



MLP
GROUP



MLP Group S.A.
Report of the Supervisory Board
on remuneration for 2022

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1. APPLICABLE LAW

Pursuant to Art. 90g.1 of the Act on Public offering, conditions governing the introduction of financial instruments to organized trading, and public companies of 29 July 2005 (the "Public Offering Act"), the Supervisory Board of MLP Group S.A. hereby submits to the Annual General Meeting of MLP Group S.A. a report on remuneration (the "Report" or "Remuneration Report"), presenting a comprehensive overview of remuneration, including all benefits, in whatever form, received by or due to each member of the Management Board or Supervisory Board in the financial year 2022 in accordance with the Company's remuneration policy.

The obligation to prepare this Remuneration Report arises under Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, implemented into Polish law by way of the Act Amending the Public Offering Act and Certain Other Acts of 16 October 2019. Under the Directive, the Supervisory Board is required to prepare the present Report.

This Remuneration Report covers the year 2022.

The Report of the Supervisory Board on remuneration for 2021 received a positive opinion under Resolution No. 12 of the Annual General Meeting of MLP Group S.A. of 16 May 2022.

2. INTRODUCTION

We hereby submit the Report of the Supervisory Board of MLP Group S.A. on remuneration, presenting a comprehensive overview of remuneration, including all benefits, received by each member of the Management Board or Supervisory Board in the financial year 2022.

This Report has been prepared in compliance with the Company's remuneration policy as adopted by Resolution No. 14 of the Annual General Meeting of MLP Group S.A. of 29 June 2020.

These documents are prepared, adopted and applied in order to enhance the transparency of remuneration policy applicable and actual remuneration awarded to members of the Management Board and the Supervisory Board and to establish a closer relationship between their remuneration and their performance by improving shareholders' oversight of remuneration paid thereto.

This Report therefore facilitates the exercise of shareholders' rights and ensures the accountability of the Company's management and supervisory bodies. This document provides comprehensive information on the total remuneration received by or due to each member of the Management or Supervisory Board and its components, as well as on the performance criteria applied and remuneration, if any, received from other entities of the same corporate group. This Report does not provide the number of financial instruments granted or offered as no such instruments existed during the reporting period.

The financial data of the Company and the MLP Group S.A. Group in the reporting period is presented in the table below.

Data	2019	2020	2021	2022	Change 2019 vs. 2020	Change 2020 vs. 2021	Change 2021 vs. 2022
Consolidated net asset value (NAV)	PLN 938,555 thousand	PLN 1,211,732 thousand	PLN 1,824,521 thousand	PLN 2,497,951 thousand	↑29%	↑51%	↑37%
Consolidated net profit	PLN 129,369 thousand	PLN 170,369 thousand	PLN 480,470 thousand	PLN 422,390 thousand	↑32%	↑182%	↓-12%
Stand alone net asset value (NAV)	PLN 156,351 thousand	PLN 271,763 thousand	PLN 413,326 thousand	PLN 618,326 thousand	↑74%	↑52%	↑50%
Stand alone net profit	PLN 7,377 thousand	PLN 9,263 thousand	PLN 17,978 thousand	PLN 23,022 thousand	↑26%	↑94%	↑28%

3. THE AGGREGATE REMUNERATION, BROKEN DOWN INTO COMPONENTS, AND THE RELATIVE PROPORTIONS OF THESE COMPONENTS

In compliance with Art. 90g.2.1) of the Public Offering Act, this Report presents the aggregate remuneration of each Management Board member, broken down into components, including any remuneration received from any entity from the same corporate group, as defined in Art. 90g.2.5 of the Public Offering Act.

In this Report, all amounts in the tables are presented on a cash basis. Furthermore, in compliance with Art. 90g.2.1) of the Public Offering Act, this Report presents the appropriate proportions of fixed and variable remuneration. The above information is presented in the form a table.

