PLN exchange rate. The table below presents the potential impact of a 2% depreciation of PLN against EUR and USD on the Group's results and equity. The rationale for assuming a 2% movement in EUR/PLN exchange rates on financial results and equity was based on the rates published by the National Bank of Poland on the last business day of each month in 2024. During this period, the variation between the minimum rate (4.2678 on 31 May 2024) and the maximum rate (4.3530 on 31 October 2024) was 2%.

Impact of PLN depreciation and appreciation on the Group’s results and equity (PLN thousand)

The table below does not account for potential gains and losses on investment properties valued at fair value, which are sensitive to currency exchange fluctuations, nor does it consider the impact on other non-financial financial assets. The impact of exchange differences from investment properties in Poland is reflected in the statement of profit or loss item ‘Gain/(loss) from revaluation,’ and it has the opposite effect than on financing activities.

as at 31 December	**2024**	**2023**
Increase in the EUR/PLN exchange rate by 2%	(16,746)	(38,505)
Decrease in the EUR/PLN exchange rate by 2%	16,746	38,505
Increase in the USD/PLN exchange rate by 2%	152	125
Decrease in the USD/PLN exchange rate by 2%	(152)	(125)

A 2% depreciation of the Polish currency relative to the EUR has an adverse impact the valuation of the Group's receivables and liabilities, causing an increase in finance costs due to the Group's short currency position.

A 2% appreciation of the Polish currency relative to the EUR has a positive impact on the valuation of the Group's receivables and liabilities, causing a decrease in finance costs due to the Group’s short currency position.

A 2% depreciation of the Polish currency against the US dollar has a positive impact on the Group’s results, causing an increase in cash held in USD-denominated bank accounts.

A 2% appreciation of the Polish currency against the US dollar has a negative impact on the Group’s results, causing a decrease in cash held in USD-denominated bank accounts.

25.3.2 Interest rate risk

Interest rate risk arises chiefly from borrowings as well as issued bonds bearing interest at variable rates. Interest rate movements affect debt-service cash flows. In order to mitigate the interest rate risk, the Group entered into interest rate swap contracts with its financing banks.

The table below presents the potential impact of an interest rate increase/decrease by 120 basis points on cash flows related to the servicing of financial obligations, based on the analysis of absolute change in 3M EURIBOR rates between the end of 2024 and the end of 2023:

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

as at 31 December	**2024**	**2023**
EURIBOR + 120 bp	1,855	(7,536)
EURIBOR - 120 bp	(1,855)	7,536
WIBOR + 120 bp	(148)	(182)
WIBOR - 120 bp	148	182

The above sensitivity analysis shows how much interest expense related to the servicing of debt obligations would increase assuming a rise in interest rates by 120 basis points at the end of each reporting period, and how much interest expense related to the servicing of debt obligations would decrease assuming a fall in interest rates by 120 basis points at the end of each reporting period.

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

as at 31 December	**2024**	**2023**
EURIBOR + 120 bp	-	93
EURIBOR - 120 bp	-	(93)
WIBOR + 120 bp	211	161
WIBOR - 120 bp	(211)	(161)

The above sensitivity analysis shows how much interest income on loans would increase assuming a rise in interest rates by 120 basis points at the end of each reporting period, and how much interest income on loans would decrease assuming a fall in interest rates by 120 basis points at the end of each reporting period.

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

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

as at 31 December	**2024**	**2023**
EURIBOR + 120 bp	7,181	2,903
EURIBOR - 120 bp	(7,181)	(2,903)
WIBOR + 120 bp	1,186	2,869
WIBOR - 120 bp	(1,186)	(2,869)

The above sensitivity analysis shows how much interest income on cash and other long- and short-term investments would increase assuming a rise in interest rates by 120 basis points at the end of each reporting period, and how much interest income on cash and other long- and short-term investments would decrease assuming a fall in interest rates by 120 basis points at the end of each reporting period.

IBOR reform

The Group holds the following financial assets and liabilities linked to the WIBOR rate, which is set to be replaced by the new WIRON reference rate. According to the adopted Roadmap, the publication of WIBOR rates is scheduled to end in 2025:

Financial assets, PLN thousand	**WIBOR**	**Total**
• Loans	11,241	11,241
Total financial assets	**11,241**	**11,241**

Financial liabilities, PLN thousand	WIBOR	Total
• Bank borrowings	-	-
• Non-bank borrowings	10,720	10,720
• Bonds	-	-
Total financial liabilities	**10,720**	**10,720**

25.3.3 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 chiefly from receivables and cash and cash equivalents.

The Group's maximum exposure to credit risk corresponds to the carrying amount of these financial instruments.

The Group reduces the exposure by demanding that tenants provide security deposits and bank guarantees supporting timely performance of their rental obligations.

as at 31 December	**2024**	**2023**
Security deposits from tenants at end of reporting period	12,859	8,099

26. Operating leases

The Group enters into operating lease contracts for lease of warehouse and office space. Contracts are concluded for periods from three to ten years, usually for five years. A typical contract provides for the following types of payments: (a) rentals for leased space denominated in EUR (and occasionally in USD and PLN), with amounts varying depending on type and standard of space, (b) property management fees to cover running costs, denominated in PLN and charged per square metre of leased space, (c) contributions to the property tax and (d) re-charge of utility bills.

