I. Letter from President & CEO to Shareholders

Dear Fellow Shareholders,

Let me start the 1H 2023 letter with adage – scepticism and pessimism are not synonymous. Scepticism calls for pessimism when optimism is excessive. But it also calls for optimism when pessimism is excessive – that defined our way of operations in 1H 2023 and paved the way we will operate in through 2H 2023 and onwards.

Euro area economic activity slightly declined at the turn of the year, but has remained relatively resilient to the large negative supply shocks that have been hitting the economy. The economy is expected to return to growth in the coming quarters as energy prices moderate, foreign demand strengthens and supply bottlenecks are resolved, allowing firms to continue to work through their significant order backlogs. Furthermore, real incomes are set to improve, underpinned by a robust labour market, with unemployment hitting new historical lows. In summary, central banks have completed the cycle of interest rate hikes, rather bad scenarios have not materialized, it seems that we will have the so-called soft economic landing and in 2024 we should expect interest rate cuts - **which will translate, among other things, into lower yields and an increase in the valuation of real estate.**

In 1H 2023 we turned very conservative to face precarious/uncertain economy and potential risks aligned with economical slow-down.

Although I begin this letter to shareholders in a challenging landscape, I remain proud of what had been achieved in 1H 2023. We had a very successful six months. We delivered excellent results, both from an operational and financial point of view driven by strong leasing performance across Europe. **MLP Group has one of the best and most modern pan-European industrial warehouse portfolios, through which we can serve our customers' entire regional and local needs.**

Looking back on 1H 2023, our main highlights include:

- **Revenues amounted to PLN 185.7 million,** +51% YoY
- **EBITDA without revaluation** amounted to PLN 97.2 million, (+ 63% vs 1H2022), EUR 21.1 million (+64% vs 1H2022),
- **Value of investment properties** reached PLN 4.3 billion (- 3% vs 31 December 2022), EUR 963.1 million (+2% vs 31 December 2022),
- **Net Assets Value (NAV)** reached PLN 2 394.3 million (- 4% vs 31 December 2022), EUR 538.0 million (+1% vs 31 December 2022),
- **NAV per share** PLN 99.8 (- 4% vs 31 December 2022), EUR 22.4 (+1% vs 31 December 2022),
- **FFO** amounted to PLN 58.0 million (+ 57% vs 1H2022), EUR 12.6 million (+58% vs 1H2022),
- **Net loss** amounted to PLN -82.7 million (EUR -17.9 million),
- **Lease agreements** signed in 1H 2023 or in signing process by September 2023 approx. 161 thousand sqm,
- BREEAM/ DGNB 85% of our portfolio is certified with very good by 3Q 2023.

(all data in PLN thousand, unless stated otherwise)

Key ratio performance metrics in 1H 2023 compared to our competitors

	Country of origin	Like-for-Like rental growth	Rental revenue growth y/y	LTV
MLP GROUP		+15.1%	+49%	35.7%
ctp		+7.5%	+26.8%	45.9%
SEGRO		+5.1%	+12%	34.0%
WDP		+6.1%	+15.3%	38.3%
LOGICOR		+4.3%	+2.4%	48%

** Data as of December 31, 2022 due to lack of published Financial Statement for 1H 2023*

The quality and location of our portfolio is important to our tenants, but in our DNA we believe the high level of service we provide is crucial to maintaining high customer retention as well as low vacancy and the most importantly satisfaction. According to our recurring satisfaction survey 94% (increase by +1 vs 2022) of tenants said that they considered MLP as the most professional business partner. Customer relationship management helps us develop long-term relations reaching even over 20 years with the retention rate of 100%. We continue to learn about and from our tenants to understand their businesses, improve our services and stand out from the competition.

