LPP

3Q20/21 RESULTS PRESENTATION

GDAŃSK
DECEMBER 21, 2020

Disclaimer

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1. 3Q20/21 financial results

2. Key corporate events

3. 2020/21+ outlook

Towards omnichannel

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OFF-LINE

1,802 stores

+13.2% m2

-33.3% LFL

25 countries

ON-LINE

29 countries

+110.3% sales

38
COUNTRIES

-11.4%
GROUP REVENUES

Results impacted by COVID-19

beginning of February 2020
- Growing uncertainty, concerns regarding supply chain 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

end of June 2020
- Restructuring in Germany
- Negotiations with shopping malls related to rental agreements

end of August 2020
- Deterioration of situation in October, from October 24, all of Poland in the red zone

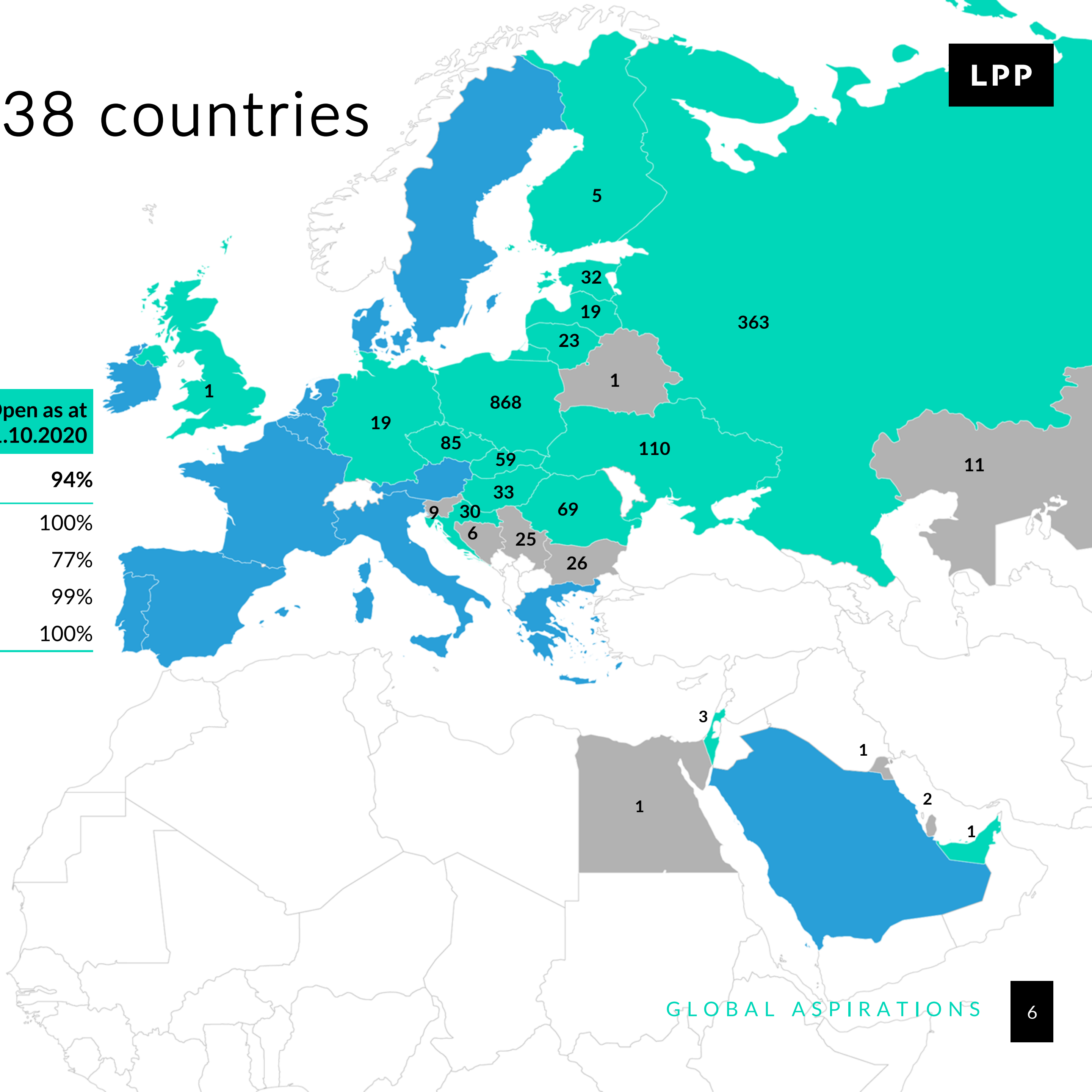
beginning of November 2020
- Shopping centers in Poland closed between November, 6 and 27

end of November 2020
- Return to operations in shopping centers, high on-line dynamics

LPP present in 38 countries

As at 31.10.2020	No. of stores	YoY	Open as at 31.10.2020
LPP GROUP	**1,802**	**+39**	**94%**
Poland	868	-42	100%
Europe	441	+32	77%
CIS	485	+49	99%
ME	8	0	100%

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



A shifted fiscal year

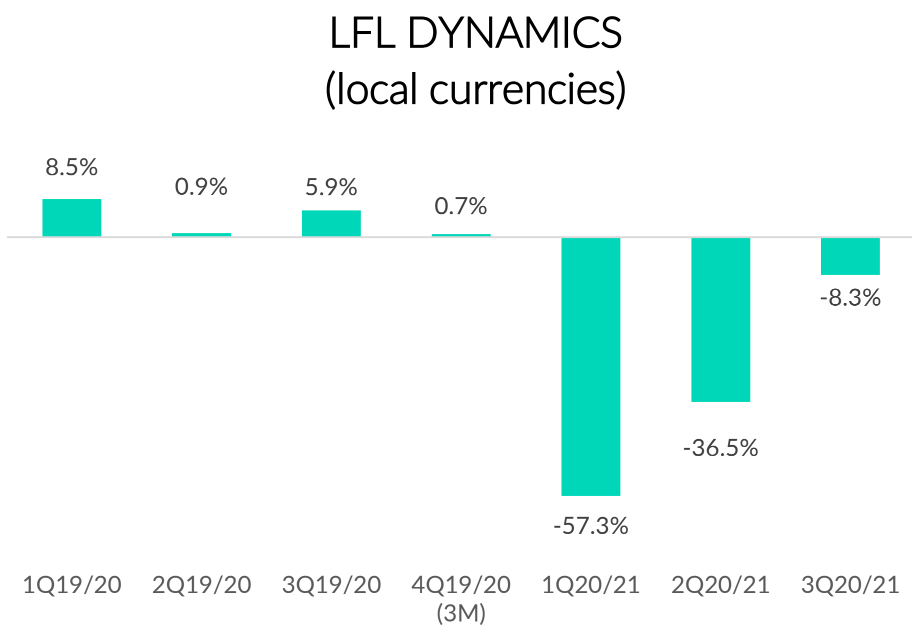
3Q20/21 is the third 3-month-long quarter of the shifted fiscal year.

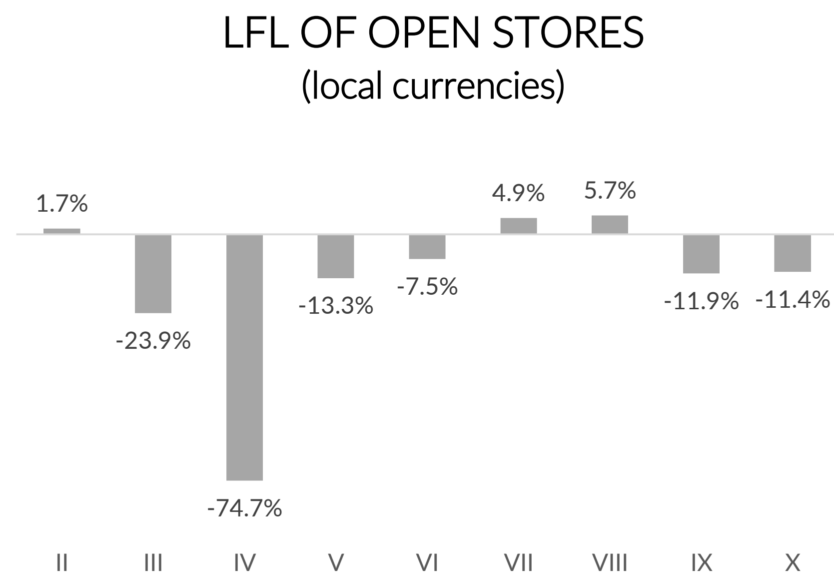
3Q20/21 encompasses period from 1st August 2020 till 31st October 2020.

