



**Compensation Report**  
**of the Management Board and Supervisory Board**  
**of DINO POLSKA S.A.**  
**in 2023**



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## Glossary of terms

- 1) **DINO POLSKA Group** – means the group consisting of the Company as the parent and all of its subsidiaries, which the Company controls („Subsidiaries”). Detailed information regarding the entities forming part of the DINO POLSKA Group in 2023 can be found in the consolidated financial statements of the DINO POLSKA Group in 2023 in section 2. Composition of the Group
- 2) **Compensation Policy** – means the Compensation Policy for Management Board and Supervisory Board Members of „DINO POLSKA” S.A. adopted by resolution no. 18/7/2020 of the Ordinary Shareholder Meeting held on 2 July 2020. The Compensation Policy has been published and is available on the website of „DINO POLSKA” S.A. in the Corporate Governance tab;
- 3) **Supervisory Board** – means the Company’s supervisory board;
- 4) **Compensation Report** – means this compensation report of the Management Board and Supervisory Board of „DINO POLSKA” S.A. in 2023;
- 5) **Company** – means „DINO POLSKA” Spółka Akcyjna with its registered office in Krotoszyn (63-700) at ul. Ostrowska 122, entered in the register of businesses of the National Court Register kept by the Poznań – Nowe Miasto and Wilda Regional Court in Poznań, IX Commercial Division of the National Court Register under number: 0000408273, NIP: 6211766191, REGON: 300820828;
- 6) **Subsidiaries** – means Agro-Rydzyna sp. z o.o., Centrum Wynajmu Nieruchomości sp. z o.o., Centrum Wynajmu Nieruchomości 1 S.A., Centrum Wynajmu Nieruchomości 2 S.A., Centrum Wynajmu Nieruchomości 3 S.A., Centrum Wynajmu Nieruchomości 4 S.A., Centrum Wynajmu Nieruchomości 5 S.A., Centrum Wynajmu Nieruchomości 6 S.A., Dino Północ sp. z o.o. in liquidation<sup>1</sup>, Dino Południe sp. z o.o., Dino Oil sp. z o.o., Dino Krotoszyn Sp. z o.o., PIK Finanse sp. z o.o.;
- 7) **Public Offering Act** – means the Act of 29 July 2005 on Public Offerings and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies;
- 8) **Shareholder Meeting** – means an ordinary or extraordinary shareholder meeting of the Company;
- 9) **Management Board** – means the Company’s management board.

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<sup>1</sup> The subsidiary Dino Północ sp. z o.o. in liquidation was struck from the National Court Register on 8 December 2023 under the decision rendered by the Poznań – Nowe Miasto and Wilda Regional Court in Poznań.

### Introduction

This Compensation Report of the Management Board and Supervisory Board Members of „DINO POLSKA” S.A. has been drawn up pursuant to art. 90g. of the Public Offering Act, which imposes an obligation on the Company’s Supervisory Board to prepare every year a compensation report presenting a comprehensive review of compensation, including all benefits, regardless of their form, received by the various Management Board and Supervisory Board Members or due to various Management Board and Supervisory Board Members in the last financial year in accordance with the compensation policy.

This Compensation Report has been drafted in accordance with § 1 sec. 9 of the Compensation Policy, which stipulates that the Supervisory Board shall prepare a compensation report every year for the purpose of presenting information to the Company’s Shareholder Meeting regarding the compensation received by the Company’s Management Board and Supervisory Board in the preceding financial year.

This Compensation Report presents a review of compensation and all benefits received by and due to the various Management Board and Supervisory Board Members of „DINO POLSKA” S.A. in 2023.

The Company’s Supervisory Board Members are responsible for the information set forth in the Compensation Report.

### Management Board

At the end of 2023 the Management Board consisted of three members, i.e.: Izabela Biadała, Michał Krauze and Piotr Ścigała. No changes transpired in the composition of the Company’s Management Board in the period covered by the Compensation Report.