General leasing outlook in 1H 2023

- **In 1H 2023 leasing take-up pipeline is approx. 20% lower vs supply is 40-50% lower accompanied with low vacancy rate, it creates pricing and leasing opportunities for MLPG,**
- Occupiers taking longer to make final decisions – majority of the new deals in MLPG will be concluded in Q3 and Q4 2023,
- Lower demand generated by e-commerce companies,
- Strong demand by light industry tenants => reflecting MLPG strategy focus,
- Change in the size of the demand. Last years demand for 50-100k sqm for fulfillment centres, now the standard size of the lease is in the range of 5-15k sqm, reflecting MLPG strategy focus,
- Strong reshoring trend, companies are bringing production back home due to the Ukraine war and China's slowdown => reflecting MLPG strategy focus,
- **General contractors pricing y/y +10-12% vs rental growth +20-25%**

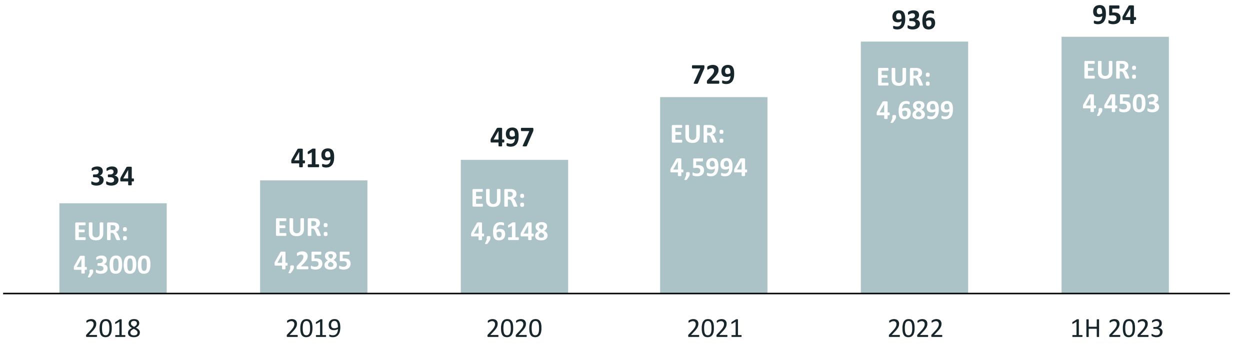
MLP GROUP – key developments in 1H 2023

Value of investment properties

Despite of the challenging economic landscape 1H2023 was successful period for us - we continued our strategy deployed in 2021 but from a much stronger equity position than we had in the past years.

PLN/EUR strengthening had the greatest impact on the value of investment property. Due to the strengthening of PLN in the reporting period - as at December 31, EUR 1 = PLN 4.6899 as at the reporting date of June 30, EUR 1 = PLN 4.4503, a decrease of PLN 0.2396 (-5%). As a consequence, the value of our investment properties decreased by PLN 224,316 thousand.

Gross Asset Value (in mn EUR)*



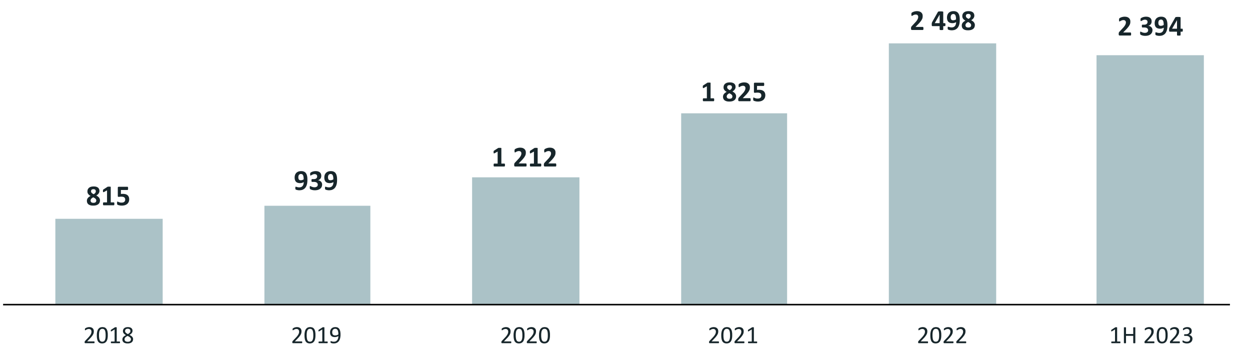
**Gross Asset Value without Perpetual Usufruct*