As at 31 December 2024, the aggregate amount of rental income (assuming that the EUR/PLN and USD/PLN exchange rates remain constant, rental rates are not indexed, and the amount of space leased remains unchanged) was PLN 1,980.7 million, of which PLN 240.9 million was receivable within one year, PLN 914.4 million in two to five years, and PLN 825.4 million after five years.

As at 31 December 2023, the aggregate amount of rental income (assuming that the EUR/PLN and USD/PLN exchange rates remain constant, rental rates are not indexed, and the amount of space leased remains unchanged) was PLN 1,512.6 million, of which PLN 199.4 million was receivable within one year, PLN 717.6 million in two to five years, and PLN 595.6 million after five years.

27. Contractual investment commitments

as at 31 December	**2024**	**2023**
Contractual investment commitments	118,192	146,919

Contractual investment commitments represent the value of executed investment contracts, less any expenditure incurred as at the last day of the financial year.

28. Contingent liabilities and security instruments

In the period ended 31 December 2024, the Group recognised the following changes in contingent liabilities and security instruments:

- On 26 April 2024, MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o. executed a credit facility agreement with ING Bank Śląski S.A. The following security was provided for the lender's claims under the agreement:
  - (a) joint contractual mortgage of up to EUR 40,315,287.45, securing claims under the credit facility agreement with respect to the refinancing, construction and investment credit facilities;
  - (b) contractual mortgage of up to EUR 2,100,000, securing the bank's claims under the master agreement and hedging transactions;
  - (b) contractual mortgage of up to PLN 6,000,000, securing claims under the credit facility agreement with respect to the VAT facility;
  - (d) three registered pledges over MLP Poznań II Sp. z o.o. shares, up to the maximum secured amount of EUR 40,315,287.45 each, and six financial pledges over MLP Poznań II Sp. z o.o. shares, up to the maximum secured amount of EUR 40,315,287.45 each;
  - (e) registered pledge over MLP Poznań Sp. z o.o. shares, up to the maximum secured amount of EUR 40,315,287.45 each, and two financial pledges over MLP Poznań Sp. z o.o. shares, up to the maximum secured amount of EUR 40,315,287.45 each;
  - (f) 11 registered pledges and 22 financial pledges over MLP Poznań II Sp. z o.o.'s bank accounts, up to the maximum secured amount of EUR 40,315,287.45;
  - (g) 13 registered pledges and 26 financial pledges over MLP Poznań Sp. z o.o.'s bank accounts, up to the maximum secured amount of EUR 40,315,287.45 each, and a registered pledge and financial pledge over the VAT account, securing the VAT credit facility up to the maximum secured amount of PLN 6,000,000;
  - (h) registered pledge over a set of movables and rights of MLP Poznań Sp. z o.o., and a registered pledge over a set of movables and rights of MLP Poznań II Sp. z o.o.;
  - (g) powers of attorney over the borrowers' bank accounts and holds on the borrowers' bank accounts, in accordance with the hold instruction;
  - (j) sponsor's commitment under the letter of comfort for cost overruns in the construction of Building B by MLP Poznań Sp. z o.o.;
  - (k) notarised consents to enforcement from the borrowers;
  - (l) notarised consents to enforcement from all the shareholders of the borrowers;
  - (m) assignment of rights under insurance policies, lease contracts, and construction contracts with security under the assignment agreement;
  - (n) subordination of claims and assignment under the subordination agreement.
- 30 June 2024 saw the expiry of a guarantee issued by Bank PKO BP S.A. to secure the performance of MLP Czeladź Sp. z o.o. 's obligations towards the Municipality of Czeladź and the State Treasury related to the conversion of a traffic circulation system in Czeladź as part of the construction of a logistics park

(all data in PLN thousand unless stated otherwise)

28.1. Mortgages

Entity	Land register number	Details	Mortgage charge
MLP Pruszków I Sp. z o.o.	WA1P/00036973/9 WA1P/00038590/4 WA1P/00038589/4 WA1P/00038595/9 WA1P/00038591/1 WA1P/00038596/6 WA1P/00038593/5	Joint contractual mortgage securing claims of ING Bank Śląski S.A. under the credit facility of 9 May 2019, provided as security with highest ranking priority in favour of the Mortgage Administrator, i.e. ING Bank Śląski S.A., and as pari passu ranking security in favour of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Industrial and Commercial Bank of China LTD, Luxembourg Branch	EUR 140,895 thousand
		Joint contractual mortgage securing claims of ING Bank Śląski S.A. under Master Agreement No. 1 of 9 May 2019	EUR 3,386 thousand
		Joint contractual mortgage securing claims of PKO Bank Polski S.A. under Master Agreement of 9 May 2019	EUR 2,818 thousand
		Joint contractual mortgage securing claims of INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD, LUXEMBOURG BRANCH S.A., LUKSEMBURG under Master Agreement 3 of 9 May 2019	EUR 2,250 thousand

