LPP

4Q20/21 RESULTS PRESENTATION

GDAŃSK
APRIL 29, 2021

RESERVED CROPP house MOHITO sinsay

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1. 4Q20/21 financial results

2. Key corporate events

3. 2021/22+ outlook

A shifted fiscal year

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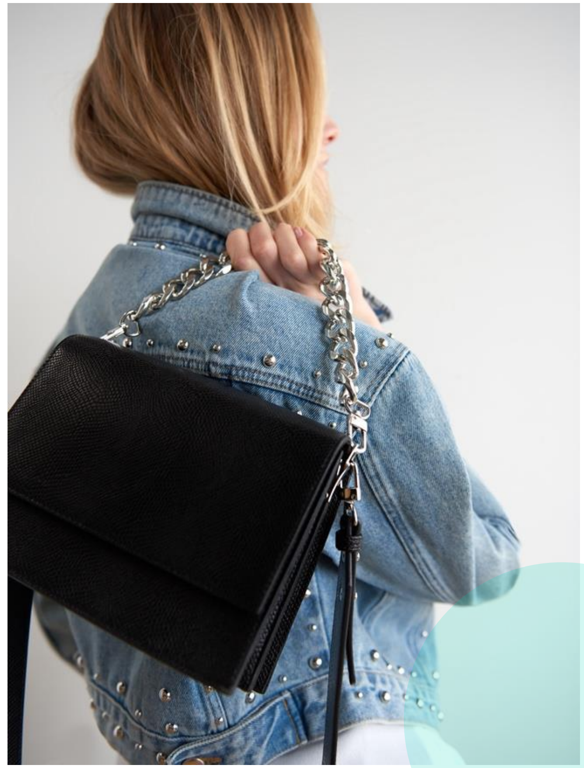
4Q20/21 is the fourth 3-month-long quarter of the shifted fiscal year.

4Q20/21 encompasses period from November 1, 2020 till January 31, 2021.



2020/21 included 12 months and encompassed period from February 1, 2020 until January 31, 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.

2019/20 was the only 13-month-long financial year.

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Results impacted by COVID-19

Date	Event
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
mid-March 2020	Acceleration of e-commerce development
beginning of May 2020	Opening of shopping malls on selected markets
end of June 2020	Restructuring in Germany
end of June 2020	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 malls in Poland closed between November, 6 and 27 (second lockdown)
end of November 2020	Return to operations in shopping centers, high on-line dynamics
end of December 2020	Restrictions return at the end of December, shopping malls in Poland closed throughout January (third lockdown)
end of March 2021	Restrictions return in Poland in the second half of March (fourth lockdown)

Lockdowns in 2020/21

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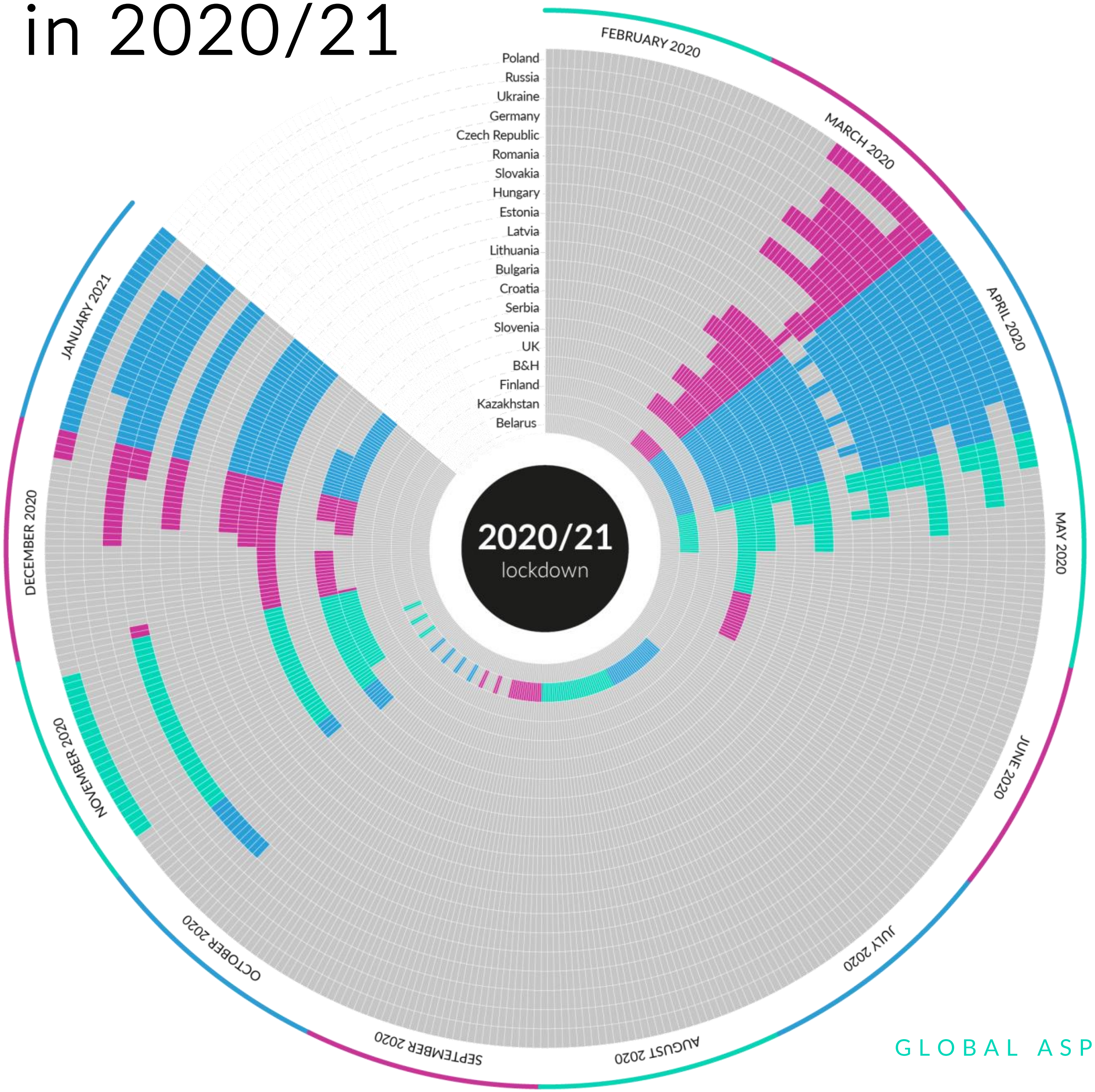


Towards omnichannel

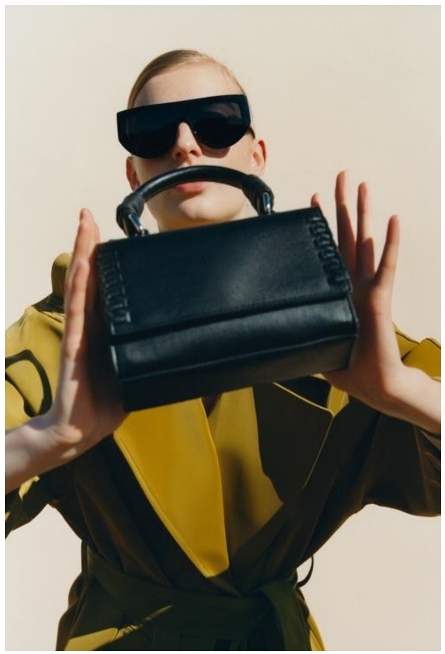
OFFLINE

1,856 stores

+16.6% m2

-38.0% LFL

25 countries



ONLINE

30 countries

+106.3% revenues

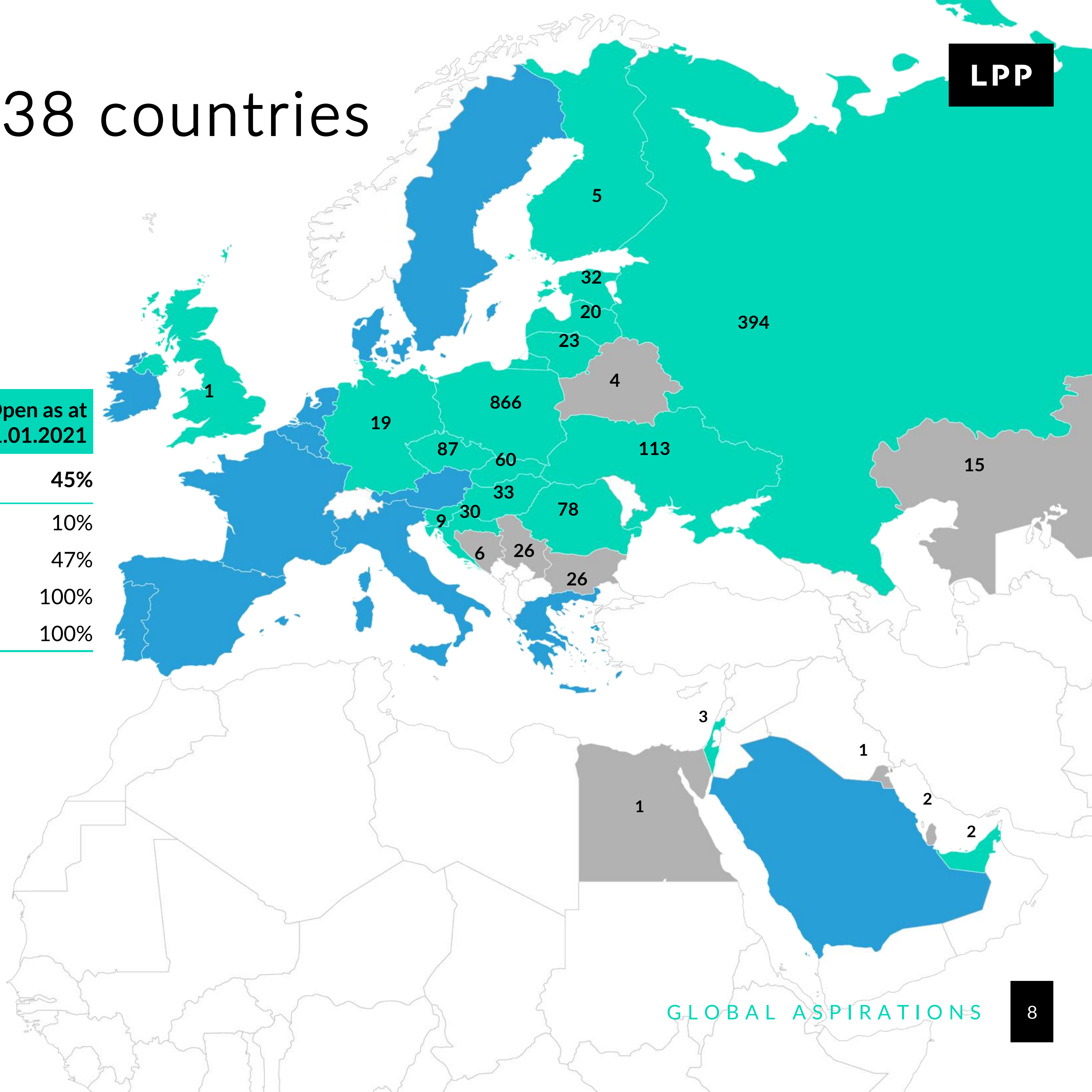
38
COUNTRIES

-14.9%
GROUP REVENUES

LPP present in 38 countries

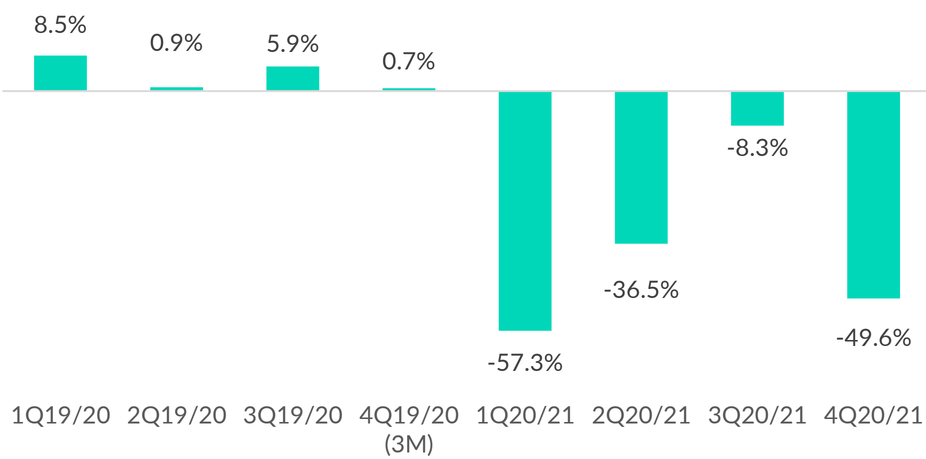
As at 31.01.2021	No. of stores	YoY	Open as at 31.01.2021
LPP GROUP	**1,856**	**+110**	**45%**
Poland	866	-8	10%
Europe	455	+37	47%
CIS	526	+80	100%
ME	9	+1	100%

online + offline   online   offline

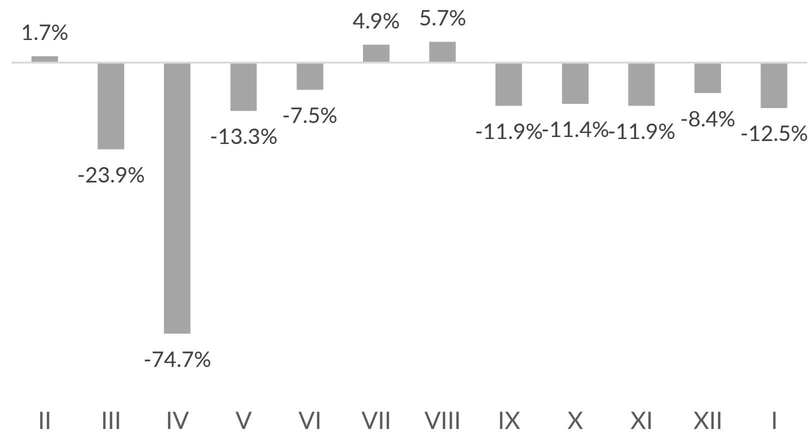


LFLs affected by lockdowns

LFL DYNAMICS
(local currencies)

