LPP

1Q19 FINANCIAL RESULTS PRESENTATION

WARSAW
28th May 2019

RESERVED CROPP house MOHITO sinsay

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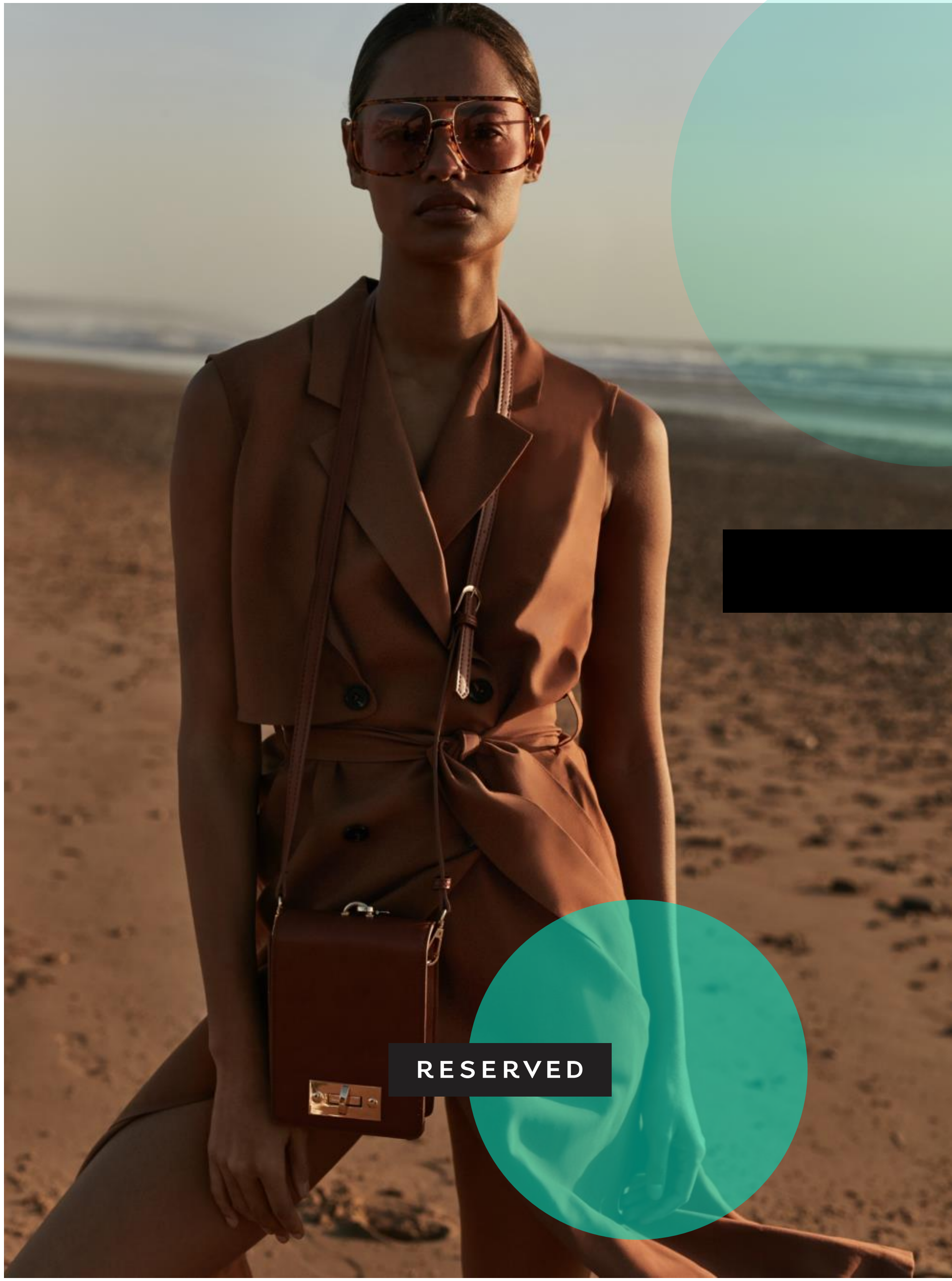

LPP

1. 1Q19 financial results

2. Key corporate events

3. 2019 outlook

Growth continues

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1,724
STORES

24
COUNTRIES

+8.4%
m2

+11.4%
LFL

+47%
E-COMMERCE

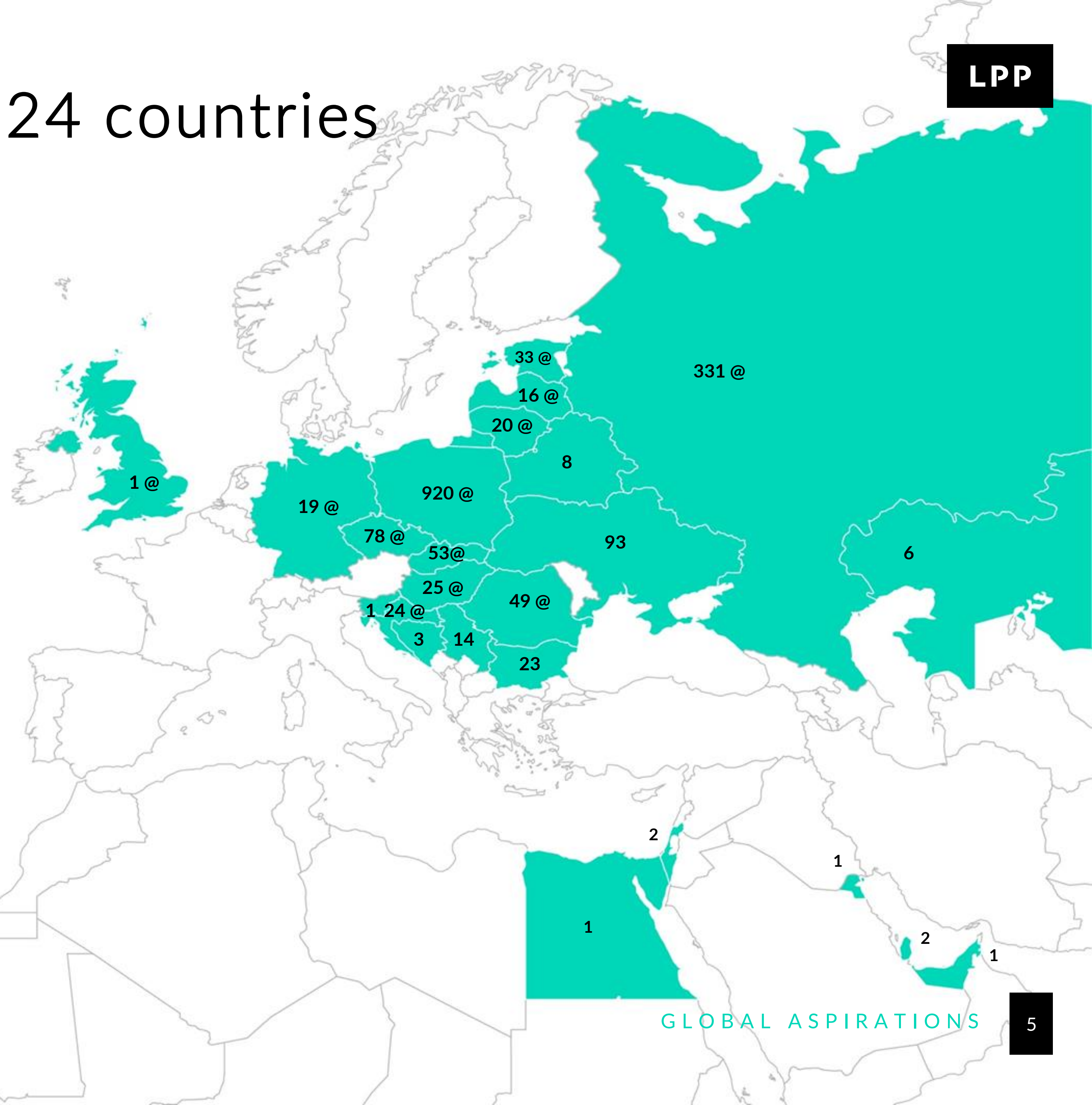
+15.7%
GROUP REVENUES

1,724 stores in 24 countries

31.03.2019	No. of stores	YoY
LPP GROUP	**1,724**	**- 4**
Reserved	451	- 7
Cropp	365	- 12
House	320	- 12
Mohito	289	- 2
Sinsay	274	+ 38
Outlets	25	- 9

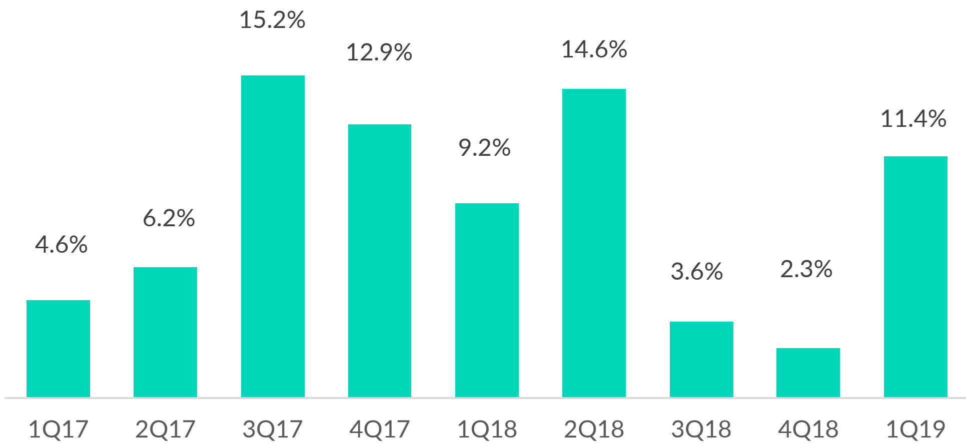
xx Number of stores

@ Internet stores

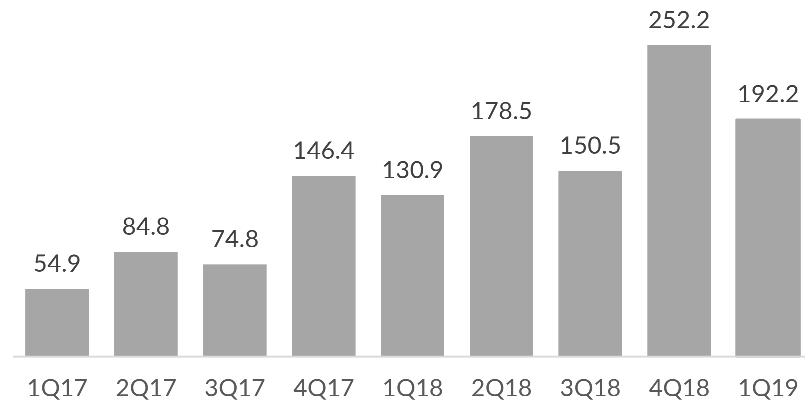


Further LFL and e-commerce growth

LFL DYNAMICS
(local currencies)



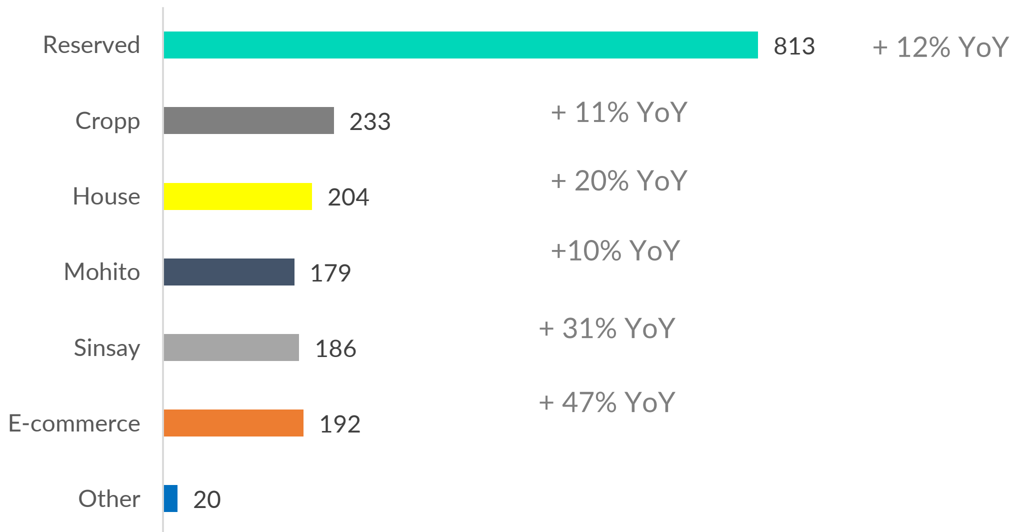
ON-LINE SALES
(PLN m)



- LFLs were positive each month in 1Q19 and on each brand.
- In 1Q19 LFLs were positive in majority of countries (the highest in Lithuania, Romania, Ukraine and Russia). Double-digit positive LFLs were also reported in Western Europe (United Kingdom and Germany).
- Double-digit e-commerce growth (+47% YoY) due to development of e-stores outside of Poland, marketing outlays and changing customer habits in Poland (stores partially closed on Sundays).
- On-line sales amounted to 12.0% of revenues from Poland and 10.5% group revenues in 1Q19.