Entity	Land register number	Details	Mortgage charge
MLP Pruszków III Sp. z o.o.	WA1P/00079808/5 WA1P/00101970/5	Joint contractual mortgage securing claims of ING Bank Śląski S.A. under the credit facility of 9 May 2019, provided as security with highest ranking priority in favour of the Mortgage Administrator, i.e. ING Bank Śląski S.A., and as pari passu ranking security in favour of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Industrial and Commercial Bank of China LTD, Luxembourg Branch	EUR 140,895 thousand
		Joint contractual mortgage securing claims of ING Bank Śląski S.A. under Master Agreement No. 1 of 9 May 2019	EUR 3,386 thousand
		Joint contractual mortgage securing claims of PKO Bank Polski S.A. under Master Agreement of 9 May 2019	PLN 2,818 thousand
		Joint contractual mortgage securing claims of INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD, LUXEMBOURG BRANCH S.A., LUKSEMBURG under Master Agreement 3 of 9 May 2019	PLN 2,250 thousand

(all data in PLN thousand unless stated otherwise)

Entity	Land register number	Details	Mortgage charge
MLP Pruszków IV Sp. z o.o.	WA1P/00111450/7	Joint contractual mortgage securing claims of ING Bank Śląski S.A. under the credit facility of 9 May 2019, provided as security with highest ranking priority in favour of the Mortgage Administrator, i.e. ING Bank Śląski S.A., and as pari passu ranking security in favour of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A., Industrial and Commercial Bank of China LTD, Luxembourg Branch	EUR 140,895 thousand
		Joint contractual mortgage securing claims of ING Bank Śląski S.A. under Master Agreement No. 1 of 9 May 2019	EUR 3,386 thousand
		Joint contractual mortgage securing claims of PKO Bank Polski S.A. under Master Agreement No. 2 of 9 May 2019	EUR 2,818 thousand
		Joint contractual mortgage securing claims of INDUSTRIAL AND COMMERCIAL BANK OF CHINA LTD, LUXEMBOURG BRANCH S.A., LUKSEMBURG under Master Agreement 3 of 9 May 2019	EUR 2,250 thousand

Entity	Land register number	Details	Mortgage charge
MLP Lublin Sp. z o.o.	LU1S/00012867/9 WA1G/00076402/9 GL1T/00099961/3 WR1E/00102562/6	Joint contractual mortgage established in favour of the mortgage administrator, i.e. BNP Paribas Bank Polska S.A., to secure claims under the credit facility agreement of 9 April 2021 against each of the borrowers	EUR 110,127 thousand
		Joint contractual mortgage established in favour of BNP Paribas Bank Polska S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand
		Joint contractual mortgage established in favour of PKO Bank Polski S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand

(all data in PLN thousand unless stated otherwise)

Entity	Land register number	Details	Mortgage charge
MLP Teresin Sp. z o.o.	WA1G/00076402/9 LU1S/00012867/9 GL1T/00099961/3 WR1E/00102562/6	Joint contractual mortgage established in favour of the mortgage administrator, i.e. BNP Paribas Bank Polska S.A., to secure claims under the credit facility agreement of 9 April 2021 against each of the borrowers	EUR 110,127 thousand
		Joint contractual mortgage established in favour of BNP Paribas Bank Polska S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand
		Joint contractual mortgage established in favour of PKO Bank Polski S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand

Entity	Land register number	Details	Mortgage charge
MLP Wrocław Sp. z o.o.	WR1E/00102562/6 LU1S/00012867/9 WA1G/00076402/9 GL1T/00099961/3	Joint contractual mortgage established in favour of the mortgage administrator, i.e., BNP Paribas Bank Polska S.A., to secure claims under the credit facility agreement of 9 April 2021 against each of the borrowers	EUR 110,127 thousand
		Joint contractual mortgage established in favour of BNP Paribas Bank Polska S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand
		Joint contractual mortgage established in favour of PKO Bank Polski S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand

(all data in PLN thousand unless stated otherwise)

Entity	Land register number	Details	Mortgage charge
MLP Gliwice Sp. z o.o.	GL1T/00099961/3 LU1S/00012867/9 WA1G/00076402/9 WR1E/00102562/6	Joint contractual mortgage established in favour of the mortgage administrator, i.e. BNP Paribas Bank Polska S.A., to secure claims under the credit facility agreement of 9 April 2021 against each of the borrowers	EUR 110,127 thousand
		Joint contractual mortgage established in favour of BNP Paribas Bank Polska S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand
		Joint contractual mortgage established in favour of PKO Bank Polski S.A. to secure claims under the master agreement and hedging transactions against each of the borrowers (Mortgage securing hedging transactions)	EUR 110,127 thousand

Entity	Land register number	Details	Mortgage charge
MLP Pruszków V sp. z o.o.	WA1P/00130140/0 WA1P/00130142/4 WA1P/00048722/2	Joint contractual mortgage established in favour of BNP PARIBAS BANK POLSKA S.A. to secure repayment of credit facility under the credit facility agreement of 7 November 2019 and an amendment of 30 August 2024 (mortgage securing term loans)	EUR 61,237 thousand
		Joint contractual mortgage established in favour of BNP PARIBAS BANK POLSKA S.A. to secure repayment of credit facility the under the credit facility agreement of 7 November 2019 and an amendment of 30 August 2024 (mortgage securing hedging transactions)	PLN 12,000 thousand

(all data in PLN thousand unless stated otherwise)