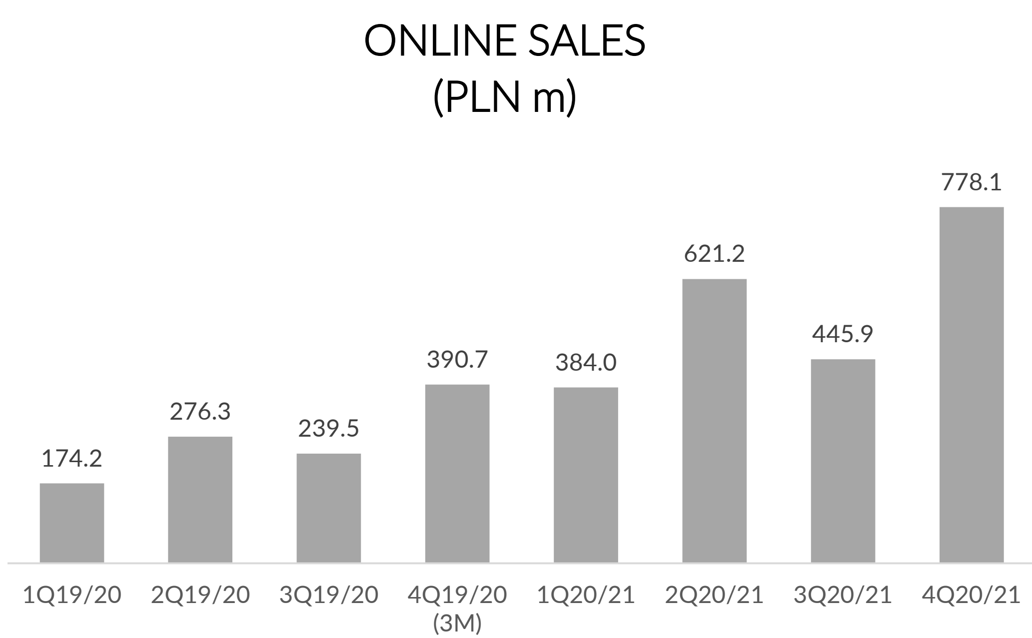


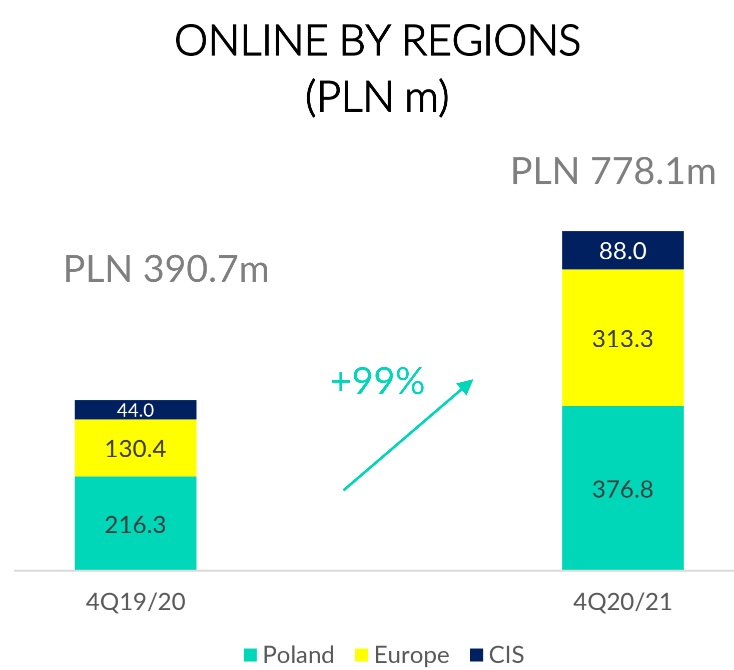
LFL OF OPEN STORES
(local currencies)



- Double-digit negative LFLs in each month of 4Q20/21. Falls recorded by each of the brands.
- Significant differences between LFL in various countries in 4Q20/21 - positive in Qatar and Kuwait, low negative in UAE, Kazakhstan, Russia, and double-digit negative in Poland, Czech Republic, Lithuania, Latvia, Bulgaria, Germany and the UK - a consequence of different timing of lockdowns.
- Changes in customer shopping habits are the key to LFL in traditional stores, apart from lockdowns. Continuation of stronger traffic falls in shopping malls in large cities and milder decreases in smaller towns and cities.

Doubling e-commerce revenues

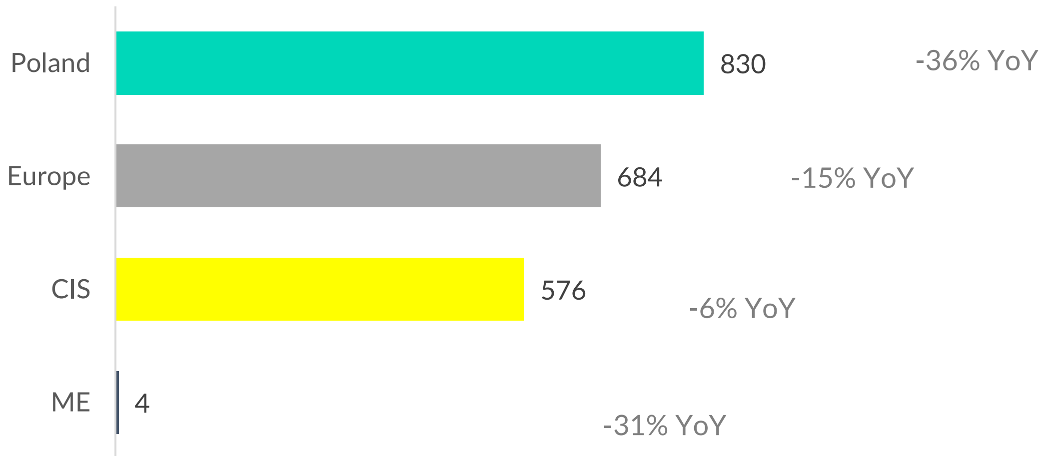




- High double-digit online sales growth (99.2% YoY) in 4Q20/21. High double-digit growth in visits on our webpages as well as triple-digit growth in number of new and returning customers.
- In 4Q20/21 e-commerce constituted 45.4% revenues from Poland (16.7% in 4Q19/20) and 37.2% group revenues (14.3% in 4Q19/20). Poland constituted some 48% of e-commerce revenues in 4Q20/21.
- The highest YoY increases in 4Q20/21 were visible on the European market and in the CIS region. Middle East countries are not included as online sales is concluded by our partners on external platform.
- In 4Q20/21 83% of visits and 66% of purchases are made through mobile devices.

Foreign revenues exceed Polish ones

REVENUES BY REGIONS IN 4Q20/21 (PLN m)



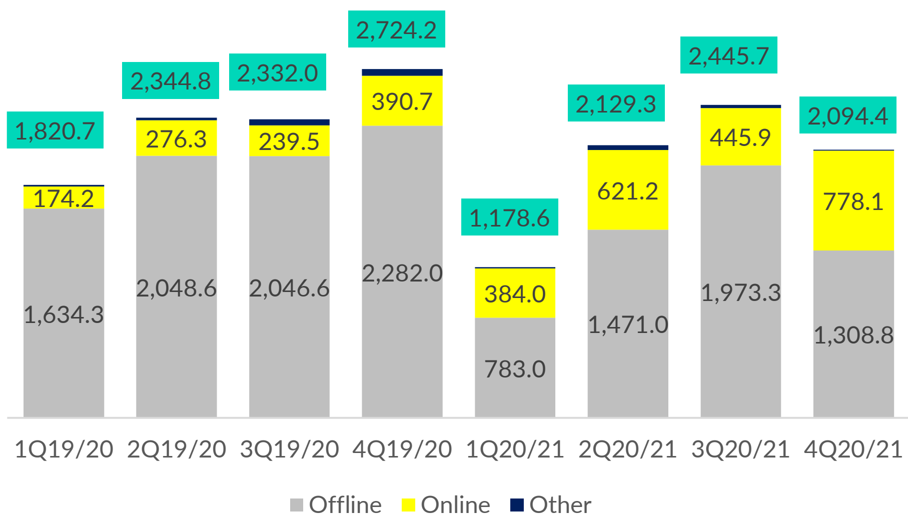
4Q20/21 FLOORSPACE (by regions)

ths m2	4Q19/20	4Q20/21	YoY
LPP GROUP	1,230.9	1,435.4	16.6%
Poland	530.0	566.9	7.0%
Europe	370.7	432.6	16.7%
CIS	321.8	426.1	32.4%
ME	8.4	9.9	17.0%

- In 4Q20/21 foreign revenues exceeded domestic ones. Poland constituted 39.6% of revenues.
- Falling revenues in Europe in 4Q20/21 in all countries apart from Romania (favourable impact of logistics development), Serbia, B&H. Doubling of revenues from pan-European e-store.
- Scale of CIS revenues in 4Q20/21 was affected by weakening of rubble and hryvnia, not fully compensated by openings of new stores and online sales. Re-entry into Belarus (own network of stores from 3Q20/21) and development in Kazakhstan. Franchise stores in the Middle East have been hit by COVID-19.

Growth online, fall offline

GROUP REVENUES
(PLN m)



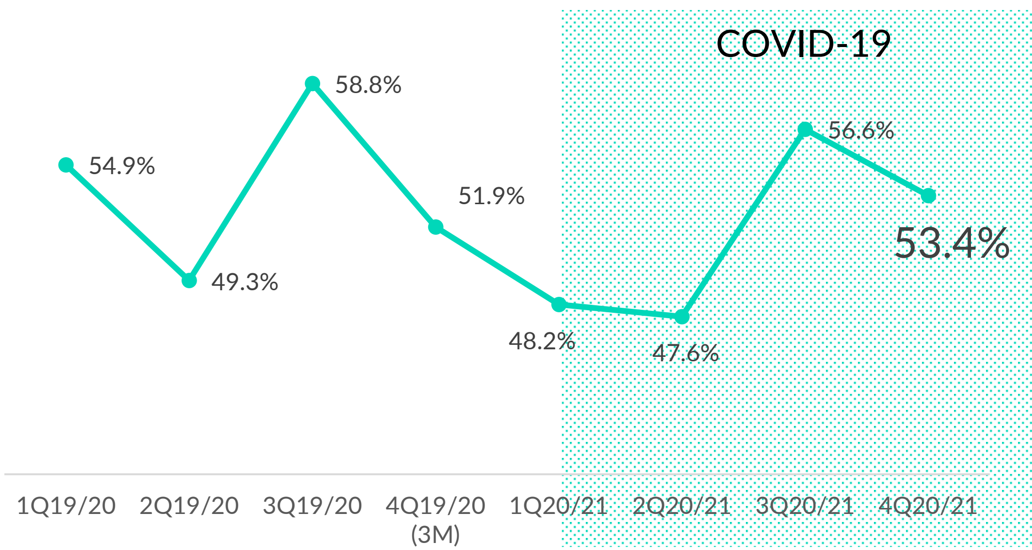
OMNICHANNEL REVENUES

PLN m	4Q19/20	4Q20/21	YoY
LPP GROUP	2,724.2	2,094.4	-23.1%
Reserved	1,268.6	904.6	-28.7%
Cropp	367.5	259.8	-29.3%
House	337.6	248.2	-26.5%
Mohito	279.5	187.1	-33.0%
Sinsay	415.1	486.1	17.1%
Other	55.8	8.6	-84.6%

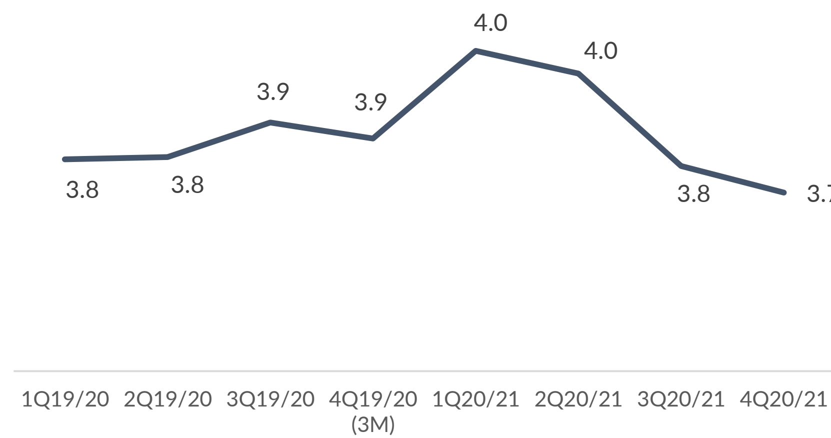
- Group revenues fell 23% YoY in 4Q20/21. Dynamic online sales development did not offset offline falls, which resulted from temporary lockdowns in different countries.
- 51% YoY fall in retail revenues/ m2 in 4Q20/21 to PLN 304/m2, due to negative impact of COVID-19. 33.2% YoY falls in group sales/ m2 to PLN 495/m2 due to dynamic on-line growth.
- All brands generated more revenues abroad than in Poland. High Sinsay growths, due to floorspace development.