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

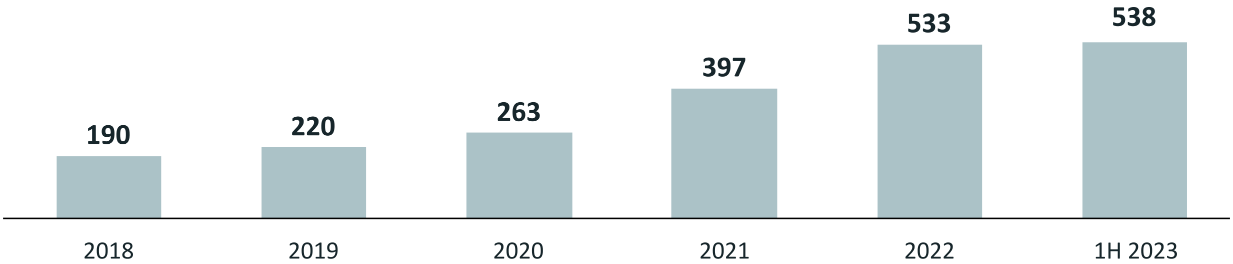
Despite slightly widening Yields (on average 25%), we were able to slightly increase the Gross/Net Asset Value (+1%), which was related to the handover of newly leased space to tenants and an significant increase in rental rates.

Net Assets Value (NAV) reached PLN 2 394.3 million (- 4% vs 31 December 2022), EUR 538.0 million (+1% vs 31 December 2022).

Net Assets Value (in mn PLN)

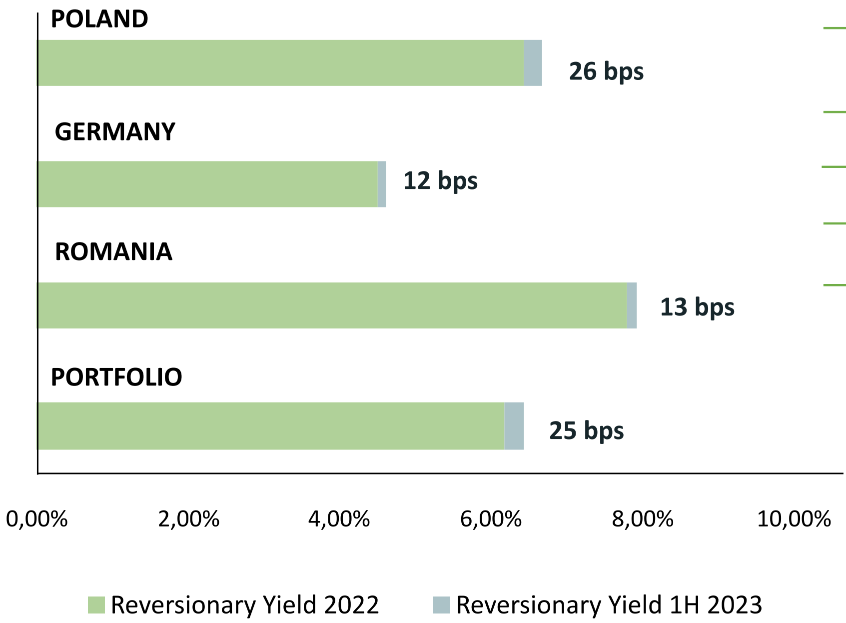


Net Assets Value (in mn EUR)



(all data in PLN thousand, unless stated otherwise)

Yield widening significantly offset with increase in ERVS and rents in MLP's portfolio



ERV growth per country

POLAND	+1.6%
GERMANY	+3.3%
ROMANIA	+0.2%

Value of investment properties reached PLN 4.3 billion (- 3% vs 31 December 2022, EUR 963.1 million (+2% vs 31 December 2022. The slight yield expansion in 1H 2023 in Poland, Romania and Germany was offset against growth in ERV (estimated rental values.

Leasing results

Lease agreements signed in 1H 2023 or in signing process by Sep 2023 approx. 161 thousand sqm.

