LPP

1Q20/21 RESULTS PRESENTATION

GDAŃSK
25TH JUNE 2020

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1. 1Q20/21 financial results

2. Key corporate events

3. 2020/21 outlook

Direction: omnichannel

1,731 stores

+13.3% m2

-57.3% LFL

25 countries

OFF-LINE

ON-LINE

31 countries

+120.5% sales

40
COUNTRIES

-35.3%
GROUP REVENUES

Results impacted by COVID-19

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- **beginning of February 2020**
  - Growing uncertainty, concerns regarding supply chain, especially towards China, and falling sales dynamics
- **mid-March 2020**
  - Shopping malls closed in majority of countries, in which LPP has traditional stores
  - Acceleration of e-commerce development
- **beginning of May 2020**
  - Opening of shopping malls on selected markets
  - Negotiations with shopping malls related to rental agreements
- **end of June 2020**

LPP present in 40 countries

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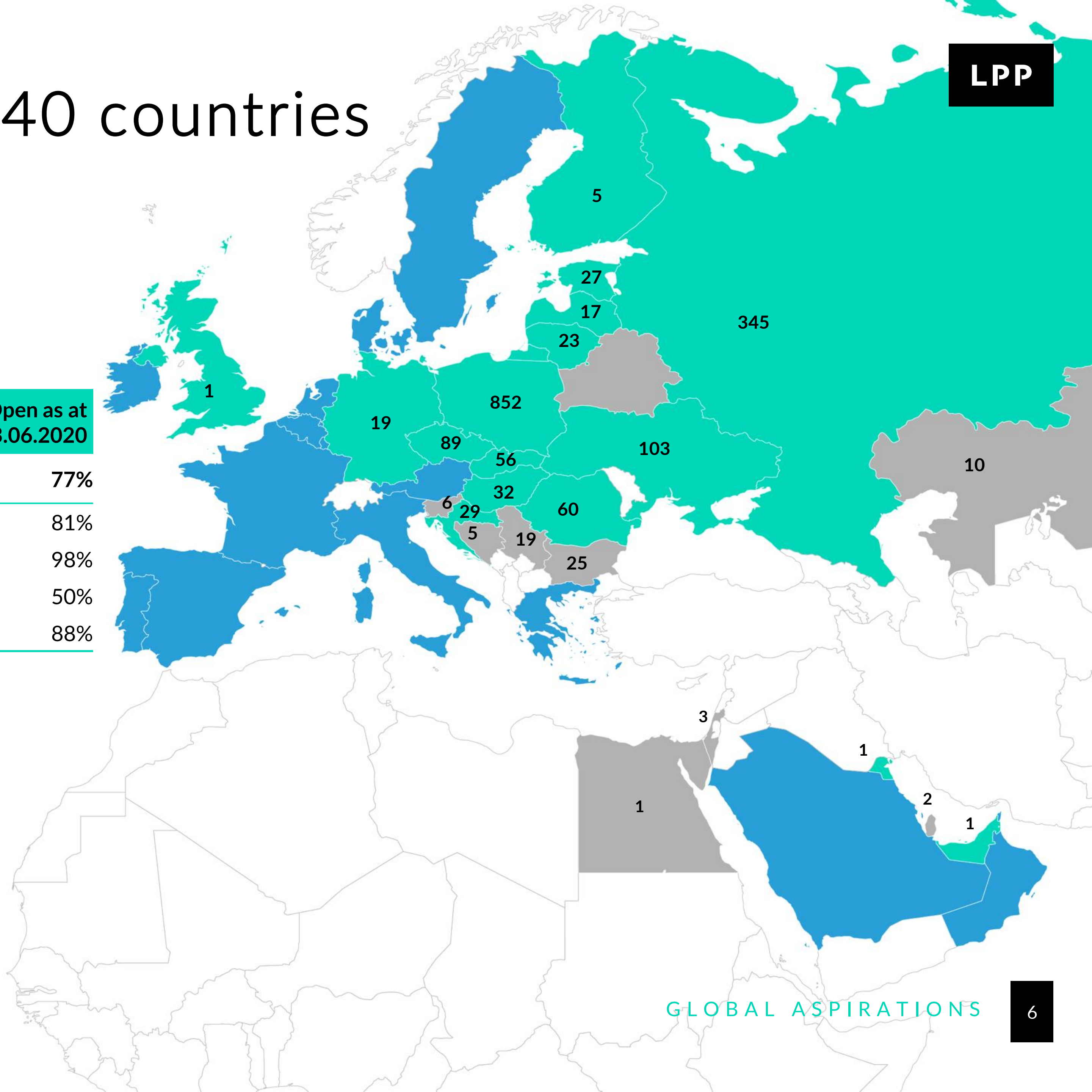
As at 30.04.2020	No. of stores	YoY	Open as at 23.06.2020
LPP GROUP	**1,731**	**+13**	**77%**
Poland	852	-66	81%
Europe	413	+38	98%
CIS	458	+40	50%
ME	8	+1	88%

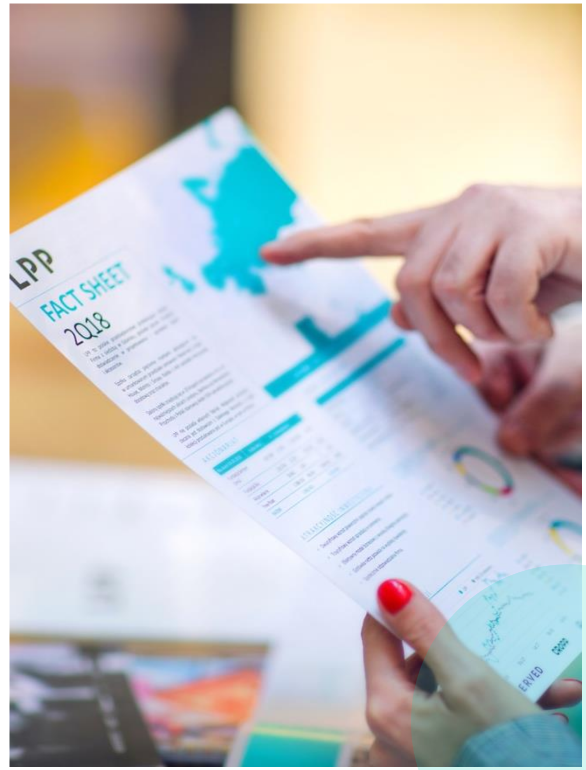


on-line + off-line   on-line   off-line

A shifted fiscal year

1Q20/21 is the first 3-month-long quarter of the shifted fiscal year.

1Q20/21 encompasses period from 1st February 2020 till 30th April 2020.

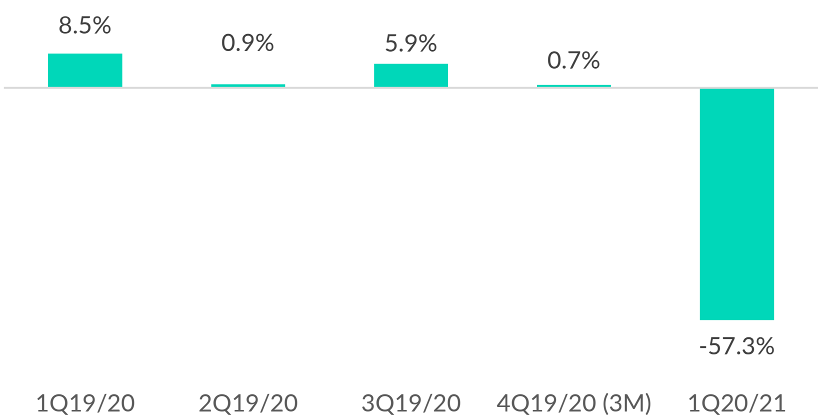


2020/21 will include 12 months and encompass period from 1st February 2020 until 31st January 2021.

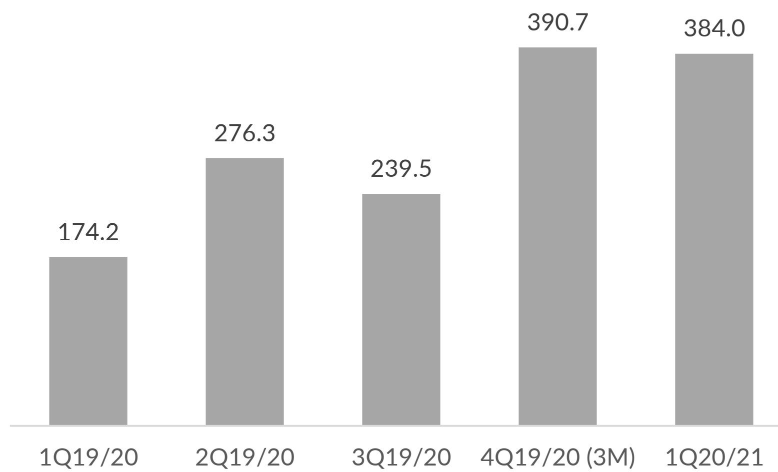
The YoY dynamics are presented in relation to data for a comparable period that has not been published so far in this form. They therefore include data for 3-month-long shifted quarters, also for 4Q19/20.

E-commerce growth, fall in LFLs

LFL DYNAMICS
(local currencies)



ON-LINE SALES
(PLN m)



- Negative LFLs in each month of 1Q20/21, the highest falls in April 2020. Similar dynamics for each brand.
- Double-digit negative LFLs in all countries in 1Q20/21 (slightest decline in Russia, Kazakhstan and Latvia).
- Triple-digit on-line sales growth (120.5% YoY) in 1Q20/21 due to migration of customers to e-commerce after shopping malls were closed down for a couple of weeks.
- In 1Q20/21 e-commerce constituted 38.2% revenues from Poland (10.4% in 1Q19/20) and 32.6% group revenues (9.6% in 1Q19/20). Poland constituted 53% of e-commerce revenues.

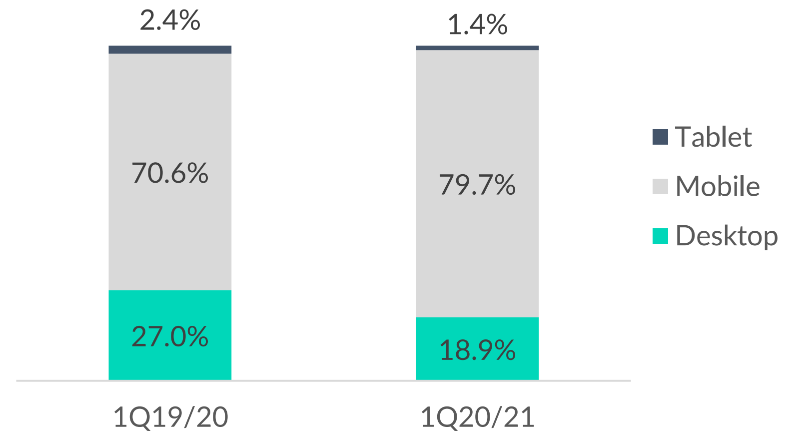
Mobile – source of on-line growth

Traffic by device type

174 m
visits in our e-stores
in 1Q20/21

+64% YoY

80%
of traffic takes place via
mobile devices

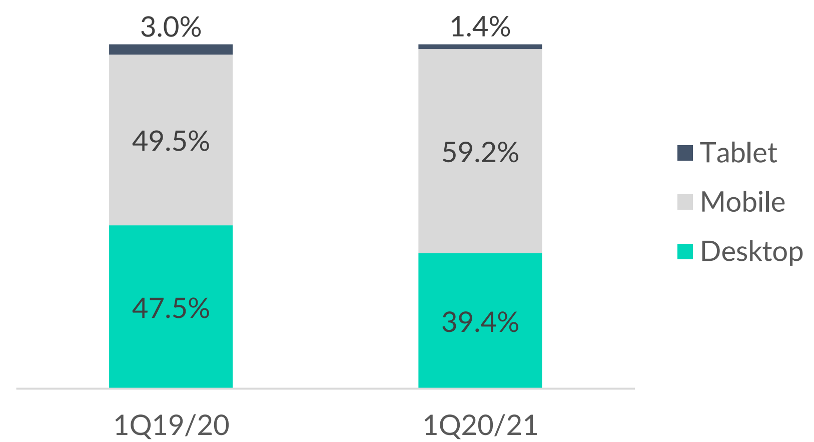


Revenues by device type

PLN 384m
on-line revenues
in 1Q20/21

+120.5% YoY

60%
revenues generated by
mobile devices



More favourable dynamics than in base case scenario

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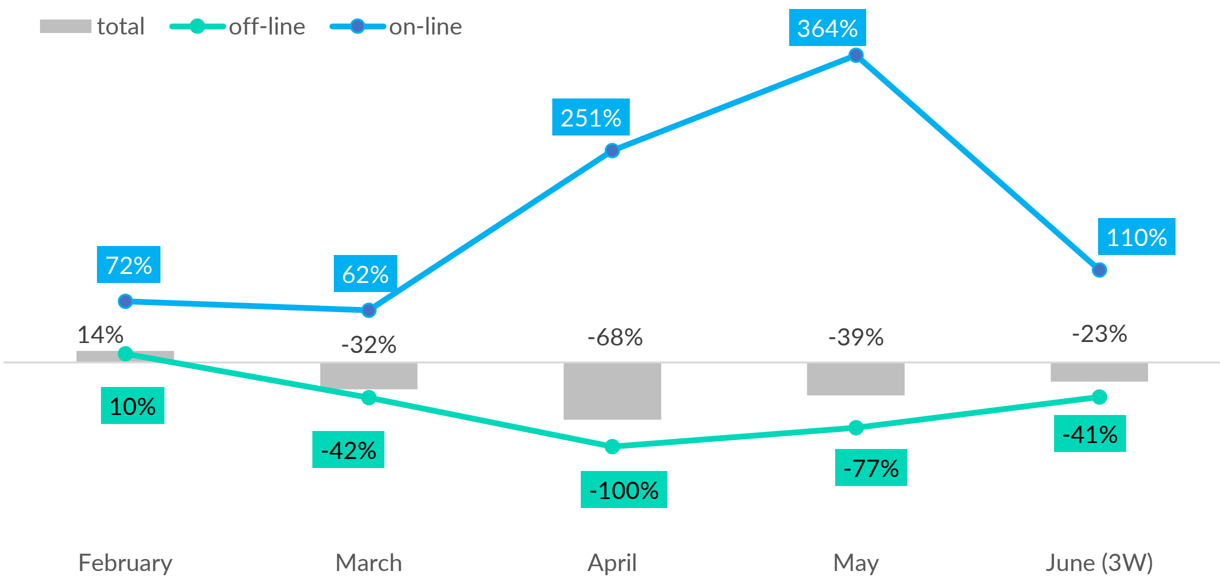
YoY REVENUE DYNAMICS