All of the Company’s Management Board Members are employed on the basis of an employment contract. Such contracts contain the fundamental provisions required by the provisions of labor law, including the job description and the amount of employee compensation. Contracts with the Management Board members have been entered into for an indefinite term and may be terminated with three months’ notice. The employment contracts executed with the Management Board Members obligate the Management Board members to refrain from any and all competitive activity in respect of the Company or Subsidiaries for the duration of the employment relationship and for 12 months following the expiration of the employment contract for any reason whatsoever.

For a breach of the non-competition clause following the dissolution of the employment contract there is a contractual penalty of twice the amount of compensation received by a Management Board Member for refraining from violating the non-competition clause subject to the possibility of pursuing damages for a loss to the extent to which the amount thereof exceeds the value of the contractual penalty.

Each Management Board member is entitled to (lump-sum) compensation for adherence to the non-competition clause after the termination of the employment relationship in an amount equivalent to 12 times the average gross monthly compensation obtained by the relevant Management Board member prior to such termination. The said compensation is payable in twelve monthly installments.

The contracts between the Management Board members and the Company do not provide for any other compensation in the event of a Management Board members' resignation or dismissal without a significant reason or if such dismissal results from the Company's merger with another entity by way of an acquisition.

### Supervisory Board

In 2023 the Supervisory Board of „DINO POLSKA” S.A. consisted of five members: Tomasz Biernacki, Maciej Polanowski, Eryk Bajer, Piotr Nowjalis and Sławomir Jakszuk. On 11 December 2023 Piotr Nowjalis tendered his resignation from serving in the capacity of a Supervisory Board Member of „DINO POLSKA” S.A. with effect as of 31 December 2023. On 24 January 2024 the Extraordinary Shareholder Meeting of „DINO POLSKA” S.A. appointed Piotr Borowski to the Company's Supervisory Board.

Supervisory Board members discharge their function on the basis of an appointment.

## **1. Components of the Management Board and Supervisory Board's compensation in 2023**

### **1.1 Management Board**

According to the Compensation Policy the compensation of Management Board Members is determined in a way that underpins the execution of strategic objectives and ensures that the Company has a sound financial position. The Company's Supervisory Board sets the amount of compensation for the Members of the Company's Management Board while taking into consideration the following:

- (1) Company's financial position,
- (2) results achieved,
- (3) experience and professional qualifications of a Management Board Member,
- (4) level of responsibility ensuing from the position held.

Compensation for the Management Board Members includes fixed (monthly) and variable compensation.

The fixed compensation of Management Board Members should not be higher than 10 times the average compensation of a full-time employee in the Company.

Variable compensation is paid in the form of quarterly and annual bonuses, where both of these bonuses should constitute gratification for their actual contribution to the Company's development and an incentive to achieve the tasks entrusted to the Management Board Members in subsequent periods.

According to the adopted Compensation Policy the quarterly bonus is discretionary and is awarded for the performance of the budget planned and approved by the Supervisory Board prior to the commencement of a given financial year. The annual bonus depends on the Company's consolidated net profit generated in the financial year for which it is remitted.

When awarding a quarterly bonus, the operational efficacy of the Company's procedures is taken into account with respect to the quality and safety of the products offered in Dino stores and the initiatives undertaken by the Company to mitigate its environmental impact. The key elements of the budget forming the basis for awarding the annual bonus are set in accordance with the Company's major strategic objectives as presented and updated in the Company's annual reports.

In 2023 the compensation of the DINO POLSKA S.A. Management Board Members consisted of the following elements:

- fixed compensation – base compensation ensuing from the employment of the DINO POLSKA S.A. Management Board Members on the basis of an employment contract,
- variable compensation – additional compensation in the form of discretionary quarterly and annual bonuses.

In the reporting period (2023) Management Board Member - Piotr Ścigała was entitled to use a Company car for private purposes. The gross revenue recognized for that purpose in 2023 was PLN 4,800, which represents 0.46% of the Management Board Member's total compensation (base and additional compensation).

All Management Board Members have third party insurance as part of the Company's group policy.