As occupier demand remains robust and the supply of new industrial & logistics space is decreasing, vacancies stay low, allowing us to continue to drive rental growth. **On contrary, occupiers taking longer to make final decisions thus majority of the new deals in MLPG will be concluded in Q3 and Q4 2023**. The industrial & logistics sector in Europe benefits from structural demand drivers, such as further improvement of supply chains, increasing interest for the nearshoring and friend-shoring projects in Europe.

In 1H2023 we started speculative development across all countries 108,110 sqm i.e. in Poland we started 92,110 sqm and in Romania 16,000 sqm of spec development. The completion of all started speculative development is expected by YE 2023/1Q 2024. We leased in the construction stage already 26%, which reconfirms the robustness of the occupier market. We expect to lease all those are by YE, the average rental rate is 16% higher vs 1H 2022 and the lease WAULT will be close to 10 years.

Our total portfolio reached 1 066 146 sqm with 97.4% occupancy across all our assets and new space under speculative development amounts to 108 thousand sqm.

In 1H 2023, we successfully continued our efforts to diversify our assets (Big-box logistic and Urban Logistic, tenants and geographies.

Our customer base remains well diversified, reflecting the multitude of uses of warehouse space. Top 10 tenants provide 35% of annual rental income. Customers from the light manufacturing and logistics sector were the largest takers of our space during 1H 2023. We strongly believe that the trend of near-shoring will be maintained in 2023. In the last year, 65% of new leases was generated by existing MLPG tenants.

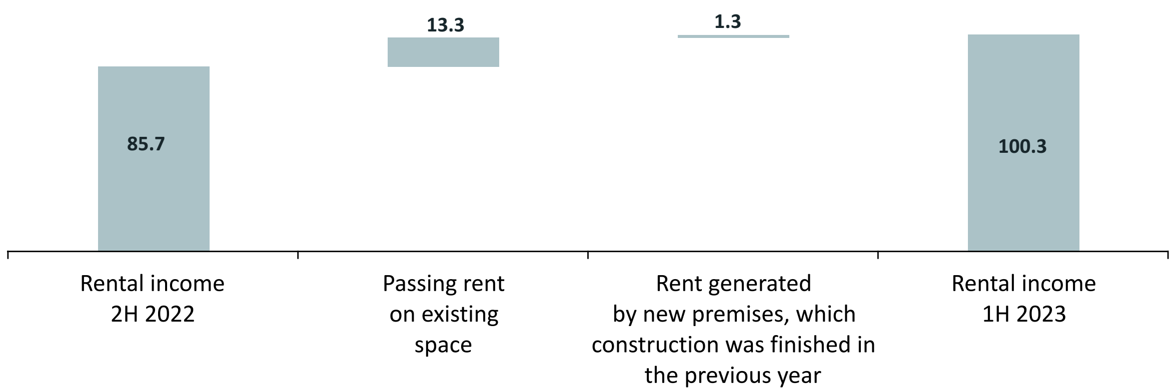
In 1H 2023, we saw strong like-for-like rental growth of 15.1% during the year. We continue to see robust occupier demand combined with market vacancies close to historic lows in supply-constrained markets.

Moreover 1H 2023 saw the delivery of approx. 97 thousands sqm of GLA in MLP Group portfolio, adding PLN 14.6 mn of contracted rent with the rent generated by the construction finished in previous year. Thanks to our profitable pipeline we continue to deliver positive revaluations with the high level of yield on cost – exceeding on average 10%, mobilizing our industry leading landbank, which we have been able to acquire at attractive prices.

