

MLP GROUP S.A. GROUP CONSOLIDATED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

This document is a translation. Polish version prevails.

Published in accordance with Art. 60.1.1. Minister of Finance's Regulation of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Dz. U. of 2018, item 757)

www.mlpgroup.com

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LETTER FROM PRESIDENT & CEO TO SHAREHOLDERS

Dear Fellow Shareholders,

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

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

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

(a) **economic activity** in Euro area slightly declined at the turn of the year, but has remained relatively resilient to the large negative supply shocks that have been hitting the economy,

(b) **inflation** - mix of negative and positive impulses. Inflation is sticky and probably will stay higher for longer across Europe with the downward trend.

Industrial & logistic market:

(a) we saw meaningful rental growth as structural driver of demand that ensured occupiers continued to require well located, sustainable industrial assets,

(b) occupiers seeking to enhance the resilience of their supply chains through nearshoring and friend-shoring, with production in Europe,

(c) we have noticed continuous influx of Asian investments into Europe,

(d) 2024 expects interest rate cuts which shall translate, among other things, into lower yields and consequently an increase in the valuation of real estate.

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

Looking back on 2023, our main highlights include:

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

Strong cash flow generating portfolio

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

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

MLP Group S.A. Group Consolidated report for the year ended 31 December 2023 (all data in PLN thousand, unless stated otherwise)

Key ratio performance metrics in 2023 compared to our competitors

Company	Country of origin	Valuation change (%)	Rental revenue growth y/y	Like-for-Like rental growth	ICR	LTV	FFO Yield (%)	P/NAV
MLP GROUP		10%* 2023: 1,031 bln EUR	+34%	+7.7%	2.3x	38.6%	5.48%	0.74x
ctp		18.9% 2023: 12,039.2 mn EUR	+20.1%	+7.4%	3.8x	46.0%	5.25%	1.1x
SEGRO		-4.0% 2023: 17,762 mn GBP	+12%	+6.5%	2.7x	34.0%	4.17%	1.0x
WDP		0.2% 1H 2023: 6,367.2 mn EUR	+15.3%	+6.0%	6.5x	38.1%	3.92%	1.4x
LOGICOR		-0.6% 2023: 15,340 mn EUR	+5.1%	+5.7%	4.6x	48.9%	N/A	N/A
VGP		4.9% 1H 2023: 6,759 mn EUR	+51.6%	N/A	10.5x	49.2%	1.06%	1.1x

* Gross Asset Value without Perpetual Usufruct and residential properties

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

The quality and location of our portfolio is important to our tenants, but in our DNA we believe the high level of service we provide is crucial to maintaining high customer retention as well as low vacancy and the most importantly satisfaction. **According to our recurring satisfaction survey 95% (increase by +1 vs. 2022) of tenants said that they considered MLP as the most professional business partner.**

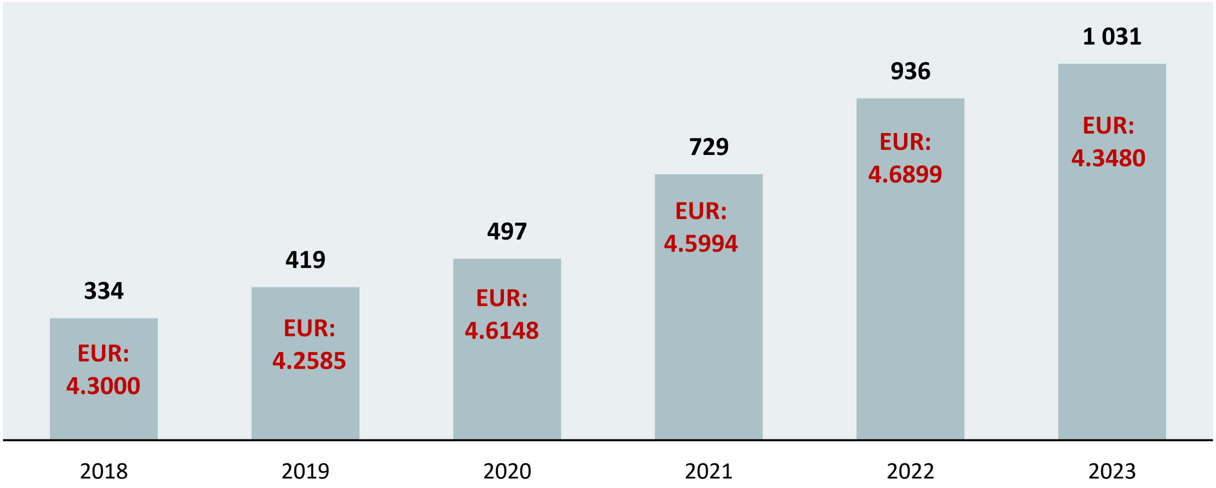
MLP GROUP – key developments in 2023

Value of investment properties

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

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

GROSS ASSET VALUE (IN MN EUR)



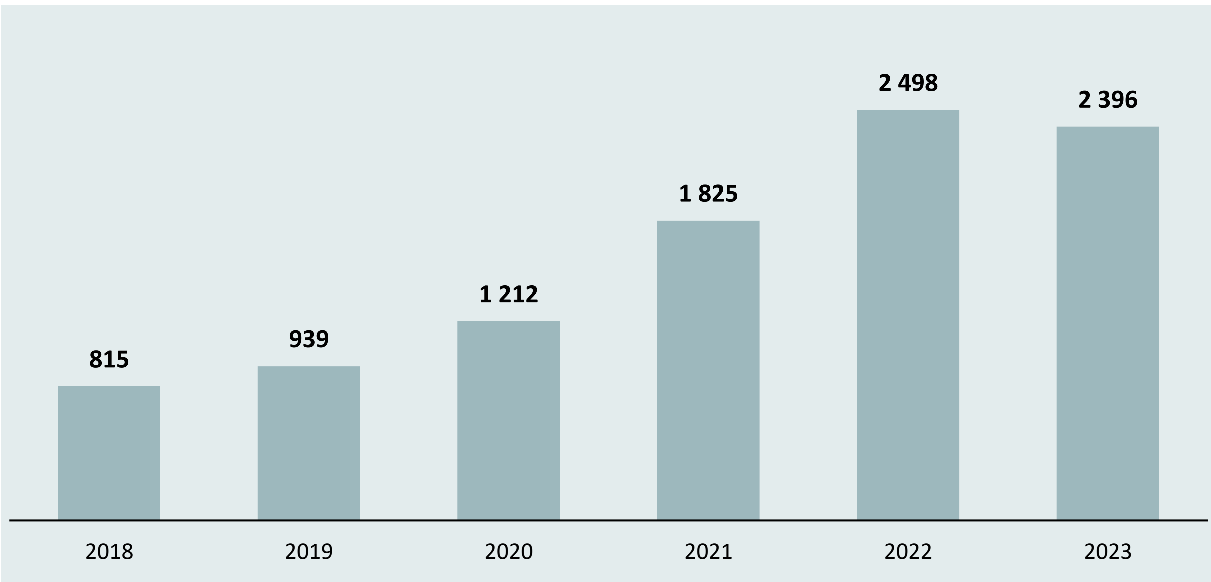
Gross Asset Value without Perpetual Usufruct and residential properties

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

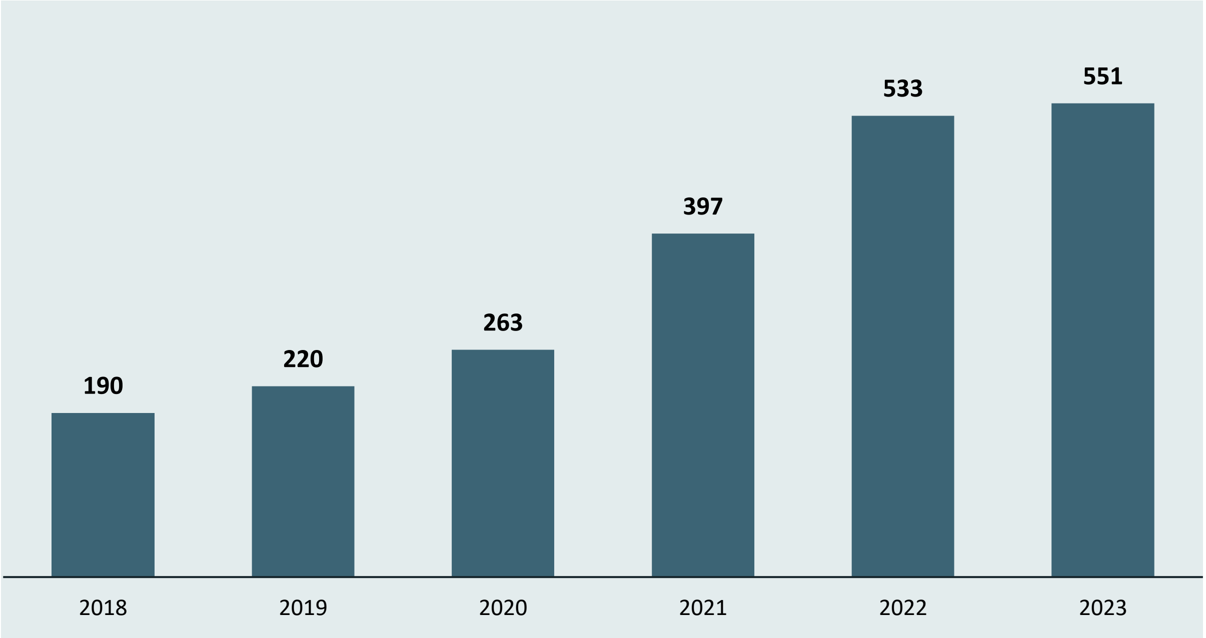
Despite slightly widening Yields (on average 24bps), we were able to slightly increase the Gross Asset Value (+11%), which was related to the handover of newly leased space to tenants and a significant increase in rental rates.

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

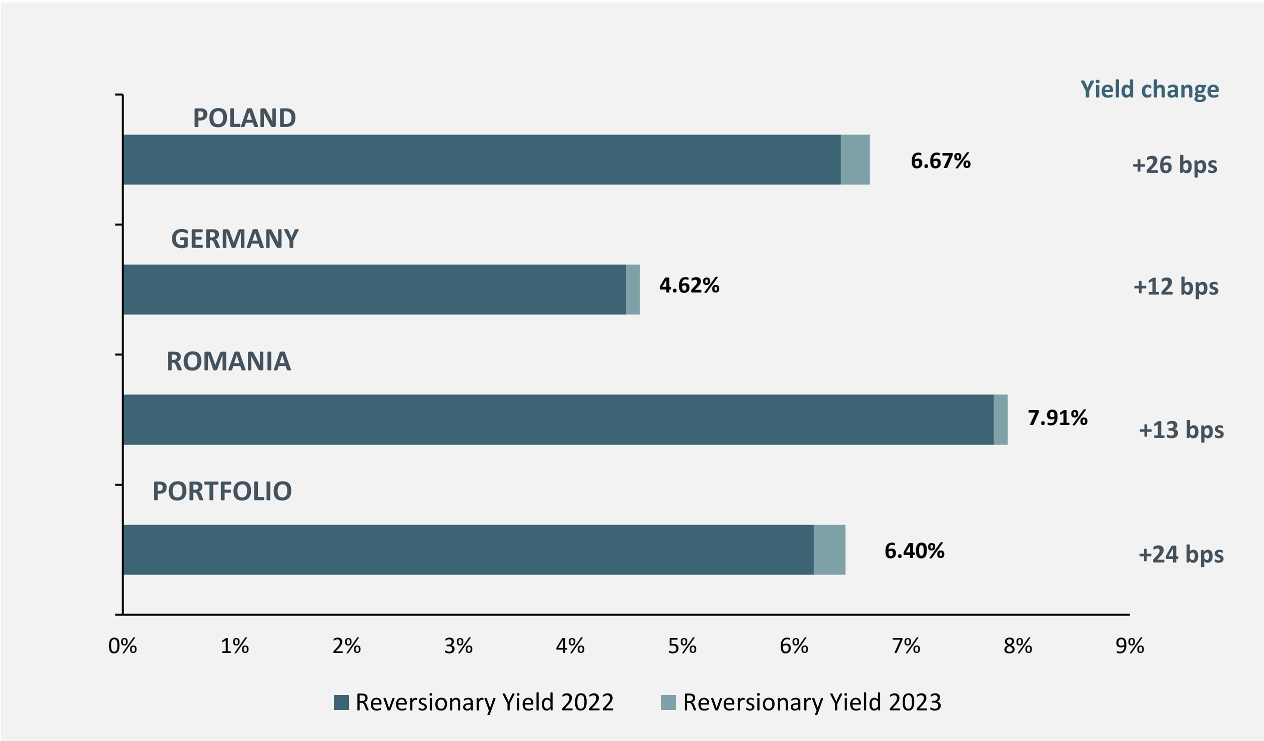
NET ASSETS VALUE (IN MN PLN)



NET ASSETS VALUE (IN MN EUR)



PROPERTY YIELDS



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

Leasing results

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

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

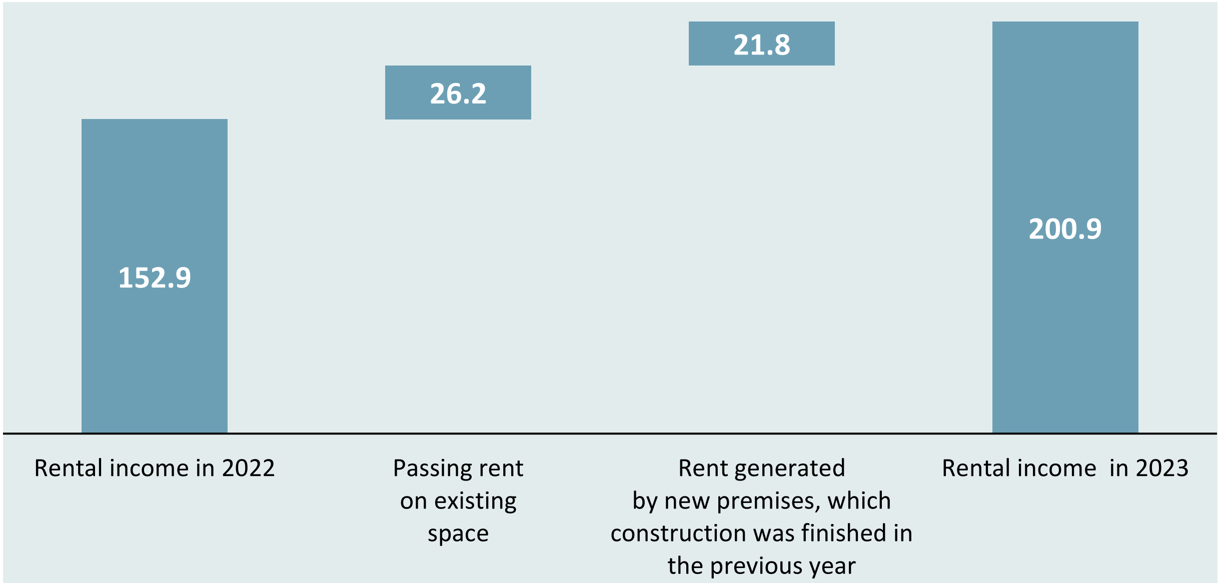
As at 31 December 2023, development projects were ongoing across all countries totalling 182,332 sqm i.e. in Poland 166,332 sqm and in Romania 16,000 sqm of spec development.". We leased 40 % of this development in the construction, which reconfirms the robustness of the occupier market. We expect to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

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

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

In 2023, we saw strong like-for-like rental growth of 7.7% during the year. We continue to see robust occupier demand combined with market vacancies close to historic lows in supply-constrained markets. Moreover, 2023 saw the delivery of approx. 106 thousand sqm of GLA in MLP Group portfolio, adding PLN 47.5 mn of contracted rent with the rent generated by the construction finished in previous year. Thanks to our profitable pipeline we continue to deliver positive revaluations with the high level of yield on cost – **exceeding on average 11%,** mobilizing our industry leading landbank, which we have been able to acquire at attractive prices.