Entity	Land register number	Details	Mortgage charge
MLP Logistic Park Germany I sp. z o.o. & Co. KG	Grundbuch Unna No. 25890	Contractual mortgage (Buchgrundschuld) established in favour of Bayerische Landesbank to secure claims under the credit facility agreement of 16 September 2021	EUR 41,250 thousand
MLP Business Park Berlin I Sp. z o.o. & Co. KG	Grundbuch Zossen von Ludwigsfelde No. 2656	Contractual mortgage (Buchgrundschuld) established in favour of Bayerische Landesbank to secure claims under the credit facility agreement of 21 March 2022	EUR 19,647 thousand
MLP Poznań West II Sp. z o.o.	PO1P/00325364/7 PO1P/00350147/4	joint contractual mortgage established in favour of Aareal Bank AG to secure claims under the credit facility agreement of 28 April 2023	EUR 95,250 thousand
MLP Poznań Sp. z o.o. MLP Poznań II Sp. z o.o.	PO1D/00041539/8 PO1D/00050729/3 PO1D/00041540/8 PO1D/00050728/6 PO1D/00051882/0 PO1D/00059827/3	joint contractual mortgage of up to EUR 40,315,287.45, securing claims under a credit facility agreement of 26 April 2024 signed by MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o. with ING Bank Śląski S.A. with respect to a refinancing, construction and investment credit facility;	EUR 40,315 thousand
		contractual mortgage of up to EUR 2,100,000, securing ING Bank's claims under the master agreement and hedging transactions;	EUR 2,100 thousand
		joint contractual mortgage of up to PLN 6,000,000, securing ING Bank's claims under the credit facility agreement of 26 April 2024 with respect to the VAT facility;	PLN 6,000 thousand

(all data in PLN thousand unless stated otherwise)

28.2. Financial and registered pledges on shares

Type of security interest	Secured claims	Amount of security interest
• **Security interests in MLP Group S.A.'s shareholdings in the following companies:**		
Registered pledges on shares:		
MLP Pruszków I Sp. z o.o.	claims of: ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 61,237 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under the credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under the credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under the credit facility of 28 April 2023 granted to MLP Poznań West II Sp. z o.o.;	EUR 95,250 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	EUR 40,315 thousand

(all data in PLN thousand unless stated otherwise)

Financial pledges on shares:

Type of security interest	Secured claims	Amount of security interest
MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	three financial pledges EUR 140,895 thousand
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three financial pledges EUR 140,895 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 32,250 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 49,719 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 5,344 thousand
MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 9,250 thousand
MLP Gliwice Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 49,719 thousand

(all data in PLN thousand unless stated otherwise)

MLP Gliwice Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 5,344 thousand
MLP Gliwice Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 9,250 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 49,719 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 5,344 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 9,250 thousand
MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 49,719 thousand
MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 5,344 thousand
MLP Wrocław Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges of up to EUR 9,250 thousand
MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under the credit facility of 28 April 2023 granted to MLP Poznań West II Sp. z o.o.; (Tranche 1 of the investment credit facility);	EUR 95,250 thousand

(all data in PLN thousand unless stated otherwise)

MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under the credit facility of 28 April 2023 granted to MLP Poznań West II Sp. z o.o.; (Tranche 2 of the investment credit facility);	EUR 95,250 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	two pledges EUR 40,315 thousand

Registered pledges on shares:

MLP Teresin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under the credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Lublin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under the credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków IV Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	EUR 140,895 thousand
MLP Poznań Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	EUR 40,315 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	EUR 40,315 thousand

(all data in PLN thousand unless stated otherwise)

Financial pledges on shares:

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

(all data in PLN thousand unless stated otherwise)

MLP Lublin Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges, EUR 49,719 thousand each
MLP Lublin Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges, EUR 5,344 thousand each
MLP Lublin Sp. z o.o.	claims of PKO BP S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Hedging Documents executed under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges, EUR 9,250 thousand each
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków IV Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Poznań Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	two pledges EUR 40,315 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	two pledges EUR 40,315 thousand
Registered pledges on shares:		
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	EUR 40,315 thousand
MLP Lublin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under the credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
Financial pledges on shares:		
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under the credit facility of 26 April 2024 granted to MLP Poznań II Sp. z o.o. and MLP Poznań Sp. z o.o.	EUR 40,315 thousand
MLP Lublin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility A granted under the credit facility agreement of 9 April 2021; claims against each of the companies are secured with a separate pledge	four pledges, EUR 49,719 thousand each
MLP Lublin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. against MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o. under Credit Facility B granted under the credit facility	four pledges, EUR 5,344 thousand each

(all data in PLN thousand unless stated otherwise)

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

- Security interests in MLP Pruszków II Sp. z o.o.'s shares in the following companies:

Registered pledges on shares:

Type of security interest	Secured claims	Amount of security interest
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków IV Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	EUR 140,895 thousand
MLP Pruszków V Sp. z o.o.	claim of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o. and the amendment of 30 August 2024	EUR 61,237 thousand

Financial pledges on shares:

MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków IV Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka	three pledges, PLN 140,895 thousand each

(all data in PLN thousand unless stated otherwise)

	Akcyjna) Polish Branch under the credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o. and the amendment of 30 August 2024	PLN 32,250 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand

28.3. Pledges on cash receivables and on a set of rights and movables

- In connection with a new credit facility agreement signed on 9 May 2019 by MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. with ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch, in May 2019 financial pledges were created, and registered pledges were created and recorded in the pledge register, over bank accounts of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV, and pledges were created over a set of movables and rights representing an organised whole of MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV, for up to the maximum amount secured of EUR 140,895 thousand.