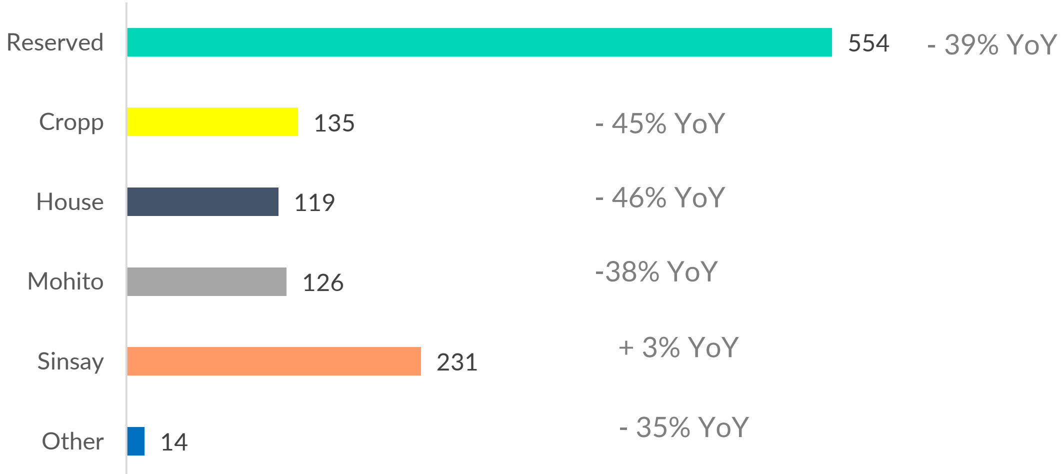
As we expected, triple-digit on-line sales dynamics continue despite reopening of shopping malls.

Sales in traditional stores pick up faster than we initially assumed, even though not all of our stores have been reopened.

Triple-digit on-line sales dynamics result from strong recognition of LPP's brands.

All brands impacted by COVID-19

REVENUES BY BRANDS IN 1Q20/21 (PLN m)



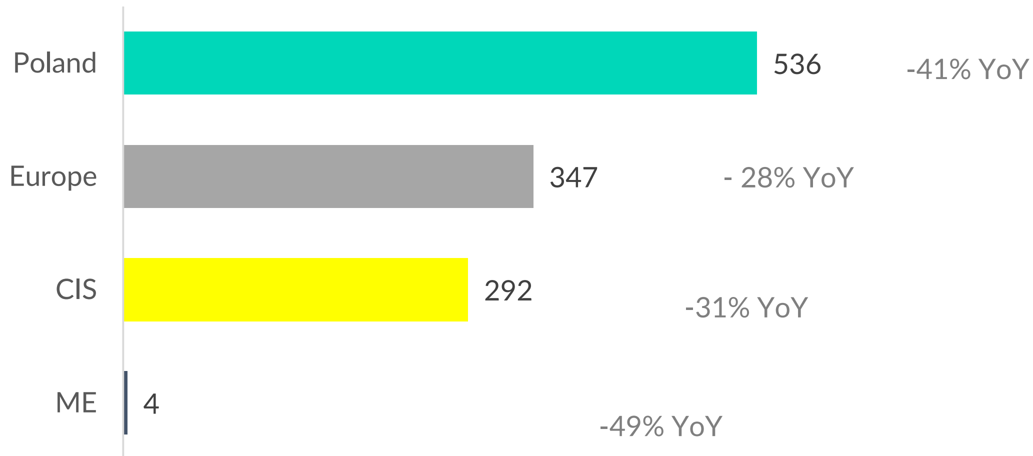
1Q20/21 FLOORSPACE (by brands)

ths m2	1Q19/20	1Q20/21	YoY
LPP GROUP	1,096.7	1,242.7	13.3%
Reserved	616.6	657.1	6.6%
Cropp	134.9	149.2	10.6%
House	115.9	129.8	12.0%
Mohito	108.0	110.5	2.3%
Sinsay	110.5	190.4	72.3%
Outlets	10.8	5.8	-46.6%

- In 1Q20/21 Reserved, Cropp and Mohito generated more revenues from abroad than from Poland.
- High double-digit revenue falls in Reserved, Cropp, House and Mohito due to the adverse impact of shopping malls being closed down in most countries with traditional stores.
- The only brand that showed YoY growth in revenues was Sinsay. It resulted from the earlier conducted floorspace expansion and the lowest price positioning among brands in the Group.

Foreign revenues exceed Polish ones

REVENUES BY REGIONS
(PLN m)



1Q20/21 FLOORSPACE
(by regions)

ths m2	1Q19/20	1Q20/21	YoY
LPP GROUP	1,096.7	1,242.7	13.3%
Poland	515.5	521.7	1.2%
Europe	306.3	375.9	22.7%
CIS	267.8	336.8	25.7%
ME	7.1	8.4	19.3%

- In 1Q20/21 foreign revenues exceeded domestic ones. Poland constituted 45.5% of revenues.
- Fall in revenues in Europe was lower than in other regions due to floorspace development (especially in SEE region), entry to a new country (Finland) and development of pan European e-store.
- CIS 1Q20/21 revenues were affected by closing down of franchise stores in Belarus (opening of own stores scheduled for 3Q20/21). Franchise stores in Middle East were also affected by COVID-19.

Growth on-line, fall off-line

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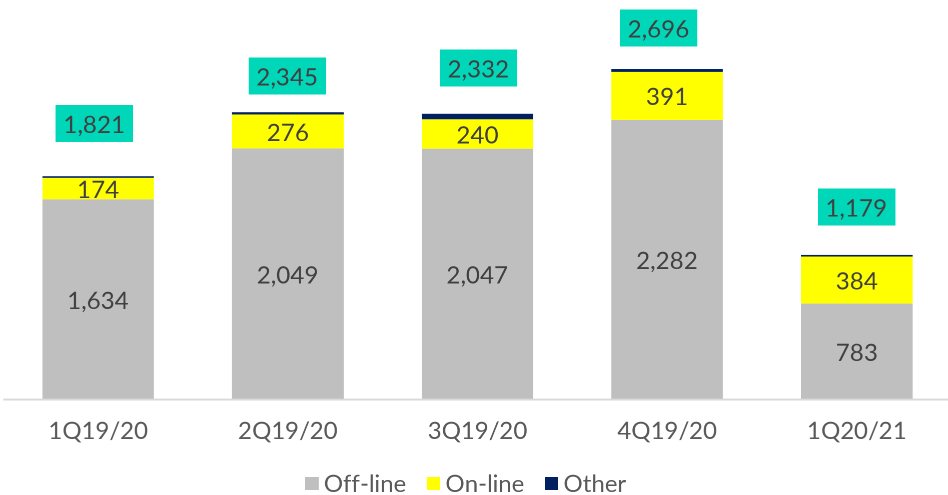
GROUP REVENUES
(PLN m)

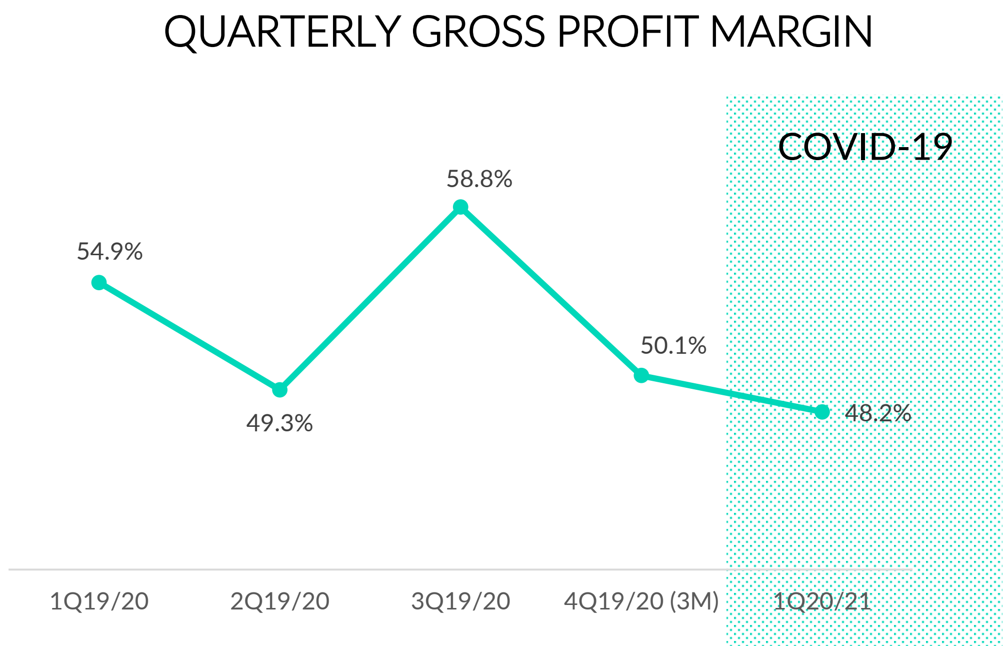


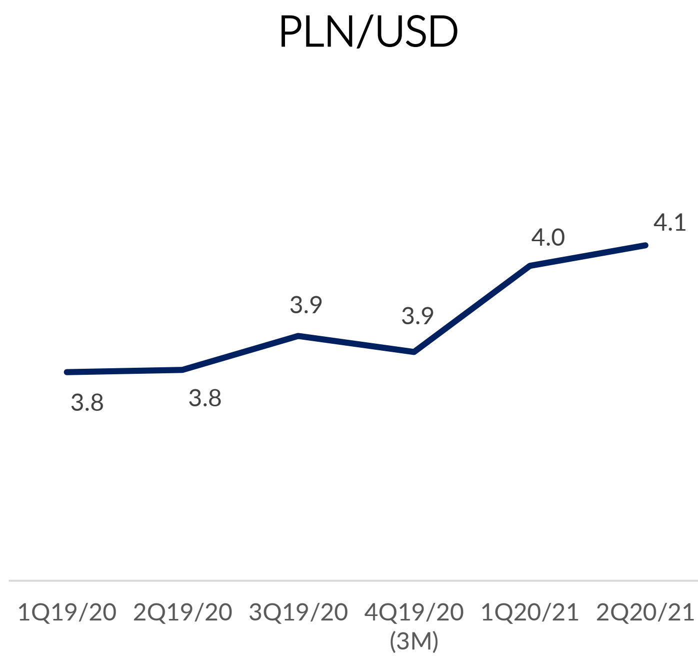
REVENUES/ M2

PLN (monthly)	1Q19/20	1Q20/21	YoY
LPP GROUP retail	512	211	-58.7%
Poland	533	202	-62.0%
Europe	494	194	-60.8%
CIS	493	243	-50.7%
LPP GROUP	564	320	-43.2%
On-line (% sales)	9.6%	32.6%	+23.0pp.

- Group revenues fell 35% in 1Q20/21, despite floorspace growth, due to negative LFLs in traditional stores. Dynamic on-line sales development was not sufficient to offset off-line falls.
- Sizeable YoY fall in retail revenues/ m2 in 1Q20/21, due to negative impact of COVID-19. Lower falls in group sales/ m2 due to dynamic on-line growth.
- The lowest YoY retail sales/ m2 falls in Russia, Serbia and Kazakhstan.

Rational promotion policy





- Gross profit margin in 1Q20/21 was lower YoY due to unfavourable impact of pandemic, as a result of which the majority of our traditional stores was closed during the period in which historically goods were sold at the highest margin.
- Rational promotion policy in all brands coupled with reduction of orders for Autumn/Winter 2020/21 allowed us to offer discounts and not sell-offs of our collections.
- Depreciation of PLN to USD did not affect 1Q20/21 margin, as we continued the policy to order goods to our distribution centre in advance.