Growth in all brands

REVENUES BY BRANDS
(PLN m)



1Q19 FLOORSPACE
(by brands)

ths m2	1Q18	1Q19	YoY
LPP GROUP	1,000.9	1 085.4	8.4%
Reserved	561.0	609.7	8.7%
Cropp	127.7	134.3	5.2%
House	110.9	115.0	3.8%
Mohito	103.4	108.1	4.5%
Sinsay	85.8	107.3	25.0%
Outlets	12.1	11.0	-8.6%

- In 1Q19 Reserved and Cropp generated more revenues from abroad than from Poland.
- The fastest sales growth was recorded by Sinsay (successful collections and dynamic network development) and House brand (continuation of YoY collection improvements). Mohito showed an increase in sales with improved SS19 collection.
- Reserved kept a fast growth pace due to new collections, which were positively accepted by clients as well as a consistent floorspace development (new markets: Kazakhstan, Slovenia, B&H and Israel).

Floorspace growth in all regions

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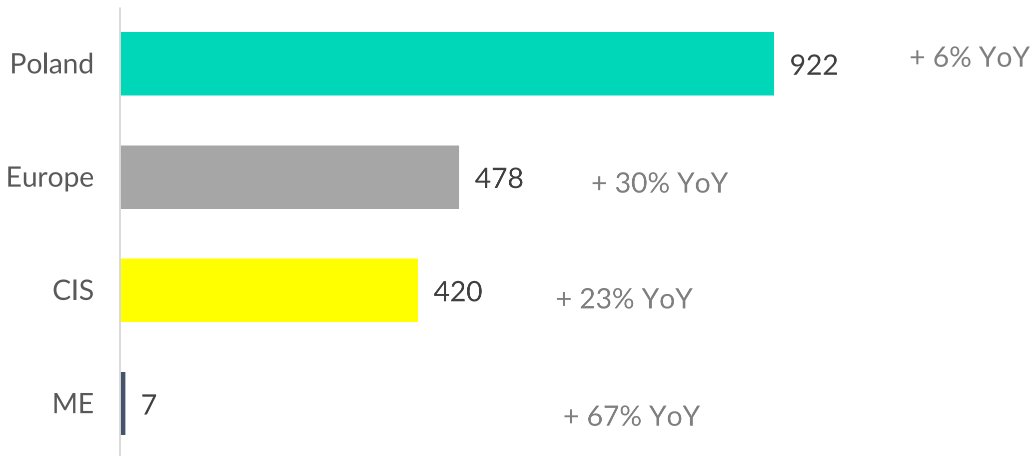
REVENUES BY REGIONS
(PLN m)



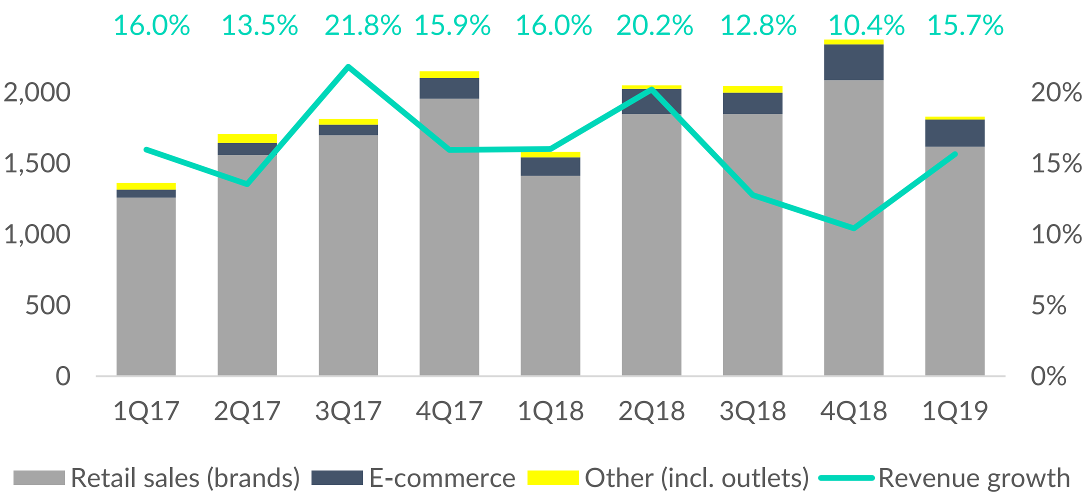
1Q19 FLOORSPACE
(by regions)

ths m2	1Q18	1Q19	YoY
LPP GROUP	1,000.9	1,085.4	8.4%
Poland	511.5	513.9	0.5%
Europe	235.0	287.4	22.3%
CIS	247.8	277.1	11.8%
ME	6.6	7.1	7.2%

- Revenue growth in Poland results from floorspace optimization and the impact of further restrictions on Sunday trading. Dynamic revenue growth in Europe in 1Q19 due to strong growth in the CEE and SEE regions.
- High sales dynamics in all CIS countries in 1Q19 and new market impact (Kazakhstan).
- Growth in ME in 1Q19 due to successful entry into Israel in 3Q18.
- Among countries, the highest nominal YoY revenue growth was recorded in Poland and Russia.

Group revenues continue to grow

GROUP REVENUES
(PLN m)



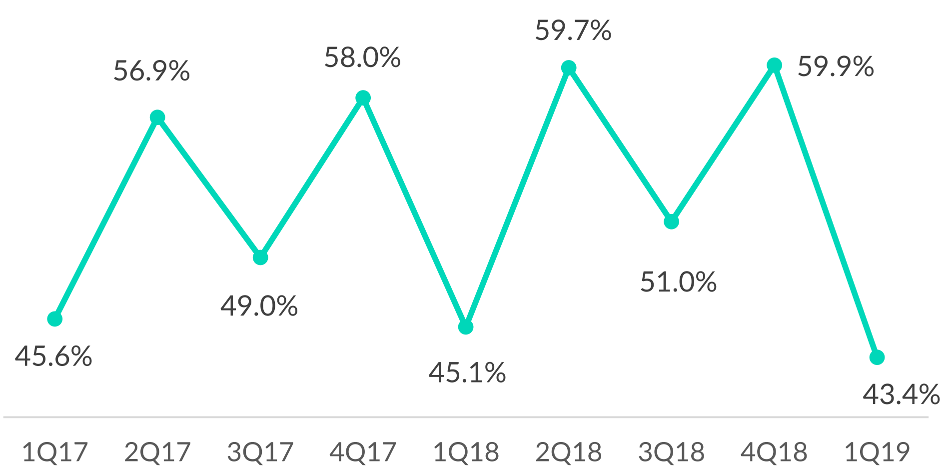
REVENUES/ M2

PLN (monthly)	1Q18	1Q19	YoY
LPP GROUP retail	521	510	-2.1%
Poland	562	525	-6.5%
Europe	520	500	-3.9%
CIS	444	491	10.5%
LPP GROUP	532	567	6.6%

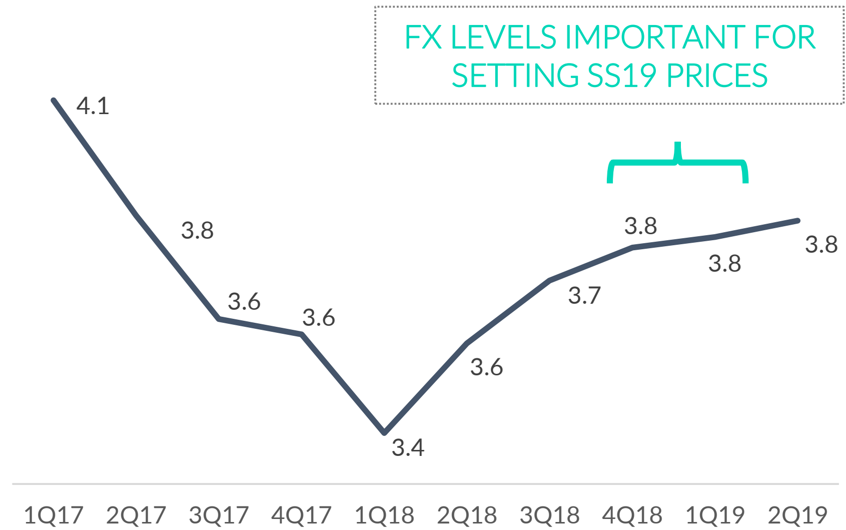
- Group revenues grew 15.7% YoY in 1Q19 due to higher floorspace, positive LFLs (favourable collections) and high e-commerce dynamics.
- Higher YoY sales/ m2 in 1Q19 due to e-commerce development. Lower YoY retail sales/ m2 due to opening of increasingly large stores.
- The highest double-digit retail sales/ m2 growths were recorded in 1Q19 in Lithuania, Ukraine, Latvia, Germany.

Gross profit margin influenced by US$/PLN

QUARTERLY GROSS PROFIT MARGIN

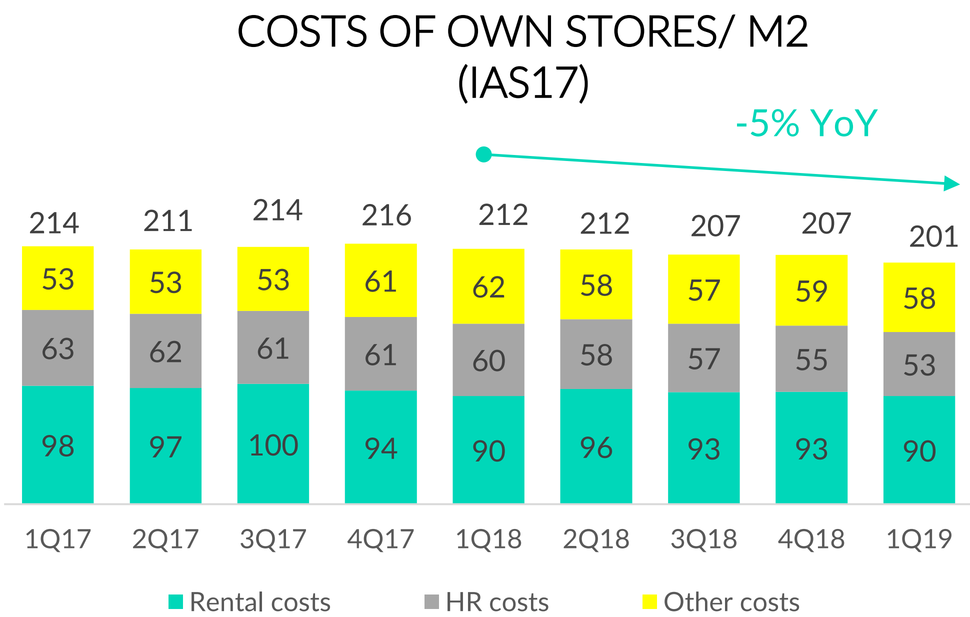


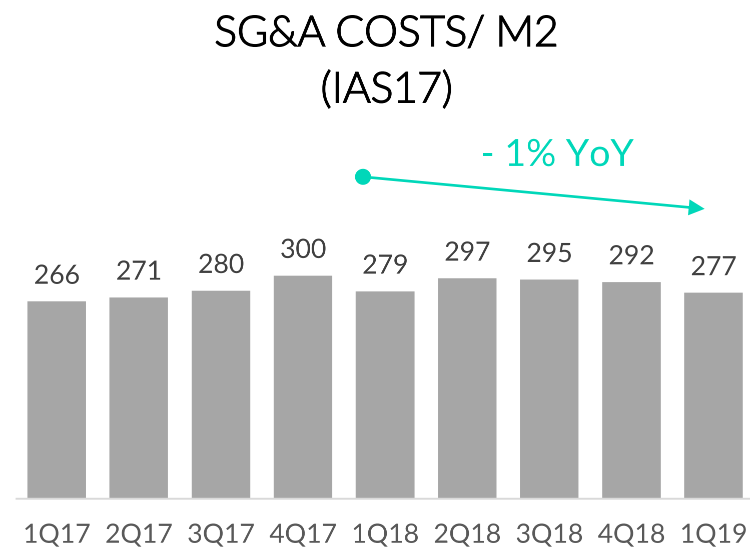
AVERAGE QUARTERLY US$/PLN



- Fall in gross margin YoY in 1Q19 due to higher YoY sell-offs in line with the policy of maximizing sales in stores (consequence of unsatisfactory December sales).
- The new collection was introduced to stores in February and had the largest impact on March gross profit margin.
- SS19 collection was purchased at a higher YoY US$/PLN.

Operating costs under control





- Stable YoY rental costs → higher average store space lowers average rent/ m2, but higher EUR/PLN.
- Double-digit YoY fall in HR costs → lower responsibilities of sales personnel, outsourcing of part of HR functions. Fall in other costs of stores → ongoing cost optimisation.
- Fall in SG&A/ m2 → higher nominal HQs costs due to further e-commerce development and related higher logistics costs, but fall/ m2 due to higher floorspace growth.

IFRS16 applied for the first time in 1Q19

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PLN m	1Q18 IAS17	1Q19 IFRS16	YoY	1Q19 IAS17
Revenues	**1,580.4**	**1,827.7**	**15.7%**	**1,827.7**
Gross profit margin	*45.1%*	*43.4%*	*-1.7pp.*	*43.4%*
SG&A costs	820.5	874.0	6.5%	882.7
Operating loss	**-117.7**	**-100.2**	**N/M**	**-108.9**
EBIT margin	*-7.4%*	*-5.5%*	*2.1pp.*	*-6.0%*
Financial costs	14.5	-16.6	N/M	-5.0
Net loss	**-104.8**	**-114.6**	**N/M**	**-131.4**
EBITDA	**-33.3**	**132.2**	**N/M**	**-8.0**

- Double-digit group revenue growth:
  - positive LFL and floorspace increase,
  - on-line sales development.
- Lower gross margin: very good acceptance of the spring / summer collections, but higher YoY sell-offs in January and February and impact of US$.
- SG&A costs growth below sales dynamics due to positive effect of operating leverage. Limited comparability YoY due to the application of IFRS16.
- Less favourable YoY net financial activity due to IFRS16 application.
- Net loss in the seasonally least important quarter.

