



LPP

LPP GROUP
CONSOLIDATED
CONDENSED INTERIM
REPORT FOR Q1 2023/24

RESERVED

CROPP

HOUSE

M O H I T O

sinsay





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01

Consolidated interim report on the operations of the LPP Group

About us

WHO WE ARE

LPP is a Polish family-run company engaged in the design, manufacturing and distribution of apparel. We have a 30-year experience in the clothing sector. Our sales network covers entire Poland, European countries and the Middle East. Customers visiting our traditional stores and shopping online are offered clothing, accessories and footwear under our five brands: Sinsay, Reserved, Cropp, House and Mohito. Additionally, the product offer of Sinsay and Reserved includes homeware and interior design goods. Each of our brands, varied in character, is targeted at a different customer group.

Although we operate on almost 40 markets, our brand concepts are developed, all our collections are created and all strategic decisions are made in Poland. The heart of our organisation is the head office in Gdańsk, where the Company's history has begun. Our offices are located also in Cracow, Warsaw, Barcelona, Shanghai and Dhaka.

We employ c. 30 thousand people in our offices and points of sales and distribution in Poland, Europe and Asia. The cornerstones of LPP's culture are openness, diversity, responsibility for common development and mutual respect.

HOW WE OPERATE AS A GROUP

The LPP SA Group is composed of the Parent Company with its registered office in Poland, 8 domestic companies and 27 foreign companies. The Group's foreign subsidiaries are, to a major extent, engaged in distribution of products of our brands outside Poland. Polish subsidiaries are engaged in the following activities: store operation services in Poland (LPP Retail Sp. z o.o.), sale of promotional clothing (Printable Sp. z o.o.), logistics services (LPP Logistics Sp. z o.o.), construction works in logistics centres (Veviera Investments Sp. z o.o.), management of IT projects for the Group (Silky Coders Sp. z o.o. and Dock IT Sp. z o.o.) and activities involving rental of real property in Poland, where our brand stores are located (DP&SL Sp. z o.o., IL&DL Sp. z o.o.).

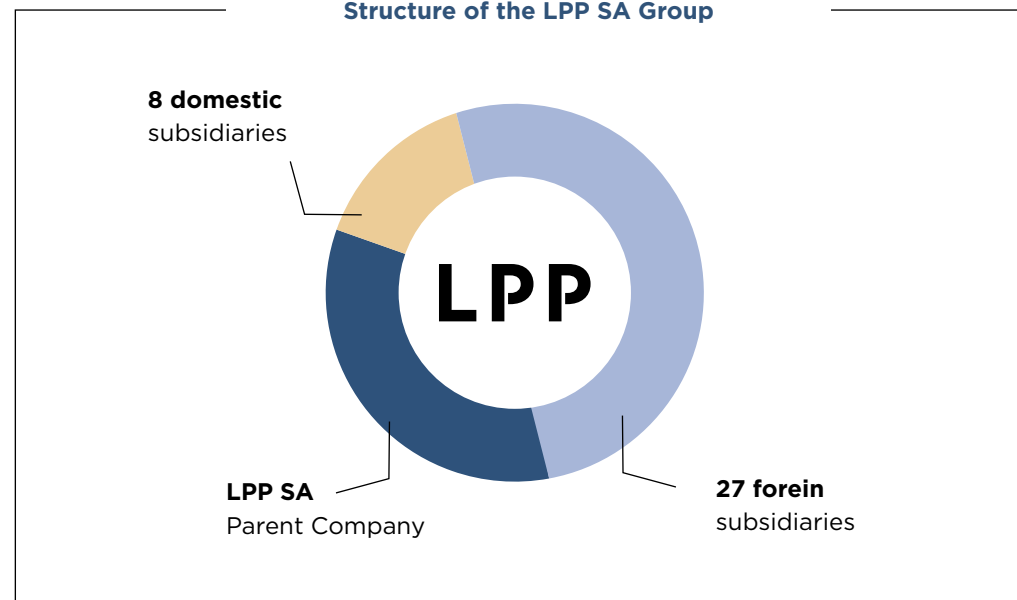
In Q1 2023/24, there were changes in the Group's structure as we formed two foreign companies: LPP Logistics Slovakia SRO and LPP Logistics Romania SRL. The company in Slovakia has been established in response to a persistently pursued insourcing strategy, i.e. performance by LPP Logistics of operations carried out so far for LPP SA by external operators. The company registe-

red in Romania is founded with a hindsight to the upcoming launching of the Company's first foreign distribution centre.