Double-digit operating costs reductions

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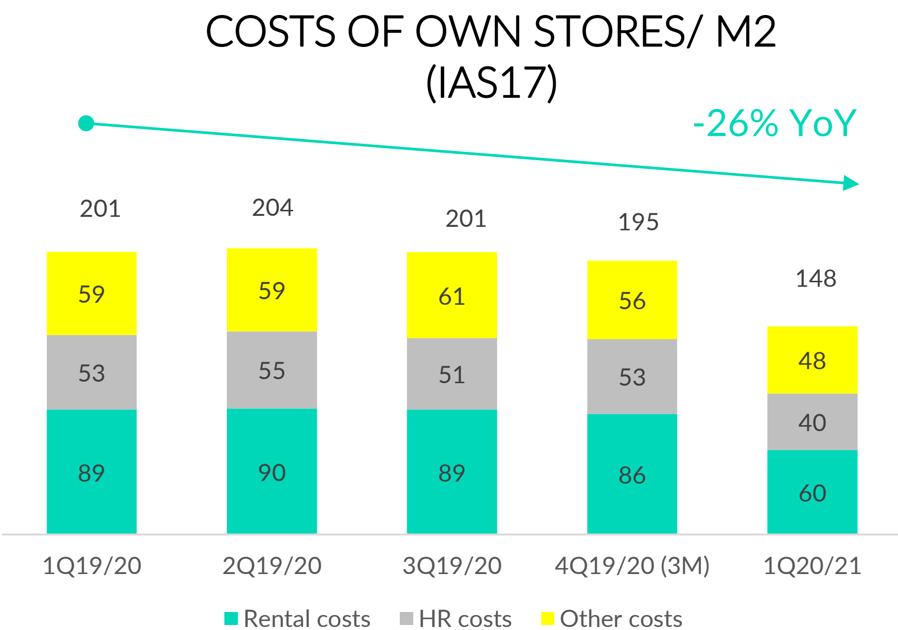

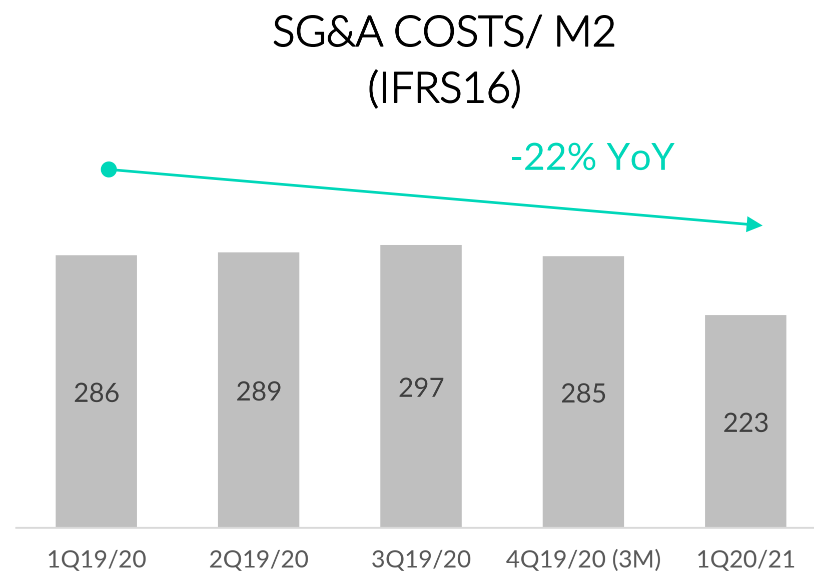

- Lower YoY rental costs → lack of recognition of rental expenses on traditional stores in Poland during the time shopping malls were closed, renegotiation of rental agreements to new reality in shopping malls (falls in traffic).
- YoY fall in HR costs → salary reductions for April-June for all employees. Reduction in other costs of stores due to stores being closed down (lower usage of electricity, materials etc.).
- Fall in SG&A/ m2 → nominal fall in operating costs due to actions taken towards fixed and variable costs. A faster fall in SG&A costs per m2 due to growth in floorspace.

Results affected by COVID-19

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PLN m	1Q19/20 IFRS16	1Q20/21 IFRS16	YoY
Revenues	**1,820.7**	**1,178.6**	**-35.3%**
Gross profit margin	*54.9%*	*48.2%*	*-6.7pp.*
SG&A costs	913.0	815.8	-10.6%
Operating profit (loss)	**64.0**	**-260.5**	**N/M**
EBIT margin	*3.5%*	*-22.1%*	*-25.6pp.*
Financial costs net	-27.3	-158.5	N/M
Net profit (loss)	**23.3**	**-362.0**	**N/M**
EBITDA	**298.4**	**17.6**	**-94.1%**

Double-digit revenue falls due to shopping malls being closed in majority of countries in which LPP's traditional stores are located.

YoY fall in gross profit margin due to higher YoY promotions – necessity to sell goods on-line, i.e. the only operating sales channel.

Fall in costs lower than in revenues due to a sizeable share of fixed costs. Sizeable cost reductions, PLN 5m support from foreign authorities for HR costs (other operating income).

Less favourable YoY net financial activity due to higher FX losses on IFRS16.

IAS17 results more favourable than IFRS16

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PLN m	1Q19/20 IAS17	1Q20/21 IAS17	YoY
Revenues	**1,820.7**	**1,178.6**	**-35.3%**
Gross profit margin	*54.9%*	*48.2%*	*-6.7 pp.*
SG&A costs	916.1	813.9	-11.2%
Operating profit	**60.9**	**-259.9**	**N/M**
EBIT margin	*3.3%*	*-22.1%*	*-25.4 pp.*
Financial costs net	4.6	-30.9	N/M
Net profit	**46.7**	**-258.1**	**N/M**
EBITDA	**153.4**	**-151.9**	**N/M**

Double-digit revenue falls due to shopping malls being closed in majority of countries in which LPP's traditional stores are located.

YoY fall in gross profit margin due to higher YoY promotions - necessity to sell goods on-line, i.e. the only operating sales channel.

Data shown under IAS17 solely for presentation purposes.

IAS17 EBIT similar to that of IFRS16. Lack of recognition of rentals in Poland for the period of closed shopping malls.

Less favourable net financial activity under IFRS16 than IAS17 due to FX losses and interest from IFRS16.

Trade liabilities finance inventory

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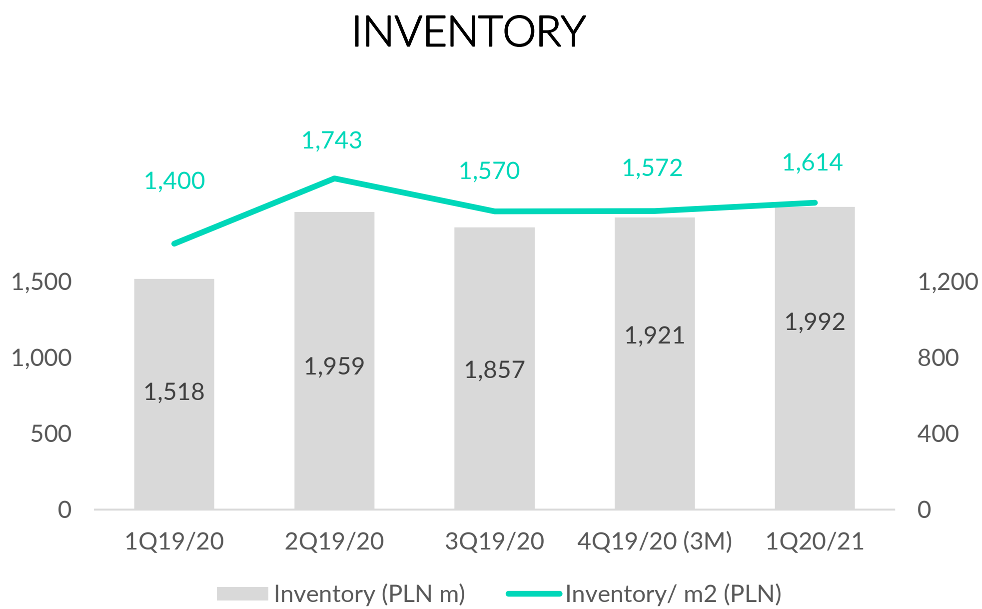

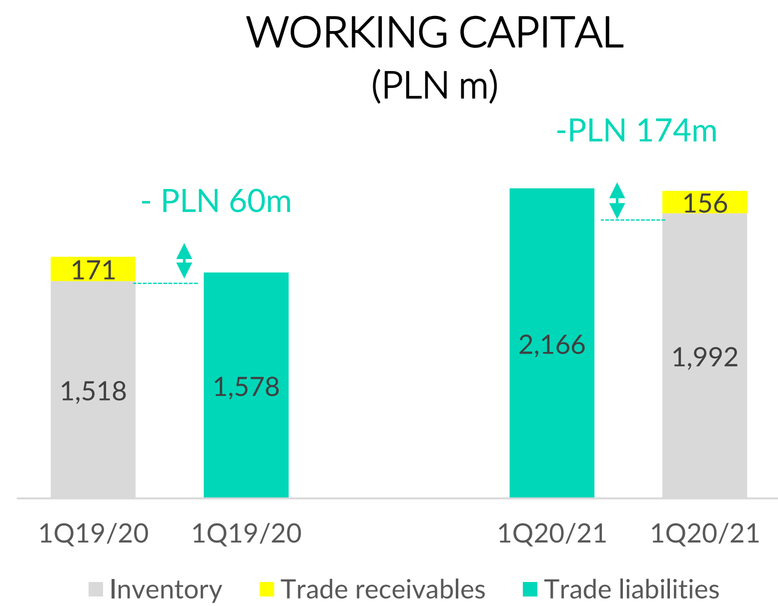

- 31% YoY growth in inventory and 15% YoY pick-up in inventory/ m2 due to fewer YoY possibilities to sell goods in traditional stores as well as higher inventory for Sinsay (higher inventory/ m2 in the brand) and for e-commerce.
- We are in line with our long-term target of matching liabilities to inventory level.
- Supplier financing programme utilization at PLN 1,380m at the end of 1Q20/21.
- As a result, our cash conversation cycle remained at a low level of -15 days in 1Q20/21 (-4 days in 1Q19/20).

Net cash on the balance sheet (IAS17)

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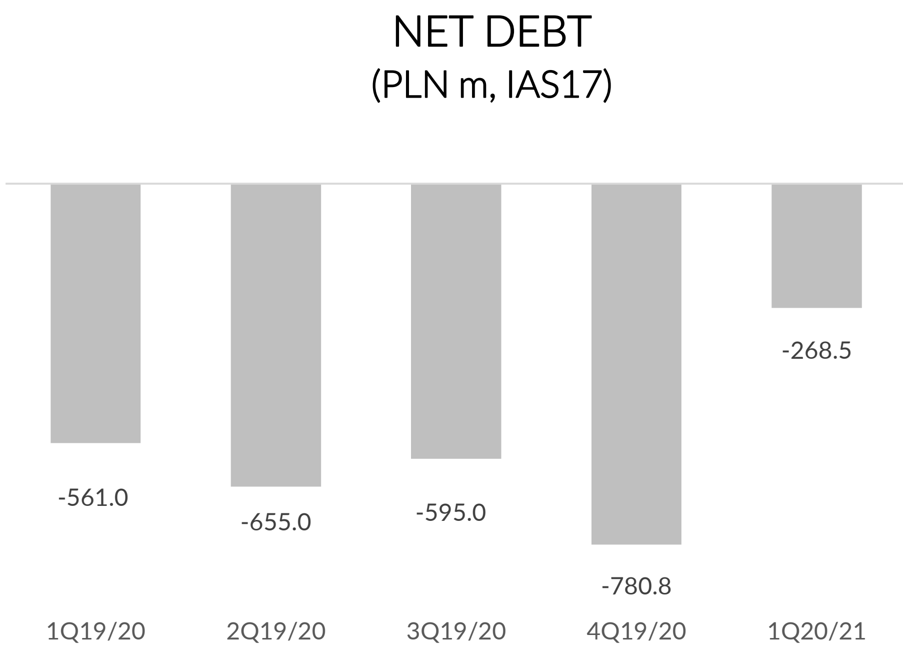

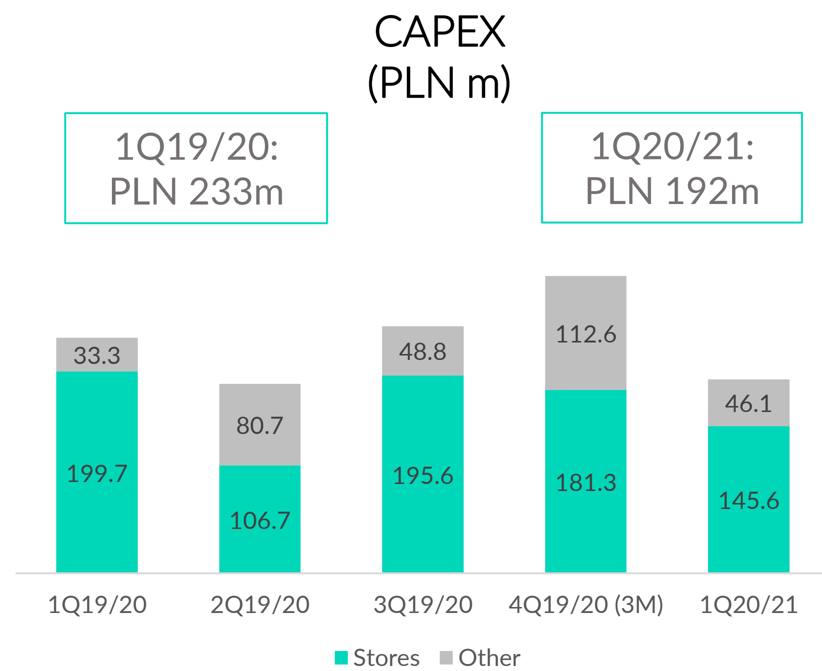

- At the end of 1Q20/21, we had PLN 268.5m of net cash and PLN 28m worth of money market funds.
- In 1Q20/21 capex reached PLN 192m, down 18% YoY due to lower outlays for upgrades and opening of stores. Growth in other capex resulted from construction of new office in Cracow.
- YoY growth in long-term debt due to issuance of 5-year corporate bonds in 4Q19/20. Their balance sheet value end-1Q20/21 came at PLN 302.6m, due to accrued interest. Pick-up in short-term debt due to usage of overdrafts along with falling revenues.