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

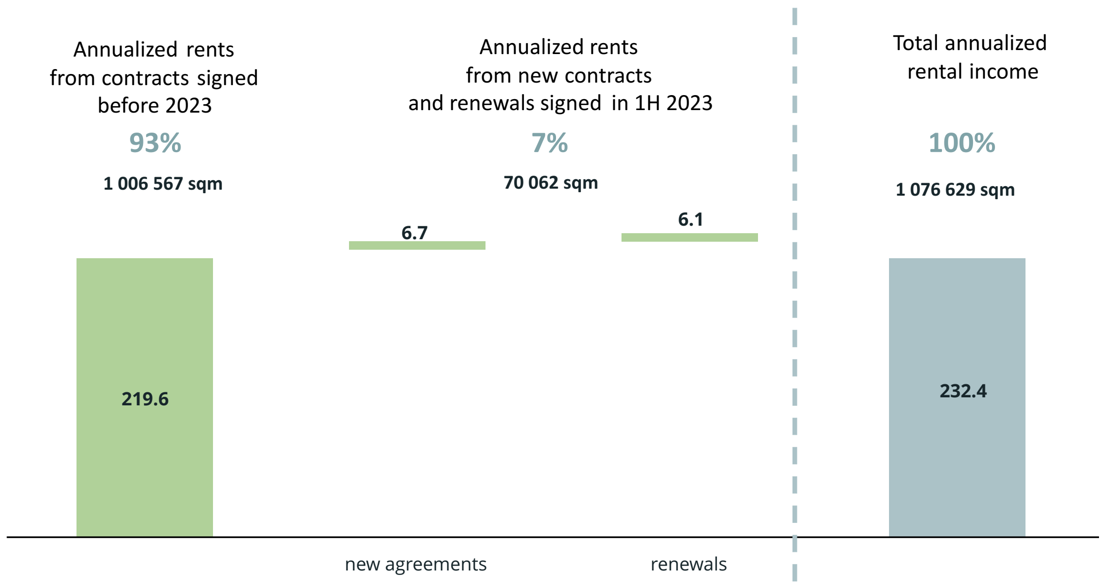
Strong tenants' portfolio – none of MLPG's tenants run into insolvency nor significant liquidity problems - very restrictive and conservative tenants acceptance policy brings sufficient level of comfort for economic slowdown. In addition, based on the tenant stress test we conducted, we do not expect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

Break-down of the rental income of 1H2023 (in mn PLN)



At 30 June 2023, our portfolio generated rental income of PLN 100.3 million. During the year, we contracted PLN 1.3 million of new rent. We increased the rent from our existing space significantly by capturing reversionary potential and due to the impact of indexation by PLN 13.3 million.

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



- PLN 219.6 million of rent from existing assets from contracts signed by 1H 2023.
- Rental growth from new lease reviews and renewals generated PLN 12.8 million.
- **Customer retention rate stayed at 100%**

PV/ Solar energy

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

MLPG has already assembled 4.67 MWp of photovoltaic systems on the top of the roof and plans to increase this amount to 6.46 MWp by the end of this year. The goal is to install a photovoltaic system on every building and treat it as a standard for constructing new properties.

Financial standing of MLP Group

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

- **100% lease agreements indexed with CPI for EUR without any cap (indexed once a year in February).**
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk.
- Almost 80% of loans are hedged with IRS for the next 5 years, resulting in limited interest rates' exposure.
- Diversification of energy sources and implementation of solutions having a positive impact on the protection of the natural environment.
- The greatest value is the potential of the secured plots, which enables rapid development in the coming years on European markets, and thus the achievement of the assumed strategic goals
- 98% rent collection across our portfolio
- Strong cash flow position
  - **LTV at 35.7%,** the highest interest coverage **ratio at 3.0 x ICR**
  - **Long debt maturity** ratio of 4.3 years
  - **FFO** amounted to PLN 58.0 million (+ 57% vs 1H 2022), EUR 12.6 million (+58% vs 1H 2022).

MLP Group has a very good financial standing and a safe capital structure enabling the implementation of long-term strategic goals. With the modest leverage, long-average debt maturity of 4.3 years, no near-term refinancing requirements and virtually entire debt at fixed or capped rates, we have significant financial flexibility to continue to invest capital in the development and acquisition opportunities that offer the most attractive risk-adjusted returns.