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

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

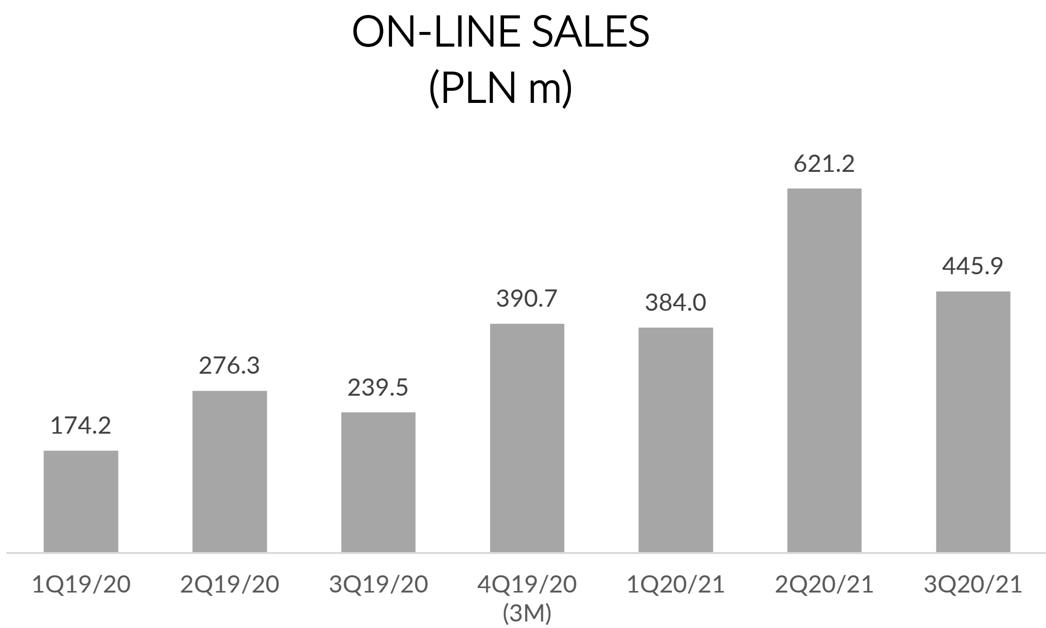
Lower traffic, higher conversion

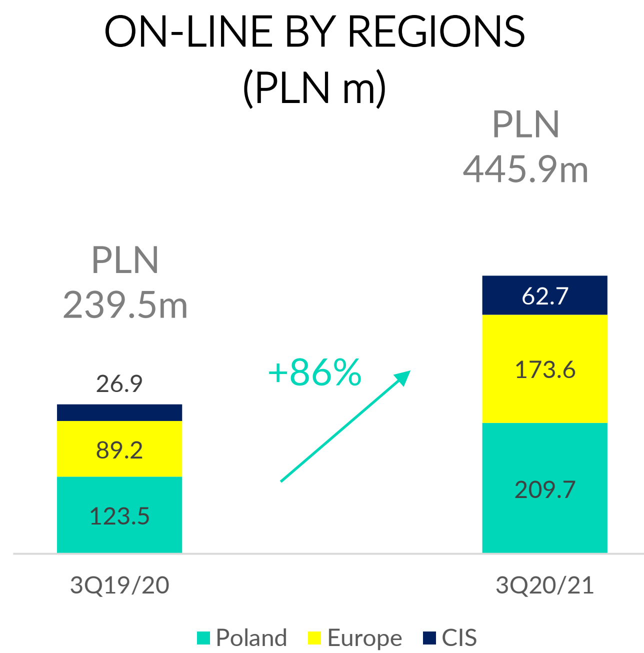




- Single-digit negative LFLs in each month of 3Q20/21. Falls recorded by each of the brands.
- Significant differences between LFL in various countries in 3Q20/21 - positive in Russia, Serbia and Slovenia but double-digit negative in the UK and selected countries in the Middle East - a consequence of different approach to closing and reopening shopping malls.
- Changes in customer shopping habits are the key to LFL in traditional stores. Continuation of stronger traffic falls in large cities, and milder decreases in smaller towns and cities.

High double-digit e-commerce dynamics

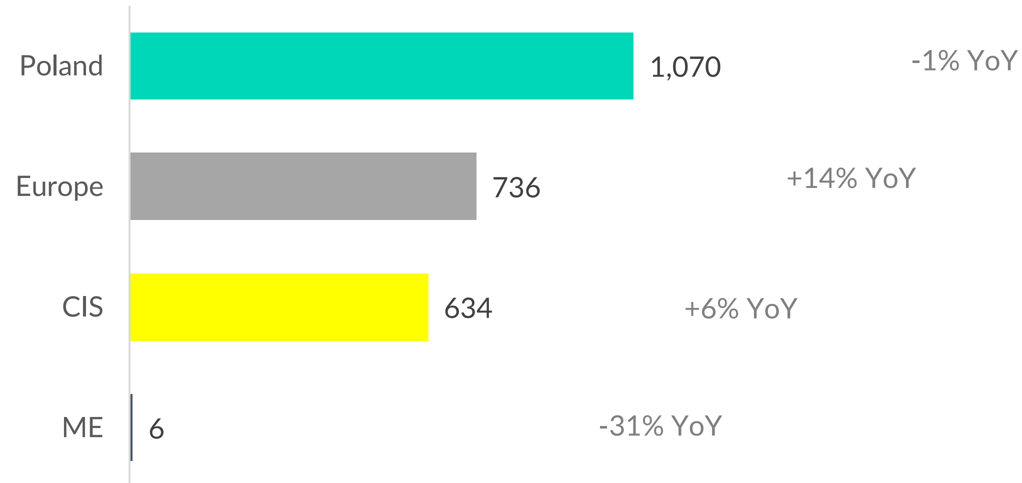




- Double-digit on-line sales growth (86% YoY) in 3Q20/21. High double-digit growth in visits on our webpages as well as in number of new and returning customers.
- In 3Q20/21 e-commerce constituted 19.6% revenues from Poland (11.4% in 3Q19/20) and 18.2% group revenues (10.3% in 3Q19/20). Poland constituted some 47% of e-commerce revenues.
- The highest YoY increases in 3Q20/21 were visible on the European market and in the CIS region (entry to Ukraine). Middle East countries are not included as on-line sales is concluded by our partners on external platform.
- In 3Q20/21 83% of visits and 68% of purchases are made through mobile devices.

Foreign revenues exceed Polish ones

REVENUES BY REGIONS IN 3Q20/21 (PLN m)



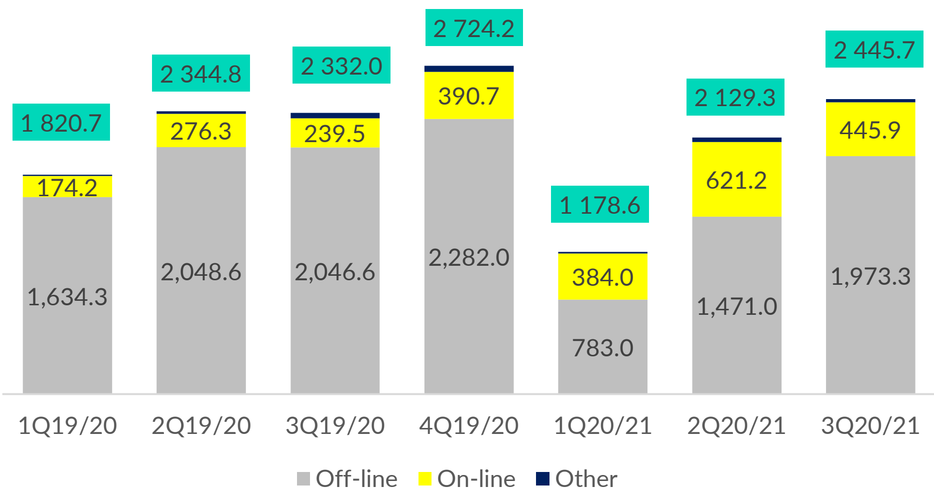
3Q20/21 FLOORSPACE (by regions)

ths m2	3Q19/20	3Q20/21	YoY
LPP GROUP	1,194.1	1,351.8	13.2%
Poland	534.9	551.5	3.1%
Europe	349.2	417.5	19.6%
CIS	301.5	374.4	24.1%
ME	8.4	8.4	0.0%

- In 3Q20/21 foreign revenues exceeded domestic ones. Poland constituted 43.7% of revenues.
- Growing revenues in all countries we are present in Europe excluding Czech Republic and the UK. Sizeable growth in Romania (favourable impact of logistics development), Serbia and Finland.
- Scale of growth in CIS revenues in 3Q20/21 was affected by weakening of rubble and hryvnia, shopping malls being opened later than in Europe and from re-entry into Belarus (own network of stores from 3Q20/21).
- Franchise stores in the Middle East have been hit by COVID-19.

Growth on-line, fall off-line

GROUP REVENUES
(PLN m)



OMNICHANNEL REVENUES

PLN m	3Q19/20	3Q20/21	YoY
LPP GROUP	2,332.0	2,445.7	4.9%
Reserved	1,076.9	1,069.0	-0.7%
Cropp	334.0	321.4	-3.8%
House	277.7	271.5	-2.3%
Mohito	245.7	213.0	-13.3%
Sinsay	344.2	543.0	57.7%
Other	53.4	27.8	-47.9%

- Group revenues grew 5% in 3Q20/21, despite pandemic. Dynamic on-line sales development offset off-line falls.
- 18% YoY fall in retail revenues/ m2 in 3Q20/21 to PLN 379/m2, due to negative impact of COVID-19. 8.5% YoY falls in group sales/ m2 to PLN 614/m2 due to dynamic on-line growth.
- In 3Q20/21, all brands except House and Mohito generated more revenues abroad than in Poland. High Sinsay growths, stabilisation at Reserved and single-digit revenue falls at Cropp and House.

High gross profit margin

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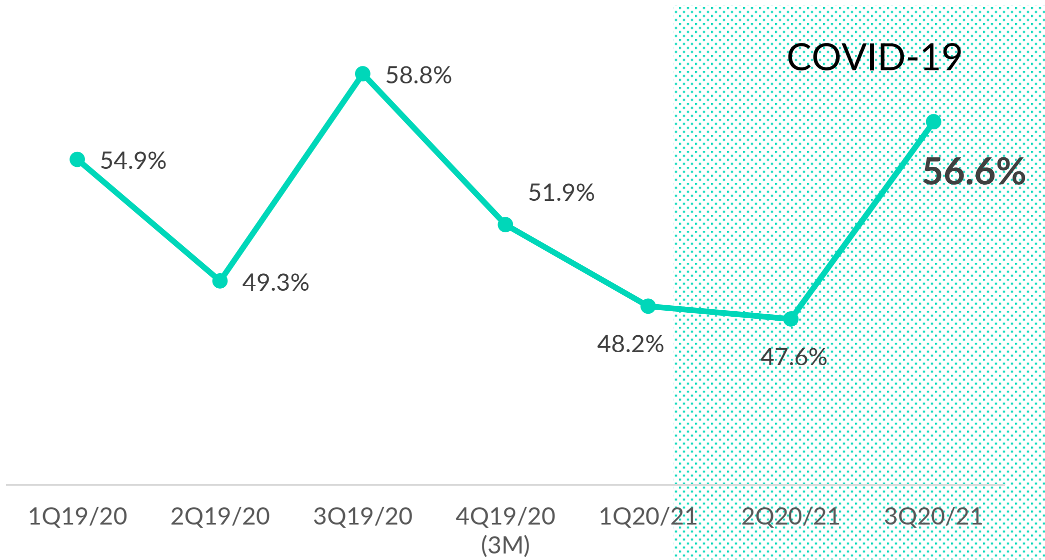
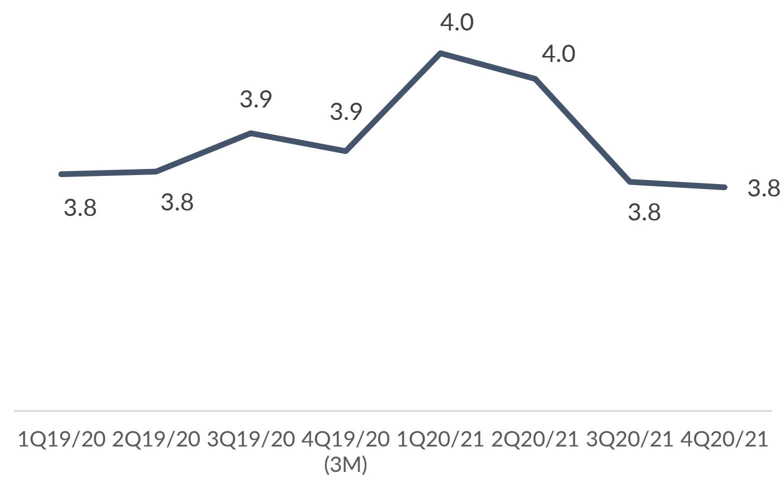
QUARTERLY GROSS PROFIT MARGIN