- **In connection with the credit facility agreement between MLP Pruszków V Sp. z o.o. and BNP Paribas Bank Polska S.A., on 7 November 2019 the following pledges were created:**
  - 11 registered pledges over bank account balances of up to EUR 61,237 thousand
  - 11 registered pledges over bank account balances of up to EUR 32,250 thousand
  - 11 financial pledges over bank account balances of up to EUR 17,409 thousand
  - 11 financial pledges over bank account balances of up to EUR 11,577 thousand
  - registered pledge over a set of movables and rights for up to EUR 61,237 thousand
- **In connection with the credit facility agreement between MLP Wrocław Sp. z o.o. and the banks BNP Paribas Bank Polska S.A. and PKO BP S.A., on 9 April 2021 the following pledges were created:**
  - registered pledge over a set of movables and rights for up to EUR 147,127 thousand
  - ten registered pledges over bank account balances of up to EUR 147,127 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 49,719 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 49,719 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 5,344 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 5,344 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 9,250 thousand

    four financial pledges in favour of PKO BP over bank account balances of up to EUR 9,250 thousand

- **In connection with the credit facility agreement between MLP Gliwice Sp. z o.o. and the banks BNP Paribas Bank Polska S.A. and PKO BP S.A., on 9 April 2021 the following pledges were created:**
  - registered pledge over a set of movables and rights for up to EUR 147,127 thousand
  - ten registered pledges over bank account balances of up to EUR 147,127 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 49,719 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 49,719 thousand

- four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 5,344 thousand
- four financial pledges in favour of PKO BP over bank account balances of up to EUR 5,344 thousand
- four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 9,250 thousand
- four financial pledges in favour of PKO BP over bank account balances of up to EUR 9,250 thousand

- **In connection with the credit facility agreement between MLP Lublin Sp. z o.o. and the banks BNP Paribas Bank Polska S.A. and PKO BP S.A., on 9 April 2021 the following pledges were created:**
  - registered pledge over a set of movables and rights for up to EUR 147,127 thousand
  - ten registered pledges over bank account balances of up to EUR 147,127 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 49,719 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 49,719 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 5,344 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 5,344 thousand
  - four financial pledges in favour of BNP Paribas over bank account balances of up to EUR 9,250 thousand
  - four financial pledges in favour of PKO BP over bank account balances of up to EUR 9,250 thousand
- **In connection with the credit facility agreement between MLP Poznań West II Sp. z o.o. and Aareal Bank AG, on 28 April 2023 the following pledges were created:**
  - registered pledge over a set of movables and rights for up to EUR 95,250 thousand
  - 9 registered pledges over bank account balances of up to EUR 95,250 thousand
  - 18 financial pledges over bank account balances to secure claims under the credit facility agreement
- **In connection with the credit facility agreement of 24 April 2024 between MLP Poznań sp. z o.o., MLP Poznań II Sp. z o.o. and ING Bank Śląski S.A., the following pledges were created:**
  - 11 registered pledges over MLP Poznań II's bank account balances of up to EUR 40,315 thousand
  - 22 financial pledges over bank accounts balances of up to the maximum secured amount of EUR 40,315 thousand
  - 13 registered pledges over MLP Poznań's bank account balances of up to EUR 40,315 thousand
  - 26 financial pledges over MLP Poznań's bank accounts balances of up to the maximum secured amount of EUR 40,315 thousand

28.4. Sureties

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

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

On 20 February 2023, MLP Group S.A. issued a guarantee of up to PLN 5,000,000 to support MLP Wrocław West Sp. z o.o. (as the project developer) in connection with a road construction contract concluded by the latter with the Kąty Wrocławskie Municipality.

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 S.A. provided a surety for a maximum amount of EUR 1,408,744.38 to PKO Bank Polski SA Niederlassung Deutschland (PKO BP) to secure liabilities of MLP Business Park Gelsenkirchen Sp. z o.o. & Co. KG (Germany) towards PKO BP as a guarantor under guarantee/surety No. 12953020004104 of 27 June 2024, issued under German law by PKO BP on behalf of MLP Gelsenkirchen. In addition, MLP Group S.A. is required to provide a notarised consent to enforcement under Art. 777.1.5 of the Code of Civil Procedure to secure liabilities under the surety.

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; Sureties totalling up to EUR 62,676 thousand until the date of receipt by the Buyer of the insurance policy covering the matters related to the surety, but no later than 31 October 2015.

28.5. Other security interests

On 9 May 2019, MLP Pruszków I Sp. z o.o., MLP Pruszków III Sp. z o.o. and MLP Pruszków IV Sp. z o.o. entered into a credit facility agreement with ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. Spółka Akcyjna Oddział w Polsce (Polish Branch), whereby the following security interests were created in favour of ING Bank Śląski S.A. as the security agent:

- power of attorney over all accounts of each of the borrowers and power to issue instructions to block the accounts,
- notarised consent to enforcement by each borrower,
- loan subordination agreement,
- assignment of rights under insurance policies,
- assignment of rights under assignment agreement,
- assignment of rights under each borrower’s lease contracts,
- assignment of rights under guarantees provided by each borrower’s tenants,
- assignment of rights under subordinated loans,
- assignment of rights under each borrower’s future debt claims.