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

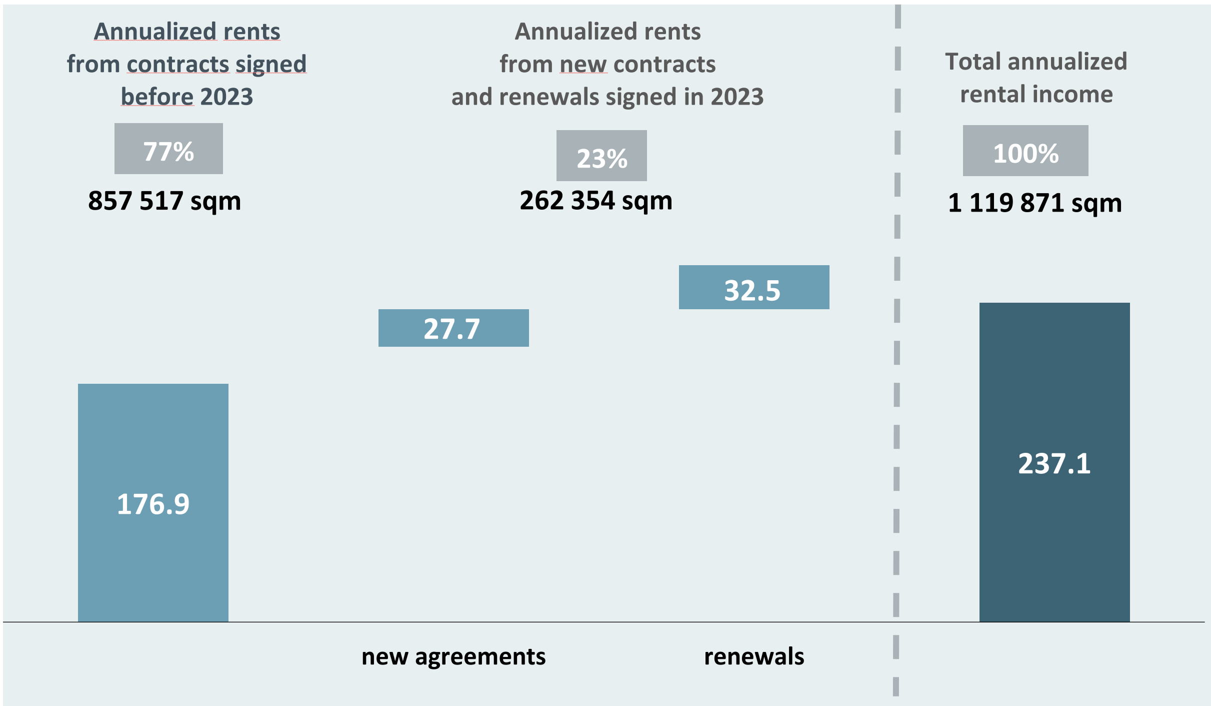


Existing portfolio continues to perform well and delivered another set of strong operating metrics.

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

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

ANNUALIZED FUTURE RENTAL INCOME BASED ON ALL SIGNED CONTRACTS IN 2023 (IN MN PLN)



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

PV/ Solar energy

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

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

Financial standing of MLP Group

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

- **100% lease agreements indexed with CPI for EUR without any cap (indexed once a year in February);**
- All rentals are denominated in EUR or are directly expressed in EUR, which significantly reduces our exposure to the currency risk;
- Almost 80% of loans are hedged with IRS for the next 4 years, resulting in limited interest rates' exposure;
- Diversification of energy sources and implementation of solutions having a positive impact on the protection of the natural environment.;
- The greatest value is the potential of the secured plots, which enables rapid development in the coming years on European markets, and thus the achievement of the assumed strategic goals;
- 99% rent collection across our portfolio;
- Strong cash flow position
    - **LTV at 38.6%, with interest coverage ratio at 2.3 x ICR**
    - **Long debt maturity** ratio of 4.3 years
    - **FFO** amounted to PLN 93.3 million (+ 8% vs. 2022), EUR 20.6 million (+11% vs. 2022).

MLP Group has a very good financial standing and a safe capital structure enabling the implementation of long-term strategic goals. With the modest leverage, long-average debt maturity of 4.3 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.

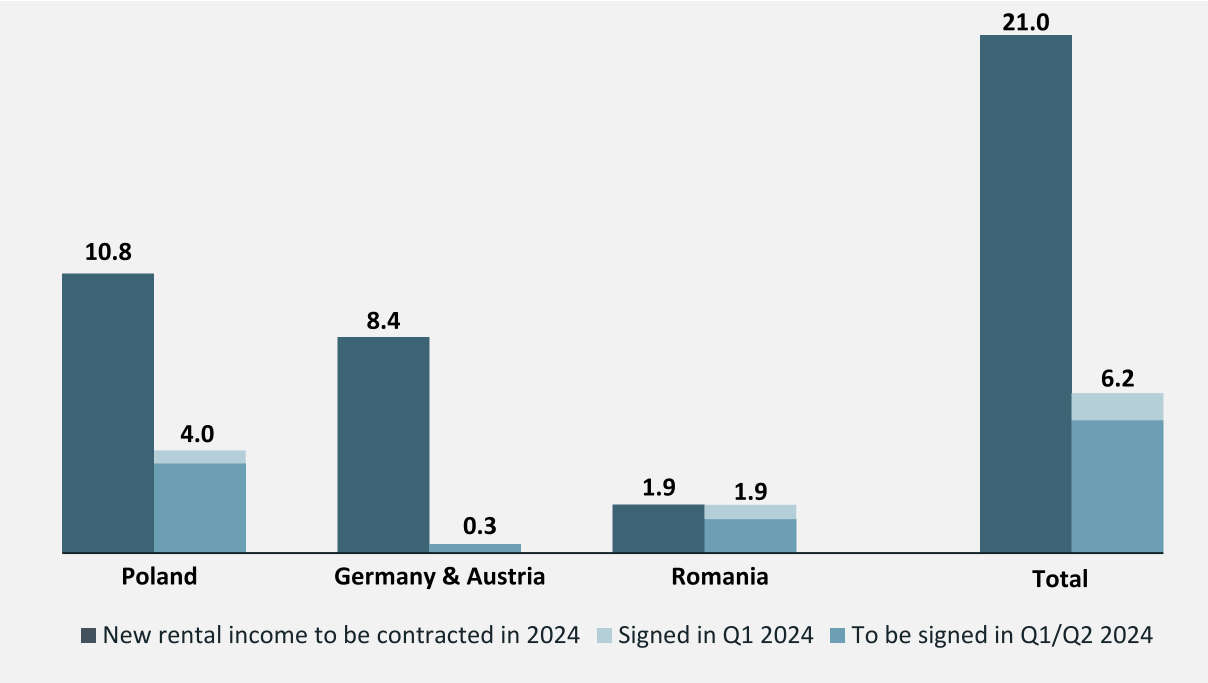
MLP Group plans for 2024

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

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

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

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



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

Key challenges for 2024 are focused on deploying acquired plots:

- **MLP Wrocław West (2nd stage)** - building permit for the buildings expected Q4 2024 and subsequent possible start of construction 1Q 2025,
- **MLP Łódź -** remaining development part of approx. 36,000 sqm of warehouse and office area – building permit for the bridge building expected 4Q 2024 and subsequent construction starting 1Q 2025,
- **MLP Zgorzelec** | building permit in place, construction started in January 2024 of ca. 33,500 sqm for Auto Partner (prelease) and 16,500 sqm speculative buildings,

- **MLP Poznań West III** - 30,240 sqm - building permit for the building expected 2Q 2024 and subsequent construction starting 3Q 2024,
- **MLP Pruszków II** (extension) - approx. 65,000 sqm (30,000 sqm already developed, building permit for the remaining building expected 2Q 2024 and construction 3Q 2024),
- **MLP Pruszków VI** - approx. 62,000 sqm, building permit for the remaining building expected 2Q 2024 and construction 3Q 2024 (25,000 sqm).
- **MLP Idstein** | approx. 20,500 sqm of warehouse and office area - building permit for the building expected 4Q 2024 and subsequent construction starting 4Q 2024,

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

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

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

New plots acquisition

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

- **MLP Berlin Spreenhagen** - size of the plot 8.4 ha| approx. 40,000 sqm of warehouse and office area | planned acquisition in 3Q 2023. The project goes on to build over the previous success of MLP Business Park Berlin (Ludwigsfelde) which was super successful and is fully rented (100%), by offering 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 | acquired in November 2024. The project will increase our presence in Silesia / South of Poland. Additionally, we will capitalize on the success of previously disposed to logistic projects in 2016 i.e. MLP Tychy and MLP Bieruń. The project will be located along S1 motorway,
- Additionally, we acquired in 1H 2023 adjacent plots to **MLP Poznań West & MLP Pruszków II** cementing our leading position on those markets.

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

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

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

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

In closing

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

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

Radosław T. Krochta

President & CEO of MLP Group

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 2023 to 31 December 2023 and the comparative data for the period from 1 January 2022 to 31 December 2022 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 2023, 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 maintaining the books of account, using qualified digital signatures.

Pruszków, 18 March 2024

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 2023	**31 December 2022**
Average mid exchange rate during the reporting period*	4.5284	4.6883
Mid exchange rate on the last day of the reporting period	4.3480	4.6899

** Arithmetic mean of the mid exchange rates effective as at 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	**2023**		**2022**	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
Non-current assets	4,667,657	1,073,518	4,575,262	975,557
Current assets	421,971	97,049	414,876	88,462
Total assets	**5,089,628**	**1,170,567**	**4,990,138**	**1,064,019**
Non-current liabilities	2,351,692	540,867	2,219,946	473,347
Current liabilities	342,308	78,728	272,241	58,048
Equity, including:	2,395,628	550,972	2,497,951	532,624
Share capital	5,999	1,380	5,999	1,279
Total equity and liabilities	**5,089,628**	**1,170,567**	**4,990,138**	**1,064,019**
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)	99.84	22.96	104.10	22.20

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	2023		2022	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Rental income	200,874	44,359	152,886	32,610
Revenue from property management services	159,886	35,307	126,187	26,915
Other income	2,140	473	3,041	649
Gain/(loss) on revaluation of investment property	(257,680)	(56,903)	455,565	97,171
Costs of self-provided property management services	(136,254)	(30,089)	(102,107)	(21,779)
General and administrative expenses	(35,233)	(7,780)	(34,538)	(7,367)
Operating profit/(loss)	(79,667)	(17,593)	590,216	125,891
Profit/(loss) before tax	(60,826)	(13,432)	529,092	112,854
Net profit/(loss)	(52,058)	(11,496)	422,390	90,094
Total comprehensive income	(102,287)	(22,588)	491,452	104,825
Net profit/ (loss) attributable to owners of the parent	(52,058)	(11,496)	422,390	90,094
Earnings per share and diluted earnings per share attributable to owners of the parent (PLN)	(2.17)	(0.48)	19.69	4.20

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	2023		2022	
	PLN thousand	EUR thousand	PLN thousand	EUR thousand
Net cash from operating activities	176,906	39,066	164,653	35,120
Cash from investing activities	(486,866)	(107,514)	(508,612)	(108,485)
Cash from financing activities	335,722	74,137	477,282	101,803
g	25,762	5,689	133,323	28,438
Total cash flows	29,047	6,414	137,966	29,428

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	**2023**		**2022**	
	PLN thousand	**EUR thousand**	**PLN thousand**	**EUR thousand**
Cash at beginning of period	315,200	72,493	177,234	38,534
Cash at end of period	344,247	79,174	315,200	67,208

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

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

MLP Group S.A.
Group

CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023
prepared in accordance with EU IFRS

III. Consolidated financial statements

Authorisation of the consolidated financial statements for issue

On 18 March 2024, 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 2023 to 31 December 2023.

The Consolidated Financial Statements for the period from 1 January 2023 to 31 December 2023 have been prepared in accordance with International Financial Reporting Standards as approved by the European Union ("EU IFRS"). 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 to 31 December 2023, showing a net loss of PLN 52,058 thousand.
2. Consolidated statement of financial position as at 31 December 2023, showing total assets and total equity and liabilities of PLN 5,089,628 thousand.
3. Consolidated statement of cash flows for the period from 1 January to 31 December 2023, showing a net increase in cash of PLN 29,047 thousand.
4. Consolidated statement of changes in equity for the period from 1 January to 31 December 2023, showing a decrease in consolidated equity of PLN 102,323 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.

MLP Group S.A. Group Consolidated report for the year ended 31 December 2023 • Consolidated financial statements for the year ended 31 December 2023 (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	2023	2022 *Restated**
Rental income	6	200,874	152,886
Revenue from property management services	6	159,886	126,187
Costs of self-provided property management services	9	(136,254)	(102,107)
Gross operating profit/(loss)		**224,506**	**176,966**
General and administrative expenses	9	(35,233)	(34,538)
Gain/(loss) on revaluation of investment property		(257,680)	455,565
Other income	7	2,140	3,041
Other expenses	8	(13,400)	(10,818)
Operating profit/(loss)		**(79,667)**	**590,216**
Finance income	10	100,473	755
Finance costs	10	(81,632)	(61,879)
Net finance costs		**18,841**	**(61,124)**
Profit/(loss) before tax		**(60,826)**	**529,092**
Income tax	11	8,768	(106,702)
Net profit/(Net loss)		**(52,058)**	**422,390**
Net profit attributable to:			
Owners of the Parent		**(52,058)**	**422,390**
Other comprehensive income that will be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(12,810)	2,970
Effective portion of changes in fair value of Interest Rate Hedge Reserves		(45,951)	81,595
Other comprehensive income that will be reclassified to profit or loss, before tax		(58,761)	84,565
Other comprehensive income, gross		(58,761)	84,565
Income tax on other comprehensive income that will be reclassified to profit or loss		8,532	(15,503)
Other comprehensive income, net		(50,229)	69,062
Total comprehensive income		**(102,287)**	**491,452**
Comprehensive income attributable to:			
Owners of the Parent		**(102,287)**	**491,452**

* The change in presentation compared to the Group's Consolidated Report 2022 was described in Note 3.

Earnings per ordinary share:		
- Earnings per ordinary share	(2.17)	19.69
Diluted earnings per ordinary share:		
- Diluted earnings per ordinary share	(2.17)	19.69

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Consolidated statement of financial position

as at 31 December	Note	2023	2022
Non-current assets			
Property, plant and equipment	12	24,683	9,906
Intangible assets		94	59
Investment property	13	4,541,505	4,432,975
Other long-term financial investments	15	87,481	127,873
Other non-current assets	16	7,853	882
Deferred tax assets	14	6,041	3,567
Total non-current assets		**4,667,657**	**4,575,262**
Current assets			
Inventories		504	-
Short-term investments	15	1,722	-
Income tax receivable	17	2,573	808
Trade and other receivables	17	64,315	91,810
Other short-term investments	15	8,610	7,058
Cash and cash equivalents	18	344,247	315,200
Total current assets		**421,971**	**414,876**
TOTAL ASSETS		**5,089,628**	**4,990,138**
Equity	20		
Share capital		5,999	5,999
Share premium		485,312	485,348
Interest rate hedge reserve		24,639	62,058
Translation reserve		(9,114)	3,696
Retained earnings, including:		1,888,792	1,940,850
Capital reserve		*83,542*	*83,680*
Statutory reserve funds		*168,129*	*168,129*
Profit/(loss) brought forward		*1,689,179*	*1,266,651*
Net profit		*(52,058)*	*422,390*
Equity attributable to owners of the parent		**2,395,628**	**2,497,951**
Total equity		**2,395,628**	**2,497,951**
Non-current liabilities			
Borrowings and other debt instruments	22.1	1,907,605	1,764,320
Deferred tax liabilities	14	365,113	400,567
Other non-current liabilities	22.1	78,974	55,059
Total non-current liabilities		**2,351,692**	**2,219,946**

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Current liabilities			
Borrowings and other debt instruments	22.2	206,080	92,165
Employee benefit obligations	23	389	2,071
Income tax payable	24	8,375	10,014
Trade and other payables	24	127,464	167,991
Current liabilities other than held for sale		**342,308**	**272,241**
Total current liabilities		**342,308**	**272,241**
Total liabilities		**2,694,000**	**2,492,187**
TOTAL EQUITY AND LIABILITIES		**5,089,628**	**4,990,138**

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Consolidated statement of cash flows

for the year ended 31 December	Note	2023	2022
Cash flows from operating activities			
Profit before tax		**(60,826)**	**529,092**
Total adjustments:		*261,764*	*(357,380)*
Depreciation and amortisation		678	425
Change in fair value of investment property		257,680	(455,565)
Net interest		73,517	37,606
Exchange differences		(109,752)	14,049
Gain/loss on sale of property, plant and equipment		44	-
Other		(6,971)	57
Change in inventory	19.2	(504)	19
Change in receivables		27,495	(13,375)
Change in current and other liabilities	19.3	19,577	59,404
Cash from operating activities		**200,938**	**171,712**
Income tax paid		(24,032)	(7,059)
Net cash from operating activities		**176,906**	**164,653**
Cash flows from investing activities			
Interest received		-	3,914
Proceeds from repayment of loans granted	19.1	-	2,818
Expenditures on the construction of investment properties and the purchase of investment land		(466,530)	(574,387)
Acquisition of intangible assets		(102)	-
Acquisition of property, plant and equipment		(15,512)	(6,917)
Proceeds from disposal of other investments in financial assets		-	70,834
Other investment inflows (outflows)		(4,722)	(4,874)
Cash from investing activities		**(486,866)**	**(508,612)**
Cash flows from financing activities			
Increase in bank and loan borrowings	19.1	590,713	440,112
Repayment of bank and non-bank borrowings, including refinanced bank borrowings	19.1	(258,960)	(41,364)
Cost of new share issue		(36)	-
Redemption of notes		(54,708)	(94,118)
Issue of debt securities		130,445	28,547
Interest paid on loans (including fixed-rate interest rate swaps), bonds, and leases *		(71,593)	(37,873)
Lease payments		(139)	-
Net proceeds from issue of shares		-	181,978
Cash from financing activities		**335,722**	**477,282**
Total cash flows, net of exchange differences		**25,762**	**133,323**
Effect of exchange differences on cash and cash equivalents		3,285	4,643
Total cash flows		**29,047**	**137,966**
Cash and cash equivalents at beginning of period	18	**315,200**	**177,234**
Cash and cash equivalents at end of period	18	**344,247**	**315,200**

* The amount of PLN 71,593 thousand paid in interest pertains to: PLN 74,436 thousand interest paid on loans, PLN 25,242 thousand interest received from IRS, PLN 22,298 thousand interest paid on bonds, and PLN 102 thousand interest paid on leases.