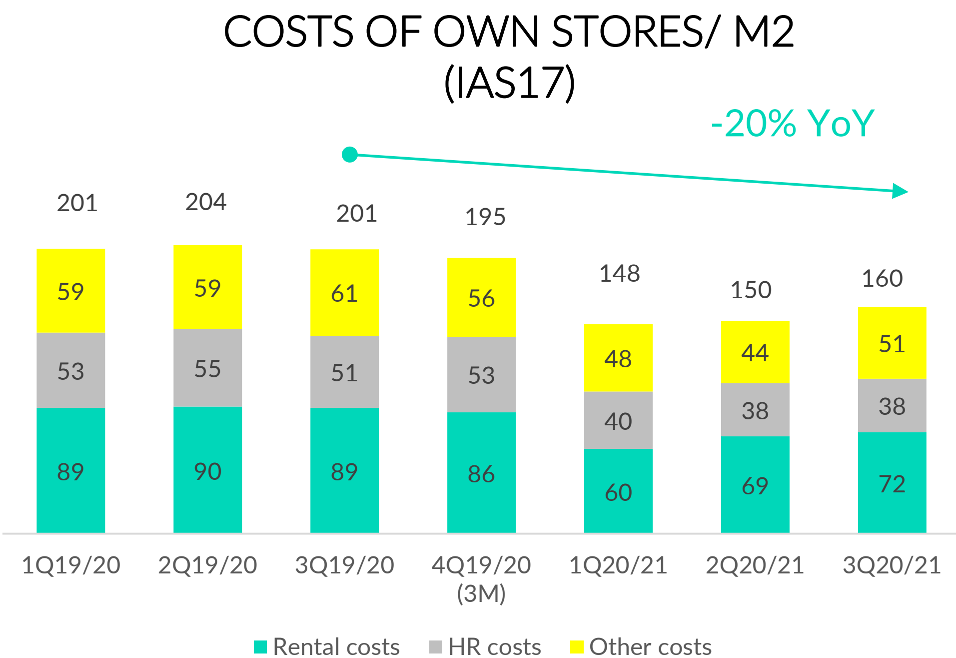


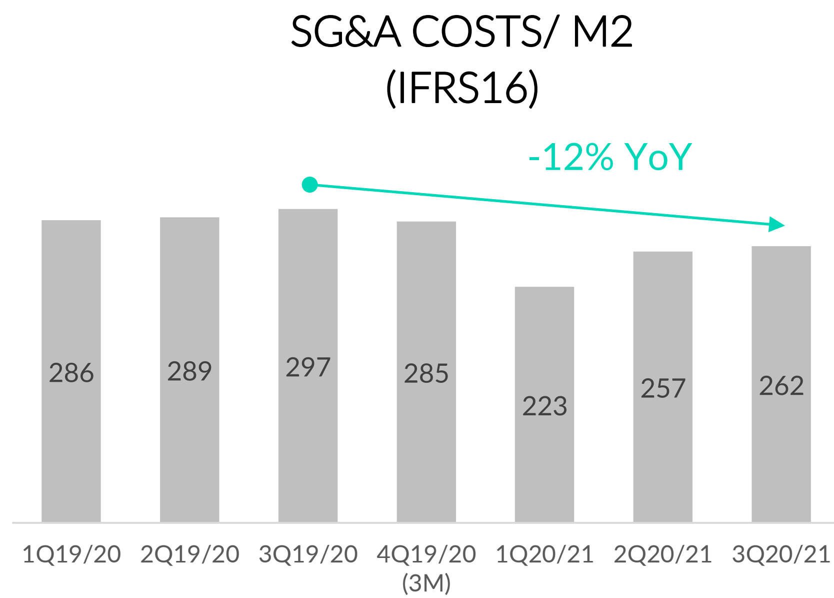
PLN/US$



- Gross profit margin in 3Q20/21 was lower YoY due to less favourable PLN/US$, PLN/RUB and PLN/UAH. We were not able to transfer unfavourable FX on our prices in the pandemic period.
- Low level of inventory – no need to conduct sell-offs.
- Differentiation of pricing policy between on-line and off-line – more attractive promotions in traditional stores.

Double-digit operating costs reductions





- Lower YoY rental costs → renegotiation of rental agreements to new reality in shopping malls.
- YoY fall in HR costs → adjusting personnel to new revenue levels.
- Lower YoY other costs → lower usage of materials and third party services due to fewer clients.
- Fall in SG&A/ m2 → stable YoY nominal operating costs – falls in costs of stores yet growth in HQs costs (which include e-commerce). Fall in SG&A costs per m2 due to growth in floorspace.

Growing net earnings in 3Q20/21

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PLN m	3Q19/20 IFRS16	3Q20/21 IFRS16	YoY
Revenues	**2,332.0**	**2,445.7**	**4.9%**
Gross profit margin	*58.8%*	*56.6%*	*-2.2 pp.*
SG&A costs	1,020.1	1,035.9	1.5%
Operating profit	**335.3**	**301.2**	**-10.2%**
EBIT margin	*14.4%*	*12.3%*	*-2.1 pp.*
Financial costs net	-41.4	-60.7	N/M
Net profit	**236.4**	**246.9**	**4.4%**
EBITDA	**581.3**	**563.0**	**-3.1%**

Single-digit revenue increases due to open shopping centers in majority of countries where the Group's traditional stores are located and continuation of rapid on-line growth.

YoY decrease in gross margin due to the inability to translate unfavourable PLN/US$, PLN/RUB and PLN/UAH exchange rate into prices during the pandemic.

Stable level of operating costs. Less favorable impact of other operating activities YoY, despite PLN 10.6m government support recognized in 3Q20/21, due to PLN30.4m write-offs due to shortening of lease agreements for stores.

Less favorable net financial activity in 3Q20/21 YoY, despite PLN 55.6m profit from rent reductions and rent abolition, due to negative foreign exchange differences on IFRS16.

9M20/21 EBIT above zero despite COVID-19

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PLN m	9M19/20 IFRS16	9M20/21 IFRS16	YoY
Revenues	**6,497.5**	**5,753.7**	**-11.4%**
Gross profit margin	*54.3%*	*51.5%*	*-2.7 pp.*
SG&A costs	2,897.8	2,818.5	-2.7%
Operating profit	**584.9**	**73.0**	**-87.5%**
EBIT margin	*9.0%*	*1.3%*	-7.7pp.
Financial costs net	-108.2	-185.5	N/M
Net profit (loss)	**291.6**	**-145.8**	**N/M**
EBITDA	**1,302.9**	**888.7**	**-31.8%**

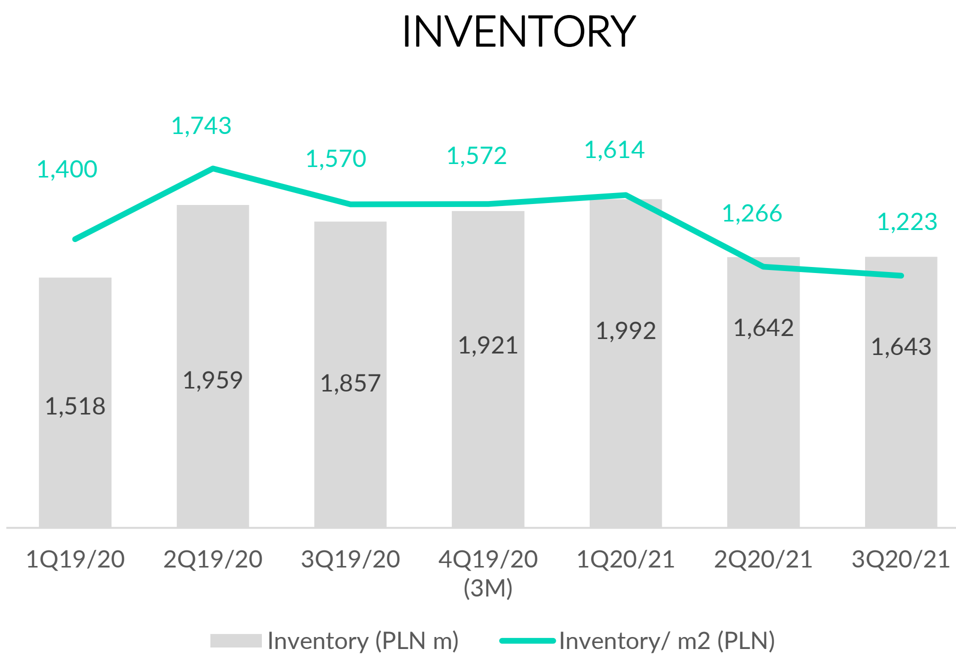
Double-digit revenue drops due to the closing of shopping centers in 1Q20/21 in most countries where the Group's stores are located. On-line triple digit growth.

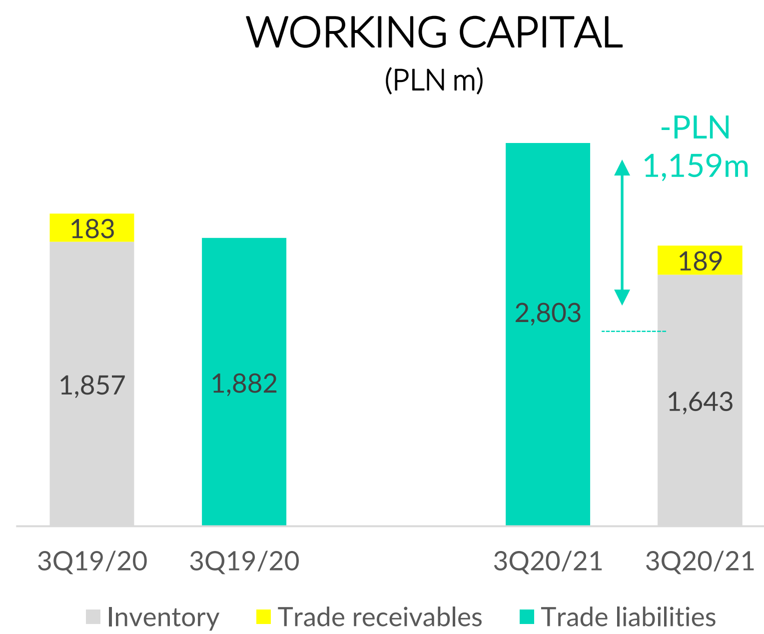
Gross margin decrease YoY due to higher share of on-line channel in which customers more effectively search for promotions as well as lack of possibility to transfer unfavourable FX on prices. YoY decline in operating costs.