A) MANAGEMENT BOARD

The President of the Management Board of MLP Group S.A. receives fixed monthly remuneration for serving on the Management Board, as awarded by Supervisory Board Resolution No. 2/12/2013, which is paid twice a year (for the first half-year by 30 June and for the second half-year by 31 December). All Management Board members are remunerated under employment contracts, which is paid monthly (by the end of a month) or under service contracts. In addition, Radosław T. Krochta, Tomasz Zabost and Michael Shapiro receive remuneration for serving on the management boards of other MLP Group S.A. Group companies, which is paid twice a year (for the first half-year by 30 June and for the second half-year by 31 December). Management Board members receive fixed components of the remuneration for providing services to MLP Group S.A. Group companies. In addition, in 2022, members of the Management Board of MLP Group S.A. were eligible for bonuses as defined in their respective employment contracts in accordance with the bonus system introduced by Supervisory Board resolutions on remuneration of Management Board members. The bonus system provides for a NAV-linked bonus, i.e., a bonus that is calculated as a percentage of the annual growth in NAV (net asset value), determined as: the difference between NAV as at 31 December of a given year (based on the full-year report published by the MLP Group S.A. Group) and NAV for the previous year increased by the amount of dividend paid to shareholders of MLP Group S.A. in the same year, decreased by the internal annual NAV growth of 5% of the previous year's NAV and by the total increase in the share capital of MLP Group S.A. resulting from the issue of new shares or a merger of MLP Group S.A. with another company. Members of the Management Board receive variable remuneration from the entities from the MLP Group S.A. Capital Group based on civil law contracts.

Remuneration at MLP Group S.A

Full name and position	Financial year	Remuneration at MLP Group S.A	
		Fixed remuneration (PLN)	Variable remuneration (PLN)
Radosław T. Krochta President of the Management Board	2021	121,200.00	2,778,683.42
	2022	121,200.00	680,385.88*
Michael Shapiro Vice President of the Management Board	2021	494,370.00	0.00
	2022	506,345.40	0.00
Tomasz Zabost Member of the Management Board	2021	99,000.00	1,496,214.15
	2022	99,000.00	360,204.00*
Monika Dobosz Member of the Management Board	2021	-	
	2022	50,000.00	360,204.00*
Agnieszka Gózdź Member of the Management Board	2021	-	
	2022	246,500.00	360,204.00*

* The variable remuneration due for 2022 was paid by the date of approval of this report. The variable remuneration due for 2021 was paid on 28 April 2022. Radosław T. Krochta received PLN 2,778,683.42 and Tomasz Zabost received PLN 1,496,214.15.

** On July 26th 2022 the Supervisory Board appointed Ms Monika Dobosz and Ms Agnieszka Gózdź to the Management Board.

Remuneration at other entities of the MLP Group S.A. Group

Full name and position	Financial Year	Remuneration at other entities of the MLP Group S.A. Group		
		Fixed remuneration (PLN), including:		Variable remuneration (PLN)
		For serving as Member of the Management Board	Other under the employment relationship and civil-law contracts	
Radosław T. Krochta President of the Management Board	2021	45,700.00	456,000.00	924,383.00
	2022	49,200.00	529,500.00	1,540,872.60****
Michael Shapiro Vice President of the Management Board	2021	44,500.00	33,600.00	1,496,214.15
	2022	46,800.00	36,120.00	1,200,679.95***
Tomasz Zabost Member of the Management Board	2021	45,700.00	336,000.00	584,814.00
	2022	48,000.00	396,000.00	840,475.96**
Monika Dobosz Member of the Management Board	2021	-	-	-
	2022	0.00	189,500.00	840,475.96**
Agnieszka Gózdź Member of the Management Board	2021	-	-	-
	2022	0.00	0.00	840,475.96**

** The variable remuneration of Tomasz Zabost, Monika Dobosz and Agnieszka Gózdź due for 2022 was paid by the date of approval of this report. The variable remuneration of Tomasz Zabost due for 2021 was paid on 28 April 2022.

***The variable remuneration of Michael Shapiro due for 2022 due was paid by the date of approval of this report. The variable remuneration due for 2021 was paid on 28 April 2022.

**** The variable remuneration of Radosław T. Krochta due for 2022 in the amount of PLN 1,742,309.74 was partly paid (PLN 1,540,872.60) by the date of approval of this report. The amount of PLN 201,437.00 by the date of approval of this report has not been paid. The variable remuneration of Radosław T. Krochta due for 2021 was paid on 28 April 2022.

The table below presents the split of total remuneration of members of the Management Board into the fixed and variable components, on an aggregate basis for MLP Group S.A. and entities of the MLP Group.

Full name and position	Financial year	Proportions of fixed to variable remuneration
Radosław T. Krochta President of the Management Board	2021	14%/86%
	2022	23%/77%
Michael Shapiro Vice President of the Management Board	2021	28%/72%
	2022	33%/67%
Tomasz Zabost Member of the Management Board	2021	19%/81%
	2022	31%/69%
Monika Dobosz Member of the Management Board	2021	-
	2022	17%/83%
Agnieszka Gózdź Member of the Management Board	2021	-
	2022	17%/83%

In the reporting period, Members of the Management Board received benefits in the form of the possibility of using private Luxmed medical care, the possibility of using company cars for private purposes and Employee Capital Plans (Polish abbreviation PPK) financed by the employer.