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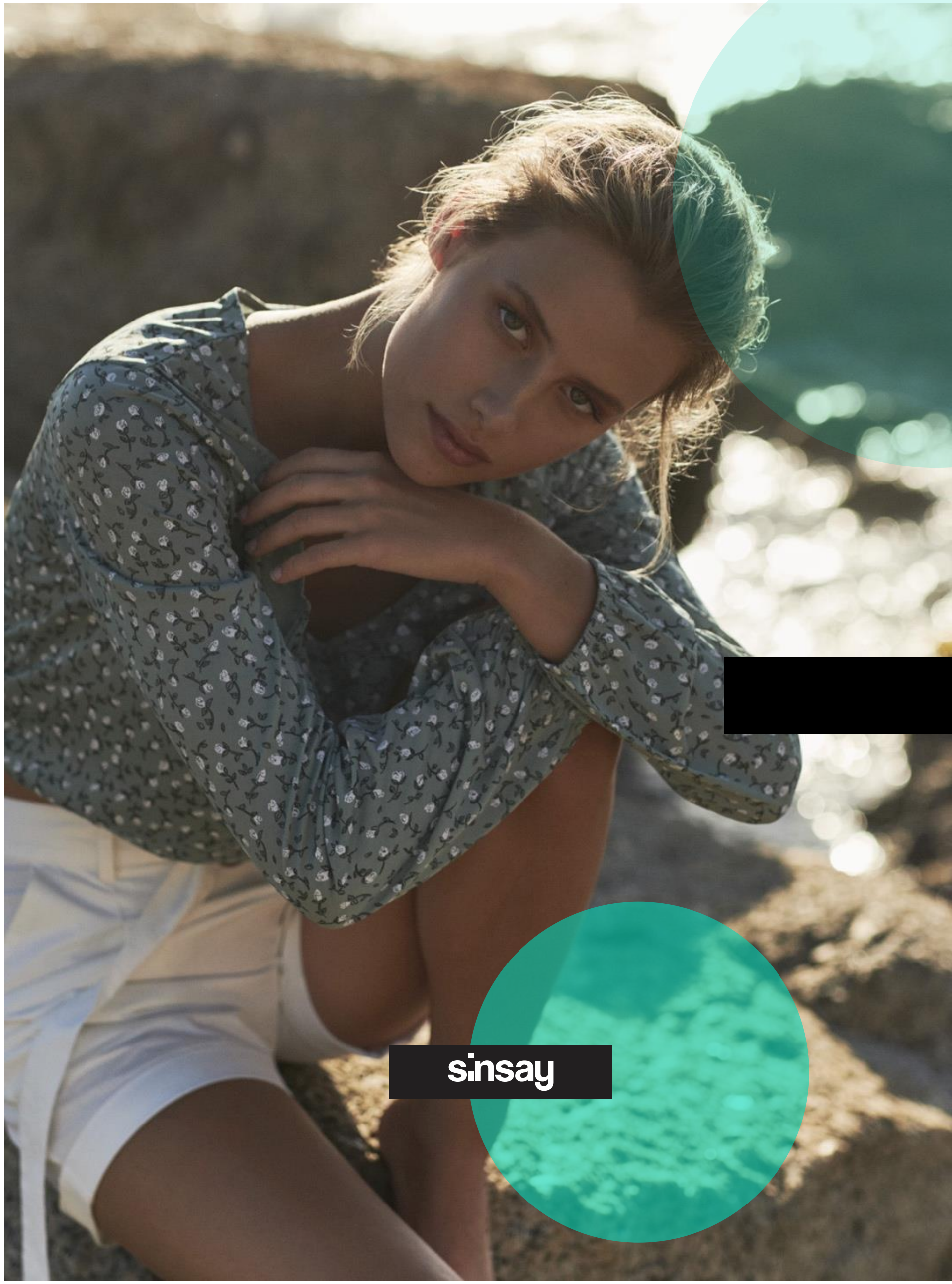
1Q20/21 executive summary

1. Impact of COVID-19 for more than half of the quarter.
2. Triple-digit on-line sales growth.
3. Sizeable cost and capex reduction.
4. Trade liabilities equalled with inventory.
5. Financial safety – net cash (IAS17).



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Key corporate events

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PRUSZCZ GDAŃSKI EXPANSION

Finalising expansion of Pruszcz Gdański distribution centre.

Total floorspace
$91{,}400\ m^2$

February 2020

March 2020

ECO AWARE

Development of Eco Aware collections of all brands in frames of Sustainable Development Strategy.

NEW OFFICES IN CRACOW

Finishing construction of new offices in Cracow, where design centres for House and Mohito are located.

9,000 m2

April 2020

May 2020

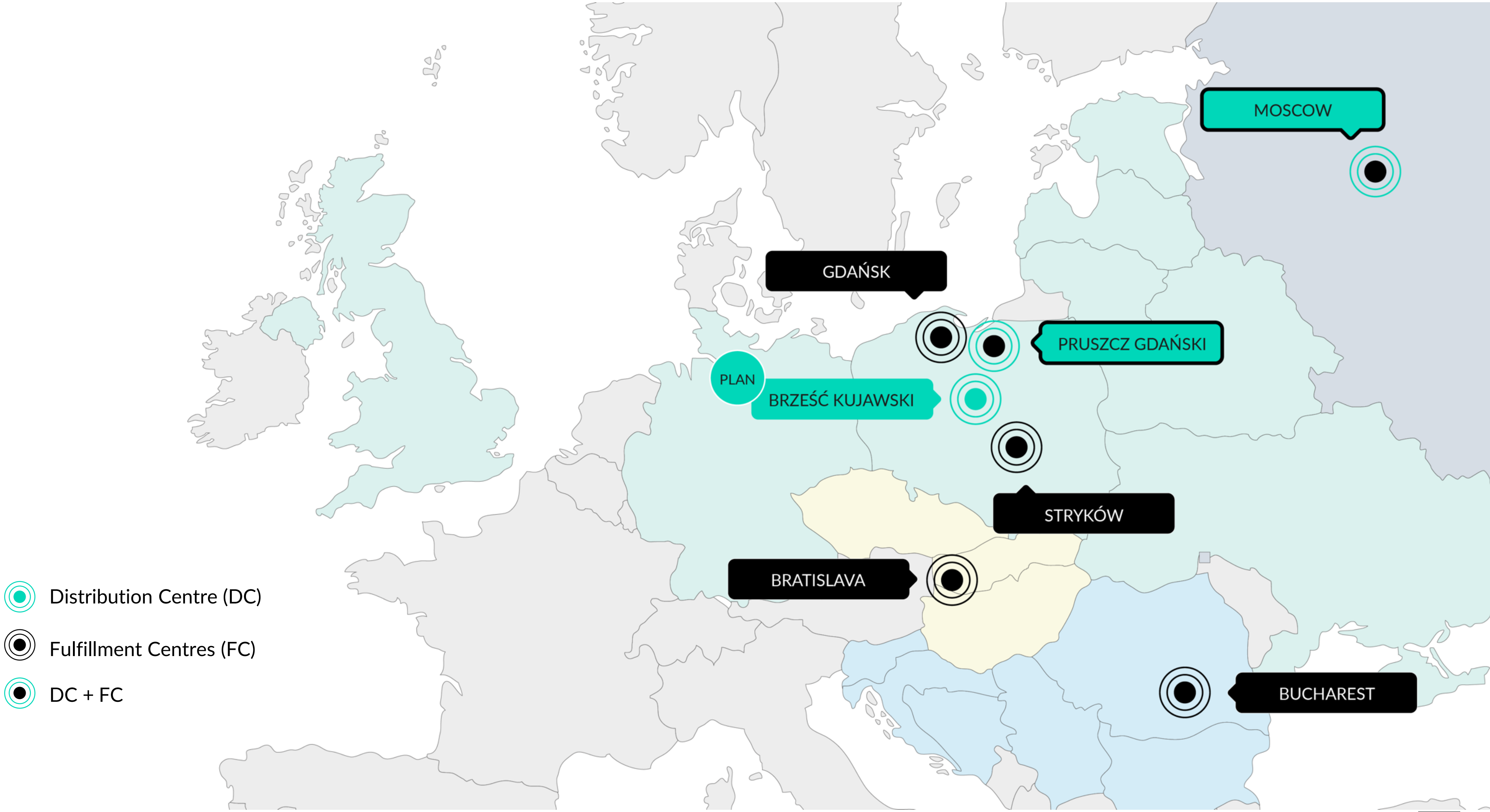
LPP & CLOUD

Google chosen as a strategic digital partner.

Decision to accelerate migration to cloud solutions.

Google My Business

LPP's streamlined logistics



A growing share of Eco Aware collections

Eco Aware to constitute
25% of collections in 2021

Eco Aware collections present in
all LPP's brands

50% of Reserved
collections to be Eco Aware
in 2025

New office in Cracow

AIM

1. Creating a more flexible space, adapted to our needs.
2. Increasing work comfort of House and Mohito teams.
3. Increasing the energy efficiency of the facilities in Cracow.

Energy saving solutions in the building:

- air recuperation,
- top quality filters,
- low-emission glass,
- maximising the potential of daylight.

Towards cloud solutions

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Google as LPP's strategic digital partner

Targets

1. Increasing the use of cloud solutions potential to on-line development
2. Supporting digital transformation of marketing
3. A more Agile organisation

Actions

Switch to full service of e-commerce technical infrastructure with Google Cloud by the end of 2020.

Possibility of further dynamic e-commerce expansion, costs optimisation and providing highest quality service to customers.

Restructuring in Germany

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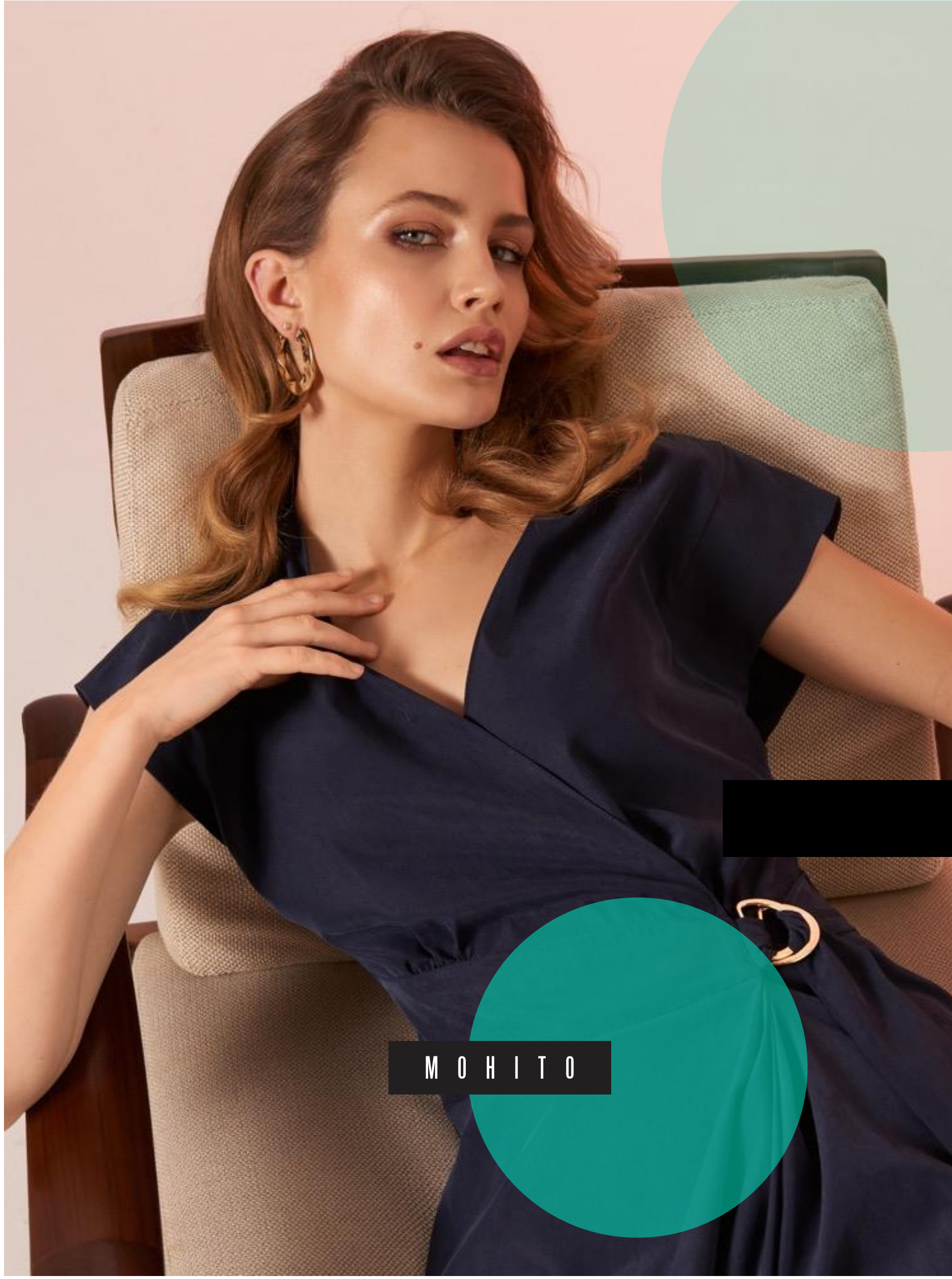
Our subsidiary in Germany:

- runs 19 stores all over the country
- employs some 500 people
- is our sixth largest market

The corrective measures at LPP Deutschland GmbH are aimed at improving the situation and restructuring of the company selling our goods in Germany, including a temporary (3-month) creditor protection.

REASON: negative effects of the COVID-19 pandemic – closing down of traditional stores all over German territory as well as a drop in sales after their opening.

OBJECTIVE: To negotiate new rental agreements with landlords, thereby ensuring the viability of its business.