PLN 65.4m in subsidies for salaries in other operating income, PLN 39.0m in write-offs for unprofitable stores and PLN30.4m write-offs due to shortening of lease agreements for stores in other operating expenses.

Less favorable YoY net financial activity due to losses on foreign exchange differences from IFRS16, IFRS16 interest costs, not fully compensated by PLN 121.0m profit from rent reductions and rent abolition.

Trade liabilities finance inventory





- 12% YoY fall in inventory and 22% YoY fall in inventory/ m2 due to reduction in Autumn/Winter 2020/21 orders, demand for clothing after shopping malls reopening and continuation of high on-line growths.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 1,558m at the end of 3Q20/21. Lengthening of payment terms for suppliers.
- As a result, our cash conversion cycle remained at a low level of - 68 days in 3Q20/21 (+3 days in 3Q19/20).

A billion of net cash on the balance sheet (IAS17)

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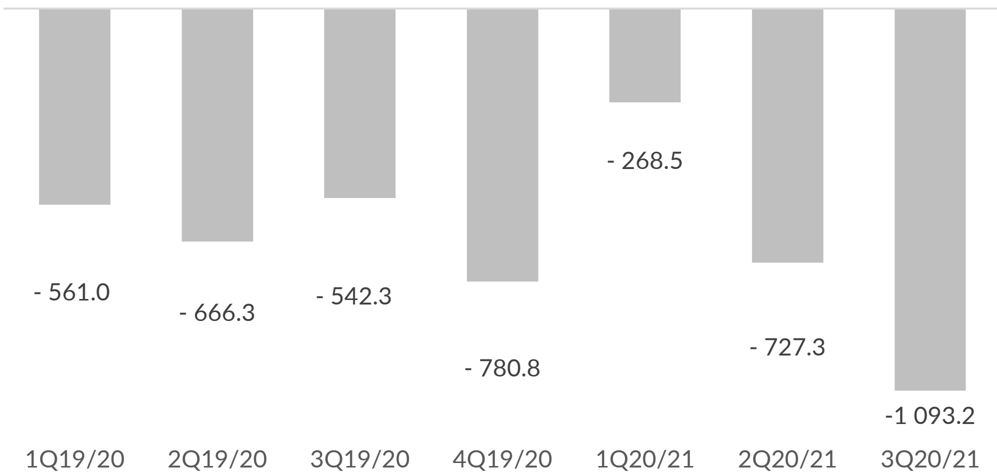
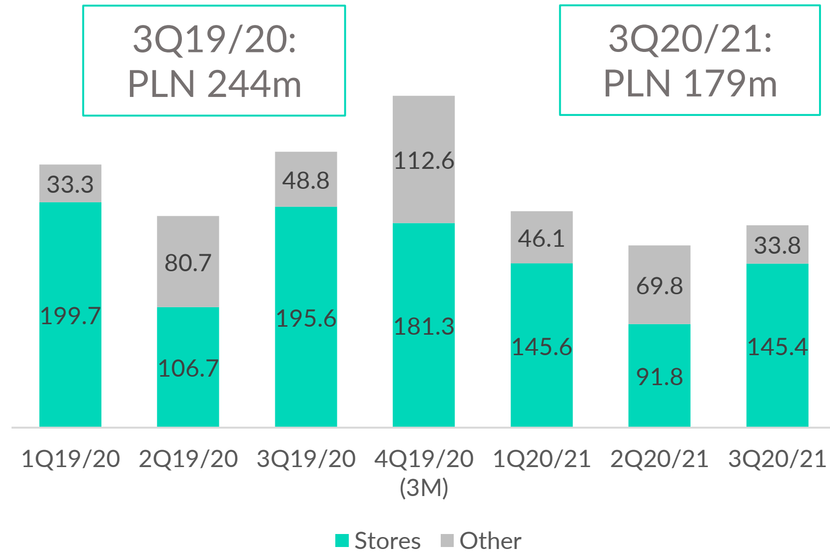
NET DEBT/(NET CASH)
(PLN m, IAS17)



CAPEX
(PLN m)



- At the end of 3Q20/21, we had PLN 1.1bn of net cash. Immaterial money market funds positions.
- In 3Q20/21 capex reached PLN 179.2m, down 27% YoY due to lower outlays for upgrades and store opening as well as infrastructure.
- YoY growth in long-term debt due to issuance of 5-year corporate bonds in 4Q19/20. Their balance sheet value end-3Q20/21 came at PLN 302.7m, with accrued interest. Pick-up in short-term debt due to usage of overdrafts along.

9M20/21 executive summary

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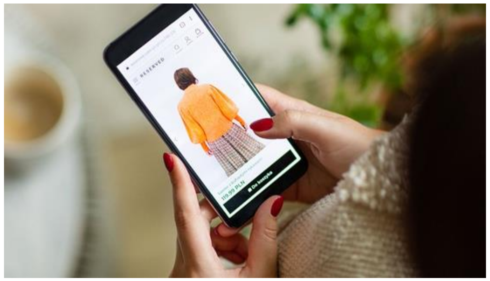
1. Floorspace development favourably affects revenue dynamics in traditional stores.
2. Triple-digit on-line sales growth.
3. Operating costs under control.
4. Trade liabilities exceed inventory.
5. Growing net cash (IAS17).

1. 3Q20/21 financial results

2. Key corporate events

3. 2020/21+ outlook

Key corporate events



MADE IN POLAND ANOTHER CHAPTER

Presentation of LPP omnichannel activities. Showing the benefits of technological and logistic investments.

October 2020

October 2020

RETURN TO BUILDING DC IN BRZEŚĆ KUJAWSKI

Decision to return to the investment in DC in Brześć Kujawski. Start of the project in a modified shape in 1Q21.

STORE IN DUBAI

Opening of Reserved store in Dubai, in the world's largest shopping center, Dubai Mall.

1,430 m2

November 2020

November 2020

LPP A FAMILY COMPANY

Acquisition of a controlling interest in LPP by Semper Simul Foundation. Securing the family character of the company and guarantee of strategy implementation.

Omnichannel organisation

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CUSTOMER-FOCUSED ORGANIZATIONAL STRUCTURE

PRODUCT	SALES	LOGISTICS
• consistent communication on the product, regardless of the channel, • consistent product presentation regardless of the channel, • focus on on-line advertising.	• merging of on-line and off-line sales departments, • customer service process supported by RFID, • customers having access to the product, regardless of the form of purchase.	• inventory available for both on-line and off-line, • integration of logistics systems of both channels, as a result, • as a result, flexibility in goods management.

Product – RFID support

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3%
revenue increase

>99%
product availability

60%
faster receipt of goods

13 pp.
goods availability improvement for customers

70%
faster registration of cash register operations

>99%
stock accuracy

RFID - greater return on electronic tag design than we have assumed.

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Revenues –omnichannel model

DEFROST PROJECT

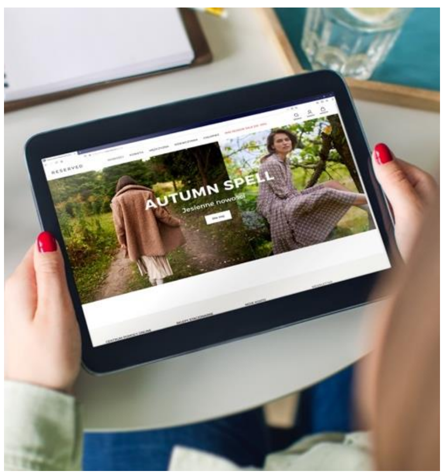
Defrosting slower rotating goods from traditional stores.

Broadening the e-commerce offer with models available in stores.

Click & Collect implementation from goods in stores.

Selected stores can function as FCs.

Support for FCs during sales peaks.



Use of second-generation chatbots ➔ improving handling of e-commerce activities.

Traditional stores cooperate with on-line stores:

during the pandemic, Reserved traditional stores shipped e-commerce orders from their own inventories,

possibility of ordering goods in stores, of collecting goods ordered on-line in stores and of returning them in stores as well.

Logistics – prepared for omnichannel

Logistic Courier System

Logistics Platform that allows for quick integration of LPP logistics systems with systems of Polish and foreign courier companies

It allows us to flexibly choose a courier company depending on the conditions of the services provided

Creation of the **LOCUS** system

Benefits for customers

confirmation of the delivery address	creating labels on demand	delivery tracking
sending the parcel in the indicated courier system	calling the courier to pick up the parcel from the indicated place	management of return and sender addresses

Distribution centre in Brześć Kujawski

NEW VERSION OF DISTRIBUTION CENTRE PROJECT IN BRZEŚĆ KUJAWSKI:

dedicated to traditional stores of younger brands,

smaller area (75 ths m2) with possibility of expansion.

Ultimately, employment of 1,000 people.

Start of construction in 1Q21.

More cost effective investment: **PLN 200m** of capex. Original costs at PLN 860m.

Commissioning planned for 1Q22.

New store in Dubai

A total of **9 stores** in the Middle East with **9.9 ths m2** of floorspace.

November 2020

Opening of Reserved brand store in Dubai, United Arab Emirates, in the largest shopping center in the world - **Dubai Mall.**

Store's area: 1,430 m2

LPP as a family company

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November 17, 2020, Semper Simul Foundation received approval from the President of the Office of Competition and Consumer Protection to acquire 175,000 preferred shares / 875,000 votes at the Company's General Meeting from the Sky Foundation.

As a result, the transaction took place on November 20, 2020.

Semper Simul Foundation, closely related to Marek Piechocki, Chief Executive Officer, currently possesses:

40.3% in equity

65.9% in votes

Ensuring succession and long-term development of the company.

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We design for our clients

Reserved - leader of change **33% of the collection** is Eco Aware

23% of LPP's **collections** are Eco Aware

We design

- responsibly
- transparently
- taking into account the expectations of the Y and Z generations
- in a sustainable manner

We are prepared for future changes in the retail apparel market.