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Consolidated statement of changes in equity

	Share capital	Share premium	Reserve capital from the valuation of hedging instruments *	Translation reserve	Total retained earnings	*including capital reserve*	*including 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)**
Increase in equity due to share issue	-	36	-	-	-	-	-	-	-	(36)	(36)
Net profit distribution	-	-	-	-	-	*(138)*	-	*422,528*	*(422,390)*	-	-
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**

* Reserve capital from the valuation of hedging instruments entirely pertains to the effective valuation of hedging instruments.

(all data in PLN thousand, unless stated otherwise)

	Share capital	**Share premium**	**Reserve capital from the valuation of hedging instruments***	**Translation reserve**	**Total retained earnings**	***including capital reserve***	***including reserve funds***	***including profit carried forward***	***including net profit***	**Total equity attributable to owners of the parent**	**Total equity**
As at 1 January 2022	**5,344**	**304,025**	**(4,034)**	**726**	**1,518,460**	***83,680***	***154,575***	***799,735***	***480,470***	**1,824,521**	**1,824,521**
<u>Comprehensive income:</u>											
Net profit/(loss)	-	-	-	-	422,390	-	-	-	*422,390*	422,390	**422,390**
Total other comprehensive income	-	-	66,092	2,970	-	-	-	-	-	69,062	**69,062**
Comprehensive income for the year ended 31 December 2022	**-**	-	**66,092**	**2,970**	**422,390**	**-**	**-**	**-**	***422,390***	**491,452**	**491,452**
Net profit distribution	-	-	-	-	-	-	*13,554*	*466,916*	*(480,470)*	-	-
Increase in equity due to share issue [1)]	655	181,323	-	-	-	-	-	-	-	181,978	181,978
Changes in equity	**655**	**181,323**	**66,092**	**2,970**	**422,390**	**-**	***13,554***	***466,916***	***(58,080)***	**673,430**	**673,430**
As at 31 December 2022	**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**

* On 8 December 2022, through the issuance of new series F shares, the Issuer increased its share capital by PLN 655,335.80. The District Court for the Capital City of Warsaw registered the increase in capital on December 22, 2022.

* Reserve capital from the valuation of hedging instruments entirely pertains to the effective valuation of 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. The Company continued to trade under this business name as at the date of issue of these consolidated financial statements.

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:

- Radosław T. Krochta – President of the Management Board
- Michael Shapiro – Vice President of the Management Board
- Monika Dobosz – Member of the Management Board
- Agnieszka Góźdź – Member of the Management Board

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

Supervisory Board:

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

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 57 subsidiaries.

The parent of the Group 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.

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As at 31 December 2023, the Group comprised the following entities:

Entity	Country of registration	Parent's direct and indirect interest in equity		Parent's direct and indirect voting interest	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
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 S.K.A.	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 S.K.A.	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%

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Entity	Country of registration	Parent's direct and indirect interest in equity		Parent's direct and indirect voting interest	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
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.[1)]	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.[2)]	Poland	100%	100%	100%	100%
MLP Łódź III Sp. z o.o.[3)]	Poland	100%	0%	100%	0%
Feniks PV Sp. z o.o.[4)]	Poland	100%	0%	100%	0%
MLP Bieruń West Sp. z o.o.[5)]	Poland	100%	0%	100%	0%

1.3. Changes in the Group

[1)] On 16 January 2023, the change of the name of MLP Poznań East Sp. z o.o. to MLP Zgorzelec Sp. z o.o. was registered.

[2)] MLP Poznań West III Sp. z o.o. was incorporated pursuant to a notarial deed of 14 December 2022. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 4 January 2023.

[3)] On 23 May 2023, MLP Łódź III Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 5 June 2023.

[4)] On 20 June 2023, Feniks PV Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 22 August 2023.

[5)] On 27 September 2023, MLP Bieruń West Sp. z o.o. was established. All shares in the company were acquired by MLP Group S.A. (50 shares with a total par value of PLN 5,000). The company was registered with the National Court Register on 20 October 2023.

The Consolidated Financial Statements for the year ended 31 December 2023 includes financial statements of the Parent and of the subsidiaries controlled by the Parent ("the Group").

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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

To the best of the Management Board's knowledge and belief, from the date of issue of the most recent interim report to the reporting date there were changes in direct holdings of 5% or more of total voting rights in the Company, and as at 31 December 2023 the holdings were as follows:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV	10,242,726	42.69%
Other shareholders	4,248,915	17.72%
Israel Land Development Company Ltd.	3,016,329	12.57%
THESINGER LIMITED	1,771,320	7.38%
Allianz OFE	1,713,881	7.14%
Generali Powszechne Towarzystwo Emerytalne S.A.	1,591,360	6.63%
GRACECUP TRADING LIMITED	641,558	2.67%
MIRO LTD. [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.

According to the knowledge of the Company's Management Board, the status of Shareholders directly holding at least 5% of the total number of votes at the General Meeting of Shareholders as of 31 December 2022, is as follows:

Shareholder	Number of shares and voting rights	% interest in equity and voting rights
CAJAMARCA Holland BV	10,242,726	42.69%
Other shareholders	4,183,253	17.44%
Israel Land Development Company Ltd. [2)]	3,016,329	12.57%
THESINGER LIMITED	1,771,320	7.38%
Allianz OFE, Allianz DFE and Drugi Allianz OFE	1,714,881	7.15%
OFE NNLife [3)]	1,656,022	6.90%
GRACECUP TRADING LIMITED	641,558	2.67%
MIRO LTD. [4)]	617,658	2.57%
Shimshon Marfogel	149,155	0.62%
Oded Setter [1)]	2,080	0.0087%
Total	**23,994,982**	**100.00%**

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

As at 31 December 2023, as well as on 31 December 2022, Michael Shapiro, Vice President of the Management Board, held indirectly, through his fully-controlled company MIRO Ltd., a 2.57% interest in MLP Group S.A.'s share capital, and, through a 25% interest in the share capital held by MIRO Ltd. (now MIRO HOLDINGS LIMITED) 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 2023, as well as on 31 December 2022, Eytan Levy indirectly holds a 10.67% interest in MLP Group S.A.'s share capital: Mr. Levy holds a 100% interest in N Towards the Next Millennium Ltd. This company holds a 33.33% (1/3) interest in RRN Holdings Ltd. which in turn holds 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.

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As at 31 December 2023, as well as on 31 December 2022, Shimshon Marfogel, Chairman of the Supervisory Board, held directly, through the Company shares acquired in September 2017, 0.62% of the Company's share capital.

As at 31 December 2023, as well as on 31 December 2022, Oded Setter, member of the Supervisory Board, held directly, through the Company shares acquired in September 2021, October 2021, January 2022, March 2022 and June 2022, 0.0087% of the Company's share capital.

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 Group has prepared the consolidated financial statements in accordance with the accounting standards issued by the International Accounting Standards Board as endorsed by the European Union, referred to as the International Financial Reporting Standards ("EU IFRS"). The 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 Standards and interpretations approved by the European Union which were not yet effective as at the reporting date

The Group intends to adopt, as of respective effective dates, standards and amendments to the existing standards and interpretations which were published by the International Accounting Standards Board but were not yet effective as at the date of authorisation of 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
IFRS 16 *Leases*	no significant 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
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	no impact	amendments not endorsed by the EU - scheduled to come into force on 1 January 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates	no significant impact	amendments not endorsed by the EU - scheduled to come into force on 1 January 2025
IFRS 14 *Regulatory Deferral Accounts*	no impact	by decision of the European Union, the standard will not be endorsed
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

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2.2.2 Standards and interpretations approved by the European Union effective as of 1 January 2023

The following new standards are applied for the first time in the Group's consolidated financial statements for 2023:

Standards and interpretations approved by the European Union	Potential impact on the Consolidated financial statements	Effective date for periods beginning on or after the date
IFRS 17 Insurance Contracts and amendments to IFRS 17	no impact	1 January 2023
Amendment to IAS 1 *Presentation of Financial Statements* and *the IASB Practice Statement on Disclosure of Accounting Policies*	no significant impact	1 January 2023
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	no significant impact	1 January 2023
Amendments to IAS 12 *Income Taxes*	no significant impact	1 January 2023

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.

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

- derivative hedging instruments which are measured at fair value,
- investment properties which are measured at fair value,

For information on fair value measurement methods, see Note 3.

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 2023 Average mid exchange rate at the reporting date	31 December 2023 Average mid exchange rate during the reporting period*	31 December 2022 Average mid exchange rate at the reporting date	31 December 2022 Average mid exchange rate during the reporting period*
EUR	4.3480	4.5284	4.6899	4.6883
USD	3.9350	4.1823	4.4018	4.4679
RON	0.8742	0.9145	0.9475	0.9501

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

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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. Material 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.

The Board has analysed the presentation of revenues and operating costs and, to meet IFRS requirements and better reflect the nature of the Group's activities, has decided to separately present in the consolidated statement of profit or loss rental revenues (recognized under IFRS 16) and property management service revenues (recognized under IFRS 15). At the same time, the presentation of selling expenses and general and administrative expenses has been updated to distinguish between: costs of services provided in property management and general and administrative expenses. Comparative data for 2022 has been adjusted accordingly.

for the year ended 31 December	**2022 Reported data**	**Change in presentation**	**2022 Restated data**
Revenue	279,073	(279,073)	-
Rental revenues	-	152,886	152,886
Revenues from property management services	-	126,187	126,187
Selling and general administrative expenses	(136,645)	(136,645)	-
Cost of internally provided property management services	-	(102,107)	(102,107)
Gross operating profit/(loss)	**-**	**176 966**	**176 966**
General and administrative expenses	-	(34,538)	(34,538)

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 interest rate 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.

In the case of applying interest rate hedge accounting, the Group:

- recognizes in other comprehensive income a portion of gains or losses associated with the hedging instrument that constitute effective hedging for the hedged risk;
- recognizes the ineffective portion of gains or losses associated with the hedging instrument in the income statement. For cash flow hedges of operating activities, the ineffective portion is recognized in other

operating income/expenses, while for cash flow hedges of financing activities, it is recognized in finance income/costs;

- gains or losses recognized directly in other comprehensive income are reclassified from equity to current period earnings and losses as a reclassification adjustment in the same period or periods in which the hedged projected cash flows affect current period earnings and losses.

3.3.2 Financial assets and liabilities measured at amortised cost

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

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

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

The 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 notes 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 assets at fair value through profit or loss

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

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

The 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.

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 Interest rate hedge reserve

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

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

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 and acquisition 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 in the line item gain (loss) on revaluation of investment properties.

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, in the line item of 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 using the simplified method for assessing expected credit 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 bonds

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

Amortised cost includes the cost of obtaining the funding or bonds 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 (in financial income or costs). 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

3.16.1 Rental income

Income from rental of investment properties is excluded from the scope of IFRS 15 and is recognized in the financial income using the straight-line method over the lease term in accordance with IFRS 16 Leases. Special promotional offers, serving as additional incentives to enter into a lease agreement, are aggregated with rental income.

3.16.2 Revenue from property management services

The Group also earns income from real estate services, which mainly consists of income from the re-invoicing of operating expenses and income from the re-invoicing of utility charges to tenants. Utility charges are reinvoiced to tenants according to consumption. These revenues are recognized under IFRS 15.

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 notes or notes 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 conducts operations 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 is exposed to the following risks arising from the 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 2023 .

4.1. Credit risk

Credit risk is the risk of financial loss to the Group if a trading partner or counterparty to a transaction fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables from customers, loans and cash and cash equivalents.

The 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.

3.1.1 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.

3.1.2 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

Currency risk arises in connection with sale, purchase, credit and loan transactions which are denominated in currencies (chiefly the euro) other than the functional currency of the Group companies.

The Group's consolidated financial statements are prepared in the Polish złoty, which is the Group's functional currency. In order to make estimates as to the level of capital required to achieve its strategic goals, the Group uses the euro as a reference currency. Most of the investments executed and planned by the Group in its business strategy are expressed in the euro. Across all countries where the Group operates, debt financing is denominated in the euro, contracts with general contractors are also concluded in the euro or denominated in this currency, and the Group earns rental income in the euro or rents are denominated in the euro. Hence, the Group uses natural hedging to hedge currency risk (currency hedging). This practice of aligning financing with sources of revenue serves to minimize or completely eliminate foreign exchange risk. Only a specific segment of the Group's expenses, including certain construction costs, service fees, materials, utilities, and employee salaries, are incurred in the currencies of the geographic markets where the Group is active, namely the Polish złoty, Romanian leu, or the euro. For reporting purposes, the Group translates amounts denominated in the euro into its functional currency. Considering the fluctuations in the PLN/EUR exchange rates, any significant appreciation of the Group's functional currency could notably decrease the Group's revenue due to the conversion of rents denominated in the euro into PLN.

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 notes 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 beyond 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.

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.

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.

4.9. Capital management

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 monitors return on capital, defined as total equity divided by total assets. According to the terms of the issuance of series C, series D, series E, and series F bonds, the capital ratio must not be lower 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.

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 exclusive focus of the MLP Group S.A. Capital Group's activities is the construction and management of logistics properties. The Group's revenue consists of rental income from its own properties and revaluation gains. None of the clients contribute to more than 10% of the capital group's revenue.

Investment properties include properties generating rental income (completed buildings), properties under construction, land designated for development, and perpetual usufruct rights to land. The Group concentrates its efforts on the warehouse 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 2023 and in the reporting period then ended the Group had four geographical segments – Poland, Germany, Romania and Austria.

The C hief Operating Decision Maker (CODM) responsible for making operational decisions within the Group is the Management Board.

The operational result of the segment is the IFRS profit before consolidation eliminations.

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Operating segments:

for the year ended 31 December	2023					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Revenue from external customers	317,559	36,949	6,388	256	(392)	360,760
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 segment financial results to the consolidated net loss for the 12-month period ending in 2023, which amounted to PLN 52,058 thousand.

for the year ended 31 December	2022					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Revenue						
Revenue from external customers	253,588	19,321	5,891	273	-	279,073
Gain/(loss) on revaluation of investment property	394,135	67,308	8,326	(14,204)	-	455,565
Total segment revenue	**647,723**	**86,629**	**14,217**	**(13,931)**	**-**	**734,638**
Segment's operating profit/(loss)	527,720	73,917	11,120	(14,764)	-	597,993
Segment’s other income/(expense)	(6,718)	(1,031)	(5)	(23)	-	(7,777)
Profit/(loss) before tax and net finance costs	**521,002**	**72,886**	**11,115**	**(14,787)**	**-**	**590,216**
Net finance income/(costs)	(38,016)	(11,550)	(861)	(1)	(10,696)	(61,124)
Profit/(loss) before tax	**482,986**	**61,336**	**10,254**	**(14,788)**	**(10,696)**	**529,092**
Income tax	(96,051)	(12,532)	(1,642)	3,523	-	(106,702)
Net profit/(loss)	**386,935**	**48,804**	**8,612**	**(11,265)**	**(10,696)**	**422,390**

The above data includes reconciliation of segment financial results to the consolidated net profit for the 12-month period ending in 2022, which amounted to PLN 422,390 thousand.

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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	**331,756**	**57,840**	**34,565**	**1**	**-**	**424,162**

as at 31 December	2022					
	Poland	**Germany**	**Romania**	**Austria**	**Intersegment eliminations**	**Total**
Assets and liabilities						
Segment's assets	4,486,777	654,498	84,611	102,594	(338,342)	4,990,138
Total assets	**4,486,777**	**654,498**	**84,611**	**102,594**	**(338,342)**	**4,990,138**
Segment's liabilities	2,178,958	478,970	71,020	90,688	(327,449)	2,492,187
Equity	2,307,819	175,528	13,590	11,907	(10,893)	2,497,951
Total equity and liabilities	**4,486,777**	**654,498**	**84,610**	**102,595**	**(338,342)**	**4,990,138**
Expenditure on properties	**459,552**	**96,590**	**1,531**	**10,927**	**-**	**568,600**

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	**2023**	**2022**
Rental income	200,874	152,886
Rental income	**200,874**	**152,886**

for the year ended 31 December	**2023**	**2022**
Recharge of service charges	67,687	51,890
Recharge of utility costs	88,598	71,338
Rental income from residential units	58	61
Services provided to tenants	2,940	2,099
Other revenue	603	799
Revenue from property management services	**159,886**	**126,187**

In 2023, revenue was PLN 360,760 thousand, a year-on-year increase of 29%. The increase was due mainly to:
- delivery of approximately 104 thousand m2 of new space to tenants;
- rent indexation (8.4%);
- increase in rents.

The like-for-like growth in 2023 was 7.7%.