On 7 November 2019, MLP Pruszków V Sp. z o.o. entered into a credit facility agreement with BNP Paribas Bank Polska S.A., whereby the following security interests were created in favour of BNP Paribas Bank Polski S.A.:

- power of attorney to all accounts of the borrower,
- assignment of rights under assignment agreement,
- registered pledges and financial pledges over receivables for payment of funds from each of the borrower's bank accounts,
- registered pledges and financial pledges over all shares in the borrower’s share capital,
- registered pledge over a set of borrower’s movables and rights,
- notarised consent to enforcement by the borrower,
- notarised consent to enforcement by each shareholder in the borrower,
- subordination of claims under subordination agreement,
- sponsor commitments under letters of comfort.

Other security interests created in favour of BNP Paribas Bank Polska S.A. as the security agent and PKO BP S.A. under the credit facility agreement with MLP Lublin Sp. z o.o., MLP Gliwice Sp. z o.o., MLP Teresin Sp. z o.o. and MLP Wrocław Sp. z o.o.:

- power of attorney to manage all of the borrowers’ bank accounts and hold on accounts,
- assignment by way of security under assignment agreement,
- Notarised consent to enforcement by each borrower,

- subordination of claims under subordination agreement,
- deposit held in debt service account,
- commitments of the MLP Group S.A. as the sponsor under the letter of comfort with MLP Wrocław Sp. z o.o.

Other security interests created in favour of Bayerische Landesbank under the credit facility agreement with MLP Logistic Park Germany I Sp. z o.o. & Co. KG:

- assignment of any rights and claims of the borrower arising on the sale of the property financed with the facility,
- assignment of rights under secured lease contracts,
- assignment of rights under secured construction contracts,
- assignment of input VAT receivable,
- subordination of claims under subordination agreement,
- up to EUR 7,125,000.00 corporate guarantee provided by MLP Group S.A. to secure claims under the credit facility agreement.

Other security interests created in favour of Bayerische Landesbank under the credit facility agreement with MLP Business Park Berlin I Sp. z o.o. & Co. KG:

- assignment of any rights and claims of the borrower arising on the sale of the property financed with the facility,
- assignment of rights under lease contracts,
- notarised consent to enforcement,
- subordination of claims under subordination agreement,

Other security interests created in favour of Aareal Bank AG under the facility agreement with MLP Poznań West II Sp. z o.o.:

- Assignment of monetary claims under insurance contracts in respect of real property under construction and after its completion (throughout the lending period),
- Assignment of cash receivables under lease contracts,
- Assignment of cash receivables under guarantees issued to the borrower as security for lease contracts,
- Assignment of cash receivables under a management contract concluded with MLP Group S.A. or another entity,
- Assignment of claims under the contract/s concluded with the general contractor and assignment of cash receivables under the performance note,
- Notarised consent to enforcement by the borrower and each of its shareholders,
- Power of attorney to manage all bank accounts and hold on accounts,
- Payment into the bank’s account of cash collateral to secure repayment of the facility,
- Assignment of cash receivables under insurance policy for loss of profit before tax by the borrower,
- subordination of claims under subordination agreement,
- sponsor’s commitment under the Letter of Comfort for cost overruns in the construction of Building A1.1,
- duty of care agreement for property management.

Other security interests created in favour of ING Bank Śląski S.A. under the credit facility agreement of 26 April 2024 signed by MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o.:

- powers of attorney over the borrowers' bank accounts and holds on the borrowers’ bank accounts, in accordance with the hold instruction;
- assignment of rights under assignment agreement,
- registered pledges and financial pledges over receivables for payment of funds from each of the borrowers’ bank accounts,

(all data in PLN thousand unless stated otherwise)

- registered pledges and financial pledges over all shares in the borrowers' share capital,
- registered pledge over a set of borrowers' movables and rights,
- notarised consent to enforcement by the borrowers,
- notarised consent to enforcement by each shareholder in the borrowers,
- assignment of rights under insurance policies, lease contracts, and construction contracts with security under the assignment agreement;
- subordination of claims and assignment under the subordination agreement.
- sponsor's commitment under the letter of comfort for cost overruns in the construction of Building B by MLP Poznań Sp. z o.o.

29. Related-party transactions

29.1. Trade and other receivables and payables

The balances of trade and other receivables and payables from related-party transactions as at 31 December 2024 were as follows:

	Trade and other receivables	Trade and other payables[1)]
Parent		
The Israel Land Development Company Ltd.	5	-
Other related parties		
Fenix Polska sp. z o.o.	4	-
Key management personnel		
MPI Services Sp. z o.o.	-	54
Agnieszka Góźdź	-	-
RTK Consulting	-	-
Total	**9**	**54**

The balances of trade and other receivables and payables from related-party transactions as at 31 December 2023 were as follows:

	Trade and other receivables	Trade and other payables[1)]
Parent		
The Israel Land Development Company Ltd.	23	-
Key management personnel		
DG Monika Dobosz	-	14
Total	**23**	**14**

[1)] Trade and other payables do not include the remuneration of key management personnel, which is disclosed in Note 30.

(all data in PLN thousand unless stated otherwise)

29.2. Loans and non-bank borrowings

Below are presented the balances of loans to and borrowings from related parties as at 31 December 2024:

	Loans	Borrowings
Other related parties		
Fenix Polska Sp. z o.o.	17,433	(17,097)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	121	-
Total	**17,554**	**(17,097)**

Below are presented the balances of loans to and borrowings from related parties as at 31 December 2023.