Growth acceleration in 2020/21

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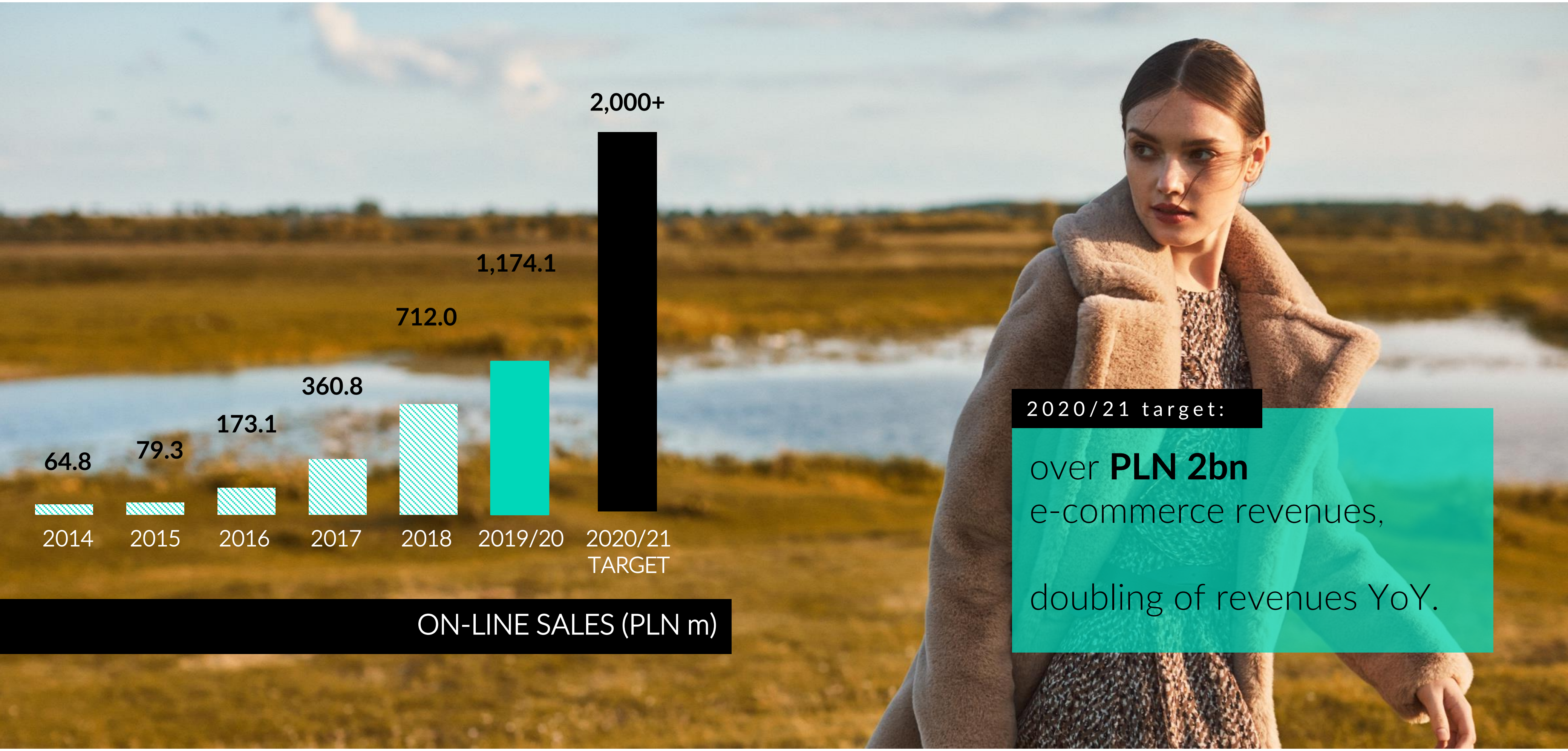
Floorspace (ths m2)	I.2020	I.2021 former target	I.2021 target	YoY
BY REGIONS				
Poland	530.0	551.8	570.6	8%
Europe	370.7	417.5	429.9	16%
CIS	321.8	384.3	421.5	31%
ME	8.4	9.9	9.9	17%
TOTAL	**1,230.9**	**1,363.5**	**1,431.8**	**16%**
BY BRANDS				
Reserved	664.8	673.3	677.5	2%
Cropp	147.9	161.1	164.0	11%
House	127.4	143.1	147.7	16%
Mohito	111.7	113.2	115,4	3%
Sinsay	173.3	269.0	323.3	87%
Outlets	5.8	3.8	3.8	-33%

- Acceleration of floorspace growths in 2020/21: +16% YoY.
- 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 :
  - selective floorspace openings in Poland,
  - development acceleration in Europe,
  - double-digit floorspace growth in CIS,
  - new store in the Middle East,
  - emphasis on development of smaller brands: Cropp, House, Sinsay.
- Planned 2020/21 (12 months) capex at c. PLN 760m. Planned store capex at c. PLN 580m, HQs outlays at PLN 60m, logistics outlays at PLN 50m and IT at PLN 70m.

Dynamic on-line sales growth to continue



2020/21 target:

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

doubling of revenues YoY.

Investments in future development

PLN m	2020/21	2021/22	2022/23
Stores	580	840	750
Stores domestically and abroad	580	840	750
Offices	60	50	50
New offices Gdańsk Łąkowa – Building 1	30	0	0
New offices Gdańsk Łąkowa – Building 2	0	50	0
New offices Gdańsk Łąkowa – Building 3	0	0	50
New offices Cracow	20	0	0
New offices Gdańsk Sadowa	10	0	0
Logistics	50	150	40
Expansion of CD in Pruszcz Gdański	40	0	0
New CD Brześć Kujawski	10	150	40
IT & other	70	60	60
TOTAL	**760**	**1,100**	**900**

Return to floorspace expansion, new larger stores, expansion of Cropp, House and Sinsay

Return to investments in offices, in particular in Gdańsk; goal: employees in one location, resignation from renting offices

Return to investment in logistics, Pruszcz Gdański in 2020, Brześć Kujawski in 2021

Targets for 2020/21

Challenges	Targets for 2020/21	Opportunities
▪ A new model of customer behavior after COVID-19. ▪ Another wave of infections. ▪ Changes in economy and purchasing power of customers. ▪ Strong US$ and EUR exchange rates, weak RUB.	▪ Revenue fall not exceeding 15% YoY. ▪ Gross margin in the range of 50-51% (upgrade). ▪ EBIT above zero. ▪ Safe liquidity position.	▪ Successful collections of all brands - favorable price-to-quality ratio. ▪ Further e-commerce development on new markets. ▪ Using RFID to support rapid omnichannel growth.

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

Continuation of growths in 2021/22

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Floorspace (ths m2)	I.2021 target	I.2022 target	YoY
BY REGIONS			
Poland	570.6	629.8	10%
Europe	429.9	503.6	17%
CIS	421.5	507.8	20%
ME	9.9	10.0	2%
TOTAL	**1,431.8**	**1,641.2**	**15%**
BY BRANDS			
Reserved	677.5	701.8	4%
Cropp	164.0	180.5	10%
House	147,7	167.4	13%
Mohito	115,4	123.2	7%
Sinsay	323,3	474.5	47%
Outlets	3,8	3.8	0%

- Continuation of floorspace growths in 2020/21: +15% YoY.
- End-2021/22 Reserved traditional stores should be in 26 countries (entry to Northern Macedonia).
- 2021/22 targets :
  - acceleration of floorspace openings in Poland,
  - continuation of European development,
  - further double-digit floorspace growth in CIS,
  - emphasis on development of smaller brands: Cropp, House, Sinsay.
- Key reasons behind floorspace development:
  - relatively low share of on-line in retail market,
  - opportunity to develop in value-for-money segment,
  - emphasis on omnichannel, of which traditional network are an important part.
- Planned 2021/22 capex at c. PLN 1.1bn. Planned store capex at c. PLN 840m, HQs outlays at PLN 50m, logistics outlays at PLN 150m and IT at PLN 60m.

Key trends in 2021/22

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Inventory ordered based on the assumption that 2021/22 year is going to be similar to 2019/20 i.e. before pandemic.

Targets for **2021/22**

double-digit floorspace growth continued	dynamic on-line sales growth (+50%)	RFID implementation at other brands	operating margin improvement versus 2019/20	maintaining a safe balance sheet

COVID-19

End of the pandemic	Opportunities	Challenges	Continuation of the pandemic

Targets for upcoming years

Directions for further development

Product development following customer expectations	Further digitization of the business, aimed at supporting omnichannel
Strengthening and development of omnichannel organization	Stronger development of value-for-money segment

OBJECTIVE: continuation of double-digit sales growth in the following years.

Q&A

Back-up

Network development

Floorspace (ths m2)	31.01.2019	30.04.2019	31.07.2019	31.10.2019	31.01.2020	30.04.2020	31.07.2020	31.10.2020
Reserved	**605.0**	**616.6**	**634.3**	**655.0**	**664.8**	**657.1**	**669.7**	**667.8**
Poland	268.7	263.5	267.6	272.0	270.3	262.9	262.5	264.8
Europe	188.0	204.4	215.1	218.4	225.3	223.7	232.2	233.2
CIS	141.2	141.6	143.2	156.1	160.8	162.1	166.5	161.5
ME	7.1	7.1	8.4	8.4	8.4	8.4	8.4	8.4
Cropp	**132.8**	**134.9**	**140.8**	**143.2**	**147.9**	**149.2**	**157.3**	**159.7**
Poland	65.9	64.6	64.6	64.1	63.0	61.2	64.4	64.2
Europe	24.6	28.8	30.1	32.8	34.9	34.8	37.8	39.0
CIS	42.3	41.5	46.1	46.4	50.0	53.2	55.1	56.5
House	**115.2**	**115.9**	**121.7**	**125.5**	**127.4**	**129.8**	**138.4**	**141.9**
Poland	66.9	65.8	66.2	67.3	65.6	64.9	69.4	69.4
Europe	18.6	22.0	24.9	28.2	30.1	31.9	34.8	36.1
CIS	29.7	28.1	30.6	30.0	31.7	33.0	34.3	36.4
Mohito	**107.9**	**108.0**	**108.7**	**112.5**	**111.7**	**110.5**	**111.8**	**112.3**
Poland	53.4	52.1	52.1	53.3	51.4	50.2	49.7	50.2
Europe	24.8	26.3	26.4	28.6	29.7	29.2	30.5	31.3
CIS	29.7	29.6	30.1	30.6	30.5	31.1	31.6	30.8
Sinsay	**102.7**	**110.5**	**120.7**	**149.1**	**173.3**	**190.4**	**223.1**	**265.4**
Poland	59.8	61.4	63.6	73.2	78.4	81.4	88.0	103.0
Europe	20.2	24.8	31.0	41.2	50.7	56.3	68.4	77.8
CIS	22.7	24.3	26.1	34.7	44.2	52.8	66.8	84.6
Outlets	**12.0**	**10.8**	**0.0**	**0.0**	**5.8**	**5.8**	**4.6**	**4.6**
Total by regions								
Poland	523.0	515.5	521.0	534.9	530.0	521.7	534.0	551.5
Europe	274.7	306.3	327.6	349.2	370.7	375.9	403.6	417.5
CIS	270.9	267.8	278.9	301.5	321.8	336.8	358.8	374.4
ME	7.1	7.1	8.4	8.4	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**	**1,304.9**	**1,351.8**