1. 1Q20/21 financial results

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New reality, new trends

NEW TRENDS

- Affordable garments
- Universal design, which can be used for a couple of quarters
- Clothes from eco fabrics and materials
- Homewear type of clothing

Offer of all LPP's brands is a good response to these trends

Continuation of growths in 2020/21

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Floorspace (ths m2)	I.2020	I.2021 target	YoY
BY BRANDS			
Reserved	664.8	676.6	2%
Cropp	147.9	161.8	9%
House	127.4	139.9	10%
Mohito	111.7	113.3	1%
Sinsay	173.3	233.5	35%
Outlets	5.8	5.3	-8%
BY REGIONS			
Poland	530.0	542.9	2%
Europe	370.7	408.3	10%
CIS	321.8	369.5	15%
ME	8.4	9.9	17%
TOTAL	**1,230.9**	**1,330.5**	**8%**

- Continuation of floorspace growths in 2020/21 – 8% YoY (majority rolled-out in 1H2020/21).
- Shift in entry with own stores on a new market – Northern Macedonia in 2021/22.
- At the end of 2020/21 Reserved traditional stores should be present in 25 countries (return to Belarus yet with own stores).
- 2020/21 targets :
    - emphasis on development of smaller brands: Sinsay, House and Cropp,
    - selective floorspace growth in Europe,
    - development in CIS.
- Planned 2020/21 (12 months) capex at c. PLN 400m. Planned store capex at c. PLN 300m, HQs outlays at PLN 30m, logistics outlays at PLN 20m and IT at PLN 50m.

Dynamic on-line sales growth to continue

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2020/21 target:

over **PLN 2 bn** e-commerce revenues,

doubling of revenues YoY.

Omnichannel development acceleration

On-line	Omnichannel	Off-line
E-commerce orders delivered from stores of all brands.		Floorspace growth in 2020/21.
Greater use of RFID for on-line integration.		Development in centers offering fit-outs and turnover-based rentals.
Further improvements in the use of e-stores.		Sinsay development to continue.

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Sound cash management

The aim of the Management is to **run the Group through the difficult times.**

Inventory/ sell-offs	Lower cash outflows	No dividend
Our goal is to reasonably manage the inventory at hand.	Reduction of capex or their transfer to further years.	Timely service of interest payments from bonds issued in 2019 (interest paid according to schedule).
Unsold part of the Spring/Summer 2020 collection will be transferred to Autumn/Winter 2020 or Spring/Summer 2021 collection.	Work to increase the share of variable costs and adjust operating costs to the new reality.	No dividend. No plans to issue bonds or shares.

Further capex reduction

PLN m	2020/21	2021/22	2022/23	2020/21-2022/23
Stores	**300**	**600**	**500**	**1,400**
Stores domestically and abroad	300	600	500	**1,400**
HQs	**30**	**20**	**130**	**180**
New HQs Gdańsk Łąkowa – Building 2	20	20	0	**40**
New HQs Gdańsk Łąkowa – Building 3	0	0	130	**130**
New offices in Cracow	10	0	0	**10**
Logistics	**20**	**430**	**170**	**620**
New DC in Brześć Kujawski	20	430	170	**620**
IT & other	**50**	**50**	**50**	**150**
TOTAL	**400**	**1,100**	**850**	**2,350**

Reduction of distribution centre in Brześć outlays by PLN 240m.

Opportunities and risks for 2020/21

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Risks

- A new model of customer behavior after COVID-19.
- Possible second wave of infections.
- Changes in economy and purchasing power of customers.
- Reduction in store rental expenses.
- Sale of goods from Spring/Summer 2020 collection.
- Strong USD and EUR exchange rates, weak RUB.
- Obtaining financial support (PFR, banks).

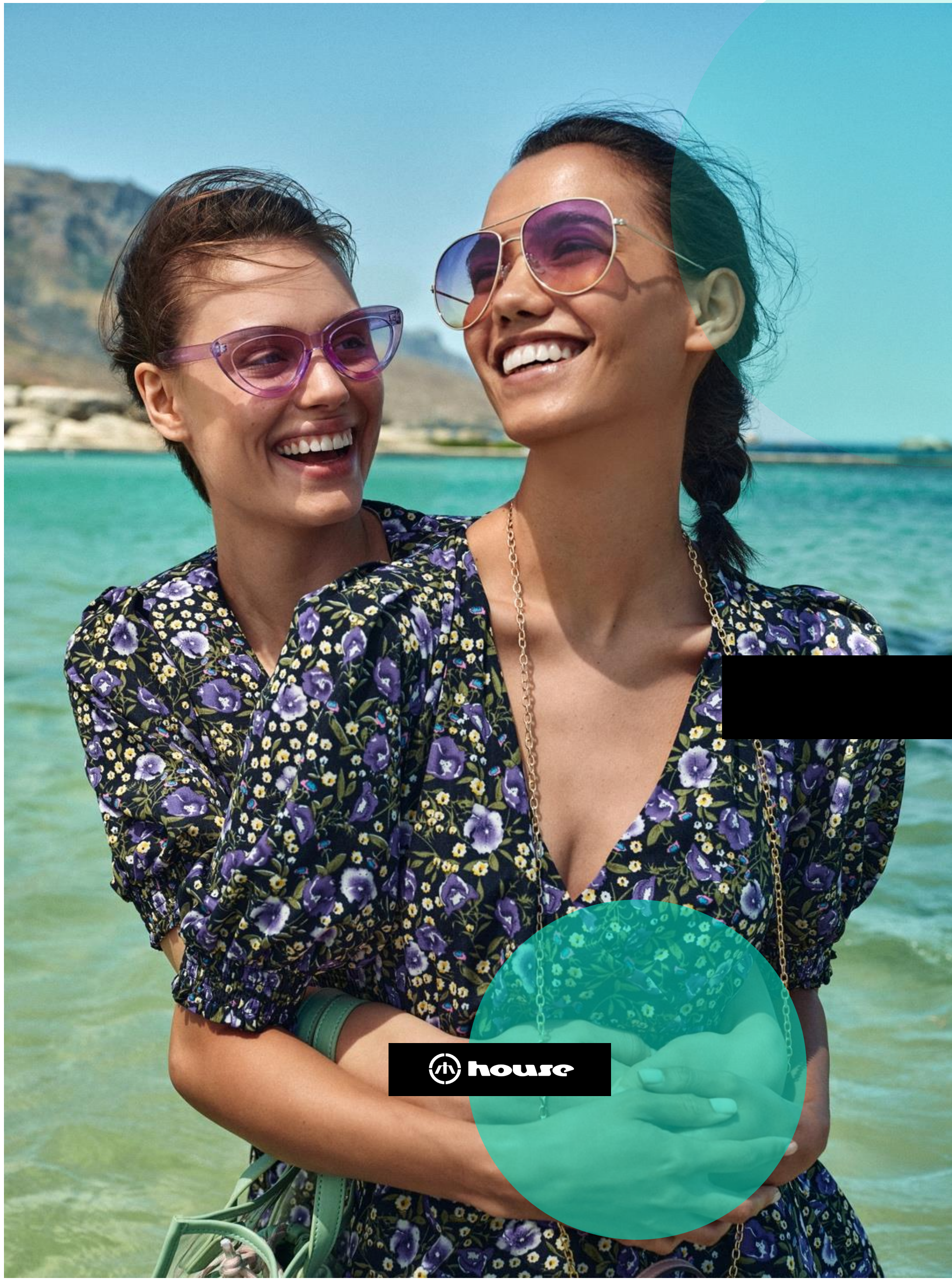
Targets

- Revenue fall not exceeding 30% YoY.
- Gross margin in the range of 47-49%.
- Maintaining financial liquidity.

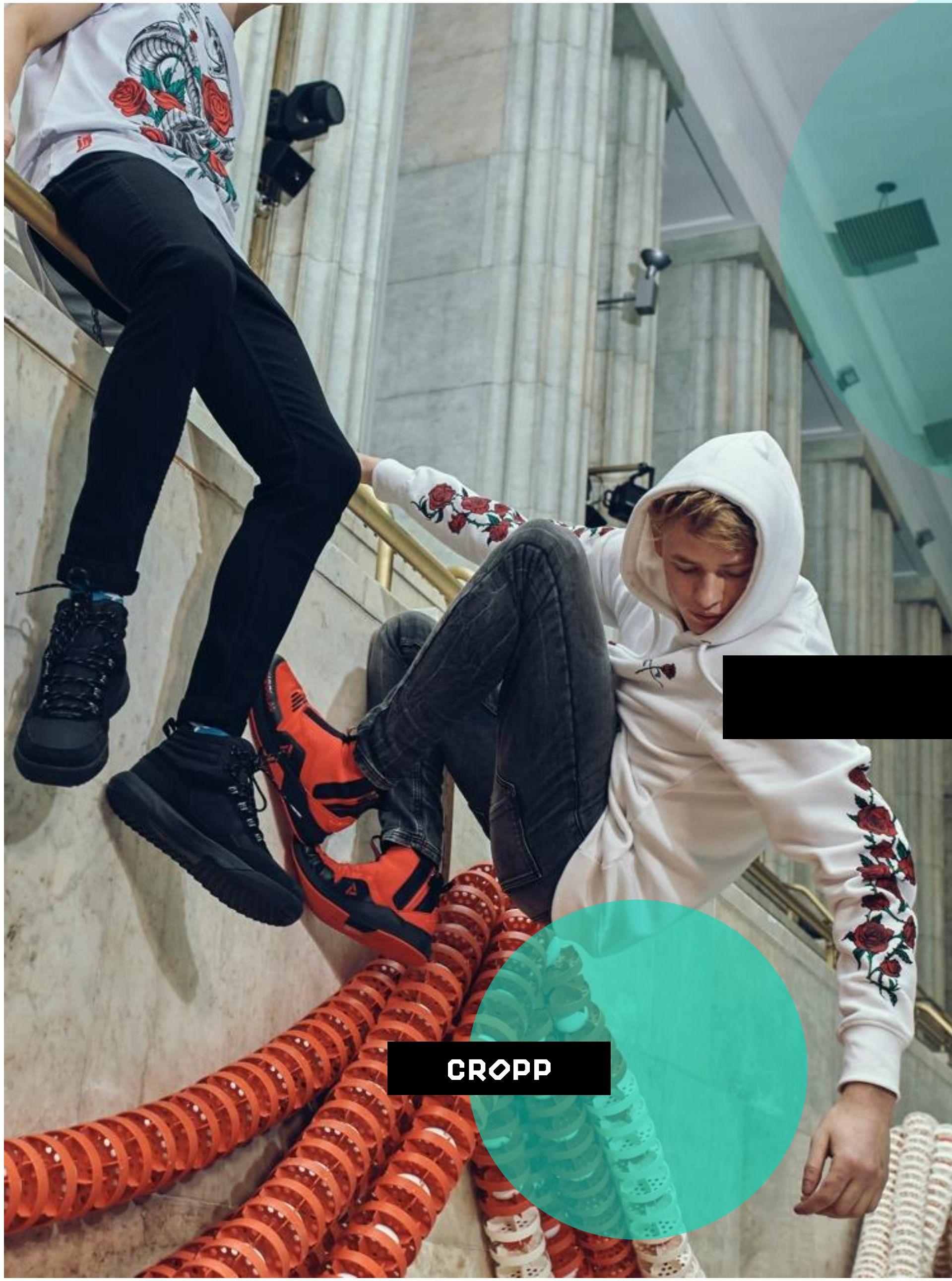
Opportunities

- Successful collections of all brands - favorable price-to-quality ratio.
- Further e-commerce development on new markets.
- Using RFiD to support rapid e-commerce growth.

Targets relate to a comparable 12-month-long period of 2019/20. Key numbers have been presented in the back-up.



Q&A



Back-up

Network development

Floorspace (ths m2)	31.01.2019	30.04.2019	31.07.2019	30.10.2019	31.01.2020	30.04.2020
Reserved	**605.0**	**616.6**	**634.3**	**655.0**	**664.8**	**657.1**
Poland	268.7	263.5	267.6	272.0	270.3	262.9
Europe	188.0	204.4	215.1	218.4	225.3	223.7
CIS	141.2	141.6	143.2	156.1	160.8	162.1
ME	7.1	7.1	8.4	8.4	8.4	8.4
Cropp	**132.8**	**134.9**	**140.8**	**143.2**	**147.9**	**149.2**
Poland	65.9	64.6	64.6	64.1	63.0	61.2
Europe	24.6	28.8	30.1	32.8	34.9	34.8
CIS	42.3	41.5	46.1	46.4	50.0	53.2
House	**115.2**	**115.9**	**121.7**	**125.5**	**127.4**	**129.8**
Poland	66.9	65.8	66.2	67.3	65.6	64.9
Europe	18.6	22.0	24.9	28.2	30.1	31.9
CIS	29.7	28.1	30.6	30.0	31.7	33.0
Mohito	**107.9**	**108.0**	**108.7**	**112.5**	**111.7**	**110.5**
Poland	53.4	52.1	52.1	53.3	51.4	50.2
Europe	24.8	26.3	26.4	28.6	29.7	29.2
CIS	29.7	29.6	30.1	30.6	30.5	31.1
Sinsay	**102.7**	**110.5**	**120.7**	**149.1**	**173.3**	**190.4**
Poland	59.8	61.4	63.6	73.2	78.4	81.4
Europe	20.2	24.8	31.0	41.2	50.7	56.3
CIS	22.7	24.3	26.1	34.7	44.2	52.8
Outlets	**12.0**	**10.8**	**0.0**	**0.0**	**5.8**	**5.8**
Total by regions						
Poland	523.0	515.5	521.0	534.9	530.0	521.7
Europe	274.7	306.3	327.6	349.2	370.7	375.9
CIS	270.9	267.8	278.9	301.5	321.8	336.8
ME	7.1	7.1	8.4	8.4	8.4	8.4
TOTAL	**1,075.6**	**1,096.7**	**1,135.8**	**1,194.1**	**1,230.9**	**1,242.7**