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7. Other income

for the year ended 31 December	**2023**	**2022**
Reversal of impairment losses on receivables	63	9
Past due liabilities written off	361	-
Compensation received	801	1,789
Other	670	713
Gain on disposal of non-financial non-current assets	19	15
Reversal of provision for future costs	226	515
Other income	**2,140**	**3,041**

8. Other expenses

for the year ended 31 December	**2023**	**2022**
Loss on disposal of non-financial non-current assets	(44)	(151)
Provision for usufruct charge (PWUG provision)	-	(6,905)
Costs of donations	(29)	(19)
Contribution to electricity producers and traders fund under Act of 27 October 2022	(6,640)	-
Costs covered by insurance policies	(46)	(225)
Other	(851)	(1,856)
Investment site acquisition costs	(5,645)	(1,169)
Written-off statute-barred receivables	(132)	(225)
Compensations and contractual penalties paid	(13)	(268)
Other expenses	**(13,400)**	**(10,818)**

9. Distribution costs and administrative expenses

for the year ended 31 December	**2023**	**2022**
Depreciation and amortisation	(678)	(425)
Consumption of materials and energy	(75,669)	(53,060)
Services	(42,407)	(41,211)
Taxes and charges	(37,664)	(30,765)
Wages and salaries	(9,767)	(7,744)
Social security and other employee benefits	(2,064)	(1,586)
Other expenses by nature	(3,206)	(1,854)
Cost of merchandise and materials sold	(32)	-
Distribution costs and administrative expenses	**(171,487)**	**(136,645)**

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In 2023, distribution costs and administrative expenses were PLN 171,487 thousand, up 25% year on year. They grew more slowly than revenue, which rose by 29% year on year. 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	**2023**	**2022**
Costs related to the maintenance of rental properties	(57,848)	(45,588)
Costs related to the maintenance of properties not generating rental income	(4,026)	(2,954)
Utilities	(74,161)	(51,279)
Other recharged costs	(219)	(2,286)
Costs of self-provided property management services	**(136,254)**	**(102,107)**
Depreciation and amortisation	(678)	(425)
Selling, general and administrative expenses	(34,555)	(34,113)
Distribution costs and administrative expenses	**(171,487)**	**(136,645)**

The Board has analysed the presentation of revenues and operating costs and, to meet IFRS requirements and better reflect the nature of the Group's activities, has decided to separately present in the consolidated statement of profit or loss rental revenues (recognized under IFRS 16) and property management service revenues (recognized under IFRS 15). At the same time, the presentation of selling expenses and general and administrative expenses has been updated to distinguish between: costs of services provided in property management and general and administrative expenses. Comparative data for 2022 has been adjusted accordingly.

for the year ended 31 December	**2022 Reported data**	**Change in presentation**	**2022 Restated data**
Revenue	279,073	(279,073)	-
Rental revenues	-	152,886	152,886
Revenues from property management services	-	126,187	126,187
Selling and general administrative expenses	(136,645)	(136,645)	-
Cost of internally provided property management services	-	(102,107)	(102,107)
Gross operating profit/(loss)	**-**	**176 966**	**176 966**
General and administrative expenses	-	(34,538)	(34,538)

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10. Finance income and costs

for the year ended 31 December	2023	2022
Interest on loans	771	584
Interest received on cash flow hedging instruments	-	45
Interest on bank deposits	8,231	30
Net exchange differences	91,167	-
Other interest	300	2
Interest on receivables	4	9
Revenue from investment fund units	-	65
Other finance income	-	20
Total finance income	**100,473**	**755**

for the year ended 31 December	2023	2022
Interest expenses on liabilities from loans and borrowings	(49,139)	(27,118)
Other interest	(445)	(838)
Interest paid on swap contracts	-	(1,141)
Ineffective portion of remeasurement of interest rate hedges	(145)	-
Net exchange differences	-	(17,569)
Interest on notes	(25,699)	(11,145)
Other finance costs	(1,231)	(1,838)
Debt service costs	(4,973)	(2,230)
Total finance costs	**(81,632)**	**(61,879)**

Exchange differences 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 2022 to 31 December 2023, the Polish currency appreciated by PLN 0.3419, or 7.86%. The appreciation of the złoty against the euro resulted in foreign exchange gains of PLN 91,167 thousand, which had an effect on the Group's net finance income/(costs).

11. Income tax

In accordance with Polish laws, in 2023 and 2022, consolidated entities calculated their corporate income tax liabilities at 9% or 19% of taxable income. The lower tax rate was applicable to small taxpayers.

In 2023 and 2022, the following tax rates were applied by the Group's foreign operations to calculate current income tax liabilities: in Germany: 15.825%, in Romania: 16%, and in Austria: 24%.

for the year ended 31 December	2023	2022
Current income tax	16,905	15,856
Temporary differences/reversal of temporary differences	(25,673)	90,846
Income tax	**(8,768)**	**106,702**

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Effective tax rate

for the year ended 31 December	**2023**	**2022**
Profit/(loss) before tax	**(60,826)**	**529,092**
Tax at the applicable tax rate (19%)	11,557	(100,527)
Excess of commercial property tax over income tax	(625)	(470)
Difference due to income tax rate change from 19% to 9%	8,267	-
Differences in income tax for 2022 recognised in the separate financial statements after the issue of the consolidated financial statements for 2022	422	-
Difference due to different rate of tax paid by the Austrian company	77	34
Difference due to 9% rate of tax rate paid by companies qualifying as small taxpayers	365	688
Non-taxable income	(311)	145
Difference due to different rates of tax paid by the German and Romanian companies	(332)	(280)
Unrecognised asset for tax loss	(2,063)	(979)
Write off of unused deferred tax asset for tax loss	(182)	(62)
Expenses not deductible for tax purposes	(8,407)	(5,251)
Income tax	**8,768**	**(106,702)**

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 fluid nature of tax laws is also attributable to the necessity for countries where the Group operates to adopt new regulations stipulated by EU law or commitments made by OECD member countries.

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12. Property, plant and equipment

	Buildings and structures	Plant and equipment	Vehicles	Other	Property, plant and equipment under construction	Prepayments for property, plant and equipment under construction	Total
Gross carrying amount as at 31 December 2022	**3,268**	**5,090**	**55**	**53**	**4,091**	**-**	**12,557**
Increase	**114**	**1,226**	**910**	**-**	**13,822**	**-**	**16,072**
Acquisition	21	649	297	-	13,822	-	14,789
Transfer from property, plant and equipment under construction	95	577	36	-	-	-	708
Finance leases	-	-	586	-	-	-	586
Exchange differences on translation of foreign operations	(2)	-	(9)	-	-	-	(11)
Decrease	**-**	**(68)**	**(37)**	**-**	**(708)**	**-**	**(813)**
Transfer to property, plant and equipment	-	-	-	-	(708)	-	(708)
Retirement	-	(46)	-	-	-	-	(46)
Sale	-	(22)	(37)	-	-	-	(59)
Gross carrying amount as at 31 December 2023	**3,382**	**6,248**	**928**	**53**	**17,205**	**-**	**27,816**

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	Buildings and structures	Plant and equipment	Vehicles	Other property, plant and equipment	Property, plant and equipment under construction	Prepayments for property, plant and equipment under construction	Total
Accumulated depreciation as at 31 December 2022	**1,810**	**754**	**46**	**41**	**-**	**-**	**2,651**
Increase	**106**	**344**	**107**	**4**	**-**	**-**	**561**
Depreciation	106	344	91	4	-	-	545
Exchange differences on translation of foreign operations	-	-	16	-	-	-	16
Decrease	**(2)**	**(33)**	**(44)**	**-**	**-**	**-**	**(79)**
Retirement	-	-	(1)	-	-	-	(1)
Sale	-	(22)	(43)	-	-	-	(65)
Exchange differences on translation of foreign operations	(2)	(11)	-	-	-	-	(13)
Gross carrying amount as at 31 December 2023	**1,914**	**1,065**	**109**	**45**	**-**	**-**	**3,133**
Net carrying amount as at 31 December 2022	**1,458**	**4,336**	**9**	**12**	**4,091**	**-**	**9,906**
Net carrying amount as at 31 December 2023	**1,468**	**5,183**	**819**	**8**	**17,205**	**-**	**24,683**

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13. Investment property

as at 31 December	**2023**	**2022**
Gross carrying amount at beginning of period	**4,432,975**	**3,394,504**
Expenditure on plot of land	107,990	58,510
Expenditure on property	299,431	510,090
Reassessment of the value of perpetual usufruct rights of land	16,741	-
Exchange differences on translation of foreign operations	(57,952)	14,306
Change in fair value	(257,680)	455,565
Gross carrying amount at end of period	**4,541,505**	**4,432,975**

Investment property comprises: completed 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 2023 included a perpetual usufruct asset measured at PLN 58,382 thousand (PLN 42,280 thousand as at 31 December 2022).

Change during 2023 in the value of assets recognised as investment property in accordance with IFRS 16

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

As at 1 January 2022	Increase	Decrease (depreciation)	As at 31 December 2022
42,915	-	(635)	42,280

In the period from 31 December 2022 to 31 December 2023, the carrying amount of investment property increased by PLN 108,530 thousand.

The change was primarily due to a rise in property valuations and an increase in the value of perpetual usufruct rights to land, offset by the negative impact of exchange rate differences.

The increase in investment property valuations, of PLN 108,530 thousand, was attributed to:

- increase in valuation of the existing property portfolio of PLN 412,490 thousand,

- increase in the value of right-of-use assets (perpetual usufruct of land) of PLN 16,741 thousand due to the likely increase in the annual fee in Companies currently in dispute with the Pruszków District Administrator,

- decrease in valuation related to the change in the EUR/PLN exchange rate of PLN 320,090 thousand.

As of the end of 2023, yield rates were decompressed across the entire property portfolio by 24 bps for the year. The increase in yield rates was largely offset by an increase in the estimated rental value (ERV), by 7% for the entire portfolio relative to the end of 2022.

The value of the investment property was also affected by the depreciation of the Polish currency against the euro, amounting to PLN 0.3419 as of 31 December 2023. This resulted in a decrease of PLN 320,090 thousand in the fair value of the investment property as of 31 December 2022, which includes PLN 262,138 thousand from the Polish portfolio and PLN 57,952 thousand from the foreign portfolio.

Litigation concerning revision of the perpetual usufruct charge for some of the land used by MLP Pruszków I, MLP Pruszków II, MLP Pruszków III continued in 2023. As at the date of publication of the report, the Management Board of MLP Group S.A. updated, in justified cases, the amount of the fee reserve from 2022. 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.

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The value of assets and liabilities under perpetual usufruct rights to land was updated based on the amount used to calculate the provision.

Investment property by country

Investment property by country	as at 31 December	**2023**	**2022**
Poland		**3,779,936**	**3,619,775**
	Fair value of property	3,721,554	3,577,495
	Perpetual usufruct of land	58,382	42,280
Germany		**548,457**	**630,239**
	Fair value of property	548,457	630,230
	Expenditure on property not included in the valuation	-	9
Austria		**101,308**	**101,771**
	Fair value of property	101,308	101,771
Romania		**111,804**	**81,190**
	Fair value of property	111,804	81,190
Gross carrying amount at end of period		**4,541,505**	**4,432,975**

The fair value of properties broken down by countries and types of surfaces as of 31 December 2023

	Existing buildings	**Buildings under construction**	**Land reserve**	**Perpetual usufruct of land**
Poland	3,204,407	248,314	220,135	58,382
Germany	475,236	-	121,918	-
Austria	-	-	101,308	-
Romania	54,250	36,054	21,501	-
Total	**3,733,893**	**284,368**	**464,862**	**58,382**

The fair value of properties broken down by countries and types of surfaces as of 31 December 2022

	Existing buildings	**Buildings under construction**	**Land reserve**	**Perpetual usufruct of land**
Poland	3,183,538	179,060	214,868	42,280
Germany	540,276	-	89,952	-
Austria	-	-	101,771	-
Romania	53,465	-	27,764	-
Total	**3,777,279**	**179,060**	**464,862**	**42,280**

13.1. Fair value measurement 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.

The layer (or hardcore) method was applied to the valuation of buildings. In this method, rental income that is considered sustainable (i.e. all passing rent that is at or below market rent levels) is capitalised at an appropriate yield, with any ‘top slice’ or ‘froth’ rent, i.e. rental income from over-rented units, capitalised at a separate yield until expiry of the lease. This enables assigning a separate risk profile to the “riskier” over-rented component of the property, as appropriate. The yields applied take into account the terms of rent increases, vacancy risk, and expenses.

The valuations reflect, when appropriate, the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting of vacant accommodation and the market’s general perception of their credit-worthiness; 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 value of the existing buildings in Romania and Germany was appraised using the discounted cash flow method. This approach discounts expected future income streams and residual value to an estimated present value.

The residual method of property valuation is applied to valuing investment properties under development. In this method, the value of a property is estimated based on its developed 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.

In valuation of investment properties in Germany, the residual value is determined by calculating the net capital value of the property upon completion of the planned development project. This value is obtained by subtracting non-recoverable operating costs (such as maintenance and management expenses) from the potential gross sale value. The costs of the proposed development are deducted from the net capital value. These costs include construction fees and other required payments essential for the building's construction, depending on its intended use. All construction costs, additional building expenses, and other project costs, including financing costs and the developer's profit, are subtracted from the calculated gross sale value of the completed investment. To arrive at the residual value, financing and additional property acquisition costs are deducted from this remaining amount. The residual value represents the amount an investor would spend to develop the property under certain economic conditions.

Land is valued using the market approach, whereby the likely value of a given piece of land is determined by reference to recent land sale transactions.

The market approach consists in estimating the value of properties (i.e. undeveloped land in this case) by comparing them with identical or similar undeveloped properties for which information on their prices is available.

In order to arrive at an accurate estimate of the property’s value, the appraiser may apply price adjustments as required. In accordance with the market approach, the higher the price per square metre, the higher the fair value.

The market value of land in Austria, as defined in the Austrian Property Valuation Act, is understood to be the value that can typically be obtained from the sale of an asset in a market transaction. Individual preferences or other intangible aspects are not considered when determining market value. The sales comparison method was used for the valuation. When applying this method, the sale price of similar properties or their parts is compared with the price of the property being appraised, with deviations accounted for through adjustments and deductions.

The market value of land in Romania was appraised based on the RICS Valuation - Global Standards using the comparative method.

The market value of land in Poland was estimated using the comparative method, which involves analysing and comparing the sales and leases of properties as similar as possible to those being appraised. The appraiser relies on actual sales or lease evidence of other similar properties, considering factors such as the date of sale, location, size of the land, property configuration, technical condition, and available utilities.

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 valuation method did not change relative to previous periods.

In the year ended 31 December 2023, there were no transfers between the levels.

In the commercial real estate market in Poland, there is a lack of sufficient market data enabling a direct reflection of the transformation risks associated with achieving carbon neutrality by 2026. So far, no standards have been developed to realistically reflect the effects of transformation in valuations, and there are no tools allowing for a direct link between decarbonization and valuation. In the case of property leasing, the risk relates to the potential change in rental income resulting from decarbonization efforts and is reflected in conducted valuations through the rental rate for the leased area and in the capitalization rate in the property sales process. For valuation purposes, particular attention has been paid to the age of buildings and their technical specifications.

13.2. The key assumptions made by independent expert appraisers for the valuation of existing buildings and buildings under construction, as well as sensitivity analysis of existing building valuations to changes in yield.

as at	*31 December 2023*		
		Reversionary yield	
	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%

	31 December 2023		
		Net true equivalent yield	
	mean	**minimum**	**maximum**
Poland	5.98%	5.48%	7.01%
Germany	4.62%	4.49%	4.67%
Austria	n/a	n/a	n/a
Romania	4.49%	4.49%	4.49%

The project in Austria obtained construction permits in the fourth quarter of 2023, and therefore the land still owned was appraised using the comparative method.

Sensitivity analysis of yields to changes in valuations of investment properties, excluding land reserves (as they are valued using the comparative method) and buildings under construction. The table below presents the sensitivity of profit (loss) before taxation as of 31 December 2023.

	The current value of investment properties in million PLN	**The estimated value of investment properties after the change in yield in million PLN**	**The difference in valuation in million PLN**
Yield - 25 p.p.	3,734	3,907	173
Yield - 50 p.p.	3,734	4,097	363
Yield + 25 p.p.	3,734	3,580	(154)
Yield + 50 p.p.	3,734	3,435	(299)

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	31 December 2023		
	Estimated rental value (ERV) per m²		
	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

as at	*31 December 2022*		
	Reversionary yield		
	mean	**minimum**	**maximum**
Poland	5.69%	5.83%	8.91%
Germany	4.50%	4.43%	4.46%
Austria	n/a	n/a	n/a
Romania	7.78%	7.78%	7.78%

as at	*31 December 2022*		
	Net true equivalent yield		
	mean	**minimum**	**maximum**
Poland	5.81%	4.95%	6.50%
Germany	4.32%	4.26%	4.35%
Austria	n/a	n/a	n/a
Romania	6.07%	6.07%	6.07%

The project in Austria is currently in the process of obtaining a building permit, and therefore, the owned land is being valued using the comparative method.

	31 December 2022		
	Estimated rental value (ERV) per m²		
	average for warehouse and office space	**warehouse space**	**office space**
Poland	EUR 4.30	EUR 3.90	EUR 11.00
Germany	EUR 5.67	EUR 5.20	EUR 9.10
Austria	n/a	n/a	n/a
Romania	EUR 3.53	EUR 3.50	EUR 7.00

The land reserve is valued using the comparative method. The used average rates per square metre of land by geographic segment are as follows:
– Poland in 2023: from EUR 47 to EUR 86, and in 2022: from EUR 26 to EUR 77,
– Germany in 2023: from EUR 98 to EUR 141, and in 2022: from EUR 114 to EUR 205,
– Austria in 2023: from EUR 237, and in 2022: from EUR 221,
– Romania in 2023: EUR 46, and in 2022: EUR 43.