Network development details as at I.2021

LPP

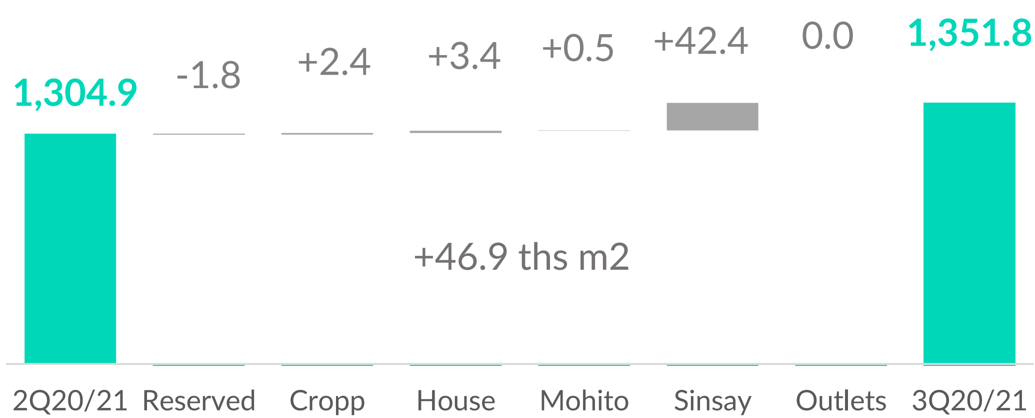
Floorspace (ths m2)	31.01.2020	31.01.2021	Nom. growth	Growth YoY
Reserved	**664.8**	**677.5**	**12.7**	2%
Poland	270.3	268.5	-1.9	-1%
Europe	225.3	232.2	6.9	3%
CIS	160.8	167.0	6.2	4%
ME	8.4	9.9	1.4	17%
Cropp	**147.9**	**164.0**	**16.0**	11%
Poland	63.0	64.4	1.4	2%
Europe	34.9	40.7	5.8	17%
CIS	50.0	58.8	8.8	18%
House	**127.4**	**147.7**	**20.3**	16%
Poland	65.6	71.4	5.8	9%
Europe	30.1	36.1	6.0	20%
CIS	31.7	40.1	8.5	27%
Mohito	**111.7**	**115.4**	**3.8**	3%
Poland	51.4	50.3	-1.1	-36%
Europe	29.7	32.1	2.3	8%
CIS	30.5	33.1	2.5	8%
Sinsay	**173.3**	**323.3**	**150.0**	**87%**
Poland	78.4	115.9	37.5	48%
Europe	50.7	88.8	38.1	75%
CIS	44.2	118.6	74.4	169%
Outlets	**5.8**	**3.8**	**-2.0**	**-33%**
Poland	1.1	0.0	-1.1	-100%
Europe	0.0	0.0	0.0	0%
CIS	4.6	3.8	-0.8	17%
TOTAL	**1,230.9**	**1,431.8**	**200.9**	**16%**

No. of STORES	31.01.2020	31.01.2021	Nom. growth	Growth YoY
Reserved	**454**	**441**	**-13**	**-3%**
Poland	200	188	-12	-6%
Europe	133	129	-4	-3%
CIS	113	115	2	2%
ME	8	9	1	13%
Cropp	**360**	**367**	**7**	**2%**
Poland	176	170	-6	-3%
Europe	77	81	4	5%
CIS	107	116	9	8%
House	**318**	**359**	**41**	**13%**
Poland	181	190	9	5%
Europe	63	87	24	38%
CIS	74	82	8	11%
Mohito	**283**	**290**	**7**	**2%**
Poland	142	135	-7	-5%
Europe	66	73	7	11%
CIS	75	82	7	9%
Sinsay	**324**	**429**	**105**	**32%**
Poland	173	196	23	13%
Europe	79	104	25	32%
CIS	72	129	57	79%
Outlets	**7**	**4**	**-3**	**-43%**
Poland	2	0	-2	-100%
Europe	0	0	0	0%
CIS	5	4	-1	-20%
TOTAL	1,746	1,890	144	8%

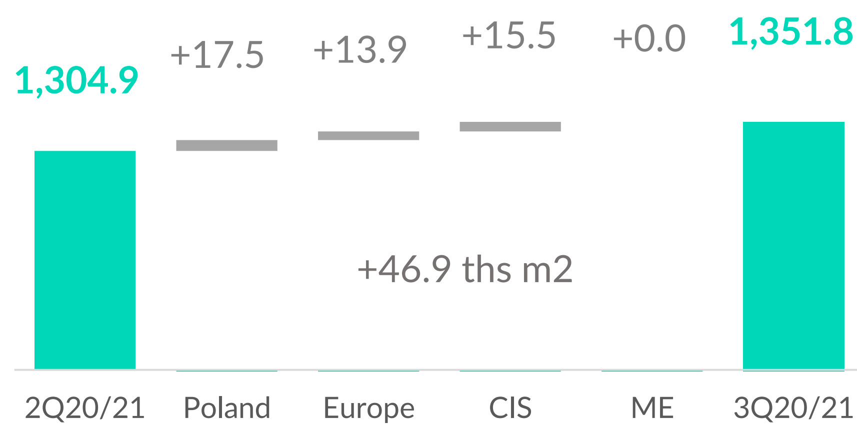
Changes in group 3Q20/21 floorspace

LPP

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)



CHANGE IN FLOORSPACE BY REGIONS
(ths m2)

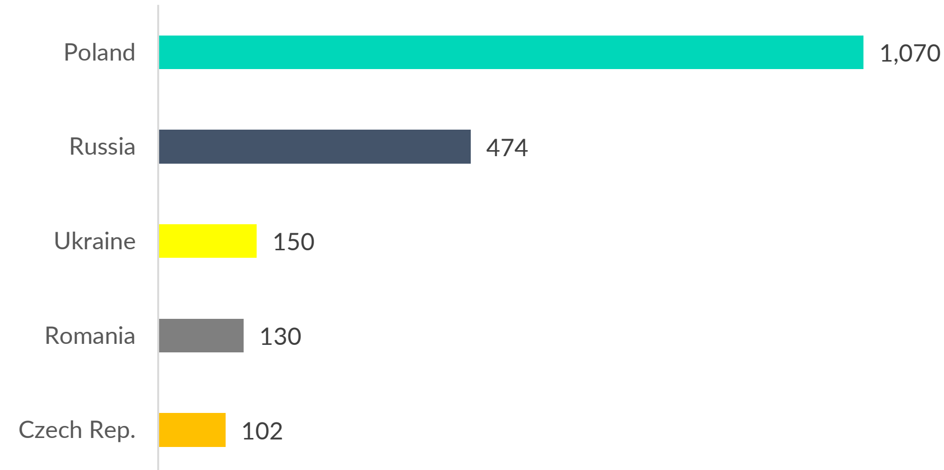


- Floorspace development abroad and domestically in 3Q20/21. Growth of floorspace in Europe resulted mainly from openings in Slovakia, Estonia, Romania and Serbia. Stable floorspace in Western Europe.
- Development in CIS region mostly in Russia and Ukraine. Stable floorspace in the Middle East in the quarter.
- In 3Q20/21 Sinsay added the most floorspace among brands.

Geographical revenue split in 3Q20/21

PLN m	3Q19/20	3Q20/21	YoY
LPP GROUP	**2,332.0**	**2,445.7**	**4.9%**
Reserved PL	454.8	425.1	-6.5%
Reserved EX	622.0	643.9	3.5%
Cropp PL	137.2	124.6	-9.2%
Cropp EX	196.8	196.8	0.0%
House PL	156.9	144.8	-7.7%
House EX	120.8	126.7	4.9%
Mohito PL	122.7	106.9	-12.9%
Mohito EX	123.1	106.1	-13.8%
Sinsay PL	178.4	245.0	37.3%
Sinsay EX	165.8	297.9	79.7%
Other	53.4	27.8	-47.9%

TOP 5 COUNTRIES BY REVENUES IN 3Q20/21
(PLN m)



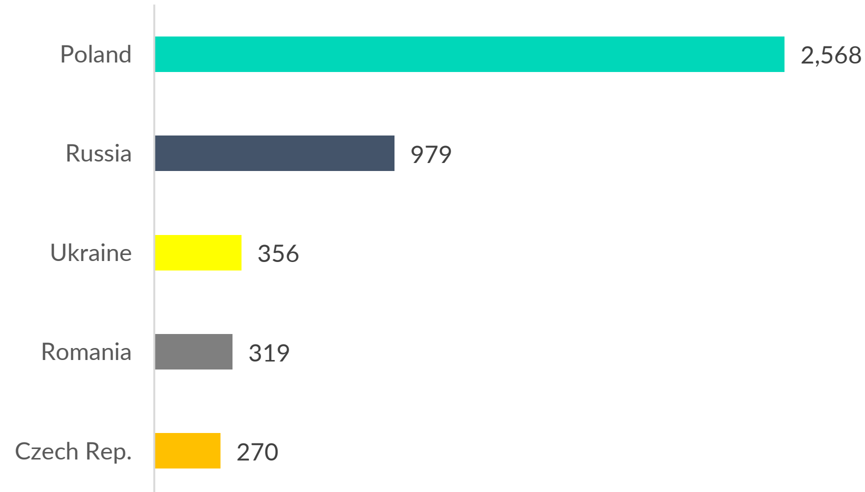
Poland remains our most important market in 3Q20/21.