The Company does not have any additional retirement and disability programs, early retirement programs, service provision agreements with Management Board members specifying benefits to be paid at the time of terminating the employment relationship, or compensation systems under which Management Board members are paid with financial instruments.

Item 2.1. of this Compensation Report presents data concerning the total compensation of the Company's Management Board Members in 2023.

### **1.2. Supervisory Board**

Setting the compensation of the Supervisory Board members is a power of the Company's Shareholder Meeting.

According to the Compensation Policy, when setting compensation for the Supervisory Board Members the Company's Shareholder Meeting should endeavor for it to be aligned to the competences and commitment expected of a given Supervisory Board Member in the work of the Supervisory Board and its committees.

In 2023 the compensation of the Company's Supervisory Board Members consisted of fixed monthly base compensation ensuing from being appointed to serve in the capacity of a Supervisory Board Member of „DINO POLSKA” S.A.

Item 2.2. in the Compensation Report presents data regarding the total compensation of the Company's Supervisory Board Members in 2023.

The Company does not have any additional retirement and disability programs, early retirement programs, service provision agreements with Supervisory Board members specifying benefits to be paid at the time of terminating the employment relationship, or compensation systems under which Supervisory Board members are paid with financial instruments.



## 2. TOTAL AMOUNT OF COMPENSATION

### 2.1. Management Board

Compensation in DINO POLSKA S.A. received in or due for 2023 and 2022 (gross, in thousand PLN)

FULL NAME Management Board Member	Period	Base compensation	Additional compensation	Total	Base compensation stated as a percentage	Additional compensation stated as a percentage
		<i>A</i>	<i>B</i>	<i>C=A+B</i>	<i>A/C</i>	<i>B/C</i>
Izabela Biadała	2023	120.0	444.5	564.5	21.26%	78.74%
	2022	120.0	698.8	818.8	14.66%	85.34%
Michał Krauze	2023	120.00	1,424.5	1,544.5	7.77%	92.23%
	2022	119.7	1,310.3	1,430.0	8.37%	91.63%
Piotr Ścigała	2023	300.0	735.1	1,035.1	28.98%	71.02%
	2022 <sup>1</sup>	10.0	70.5	80.5	12.42%	87.58%
Michał Muskata	2023	-	-	-	-	-
	2022 <sup>2</sup>	50.0	70.5	120.5	41.49%	58.51%

<sup>1</sup> For the period of serving in the capacity of a Management Board Member (from 2 December 2022)

<sup>2</sup> Michał Muskata served in the capacity of a Member of the Company's Management Board until 23 February 2022 („DINO POLSKA” S.A.), while the compensation paid also spans the 3-month period for the termination of the employment contract.



## 2.2. Supervisory Board

Compensation in DINO POLSKA S.A. received in or due for 2023 and 2022 (gross, in thousand PLN)

FULL NAME Supervisory Board Member	Period	Base compensation	Additional compensation	Total	Base compensation stated as a percentage	Additional compensation stated as a percentage
		<i>A</i>	<i>B</i>	<i>C=A+B</i>	<i>A/C</i>	<i>B/C</i>
Tomasz Biernacki	2023	0	0	0	-	-
	2022	0	0	0	-	-
Piotr Nowjalis	2023	99.6	0	99.6	100%	-
	2022	99.6	0	99.6	100%	-
Eryk Bajer	2023	82.0	0	82.0	100%	-
	2022	82.0	0	82.0	100%	-
Sławomir Jakszuk	2023	82.0	0	82.0	100%	-
	2022	82.0	0	82.0	100%	-
Maciej Polanowski	2023	82.0	0	82.0	100%	-
	2022	82.0	0	82.0	100%	-

The only component of compensation for Supervisory Board Members of DINO POLSKA S.A. in 2023 was the pecuniary compensation related to their appointment.