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14. Deferred tax

as at 31 December	Deferred tax assets		Deferred tax liabilities		Net amount	
	2023	2022	2023	2022	2023	2022
Investment property [1)]	-	-	360,743	408,332	360,743	408,332
Borrowings and loans, granted and received	(9,669)	8,282	-	-	9,669	(8,282)
Derivatives	-	-	6,100	14,643	6,100	14,643
Other	11,133	13,869	-	-	(11,133)	(13,869)
Tax losses deductible in future periods	7,635	3,823	-	-	(7,635)	(3,823)
Interest on notes	(1,328)	1	-	-	1,328	(1)
Deferred tax assets / liabilities	**7,771**	**25,975**	**366,843**	**422,975**	**359,072**	**397,000**

as at 31 December	**2023**	**2022**
Including:		
Deferred tax asset	(6,041)	(3,567)
Deferred tax liability	365,113	400,567
	359,072	**397,000**

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, which is why at least 98% of the deferred tax liability shown above is a long-term deferred tax liability.

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	1 January 2022	changes recognised in profit or loss	changes recognised in other comprehensive income	currency translation differences	31 December 2022
Investment property	310,697	96,840	-	795	408,332
Borrowings and loans, granted and received	(6,535)	(1,747)	-	-	(8,282)
Derivatives	(950)	90	15,503	-	14,643
Other	(6,646)	(7,226)	-	3	(13,869)
Tax losses deductible in future periods	(6,231)	2,408	-	-	(3,823)
Interest on notes	(482)	481	-	-	(1)
	289,853	**90,846**	**15,503**	**798**	**397,000**

	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, granted and received	(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 notes	(1)	1,329	-	-	1,328
	397,000	**(25,673)**	**(8,532)**	**(3,723)**	**359,072**

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15. Investments and other investments

as at 31 December	**2023**	**2022**
Long-term receivables from measurement of swap contracts	32,756	76,615
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – long-term portion	25,690	19,763
Bank deposits comprising security deposits from tenants	8,015	8,072
Cash set aside in CAPEX account	214	214
Long-term performance notes retained	3,748	6,447
Deposit under bank guarantee	136	136
Long-term loans to related entities	16,922	16,626
Other long-term investments	**87,481**	**127,873**
Short-term receivables from measurement of swap contracts	1,722	-
Short-term investments	**1,722**	**-**
Cash set aside in accordance with credit facility agreements to secure payment of principal and interest – short-term portion	2,432	1,620
Short-term performance notes retained	5,881	5,438
Deposit under bank guarantee	297	-
Other short-term investments	**8,610**	**7,058**

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

	Loan assets
As at 31 December 2022	**16,626**
Interest accrued on loans	771
Foreign exchange differences from balance sheet valuation	(475)
As at 31 December 2023	**16,922**

	Loan assets
As at 31 December 2021	**20,572**
Interest accrued on loans	584
Loan principal repayment	(1,892)
Exchange rate differences	(2,818)
Foreign exchange differences	(180)
As at 31 December 2022	**16,626**

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16. Other non-current assets

as at 31 December	**2023**	**2022**
Non-current prepayments and accrued income	7,853	882
Other non-current assets	**7,853**	**882**

17. Trade and other receivables

as at 31 December	**2023**	**2022**
Trade payables	21,453	31,050
Investment settlements	628	2,314
Prepayments and accrued income	3,972	10,223
Prepayments for property, plant and equipment and investment property under construction	225	252
Advance payment for purchase of land	-	11,503
Taxes and social security payable*	38,037	36,468
Trade and other receivables	**64,315**	**91,810**
Income tax receivable	2,573	808
Short-term receivables	**66,888**	**92,618**

* As at 31 December 2023 (and as at 31 December 2022), tax and social security receivable comprised mainly VAT receivable of PLN 28,920 thousand (PLN 26,896 thousand) as disclosed in the VAT returns filed, and input VAT of PLN 8,920 thousand (PLN 9,572 thousand) to be deducted in future periods.

The decrease in trade receivables was mainly attributable to a lower amount of receivables relating to consumption of utilities.

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 the impairment loss matrix to calculate expected credit losses. In order to determine expected credit losses, trade receivables were grouped on the basis of similarity between credit risk characteristics and past due periods. The 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	**2023**		**2022**	
	Gross receivables	**Impairment losses**	**Gross receivables**	**Impairment losses**
Not past due	13,803	-	19,950	-
Past due from 1 to 30 days	4,875	-	6,988	-
Past due from 31 to 60 days	157	-	997	-
Past due from 61 to 90 days	22	-	120	-
Past due from 91 to 180 days	99	(7)	331	(12)
Pas due over 181 days	5,201	(2,697)	5,380	(2,704)
Total receivables	**24,157**	**(2,704)**	**33,766**	**(2,716)**

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	2023	2022
Impairment losses on receivables as at 1 January	**(2,716)**	**(2,707)**
Recognition of impairment losses	(7)	(12)
Use of impairment losses	19	3
Impairment losses on receivables as at 31 December	**(2,704)**	**(2,716)**

18. Cash and cash equivalents

as at 31 December	2023	2022
Cash in hand	117	118
Cash at banks	225,321	145,789
Short-term deposits	118,809	169,000
Cash in transit	-	293
Cash and cash equivalents in the consolidated statement of financial position	**344,247**	**315,200**
Cash and cash equivalents in the consolidated statement of cash flows	**344,247**	**315,200**

Cash and cash equivalents 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, i.e. not lower than BBB-.

19. Notes to the consolidated statement of cash flows

19.1. Cash flows from borrowings

for the year ended 31 December	2023	2022
Proceeds from bank borrowings	590,713	440,112
Cash flows from proceeds from borrowings	**590,713**	**440,112**
Cash flows from borrowings - amount disclosed in the consolidated statement of cash flows	**590,713**	**440,112**

for the year ended 31 December	2023	2022
Repayment of bank borrowings, including refinanced bank borrowings[*)]	(258,960)	(38,732)
Repayment of non-bank borrowings	-	(2,632)
Total repayment of borrowings	**(258,960)**	**(41,364)**
Cash flows from repayment of borrowings	**(258,960)**	**(41,364)**
Cash flows from repayment of borrowings – amount disclosed in the consolidated statement of cash flows	**(258,960)**	**(41,364)**

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for the year ended 31 December	2023	2022
Repayment of loans	-	2,818
Total repayment of loans	**-**	**2,818**
Total cash flows from repayment of loans - amount disclosed in the consolidated statement of cash flows	**-**	**2,818**

*) In the second quarter of 2023, the Group refinanced two projects and repaid borrowings under credit facilities of PLN 224,604 thousand with proceeds from a newly contracted facility of PLN 327,733 thousand.

19.2. Change in receivables

for the year ended 31 December	2023	2022
Change in trade and other receivables	27,495	(17,463)
Elimination of advance payment for land purchase	-	4,088
Change in receivables	**27,495**	**(13,375)**
Change in receivables disclosed in the consolidated statement of cash flows	**27,495**	**(13,375)**

19.3. Change in current and other liabilities

for the year ended 31 December	2023	2022
Change in trade and other payables	(40,527)	59,668
Change in employee benefit obligations	(1,682)	(3,857)
Change in current liabilities under performance notes and security deposits	3,493	2,435
Change in finance lease and swap liabilities	20,611	(693)
Elimination of changes in investment commitments	41,640	1,851
Change in current and other liabilities	**23,535**	**59,404**
Change in current and other liabilities disclosed in the consolidated statement of cash flows	**23,535**	**59,404**

20. Equity

20.1. Share capital

as at 31 December	2023	2022
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

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As at 31 December 2023, the Parent's share capital amounted to PLN 5,998,745.50 and was divided into 23,994,982 shares carrying 23,994,982 voting rights in the Company. The par value per share is PLN 0.25 and the entire capital has been paid up.

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.

as at 31 December	31 December 2023		31 December 2022	
	number of shares	**Par value**	**number of shares**	**Par value**
Number/value of shares at beginning of period	**23,994,982**	**5,999**	**21,373,639**	**5,344**
Issue of shares	-	-	2,621,343	655
Number/value of shares at end of period	**23,994,982**	**5,999**	**23,994,982**	**5,999**

Earnings per share attributable to owners of the Parent during the reporting period (PLN per share):

for the year ended 31 December	2023	2022
- basic	(2.17)	19.69
- diluted	(2.17)	19.69

There were no dilutive factors in the presented periods.

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

22.1. Non-current liabilities

as at 31 December	2023	2022
Borrowings secured with the Group's assets	1,568,901	1,414,683
Notes	321,752	332,983
Non-bank borrowings	16,952	16,654
Non-current liabilities under borrowings and other debt instruments	**1,907,605**	**1,764,320**

as at 31 December	2023	2022
Finance lease liabilities (perpetual usufruct of land) [1)]	58,382	42,280
Liabilities from measurement of swap contracts	3,959	-
Performance notes	7,241	4,272
Security deposits from tenants and other deposits	9,031	8,507
Finance lease liabilities (vehicles)	361	-
Other non-current liabilities	**78,974**	**55,059**

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[1)] The Group is a party to pending court proceedings concerning revision of the usufruct charge rate. The Management Board of MLP Group S.A. estimated, as at the date of release of these financial statements and with respect to justified cases, the amount of provision for some 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 description of disputes, see Note 30.

22.2. Current liabilities

as at 31 December	2023	2022
Short-term bank borrowings and short-term portion of bank borrowings secured with the Group's assets	94,643	41,269
Notes	111,248	50,896
Current liabilities under borrowings and other debt instruments	**205,891**	**92,165**

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	2023	2022
Liabilities under lease of vehicles	189	-
Other current liabilities	**189**	**-**

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

	Notes
As at 31 December 2022	383,879
Issue of notes	130,445
Interest accrued on notes	25,700
Interest paid on notes	(22,298)
Redemption of Series B notes and portion of Series E notes	(54,708)
Foreign exchange differences from balance sheet valuation	(30,018)
As at 31 December 2023	**433,000**

	Notes
As at 31 December 2021	439,475
Issue of notes	28,547
Interest accrued on notes	11,145
Interest paid on notes	(9,613)
Redemption of Series A notes	(94,118)
Foreign exchange differences from balance sheet valuation	(8,443)
As at 31 December 2022	**383,879**

	Non-bank borrowings
As at 31 December 2022	**16,654**
Payment of interest on loan	782
Change in carrying amount	(484)
As at 31 December 2023	**16,952**

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	Non-bank borrowings
As at 31 December 2021	**20 633**
Accrued interest on loans	604
Paid interest on loans	(2 632)
Loan principal repayment	(1 854)
Foreign exchange differences from balance sheet valuation	(97)
As at 31 December 2022	**16 654**

	Bank borrowings
As at 31 December 2022	**1,455,952**
including derecognised commission fee as at 31 December 2022	2,991
Accrual of interest on the bank loan	76,869
Interest paid from the bank loan	(74,435)
IRS interest accrued	(27,309)
IRS interest received	25,242
Increase in bank borrowings	590,713
Repayment of principal	(258,960)
Realised foreign exchange gains/(losses)	(2,197)
Change in carrying amount	(118,079)
Interest capitalised	(577)
As at 31 December 2023	**1,663,544**
including derecognised commission fee as at 31 December 2023	**6,666**

	Bank borrowings
As at 31 December 2021	**1,030,987**
including derecognised commission fee as at 31 December 2021	2,354
Accrual of interest on the bank loan	27,367
Interest paid from the bank loan	(24,412)
IRS interest accrued	(1,098)
IRS interest received	(1,996)
Increase in bank borrowings	438,231
Repayment of principal	(36,851)
Realised foreign exchange gains/(losses)	20,495
Interest capitalised	153
As at 31 December 2022	**1,455,952**
including derecognised commission fee as at 31 December 2022	**2,991**

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	Finance lease (perpetual usufruct of land)
As at 31 December 2021	**42,915**
Annual expense	(635)
As at 31 December 2022	**42,280**

	Finance lease (perpetual usufruct of land)
As at 31 December 2022	**42,280**
Update of the value of perpetual usufruct rights in companies involved in a dispute with the Pruszków District Administrator	16,741
Annual expense	(639)
As at 31 December 2023	**58,382**

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22.4. Liabilities under notes

Instrument	Currency	Nominal value as at 31 December 2023	Nominal value as at 31 December 2022	Maturity date	Interest rate	Guarantees and collateral	Listing venue
Public notes – Series B	EUR	-	10,000,000	11 May 2023	6M EURIBOR + margin	none	Catalyst
Public notes – Series C	EUR	45,000,000	45,000,000	19 Feb 2025	6M EURIBOR + margin	*none*	Catalyst
Public notes – Series D[2)]	EUR	20,000,000	20,000,000	17 May 2024	6M EURIBOR + margin	*none*	Catalyst
Public notes – Series E[1)]	EUR	4,000,000	6,000,000	21 Jan 2024	6M EURIBOR + margin	*none*	Catalyst
Public notes – Series F	EUR	29,000,000	-	26 May 2025	6M EURIBOR + margin	*none*	Catalyst

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

[2)] On 27 February 2024, the Company redeemed some Series D notes with a total nominal value of EUR 8,600,000, i.e. before maturity.

22.5. Unsecured borrowings and borrowings secured by the Group's assets

			31 December 2023			31 December 2022		
	currency	effective interest rate (%)	matures in	EUR thousand*	PLN thousand	matures in	EUR thousand*	PLN thousand
Bank borrowings secured with the Group's assets								
Working capital (VAT) facility	PLN	1M WIBOR + margin	-	322	1,400	-	80	377
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2028	-	-	2028	2,737	12,835
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	-	-	2027	1,720	8,065
Investment credit facility PEKAO S.A.	EUR	3M EURIBOR + margin	2029	11,237	48,861		-	-
Investment credit facility BNP Paribas S.A.	EUR	3M EURIBOR + margin	2029	9,884	42,945	2029	10,336	48,271
Investment credit facility ING Bank Śląski S.A., PKO BP S.A. and ICBC (Europe) S.A. Polish Branch	EUR	3M EURIBOR + margin	2027	97,351	422,506	2027	99,690	465,724
Investment credit facility PKO BP S.A.	EUR	3M EURIBOR + margin	2027	-	-	2027	934	4,382
Investment credit facility Aareal Bank AG	EUR	fixed interest rate/ 6M EURIBOR 6M + margin	2028	60,800	260,237	-	-	-
Investment credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	2026	-	-	2026	6,630	30,885
Construction credit facility mBank S.A.	EUR	1M EURIBOR + margin	2029	11,700	50,455	-	-	-
Investment credit facility PKO BP S.A. and BGŻ BNP Paribas S.A.	EUR	3M EURIBOR + margin	2027	69,713	302,883	2027	64,158	300,702
Investment credit facility BNP Paribas S.A.	EUR	3M EURIBOR + margin	2029	6,895	29,980	2029	7,182	33,681
Investment credit facility BNP Paribas	EUR	3M EURIBOR + margin	2030	7,213	30,972	-	-	-
Construction credit facility BNP Paribas	EUR	3M EURIBOR + margin	2030	4,001	17,396	-	-	-
Construction credit facility PEKAO S.A.	EUR	1M EURIBOR + margin	2029	10,420	45,105	2029	16,204	75,750
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	4,222	18,355	2024	4,234	19,859
Investment credit facility ING Bank Śląski S.A.	EUR	1M EURIBOR + margin	2024	1,654	7,189	2024	1,675	7,853
Working capital (VAT) facility	PLN	1M WIBOR + margin	-	-	-	2023	321	1,504
Construction credit facility PKO BP S.A.	EUR	1M EURIBOR + margin	-	-	-	2028	34,328	160,996
Investment credit facility Santander	EUR	3M EURIBOR + margin	2027	5,443	23,447	-	-	-
Investment credit facility ING Bank Śląski S.A.	EUR	3M EURIBOR + margin	2024	7,398	32,168	2024	7,763	36,411
Construction credit facility Santander	EUR	3M EURIBOR + margin	2027	10,384	45,148	-	-	-
Investment credit facility Bayerische Landesbank	EUR	fixed interest rate	2031	19,450	84,331	2031	19,648	91,867
Investment credit facility OTP Bank Romania S.A.	EUR	3M EURIBOR + margin	2031	5,413	23,501	2031	5,707	26,704
Construction credit facility Bayerische Landesbank	EUR	fixed interest rate	2030	40,631	176,665	2030	27,738	130,086
Total bank borrowings:					**1,663,544**			**1,455,952**

* Amounts of credit facilities in EUR thousand, inclusive of commission fees.