Geographical revenue split in 9M20/21

LPP

PLN m	9M19/20	9M20/21	YoY
LPP GROUP	**6,497.5**	**5,753.7**	**-11.4%**
Reserved PL	1,377.3	1,044.1	-24.2%
Reserved EX	1,723.8	1,518.1	-11.9%
Cropp PL	396.0	285.5	-27.9%
Cropp EX	525.2	427.0	-18.7%
House PL	465.5	338.7	-27.2%
House EX	332.3	288.3	-13.2%
Mohito PL	357.7	255.4	-28.6%
Mohito EX	349.7	265.1	-24.2%
Sinsay PL	477.0	595.6	24.9%
Sinsay EX	390.4	656.1	68.1%
Other	102.7	79.7	-22.4%

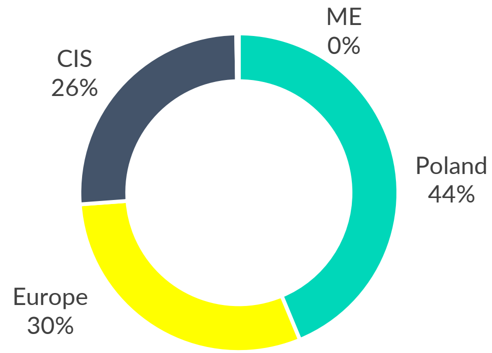
TOP 5 COUNTRIES BY REVENUES IN 9M20/21
(PLN m)



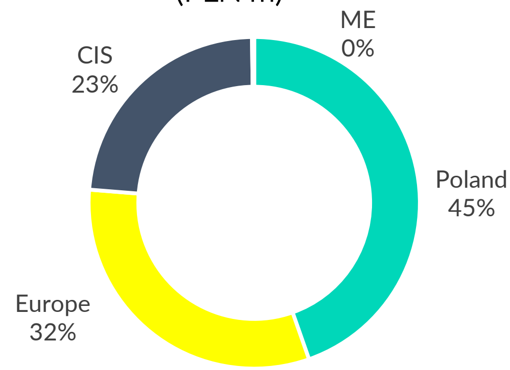
Poland remains our most important market in 9M20/21.

Revenue and COGS split

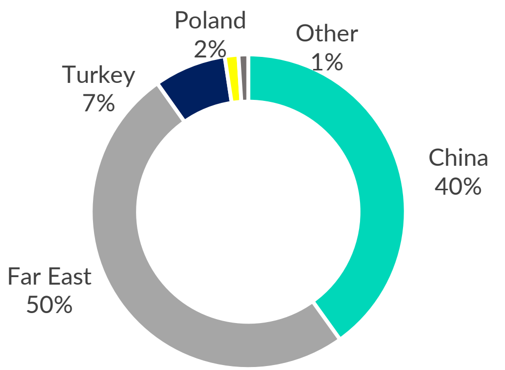
3Q20/21 REVENUES BY REGIONS
(PLN m)



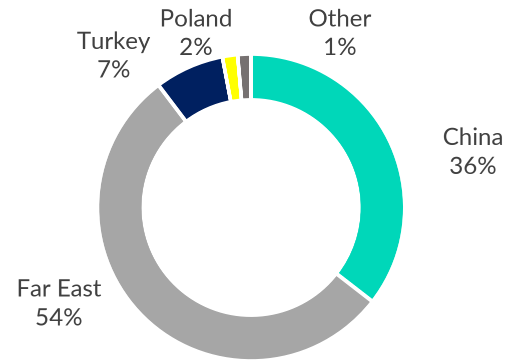
9M20/21 REVENUES BY REGIONS
(PLN m)



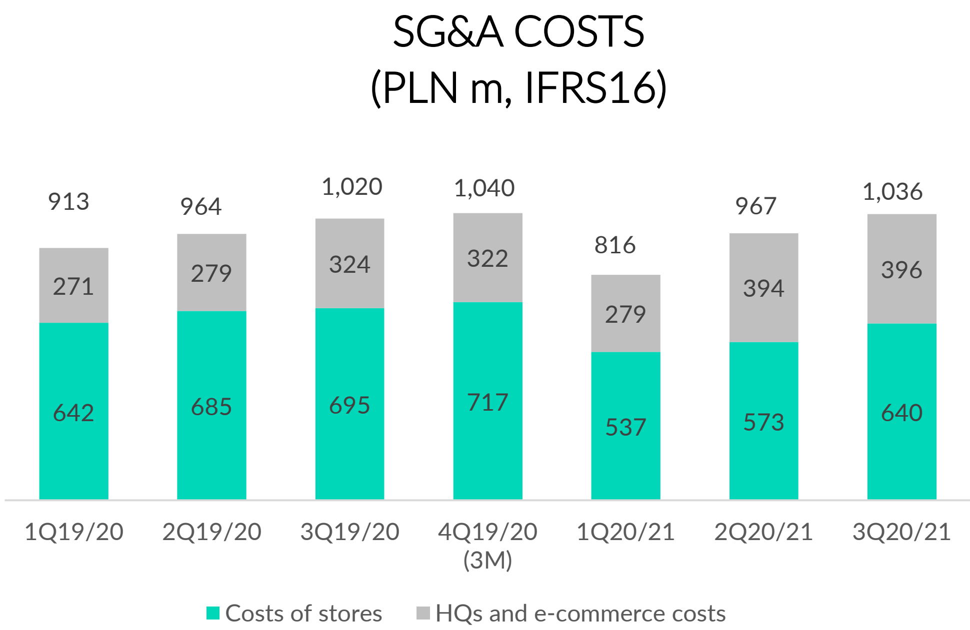
3Q20/21 PURCHASES BY REGION
(PLN m)



9M20/21 PURCHASES BY REGION
(PLN m)



Costs of stores and HQs & e-commerce



- 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 do not have any material effect on SG&A costs.
- Costs of stores ➔ fall due to reductions in fixed and variable costs.
- HQ costs ➔ growth YoY due to higher e-commerce and logistics costs.

Results under IAS17

PLN m	3Q19/20 IAS17	3Q20/21 IAS17	YoY
Revenues	**2,332.0**	**2,445.7**	**4.9%**
Gross profit margin	*58.8%*	*56.6%*	*-2.2pp.*
SG&A costs	1,011.4	975.8	-3.5%
Operating profit	**344.0**	**383.6**	**11.5%**
EBIT margin	*14.8%*	*15.7%*	*0.9pp.*
Financial costs net	5.7	-14.2	N/M
Net profit	**281.6**	**328.2**	**16.5%**
EBITDA	**434.8**	**472.2**	**8.6%**

PLN m	9M19/20 IAS17	9M20/21 IAS17	YoY
Revenues	**6,497.5**	**5,753.7**	**-11.4%**
Gross profit margin	*54.3%*	*51.5%*	*-2.7pp.*
SG&A costs	2,881.8	2,687.7	-6.7%
Operating profit	**600.9**	**220.5**	**-63.3%**
EBIT margin	*9.2%*	*3.8%*	-5.4pp.
Financial costs net	-20,1	-78.7	N/M
Net profit	**375.9**	**41.1**	**-89.1%**
EBITDA	**873.3**	**537.7**	**-38.4%**

IFRS16 9M20/21 impact summary

LPP

EBITDA 3Q20/21	PLN 173.2m additional amortisation of right of use asset.
EBIT 3Q20/21	54% rentals under IFRS16 (PLN 113.1m). These are replaced with amortisation of right of use asset.
NET PROFIT 3Q20/21	Financial costs related to the asset (-PLN 31.7m) and FX losses (-PLN 71.1m). PLN 47.6m impact of deferred taxes.

EBITDA 9M20/21	PLN 498.5m additional amortisation of right of use asset.
EBIT 9M20/21	62% rentals under IFRS16 (PLN 389.2m). These are replaced with amortisation of right of use asset.
NET PROFIT 9M20/21	Financial costs related to the asset (-PLN 96.2m) and FX losses (-PLN 132.2m). PLN 67.4m impact on deferred taxes.

FX and government grant details

LPP

3Q20/21	9M20/21
PLN 77.4m losses on FX differences, including **PLN 3.4m** losses on rubble and hryvna, **PLN 15.5m** losses on US$, **PLN 12.6m** gains on other currencies (EUR, RON, HUF, CZK) and **PLN 71.1m** losses on FX from IFRS16.	**PLN 186.5m losses** on FX differences, including **PLN 58.2m** losses on rubble and hryvna, **PLN 3.7m** losses on US$, **PLN 7.6m** gains on other currencies (EUR, RON, HUF, CZK) and **PLN 132.2m** losses on FX from IFRS16.