Full name and position	Financial year	Other benefits		
		Private healthcare package (PLN)	Company car (PLN)	Employee capital plans (PLN)
Radosław T. Krochta President of the Management Board	2021	437.20	4,800.00	13,709.44
	2022	484.00	4,800.00	43,559.47
Michael Shapiro Vice President of the Management Board	2021	0.00	0.00	0.00
	2022	0.00	0.00	0.00
Tomasz Zabost Member of the Management Board	2021	437.20	4,800.00	7,971.85
	2022	484.00	4,800.00	24,007.43
Monika Dobosz Member of the Management Board	2021	-	-	-
	2022	0.00	2,096.73	884.85
Agnieszka Gózdź Member of the Management Board	2021	-	-	-
	2022	211,50	0.00	0.00

Other benefits in 2022 represent 1.67% of Radosław T. Krochta's total remuneration, 0% of Michael Shapiro's total remuneration, 1.68% of Tomasz Zabost's total remuneration, 0.21% of Monika Dobosz's total remuneration and 0.01% of Agnieszka Gózdź's total remuneration.

Total remuneration of Members of the Management Board received in the years 2019-2022 in MLP Group S.A. and entities from the MLP Group S.A. Capital Group is presented in the table below.

Full name and position	Total remuneration in 2019 (PLN)	Total remuneration in 2020 (PLN)	Total remuneration in 2021 (PLN)	Total remuneration in 2022 (PLN)	Change 2019 vs 2020	Change 2020 vs 2021	Change 2021 vs 2022
Radosław T. Krochta President of the Management Board	1,798,499.00	2,470,618.54	4,298,896.42	2,921,158.48*	37%	74%	-32%
Michael Shapiro Vice President of the Management Board	766,741.46	983,153.06	2,068,684.15	1,789,945.35	28%	110%	-13%
Tomasz Zabost Member of the Management Board	1,158,201.00	1,574,639.06	2,544,602,15	1,743,679.96	36%	62%	-31%
Monika Dobosz Member of the Management Board	-	-	-	1,440,179.96	-	-	-
Agnieszka Gózdź Member of the Management Board	-	-	-	1,447,179.96	-	-	-

* The variable remuneration of Radosław T. Krochta due for 2022 in the amount of PLN 1,742,309.74 was partly paid (PLN 1,540,872.60) by the date of approval of this report. The amount of PLN 201,437.00 by the date of approval of this report has not been paid. The variable remuneration of Radosław T. Krochta due for 2021 was paid on 28 April 2022.

B) SUPERVISORY BOARD

Pursuant to a resolution of the Extraordinary General Meeting of MLP Group S.A. of 16 May 2022, since that date Supervisory Board members have been receiving quarterly remuneration of PLN 15,000 (fifteen thousand zloty) gross, which is paid four times a year (for each quarter). For the first quarter of 2022, Members of the Supervisory Board received a remuneration in the amount of of 12,000 PLN

Full name of Supervisory Board member	Remuneration at MLP Group S.A. (PLN)						
	For the financial year 2019	For the financial year 2020	For the financial year 2021	For the financial year 2022	Change 2020 vs. 2019	Change 2020 vs. 2021	Change 2021 vs. 2022
Shimshon Marfogel	30,000.00	39,000.00	48,000.00	57,000.00	↑30%	↑ 23%	↑ 19%
Eytan Levy	30,000.00	39,000.00	48,000.00	57,000.00	↑ 30%	↑ 23%	↑ 19%
Daniel Nimrodi*	30,000.00	35,000.00	n/d	n/d	↑ 17%	n/d	n/d
Guy Shapira	30,000.00	39,000.00	48,000.00	57,000.00	↑ 30%	↑ 23%	↑ 19%
Oded Setter*	0,00	4,000.00	48,000.00	57,000.00	↑ 100%	↑ 1100%	↑ 19%
Maciej Matusiak	30,000.00	39,000.00	48,000.00	57,000.00	↑ 30%	↑ 23%	↑ 19%
Piotr Chajderowski	30,000.00	39,000.00	48,000.00	57,000.00	↑ 30%	↑ 23%	↑ 19%

* On November 30th 2020, Daniel Nimrodi resigned as Member of the Supervisory Board. Cajamarca Holland B.V. of Delft, the Netherlands, one of the Company's shareholders, in the exercise of its rights under the Articles of Association, appointed Oded Setter in Mr. Nimrodi's place, with effect from December 1st 2020.