IFRS16 – summary of impact

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EBITDA

Significant IFRS16 impact on EBITDA - PLN 131.5m of additional depreciation of right of use assets.

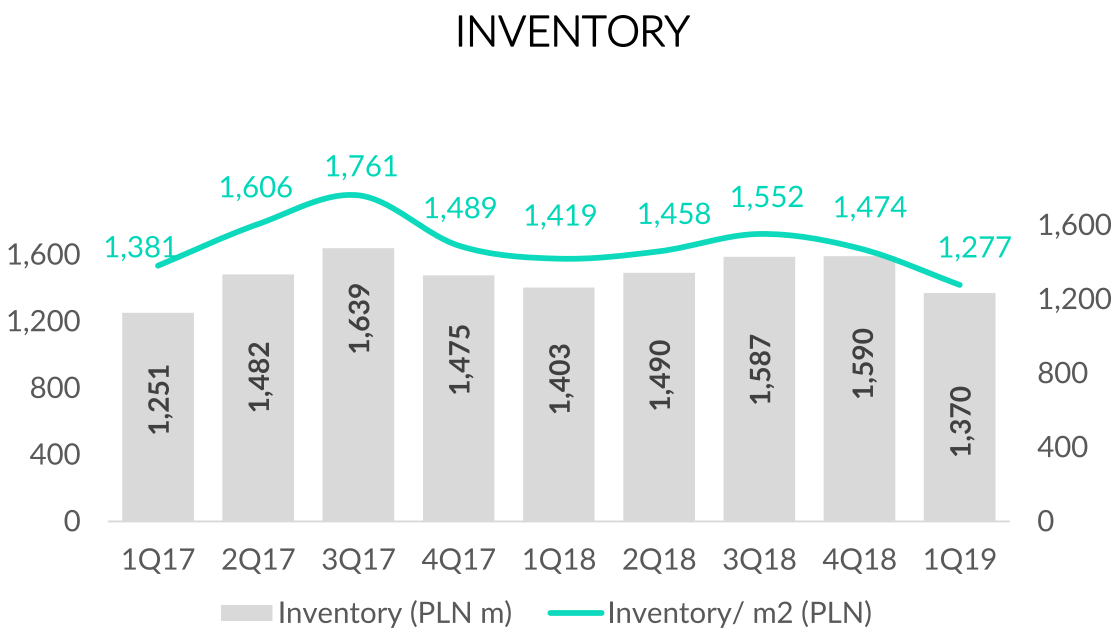
EBIT

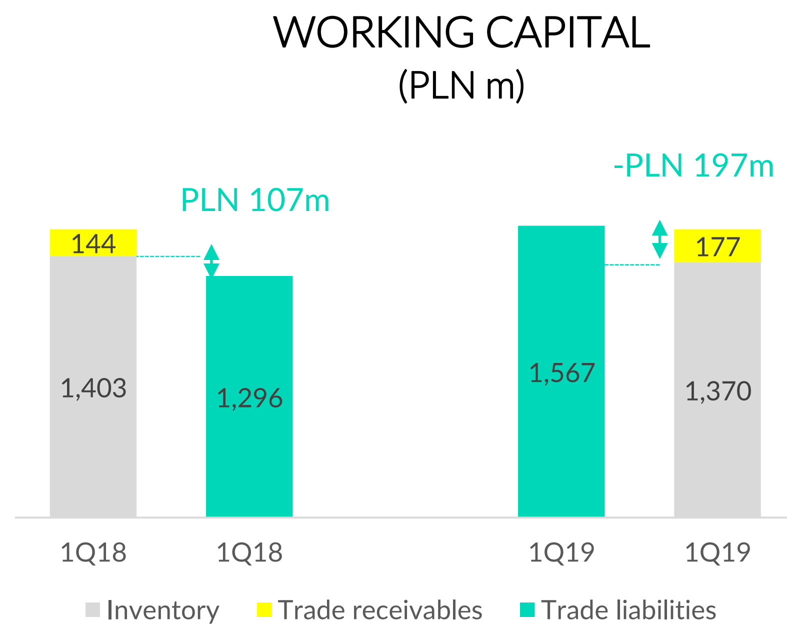
A slight impact of IFRS16 on EBIT - removal of 49% of rentals (PLN 140m) and addition of depreciation of right of use assets.

NET INCOME

The impact of IFRS16 on net profit - financial costs related to the asset (PLN 24.4m) and FX differences (PLN 12.8m).

Trade liabilities finance inventory

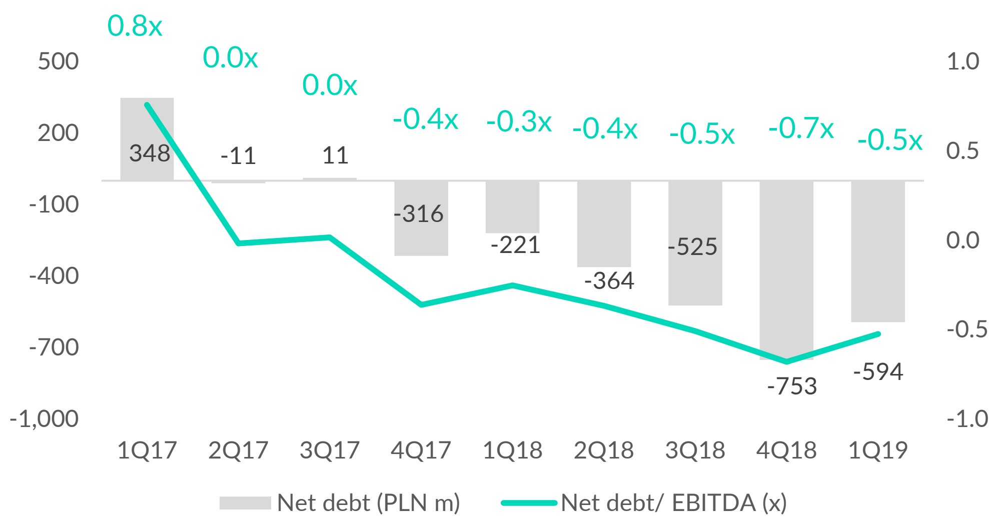




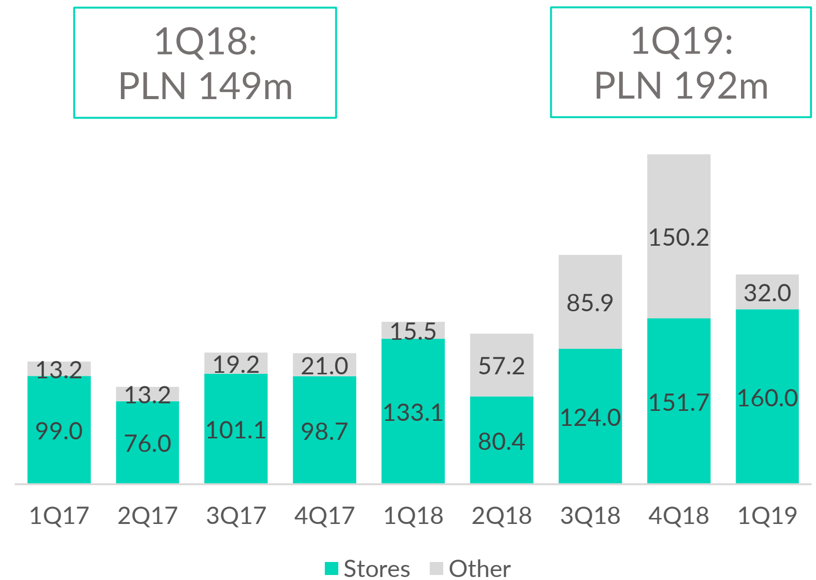
- 2% YoY fall in inventory, due to stronger YoY sell-offs. 10% YoY fall in inventory/ m2, due to floorspace development and a more efficient inventory management.
- We are in line with our long-term target of matching liabilities to inventory level.
- Supplier financing programme utilization at PLN 910m at the end of 1Q19.
- As a result, we reduced our cash cycle to 0 days in 1Q19 compared to 23 days in 1Q18.

Net cash on the balance sheet

NET DEBT AND NET DEBT/ EBITDA
(PLN m, without IFRS16)



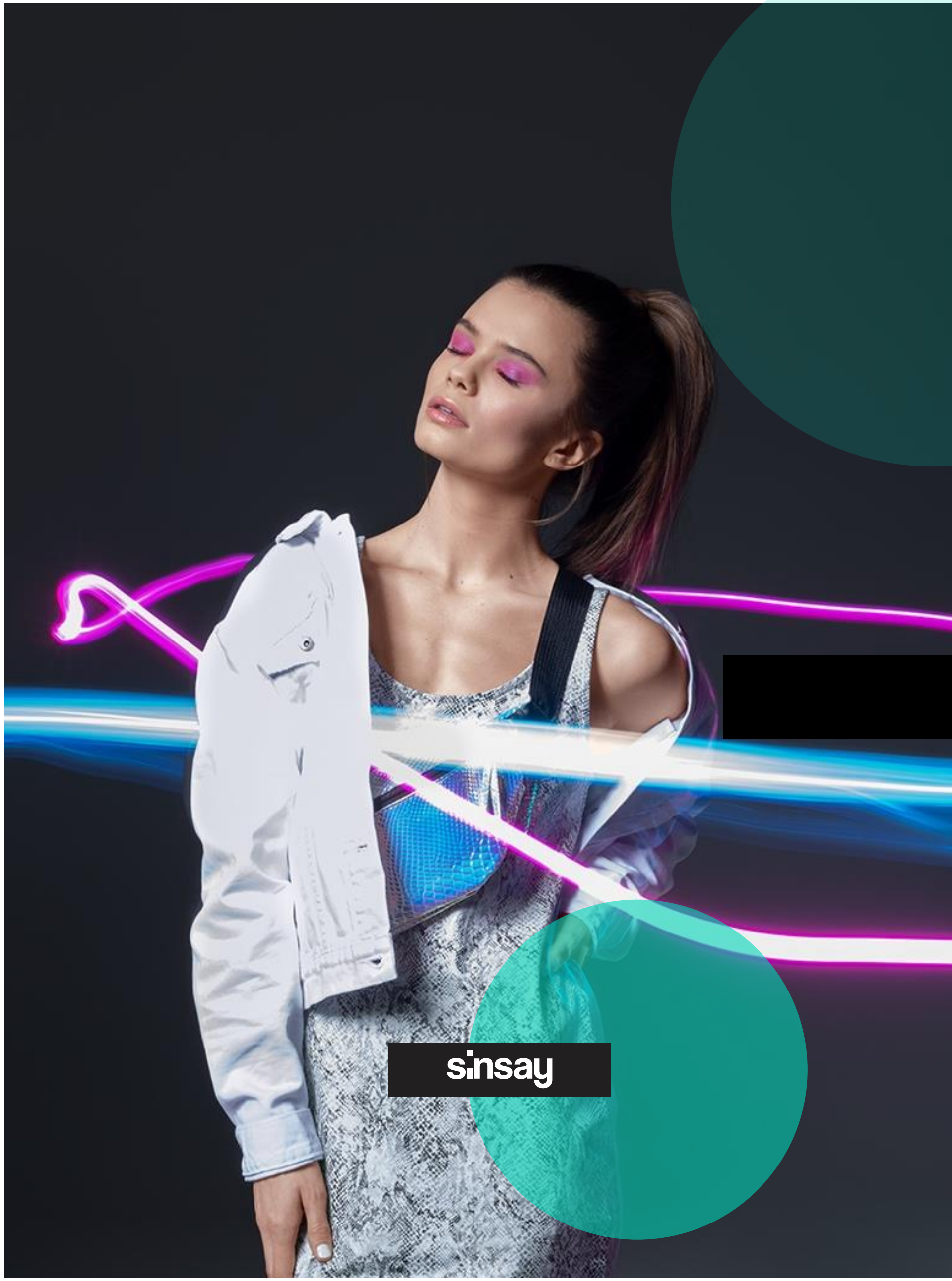
CAPEX
(PLN m)



- At the end of 1Q19, we had PLN 594m of net cash. In addition, we had PLN 55.8m worth of money market funds. Our target is to keep net cash in the next quarters for future investments.
- 1Q19 capex reached PLN 192m, up 29% YoY due to upgrades of existing stores and opening of new ones as well as outlays for distribution centres coupled with expansion of our HQ.
- YoY increase in short-term debt due to taking loans by two foreign subsidiaries.

1Q19 executive summary

1. Positive LFL dynamics in all brands.
2. Double-digit on-line sales growth.
3. Control of costs of stores.
4. Shortening of cash cycle.
5. Financial safety – net cash.



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Key corporate events

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February/March 2019

HOUSE – IMPROVED COLLECTION

Success of the new refreshed House collection.

March/April 2019

EXPANSION IN BOSNIA AND HERZEGOVINA

Opening of stores of 5 LPP's brands in Bosnia & Herzegovina – LPP's 24th market.

5,500 m^2

March/April 2019

E-COMMERCE IN CROATIA

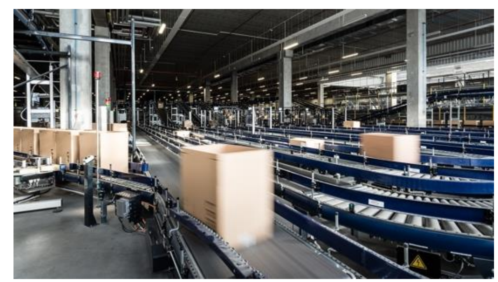
12th market on-line – entry to Croatia with on-line stores of all 5 brands.

May 2018

E-COMMERCE LOGISTICS IN SLOVAKIA

Renting of warehouse space in Slovakia for the purpose of e-commerce logistics.