Historical quarterly results

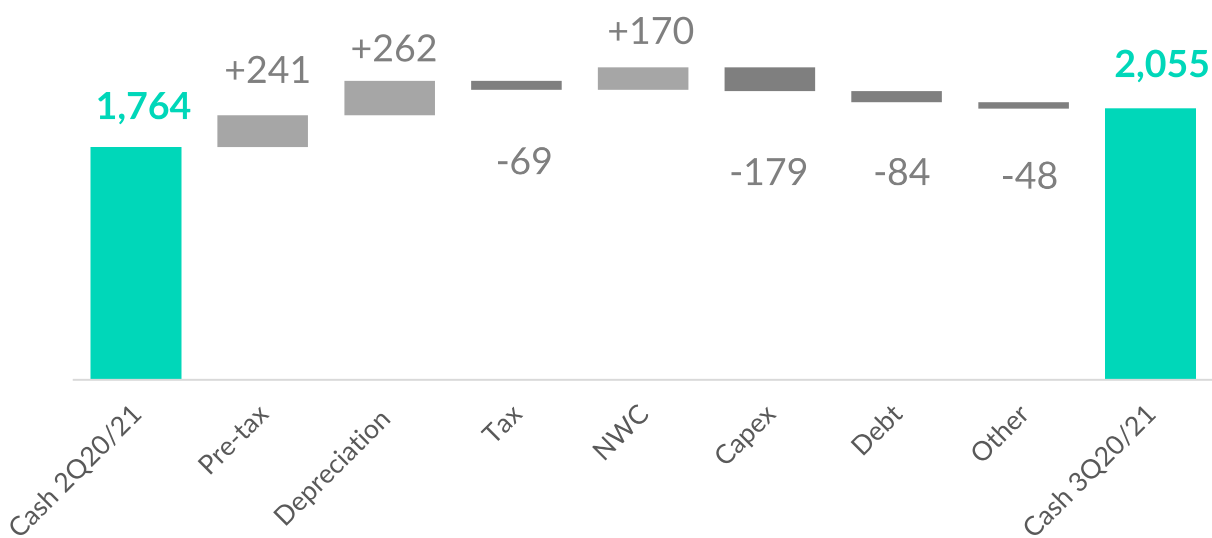
LPP

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)	2Q20/21 IFRS16 (May-July 2020)	3Q20/21 IFRS16 (August-October 2020)
Revenues	**1,820.7**	**2,344.8**	**2,332.0**	**2,724.2**	**9,221.7**	**1,178.6**	**2,129.3**	**2,445.7**
Gross profit on sales	999.2	1,156.4	1,371.0	1,413.6	4,940.2	567.8	1 013.3	1 384.2
Gross profit margin	*54.9%*	*49.3%*	*58.8%*	*51.9%*	*53.6%*	*48.2%*	*47.6%*	*56.6%*
SG&A costs	913.0	964.4	1,020.1	1,039.4	3,937.3	815.8	966.9	1 035.9
Other operating line	-22.1	-6.5	-15.6	-79.8	-123.6	-12.6	-14.2	-47.1
EBIT	**64.0**	**185.6**	**335.3**	**294.4**	**879.3**	**-260.5**	**32.3**	**301.2**
EBIT margin	*3.5%*	*7.9%*	*14.4%*	*10.8%*	*9.5%*	*-22.1%*	*1.5%*	*12.3%*
Net financial activity	-27.3	-39.5	-41.4	-55.8	-164.0	-158.5	33.7	-60.7
Pre-tax profit	36.7	146.1	293.9	238.6	715.3	-419.0	66.0	240.5
Tax	13.4	114.2	57.6	44.2	229.3	-57.0	96.7	-6.4
Net income	**23.3**	**31.9**	**236.4**	**194.4**	**486.0**	**-362.0**	**-30.6**	246.9
Net income margin	*1.3%*	*1.4%*	*10.1%*	*7.1%*	*5.3%*	*-30.7%*	*-1.4%*	*10.1%*
EBITDA	**298.4**	**423.2**	**581.3**	**594.2**	**1,897.0**	**17.6**	**308.1**	**563.0**

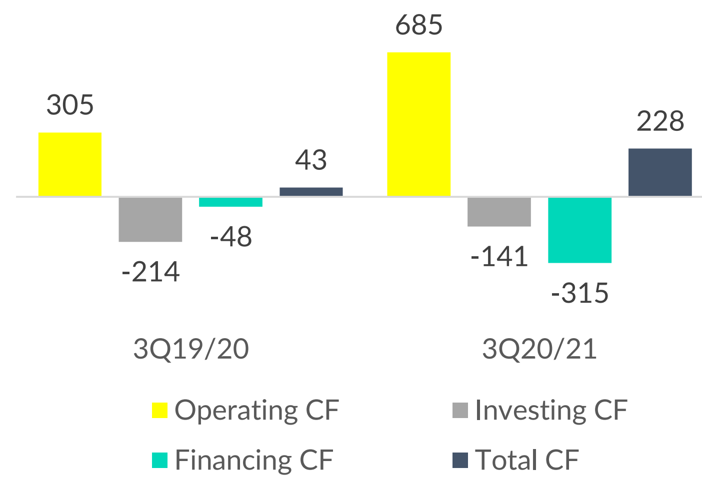
Cash flows

LPP

3Q20/21 CASH GENERATION
(PLN m)



3Q20/21 CASH FLOWS
(PLN m)



- Operating cash flow → growing positive levels due to lengthening of payment terms.
- Investing cash flow → lower YoY capex.
- Financing cash flows → higher YoY repayment of debt.
- PLN 1.3bn in open credit lines used for letters of credits, guarantees and overdrafts.

A strong balance sheet despite pandemic

LPP

PLN m	3Q19/20	4Q19/20	3Q20/21
Non-current assets	**5,703.2**	**5,870.7**	**5,538.7**
fixed assets	2,176.1	2,312.4	2,407.0
intangibles (incl. goodwill)	404.6	413.3	418.8
right of use assets (IFRS16)	2,982.3	3,000.2	2,526.4
Current assets	**3,176.6**	**3,735.1**	**4,467.5**
inventory	1,857.3	1,921.1	1,643.4
trade receivables	183.1	143.8	189.2
cash and equivalents	928.2	1,361.5	2,055.4
Total assets	**8,879.8**	**9,605.9**	**10,006.2**
Equity	**3,028.1**	**3,247.5**	**3,021.9**
Long-term liabilities	**2,860.1**	**3,159.3**	**2,970.3**
interest bearing debt	181.3	462.9	496.9
financial leases (IFRS16)	2,565.2	2,568.0	2,361.3
Short-term liabilities	**2,991.6**	**3,199.1**	**4,014.0**
trade liabilities	1,881.8	2,100.8	2,802.7
interest bearing debt	204.6	109.5	456.6
financial leases (IFRS16)	627.2	680.2	651.0
Total liabilities and equity	**8,879.8**	**9,605.9**	**10,006.2**

- IFRS16: right-of-use asset and lease finance liability.
- YoY increase in fixed assets due to network development and investments in logistics and headquarters.
- YoY increase in intangibles due to investments in IT.
- Lower YoY inventories due to order reductions.
- Higher cash due to reduced investment and increased liabilities.
- Higher YoY trade payables despite lower inventories due to extended payment terms.
- YoY increase in long-term debt results from the issue of corporate bonds in 4Q19/20, and the short-term one from the use of overdrafts.

Brands' summary

WE FOCUS ON MAINSTREAM PRICE LEVEL

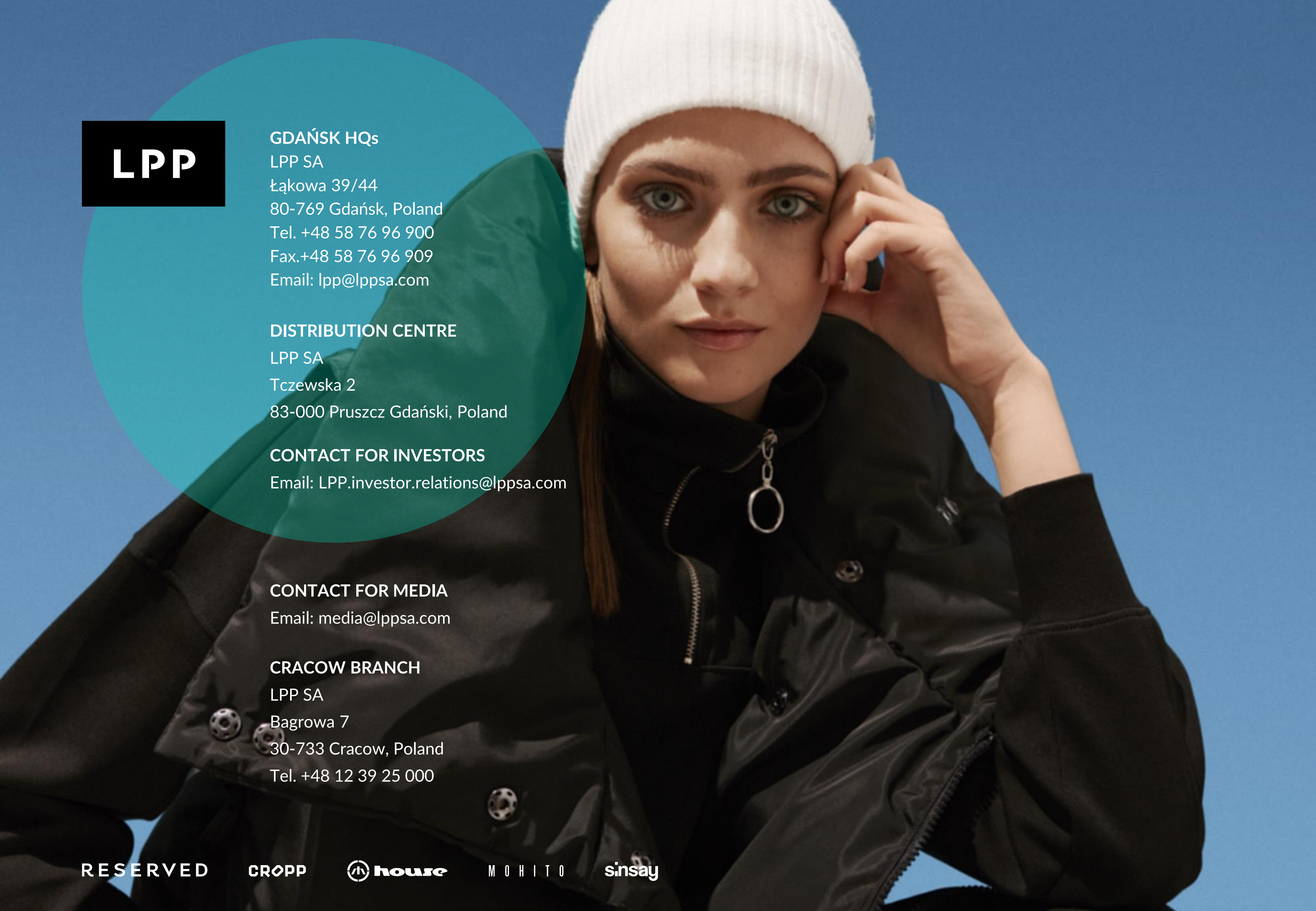
	RESERVED	CROPP	house	MOHITO	sinsay
BRAND DESCRIPTION	An anchor brand with a broad customer base offering the latest trends	A streetwear brand inspired by hip-hop and pop-culture	Optimistic fashion brand	A brand that combines comfort and elegance for business and informal meetings	Clothes for everyday inspirations and original party outfits
TARGET CUSTOMER	Women, men, children	Teenagers (boys and girls)	Teenagers (boys and girls)	Women	Women, men, teenagers and children
DATE OF LAUNCH	1998	2004	2001 (at LPP since 4Q08)	2008 (at LPP since 4Q08)	2013
REGIONS	CEE, SEE, Baltic, CIS, WE, ME	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)	CEE, SEE, Baltic, CIS, WE (Finlandia)
# STORES 3Q20/21	440	366	328	277	386
REVENUES 3Q20/21	PLN 1,069m	PLN 321m	PLN 271m	PLN 213m	PLN 543m

Note: the total area of the brands does not add up to Group's floorspace, as at the end of 3Q20/21 we had 5 outlets.

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. 3.0% 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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