MLP Group plans for 2023

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

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

Key challenges for 2H 2023 and 1H 2024 are focused on:

– **deploying acquired plots:**

- **MLP Wrocław West** (2nd stage) - building permit for the buildings expected 1Q/Q2 2024 and subsequent possible start of construction 2Q/Q3 2024,
- **MLP Łódź** | remaining development part of approx. 36,000 sqm of warehouse and office area – building permit for the bridge building expected 2Q 2024 and subsequent construction starting 2Q/3Q 2024,
- **MLP Zgorzelec** | building permit in place, construction start of ca. 30,000 sqm for Auto Partner (prelease) and 22,000 sqm speculative buildings in September 2023,
- **MLP Poznan West III** (extension) | 21,000 sqm - building permit for the building expected 4Q2023 and subsequent construction starting 4Q 2023 / 1Q 2024,
- **MLP Pruszkow II** (extension) | approx. 65,000 sqm (30,000 sqm already developed) - building permit for the building expected 1Q 2024 and construction 1Q 2024,
- **MLP Idstein** | approx. 20,000 sqm of warehouse and office area - building permit for the building expected 4Q 2024 and subsequent construction starting 4Q 2024,
- **MLP Gelsenkirchen** | approx. 51,000 sqm of warehouse and office area 4Q 2023 start of demolishment, building permit for the building expected 2Q 2024 and subsequent construction start 2Q 2024.

– **start next Urban/City logistics projects (MLP Business Park) in 2H 2023:**

- **MLP Business Park Poznań** | approx 32,000 sqm of warehouse and office area – building permit for the buildings expected by year end 2023 and subsequent demolishment & construction start in 1Q 2024,
- **MLP Business Park Łódź** | approx. 31,000 sqm of warehouse and office area - construction start in September 2023,
- **MLP Business Park Wien** | approx. 54,000 sqm of warehouse and office area – building permit expected in October/November and construction commencement in November/December 2023. The success of this project is already spectacular - before the start of construction, we see a huge interest in this project (demand exceeds 150% of lease area),

– **further continuous FFO increase.**

New plots acquisition

Our strategic goal is to constantly expand the warehouse portfolio. MLP Group replenishes its landbank on a continual basis. Until the date of issue this report, among others, we have been in the process of the following plots reflecting our strategic development goals:

- **MLP Berlin Spreenhagen** – size of the plot 8,4 ha | approx. 40,000 sqm of warehouse and office area | planned acquisition in 3Q 2023. The project goes on to build over the previous success of MLP Business Park Berlin (Ludwigsfelde) which was super successful and is fully rented (100%), by offering midsized boxes which shall be complementary to MLP Business Park Berlin (Ludwigsfelde). MLP Business Park Berlin is/was 100% leased. The project shall strengthen our position in Brandenburg/German market.
- **MLP Bieruń** – size of the plot 11,6 ha | approx. 60,000 sqm of warehouse and office area | planned acquisition in September 2023.

  The project will increase our presence in Silesia / South of Poland. Additionally we will capitalise on the success of previously disposed to logistic projects in 2016 i.e. MLP Tychy and MLP Bieruń. The project will be located along A1 motorway.

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

Valuation: what to expect in 2023 – after slight increase in 2Q 2023 averaging by 25 bp, market expects yield decompression in YE 2023 ranging between 10bp to 35bp and continue further decompression trend in 2024 - Yields/Valuation have bottomed.

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

In 2023, capital expenditure (CAPEX will amount to approximately EUR 100-150 million, of which approximately 30% will be allocated to plots' purchases. We plan to lease app 200-300 thousand sqm of the new warehouse space.

Most importantly, we will continue our development in Germany, where we are systematically increasing our portfolio of projects. We plan to strengthen and expand our presence in the regions where we are already present i.e. Ruhr area, Brandenburg and Hessen land. Further development on the German market is a key point of our strategy.

Urban/City logistics projects (MLP Business Park) as will be of our focused in 2023 a high growth potential, high profitability and resilient to economic downturns products.

In closing

I have been always saying that there are 2 kinds of times - the times when we know what is going to happen and the times where uncertainties are => the main difference is that in the first times we are continuously wrong but even bearing in mind the precarious economy we were able to deliver very good results but we can not abdicate our responsibility to grow MLP Group business.

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

1H 2023 might not have been the time that we all expected, but our business has shown its quality and resilience and has continued to deliver value. I am proud of how everyone at MLP Group has come together and worked hard to make this happen.

Radosław T. Krochta
President & CEO of MLP Group