An additional change in the Group's structure in Q1 2023/24 was the winding-up of one Bulgarian company, resulting from the completion of the construction of brand stores in one of the shopping centres.

The consolidated financial statements of the Group, covering the period from 1 February 2023 to 30 April 2023, include the separate results of LPP SA as well as the results of foreign subsidiaries and six Polish subsidiaries. The remaining two Polish subsidiaries (engaged in the lease of real properties in Poland) were not consolidated due their immateriality of data.

Structure of the LPP SA Group



OUR SHAREHOLDERS

LPP’s shares have been quoted on the main market of the Warsaw Stock Exchange (WSE) since 2001 as part of domestic indices such as WIG, WIG Poland, WIG20, WIG30, WIG140, WIG Clothes, WIG ESG and foreign ones including MSCI Poland Index, CECE Index and FTSE Russell Index. Additionally, the Company has been qualified as member of the segment of family-run companies listed on the WSE, launched in 2021.

On the debut date, the price of the Company’s shares was PLN 48.00. The lowest share value in the Company’s history was recorded on 18 May 2001: PLN 47.00. The highest value was recorded on 12 January 2022: PLN 18,770.00.

The Group’s share capital, being at the same time the share capital of the Parent Company, comprises 1,855,190 shares of the nominal value of PLN 2 per share. As at the balance sheet date, its value was PLN 3,710,380.

The table below presents shareholders holding, as at the date of publication this report, directly or indirectly, at least 5% of the total number of votes at the GM of LPP. In the period following the publication of the previous report, there were no changes in any major LPP shareholdings. However, there was a change in the share capital itself and in the number of shares following the increase from PLN 3,708,482 PLN by PLN 1,898 to PLN 3,710,380 PLN and

the issuance, as part of the authorised capital, of 949 ordinary bearer shares of the M series of the nominal value of PLN 2 per share (CR 04/2023).

Shareholder	Number of shares held	Shareholding	Number of votes at the GM	Share in the total number of votes at the GM	Nominal value of shares
Semper Simul Foundation *	578,889	31.2%	1,978,889	60.8%	1,157,778
Sky Foundation**	227,898	12.3%	227,898	7.0%	455,796
Other shareholders	1,048,403	56.5%	1,048,403	32.2%	2,096,806
Total	1,855,190	100.0%	3,255,190	100.0%	3,710,380

*The Semper Simul Foundation is closely associated with Mr Marek Piechocki (Article 3(1)(26)(d) MAR).

**The Sky Foundation is closely associated with Mr Jerzy Lubianiec, co-founder of LPP SA.



OUR SUPERVISORY AND MANAGEMENT BOARDS

As at 30 April 2023, the Supervisory Board of LPP was composed of:

- Miłosz Wiśniewski - independent Chair of LPP's Supervisory Board
- Wojciech Olejniczak - Vice-Chair of LPP's Supervisory Board
- Piotr Piechocki - Member of LPP's Supervisory Board
- Magdalena Sekuła - independent Member of LPP's Supervisory Board
- Grzegorz Maria Słupski - independent Member of LPP's Supervisory Board

At the same time, after the balance sheet date, there were changes in the composition of the Supervisory Board. Mrs Magdalena Sekuła and Mr Wojciech Olejniczak resigned from their positions in the Supervisory Board (CR 11/2023), and the Board was joined by Mrs Jagoda Piechocka by co-option (CR 14/2023).

As at 30 April 2023, the Management Board of LPP was composed of:

- Marek Piechocki - President of LPP's Management Board
- Przemysław Lutkiewicz - Executive Vice-President of LPP's Management Board
- Jacek Kujawa - Executive Vice-President of LPP's Management Board
- Sławomir Łoboda - Executive Vice-President of LPP's Management Board
- Marcin Piechocki - Executive Vice-President of LPP's Management Board

The table below presents shares held by Members of LPP's Management Board as at the date of publication this report. In the period following the publication of the previous report, number of shares held by Members of LPP's Management Board has changed following allo-