High and growing gross profit margin

QUARTERLY GROSS PROFIT MARGIN



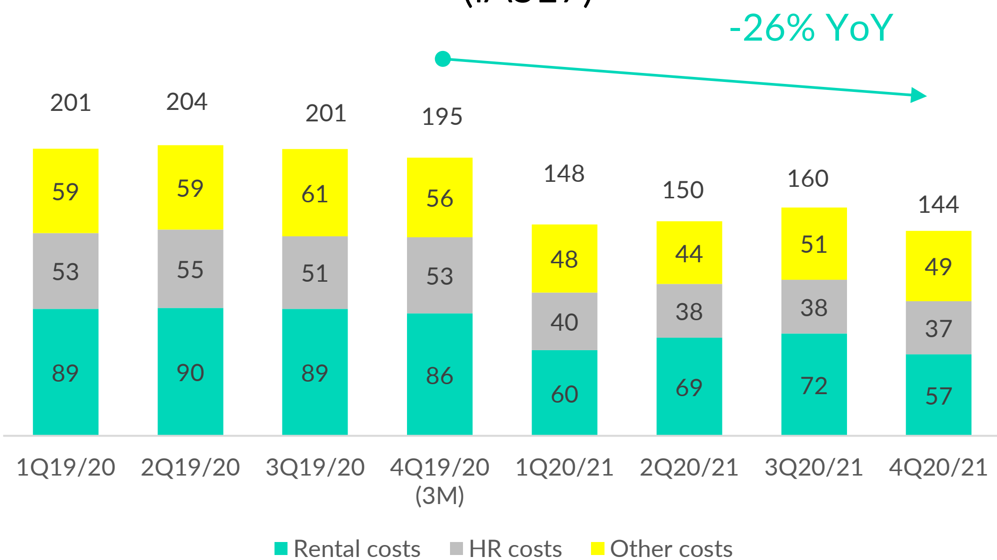
PLN/US$



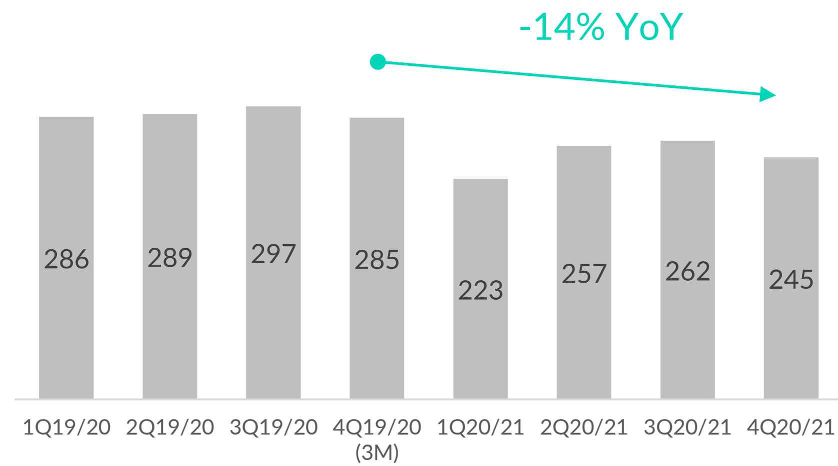
- Gross profit margin in 4Q20/21 was higher YoY due to more favourable PLN/US$.
- Low level of inventory – no need to conduct sizeable sell-offs.
- Successful adaptation of the collection to new market needs.
- Differentiation of pricing policy between online and offline – more attractive promotions in traditional stores.

Double-digit operating costs reductions

COSTS OF OWN STORES/ M2 (IAS17)



SG&A COSTS/ M2 (IFRS16)



- Lower YoY rental costs → renegotiation of rental agreements to new reality in shopping malls, turnover rentals and lack of recognition of rentals during lockdown (negotiations relating to prolonging of agreements).
- 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 lockdowns.
- 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.

Positive EBIT in 4Q20/21

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PLN m	4Q19/20 IFRS16	4Q20/21 IFRS16	YoY
Revenues	**2,724.2**	**2 094,4**	**-23.1%**
Gross profit margin	*51.9%*	*53,4%*	*1.5 pp.*
SG&A costs	1,039.5	1 029,1	-1.0%
Operating profit	**294.3**	**80.1**	**-72.8%**
EBIT margin	*10.8%*	*3.8%*	*-7.0 pp.*
Financial costs net	-33.9	-84.1	N/M
Net profit	**194.4**	**-44.4**	**N/M**
EBITDA	**594.1**	**337.4**	**-43.2%**

Double-digit revenue declines due to closed shopping malls in many countries where the Group's stores are located despite continued high online growth.

Gross profit margin YoY increase due to lesser YoY sell-offs. Due to the lockdown, sell-offs were mostly carried out online. Stable level of operating costs.

One-offs in other operating activities in 4Q20/21 include PLN 17.9m in subsidies and PLN 15.1m gain on exiting some IFRS16 agreements, but PLN 26.4m in write-off for goodwill in Slovakia and PLN 31.6m write-offs for unprofitable stores (PLN 11.3m for our London store).

Less favorable net financial activity in 4Q20/21 YoY, despite PLN 29.7m of FX gains on IFRS16, due to PLN 54.4m adjustment on IFRS16 lease liability (-) and PLN 21.5m FX losses on IAS17.

2020/21 EBIT above zero despite COVID-19

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PLN m	2019/20 IFRS16	2020/21 IFRS16	YoY
Revenues	**9,221.7**	**7,848.1**	**-14.9%**
Gross profit margin	*53.6%*	*52.0%*	*-1.5 pp.*
SG&A costs	3,937.3	3,847.6	-2.3%
Operating profit	**879.2**	**153.0**	**-82.6%**
EBIT margin	*9.5%*	*1.9%*	-7.6pp.
Financial costs net	-142.1	-269.5	N/M
Net profit	**486.0**	**-190.1**	**N/M**
EBITDA	**1,897.0**	**1,226.1**	**-35.4%**

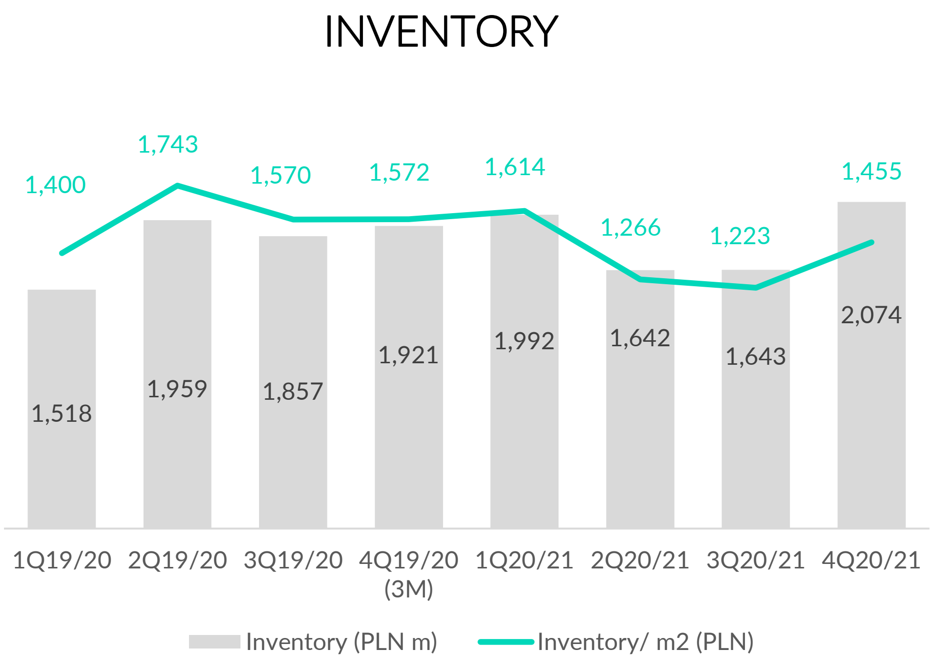
Double-digit decline in revenues due to shopping malls being closed for several months of the year in most countries where the Group's stores are located. Triple-digit online sales growth.

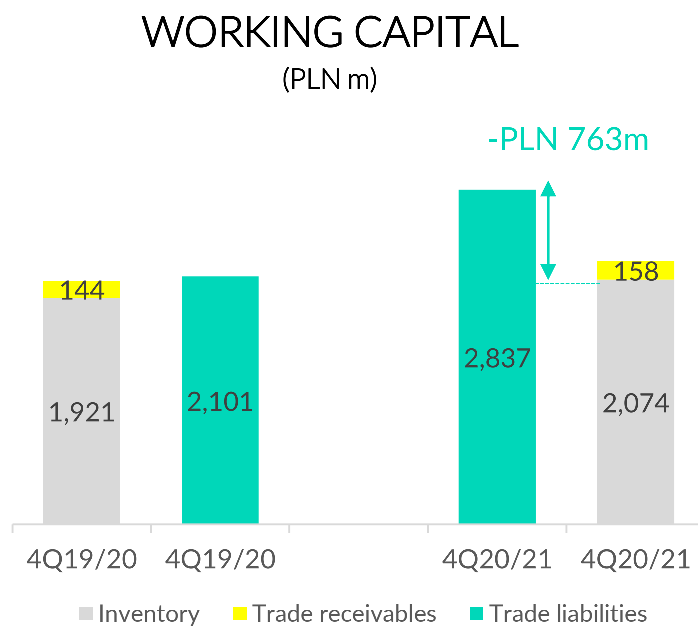
Gross margin YoY decrease due to a higher share of online channel, in which customers more effectively search for promotions, and inability to translate unfavorable exchange rates into prices in selected quarters. YoY decline in operating expenses.

Positive one-offs: PLN 83.3m in subsidies for salaries in other operating income (PLN 33.4m in Poland) and PLN 29.5m gain on exiting some of IFRS16 rentals. Negative one-offs: PLN 70.6m in write-offs for unprofitable stores, PLN 26.4m in goodwill write-offs.

Less favorable YoY net financial activity due to PLN75.9m FX losses on IAS17, PLN 102.5m FX losses on IFRS16, not fully compensated by PLN 66.5m gain on rent reductions and rent abolition (IFRS16).