Network development details as at I.2021

Floorspace (ths m2)	31.01.2020	31.01.2021	Nom. growth.	YoY growth
Reserved	**664.8**	**676.6**	**11.8**	**1.8%**
Poland	270.3	265.0	-5.3	-2.0%
Europe	225.3	233.9	8.6	3.8%
CIS	160.8	167.8	7.0	4.4%
ME	8.4	9.9	1.4	17.0%
Cropp	**147.9**	**161.8**	**13.9**	**9.4%**
Poland	63.0	65.8	2.8	4.4%
Europe	34.9	39.6	4.7	13.4%
CIS	50.0	56.5	6.5	12.9%
House	**127.4**	**139.9**	**12.5**	**9.8%**
Poland	65.6	72.7	7.1	10.9%
Europe	30.1	32.4	2.3	7.7%
CIS	31.7	34.8	3.1	9.7%
Mohito	**111.7**	**113.3**	**1.7**	**1.5%**
Poland	51.4	50.3	-1.1	-2.1%
Europe	29.7	31.0	1.3	4.3%
CIS	30.5	32.0	1.5	4.9%
Sinsay	**173.3**	**233.5**	**60.3**	**34.8%**
Poland	78.4	88.3	9.9	12.6%
Europe	50.7	71.4	20.7	40.9%
CIS	44.2	73.8	29.7	67.2%
Outlets	**5.8**	**5.3**	**-0.5**	**-8.3%**
Poland	1.1	0.7	-0.5	-41.3%
Europe	0.0	0.0	0.0	0.0%
CIS	4.6	4.6	0.0	0.0%
TOTAL	**1,230.9**	**1,330.5**	**99.7**	**8.1%**

No. of STORES	31.01.2020	31.01.2021	Nom. growth	YoY growth
Reserved	**454**	**443**	**-11**	**-2%**
Poland	200	189	-11	-6%
Europe	133	132	-1	-1%
CIS	113	113	0	0%
ME	8	9	1	13%
Cropp	**360**	**364**	**4**	**1%**
Poland	176	170	-6	-3%
Europe	77	81	4	5%
CIS	107	113	6	6%
House	**318**	**320**	**2**	**1%**
Poland	181	181	0	0%
Europe	63	63	0	0%
CIS	74	76	2	3%
Mohito	**283**	**273**	**-10**	**-4%**
Poland	142	131	-11	-8%
Europe	66	66	0	0%
CIS	75	76	1	1%
Sinsay	**324**	**377**	**53**	**16%**
Poland	173	184	11	6%
Europe	79	**92**	13	16%
CIS	72	101	29	40%
Outlets	**7**	**6**	**-1**	**-2%**
Poland	2	1	-1	4%
Europe	0	0	0	9%
CIS	5	5	0	13%
TOTAL	1,746	1,783	37	2%

Changes in group 1Q20/21 floorspace

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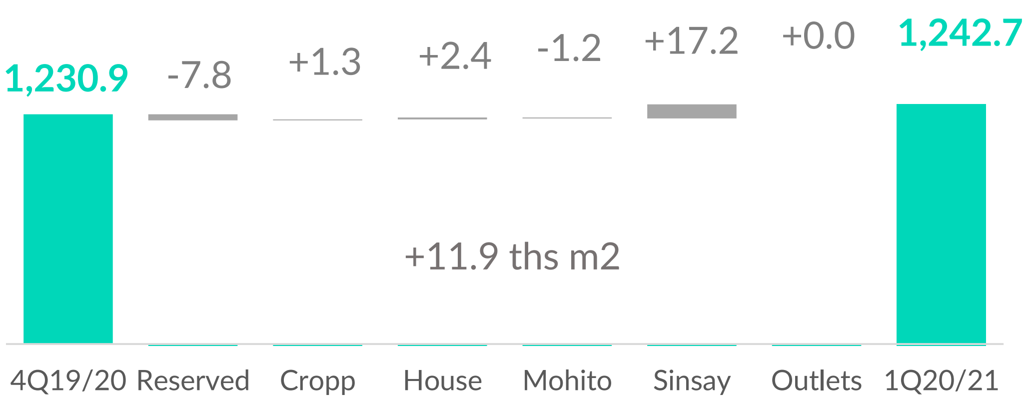
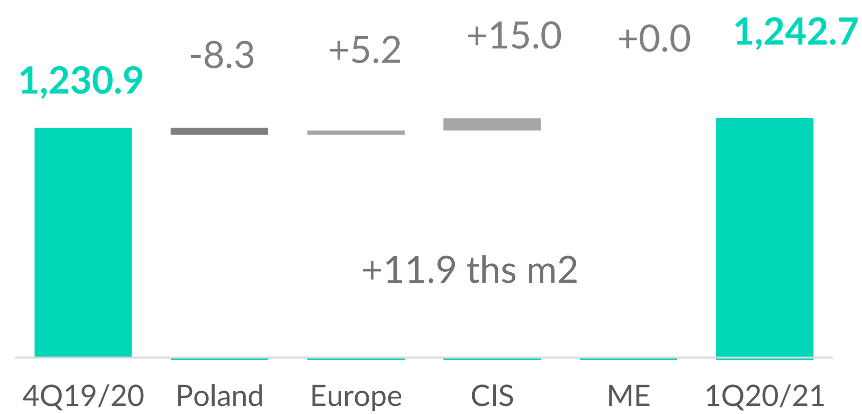
CHANGE IN FLOORSPACE BY BRANDS (ths m2)



CHANGE IN FLOORSPACE BY REGIONS (ths m2)



- Floorspace optimisation in Poland, while development in 1Q20/21 mostly abroad. Growth of floorspace in Europe resulted mainly from openings in Romania, Hungary and Latvia. Stable floorspace in Western Europe.
- Development in CIS region mostly in Russia and Ukraine. Stable floorspace in Middle East.
- In 1Q20/21 Sinsay added the most floorspace among brands. Stores were closed mainly in Reserved and Mohito brands.

1Q20/21 revenue growth contributors

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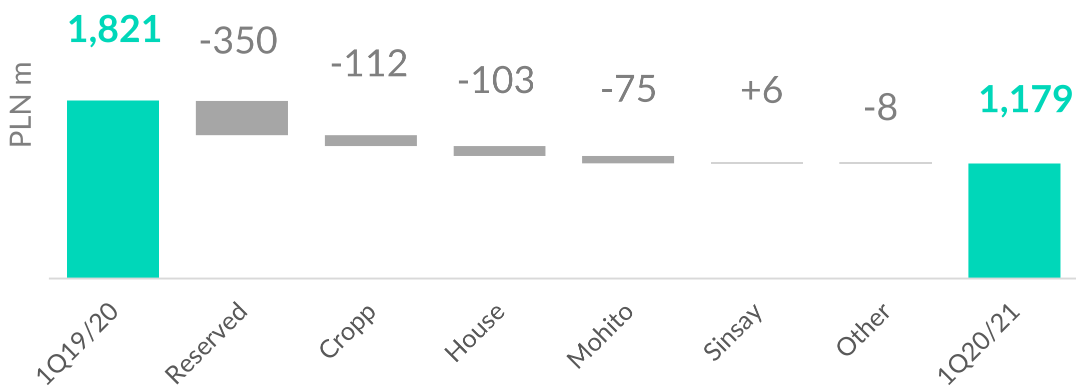
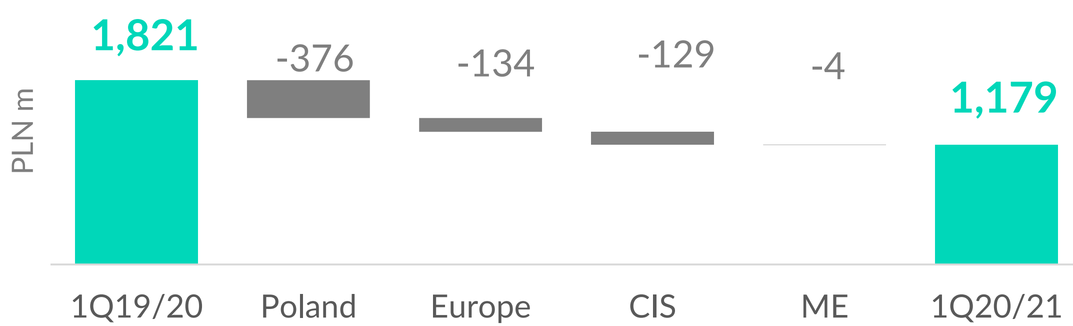
REVENUE GROWTH BY BRANDS



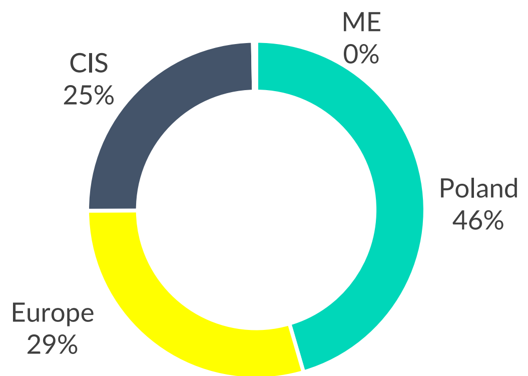
REVENUE GROWTH BY REGIONS



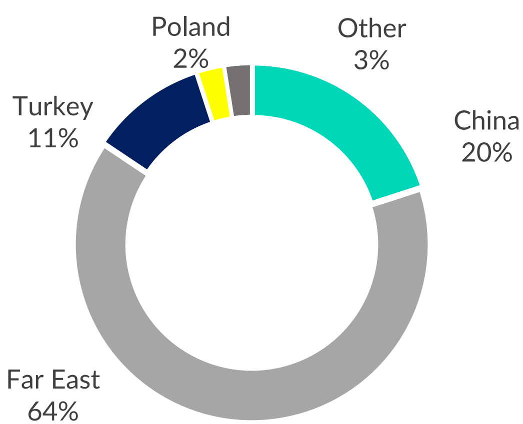
PLN m	1Q19/20	1Q20/21	YoY
LPP GROUP	**1,820.7**	**1,178.6**	**-35.3%**
Reserved PL	420.8	232.2	-44.8%
Reserved EX	483.8	322.0	-33.4%
Cropp PL	110.3	52.5	-52.4%
Cropp EX	136.2	82.0	-39.8%
House PL	134.9	64.4	-52.3%
House EX	86.7	54.7	-37.0%
Mohito PL	106.0	62.6	-40.9%
Mohito EX	95.3	63.0	-33.9%
Sinsay PL	134.1	116.2	-13.3%
Sinsay EX	91.1	114.9	26.2%
Other	21.6	14.1	-34.8%

1Q20/21 revenue and COGS split

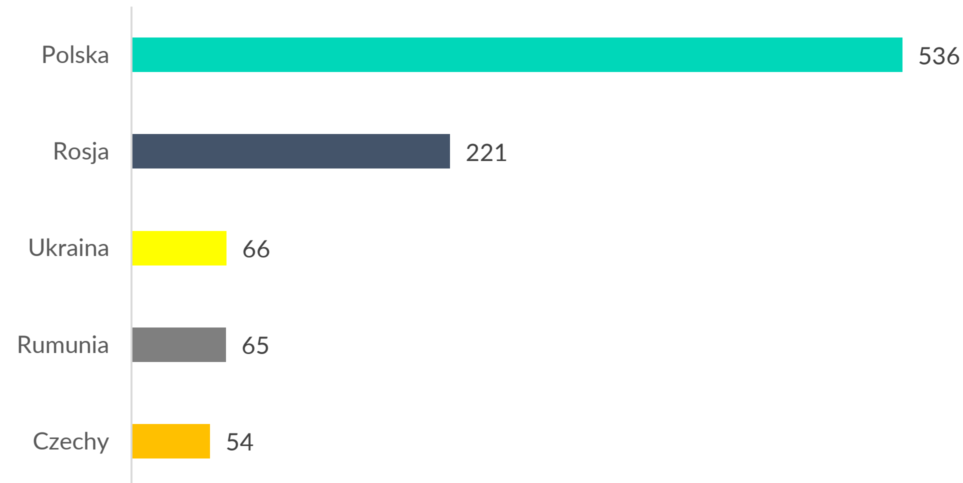
1Q20/21 REVENUES BY REGIONS
(PLN m)



1Q20/21 PURCHASES BY REGION
(PLN m)



TOP5 REVENUES BY COUNTRIES IN 1Q20/21
(PLN m)



Poland remains our most important market in 1Q20/21.

Costs of stores and HQs

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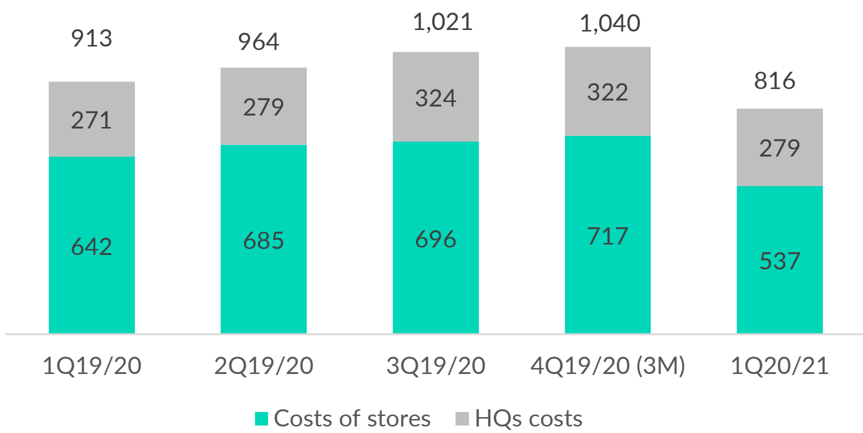
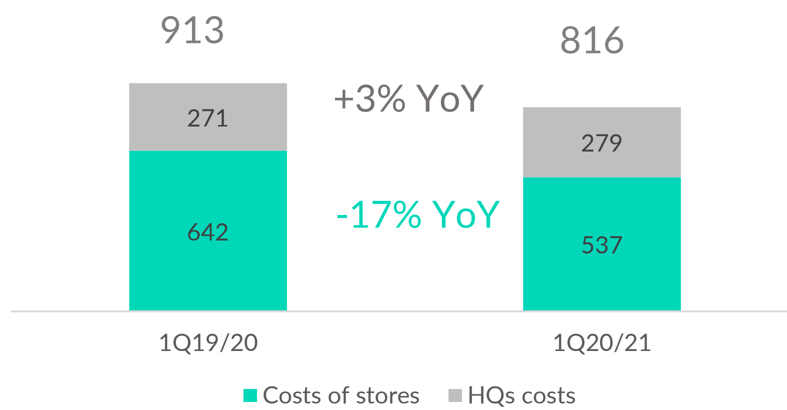
SG&A COSTS
(PLN m, IFRS16)



SG&A COSTS
(PLN m, IFRS16)



- 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 ➔ fall due to lack of recognition of rentals in Poland, reductions in variable costs.
- HQ costs ➔ growth due to larger scale of organisation and sizeable share of fixed costs.