			31 December 2023			31 December 2022		
	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	1,389	6,236	2029	1,377	6,459
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	1,065	2032	-	1,014
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	7,523	2032	-	7,162
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	992	2032	-	942
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	666	2032	-	633
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	139	2026	-	130
Fenix Polska S.A.	PLN	3M WIBOR + margin	2032	-	331	2032	-	314
Total non-bank borrowings:					**16,952**			**16,654**
Total borrowings secured and not secured with the Group's assets					**1,680,496**			**1,472,606**

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23. Employee benefit obligations

as at 31 December	2023	2022
Special accounts	-	157
Provision for variable remuneration and liabilities related to salaries	364	1,914
Employee benefit obligations	**364**	**2,071**

24. Trade and other payables

as at 31 December	2023	2022
Trade payables	30,021	22,915
Deferred income	3,856	4,222
Taxes and social security payable	11,199	6,461
Unbilled trade payables	21,905	20,788
Investment commitments, security deposits and other obligations	60,508	113,605
Trade and other payables	**127,489**	**167,991**
Income tax receivable	8,375	10,014
Current liabilities	**135,864**	**178,005**

As at 31 December 2023, the Group did not have any past due trade payables owed to related parties.

The increase in trade payables was partly due to higher prices for purchasing electricity, gas, and thermal energy in December 2023 compared to December 2022.

The decrease in investment commitments compared to 2022 was due to the completion of some of the projects commenced by the Group in 2022. The investment commitments are classified as current liabilities.

The table below presents the ageing structure of trade and other payables:

as at 31 December	2023	2022
Not past due	119,882	166,960
Past due from 1 to 90 days	8,678	2,979
Past due from 91 to 180 days	48	2
Pas due over 180 days	53	146
Total trade and other payables	**128,686**	**170,087**

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.

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25. Financial instruments

25.1. Measurement of financial instruments

The fair value of financial assets and financial liabilities as at 31 December 2022 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 value,
- **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,
- **bank and non-bank borrowings and notes:** 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,
- **liabilities from measurement of SWAP and CAP transactions:** 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	**2023**	**2022**
Hedging financial instruments:		
Receivables from measurement of swap contracts	34,478	76,615
	34,478	**76,615**
Financial assets measured at amortised cost:		
Cash and cash equivalents	344,247	315,200
Loans and receivables, including:		
• Trade and other receivables	22,306	33,616
• Loans	16,922	16,626
• Other long-term investments	37,803	34,632
• Other short-term investments	8,610	7,058
	429,888	**407,132**
Total financial assets	**464,366**	**483,747**

As at 31 December 2023, the fair value of hedging instruments was PLN 34,478 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 2022, there were no transfers between the levels.

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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)**	**-**
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2,704)	-
Carrying amount (IFRS 9)	**407,582**	**22,306**	**-**

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

	Stage 1	Stage 2	Stage 3
Gross carrying amount	**373,516**	**36,332**	**-**
Cash and cash equivalents	315,200	-	-
Loans and receivables, including:			
• Trade and other receivables	-	36,332	-
• Loans	16,626	-	-
• Money fund units	-		
• Other long-term investments	34,632	-	-
• Other short-term investments	7,058	-	-
Impairment losses (IFRS 9)	**-**	**(2,716)**	**-**
Cash and cash equivalents	-	-	-
Loans and receivables, including:			
• Trade and other receivables	-	(2,716)	-
Carrying amount (IFRS 9)	**373,516**	**33,616**	**-**

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25.1.2 Financial liabilities

as at 31 December	2023	2022
Hedging financial instruments measured at fair value		
Liabilities from measurement of swap contracts	3,959	-
	3,959	**-**
Financial liabilities measured at amortised cost:		
Bank borrowings	1,663,544	1,455,952
Non-bank borrowings	16,952	16,654
Trade and other payables	128,711	170,087
Lease liabilities	58,932	42,280
Notes	433,000	383,879
	2,301,139	**2,068,852**
Total financial liabilities	**2,305,098**	**2,068,852**

25.2. Other disclosures relating to financial instruments

Security instruments

For information on security instruments, see Note 28.

Interest rate hedge accounting

On 9 February 2023, MLP Łódź II Sp. z o.o. entered into a variable EURIBOR -to-fixed interest rate swap contract with Santander Bank Polska S.A.

On 9 May 2023 and 2 June 2023, MLP Czeladź Sp. z o.o. entered into variable EURIBOR -to-fixed interest rate swap contracts with BNP Paribas Bank Polska S.A.

On 20 July 2023 and 31 October 2023, MLP Pruszków II Sp. z o.o. entered into variable EURIBOR -to-fixed interest rate swap contracts with Bank Polska Kasa Opieki S.A.

On 24 October 2023, MLP Pruszków VI Sp. z o.o. entered into a variable EURIBOR -to-fixed interest rate swap contract with mBank S.A.

Under the existing contracts, future interest payments on variable-rate credit facilities will be replaced with interest payments calculated based on schedules defined in the swap contracts.

Hedging instruments and hedged item

	Hedged item as at 31 December 2023:		Hedging instrument – amortised interest rate swap:		Fair value of hedging instrument (EUR thousand) as at 31 December		Fair value of hedging instrument (PLN thousand) as at 31 December	
Entity	**EUR thousand**	**PLN thousand**	**EUR thousand**	**PLN thousand**	**2023**	**2022**	**2023**	**2022**
MLP Pruszków I Sp. z o.o.	41,869	182,045	41,869	182,045	1,282	3,201	5,574	15,013
MLP Wrocław Sp. z o. o.	15,344	66,714	15,344	66,714	1,238	1,866	5,383	8,753
MLP Pruszków III Sp. z o.o.	26,741	116,270	26,741	116,270	696	1,836	3,025	8,610
MLP Gliwice Sp. z o. o.	16,565	72,022	16,565	72,022	1,337	2,015	5,812	9,450
MLP Poznań Sp. z o. o.	5,179	22,517	5,179	22,517	22	173	95	810
MLP Teresin Sp. z o.o.	6,793	29,534	6,793	29,534	548	826	2,383	3,875
MLP Poznań II Sp. z o.o.	5,875	25,545	5,875	25,545	28	217	121	1,017
MLP Pruszków IV Sp. z o.o.	16,698	72,605	16,698	72,605	411	1,137	1,787	5,332
MLP Pruszków V Sp. z o.o.	14,678	63,818	14,678	63,818	596	1,063	2,592	4,987
MLP Czeladź Sp. z o.o.	8,443	36,708	8,443	36,708	(331)	269	(1,440)	1,261
MLP Lublin Sp. z o.o.	17,233	74,930	17,233	74,930	1,391	2,096	6,046	9,831
MLP Poznań West II Sp. z o.o.	-	-	-	-	-	569	-	2,671
MLP Pruszków VI Sp. z o.o.	8,381	36,441	8,381	36,441	(483)	-	(2,098)	-
MLP Łódź II Sp. z o.o.	3,811	16,569	3,811	16,569	(97)	-	(421)	-
MLP Pruszków II Sp. z o.o.	13,373	58,145	13,373	58,145	674	1,067	1,660	5,005
Total	**200,983**	**873,863**	**200,983**	**873,863**	**7,312**	**16,335**	**30,519**	**76,615**

Hedged item and hedging instrument – amortised Interest Rate Swap as at 31 December 2023.

The ineffective portion of the hedge amounting to PLN 145,000 arises from the cumulative change in the hypothetical derivative of PLN 5,105,000 compared to the cumulative change in the hedging instrument of PLN 4,960,000.

An amount of PLN 27,944,000 has been reclassified from other comprehensive income to the profit and loss account in 2023. The fair value of the hedging instrument decreased by PLN 46,096,000 between 31.12.2023 and 31.12.2022 (PLN 76,615,000 receivables from SWAP as of 31.12.2022 vs PLN 34,478,000 receivables and PLN 3,959,000 liabilities as of 31.12.2023 - net balance PLN 30,519,000 receivables).

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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)**

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in 2022:

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.	-	-	16,633
MLP Pruszków III Sp. z o.o.	-	-	9,443
MLP Pruszków V Sp. z o.o.	-	-	5,327
MLP Pruszków IV Sp. z o.o.	-	-	5,839
MLP Czeladź Sp. z o.o.	-	-	1,374
MLP Teresin Sp. z o.o.	-	-	3,964
MLP Poznań II Sp. z o.o.	-	-	1,096
MLP Poznań Sp. z o.o.	-	-	1,107
MLP Gliwice Sp. z o. o.	-	-	9,666
MLP Wrocław Sp. z o. o.	-	-	8,954
MLP Poznań West II Sp. z o.o.	-	-	2,814
MLP Pruszków II Sp. z o.o.	-	-	5,321
MLP Lublin Sp. z o.o.	-	-	10,057
Total	**-**	**-**	**81,595**

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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 table below shows the maturity structure of loans based on contractual undiscounted cash flows:

Bank borrowings - expected payments		up to 1 year	from 1 to 5 years	over 5 years	Total
	2023	175,808	1,313,290	441,773	**1,930,871**
	2022	105,396	1,116,973	519,306	**1,741,675**

The table below shows the maturity structure of notes based on contractual undiscounted cash flows:

Notes - expected payments		up to 1 year	from 1 to 5 years	over 5 years	Total
	2023- principal	104,352	321,752	-	**426,104**
	2023- interest	22,159	18,094	-	**40,253**
	2022- principal	46,899	286,084	-	**332,983**
	2023- interest	18,953	57,939	-	**76,892**

The following table presents the maturity analysis for derivative interest payments:

Derivative instruments - expected payments		up to 1 year	from 1 to 5 years	over 5 years	Total
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)**
2022	inflows	-	2,475	422	**2,897**
	outflows	(4,752)	(2,981)	(144)	**(7,877)**
	net cash flow	**(4,752)**	**(506)**	**278**	**(4,980)**

The following table shows the maturity profile of loans based on contractual undiscounted cash flows:

Loans - expected payments		up to 1 year	from 1 to 5 years	over 5 years	Total
	2023	-	161	22,676	**22,837**
	2022	-	165	23,326	**23,491**

The table below illustrates the maturity structure of remaining long-term and short-term liabilities, including leasing obligations, as well as investment and guarantee deposits from tenants and others:

Expected payments		up to 1 year	from 1 to 5 years	over 5 years	Total
	2023	189	16,643	62,331	**79,163**
	2022	-	10,072	44,987	**55,059**

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 2023 (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		-	34,478	-	**34,478**
Financial assets measured 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**
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**
Notes	-	433,000	-	**433,000**
	145,896	**2,159,171**	**6**	**2,305,048**

Currency structure of financial instruments as at 31 December 2022 (PLN thousand):

Financial assets		PLN	EUR	other	Total
Receivables from measurement of swap contracts at other comprehensive income		-	76,615	-	**76,615**
Financial assets at amortised cost:					
Cash and cash equivalents		257,092	55,877	2,231	**315,200**
Loans and receivables, including:					
	• Trade and other receivables	29,633	3,866	117	**33,616**
	• Loans	-	10,230	6,396	**16,626**
	• Money fund units		-	-	**-**
	• Other long-term investments	10,417	24,215	-	**34,632**
	• Other short-term investments	526	6,532	-	**7,058**
		297,668	**177,335**	**8,744**	**483,747**

Financial liabilities	PLN	EUR	other	Total
Hedging financial instruments measured at fair value through other comprehensive income				
Liabilities from measurement of swap contracts	-	-	-	-
Financial liabilities measured at amortised cost:				
Bank borrowings	1,881	1,454,071	-	**1,455,952**
Non-bank borrowings	10,195	6,459	-	**16,654**
Trade and other payables	67,866	102,089	132	**170,087**
Lease liabilities	42,280	-	-	**42,280**
Notes	-	383,879	-	**383,879**
	122,222	**1,946,498**	**132**	**2,068,852**

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 10% depreciation of PLN against EUR and USD on the Group's results and equity. The rationale for assuming a 10% 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 2023. During this period, the variation between the minimum rate (4.3480 on 29 December 2023) and the maximum rate (4.7170 on 28 February 2023) was 8%.

Impact of PLN depreciation on the Group's result 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 on 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	**2023**	**2022**
Increase in the EUR/PLN exchange rate by 10%	(192,436)	(70,921)
Decrease in the EUR/PLN exchange rate by 10%	192,436	70,921
Increase in the USD/PLN exchange rate by 10%	627	99
Decrease in the USD/PLN exchange rate by 10%	(627)	(99)

A 10% 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 10% 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 10% 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 10% 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.

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25.3.2 Interest rate risk

Interest rate risk arises chiefly from borrowings as well as issued notes 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 on cash flows related to the servicing of financial obligations of an interest rate increase by 150 basis points, based on the analysis of the change in EURIBOR rates between the end of 2023 and the end of 2022:

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

as at 31 December	**2023**	**2022**
EURIBOR + 150 bp	(7,536)	(2,580)
EURIBOR - 150 bp	7,536	2,580
WIBOR + 150 bp	(182)	(58)
WIBOR - 150 bp	182	58

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 150 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 150 basis points at the end of each reporting period.

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

as at 31 December	**2023**	**2022**
EURIBOR + 150 bp	93	96
EURIBOR - 150 bp	(93)	(96)
WIBOR + 150 bp	161	153
WIBOR - 150 bp	(161)	(153)

The above sensitivity analysis shows how much interest income on loans would increase assuming a rise in interest rates by 150 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 150 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	**2023**	**2022**
EURIBOR + 150 bp	2,903	652
EURIBOR - 150 bp	(2,903)	(652)
WIBOR + 150 bp	2,869	408
WIBOR - 150 bp	(2,869)	(408)

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 150 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 150 basis points at the end of each reporting period.

IBOR reform

The Group holds the following financial assets and liabilities based on the WIBOR rate, which will be replaced by the new reference rate WIRON. According to the Roadmap, the publication of WIBOR rates will cease in 2025:

Financial assets, PLN thousand		WIBOR	Total
	• Loans	10,752	10,752
Total financial assets		**10,752**	**10,752**

Financial liabilities, PLN thousand		WIBOR	Total
	• Bank borrowings*	1,400	1,400
	• Non-bank borrowings	10,719	10,791
Total financial liabilities		**12,119**	**12,119**

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	2023	2022
Security deposits from tenants at end of reporting period	8,099	7,257

26. Leases

The Group enters into 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 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.

As at 31 December 2022, 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 1,109.2 million, of which PLN 172.4 million was receivable within one year, PLN 536.5 million in two to five years, and PLN 400.3 million after five years.

27. Contractual investment commitments

as at 31 December	2023	2022
Contractual investment commitments	146,919	66,612

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 2023, the Group recognised the following changes in contingent liabilities and security instruments:

- In connection with the execution on 30 December 2022 of the credit facility agreement between MLP Łódź II Sp. z o.o. and Santander Bank Polska S.A. (Santander), on 10 January 2023 the following security interests were established to secure the lender's receivables under the facility agreement as well as the master agreement and hedging transactions:

  (a) contractual mortgage of up to EUR 28,648,630.50, securing claims under the credit facility agreement with respect to construction and investment credit facilities; (b) contractual mortgage of up to PLN 6,000,000.00, securing claims under the credit facility agreement with respect to the VAT facility; (c) contractual mortgage of up to EUR 2,700,000.00, securing Santander's claims under the master agreement and hedging transactions; (d) two registered pledges over shares in MLP Group S.A. up to the maximum secured amount of: EUR 28,648,630.50 (as security for construction and investment credit facilities) and PLN 6,000,000.00 (as security for the VAT credit facility) and three financial pledges over shares in MLP Group S.A., up to the maximum secured amount of: EUR 20,166,382.50 (as security for the construction credit facility) EUR 28,648,630.50 (as security for the investment credit facility) PLN 6,000,000.00 (as security for the VAT credit facility);

  (e) pledges over bank accounts: 24 registered pledges (12 pledges up to the amount of EUR 28,648,630.50 as security for the construction and investment credit facility, and 12 pledges up to the amount of PLN 6,000,000.00 as security for the VAT facility) and 33 financial pledges (as security for the construction credit facility (12) up to EUR 20,166,382.50, for the investment credit facility (12) up to EUR 28,648,630.50, and for the VAT facility (12) of PLN 6,000,000.00; (f) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction; (g) statement of voluntary submission to enforcement, (h) statement of voluntary submission to enforcement by the borrower's sole shareholder; (i) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement; (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of Buildings B and Building C; (k) sponsor's commitments under the Letter of Comfort to address the borrower's liquidity shortfalls to ensure the Projected DSCR ratio; (l) subordination of claims under the Subordination Agreement; (m) deposit in the Debt Service Reserve Account.
- 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.
- In connection with the execution on 29 March 2023 of the credit facility agreement between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A. (BNP Paribas), the following security interests were established to secure the lender's receivables under the facility agreement as well as the master agreement and hedging transactions: (a) contractual mortgage of up to EUR 29,598,000.00, securing claims under the credit facility agreement with respect to construction and investment credit facilities; (b) contractual mortgage of up to PLN 7,500,000.00, securing claims under the credit facility agreement with respect to the VAT facility; (c) contractual mortgage of up to PLN 12,750,000.00, securing BNP Paribas' claims under the master agreement and hedging transactions; (d) two registered pledges over shares in MLP Group S.A. up to the maximum secured amount of: EUR 29,598,000.00 (as security for construction and investment credit facilities) and PLN 7,500,000.00 (as security for the VAT credit facility) and three financial pledges over shares in MLP Group S.A., up to the maximum secured amount of: EUR 18,798,000.00 (as security for the construction credit facility) EUR 29,598,000.00 (as security for the investment credit facility) PLN 7,500,000.00 (as security for the VAT credit facility);

(e) pledges over bank accounts: 16 registered pledges (8 pledges up to the amount of EUR 29,598,000.00 as security for the construction and investment credit facilities, and 8 pledges up to the amount of PLN 7,500,000.00 as security for the VAT facility) and 24 financial pledges (as security for the construction credit facility (8) up to EUR 18,798,000.00, for the investment credit facility (8) up to EUR 29,598,000.00, and for the VAT facility (8) of PLN 7,500,000.00; (f) two registered pledges over an organised set of movables and rights up to the maximum secured amount of EUR 29,598,000.00 (as security for the construction and investment credit facilities) and PLN 7,500,000.00 (as security for the VAT facility); (g) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction; (h) statement of voluntary submission to enforcement; (i) statement of voluntary submission to enforcement by the borrower’s sole shareholder; (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of buildings with statement of voluntary submission to enforcement;
(k) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement; (l) subordination of claims under the Subordination Agreement.