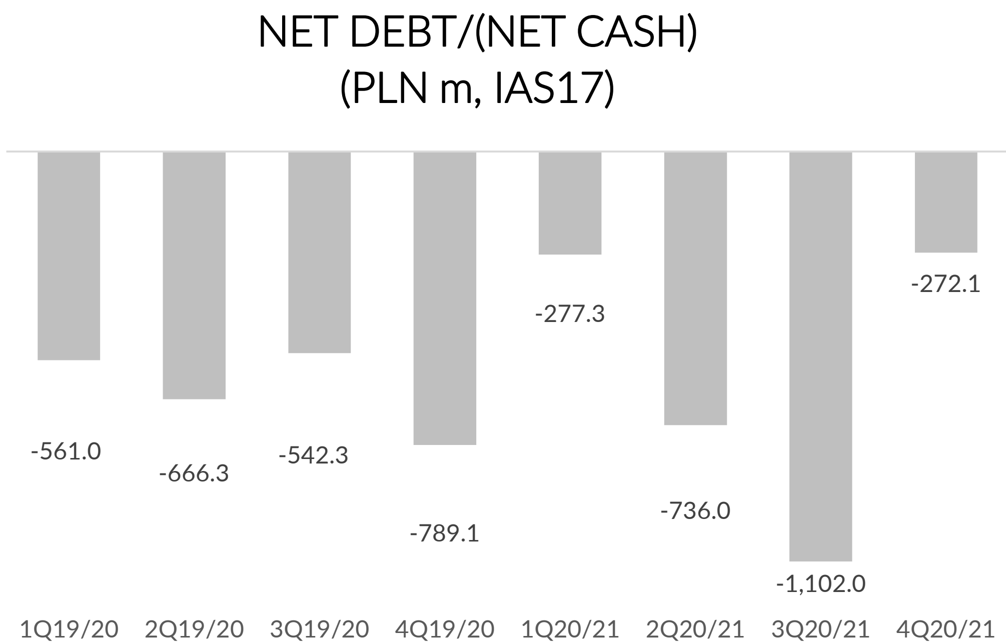
Trade liabilities finance inventory

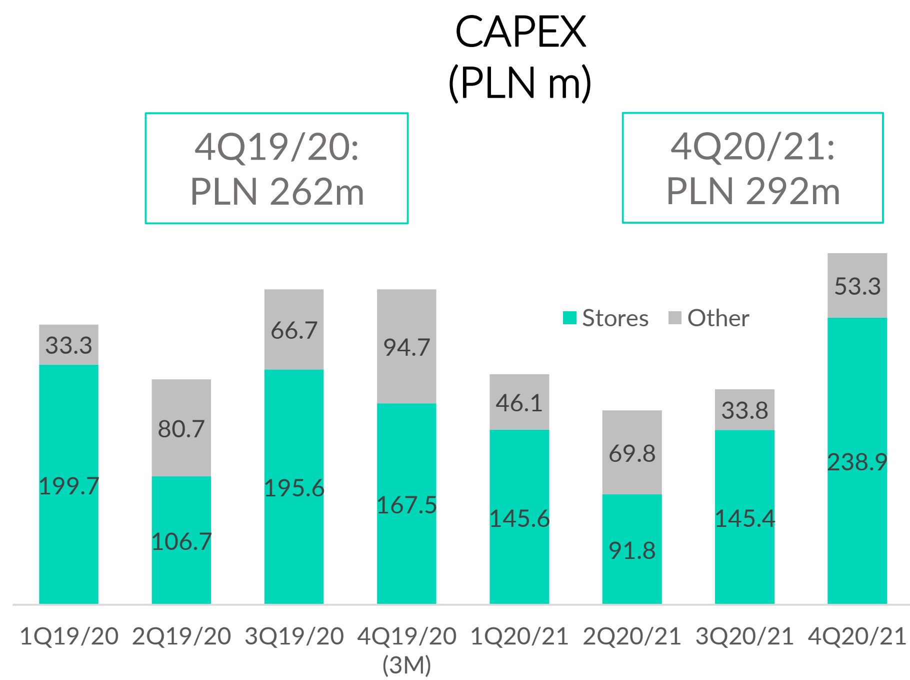




- 8% YoY growth in inventory due to goods from new collections on the balance sheet (72% of inventory value), despite effective Autumn/Winter 2020/21 sell-offs. 7% YoY fall in inventory/ m2 due to growth in shopping floorspace.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 1,572m at the end of 4Q20/21. Lengthening of payment terms for suppliers.
- As a result, our cash conversion cycle remained at a low level of - 81 days in 4Q20/21 (-7 days in 4Q19/20).

Net cash on the balance sheet (IAS17)





- At the end of 4Q20/21, we had PLN 1.3bn of cash. Additionally, PLN 0.95bn cash in: money market funds (PLN 0.45bn) and restricted cash deposits (PLN 0.5bn), not recognised in net debt calculations.
- In 4Q20/21 capex reached PLN 292.2m, up 11% YoY due to higher outlays for upgrades and store opening but lower infrastructure outlays.
- Long-term debt stable YoY due to issuance of 5-year bonds in 4Q19/20. Increase in short-term debt due to taking out additional working capital loans.

2020/21 executive summary

1. Floorspace development on favourable terms.
2. Triple-digit online sales growth.
3. Operating costs under control.
4. Trade liabilities exceed inventory.
5. Net cash (IAS17).

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1. 4Q20/21 financial results

2. Key corporate events

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Key corporate events

#LPPpomaga

Record-high charity aid of LPP and established by us LPP Foundation amounted to PLN 9m in 2020/21.

March 2021

March 2021

NEW E-COMMERCE WAREHOUSE IN RUSSIA

New warehouse with an area 30 ths m2 will be dedicated to e-commerce sales in Russia.

ACCELERATION IN BRZEŚĆ KUJAWSKI CONSTRUCTION

Realization of earthworks and reinforced concrete works as well as external installations.

March 2021

March 2021

EXPANSION OF FC IN ROMANIA

Another 21 ths m2 Fullfillment Center in Romania.

42 ths m2 of warehouse at the end of the year.

New e-commerce warehouse in Russia

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- **LPP has signed a contract for rental of warehouse space in the Moscow Industrial Park "PNK Park Zhukovsky".**
- **Built Fulfillment Center with an area of 30 ths m2 will be dedicated to e-commerce sales in Russia.**
- **The new facility in the LPP distribution network, located 19 km from the Moscow Ring Road, is another step towards strengthening omnichannel.**

Start of operations planned for 3Q21.

Currently in Russia we have:

DC floorspace of **15 ths m2**	FC floorspace of **17 ths m^2**

62 ths m2 warehouse floorspace after completion of investment

Acceleration of construction in Brześć Kujawski

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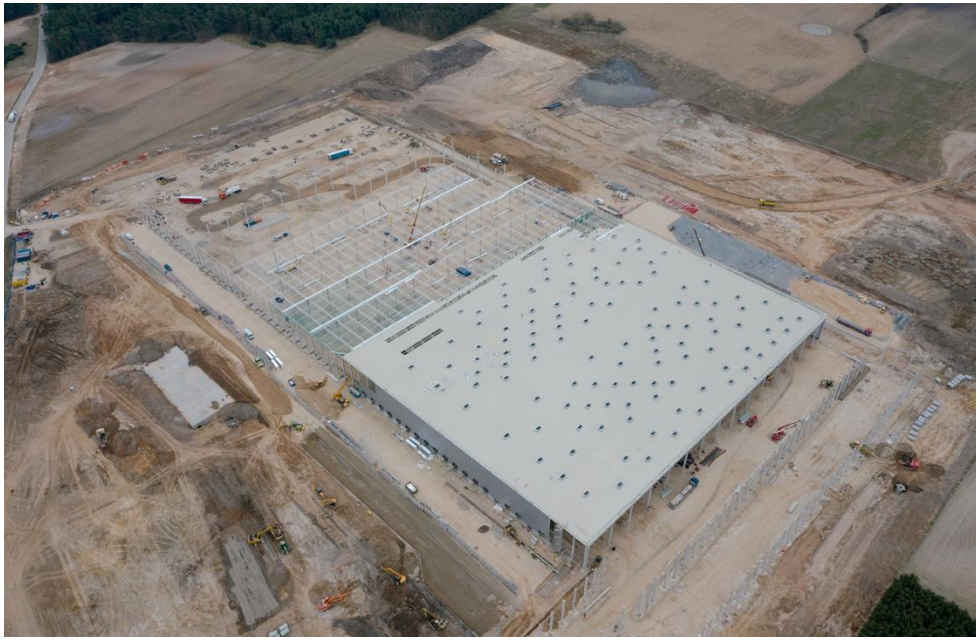
JANUARY 2021 SELECTION OF GENERAL CONSTRUCTOR.

MARCH 2021 FURTHER PROGRESS OF WORK AT THE DISTRIBUTION CENTER:

conduct of some earth and reinforced concrete works as well as external installations.



Start of construction 1Q21.

Planned capex: **PLN 200m.**

Launch is planned for 1Q22.

Target employment: 1,000 people.

Growing warehouse floorspace in Romania

launched in 2019

current area: 21 ths m2

area after expansion:
42 ths m2

Due to the growing importance of the Romanian market in e-commerce sales, LPP began the expansion of its Fulfillment Center warehouse near Bucharest.

Completion of works and commissioning of the new facility is scheduled for 3Q21.

Doubling of space at the already operating warehouse will allow LPP to handle online orders of customers both in Romania and neighboring countries, including Bulgaria, where the company plans to launch online sales this year.

Streamlined LPP's logistics

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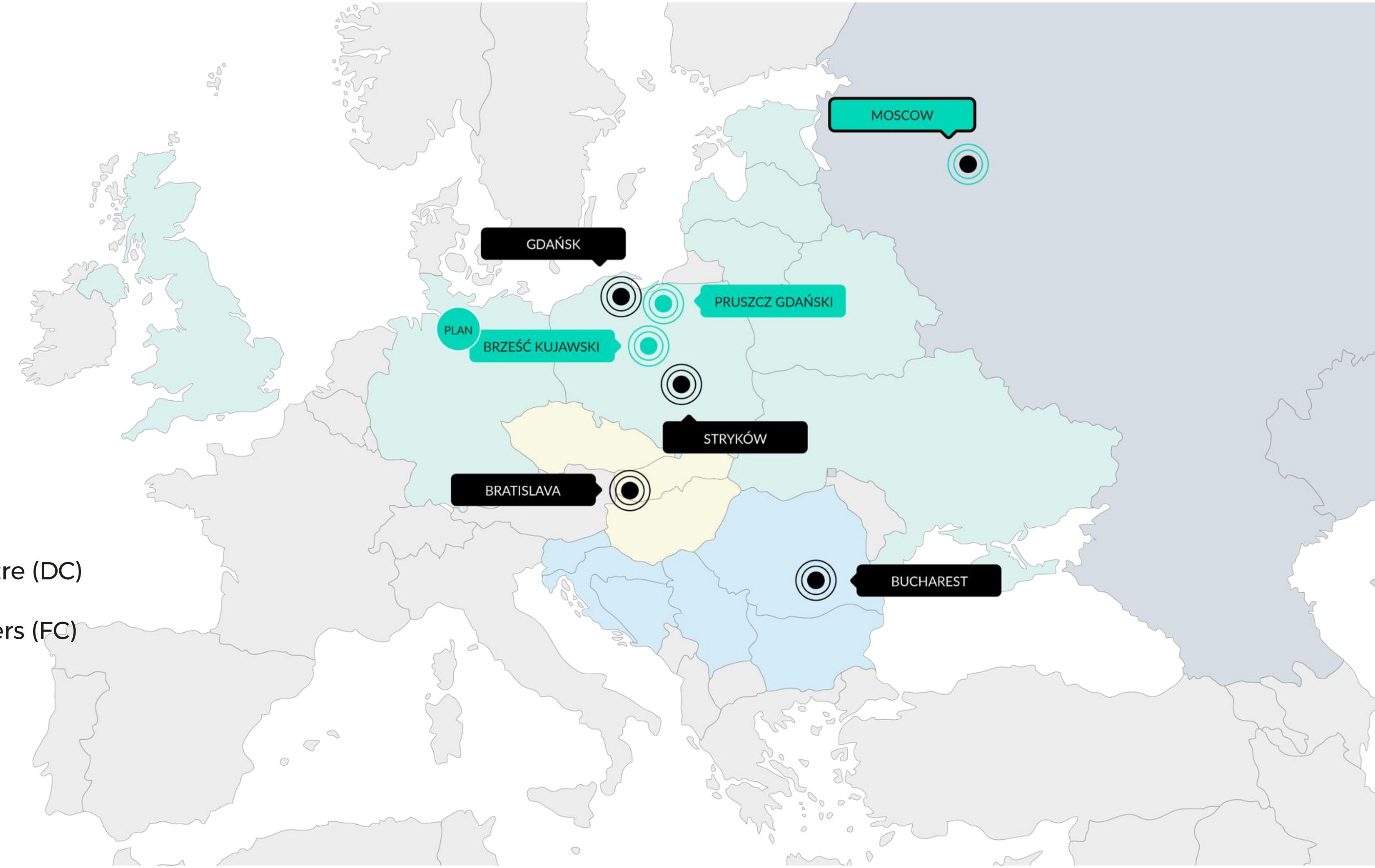


Distribution Centre (DC)