	Loans	Borrowings
Other related parties		
Fenix Polska Sp. z o.o.	16,819	(16,952)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	103	-
Total	**16,922**	**(16,952)**

29.3. Income and expenses

Below are presented income and expenses under related-party transactions for the year ended 31 December 2024:

	Revenue	Purchase of services and cost of wages and salaries	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd.	177	-	-	-
	177	**-**	**-**	**-**
Other related parties				
Fenix Polska Sp. z o.o.	6	-	723	-
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	5	-	7	-
	11	**-**	**730**	**-**
Key management personnel				
Radosław T. Krochta	-	(3,531)	-	-
Michael Shapiro	-	(1,985)	-	-
Tomasz Zabost	-	(93)	-	-
Agnieszka Góźdź	-	(1,973)	-	-
Monika Dobosz	-	(738)	-	-
Marcin Dobieszewski	-	(776)	-	-
Other key management personnel	-	(2,367)	-	-
	-	**(11,463)**	**-**	**-**
Total	**188**	**(11,463)**	**730**	**-**

(all data in PLN thousand unless stated otherwise)

Below are presented income and expenses under related-party transactions for the period ended 31 December 2023.

	Revenue	Purchase of services and cost of wages and salaries	Interest income	Interest expense
Parent				
The Israel Land Development Company Ltd.	3	-	-	-
	3	**-**	**-**	**-**
Other related parties				
Fenix Polska Sp. z o.o.	6	-	764	(782)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	5	-	7	-
	11	**-**	**771**	**(782)**
Key management personnel				
Radosław T. Krochta	-	(974)	-	-
Michael Shapiro	-	(544)	-	-
Tomasz Zabost	-	(558)	-	-
Marcin Dobieszewski	-	(545)	-	-
Monika Dobosz	-	(545)	-	-
Agnieszka Góźdź	-	(747)	-	-
Other key management personnel	-	(2,185)	-	-
	-	**(6,098)**	**-**	**-**
Total	**14**	**(6,098)**	**771**	**(782)**

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B.V., which as at held 100% of shares in Fenix Polska Sp. z o.o. and 42.69% of the Group's share capital.

30. Significant litigation and disputes

30.1. CreditForce Holding B.V.

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).

30.2. Pruszków District Governor (*starosta*)

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. According to the decisions, as at 31 December 2024 the total amount potentially due was PLN 37,510 thousand. The management board of the companies does not accept the amount of the charge, and therefore the case was referred to the court. The District Governor did not take into account the expenses incurred by the companies.

In previous years and the reporting period, the Group recognised a provision of PLN 11,610 thousand for potential claims by Pruszków District Governor related to changes in the perpetual usufruct charge.

31. Significant events during and subsequent to the reporting period

- On 9 October 2024, the Group issued bonds with a total nominal value of EUR 300,000,000 (three hundred million euros). On the same day, the bonds were listed on the Official List of the Luxembourg Stock Exchange (the "Stock Exchange") and admitted and introduced trading in the alternative trading system Euro MTF operated by the Stock Exchange.
- On October 23, 2024, MLP Łódź II sp. z o.o. submitted a statement of voluntary submission to enforcement in favor of Santander Bank Polska S.A. as the guarantor, up to the amount of PLN 7,523,176.94, to secure the bank's claims related to bank guarantee No. K00992/24 dated July 23, 2024, issued at the request of MLP Łódź II sp. z o.o. for PGE Dystrybucja S.A., headquartered in Lublin, as the beneficiary.
- On 25 October 2024, credit facilities provided by mBank S.A. (mBank) to MLP Pruszków VI Sp. z o.o. were prepaid in full. As a result, the security created to secure mBank's claims under (i) the credit facility agreement of 6 September 2023 and the master agreement and IRS hedging contracts expired, and on 28 October 2024 the bank issued a notice confirming the release of all security.
- On 25 October 2024, credit facilities provided by BNP Paribas Bank Polska S.A. (BNP) to MLP Czeladź Sp. z o.o. were prepaid in full. As a result, the security created to secure BNP's claims under (i) the credit facility agreement of 29 March 2023 and the master agreement and IRS hedging contracts expired, and on 28 October 2024 the bank issued a notice confirming the release of all security
- On 25 October 2024, credit facilities provided by Santander Bank Polska S.A. (Santander) to MLP Łódź II Sp. z o.o. were prepaid in full. As a result, the security created to secure Santander's claims under (i) the credit facility agreement of 30 December 2022 and the master agreement and IRS hedging contracts expired, and on 28 October 2024 the bank issued a notice confirming the release of all security.
- On 29 October 2024, credit facilities provided by Bank Polska Kasa Opieki S.A. (Pekao) to MLP Pruszków II Sp. z o.o. were prepaid in full. As a result, the security created to secure Santander's claims under (i) the credit facility agreement of 23 July 2021 and the master agreement and IRS hedging contracts expired, and on 29 October 2024 the bank issued a notice confirming the release of all security.
- 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 prepaid in full. As a result, the security created to secure OTP's claims under (i) the credit facility agreement of 23 September 2021 and the master agreement and IRS hedging contracts expired.
- In January 2025, two joint contractual mortgages, up to the amounts of PLN 6,000,000 and PLN 6,036,000, respectively, were removed from the land and mortgage register. These mortgages had been established in favor of BNP Paribas Bank Polska S.A. (BNP) to secure BNP's claims under the loan agreement concluded by MLP Pruszków V sp. z o.o. on November 7, 2019. Additionally, a new joint contractual mortgage in favor of BNP, up to the amount of PLN 12,000,000, was registered to secure hedging transactions.
- On February 14, 2025, MLP Group S.A. provided a surety (corporate guarantee) up to a maximum amount of EUR 1,000,000 for the tenant Sarantis Polska S.A., headquartered in Piaseczno, to secure the obligations of MLP Pruszków VI sp. z o.o. as the landlord under the lease agreement concluded on February 14, 2025. The surety is granted for a period no later than December 15, 2027.