- In connection with the execution on 28 April 2023 of a new credit facility agreement between MLP Poznań West II Sp. z o.o. and Aareal Bank AG (Aareal), the following security interests were established to secure the lender's receivables under the refinancing facility agreement: (a) joint contractual mortgage of up to EUR 95,250,000.00; (b) registered pledge over MLP Group S.A.’s shares up to the maximum secured amount of EUR 95,250,000.00 and two financial pledges over MLP Group S.A.’s shares up to the maximum secured amount of 95,250,000.00; (c) pledges over bank accounts: 9 registered pledges of up to EUR 95,250,000.00 and 18 financial pledges of up to EUR 95,250,000.00; (d) registered pledge over an organised set of movables and rights up to the maximum secured amount of EUR 95,250,000.00; (e) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction; (f) duty of care agreement for property management; (g) statement of voluntary submission to enforcement; (h) statement of voluntary submission to enforcement by the borrower’s sole shareholder; (i) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of Building A1.1; (j) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement; (k) subordination of claims under the Subordination Agreement.
- Following repayment of the credit facility granted by Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP) to MLP Czeladź Sp. z o.o. under the credit facility agreement of 14 December 2018, on 4 May 2023 PKO BP released all the existing security interests established in favour of PKO BP as the lender. All registered pledges created in favour of PKO BP were deleted from the pledge register in May 2023, and mortgages created in favour of PKO BP were deleted in June 2023.
- Following repayment of the credit facility granted by Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP) to MLP Poznań West II Sp. z o.o. under the credit facility agreement of 10 February 2021, on 1 June 2023 PKO BP released all the existing security interests established in favour of PKO BP as the lender. All registered pledges created in favour of PKO BP were deleted from the pledge register in June 2023.
- On 9 February 2023, a conditional agreement was signed for the sale of perpetual usufruct rights to land and ownership of buildings and structures, in which a Group company was the buyer.
- On 14 August 2023, a joint contractual mortgage of up to EUR 95,250,000.00 created in favour of Aareal Bank AG was entered into the Land and Mortgage Register. The mortgage secures the lender's claims under the credit facility agreement of 28 April 2023 with MLP Poznań West II Sp. z o.o.
- On 6 September 2023, MLP Pruszków VI Sp. z o.o. entered into a construction and investment credit facility agreement with mBank S.A. (mBank).
- Following repayment of the credit facility granted by Powszechna Kasa Oszczędności Bank Polski S.A. (PKO BP) to MLP Poznań West II Sp. z o.o. under the credit facility agreement of 10 February 2021, on 18 September 2023 all joint contractual mortgages created in favour of PKO BP were deleted from the Land and Mortgage Register.

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- In connection with the execution of a credit facility agreement between MLP Pruszków VI Sp. z o.o. and mBank S.A. (mBank) on 6 September 2023, on 10 October 2023 the following security was provided for the lender's claims under the agreement: (a) joint contractual mortgage of up to EUR 17,959,540.50, securing claims under the credit facility agreement with respect to the construction and investment credit facilities; (b) contractual mortgage of up to PLN 6,090,000.00, securing mBank's claims under the master agreement and hedging transactions; (c) a registered pledge over MLP Group S.A. shares up to the maximum secured amount of EUR 17,959,540.50 (as security for the construction and investment credit facilities), and two financial pledges over MLP Group S.A. shares up to the maximum secured amount of EUR 17,959,540.50 (one as security for the construction credit facility and one as security for the investment credit facility); (d) pledges over bank accounts: a registered pledge of up to EUR 17,959,540.50 as security for the construction and investment credit facilities, and two financial pledges of up to EUR 17,959,540.50 each: one as security for the construction credit facility and one as security for the investment credit facility; (e) powers of attorney over the borrower's bank accounts and hold on bank accounts in accordance with the hold instruction; (f) statement of voluntary submission to enforcement; (g) statement of voluntary submission to enforcement by the borrower's sole shareholder; (h) assignment of rights under insurance policies, lease contracts with security, construction contracts with security, and management and administration contracts under the Assignment Agreement; (i) subordination of claims under the Subordination Agreement.

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 credit facility of on 9 May 2019, established 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 Ślaski 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. under Master Agreement of 9 May 2019	EUR 2,250 thousand

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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 credit facility of on 9 May 2019, established 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 Ślaski 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. under Master Agreement of 9 May 2019	PLN 2,250 thousand

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 credit facility of on 9 May 2019, established 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 Ślaski 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. under Master Agreement of 9 May 2019	EUR 2,250 thousand

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Entity	Land register number	Details	Mortgage charge
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 established to secure: a) repayment of tranches b, d and h of the credit facility, b) variable contractual interest, described in § 2 of the credit facility agreement of 8 August 2011 as amended (credit agreement), accrued on the amounts referred to in a) above, c) increased interest on past-due receivables described in § 8 of the credit agreement, accrued on the amounts referred to in a) and b) above, d) commissions and fees described in § 5 of the credit agreement due to the bank, charged on the amounts referred in a) above, e) all other documented costs, described in § 6 of the credit agreement due to the bank and related to the amounts described in a) above, credit facility agreement No. 11/0002 of 8 August 2011, amended, inter alia, by Annex 2 of 29 November 2013, Annex 7 of 7 July 2017, Annex 8 of 31 October 2017, and Annex 9 of 11 June 2018	EUR 25,910 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 established in favour of ING Bank Śląski S.A. to secure repayment of the bank's claims under: 1) transaction 1 and transaction 2 executed under a master agreement of 11 June 2018 (“MASTER AGREEMENT") concerning execution of transaction 1 and transaction 2	EUR 1,500 thousand
		Joint contractual mortgage established in favour of ING Bank Śląski S.A. to secure repayment of credit facility pursuant to credit agreement no. 11/0002 of 8 August 2011, as amended; the mortgage secures repayment of tranches A, C, investment tranche A3 (including tranches E and F), tranche G, tranche A5, and payment of interest	EUR 9,357 thousand
		Joint contractual mortgage established in favour of ING Bank Śląski S.A. to secure repayment of credit facility pursuant to credit agreement no. 11/0002 of 8 August 2011, as amended, and credit agreement of 9 February 2017, as amended; the mortgage secures repayment of tranches B, D, H, and payment of interest	EUR 1,353 thousand
		Joint contractual mortgage established in favour of ING Bank Śląski S.A. to secure payment of claims under hedging transactions (Transactions 1, 2, 3, 4 and 5), pursuant to the master agreement of 13 December 2013 for execution financial forward transactions and sale and repurchase transactions	EUR 1,788 thousand
		Joint contractual mortgage established in favour of ING Bank Śląski S.A. to secure repayment of VAT facility and variable rate payments under VAT facility of 9 February 2017	PLN 6,000 thousand

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Entity	Land register number	Details	Mortgage charge
MLP Lublin Sp. z o.o. 2) 3)	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

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

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		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
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 WA1P/00079403/6 WA1P/00131542/5 WA1P/00079402/9 WA1P/00103820/3	Joint contractual mortgage established in favour of BNP PARIBAS BANK POLSKA S.A. to secure repayment of credit facility under credit facility agreement of 7 November 2019 (Mortgage securing term loans)	EUR 28,987 thousand
		Joint contractual mortgage established in favour of BNP PARIBAS BANK POLSKA S.A. to secure repayment of credit facility under credit facility agreement of 7 November 2019 (Mortgage securing hedging transactions)	PLN 6,036 thousand
		Joint contractual mortgage established in favour of BNP PARIBAS BANK POLSKA S.A. to secure repayment of credit facility under credit facility agreement of 7 November 2019 (Mortgage securing VAT facility)	PLN 6,000 thousand
MLP Pruszków II Sp. z o.o.	WA1P/00073303/3	Contractual mortgage established in favour of PEKAO S.A. to secure claims under the credit facility agreement of 23 July 2021 with respect to construction and investment credit facilities (Mortgage securing term loans)	EUR 37,116 thousand
		Contractual mortgage established in favour of PEKAO S.A. under the credit facility agreement of 23 July 2021 to secure claims under the master agreement and hedging transactions (Mortgage securing hedging transactions)	PLN 11,100 thousand
		Contractual mortgage established in favour of PEKAO S.A. under the credit facility agreement of 23 July 2021 to secure claims under the credit facility agreement with respect to the VAT facility (Mortgage securing VAT facility)	PLN 4,500 thousand

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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 Bucharest West SRL	Land Registry in Chitila Nos. 55458, 53566	Contractual mortgage established in favour of OTP Bank Romania SA to secure claims under the credit facility agreement of 23 September 2021	EUR 6,000 thousand

Entity	Land register number	Details	Mortgage charge
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 Łódź II Sp. z o.o.	LD1M/00139997/2 LD1M/00190927/6 LD1M/00255139/9 LD1M/00357474/4	contractual mortgage established in favour of Santanader Bank S.A. to secure claims under the credit facility agreement of 30 December 2022 with respect to construction and investment credit facilities	EUR 28,649 thousand
		contractual mortgage established in favour of Santanader Bank S.A. under the credit facility agreement of 30 December 2022 to secure claims under the master agreement and hedging transactions	EUR 2,700 thousand
		contractual mortgage established in favour of Santanader Bank S.A. under the credit facility agreement of 30 December 2022 to secure claims under the credit facility agreement with respect to the VAT facility	EUR 6,000 thousand
MLP Czeladź Sp. z o.o.	KA1B/00064611/5	contractual mortgage established in favour of BNP Paribas Bank Polska S.A. to secure claims under the credit facility agreement of 29 March 2023 with respect to construction and investment credit facilities	EUR 28,649 thousand
		contractual mortgage established in favour of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 to secure claims under the master agreement and hedging transactions	EUR 12,750 thousand
		contractual mortgage established in favour of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 to secure claims under the credit facility agreement with respect to the VAT facility	EUR 7,500 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

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Entity	Land register number	Details	Mortgage charge
MLP Pruszków VI Sp. z o.o.	WA1P/00046794/3 WA1P/00143779/2 WA1P/00140179/5 WA1P/00145535/4 WA1P/00061258/5 WA1P/00146322/5WA1P/00146378/2 WA1P/00076591/9	Joint contractual mortgage established in favour of mBank S.A. to secure repayment of credit facility under credit facility agreement of 6 September 2023 (Mortgage securing term facilities)	EUR 17,960 thousand
		Joint contractual mortgage established in favour of mBank S.A. to secure repayment of credit facility under credit facility agreement of 6 September 2023 (Mortgage under Financial Security Agreements)	EUR 6,090 thousand

28.2. Financial and registered pledges on shares

- **Security interests in MLP Group S.A.'s shares in the following companies:**

Registered 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 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 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 credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 28,987 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of Bank Polska Kasa Opieki S.A. under the ING 11/0002 credit facility granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under credit facility of 28 April 2023 granted to MLP Poznań West II Sp. z o.o.;	EUR 95,200 thousand
MLP Wrocław Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand

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MLP Gliwice Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand
MLP Czeladź Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 granted to MLP Czeladź Sp. z o.o., with respect to the construction credit facility and the investment credit facility	EUR 29,590 thousand
MLP Czeladź Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 granted to MLP Czeladź Sp. z o.o., with respect to the VAT credit facility	EUR 7,500 thousand
MLP Pruszków VI Sp. z o.o.	claims of mBank S.A. under the credit facility agreement of 6 September 2023 granted to MLP Pruszków VI Sp. z o.o., with respect to the construction credit facility and the investment credit facility	EUR 17,960 thousand
MLP Pruszków I Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków I Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	PLN 6,000 thousand
MLP Poznań II Sp. z o.o.	claims of Bank Polska Kasa Opieki S.A. under the ING 11/0002 credit facility granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP 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, EUR 49,719 thousand each
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, EUR 5,344 thousand each

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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, EUR 9,250 thousand each
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, EUR 49,719 thousand each
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, EUR 5,344 thousand each
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, EUR 9,250 thousand each
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, EUR 49,719 thousand each
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, EUR 5,344 thousand each
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, EUR 9,250 thousand each
MLP Łódź II Sp. z o.o.	claims of Santander Bank Polska S.A. under credit facility of 30 December 2022 granted to MLP Łódź II Sp. z o.o. (investment credit facility)	EUR 28,647 thousand
MLP Łódź II Sp. z o.o.	claims of Santander Bank Polska S.A. under credit facility of 30 December 2022 granted to MLP Łódź II Sp. z o.o. (construction credit facility)	EUR 20,166 thousand

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MLP Łódź II Sp. z o.o.	claims of Santander Bank Polska S.A. under credit facility of 30 December 2022 granted to MLP Łódź II Sp. z o.o. (VAT credit facility)	PLN 6,000 thousand
MLP Czeladź Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 granted to MLP Czeladź Sp. z o.o., with respect to the construction credit facility	EUR 18,798 thousand
MLP Czeladź Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 granted to MLP Czeladź Sp. z o.o., with respect to the investment credit facility	EUR 29,598 thousand
MLP Czeladź Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under the credit facility agreement of 29 March 2023 granted to MLP Czeladź Sp. z o.o., with respect to the VAT credit facility	PLN 7,500 thousand
MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under 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
MLP Poznań West II Sp. z o.o.	claims of Aareal Bank AG under 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 Pruszków VI Sp. z o.o.	claims of mBank S.A. under the credit facility agreement of 6 September 2023 granted to MLP Pruszków VI Sp. z o.o., with respect to the construction credit facility	EUR 17,960 thousand
MLP Pruszków VI Sp. z o.o.	claims of mBank S.A. under the credit facility agreement of 6 September 2023 granted to MLP Pruszków VI Sp. z o.o., with respect to the investment credit facility	EUR 17,960 thousand

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

Registered pledges on shares:

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

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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 credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	EUR 140,895 thousand
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under facility no. ING 11/0002	EUR 14,047 thousand
MLP Poznań Sp. z o.o.	claims of ING Bank Śląski S.A. under credit facility of 11 June 2018 granted to MLP Poznań Sp. z o.o.	EUR 25,910 thousand
MLP Pruszków II Sp. z o.o.	claims of Pekao S.A. under construction and investment credit facilities granted to MLP Pruszków II Sp. z o.o. under the credit facility agreement of 23 July 2021	EUR 37,116 thousand
MLP Pruszków II Sp. z o.o.	claims of Pekao S.A. under VAT facility granted to MLP Pruszków II Sp. z o.o. under the credit facility agreement of 23 July 2021	PLN 4,500 thousand
MLP Bucharest West SRL	claims of OTP Bank Romania S.A. under credit facility granted to MLP Bucharest West SRL under the credit facility agreement of 23 September 2021	EUR 6,000 thousand

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 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

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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 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
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

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MLP Pruszków III Sp. z o.o.	claims of ING Bank Śląski S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Polish Branch under credit facility of 9 May 2019 granted to MLP Pruszków III Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Pruszków 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 credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	three pledges, EUR 140,895 thousand each
MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under facility no. ING 11/0002	EUR 14,047 thousand
MLP Poznań Sp. z o.o.	claims of ING Bank Śląski S.A. under credit facility of 11 June 2018 granted to MLP Poznań Sp. z o.o.	EUR 25,910 thousand
MLP Pruszków II Sp. z o.o.	claims of Pekao S.A. under construction credit facility granted to MLP Pruszków II Sp. z o.o. under the credit facility agreement of 23 July 2021 (as security for VAT facility)	EUR 32,262 thousand
MLP Pruszków II Sp. z o.o.	claims of Pekao S.A. under investment facility granted to MLP Pruszków II Sp. z o.o. under the credit facility agreement of 23 July 2021	EUR 37,116 thousand
MLP Pruszków II Sp. z o.o.	claims of Pekao S.A. under VAT facility granted to MLP Pruszków II Sp. z o.o. under the credit facility agreement of 23 July 2021	PLN 4,500 thousand

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

Registered pledges on shares:

MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under facility no. ING 11/0002 granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP Lublin Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. and PKO BP S.A. under credit facility of 9 April 2021 granted to MLP Wrocław Sp. z o.o., MLP Teresin Sp. z o.o., MLP Lublin Sp. z o.o. and MLP Gliwice Sp. z o.o.; pledge created in favour of BNP Paribas as the pledge administrator	EUR 147,127 thousand

Financial pledges on shares:

MLP Poznań II Sp. z o.o.	claims of ING Bank Śląski S.A. under facility no. ING 11/0002 granted to MLP Poznań II Sp. z o.o.	EUR 14,047 thousand
MLP 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

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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
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

- 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 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 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 credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 28,987 thousand