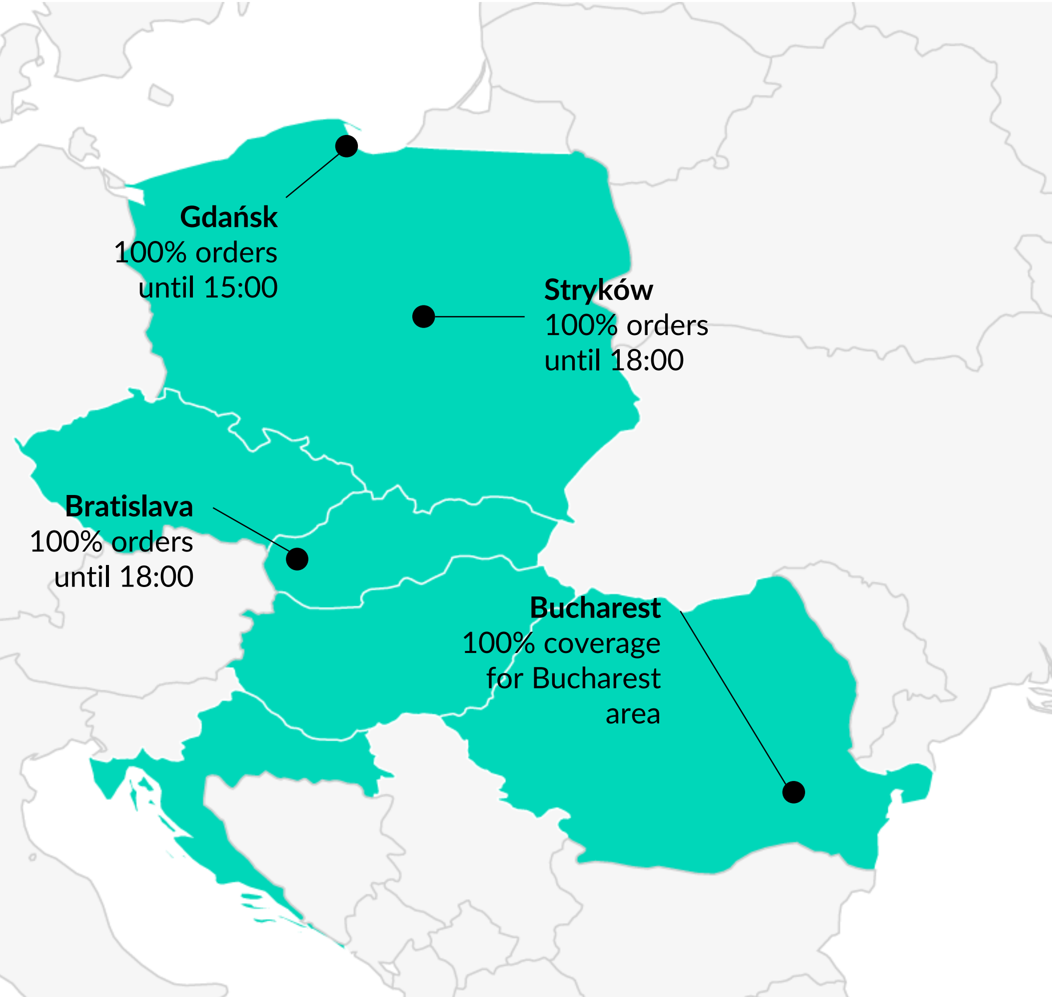
Fulfillment Centers (FC)

DC + FC

Focus on Next Day Delivery

In 2020, we continued to develop the Next Business Day delivery service (the next business day after the transaction). It is a priority for e-commerce.

Launch a new Fulfillment Center in Slovakia that handles orders from five countries had a significant impact on increasing the range of this service.



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Omnichannel – key trend of 2021/22

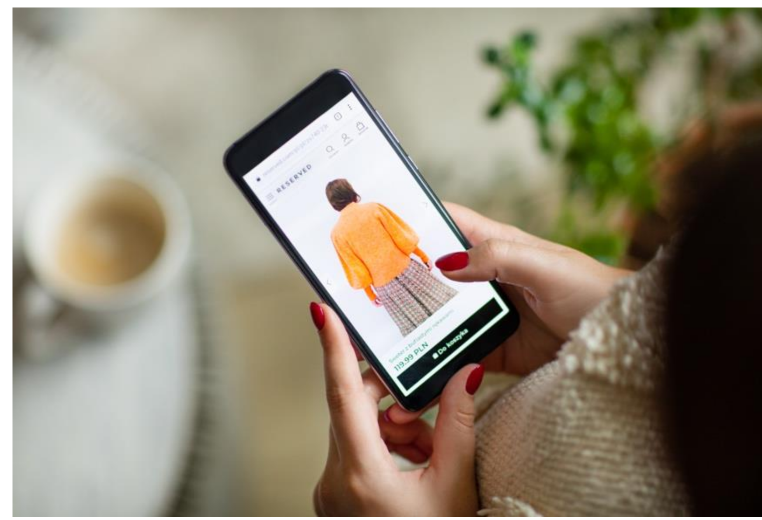
We respond to the needs of our clients.

Digitization is an important trend :

- From the customer side: possibility to purchase via a mobile phone, applications
- From the retail side: the importance of big data, AI

OUR CUSTOMERS:

- They migrate online, in particular from large cities => effective logistics is important to them
- They buy offline more thoughtfully, a preference for offline in smaller cities



Acceleration of RFID implementation

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Currently, RFID is successfully working in all stores of Reserved brand.

We plan to implement RFID in another 867 stores in 12 countries in just 7 months.

Implementation of RFID in Mohito, Cropp and House brands will be completed over **5 times faster** than at Reserved brands.

The next stage in the development of omnichannel:

The use of soft tags that will allow us to achieve 100% visibility of the entire offer.

In 2021/22, more than 200 million items of goods of four brands will be tagged with electronic tags.

Concentration on own e-stores

Rapid organic e-commerce growth is more profitable than entering external platforms.

ADVANTAGES OF OWN E-STORES

- control over inventory
- element of omnichannel
- control over promotions
- knowledge about the customer

Opening own e-stores in new countries:

- Israel in September 2020
- Slovenia in December 2020.

Start of e-store in Bulgaria: August 2021

Convenience is a priority in collections

Casual – comfortable clothes for home office are the most frequently chosen offer

Formal clothing is still on the defensive

Increased interest in the Eco Aware collection - especially in large cities

Impact of economic situation – interest in **value for money (affordable fashion)** segment

Eco Aware increasingly popular

Part of our collections has tags:
Eco Aware or **Eco Aware Production**

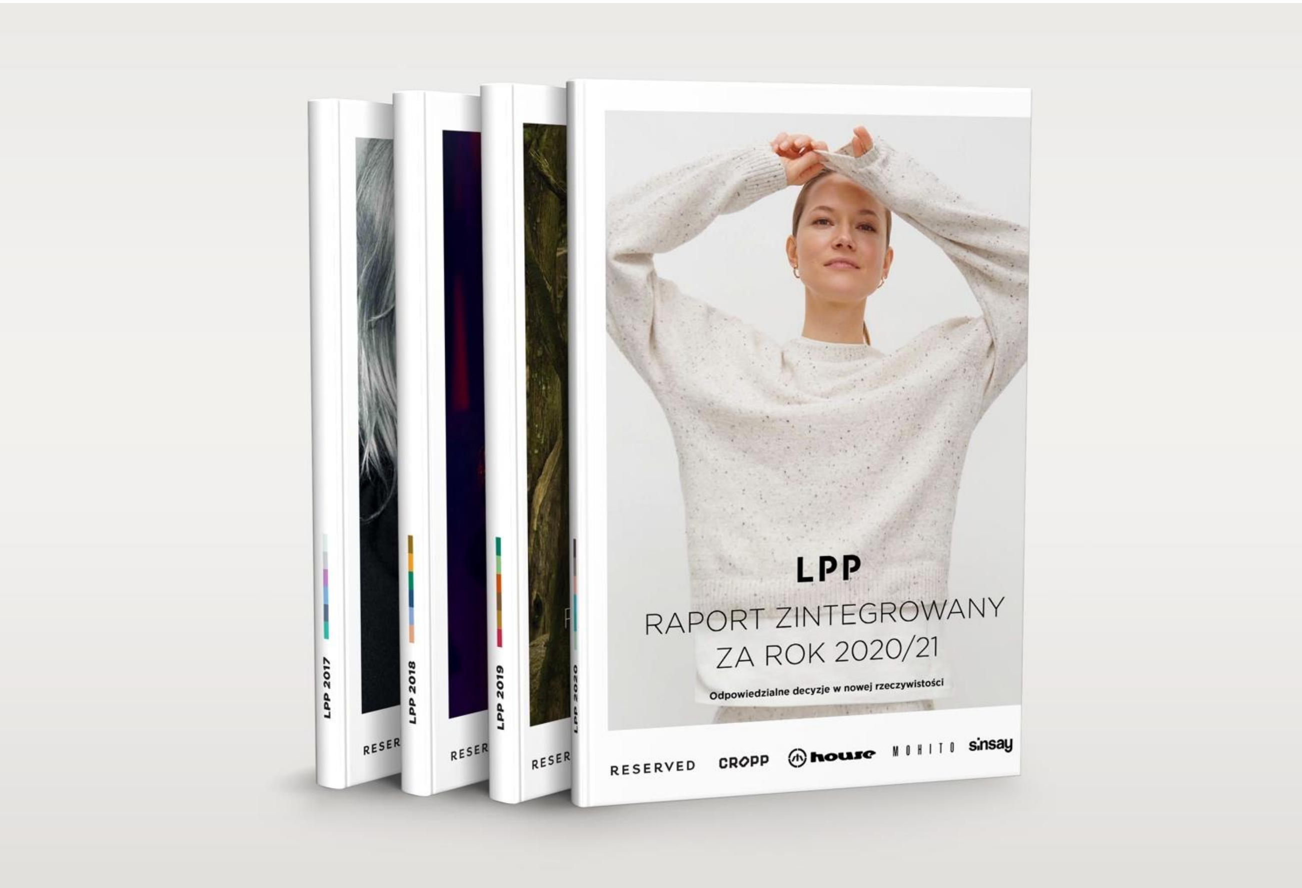
Eco Aware tag:
- products with a more environmentally friendly composition,
- confirms that a given model contains an appropriate percentage of such materials, guaranteed by a certificate,
- composition of the model on the back of the label.

Eco Aware Production tag:
- models produced in more environmental friendly process,
- confirms that the model was produced in a factory qualified by our audit department to factories that properly implement the principles and methods of production aimed at reducing environmental impact,
- the factory icon on the back of the label.

Eco Aware compliant materials:
- organic cotton,
- fabrics based on wood cellulose such as **TENCEL™ (LYOCELL), LENZING (TM) ECOVERO ™ and TENCEL™ (MODAL),**
- recycled fabrics,
- organic fibres.

Eco Aware in 2020/21: 18.6% of our collections, 32.4% for Reserved

LPP's new integrated report



Responsible decisions
in the new reality

Continuation of dynamic online growth

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Growth acceleration in 2021/22

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Floorspace (ths m2)	I.2021	I.2022 former target	I.2022 target	YoY
BY REGIONS				
Poland	566.9	629.8	618.0	9%
Europe	432.6	503.6	529.8	22%
CIS	426.1	507.8	569.1	34%
ME	9.9	10.0	10.0	2%
TOTAL	**1,435.4**	**1,641.2**	**1,727.0**	**20%**
BY BRANDS				
Reserved	674.7	701.8	707.6	5%
Cropp	166.1	180.5	183.8	10%
House	146.8	167.4	169.1	15%
Mohito	115.2	123.2	123.5	7%
Sinsay	329.8	474.5	540.7	64%
Outlets	2.8	3.8	2.8	0%

- Continuation of floorspace growths in 2021/22: +20% 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 younger brands: Cropp, House, Sinsay.
- Key reasons behind floorspace development:
  - stronger entry to smaller towns,
  - opportunity to develop in value-for-money segment,
  - emphasis on omnichannel, of which traditional network is 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.

Investments in LPP's future development

PLN m	2021/22	2022/23	suma
Stores	840	750	1,590
Stores domestically and abroad	840	750	1,590
Offices	50	50	100
New offices Gdańsk Łąkowa – Building 1	0	0	0
New offices Gdańsk Łąkowa – Building 2	50	0	50
New offices Gdańsk Łąkowa – Building 3	0	50	50
Logistics	150	40	190
New CD Brześć Kujawski	150	40	190
IT & other	60	60	120
TOTAL	**1,100**	**900**	**2,000**

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 Brześć Kujawski in 2021/22

Targets for 2021/22

Challenges	Targets for 2021/22	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.	▪ Continuation of double-digit floorspace growth. ▪ Dynamic online growth. ▪ Double-digit YoY revenue growth. ▪ YoY operating margin improvement. ▪ Safe liquidity position.	▪ Successful collections of all brands - favorable price-to-quality ratio. ▪ Further e-commerce development on new markets. ▪ Using RFID to support omnichannel growth.