### **3. Compliance of the compensation with the Compensation Policy, its contribution to achieving the Company's long-term results and information on how the performance criteria were used.**

The current Compensation Policy has been in force in the Company since 2 July 2020. The purpose of the compensation policy is to define the rules for hiring and compensating Management Board and Supervisory Board Members of „DINO POLSKA” S.A. and linking the compensation of the Management Board Members of „DINO POLSKA” S.A. to the effects of executing the Company's growth strategy and the financial results generated by the Company.

In the opinion of the Supervisory Board the Company's current compensation system is compliant with the Compensation Policy for Management Board and Supervisory Board Members. The following factors determine its compliance:

- payment of compensation in a form permitted by the Compensation Policy,
- the fixed compensation of Management Board Members does not exceed the average compensation of a Company's full-time employee by more than 10 times,
- the fixed compensation of Supervisory Board Members does not exceed the average salary in the national economy as published by the Central Statistical Office in 2023 (which, minus the contributions for pension, disability and sickness insurance totaled PLN 6,246.13 in 2023 and PLN 6,445.71 in the latter half of 2023<sup>1</sup>).

The Company's Management Board and Supervisory Board Members did not receive any other compensation in the reporting period than contemplated by the Compensation Policy.

According to the Compensation Policy, the larger portion of the Management Board's compensation for 2023 was paid in the form of discretionary bonuses. The Supervisory Board set the amount thereof for each Management Board member separately after analyzing and assessing the activities and effectiveness of the work done by a Management Board Member.

When setting the bonus for the various Management Board Members the Supervisory Board took into consideration in particular the contribution made by the various Management Board Members to the consolidated net result of DINO POLSKA S.A., and the Company's performance of the annual budget whose key elements were established in association with the Company's major strategic objectives.

In the opinion of the Supervisory Board, the amount and mix of the compensation of the Management Board Members in 2023 effectively contributed to achieving the Company's business and strategic objectives, and also to improving the financial results and building the long-term value of the DINO POLSKA Group. Having variable (bonus) compensation account for a higher share than base compensation in the total compensation of the Company's Management Board Members is a factor ensuring a suitable level of motivation and focus on achieving the Company's long-term strategic objective in the form of dynamic organic growth of the Dino store network.

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<sup>1</sup> Pursuant to the announcement made by the President of the Central Statistics Office on 16 February 2024 on the average monthly salary in the national economy in 2023 and in the latter half of 2023.

In 2023 the sales of products and merchandise in Dino stores totaled PLN 25.7 billion, up 29.6% over 2022. Like-for-like sales, i.e. in stores in operation for longer than a year, climbed 17.2%. In both cases these rates of growth were among the highest seen on the retail grocery market in Poland. Consolidated EBITDA in 2023 grew by 21.5% to PLN 2.2 billion.

In 2023 the Company opened 250 new Dino stores in keeping with the targets and it prepared a significant number of sites for further network development. At the end of 2023 the Dino network numbered 2,406 stores, up 11.6% over 2022.

Concurrently, the Dino Group's net debt (interest-bearing debt minus cash) fell from PLN 1.4 billion at the end of 2022 to PLN 955 million at the end of 2023.

In addition, the Supervisory Board took into consideration the effective operation of procedures in the Company with regard to the quality and safety of products offered in the Dino stores as well as initiatives undertaken by the Company to reduce its environmental impact. In 2023 the Company continued the project launched in Q4 2019 to install solar panels on the roof tops of its stores. At the end of 2023, 89% of Dino's stores and three distribution centers were outfitted with their own PV installations. The total capacity of these installations was 83 MW, up 31% from yearend 2022.

These actions and others (especially efforts focusing on curtailing the intensity of electricity consumption in the DINO POLSKA Group by doing the following: i) gradually replacing the equipment used with higher energy efficiency, ii) employing LED lighting in stores, distribution centers and parking lots, iii) using integrated lighting management systems in distribution centers, iv) implementing advanced electricity management systems) contributed in 2023 to reducing electricity consumption per PLN 1 million of revenue in the DINO POLSKA Group by 21.0%, while total electricity consumption, including the energy produced in renewable energy sources (RES) moved up by 11.6%.