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MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 6,000 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 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. under credit facility of 9 May 2019 granted to MLP Pruszków IV Sp. z o.o.	three pledges, PLN 140,895 thousand each
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 17,409 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 11,577 thousand
MLP Pruszków V Sp. z o.o.	claims of BNP Paribas Bank Polska S.A. under credit facility of 7 November 2019 for MLP Pruszków V Sp. z o.o.	EUR 6,000 thousand

- Security interests in MLP Bucharest West Sp. z o.o.'s shares in the following company:

Registered pledges on shares:

Type of security interest	Secured claims	Amount of security interest
MLP Bucharest West SRL	claims of OTP Bank Romania S.A. under credit facility granted to MLP Bucharest West SRL under the credit facility agreement of 23 September 2021	EUR 6,000 thousand

28.3. Pledges on cash receivables and on collection of rights and assets

- 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 of 11 June 2018 between MLP Poznań Sp. z o.o. and ING Bank Śląski S.A., the following pledges were created:**
  - registered pledge over bank account balances of up to PLN 6,000 thousand
  - financial pledge over bank account balances of up to PLN 6,000 thousand

  - four registered pledges over bank account balances of up to EUR 25,910 thousand
  - four financial pledges over bank account balances of up to EUR 25,910 thousand
  - 11 financial pledges over bank accounts balances of up to the maximum secured amount of PLN 6,000 thousand
  - 11 financial pledges over bank accounts balances of up to the maximum secured amount of EUR 17,409 thousand
  - 11 registered pledges over bank account balances of up to EUR 28,987 thousand
  - 11 registered pledges over bank account balances of up to PLN 6,000 thousand
- **In connection with the credit facility agreement between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A., on 29 March 2023 the following pledges were created:**
  - eight registered pledges over bank account balances of up to EUR 29,598,000.00 thousand as security for the construction credit facility and the investment credit facility
  - eight registered pledges over bank account balances of up to EUR 7,500,000.00 thousand as security for the VAT credit facility
  - eight financial pledges over bank account balances of up to EUR 29,598,000.00 thousand as security for the investment credit facility
  - eight financial pledges over bank account balances of up to EUR 18,798,000.00 thousand as security for the construction credit facility
  - eight financial pledges over bank account balances of up to EUR 7,500,000 thousand as security for the VAT credit facility
- **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 28,987 thousand
  - 11 registered pledges over bank account balances of up to PLN 6,000 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
  - 11 financial pledges over bank account balances securing VAT facility for up to PLN 6,000 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 an organised set of movables and rights for up to EUR 95,250,000 thousand
  - nine registered pledges over bank account balances of up to EUR 95,250,000 thousand
  - 18 financial pledges over bank account balances to secure claims under the credit facility agreement
- **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 an organised 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 an organised 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 an organised 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 Bucharest West SRL and OTP Bank Romania S.A., on 23 September 2021 the following pledges were created:**
  - pledge over bank account balances of up to EUR 6,000 thousand
- **In connection with the credit facility agreement between MLP Łódź II Sp. z o.o. and Santander Bank Polska S.A., on 30 December 2022 the following pledges were created:**
  - 12 registered pledges over bank account balances of up to EUR 28,648,630.50 thousand as security for the construction credit facility and the investment credit facility
  - 12 registered pledges over bank account balances of up to EUR 6,000,000 thousand as security for the VAT credit facility
  - 12 financial pledges over bank account balances of up to EUR 20,166,382.50 thousand as security for the construction credit facility
  - 12 financial pledges over bank account balances of up to EUR 28,648,630.50 thousand as security for the investment credit facility
  - 12 financial pledges over bank account balances securing VAT facility for up to PLN 6,000,000 thousand
- **In connection with the credit facility agreement between MLP Pruszków VI Sp. z o.o. and mBank S.A., on 6 September 2023 the following pledges were created:**
  - seven registered pledges over bank account balances of up to EUR 17,959,540.50 thousand as security for the construction credit facility and the investment credit facility
  - seven registered pledges over bank account balances of up to EUR 17,959,540.50 thousand as security for the investment credit facility
  - seven financial pledges over bank account balances of up to EUR 17,959,540.50 thousand as security for the construction credit facility

28.4. Guarantees

Under an agreement of May 2018, Bank PKO BP S.A. granted to MLP Czeladź Sp. z o.o. a bank guarantee for the performance of the company's obligations towards the Municipality of Czeladź and the State Treasury, concerning reconstruction of a traffic circulation system in Czeladź as part of construction of a logistics park. The guarantee amount was PLN 5,927 thousand.

On 26 November 2021, at MLP Group S.A.'s request, a bank guarantee was issued to secure fulfilment by MLP Gliwice Sp. z o.o. of its project developer commitments under an agreement with the General Directorate for National Roads and Motorways (GDDKiA) to redevelop the intersection of road 2902S and road DK 78 in the town of Szałsza, with the maximum amount of the guarantee being PLN 2,727,541.93 in the period to 31 August 2022 and PLN 136,377.10 in the period from 1 September 2022 to 31 August 2027.

28.5. Sureties

On 24 May 2019 MLP Group S.A. provided a surety to MLP Gliwice Sp. z o.o. in connection with the Agreement on the reconstruction of the communication system, including liabilities related to the implementation of the Road Investment project in whole or in part - up to PLN 2,745,888.30.

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.

28.6. Other security interests

- **Other security interests created in favour of ING Bank Śląski S.A. under credit facility agreements between MLP Poznań Sp. z o.o. and MLP Poznań II Sp. z o.o.:**
  - assignment of claims under insurance policy,
  - security deposit of EUR 85,000,
  - assignment of rights under lease contracts,
  - power of attorney to all accounts of the borrower,
  - agreement on establishment of cash security deposit in favour of ING Bank Śląski S.A. to secure repayment of the bank's claims under credit facility granted to MLP Poznań II Sp. z o.o., as well as related interest, commissions, fees and expenses,
  - signed annex to agreement on creation of financial and registered pledge over shares in MLP Poznań II Sp. z o.o.,
  - subordination of claims under subordination agreement,
  - sponsor commitments under letters of comfort.

- **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,
  - declaration on voluntary submission 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,
  - declaration on voluntary submission to enforcement by the borrower,
  - declaration on voluntary submission 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. under the facility agreement with MLP Czeladź 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,
  - Statement of voluntary submission 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 commitments under letters of comfort.

- **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,
  - Statement of voluntary submission 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,
  - (j) sponsor's commitment under the Letter of Comfort for cost overruns in the construction of Building A1.1,
  - (g) duty of care agreement for property management.

- **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,
  - representation on submission to enforcement by the borrowers,
  - 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 PEKAO S.A. under the facility agreement with MLP Pruszków II Sp. z o.o.:**
  - power of attorney to manage all bank accounts and hold on accounts,
  - commitments under letters of comfort,
  - assignment by way of security under assignment agreement,
  - statement of voluntary submission to enforcement,
  - subordination of claims under subordination agreement,
  - deposit held in debt service account,
  - commitments of the MLP Group S.A. as the sponsor under letters of comfort.
- **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 OTP Bank Romania S.A. under the credit facility agreement with MLP Bucharest West SRL:**
  - assignment of rights under secured lease contracts,
  - assignment of rights under property insurance contract,
  - deposit held in debt service account.
- **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,
  - statement of voluntary submission to enforcement,
  - subordination of claims under subordination agreement.
- **Other security interests created in favour of Santander Bank Polska S.A. under the facility agreement with MLP Łódź 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,
  - Statement of voluntary submission 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 commitments under letters of comfort.

- **Other security interests created in favour of mBank S.A. under the facility agreement with MLP Pruszków VI 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,
  - Statement of voluntary submission 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 commitments under letters of comfort.

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29. Related-party transactions

29.1. Trade and other receivables and payables

The balances of trade and other payables and receivables arising 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		
MD CONSULTING Monika Dobosz		14
	-	**14**
Total	**23**	**14**

The balances of trade and other payables and receivables arising from related-party transactions as at 31 December 2022 were as follows:

	Trade and other receivables	Trade and other payables[1)]
Parent		
CAJAMARCA HOLLAND B.V., Delft		
The Israel Land Development Company Ltd.	8	-
Other related parties		
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	2	-
Fenix Polska Sp. z o.o.	4	-
Total	**14**	**-**

[1)] Trade and other payables do not include the remuneration of key management personnel, which is disclosed in Note 32.

29.2. Loans and non-bank borrowings

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)**

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Below are presented the balances of loans to and borrowings from related parties as at 31 December 2022:

	Loans	Borrowings
Other related parties		
Fenix Polska Sp. z o.o.	16,531	(16,654)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	95	-
Total	**16,626**	**(16,654)**

29.3. Income and expenses

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

	Revenue	Purchase of services 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)	-	-
Agnieszka Góźdź	-	(545)	-	-
Monika Dobosz	-	(545)	-	-
Marcin Dobieszewski	-	(747)	-	-
Other key management personnel	-	(2,185)	-	-
	-	**(6,098)**	**-**	**-**
Total	**14**	**(6,098)**	**771**	**(782)**

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Below are presented income and expenses under related-party transactions for the year ended 31 December 2022:

	Revenue	Purchase of services 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	-	577	(602)
MLP FIN Spółka z ograniczoną odpowiedzialnością Sp.k.	3	-	7	-
	9	**-**	**584**	**(602)**
Key management personnel				
Radosław T. Krochta	-	(3,071)	-	-
Michael Shapiro	-	(1,773)	-	-
Tomasz Zabost	-	(1,727)	-	-
Marcin Dobieszewski	-	(1,431)	-	-
Monika Dobosz	-	(1,424)	-	-
Agnieszka Góźdź	-	(1,117)	-	-
Other key management personnel	-	(1,906)	-	-
	-	**(12,449)**	**-**	**-**
Total	**186**	**(12,449)**	**584**	**(602)**

Fenix Polska Sp. z o.o. is related to the Group through Cajamarca Holland B.V., which as at both 31 December 2022 and 31 December 2023 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

After the date of issue of the consolidated report for the year ended 31 December 2022, there were no changes in significant litigation and disputes described in the consolidated financial statements of the MLP Group S.A. Group for the financial year 2022.

30.1. CreditForce Holding B.V

On 12 January 2012, the Regional Court in Warsaw issued a judgment awarding the then MLP Tychy Sp. z o.o. (currently MLP Sp. z o.o. S.K.A.) the amount of PLN 2,005 thousand with contractual interest from CreditForce Holding B.V. with its registered office in Houten (the Netherlands) jointly and severally with European Bakeries Sp. z o.o., in respect of which a default judgment was issued on 16 March 2011.

The amount includes receivables due as payment for capital expenditure incurred by the lessor on the leased property, including construction work to improve the technical standard of the property.

Currently, an appeal against the default judgment is pending before the District Court in Warsaw (the proceedings have been suspended due to CreditForce Holding B.V. being declared bankrupt). The Group recognised an impairment allowance of the abovementioned receivables.

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 2022 the total amount potentially due was PLN 30,038 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 current year, the Group established a reserve for part of the potential claims from the Pruszków District Governor due to the change in perpetual usufruct fee, in the total amount of PLN 10,450,000.

31. Significant events during and subsequent to the reporting period

- On 9 February 2023, Santander Bank Polska S.A. disbursed the first tranche of the credit facility to MLP Łódź II Sp. z o.o.
- On 17 March 2023, Bank Pekao S.A. disbursed another tranche of the credit facility to MLP Pruszków II Sp. z o.o.
- On 29 March 2023, a credit facility agreement was executed between MLP Czeladź Sp. z o.o. and BNP Paribas Bank Polska S.A. On 27 April 2023, the first tranche of the facility was disbursed.
- On 31 March 2023, Bayerische Landesbank disbursed the last tranche of the credit facility to MLP Logistic Park Germany I Sp. z o.o. & Co.
- On 28 April 2023, a credit facility agreement was executed between MLP Poznań West II Sp. z o.o. and Aareal Bank AG.
- On 15 May 2023, the Management Board of MLP Group S.A. passed a resolution on the issue, by way of a public offering to qualified investors, of up to 29,000 Series F bearer notes of the Company with a nominal value of EUR 1,000 per note and total nominal value of up to EUR 29,000,000 (the "Notes"). The Notes will be issued on 24 May 2023 at an issue price of EUR 1,000 per Note. The Notes will pay variable interest at 6M EURIBOR plus a margin. They were issued as unsecured instruments. The objectives of the issue were not specified. The Notes are due on 26 May 2025. The Notes were registered in the depository maintained by the Central Securities Depository of Poland and introduced to trading in the alternative trading system organised by the Warsaw Stock Exchange on 20 July 2023, as announced by the Company in a current report.
- On 5 September 2023, MLP Pruszków VI Sp. z o.o. entered into a construction and investment credit facility agreement with mBank S.A. (mBank).
- MLP Wrocław West I Sp. z o.o. withdrew from the conditional purchase agreement for the perpetual usufruct of land along with the ownership of buildings and structures, which was entered into on 9 February 2023, with A.D. Holding S.p.A.
- On 21 January 2024, the Company redeemed at maturity Series E notes with a total nominal value of EUR 4,000,000.
- On 23 January 2024, MLP Czeladź Sp. z o.o. executed an amendment to the credit facility agreement with BNP Paribas Bank Polska S.A. The amendment reduced the available limit of the construction credit facility and the investment credit facility for Building B2 by EUR 3,267,000.00 and for Building C3 by EUR 5,330,000.00.
- On 25 January 2024, ML Poznań Sp. z o.o. and ING Bank Śląski S.A. executed an amendment to the credit facility agreement of 9 February 2017, extending the availability period of the facilities until 29 March 2024.
- On 25 January 2024, ML Poznań II Sp. z o.o. and ING Bank Śląski S.A. executed an amendment to the credit facility agreement of 8 August 2011, extending the availability period of tranche B of the construction credit facility until 29 February 2024, and of the other facilities until 29 March 2024.
- On 21 February 2024, the Management Board of MLP Group S.A. passed a resolution on the issue, by way of a public offering to qualified investors, of up to 41,000 Series F bearer notes of the Company with a nominal value of EUR 1,000 per note and total nominal value of up to EUR 41,000,000 (the "Notes"). The Notes were issued on 6 March 2024 at an issue price of EUR 1,000 per Note. The Notes will pay variable interest at 3M EURIBOR plus margin. The maturity date of the Notes is 4 December 2026.

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- On 27 February 2024, the Management Board of the Company adopted Resolution No. 4/02/2024, authorising the redemption of 8,600 Series D notes, with a nominal value of EUR 1,000 per note and the total nominal value of EUR 8,600,000. The notes were redeemed on 27 February 2024 at face value of Series D notes plus interest accrued in accordance with the terms of the Series D notes. Therefore, the Company requested the CSDP to cancel the notes.
- On 29 February 2024, Mr. Tomasz Zabost stepped down from his position as Member of the Company's Management Board, effective immediately, without providing reasons for his resignation.

  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 included in the accounting books of the reporting period and the Group’s consolidated financial statements of the Group.

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. The logistics industry is also affected by the situation. 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.

Retrospectively, the assessment of the impact of the war in Ukraine on the Group's operations does not indicate that it has had, or will have, a significant negative effect. Nevertheless, any adverse military developments in Ukraine could alter logistics routes and adversely impact the investment sentiment of clients, 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	2023	2022
Fixed remuneration of the Management Board:		
Radosław T. Krochta	974	699
Michael Shapiro	544	589
Tomasz Zabost	558	543
Marcin Dobieszewski	421	348
Monika Dobosz	545	240
Agnieszka Góźdź	545	247
	3,587	**2,666**

Provision for variable remuneration of the Management Board

	2023	2022
Radosław T. Krochta	-	2,372
Michael Shapiro	-	1,184
Tomasz Zabost	-	1,184
Marcin Dobieszewski	301	769
Monika Dobosz	-	1,184
Agnieszka Góźdź	-	1,184
	301	**7,877**

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Use of previous year's provision for variable remuneration of the Management Board

	2023	2022
Radosław T. Krochta	2,532	3,703
Michael Shapiro	1,201	1,496
Tomasz Zabost	1,246	2,081
Marcin Dobieszewski	833	340
Monika Dobosz	1,265	-
Agnieszka Góźdź	1,226	-
	8,303	**7,620**

for the year ended 31 December	2023	2022
Remuneration of the Supervisory Board:		
Remuneration and other benefits		
Maciej Matusiak	60	57
Eytan Levy	60	57
Shimshon Marfogel	60	57
Guy Shapira	60	57
Piotr Chajderowski	60	57
Oded Setter	60	57
	360	**342**
Total remuneration paid to members of management and supervisory bodies	**12,250**	**10,628**

for the year ended 31 December	2023	2022
Other key management personnel:		
Remuneration and other benefits paid	2,185	1,906
	2,185	**1,906**
Total remuneration paid to members of management and supervisory bodies and key management personnel	**14,435**	**12,534**

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	2023	2022
Average headcount in the period	50	35

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34. Information on the auditor

as at 31 December	**2023**	**2022**
Audit of full-year financial statements*	134	138
Audit of separate financial statements of subsidiaries	255	255
Review of the interim consolidated and separate financial statements*	40	30
Audit and review of group procedures	297	312

* 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 maintaining the books of account, using qualified digital signatures.

Pruszków, 18 March 2024