



The Polish original should be referred to in matters of interpretation.

Translation of auditor's report originally issued in Polish.

Ernst & Young Audyt Polska spółka z ograniczoną
odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa

+48 (0) 22 557 70 00
+48 (0) 22 557 70 01
www.ey.com/pl

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Supervisory Board of LPP S.A.

Introduction

We have reviewed the interim condensed consolidated financial statements of LPP S.A. Group (the 'Group'), for which the holding company is LPP S.A. (the 'Company') located in Gdańsk at Łąkowa St. no 39/44, containing: the interim condensed consolidated statement of financial position as at 31 July 2020, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of cash flows, the interim condensed consolidated statement of changes in equity for the period from 1 February 2020 to 31 July 2020 and other explanatory notes and disclosures to the interim condensed consolidated financial statements (the 'interim condensed consolidated financial statements').

The Company's Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility is to express a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with National Review Standard 2410 in the wording of the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, adopted by the National Council of Statutory Auditors. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the National Council of Statutory Auditors and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Limitation of scope of the interim review

Due to the pandemic of the coronavirus SARS-CoV-2 and the closure of majority of retail stores of the Group in the period covered by the interim condensed consolidated financial statements, the Group has led negotiations with the lessors of the retail space, especially in the shopping malls. Until the day of the approval for publication of these financial statements, the majority of negotiations have been finalized and the retail stores have been re-opened. As a result of the circumstances described in the note 3.1 to the interim condensed consolidated financial statements, the Group has not accounted for the effects of all changes to the rent agreements included in the annexes to those agreements signed before 31 July 2020, what would result in modification of the lease liability, the right of use assets as well as elements of the statement of comprehensive income. Therefore, we have not been able to quantify the effect of the signed annexes to the rent agreements on the right of use asset, lease liability, financial income and financial costs as well as depreciation charge included in the interim condensed consolidated financial statements.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Key Certified Auditor

Marcin Zieliński
certified auditor
no in the register: 10402

on behalf of:
Ernst & Young Audyt Polska spółka
z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1, 00-124 Warsaw
no on the audit firms list: 130

Warsaw, 7 October 2020