25,400 m^2



Success of the new House collection

The latest trends from social media and catwalks. Unobvious and interesting stylizations.

SUCCESS OF THE NEW REFRESHED HOUSE COLLECTION.

Double-digit LFLs in each quarter starting from 2Q18.

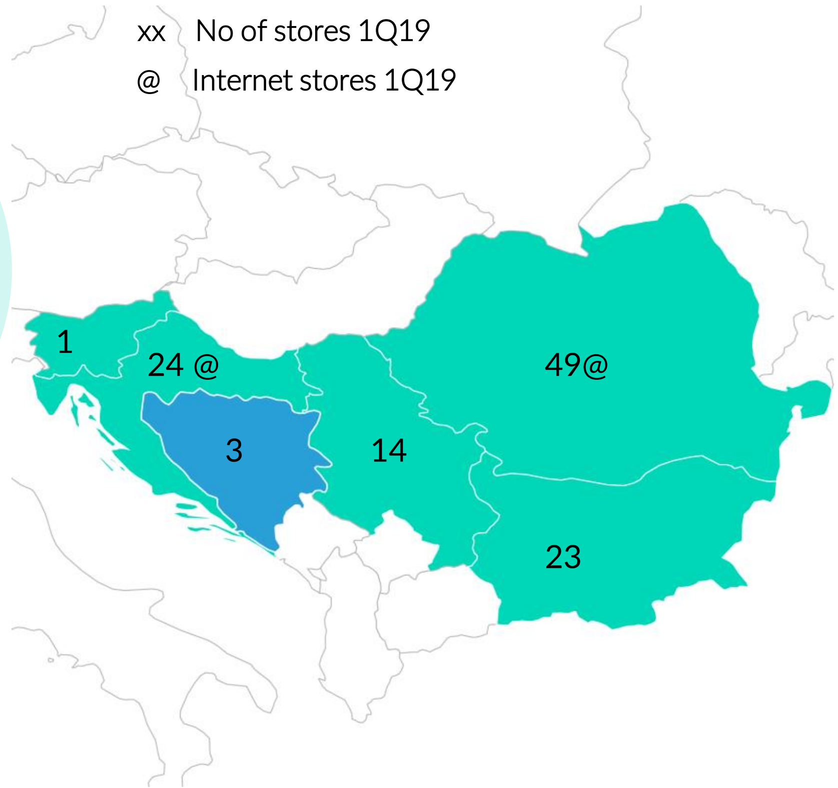
Entry to Bosnia and Herzegovina

In March and April 2019, LPP opened its **FIRST STORES IN BOSNIA AND HERZEGOVINA,** in Banja Luka.

It is the 24th market for LPP.

Floorspace of all stores of LPP brands at 5,500 m2.

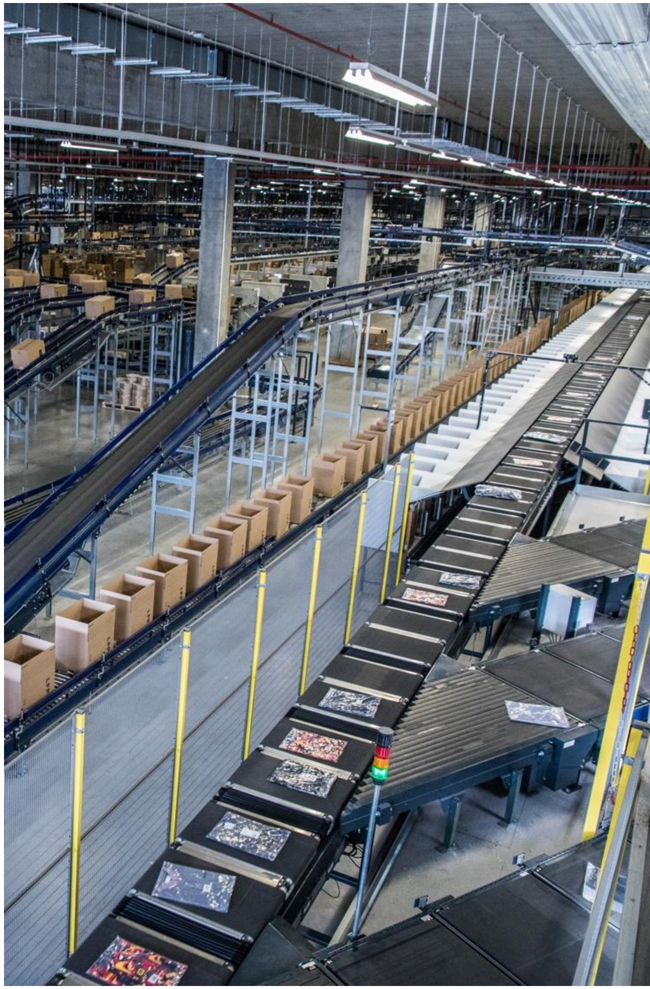
Stores are located in the Delta Planet shopping centre.



Cropp, House and Mohito stores were opened in March, while Reserved and Sinsay in April.

Further logistics development

	EXISTING		FUTURE
POLAND	Pruszcz Gdański 66 ths m2 traditional stores owned	Stryków 46 ths m2 e-commerce, rented Gdańsk 15 ths m2 e-commerce, rented	Brześć Kujawski 100 ths m2 traditional stores owned
ABROAD	Moscow 14 ths m2 traditional stores rented	Moscow 8 ths m2 e-commerce rented	Romania 22 ths.m2 e-commerce, rented Slovakia 25 ths.m2 e-commerce, rented



Strengthening of e-commerce logistics

Stryków, Poland

Expansion of e-commerce warehouse from **30,000 m2 to 46,400 m2** i.e. by 16 ths m2.

Possibility to increase floorspace to 66 ths m2.

Romania

Renting of **22,000 m2** of warehouse floorspace in Romania to support e-commerce operations of the region.

Launch in 2H19.

Slovakia

Renting of **25,400 m2** of warehouse floorspace in Slovakia to support e-commerce operations of the region.

Possibility to increase floorspace to 32,700 m2 in 3 years.
Launch in 1Q20.

E-commerce logistics conducted by FCs (fulfillment centres)

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Growth acceleration in 2019

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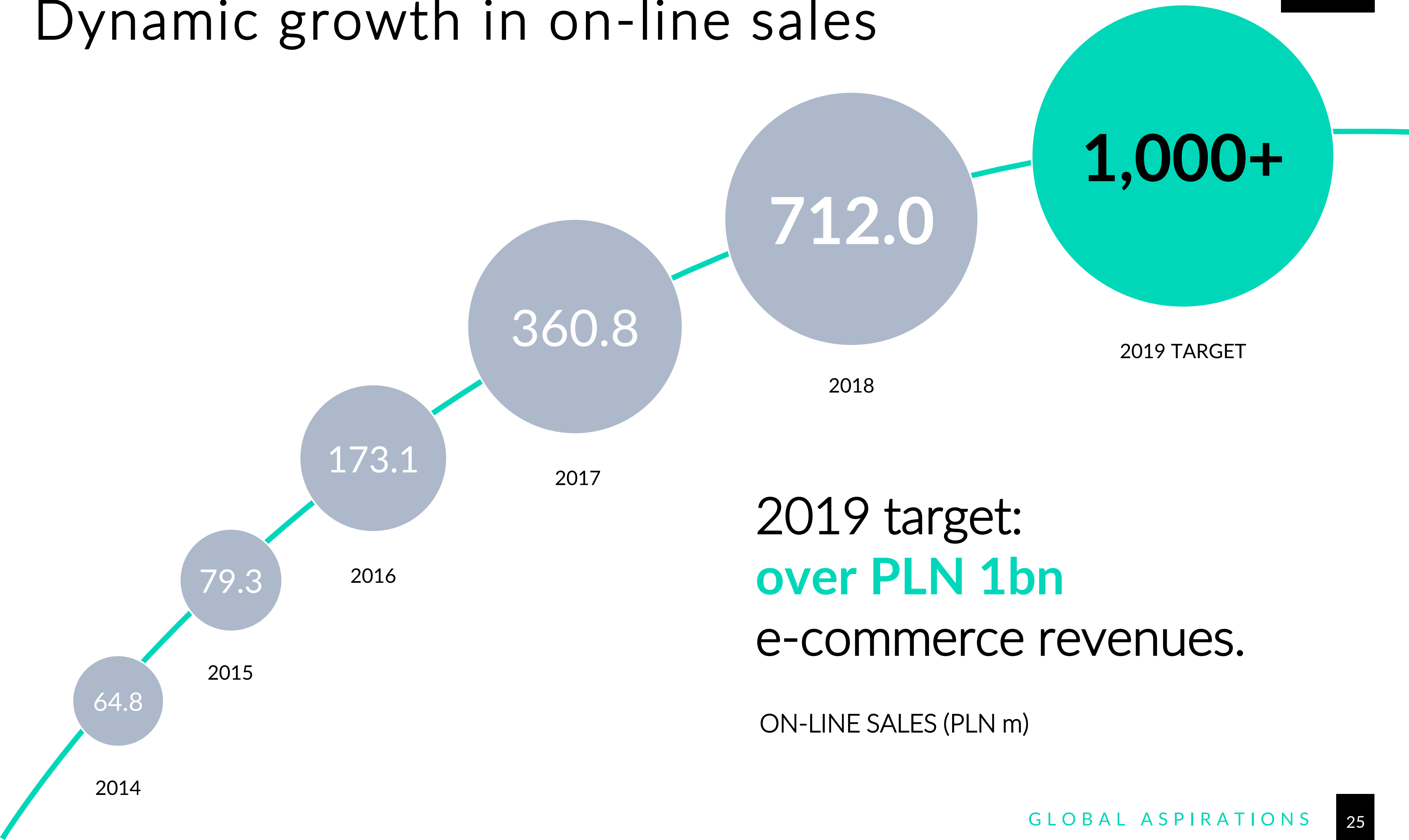
Floorspace (ths m2)	2018	2019 former target	2019 target	YoY
BY BRANDS				
Reserved	616.7	675.1	675.1	9%
Cropp	134.0	152.1	154.7	15%
House	116.2	132.4	132.7	14%
Mohito	109.4	111.6	114.6	5%
Sinsay	103.0	129.6	141.0	37%
Outlets	12.0	9.2	9.1	-24%
BY REGIONS				
Poland	529.5	532.6	542.4	2%
Europe	279.4	351.3	361.5	29%
CIS	275.4	316.7	314.9	14%
ME	7.1	9.5	8.3	17%
TOTAL	**1,091.3**	**1,210.0**	**1,227.1**	**12%**

- 12% YoY floorspace growth in 2019.
- 2 new markets in 2019: Bosnia and Herzegovina and Finland (own stores).
- As a result, at the end of 2019 Reserved brand stores should be present in 25 countries.
- 2019 target:
  - floorspace stabilization in Poland,
  - acceleration of growth in Europe (emphasis on South Eastern Europe),
  - continuation of floorspace development in the CIS region,
  - new store in the Middle East (Israel).
- Planned 2019 capex at c. PLN 870m, up c. 9% YoY. Planned store capex at c. PLN 680m, HQs outlays at PLN c. 110m, logistics outlays at c. PLN 30m and IT at c. PLN 50m.

Dynamic growth in on-line sales



2019 target:
over PLN 1bn
e-commerce revenues.

ON-LINE SALES (PLN m)

Profitable e-commerce growth

- In **2H19** we plan to launch e-stores for all countries of the **European Union and in the Ukraine**.
- Development through **own e-stores** provides us with a direct access to retail customer, control over inventory, price policy and stability (lack of intermediaries, continuity of contact).
- Growth in the European Union is aimed at **profitability** and not scale. We will not subsidise e-commerce delivery costs. We want to learn the preferences of customers from other EU countries, to make it easier for us to enter these markets with traditional stores in future.

Omnichannel is the future of retail

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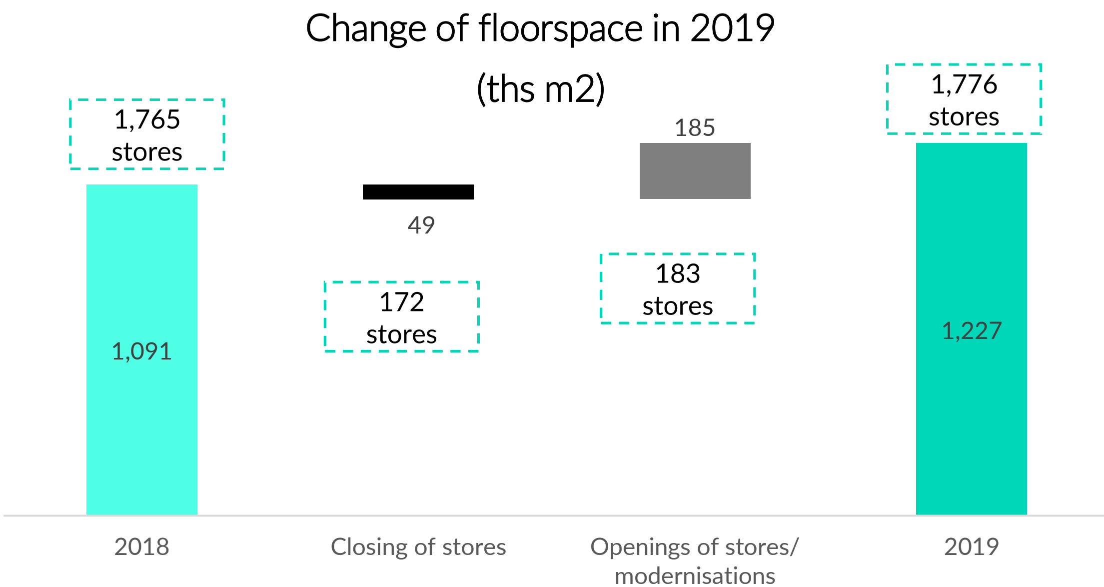
STORES	INTERNET	OMNICHANNEL
We invest in modern stores, inviting customers to enter them.	We invest in modern logistics, increasing the pace of obtaining purchases and in IT, increasing on-line purchases comfort.	We believe that the future belongs to omnichannel and stores support on-line sales.