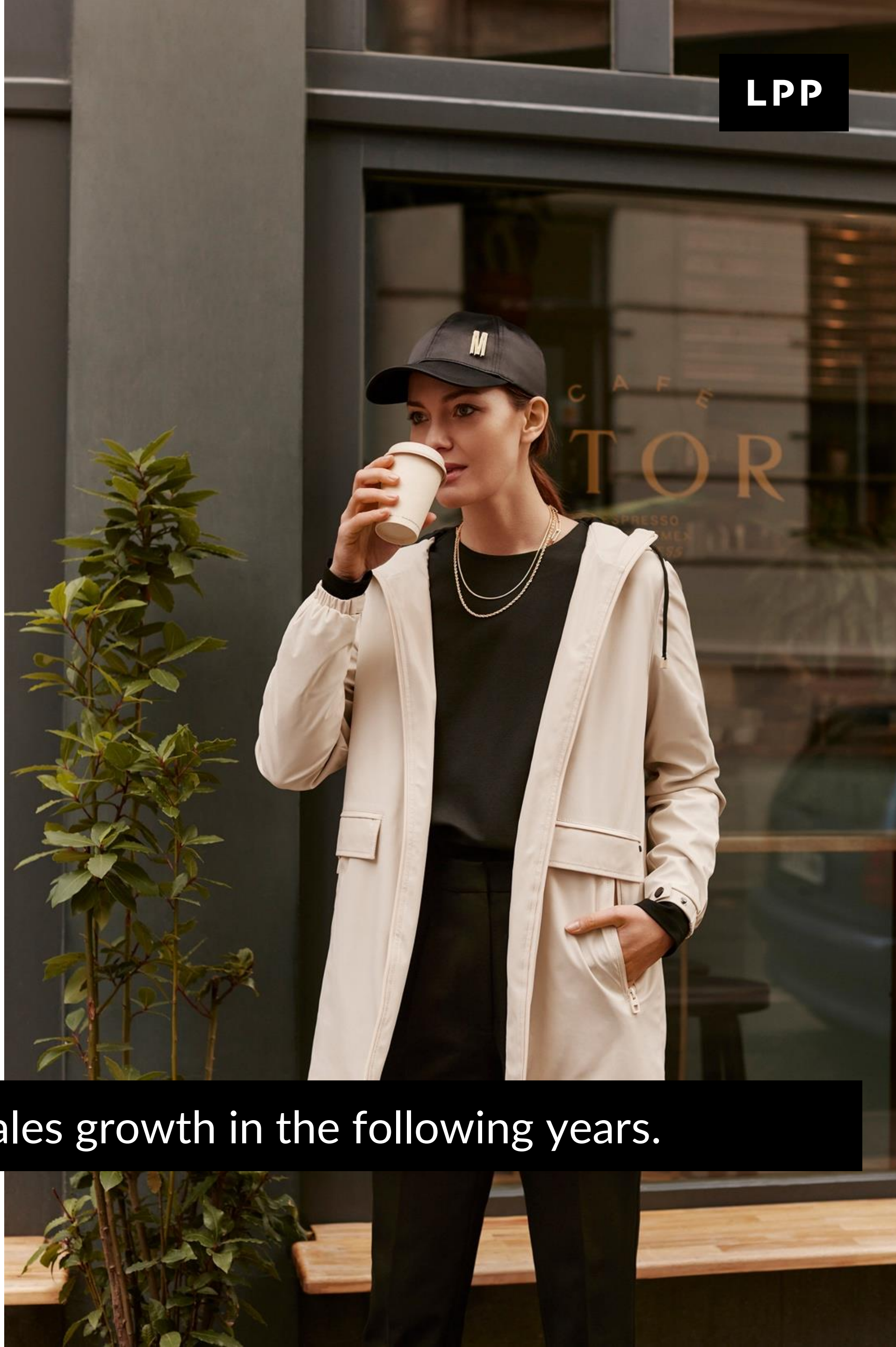
Targets for upcoming years

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 (affordable fashion)

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

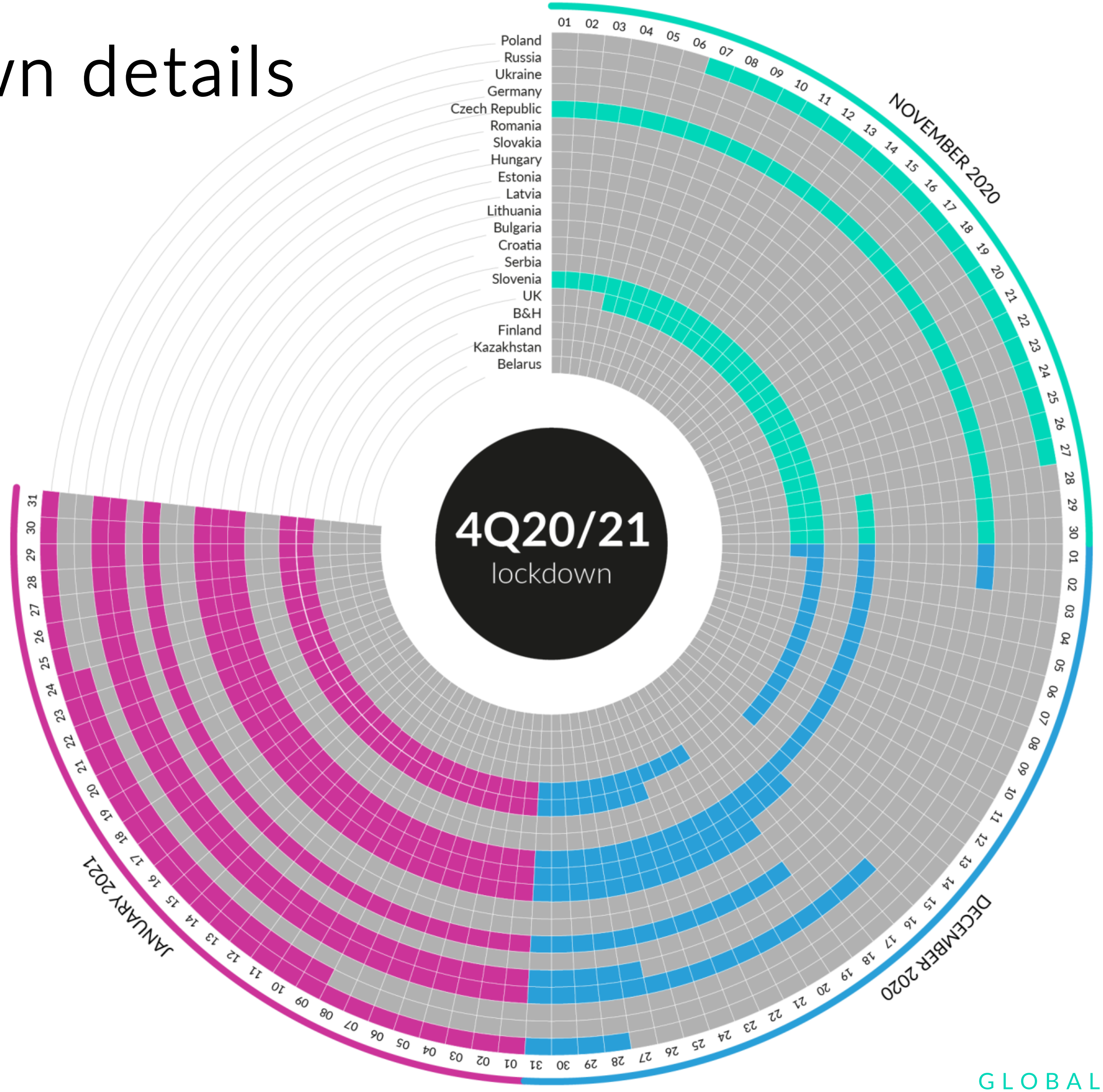
LPP



Q&A

Back-up

Lockdown details



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	31.01.2021
Reserved	**605.0**	**616.6**	**634.3**	**655.0**	**664.8**	**657.1**	**669.7**	**667.8**	**674.7**
Poland	268.7	263.5	267.6	272.0	270.3	262.9	262.5	264.8	267.7
Europe	188.0	204.4	215.1	218.4	225.3	223.7	232.2	233.2	223.4
CIS	141.2	141.6	143.2	156.1	160.8	162.1	166.5	161.5	164.0
ME	7.1	7.1	8.4	8.4	8.4	8.4	8.4	8.4	9.9
Cropp	**132.8**	**134.9**	**140.8**	**143.2**	**147.9**	**149.2**	**157.3**	**159.7**	**166.1**
Poland	65.9	64.6	64.6	64.1	63.0	61.2	64.4	64.2	63.7
Europe	24.6	28.8	30.1	32.8	34.9	34.8	37.8	39.0	41.2
CIS	42.3	41.5	46.1	46.4	50.0	53.2	55.1	56.5	61.2
House	**115.2**	**115.9**	**121.7**	**125.5**	**127.4**	**129.8**	**138.4**	**141.9**	**146.8**
Poland	66.9	65.8	66.2	67.3	65.6	64.9	69.4	69.4	71.4
Europe	18.6	22.0	24.9	28.2	30.1	31.9	34.8	36.1	36.1
CIS	29.7	28.1	30.6	30.0	31.7	33.0	34.3	36.4	39.3
Mohito	**107.9**	**108.0**	**108.7**	**112.5**	**111.7**	**110.5**	**111.8**	**112.3**	**115.2**
Poland	53.4	52.1	52.1	53.3	51.4	50.2	49.7	50.2	50.3
Europe	24.8	26.3	26.4	28.6	29.7	29.2	30.5	31.3	32.4
CIS	29.7	29.6	30.1	30.6	30.5	31.1	31.6	30.8	32.5
Sinsay	**102.7**	**110.5**	**120.7**	**149.1**	**173.3**	**190.4**	**223.1**	**265.4**	**329.8**
Poland	59.8	61.4	63.6	73.2	78.4	81.4	88.0	103.0	113.8
Europe	20.2	24.8	31.0	41.2	50.7	56.3	68.4	77.8	89.6
CIS	22.7	24.3	26.1	34.7	44.2	52.8	66.8	84.6	126.3
Outlets	**12.0**	**10.8**	**9.7**	**8.8**	**5.8**	**5.8**	**4.6**	**4.6**	**2.8**
Total by regions									
Poland	523.0	515.5	521.0	534.9	530.0	521.7	534.0	551.5	566.9
Europe	274.7	306.3	327.6	349.2	370.7	375.9	403.6	417.5	432.6
CIS	270.9	267,8	278.9	301.5	321.8	336.8	358.8	374.4	426.1
ME	7.1	7.1	8.4	8.4	8.4	8.4	8.4	8.4	9.9
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**	**1,435.4**

Network development details as at I.2022

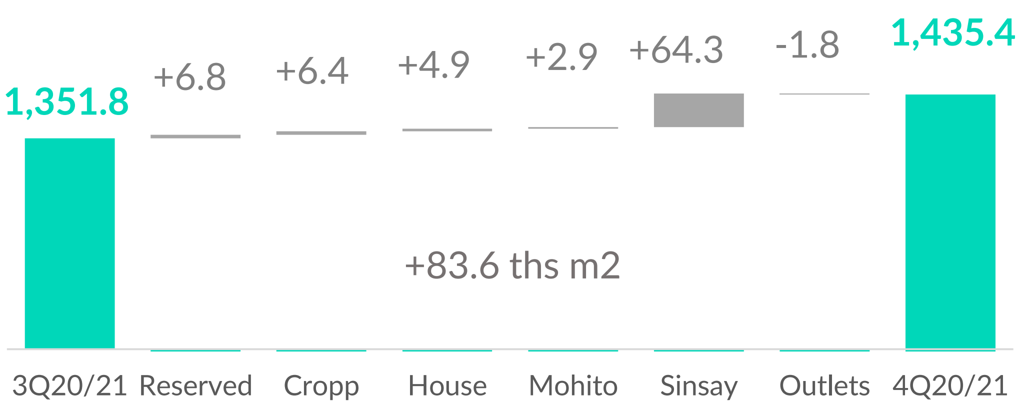
LPP

Floorspace (ths m2)	31.01.2021	31.01.2022	Nom. growth	Growth YoY
Reserved	**674.7**	**707.6**	**32.9**	**5%**
Poland	267.7	273.1	5.5	2%
Europe	233.2	242.6	9.4	4%
CIS	164.0	181.9	17.9	11%
ME	9.9	10.0	0.2	2%
Cropp	**166.1**	**183.3**	**17.2**	**10%**
Poland	63.7	69.5	5.8	9%
Europe	41.2	43.6	2.4	6%
CIS	61.2	70.2	9.1	15%
House	**146.8**	**169.1**	**22.3**	**15%**
Poland	71.4	77.6	6.1	9%
Europe	36.1	43.1	7.0	19%
CIS	39.3	48.4	9.1	23%
Mohito	**115.2**	**123.5**	**8.3**	**7%**
Poland	50.3	52.0	1.7	3%
Europe	32.4	34.8	2.3	7%
CIS	32.5	36.8	4.3	13%
Sinsay	**329.8**	**540.7**	**210.9**	**64%**
Poland	113.8	145.9	32.1	28%
Europe	89.6	165.7	76.1	85%
CIS	126.3	229.0	102.7	81%
Outlets	**2.8**	**2.8**	**0.0**	**0%**
Poland	0.0	0.0	0.0	0%
Europe	0.0	0.0	0.0	0%
CIS	2.8	2.8	0.0	0%
TOTAL	**1,435.4**	**1,727.0**	**291.6**	**20%**