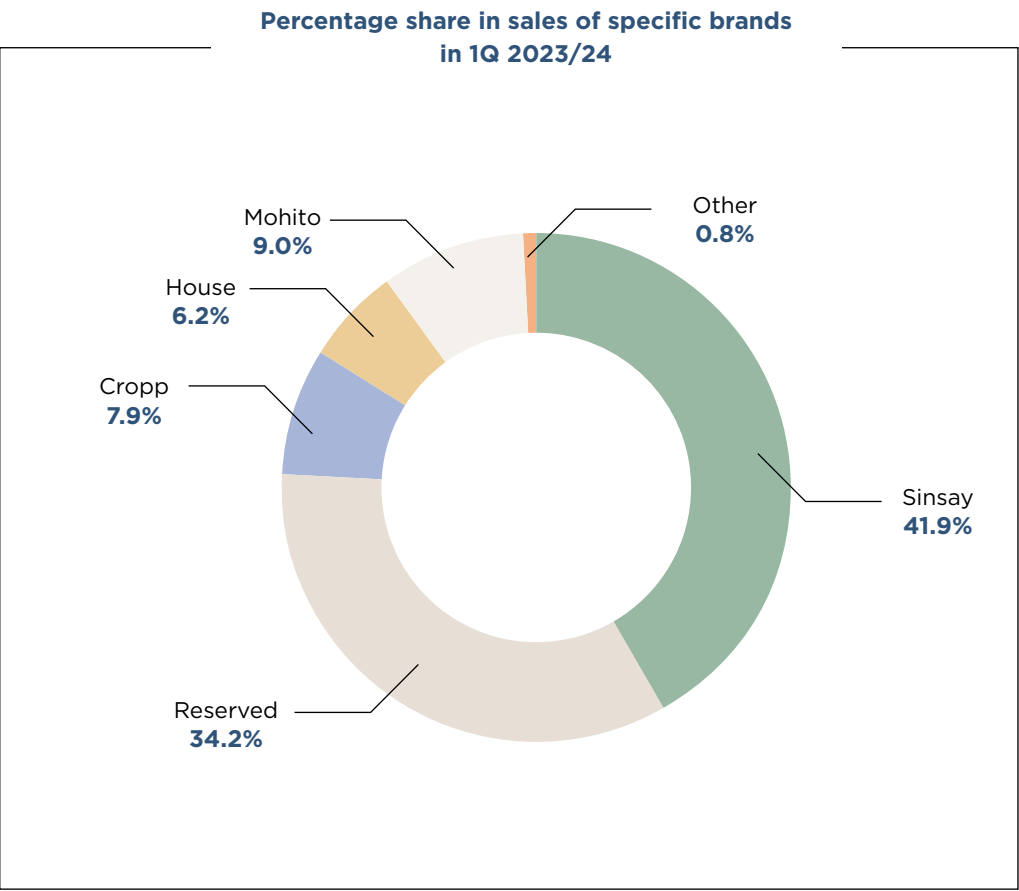
cation of the Company's shares in frames of the 2022 incentive scheme (CR 05/2023). At the same time, the Company's Supervisory Board members hold no shares in LPP.



Shareholder	Number of shares held	Number of votes at the GM
Marek Piechocki - President of the Management Board	1,702	1,702
Przemysław Lutkiewicz - Executive Vice-President of LPP's Management Board	519	519
Jacek Kujawa - Executive Vice-President of LPP's Management Board	1,141	1,141
Sławomir Łoboda - Executive Vice-President of LPP's Management Board	500	500
Marcin Piechocki - Executive Vice-President of LPP's Management Board	739	739

OUR PORTFOLIO

We own five recognisable brands: Sinsay, Reserved, Cropp, House and Mohito. Each of them is dedicated to a different group of customers representing various lifestyles, having different needs and expressing themselves in their own way.