Higher maintenance capex



In 2018-20, a significant part of our rental agreements expires.

Rental agreements are signed on average for 8 years.

We have decided to thoroughly renew stores whose rental agreements we want to prolong.

Capex 3,000 PLN/ m2 for new floorspace remains unchanged.

In 2018-20 we will incur higher maintenance capex.

Target: traditional stores with RFID supporting e-commerce.

2019 outlook (13 months, IFRS16)

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TARGETS

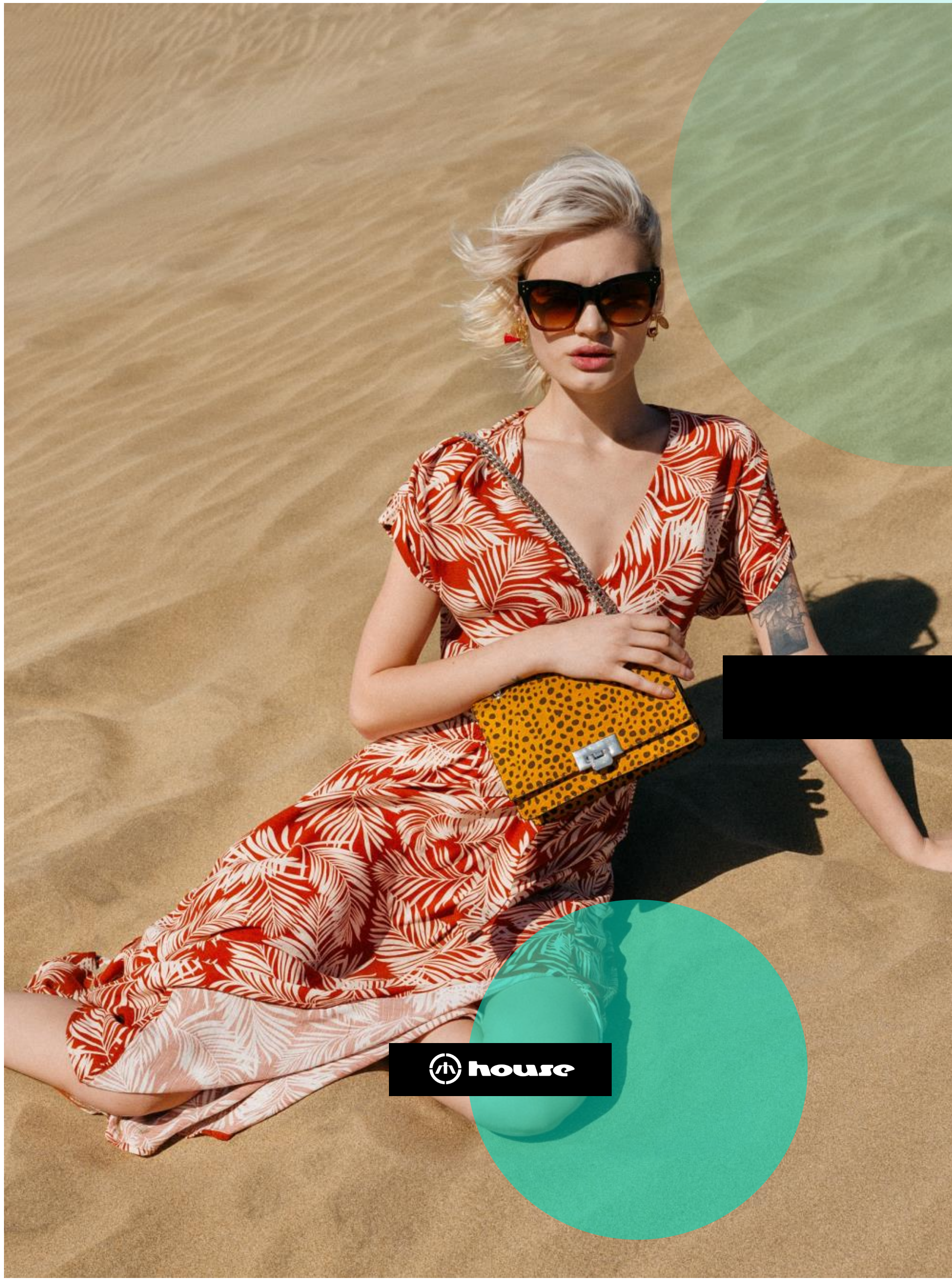
- Continuation of double-digit revenue growth due to floorspace development, positive LFLs and e-commerce.
- Group's gross profit margin should be between 53-54%.
- Cost control.
- Net cash to continue.

OPPORTUNITIES

- LPP's stores in new countries.
- Continuation of dynamic e-commerce growths.
- RFID implementation.

RISKS

- Unfavourable FX trends on US$, EUR and RUB in relation to PLN.
- More severe ban on trade on Sundays (12% of Polish revenues).



Q&A

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Back-up

Network development

Floorspace (ths m2)	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018	30.09.2018	31.12.2018	31.03.2019
Reserved	**510.7**	**520.8**	**526.8**	**562.3**	**561.0**	**582.2**	**584.9**	**616.7**	**609.7**
Poland	245.9	247.4	247.9	266.8	264.9	264.7	259.3	273.3	263.3
Europe	147.7	151.3	157.6	160.8	162.2	178.1	182.3	191.7	192.9
CIS	109.5	114.0	114.7	128.1	127.3	132.8	136.0	144.6	146.4
ME	7.6	8.2	6.6	6.6	6.6	6.6	7.3	7.1	7.1
Cropp	**120.1**	**121.9**	**121.4**	**127.2**	**127.7**	**130.1**	**126.4**	**134.0**	**134.3**
Poland	65.1	66.5	64.9	65.7	65.7	67.9	64.2	66.5	64.2
Europe	21.0	20.8	21.2	22.3	22.1	22.6	22.8	24.9	27.0
CIS	34.0	34.7	35.3	39.3	39.8	39.6	39.3	42.6	43.1
House	**102.9**	**106.6**	**105.6**	**110.6**	**110.9**	**113.0**	**112.4**	**116.2**	**115.0**
Poland	62.4	65.1	64.0	65.0	64.9	66.8	65.9	67.3	64.5
Europe	16.2	16.2	16.2	17.1	17.2	17.0	17.0	18.9	21.0
CIS	24.3	25.4	25.4	28.6	28.7	29.2	29.4	30.1	29.5
Mohito	**97.8**	**99.3**	**98.5**	**103.8**	**103.4**	**105.5**	**106.2**	**109.4**	**108.1**
Poland	51.7	52.6	52.1	53.0	52.3	53.7	52.9	54.1	52.3
Europe	18.1	18.1	18.1	19.7	20.1	21.2	22.2	23.5	24.7
CIS	28.0	28.6	28.4	31.1	31.0	30.6	31.1	31.8	31.0
Sinsay	**69.8**	**72.5**	**76.0**	**84.6**	**85.8**	**92.8**	**94.7**	**103.0**	**107.3**
Poland	48.6	49.0	50.9	53.2	53.3	56.0	56.4	60.1	61.3
Europe	9.7	10.4	10.9	12.8	13.1	15.9	17.3	20.2	21.7
CIS	11.5	13.1	14.2	18.7	19.4	21.0	21.0	22.7	24.3
Tallinder (Poland only)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Outlets	12.6	12.6	**11.6**	**12.1**	**12.1**	**10.6**	**10.8**	**12.0**	**11.0**
Total by regions									
Poland	485.3	492.1	490.5	514.0	511.5	518.0	507.2	529.5	513.9
Europe	212.8	216.9	224.1	232.8	235.0	254.9	261.8	279.4	287.4
CIS	208.2	216.5	218.7	247.3	247.8	254.7	259.0	275.4	277.1
ME	7.6	8.2	6.6	6.6	6.6	6.6	7.3	7.1	7.1
TOTAL	**913.9**	**933.7**	**939.9**	**1,000.6**	**1,000.9**	**1,034.2**	**1,035.4**	**1,091.3**	**1,085.4**

LPP

2019 network development details

Floorspace (ths m2)	31.12.2018	31.12.2019	Nom. growth	YoY growth
Reserved	**616.7**	**675.1**	**58.4**	**9%**
Poland	273.3	273.3	0.0	0%
Europe	191.7	229.3	37.5	20%
CIS	144.6	164.3	19.7	14%
ME	7.1	8.3	1.2	17%
Cropp	**134.0**	**154.7**	**20.7**	**15%**
Poland	66.5	64.8	-1.7	-3%
Europe	24.9	35.8	11.0	44%
CIS	42.6	54.0	11.4	27%
House	**116.2**	**132.7**	**16.4**	**14%**
Poland	67.3	67.7	0.4	1%
Europe	18.9	31.8	12.9	68%
CIS	30.1	33.2	3.2	10%
Mohito	**109.4**	**114.6**	**5.2**	**5%**
Poland	54.1	52.9	-1.1	-2%
Europe	23.5	31.0	7.5	32%
CIS	31.8	30.7	-1.1	-4%
Sinsay	**103.0**	**141.0**	**37,9**	**37%**
Poland	60.1	79.3	19.1	32%
Europe	20.2	33.7	13.5	67%
CIS	22.7	28.0	5.3	23%
Outlets	**12.0**	**9.1**	**-2.9**	**-24%**
Poland	8.3	4.4	-3.9	-47%
Europe	0.2	0,0	-0.2	-100%
CIS	3.5	4.7	1.1	32%
TOTAL	**1,091.3**	**1,227.1**	**135.7**	**12%**

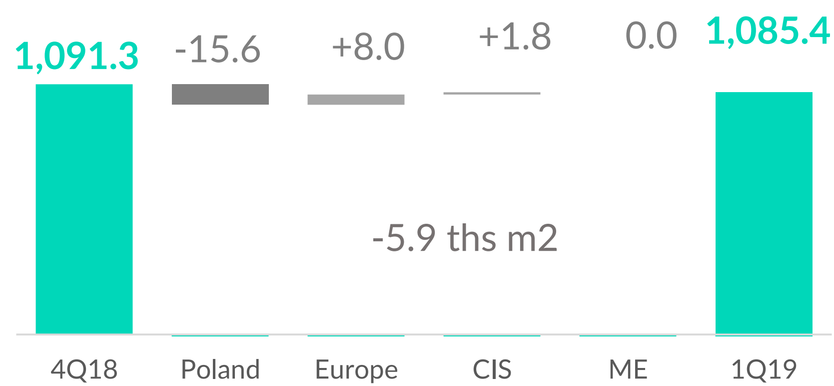
No. of STORES	31.12.2018	31.12.2019	Nom. growth	YoY growth
Reserved	**464**	**464**	**0**	**0%**
Poland	216	205	-11	-5%
Europe	127	136	9	7%
CIS	114	115	1	1%
ME	7	8	1	14%
Cropp	**373**	**375**	**2**	**1%**
Poland	200	183	-17	-9%
Europe	69	80	11	16%
CIS	104	112	8	8%
House	**332**	**329**	**-3**	**-1%**
Poland	200	186	-14	-7%
Europe	54	65	11	20%
CIS	78	78	0	0%
Mohito	**296**	**291**	**-5**	**-2%**
Poland	156	148	-8	-5%
Europe	60	68	8	13%
CIS	80	75	-5	-6%
Sinsay	**272**	**301**	**29**	**11%**
Poland	165	175	10	6%
Europe	51	63	12	24%
CIS	56	63	7	13%
Outlets	**28**	**16**	**-12**	**-43%**
Poland	22	11	-11	-50%
Europe	1	0	-1	-100%
CIS	5	5	0	0%
TOTAL	1,765	1,776	11	1%

Changes in 1Q19 floorspace

LPP

CHANGE IN FLOORSPACE BY BRANDS (ths m2)

CHANGE IN FLOORSPACE BY REGIONS (ths m2)

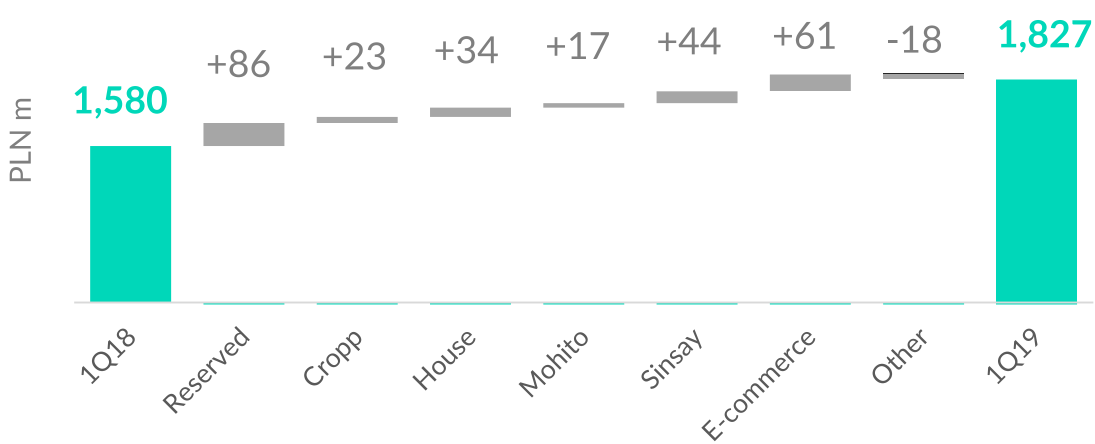


- Floorspace optimization in 1Q19 in Poland and abroad. Closing of 5.9 ths m2 of net floorspace. Closing of smaller stores in Poland, conversion to larger and more favourable locations.
- Development in Europe resulted mainly from openings in Bulgaria and Romania. In 1Q19 there were no changes in floorspace in Western Europe and in the Middle East. In the CIS region the development in 1Q19 took place in Ukraine.
- In 1Q19 Sinsay added the most floorspace among brands while Reserved brand recorded the highest net closings.