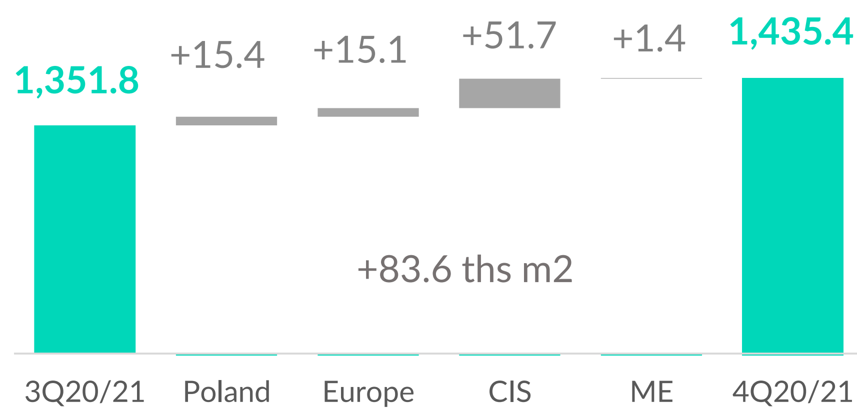
No. of STORES	31.01.2021	31.01.2022	Nom. growth	Growth YoY
Reserved	**440**	**447**	**7**	**2%**
Poland	189	188	-1	-1%
Europe	131	133	2	2%
CIS	111	117	6	5%
ME	9	9	0	0%
Cropp	**369**	**390**	**21**	**6%**
Poland	169	180	11	7%
Europe	82	84	2	2%
CIS	118	126	8	7%
House	**332**	**361**	**29**	**9%**
Poland	182	190	8	4%
Europe	68	78	10	15%
CIS	82	93	11	13%
Mohito	**278**	**290**	**12**	**4%**
Poland	133	136	3	2%
Europe	69	71	2	3%
CIS	76	83	7	9%
Sinsay	**434**	**611**	**177**	**41%**
Poland	193	224	31	16%
Europe	105	168	63	60%
CIS	136	219	83	61%
Outlets	**3**	**3**	**0**	**0%**
Poland	0	0	0	0%
Europe	0	0	0	0%
CIS	3	3	0	0%
TOTAL	1,856	2,102	246	13%

Changes in group 4Q20/21 floorspace

CHANGE IN FLOORSPACE BY BRANDS
(ths m2)



CHANGE IN FLOORSPACE BY REGIONS
(ths m2)

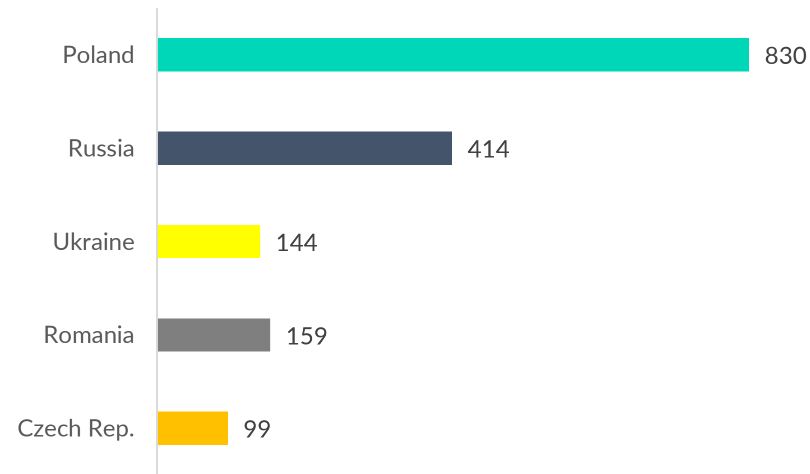


- Floorspace development abroad and domestically in 4Q20/21. Growth of floorspace in Europe resulted mainly from openings in Romania, Czech Republic, Slovakia and Serbia. Stable floorspace in Western Europe.
- Development in CIS region via development in all four countries, mostly in Russia. Growth in floorspace in the Middle East in the quarter due to a new store in UAE.
- In 4Q20/21 Sinsay added the most floorspace among brands.

Geographical revenue split in 4Q20/21

PLN m	4Q19/20	4Q20/21	YoY
LPP GROUP	**2,724.2**	**2,094.4**	**-23.1%**
Reserved PL	571.9	347.7	-39.2%
Reserved EX	696.8	557.0	-20.1%
Cropp PL	156.3	82.8	-47.1%
Cropp EX	211.2	177.0	-16.2%
House PL	188.4	114.1	-39.4%
House EX	149.2	134.1	-10.1%
Mohito PL	145.6	89.7	-38.4%
Mohito EX	133.9	97.5	-27.2%
Sinsay PL	212.9	194.6	-8.6%
Sinsay EX	202.2	291.5	44.2%
Other	55.8	8.6	-84.6%

TOP 5 COUNTRIES BY REVENUES IN 4Q20/21 (PLN m)

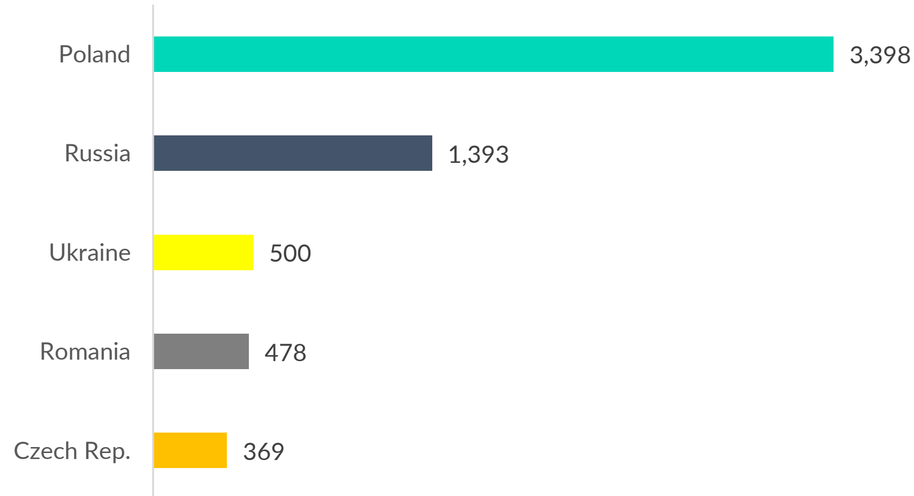


Poland remains our most important market in 4Q20/21.

Geographical revenue split in 2020/21

PLN m	2019/20	2020/21	YoY
LPP GROUP	**9,221.7**	**7,848.1**	**-14.9%**
Reserved PL	1,949.2	1,391.7	-28.6%
Reserved EX	2,420.6	2,075.0	-14.3%
Cropp PL	552.3	368.3	-33.3%
Cropp EX	736.4	604.0	-18.0%
House PL	653.9	452.8	-30.7%
House EX	481.5	422.4	-12.3%
Mohito PL	503.3	345.1	-31.4%
Mohito EX	483.6	362.6	-25.0%
Sinsay PL	689.9	790.1	14.5%
Sinsay EX	592.6	947.7	59.9%
Other	158.5	88.3	-4.3%

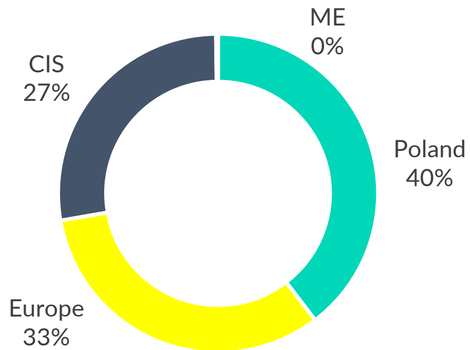
TOP 5 COUNTRIES BY REVENUES IN 2020/21
(PLN m)



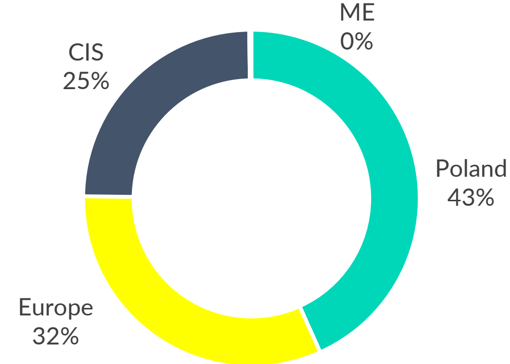
Poland remains our most important market in 2020/21.

Revenue and COGS split

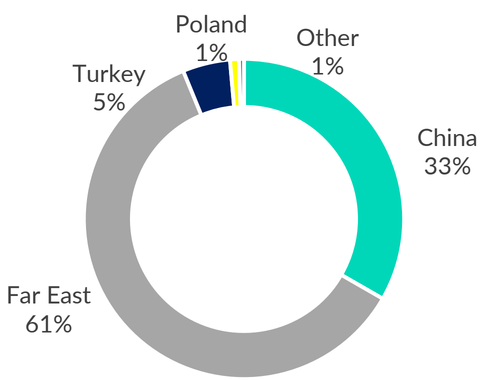
4Q20/21 REVENUES BY REGIONS
(PLN m)



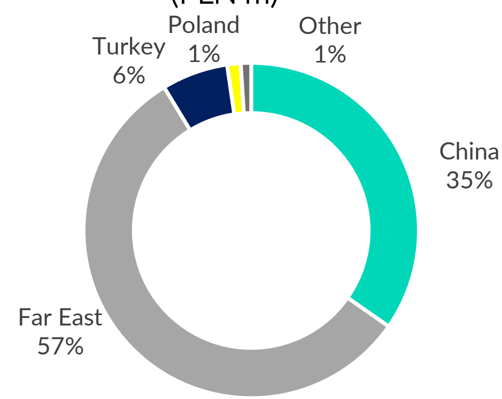
2020/21 REVENUES BY REGIONS
(PLN m)



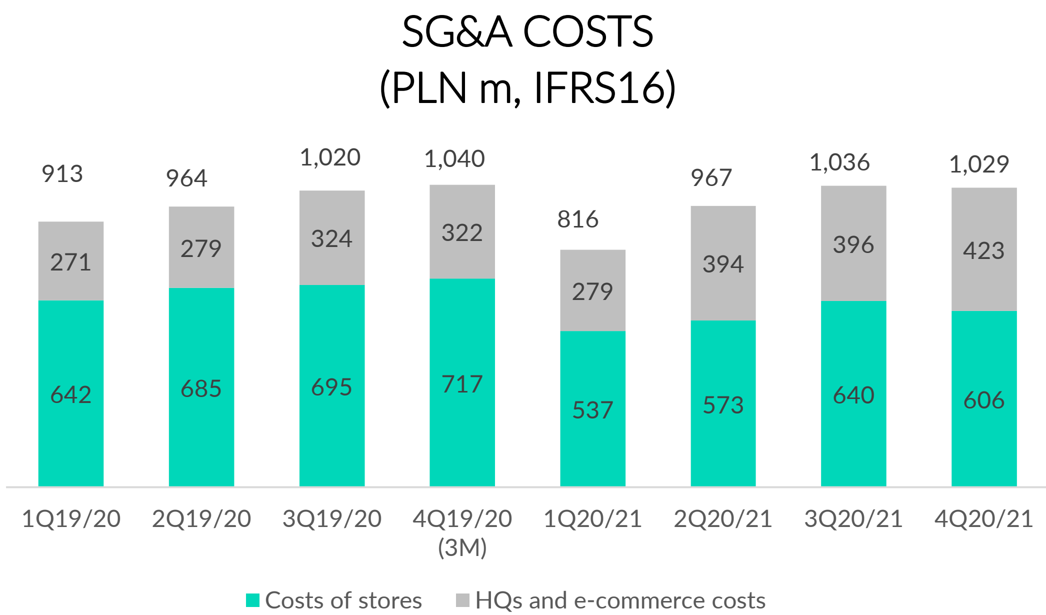
4Q20/21 PURCHASES BY REGION
(PLN m)