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

(all data in PLN thousand unless stated otherwise)

31.1. Impact of the political and economic situation in Ukraine on the operations of the MLP Group S.A. Group

Due to the amount of trade with Russia and the reliance of EU countries on natural resources such as gas, crude oil, and food exports from Russia and Ukraine, the sanctions imposed and Russia's response have had a significant impact on the global economy. These actions have caused changes in the direction of the flow of raw materials and products, particularly by limiting the exchange of goods with Russia and Belarus and restricting transit between Europe and Asia via Russia, Belarus, and Ukraine. These developments are also driving changes in the logistics industry. The war in Ukraine indirectly affects GDP dynamics, including in Poland, the inflation rate, interest rates, and expectations regarding their changes, which influence consumer and business behaviours, currency exchange rates, the unemployment rate, average and median wages and incomes, as well as the fiscal and monetary policy of the European Union, including the countries where the Group's companies operate.

The Group continuously monitors the situation and the impact of the war in Ukraine on its operations and individual projects, including long-term plans. The primary focus is on tracking key tenants (in terms of leased space and rental income) and information published regarding the war's impact on these entities. However, these tenants have not indicated any significant risks to their operations.

Retrospectively, the assessment of the war's impact on the Group's operations does not suggest that it has had or is having a significant negative effect on the Group's activities and financial results. However, the war in Ukraine has had an indirect impact (mainly in 2023, diminishing in 2024) on the following financial statement items:

- The increase in prices of crude oil, natural gas, and metals, as well as limited availability of Ukrainian workers for construction contractors;
- The reversal of the declining capitalization rate trend, which affected the valuation of investment properties as of December 31, 2023, and December 31, 2024, with a projected trend stabilization in 2025;
- The rise in interest rates in 2022-2023, which led to increased financial costs related to obtained financing, considering a downward trend (starting in the second half of 2024, a slow decline in EURIBOR, though slower than market forecasts).

The Group also monitors any potentially unfavorable military developments in Ukraine, which could lead to changes in logistics routes and negatively impact investor sentiment, particularly in Poland and Romania, where the Group operates.

32. Variable remuneration and remuneration paid to members of management and supervisory bodies

for the year ended 31 December	**2024**	**2023**
Fixed remuneration of the Management Board:		
Radosław T. Krochta	953	974
Michael Shapiro	662	544
Tomasz Zabost**	93	558
Marcin Dobieszewski	423	421
Monika Dobosz**	584	545
Agnieszka Góźdź	650	545
	3,365	**3,587**

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

Provision for variable remuneration of the Management Board*:

for the year ended 31 December	**2024**	**2023**
Radosław T. Krochta	2,321	-
Michael Shapiro	1,169	-
Tomasz Zabost	-	-
Marcin Dobieszewski	353	301
Monika Dobosz	-	-
Agnieszka Góźdź	1,169	-
	5,012	**301**

(all data in PLN thousand unless stated otherwise)

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

Variable remuneration paid to the Management Board

for the year ended 31 December	**2024**	**2023**
Radosław T. Krochta	859	2,532
Michael Shapiro	515	1,201
Tomasz Zabost	-	1,246
Marcin Dobieszewski	281	833
Monika Dobosz	515	1,265
Agnieszka Góźdź	515	1,226
	2,686	**8,303**

for the year ended 31 December	**2024**	**2023**
Remuneration of the Supervisory Board:		
• **Remuneration and other benefits**		
Maciej Matusiak	80	60
Eytan Levy	80	60
Shimshon Marfogel	70	60
Guy Shapira	70	60
Piotr Chajderowski,	80	60
Oded Setter	70	60
	450	**360**
Total remuneration paid to members of management and supervisory bodies	**6,502**	**12,250**

for the year ended 31 December	**2024**	**2023**
Other key management personnel:		
• Remuneration and other benefits paid	2,367	2,185
	2,367	**2,185**
Total remuneration paid to members of management and supervisory bodies and key management personnel	**8,869**	**14,435**

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

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

33. Employees

for the year ended 31 December	**2024**	**2023**
Average headcount in the period	48	50

(all data in PLN thousand unless stated otherwise)

34. Information on the auditor

as at 31 December	**2024**	**2023**
Audit of full-year financial statements*	105	134
Audit of separate financial statements of subsidiaries	340	255
Review of the interim consolidated and separate financial statements*	40	40
Audit and review of group procedures	306	297
Other permitted services	250	-

*The amount is the fee for the review and audit of the separate and consolidated financial statements.

Signed by the Management Board and the person responsible for keeping the accounting books with qualified digital signatures

Pruszków, 18 March 2025