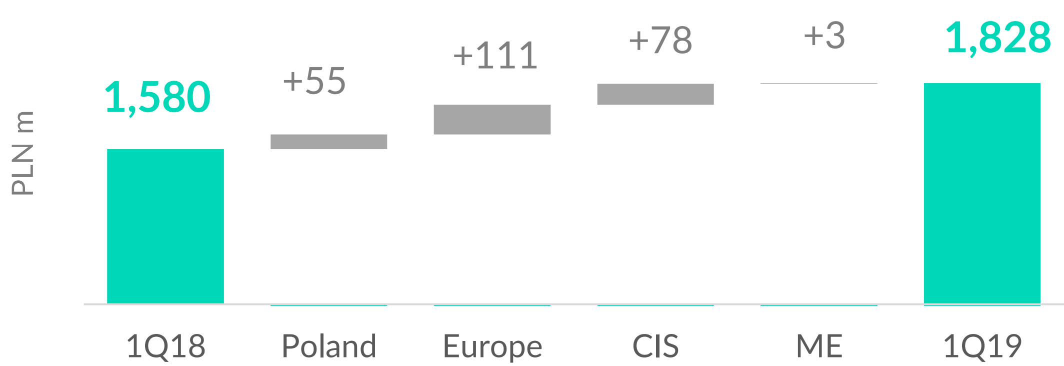
1Q19 revenue growth contributors

LPP

REVENUE GROWTH BY BRANDS



REVENUE GROWTH BY REGIONS

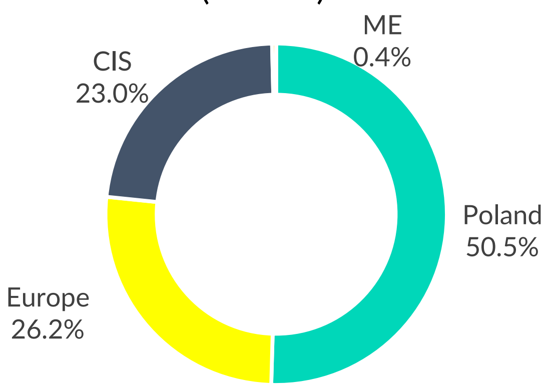


mln PLN	1Q18	1Q19	YoY
LPP GROUP	**1,580.4**	**1,827.7**	**15.7%**
Reserved PL	367.9	376.7	2.4%
Reserved EX	359.6	436.7	21.4%
Cropp PL	104.1	105.5	1.3%
Cropp EX	106.1	127.8	20.4%
House PL	107.1	122.2	14.1%
House EX	62.7	81.5	30.1%
Mohito PL	86.9	91.4	5.2%
Mohito EX	75.5	87.9	16.5%
Sinsay PL	95.9	111.5	16.2%
Sinsay EX	46.2	74.7	61.8%
E-commerce	130.9	192.2	46.8%
Other	37.5	19.7	-47.5%

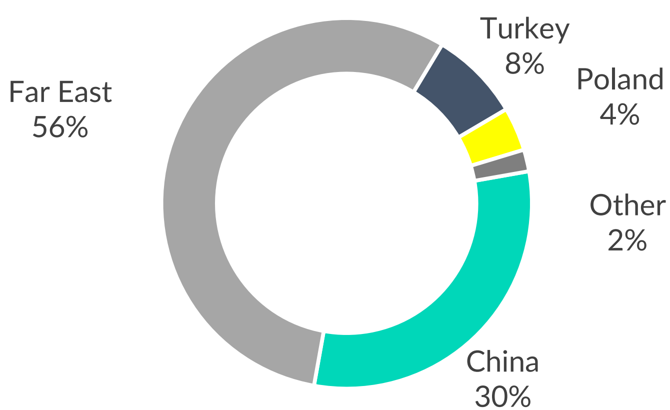
Revenue and COGS split

LPP

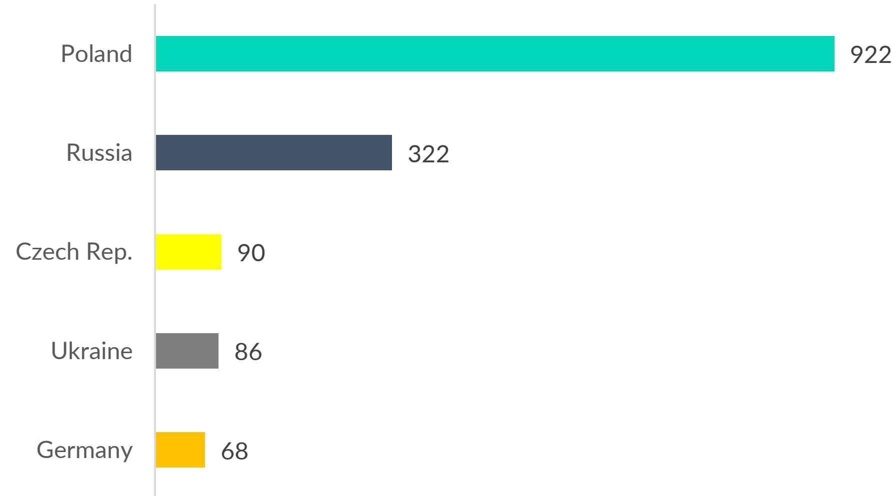
1Q19 REVENUES BY REGIONS (PLN m)



1Q19 PURCHASES BY REGION (PLN m)



TOP5 REVENUES BY COUNTRIES IN 1Q19 (PLN m)



Poland remains our most important market.

A new breakdown of SG&A costs

LPP

Until the end of 2018 we showed selling costs and general & administrative expenses.

Since 2019, instead of selling costs, we have decided to show costs of stores, e-commerce and logistics which are the most important SG&A costs.

Overheads consists now of marketing costs, back-office, selling and product divisions.

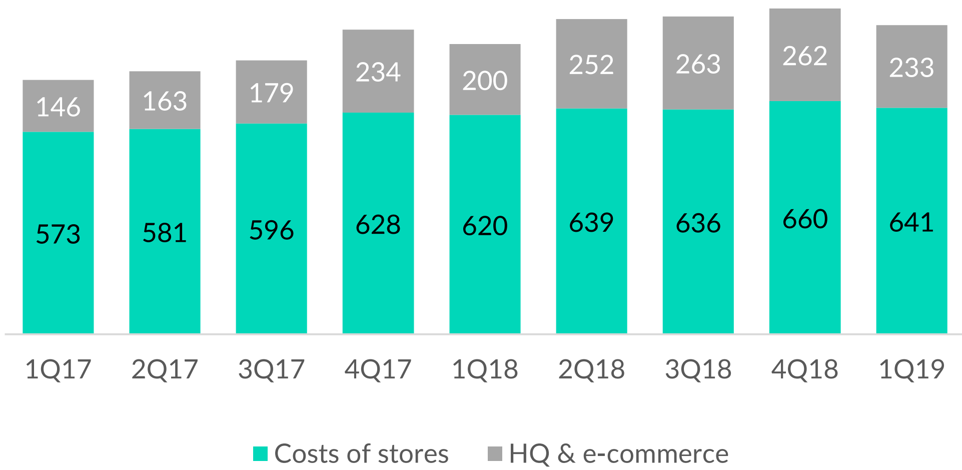
The sum of SG&A costs has not changed.

Reasons for change: consistency of cost items in financial statements with those in management reports, superior reflection of the business model, an easier way to show the impact of IFRS16.

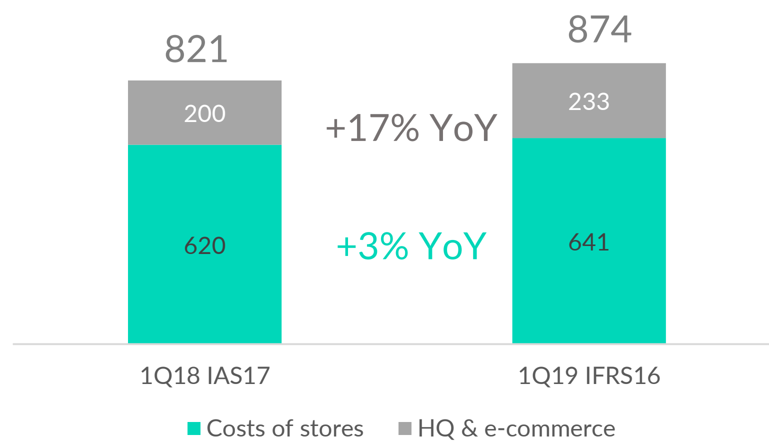
Costs of stores and HQs

LPP

SG&A COSTS
(PLN m, IFRS16 since 1Q19)



SG&A COSTS
(PLN m)



- Costs of stores encompass costs of own stores (rentals, personnel and other) as well as costs of franchise stores in Poland. Stores in the Middle East and Belarus do not have any material effect on SG&A costs.
- Costs of stores ➔ lower growth in 1Q19 - higher floorspace, but cost control.
- HQ costs ➔ YoY growth in 1Q19 due to e-commerce foreign expansion, higher costs of foreign logistics, but lower marketing costs.

1Q19 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	1Q18	1Q19
OTHER OPERATING REVENUES	**2.3**	**5.6**
Inventory excess	0.7	1.6
Gain on sale of assets. write-ups	0.2	1.5
OTHER OPERATING COSTS	**12.4**	**24.8**
Write-offs	1.4	2.3
Inventory losses	7.8	12.4
Donations and other	2.4	6.0
OTHER OPERATING ACTIVITY	**-10.1**	**-19.1**

Higher level of other operating income and expenses due to larger scale of business.

NET FINANCIAL ACTIVITY

PLN m	1Q18	1Q19
FINANCIAL REVENUES	**17.1**	**12.3**
FX gains	16.2	8.4
Interest	0.9	3.8
FINANCIAL COSTS	**2.5**	**29.0**
FX losses	0.0	0.0
Interest	1.6	27.9
Fees and charges	0.9	1.1
NET FINANCIAL ACTIVITY	**14.5**	**-16.6**

PLN 8.4m of FX gains (1Q18: PLN 16.2m gains), out of which PLN 5.5m gains on rubble and hryvnia (1Q18: PLN 5.4m losses), PLN 5.4m losses on US$ (1Q18: PLN 20.0m gains) and PLN 4.5m losses on other currencies (EUR, RON, HUF, CZK) and PLN 12.8m of FX gains from IFRS16.

Additional IFRS16 interest amounted to PLN 24.4m.

Reasons behind rentals exclusions from IFRS16

RENTALS THAT HAVE BEEN EXCLUDED FROM IFRS16 APPLICATION ARE AGREEMENTS THAT:

- include points making rentals dependent on profitability indicators
- expire in 2019 (short-term leases i.e. up to 12 months are excluded from IFRS16
- have only turnover rates (no fixed charge)
- are continued without a written agreement (the agreement has not been prolonged though it has finished) and agreements signed for stores that have not yet been opened
- are signed for an indefinite term with a notice period shorter than 12 months
- in Russia additionally agreements are based on paired exchange rates (average of two currencies) making a reliable estimate difficult and agreements signed several times yet for periods shorter than 12 months.

IFRS16 impact

	1Q19 IFRS16	IFRS16 adjustments					1Q19 IAS17
		rentals	D&A	interest	FX differences	tax	
Revenues	1,827.7						1,827.7
Gross profit	793.0						793.0
% gross profit margin	43.4%						43.4%
SG&A costs	874.0	140.1	-131.5				882.7
Other operating line	-19.1						-19.1
EBIT	-100.2	-140.1	131.5	0.0	0.0	0.0	-108.9
Net financial activity	-16.6			24.4	-12.8		-5.0
Pre-tax profit/ loss	-116.9	-140.1	131.5	24.4	-12.8	0.0	-113.9
Tax	-2.3					19.7	17.5
Net income/ loss	-114.6	-140,1	131.5	24.4	-12.8	-19.7	-131.4
D&A	232.4		-131.5				100.9
EBITDA	132.2	-140.1	0,0	0,0	0.0	0.0	-8.0

Historical quarterly results

PLN m	2Q17	2Q18	3Q17	3Q18	4Q17	4Q18	1Q18 IAS17	1Q19 IFRS16	YoY	1Q19 IAS17
Revenues	**1,705.4**	**2,049.7**	**1,812.8**	**2,043.9**	**2,148.9**	**2,372.7**	**1,580.4**	**1,827.7**	**15.7%**	**1,827.7**
Gross profit on sales	970.9	1,224.5	888.6	1,043.4	1,247.0	1,420.6	712.8	793.0	11.2%	**793.0**
Gross profit margin	*56.9%*	*59.7%*	*49.0%*	*51.0%*	*58.0%*	*59.9%*	*45.1%*	*43.4%*	*-1.7pp*	*43.4%*
SG&A costs	743.8	891.6	775.0	898.8	861.9	921.3	820.5	874.0	6.5%	882.7
Other operating line	-19.5	-21.1	-10.5	-15.4	-8.4	-66.0	-10.1	-19.1		-19.1
EBIT	**207.6**	**311.8**	**103.1**	**129.2**	**376.7**	**433.3**	**-117.7**	**-100.2**	**-14.9%**	**-108.9**
EBIT margin	*12.2%*	*15.2%*	*5.7%*	*6.3%*	*17.5%*	*18.3%*	*-7.4%*	*-5.5%*	*2.0pp*	*-6.0%*
Net financial activity	1.4	-15.5	11.2	-19.2	-24.9	-12.7	14.5	-16.6		-5.0
Pre-tax profit	209.0	296.3	114.3	110.0	351.9	420.6	-103.2	-116.9	13.2%	**-113.9**
Tax	35.8	90.2	29.3	18.4	52.3	108.3	1.6	-2.3		17.5
Net income	**173.3**	**206.1**	**85.1**	**91.6**	**299.5**	**312.3**	**-104.8**	**-114.6**	**9.4%**	**-131.4**
Net income margin	*10.2%*	*10.1%*	*4.7%*	*4.5%*	*13.9%*	*13.2%*	*-6.6%*	*-6.3%*	*0.4pp*	*-7.2%*