1Q20/21 other operating and net financial lines

LPP

OTHER OPERATING ACTIVITY

PLN m	1Q19/20	1Q20/21
OTHER OPERATING REVENUES	**6.3**	**9.1**
Inventory excess	1.7	0.4
Gain on sale of assets, write-ups	1.6	1.4
OTHER OPERATING COSTS	**28.4**	**21.6**
Write-offs	2.8	3.5
Inventory losses	15.4	11.4
Donations and liquidation	6.4	3.2
OTHER OPERATING ACTIVITY	**-22.1**	**-12.6**

PLN 5.0m of subsidies in other operating line in 1Q20/21 – support for salaries in April 2020.

NET FINANCIAL ACTIVITY

PLN m	1Q19/20	1Q20/21
FINANCIAL REVENUES	**3.8**	**3.4**
FX gains	0.0	0.0
Interest	3.8	3.4
FINANCIAL COSTS	**31.1**	**161.9**
FX losses	2.5	120.3
Interest	28.6	40.3
Fees and charges	0.0	1.3
NET FINANCIAL ACTIVITY	**-27.3**	**-158.5**

PLN 120.3m FX losses in 1Q20/21, out of which PLN 18.6m losses on RUB and UAH, PLN 11.8m losses on US$, PLN 5.3m gains on other currencies (EUR, RON, HUF, CZK) and PLN 95.3m losses on IFRS16.

PLN 32.3m of additional IFRS16 interest in 1Q20/21.

IFRS16 impact summary

LPP

EBITDA
1Q20/21

PLN 169.5m additional amortisation of right of use asset.

EBIT
1Q20/21

72% rentals under IFRS16 (PLN 168.2m). These are replaced with amortisation of right of use asset.

NET INCOME
1Q20/21

Financial costs related to the asset (-PLN 32.3m) and FX losses (-PLN 95.3m).

IFRS16 impact in 1Q19/20

LPP

	1Q19/20 IFRS16	IFRS16 adjustments					1Q19/20 IAS17
		rentals	D&A	interest	FX differences	tax	
Revenues	1,820.7						1,820.7
Gross profit	999.2						999.2
Gross profit margin	54.9%						54.9%
SG&A costs	913.0	144.9	-141.8				916.1
Other operating line	-22.1						-22.1
EBIT	64.0	-144.9	141.8	0.0	0.0	0.0	60.9
Net financial activity	-27.3			24.6	7.3		4.6
Pre-tax profit/ loss	36.7	-144.9	141.8	24.6	7.3	0.0	65.5
Tax	13.4					5.4	18.8
Net income/ loss	23.3	-144.9	141.8	24.6	7.3	-5.4	46.7
D&A	234.3		-141.8				92.5
EBITDA	298.4	-144.9	0.0	0.0	0.0	0.0	153.4

IFRS16 impact in 1Q20/21

LPP

	1Q20/21 IFRS16	IFRS16 adjustments					1Q20/21 IAS17
		rentals	D&A	interest	FX differences	tax	
Revenues	1,178.6						1,178.6
Gross profit	567.8						567.8
Gross profit margin	48.2%						48.2%
SG&A costs	815.8	168.2	-170.1				813.9
Other operating line	-12.6	-1.3					-13.8
EBIT	-260.5	-169.5	170.1	0.0	0.0	0.0	-259.9
Net financial activity	-158.5			32.3	95.3		-30.9
Pre-tax profit/ loss	-419.0	-169.5	170.1	32.3	95.3	0.0	-290.8
Tax	-57.0					24.4	-32.7
Net income/ loss	-362.0	-169.5	170.1	32.3	95.3	-24.4	-258.1
D&A	278.1		-170.1				108.0
EBITDA	17.6	-169.5	0.0	0.0	0.0	0.0	-151.9

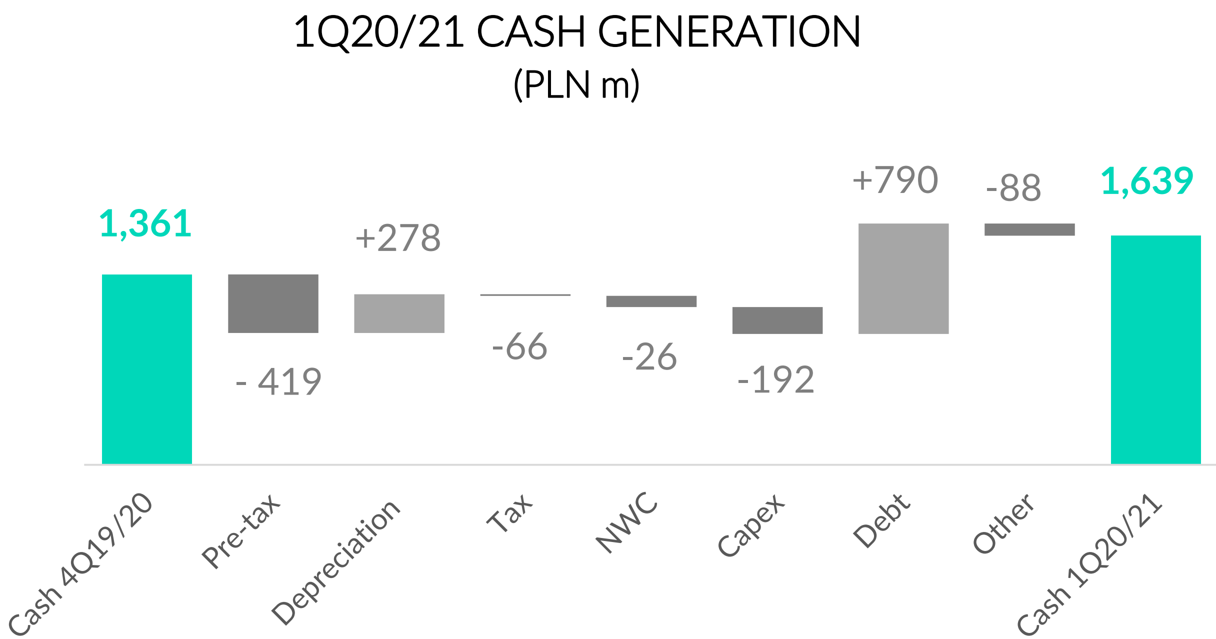
Historical quarterly results

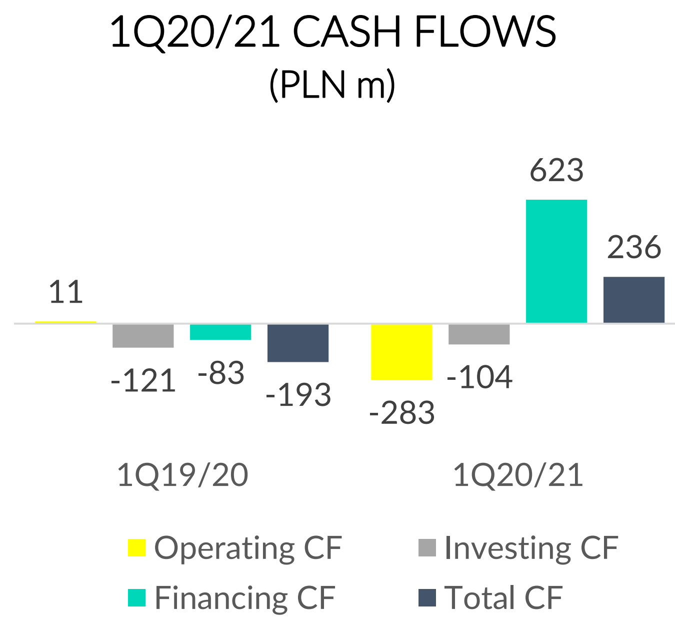
LPP

PLN m	1Q19/20 IFRS16 (February-April 2019)	2Q19/20 IFRS16 (May–July 2019)	3Q19/20 IFRS16 * (August-October 2019)	4Q19/20 IFRS16 * (November 2019-January 2020)	2019/20 IFRS16 * (February 2019 -January 2020)	1Q20/21 IFRS16 (February-April 2020)
Revenues	**1,820.7**	**2,344.8**	**2,332.0**	**2,696.3**	**9,139.8**	**1,178.6**
Gross profit on sales	999.2	1,156.4	1,371.0	1,349.8	4,876.4	567.8
Gross profit margin	*54.9%*	*49.3%*	*58.8%*	*50.1%*	*53.0%*	*48.2%*
SG&A costs	913.0	964.4	1 020.5	1 039.8	3 937.7	815.8
Other operating line	-22.1	-6.5	-15.2	-72.0	-115.8	-12.6
EBIT	**64.0**	**185.6**	**335.3**	**238.0**	**822.9**	**-260.5**
EBIT margin	*3.5%*	*7.9%*	*14.4%*	*8.8%*	*9.0%*	*-22.1%*
Net financial activity	-27.3	-39.5	-41.4	-37.7	-145.9	-158.5
Pre-tax profit	36.7	146.1	293.9	200.3	677.0	-419.0
Tax	13.4	114.2	57.5	65.7	250.8	-57.0
Net income	**23.3**	**31.9**	**236.4**	**134.6**	**426.2**	**-362.0**
Net income margin	*1.3%*	*1.4%*	*10.1%*	*5.0%*	*4.6%*	*-30.7%*
EBITDA	**298.4**	**423.2**	**580.6**	**504.8**	**1 807.0**	**17.6**

* Preliminary data.

Cash flows





- Operating cash flow → negative level due to a pre-tax loss versus earnings in the base.
- Investing cash flow → lower YoY capex, continuation of withdrawals from money market funds.
- Financing cash flows → higher YoY usage of debt.
- PLN 1.4bn in open credit lines used for letters of credits, guarantees and overdrafts.

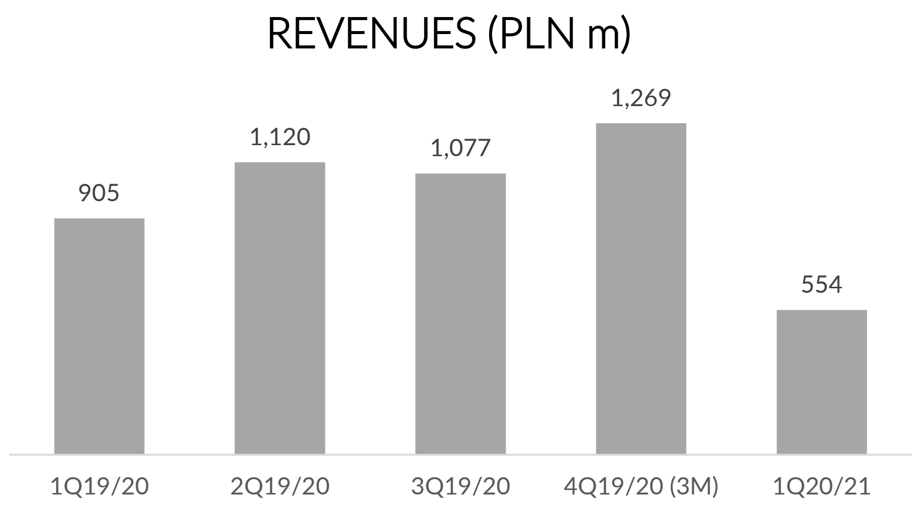
A strong balance sheet despite pandemic

LPP

PLN m	1Q19/20	4Q19/20	1Q20/21
Non-current assets	**5,413.4**	**5,870.7**	**5,961.1**
fixed assets	1,906.0	2,312.4	2,379.7
intangibles (incl. goodwill)	387.6	413.3	417.6
right of use assets (IFRS16)	2,938.2	3,000.2	2,960.7
Current assets	**2,747.9**	**3,735.1**	**4,065.0**
inventory	1,517.9	1,921.1	1,992.4
trade receivables	171.4	143.8	155.7
cash and equivalents	885.4	1,361.5	1,639.2
Total assets	**8,161.4**	**9,605.9**	**10,026.1**
Equity	**2,862.1**	**3,247.5**	**2,876.9**
Long-term liabilities	**2,681.5**	**3,159.3**	**3,189.0**
interest bearing debt	70.8	462.9	454.7
financial leases (IFRS16)	2,496.2	2,568.0	2,596.7
Short-term liabilities	**2,617.8**	**3,199.1**	**3,960.2**
trade liabilities	1,578.0	2,100.8	2,166.2
interest bearing debt	253.6	109.5	907.2
financial leases (IFRS16)	595.3	680.2	715.8
Total liabilities and equity	**8,161.4**	**9,605.9**	**10,026.1**

- IFRS16: right of use assets and finance lease liabilities.
- YoY growth in fixed assets due to network development and investments in logistics and HQs.
- YoY growth in intangibles due to investments in IT.
- Higher YoY inventory due to closing down of shopping malls in majority of countries where LPP is present with its stores.
- Growth in receivables QoQ due to deliveries to franchises in ME and unpaid fit-outs (withheld payments due to COVID-19).
- Higher cash due to reduction in capex, higher liabilities and lower costs.
- YoY growth in trade payables due to supplier financing programme.
- YoY growth in long-term debt due to issuance of corporate bonds in 4Q19/20, while pick-up in short-term debt from usage of overdrafts.