C) EMPLOYEES

Financial year	Average remuneration of employees other than members of the Management or Supervisory Board	
	Remuneration at MLP Group S.A. (PLN)	Remuneration at other entities of the MLP Group S.A. Group (PLN)
2019	8,655.55	5,643.02
2020	9,704.72	6,954.99
2021	10,629.76	9,467.24
2022	10,326.93	9,240.06
Change 2020 vs. 2019	12% increase	23% increase
Change 2021 vs. 2020	10% increase	36% increase
Change 2022 vs. 2021	3% decrease	2% decrease

4. EXPLANATION OF HOW THE TOTAL REMUNERATION COMPLIES WITH THE COMPANY'S REMUNERATION POLICY, INCLUDING HOW IT CONTRIBUTES TO THE LONG-TERM PERFORMANCE OF THE COMPANY

The remuneration system for the Management Board takes into account the objectives set for and performance of individual Management Board members and the Management Board as a whole, as well as the Company's economic and financial condition, results and outlook. The total remuneration of members of the Management Board is consistent with the Company's remuneration policy and in 2022 consisted primarily of two components:

- fixed remuneration,
- variable remuneration.

Remuneration of Supervisory Board members for 2022, however, comprised exclusively the fixed component. In 2022, none of the Supervisory Board members received any variable remuneration, which is also consistent with the Company's remuneration policy, which provided for no bonuses for the Supervisory Board in the reporting period. In determining the amount of fixed remuneration, the Company took into account:

- ✓ the workload required to perform a particular role,
- ✓ the scope of duties, tasks and responsibilities related to the position held,
- ✓ the amount of remuneration received by members of governing bodies of other entities operating in the market.

Variable components of remuneration of the Management Board members are contingent on the Company's financial performance and as such are paid in accordance with transparent rules and criteria and in such a manner as to ensure effective implementation of the remuneration policy. The bonus system was prepared in appreciation of the contribution and commitment of key personnel to the Company's commercial success, in particular in view of its business plans and value growth potential.

The bonus system for members of the Management Board that was in place in 2022 served primarily to ensure delivery by the Company of its business objectives, including financial targets, and to enhance the Company's ability to achieve long-term objectives. The strategic criterion for assessment of delivery of the long-term objectives is the increase in NAV.

5. INFORMATION ON THE APPLICATION OF PERFORMANCE CRITERIA

With the remuneration of Management Board members for 2022 divided into fixed and variable components, the Company was able to flexibly determine the latter, depending on the performance delivered. The rules for calculating bonuses for members of the Management Board are set out in Section 3C of this Report.

Financial criteria of the bonus system					
Criterion	2018	2019	2020	2021	2022
Consolidated net asset value (NAV)	PLN 815,352 thousand	PLN 938,555 thousand	PLN 1,211,732 thousand	PLN 1,824,521 thousand	PLN 2,497,951 thousand
Dividend paid to shareholders of MLP Group S.A.	PLN 3,260 thousand	PLN 0 thousand	PLN 3,985 thousand	PLN 0 thousand	PLN 0 thousand
Share capital increase at MLP Group S.A.	PLN 0 thousand	PLN 0 thousand	PLN 110,134 thousand	PLN 123,585 thousand	PLN 181,978.2 thousand

6. INFORMATION ON EXERCISING THE OPTION TO RECLAIM VARIABLE REMUNERATION COMPONENTS

The Company has not provided for the right to reclaim variable remuneration components.

7. INFORMATION ON ANY DEVIATIONS FROM THE PROCEDURE FOR THE IMPLEMENTATION OF THE REMUNERATION POLICY AND ON ANY DEROGATIONS APPLIED, INCLUDING THE EXPLANATION OF THE REASONS FOR AND THE MANNER OF SUCH DEROGATIONS AND THE INDICATION OF THE SPECIFIC ELEMENTS DEROGATED FROM

In 2022, the Company did not depart from the remuneration policy implementation procedure.

Signatures of the Supervisory Board Members:

Shimshon Marfogel, Chairman of the Supervisory Board.....

Eytan Levy, Member of the Supervisory Board.....

Guy Shapira, Member of the Supervisory Board.....

Oded Setter, Member of the Supervisory Board.....

Maciej Matusiak, Member of the Supervisory Board.....

Piotr Chajderowski, Member of the Supervisory Board.....

Pruszków, 22 June 2023