LPP

Retail sales tax

Current regulations:

0% tax up to PLN 17m of monthly revenues

0.8% tax from PLN17 m to PLN 170m revenues monthly

1.4% tax from revenues above PLN 170m monthly

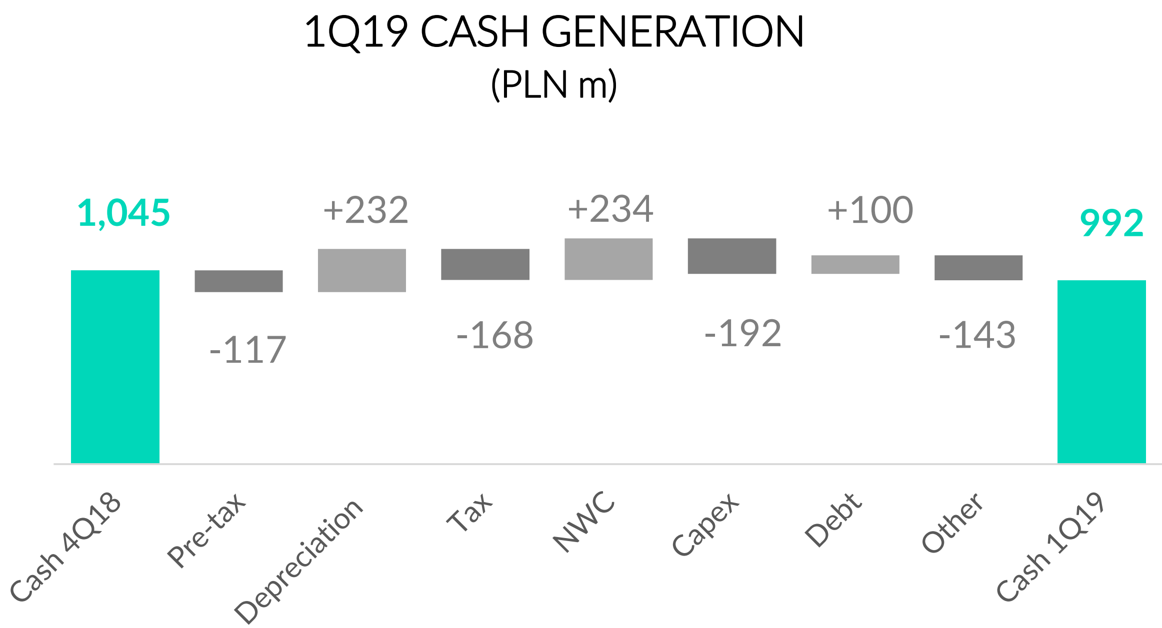
Internet revenues are excluded from the tax.

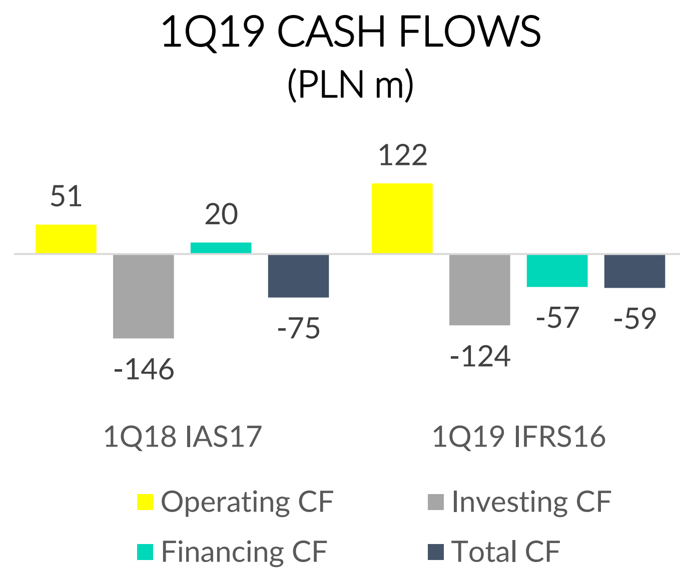
Based on 2018 data the tax would reach PLN 41m.

If the tax starts being obligatory from 2020 it can reach some PLN 45m.

Cash flows

LPP





- Operating cash flow → higher YoY due of inventory liquidation. Impact of higher D&A from IFRS16.
- Investing cash flow → higher YoY capex, but higher net sale of money market funds.
- Financing cash flows → increase debt and financial lease payments (IFRS16).
- PLN 1.36bn in open credit lines used for letters of credits, guarantees and overdrafts.

Investments in the future of LPP

PLN m	2019	2020	2021	2022	2019-2022
Stores	680	620	500	450	2,250
Stores in Poland and abroad	680	620	500	450	**2,250**
Offices	110	110	70	0	290
New office Gdańsk Łąkowa - Building 1	50				**50**
New office Gdańsk Łąkowa - Building 2	30	40			**70**
New office Gdańsk Łąkowa - Building 3		70	70		**140**
New office Cracow	30				**30**
Logistics	30	200	200	0	430
Expansion DC Pruszcz Gdański	20				**20**
New DC Brześć Kujawski	10	200	200		**410**
IT & others	50	50	50	50	200
TOTAL	**870**	**980**	**820**	**500**	**3,170**

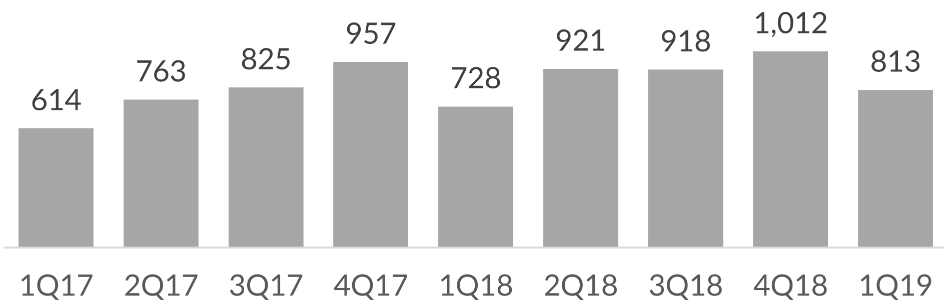
Balance sheet increasingly strong

PLN m	1Q18	4Q18	1Q19
Non-current assets	**2,043.8**	**2,417.8**	**5,320.5**
fixed assets	1,480.1	1,818.3	1,861.9
intangibles (incl. goodwill)	354.7	376.7	384.6
right of use assets (IFRS16)	0.0	0.0	2,889.0
Current assets	**2,163.8**	**2,963.1**	**2,750.2**
inventory	1,402.9	1,590.4	1,370.0
trade receivables	144.0	121.7	177.1
cash and equivalents	440.9	1,045.0	991.8
Total assets	**4,207.7**	**5,380.8**	**8,070.7**
Equity	**2,340.4**	**2,860.6**	**2,786.0**
Long-term liabilities	**317.9**	**346.1**	**2,618.8**
interest bearing debt	128.5	88.6	75.2
financial leases (IFRS16)	0.0	0.0	2,432.1
Short-term liabilities	**1,549.3**	**2,174.1**	**2,665.9**
trade liabilities	1,296.3	1,557.4	1,566.6
interest bearing debt	91.2	203.2	322.7
financial leases (IFRS16)	0.0	0.0	586.5
Total liabilities	**4,207.7**	**5,380.8**	**8,070.7**

- IFRS16 impact: change from operating leases to financial ones – creation of right of use assets and finance lease liabilities.
- YoY growth in fixed assets due to network development and investments in logistics.
- YoY growth in intangibles due to investments in IT.
- Lower YoY inventory due to stronger YoY sell-offs and optimization processes.
- YoY growth in receivables results from downpayments for distribution centre.
- Higher cash due to strong cash generation.
- YoY growth in trade payables due to supplier financing programme.
- YoY growth in the short-term debt due to taking loans by two foreign subsidiaries.

RESERVED

REVENUES (PLN m)



	1Q18	1Q19	YoY
Number of stores	458	451	-7
Floorspace (ths m2)	561.0	609.7	9%
Average store space (m2)	1,225	1,352	10%

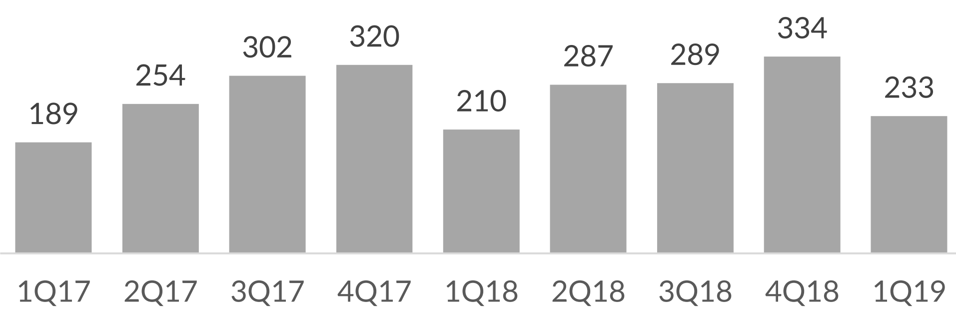
WOMEN, MEN AND CHILDREN

1998 YEAR OF LAUNCH

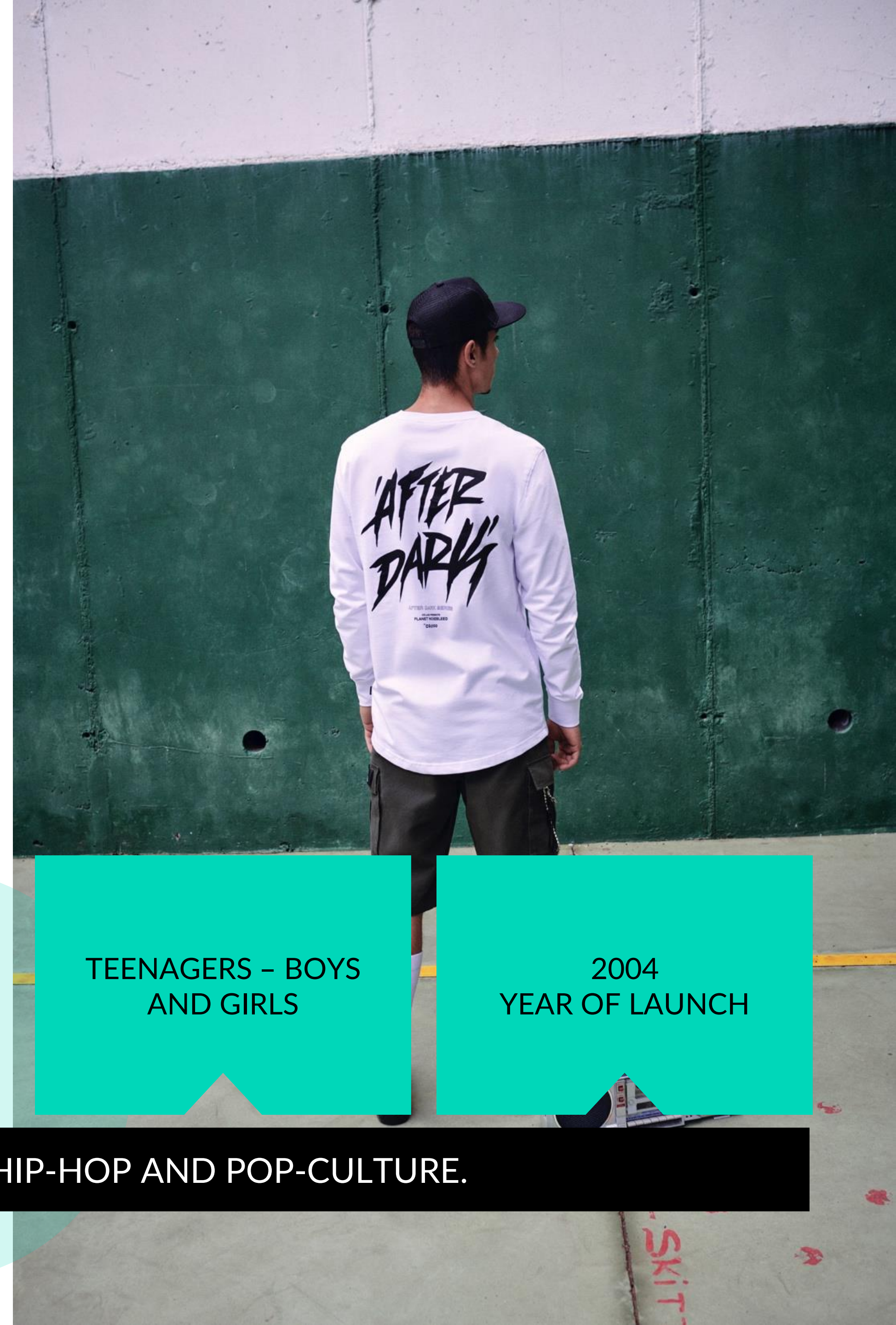
AN ANCHOR BRAND WITH A BROAD CUSTOMER BASE OFFERING THE LATEST TRENDS.