RESERVED



NUMBER OF STORES:
441, -7 YoY

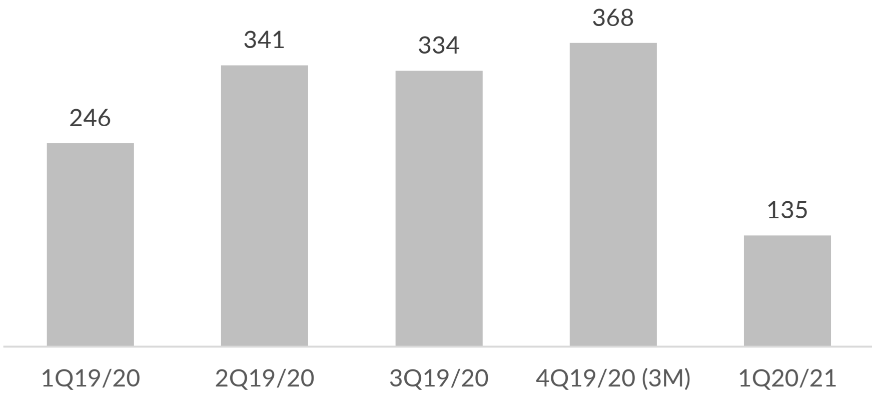
AN ANCHOR BRAND WITH A BROAD CUSTOMER BASE OFFERING THE LATEST TRENDS.

WOMEN, MEN AND CHILDREN

1998 YEAR OF LAUNCH

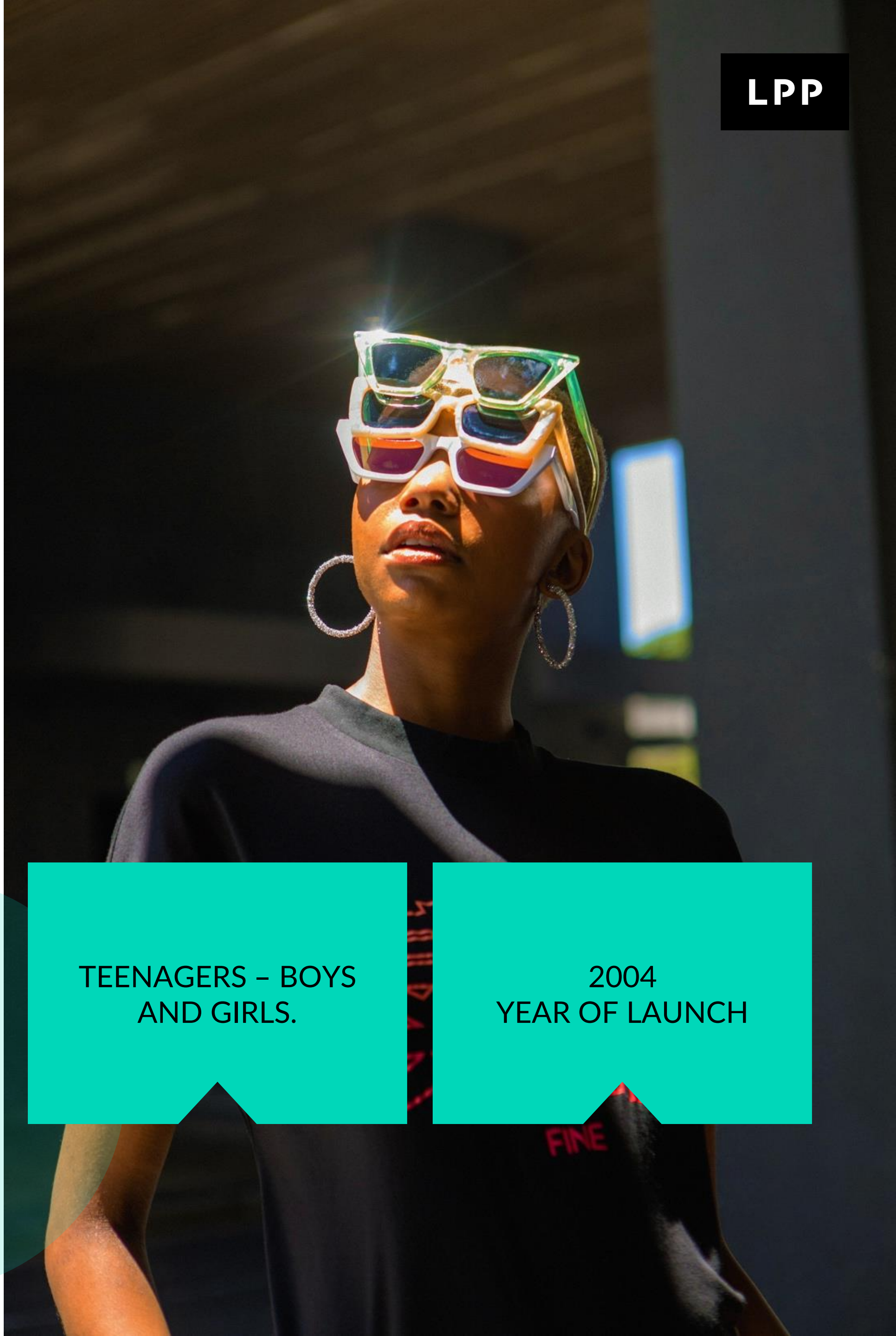
CROPP

REVENUES (PLN m)



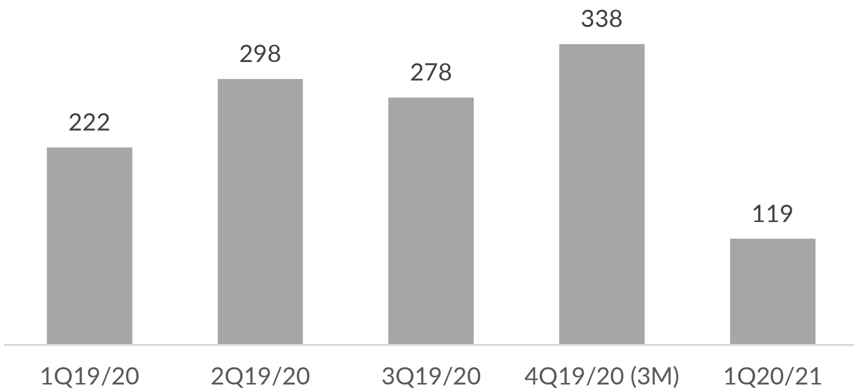
NUMBER OF STORES:
356, -7 YoY

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



house

REVENUES (PLN m)



NUMBER OF STORES:
316, -1 YoY

OPTIMISTIC FASHION BRAND.

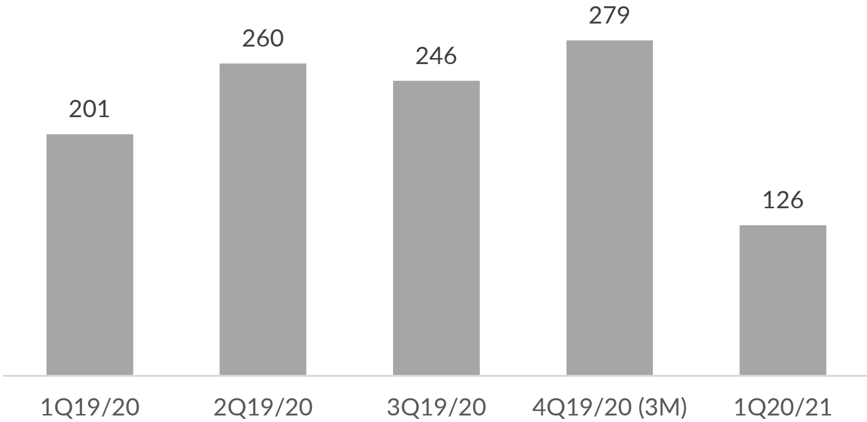
LPP

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

2001
YEAR OF LAUNCH

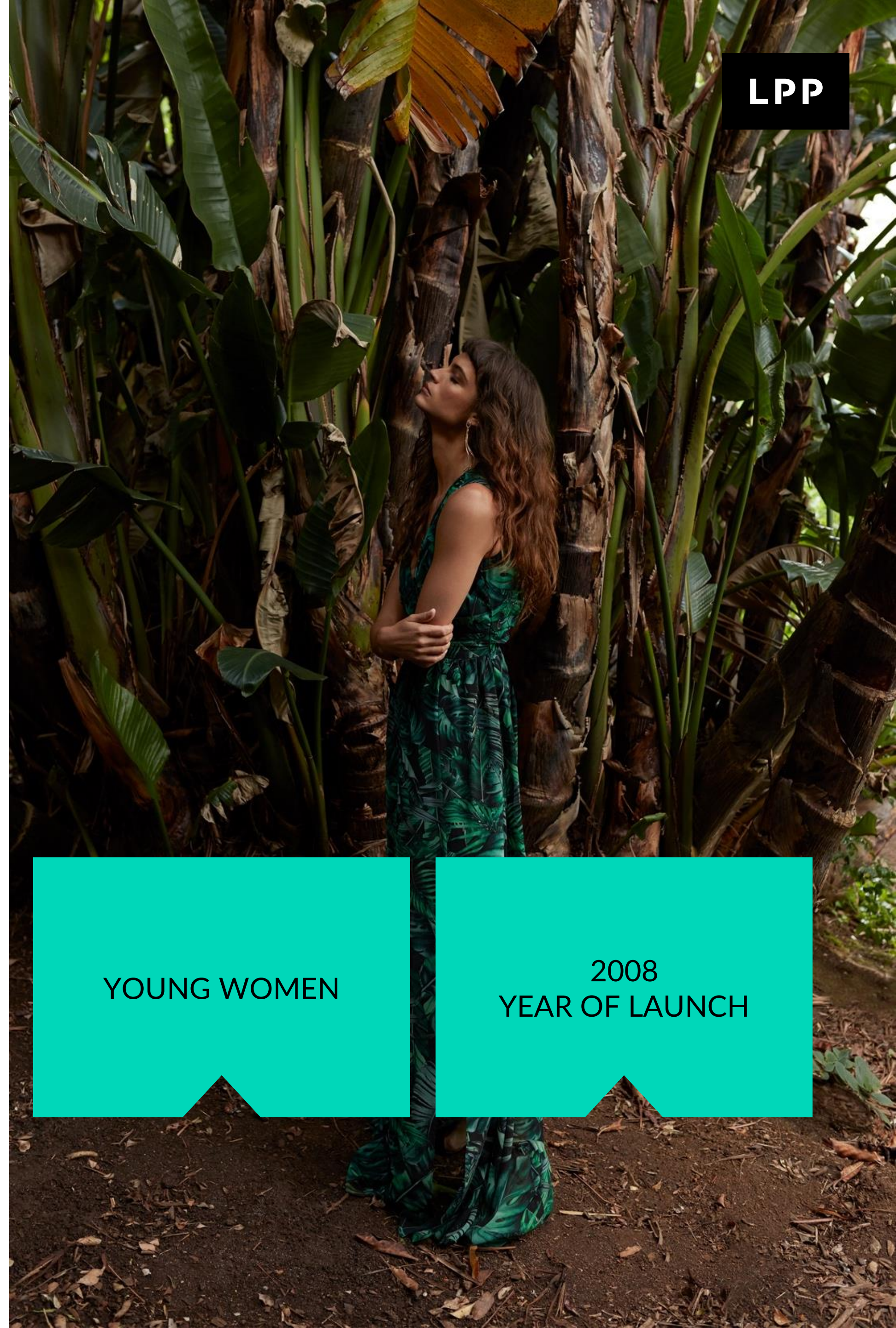
MOHITO

REVENUES (PLN m)



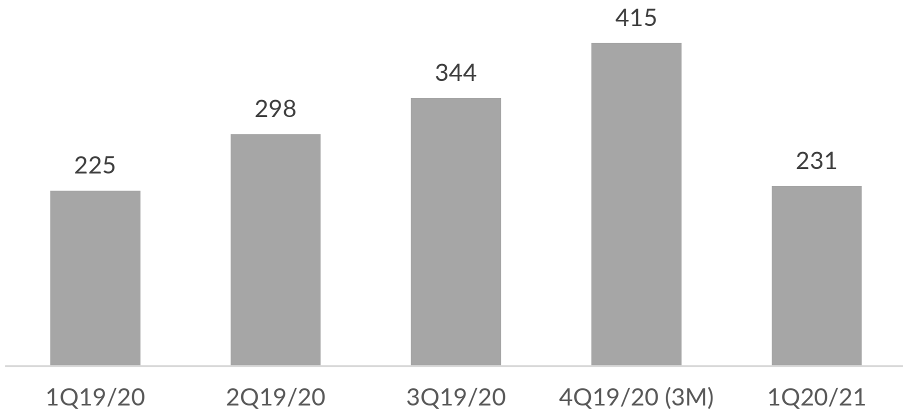
NUMBER OF STORES:
276, -12 YoY

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



sinsay

SPRZEDAŻ (mln PLN)



NUMBER OF STORES:
335, +57 YoY

CLOTHES FOR EVERY DAY INSPIRATIONS AND ORIGINAL PARTY OUTFITS.

Glossary

LPP

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 2019/20 B&H, while from 2021/22 Northern Macedonia.
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. 3.2% 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.

LPP

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