The compensation of Supervisory Board Members consists solely of fixed compensation (with the caveat that the Supervisory Board Chairman, who is simultaneously the Company's majority shareholder, waived the right to compensation), regardless of the Company's results. The Supervisory Board asserts that this method of shaping the compensation of Supervisory Board Members contributes to augmenting the independence of the members of the supervisory board in the performance of their duties. This in turn leads to enhancing the Company's stability and for it to attain its long-term objectives.

To recapitulate, it should be stated that the level and mix of compensation for members of the Company's management and supervisory boards in 2023 were aligned to market conditions.

#### 4. Information on the annual changes in compensation, the results of DINO POLSKA S.A. and the average salary of employees of DINO POLSKA S.A. who are not Management Board or Supervisory Board Members.

	2019	2020	2021	2022	2023
<b>Company's Management Board</b>					
Izabela Biadała <sup>1</sup>	-	-	36.0%	35.0%	-31.1%
Michał Muskała <sup>2</sup>	-	21.7%	34.5 %	-43.5%	-
Michał Krauze	23.5%	37.1%	19.2%	75.4%	8.0%
Piotr Ścigała <sup>3</sup>	-	-	-	-	7.2% <sup>4</sup>
Szymon Piduch <sup>5</sup>	30.6%	50.0%	-	-	-
Jakub Macuga <sup>6</sup>	-	-	-	-	-
<b>Company's Supervisory Board</b>					
Tomasz Biernacki	-	-	-	-	-
Eryk Bajer	-0.5%	-1.2%	0.0%	0.0%	0.0%
Sławomir Jakszuk	-0.5%	-1.2%	0.0%	0.0%	0.0%
Piotr Nowjalis	0.0%	-6.5%	7.0%	0.0%	0.0%
Maciej Polanowski	1.9%	2.5%	-1.8%	1.8%	0.0%
Szymon Piduch <sup>7</sup>	-	-	-	-	-
<b>Employees' salary</b>					
The average salary of employees who are not Management Board and Supervisory Board Members <sup>8</sup>	7.7%	11.1%	7.0%	11.1%	15.8%
<b>Company's standalone results stated as a % and in 000s PLN</b>					
Sales revenue	30.7%	32.7%	31.9%	48.2%	29.8%
	7,624,411	10,115,839	13,339,312	19,764,769	25,658,552
Operating profit	44.6%	39.9%	24.6%	62.9%	23.8%
	447,617	626,191	780,282	1,271,266	1,573,677
Net profit	52.6%	47.1%	26.3%	51.3%	30.9%
	318,201	468,036	591,217	894,586	1,171,050
EBITDA	42.7%	37.0%	25.0%	56.0%	23.1%
	562,996	771,031	963,954	1,503,514	1,851,369

<sup>1</sup> Izabela Biadała has served as a Management Board Member since 24 June 2020.

<sup>2</sup> Michał Muskała served as a Management Board Member from 30 August 2019 to 23 February 2022.

<sup>3</sup> Piotr Ścigała has served as a Management Board Member since 02 December 2022.

<sup>4</sup> This information includes the rate of change of the compensation obtained for December 2022 to the average monthly compensation in 2023.

<sup>5</sup> Szymon Piduch served as a Management Board Member until 2 July 2020.

<sup>6</sup> Jakub Macuga received compensation for the period of serving as a Management Board Member, i.e. from 12 April 2019 to 11 October 2019. For this reason it is not possible to calculate the rate of growth of compensation on a year-on-year basis.

<sup>7</sup> Szymon Piduch served as a Supervisory Board Member from 2 July 2020 until 12 January 2021.

<sup>8</sup> The average compensation of the Company's employees is the sum total of compensation (fixed compensation, bonuses and other rewards) paid to employees for a given calendar year divided by average headcount (average number of full-time equivalents) in a given year.