CROPP

REVENUES (PLN m)



	1Q18	1Q19	YoY
Number of stores	377	365	-12
Floorspace (ths m2)	127.7	134.3	5%
Average store space (m2)	339	368	9%



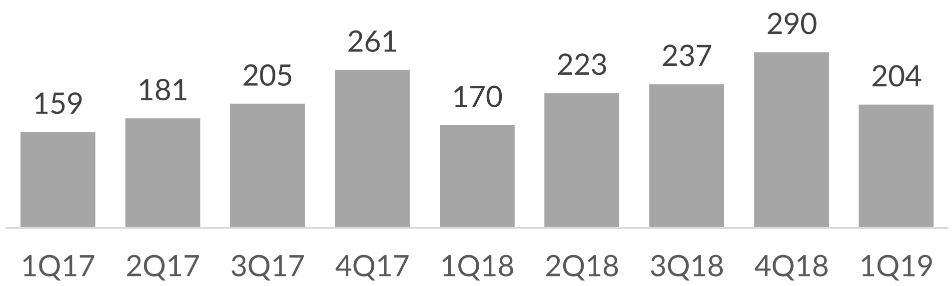
TEENAGERS – BOYS AND GIRLS

2004
YEAR OF LAUNCH

A STREETWEAR BRAND INSPIRED BY HIP-HOP AND POP-CULTURE.

house

REVENUES (PLN m)



	1Q18	1Q19	YoY
Number of stores	332	320	-12
Floorspace (ths m2)	110.9	115.0	4%
Average store space (m2)	334	359	8%

TEENAGERS (BOYS AND GIRLS) WHO LIKE BRAVE FASHION CHOICES.

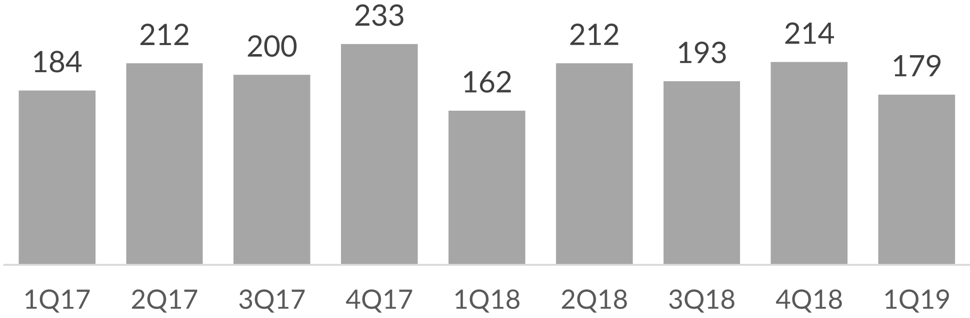
2001
YEAR OF LAUNCH

OPTIMISTIC FASHION BRAND.

MOHITO

LPP

REVENUES (PLN m)



	1Q18	1Q19	YoY
Number of stores	291	289	-2
Floorspace (ths m2)	103.4	108.1	5%
Average store space (m2)	355	374	5%

YOUNG WOMEN

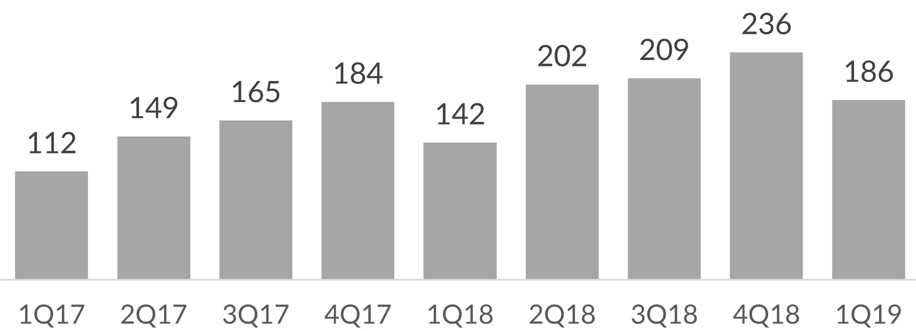
2008
YEAR OF LAUNCH

A BRAND THAT COMBINES COMFORT AND ELEGANCE FOR BUSINESS AND INFORMAL MEETINGS.

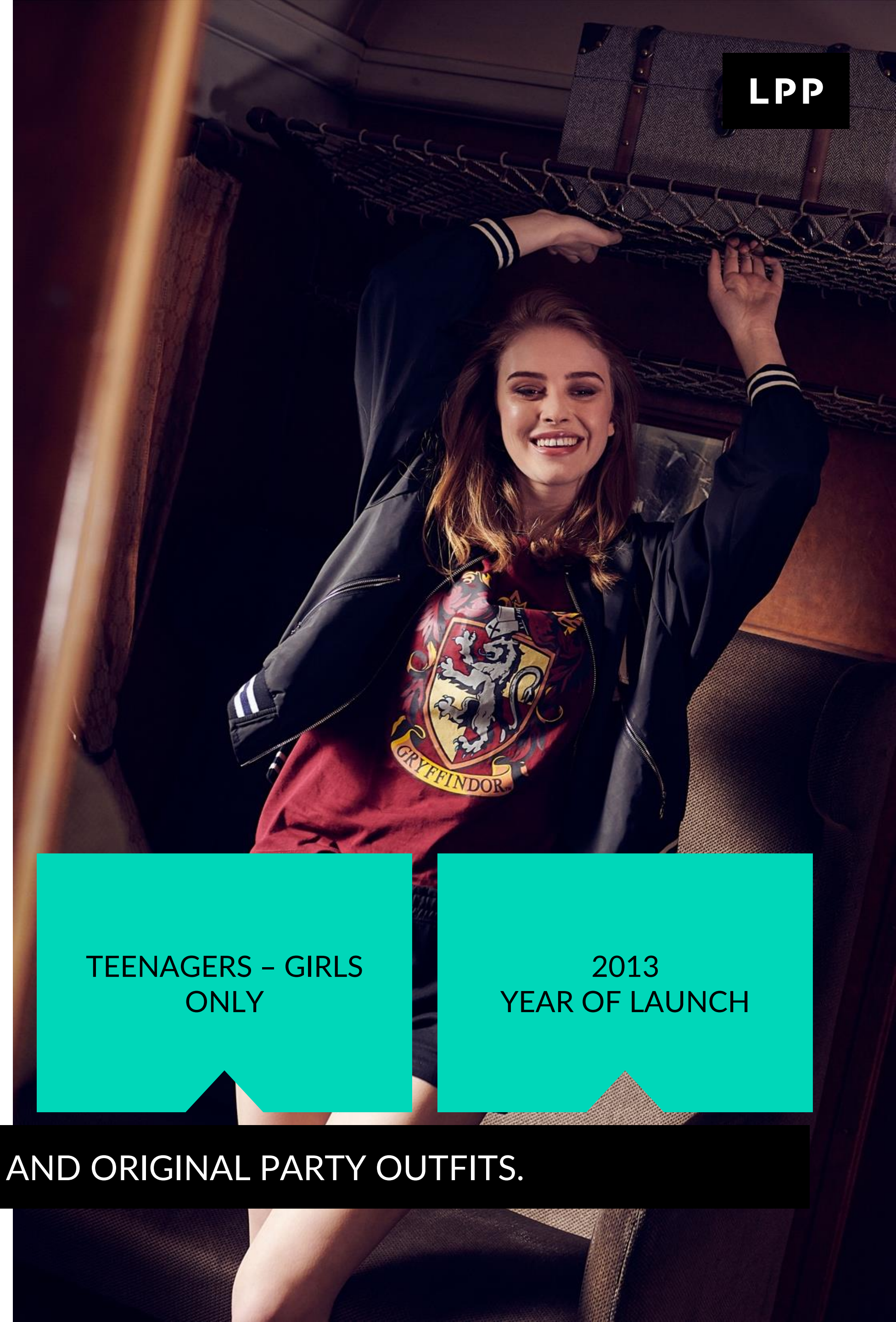
sinsay

LPP

REVENUES (PLN m)



	1Q18	1Q19	YoY
Number of stores	236	274	+ 38
Floorspace (ths m2)	85.8	107.3	25%
Average store space (m2)	364	392	8%



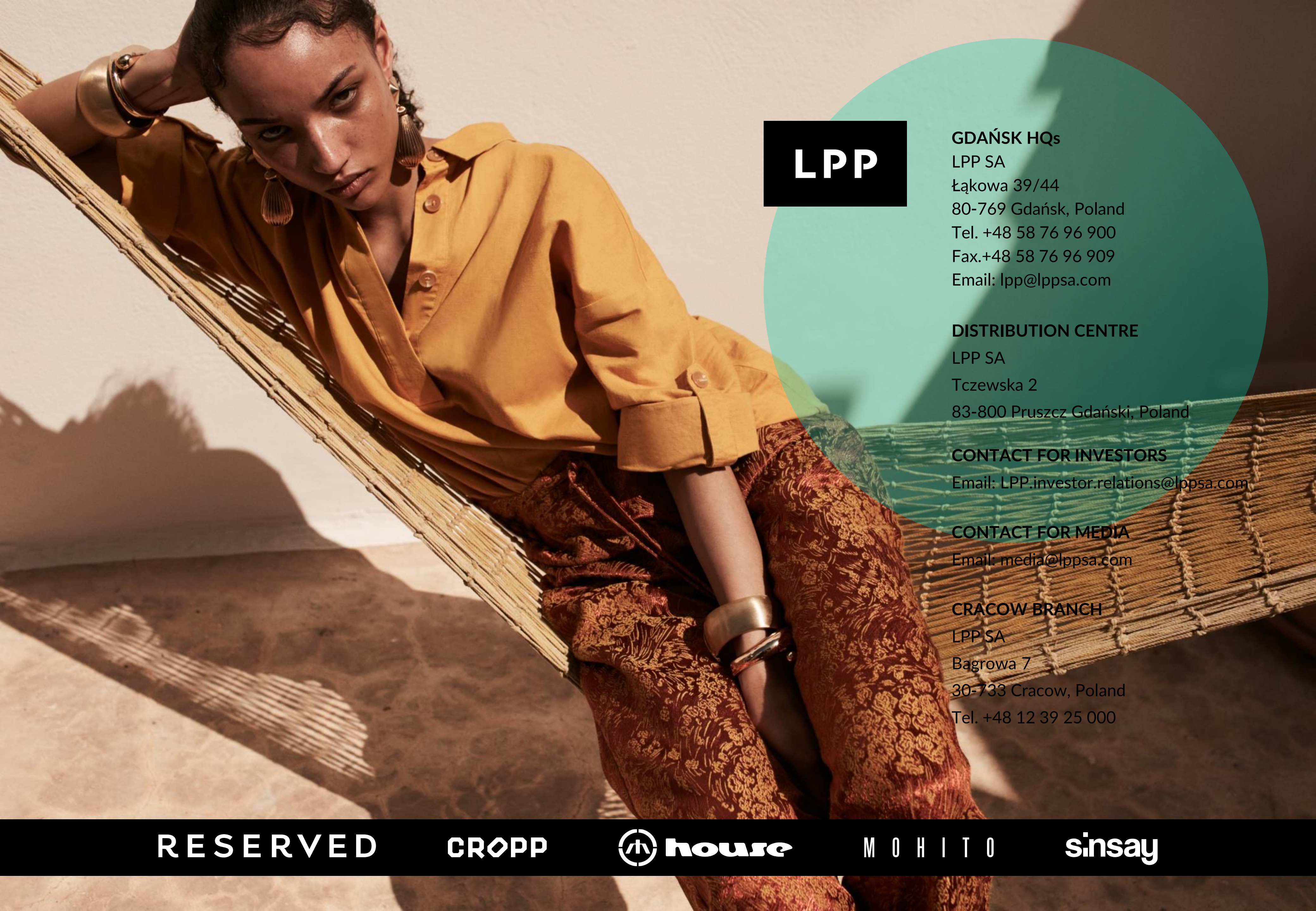
TEENAGERS – GIRLS ONLY

2013
YEAR OF LAUNCH

CLOTHES FOR EVERY DAY INSPIRATIONS AND ORIGINAL PARTY OUTFITS.

Słowniczek

Poland	Retail sales in Poland and other sales of LPP SA.
CEE	Region including: Czech Republic, Slovakia, Hungary.
Baltic	Region including: Lithuania, Latvia, Estonia.
CIS	Region including: Russia, Ukraine, Belarus and from 2018 also Kazakhstan.
SEE	Region including: Bulgaria, Romania, Croatia, Serbia, from 2018 also Slovenia and from 2019 B&H.
WE	Region including Germany and the UK, while from 2019 also Finland.
ME	Region including: Egypt, Qatar, Kuwait, UAE, while from 2018 also Israel. Until mid-2017 the region also encompassed Saudi Arabia.
Europe	Region including: CEE, Baltic, SEE and WE.
EBITDA	EBIT + depreciation from cash flow statement.
Average monthly revenues/m2	Revenues of segment or brand / average working total floorspace / 3.
Average monthly costs of own stores/m2	Quarterly costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 4.5% of the working floorspace) / 3.
Average monthly SG&A PLN/m2	Quarterly SG&A costs/ average working total floorspace excluding stores located in ME and Belarus / 3.
Inventory/ m2	End of period group inventory/ total floorspace without franchise stores in ME and Belarus.
Cash turnover cycle	Receivables (in days) plus inventories (in days) minus liabilities (in days). Calculations on average amounts of receivables, inventories and liabilities.



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