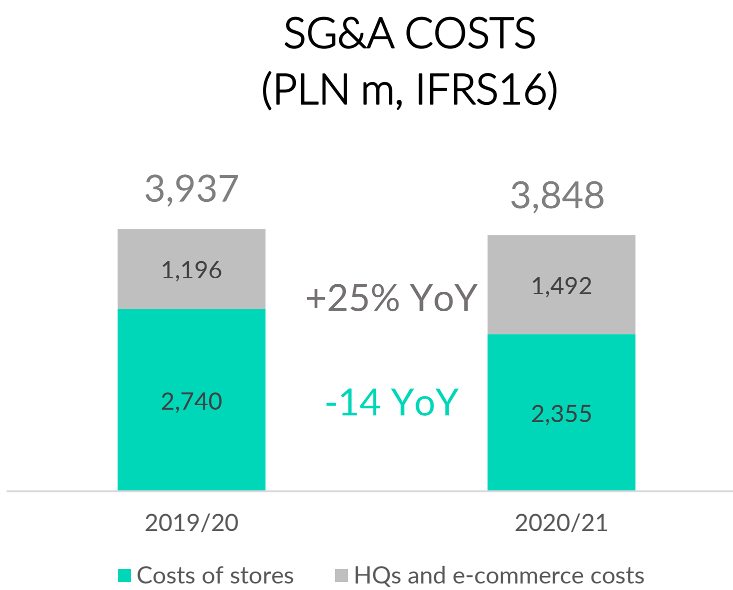


2020/21 PURCHASES BY REGION
(PLN m)



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	4Q19/20 IAS17	4Q20/21 IAS17	YoY
Revenues	**2,724.2**	**2,094.4**	**-23.1%**
Gross profit margin	*51.9%*	*53.4%*	*1.5pp.*
SG&A costs	1,048.7	995.9	-5.0%
Operating profit	**285.1**	**67.0**	**-76.5%**
EBIT margin	*10.5%*	*3.2%*	*-7.3pp.*
Financial costs net	-38.4	-24.8	N/M
Net profit	**201.5**	**10.4**	**-94.8%**
EBITDA	**419.8**	**205.6**	**-51.0%**

PLN m	2019/20 IAS17	2020/21 IAS17	YoY
Revenues	**9,221.7**	**7,848.1**	**-14.9%**
Gross profit margin	*53.6%*	*52.0%*	*-1.5pp.*
SG&A costs	3,930.5	3,705.1	-5.7%
Operating profit	**886.0**	**265.9**	**-70.0%**
EBIT margin	*9.6%*	*3.4%*	*-6.2pp.*
Financial costs net	-58.5	-103.5	N/M
Net profit	**577.4**	**30.1**	**-94.8%**
EBITDA	**1,293.1**	**721.8**	**-44.2%**

IFRS16 2020/21 impact summary

LPP

EBITDA **4Q20/21**	PLN 118.7m additional amortisation of right of use asset.
EBIT **4Q20/21**	44% rentals under IFRS16 (PLN 85.5m). PLN 15.1m gain from closing some of IFRS16 rental agreements.
NET PROFIT **4Q20/21**	Financial costs related to the asset (-PLN 34.4m) and FX losses (PLN 29.7m). PLN 8,7m impact of deferred taxes. PLN 54.4m of adjustment of lease liability under IFRS16 (-).

EBITDA **2020/21**	PLN 617.2m additional amortisation of right of use asset.
EBIT **2020/21**	55% rentals under IFRS16 (PLN 389.2m). PLN 29.6m write-offs for stores closed valued under IFRS16.
NET PROFIT **2020/21**	Financial costs related to the asset (-130.6 mln PLN) and FX losses (-102.5 mln PLN). PLN 58.7m impact of deferred taxes. PLN 66.5m gain on abolition and reductions of rentals.

FX differences details

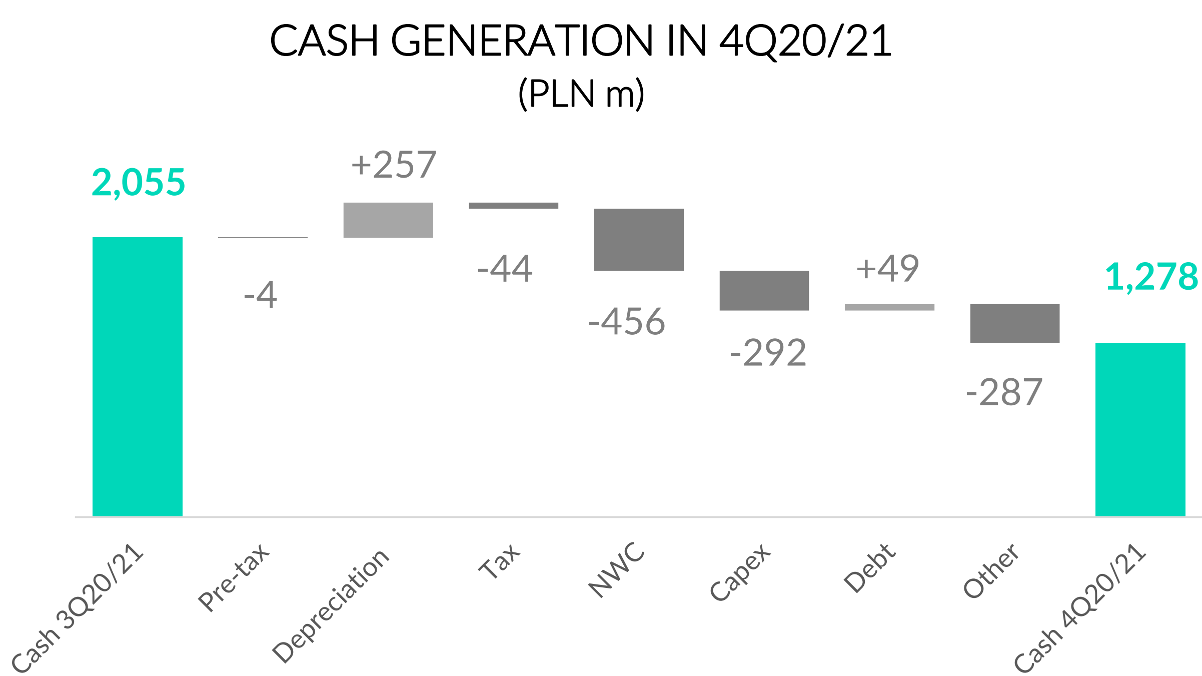
LPP

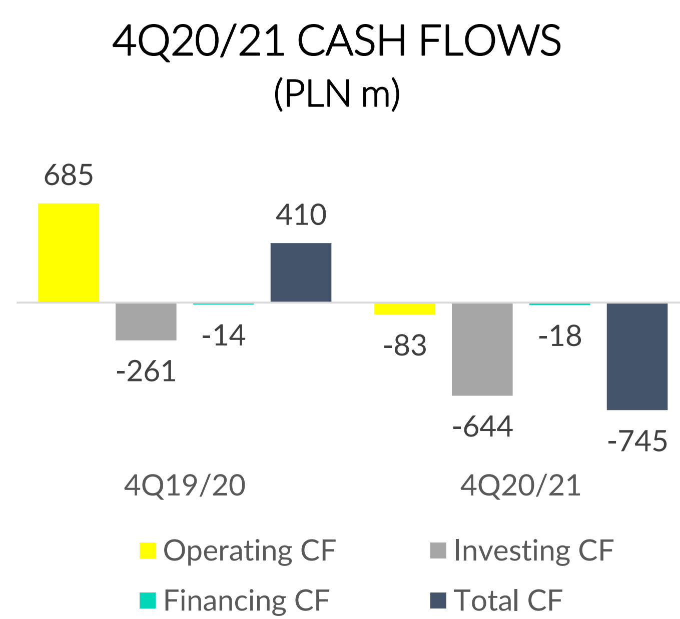
4Q20/21	2020/21
PLN 8.2m gains on FX differences, including **PLN 6.0 m** losses on rubble and hryvna, **PLN 0.4 m** losses on US$, **PLN 15.1m** losses on other currencies (EUR, RON, HUF, CZK) and **PLN 29.7m** gains on FX from IFRS16.	**PLN 178.3m losses** on FX differences, including **PLN 64.2m** losses on rubble and hryvna, **PLN 4.1m** losses on US$, **PLN 7.5m** losses on other currencies (EUR, RON, HUF, CZK) and **PLN 102.5m** losses on FX from IFRS16.

Historical quarterly results

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)	4Q20/21 IFRS16 (November 2020-January 2021)	2020/21 IFRS16 (February 2020-January 2021)
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**	**2,094.4**	**7,848.1**
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	1,118.6	4,083.9
Gross profit margin	*54.9%*	*49.3%*	*58.8%*	*51.9%*	*53.6%*	*48.2%*	*47.6%*	*56.6%*	*53.4%*	*52.0%*
SG&A costs	913.0	964.4	1,020.1	1,039.5	3,937.3	81.,8	966.9	1,035.9	1,029.1	3,847.6
Other operating line	-22.1	-6.5	-15.6	-79.7	-123.6	-12.6	-14.2	-47.1	-9.5	-83.3
EBIT	**64.0**	**185.6**	**335.3**	**294.3**	**879.2**	**-260.5**	**32.3**	**301.2**	**80.1**	**153.0**
EBIT margin	*3.5%*	*7.9%*	*14.4%*	*10.8%*	*9.5%*	*-22.1%*	*1.5%*	*12.3%*	*3.8%*	*1.9%*
Net financial activity	-27.3	-39.5	-41.4	-33.9	-142.1	-158.5	33.7	-60.7	-84.1	-269.5
Pre-tax profit	36.7	146.1	293.9	260.4	737.1	-419.0	66.0	240.5	-4.0	-116.5
Tax	13.4	114.2	57.6	66.0	251.1	-57.0	96.7	-6.4	40.4	73.6
Net income	**23.3**	**31.9**	**236.4**	**194.4**	**486.0**	**-362.0**	**-30.6**	**246.9**	**-44.4**	**-190.1**
Net income margin	*1.3%*	*1.4%*	*10.1%*	*7.1%*	*5.3%*	*-30.7%*	*-1.4%*	*10.1%*	*-2.1%*	*-2.4%*
EBITDA	**298.4**	**423.2**	**581.3**	**594.1**	**1,897.0**	**17.6**	**308.1**	**563.0**	**337.4**	**1,226.1**

Cash flows





- Operating cash flow → slightly in the red due to lower pre-tax profit and higher inventories.
- Investing cash flow → growing YoY outlays due to higher YoY capex and investments in money market funds (consequence of growing banking fees and lack of interest income).
- Financing cash flows → inflow from sale of treasury shares in 4Q20/21 while issuance of corporate bonds in 4Q19/20.
- PLN 1.3bn in open credit lines used for letters of credits, guarantees and overdrafts.

A strong balance sheet despite pandemic

LPP

PLN m	4Q19/20	4Q20/21
Non-current assets	**5,870.7**	**5,620.6**
fixed assets	2,312.4	2,439.8
intangibles (incl. goodwill)	413.3	397.2
right of use assets (IFRS16)	3,000.2	2,589.1
Current assets	**3,735.1**	**4,733.2**
inventory	1,921.1	2,074.4
trade receivables	143.8	158.1
restricted cash	96.9	953.0
cash and equivalents	1,361.5	1,277.9
Total assets	**9,605,9**	**10,353.8**
Equity	**3,247.5**	**3,068.4**
Long-term liabilities	**3,159.3**	**3,114.2**
interest bearing debt	462.9	484.7
financial leases (IFRS16)	2,568.0	2,523.7
Short-term liabilities	**3,199.1**	**4,171.2**
trade liabilities	2,100.8	2,837.1
interest bearing debt	109.5	521.1
financial leases (IFRS16)	680.2	654.0
Total liabilities and equity	**9,605.9**	**10,353.8**

- IFRS16: right-of-use asset and lease finance liability.
- YoY increase in fixed assets due to network development and investments in logistics and headquarters.
- Lower YoY goodwill due to write-off for Slovakian Koba (franchise stores).
- YoY increase in intangibles due to investments in IT.
- Higher YoY inventories due new collections and higher YoY floorspace.
- Lower cash due to transfer of part of it to money market funds (PLN 0.45bn) and deposits/restricted cash (PLN 0.4bn).
- Higher YoY trade payables due to extended payment terms.
- YoY increase in short-term debt due to drawing of new credit lines.
- Stable YoY long-term debt.

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 4Q20/21	440	369	332	278	434
REVENUES 4Q20/21	PLN 905m	PLN 260m	PLN 248m	PLN 187m	PLN 486m

Note: the total area of the brands does not add up to Group's floorspace, as at the end of 4Q20/21 we had 3 outlets.

Glossary

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.

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