Company's consolidated results stated as a % and in 000s PLN					
Sales revenue	31.0%	32.4%	32.0%	48.2%	29.6%
	7,646,547	10,125,815	13,362,012	19,801,622	25,666,255
Operating profit	31.0%	49.1%	22.2%	50.2%	22.0%
	561,909	837,859	1,023,993	1,537,819	1,875,855
Net profit	33.6%	56.7%	25.1%	40.6%	24.1%
	410,907	643,917	805,303	1,132,087	1,405,327
EBITDA	34.1%	42.8%	22.7%	44.6%	21.5%
	725,426	1,036,005	1,271,336	1,837,948	2,232,683

## 5. Amount of compensation from entities belonging to the DINO POLSKA Group

### 5.1 Management Board

Compensation from entities belonging to the DINO POLSKA Group under civil law contracts (gross, in thousand PLN)

FULL NAME Management Board Member	2023	2022
Michał Krauze	240.0	240.0
Izabela Biadała	240.0	240.0
Piotr Ścigała	0	0
Michał Muskała	-	160.0 <sup>1</sup>

### 5.2 Supervisory Board

In 2023 the Supervisory Board Members did not draw any compensation from entities belonging to the DINO POLSKA Group.

## 6. The number of financial instruments awarded or offered and the main terms and conditions for exercising the rights from these instruments, including the price and date of exercise and changes thereto

The Company does not award compensation in the form of financial instruments to Management Board or Supervisory Board Members.

## 7. Information on utilizing the option to claw back variable components of compensation

The Company does not anticipate deferring payment of variable compensation or the option to claw it back.

## 8. Information regarding deviations from the procedure of implementing the compensation policy

According to the Supervisory Board's knowledge no deviations from the procedure for implementing the Compensational Policy have been observed.

## 9. Information pertaining to the monetary or non-monetary benefits awarded to family members of a Management Board Member or the Supervisory Board

Monetary or non-monetary benefits awarded to family members of a Management Board Member, or the Supervisory Board are not part of the compensation of the Company's Management Board and Supervisory Board Members.

<sup>1</sup> for the period until 31 August 2022 (Subsidiaries).

## 10. Verification of the Compensation Policy for the DINO POLSKA S.A. Management Board and Supervisory Board Members

According to § 1 sec. 4 of the Compensation Policy, after the completing of every financial year the Compensation Policy is subject to an annual verification by the Supervisory Board with an eye to its currency and suitability for the business environment and aligning it to the Company's activity and business strategy. After verifying the Compensation Policy, the Supervisory Board does not have any reservations concerning the contents of this document.

According to the Supervisory Board, the compensation models adopted in the Compensation Policy positively underpin the execution of the Company's growth strategy and incline it to manage the risk associated with its operation effectively and responsibly.

The split of compensation for Management Board Members into fixed and variable as incorporated in the Compensation Policy (depending in particular on the Company's economic results) incentivizes the Management Board Members to take actions leading to the Company achieving favorable economic outcomes. In addition, the inclusion of non-economic ratios too when setting the variable components of compensation (initiatives undertaken to reduce environmental impact, the efficacy of procedures concerning the quality and safety of products offered in the Dino network) incentivizes the people responsible for managing the Company's operations to take into account environmental and social aspects in the management strategy, which should foster stability and sound development.

## 11. Explanation of how the resolution of the Company's shareholder meeting rendering an opinion on the prevision compensation report was taken into account.

On 26 June 2023 Resolution no. 16/6/2023 of the Company's Ordinary Shareholder Meeting rendered a positive opinion on the compensation report for the previous reporting period according to art. 90g. of the Public Offering Act.

The resolution rendering an opinion on the previous compensation report has been incorporated in this Compensation Report in this way that this Compensation Report presents information regarding the previous reporting period (data for the years from 2019 to 2022) in an identical manner as before – the Company's Shareholder Meeting rendered a positive opinion on the compensation report.

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This Compensation Report was ratified by the DINO POLSKA S.A. Supervisory Board on 17 May 2024.

Tomasz Biernacki \_\_\_\_\_

Piotr Borowski \_\_\_\_\_

Eryk Bajer \_\_\_\_\_



Sławomir Jakszuk

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Maciej Polanowski

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