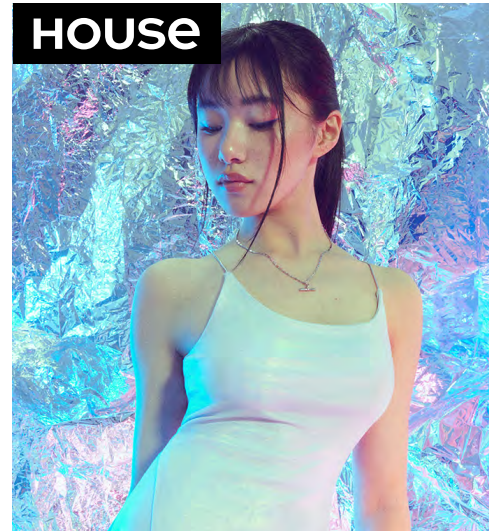
RESERVED



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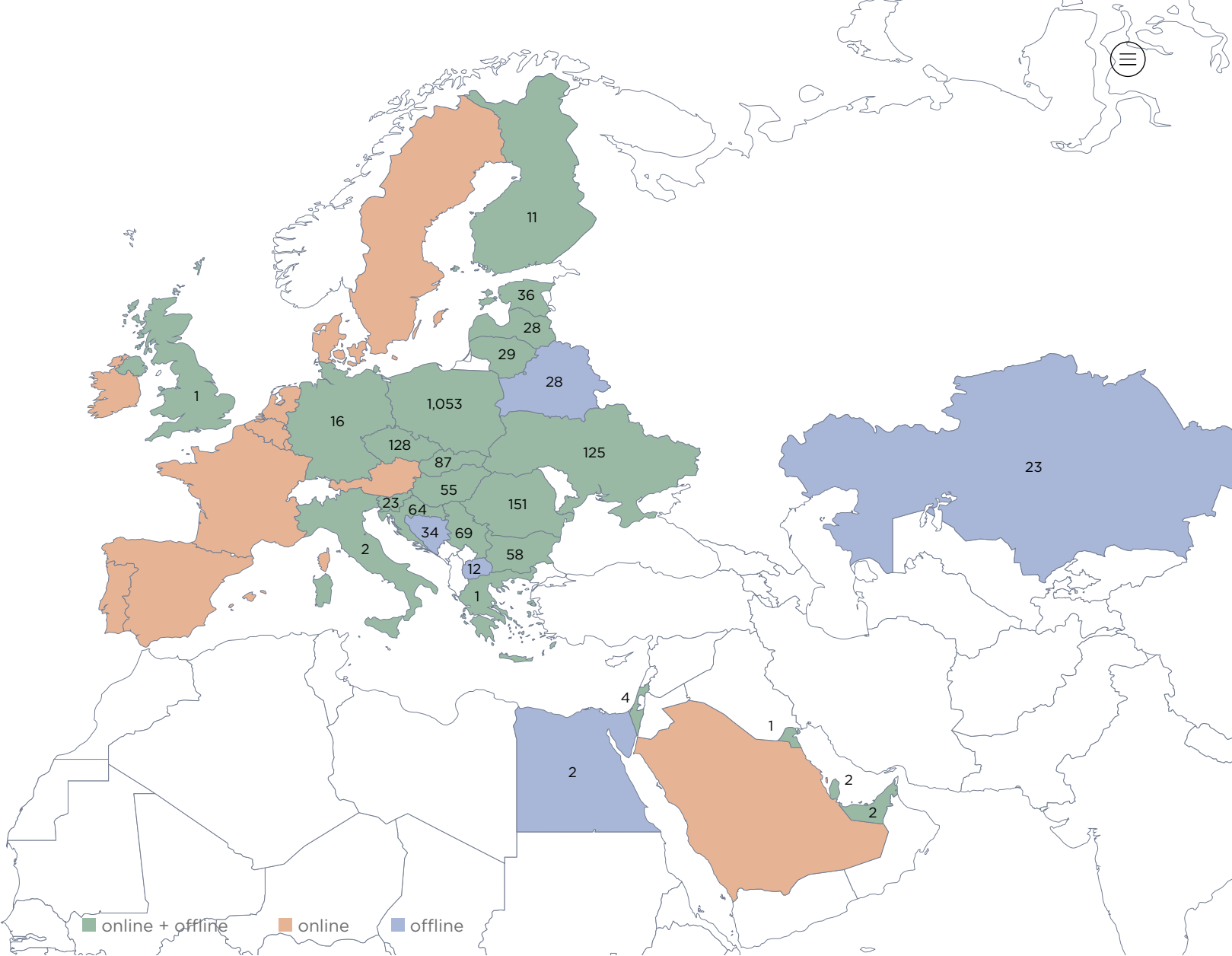


OUR MARKET PRESENCE

We offer our products to customers in on-site and online stores in total in 39 countries on 3 continents.

Our on-site store chain comprises 2,045 stores of the total area of 1,748 thousand m² in 27 countries.

We are present online on 34 markets.





Basic figures presenting the effects of the LPP SA Group's operations from 01.02.2023 to 30.04.2023

NUMBER OF STORES

As at 30.04.2023	Number of stores
Sinsay	786
Reserved	350
Cropp	349
House	343
Mohito	217
Total LPP Group	2,045

REVENUES BROKEN DOWN BY BRAND

In PLN m	Sales in Q1 2023/24	Sales in Q1 2022/23	Change YoY (%)
Sinsay	1,525	1,203	26.8%
Reserved	1,246	1,078	15.6%
Cropp	288	223	29.0%
House	224	213	5.5%
Mohito	328	263	24.5%
Other	28	53	-48.0%
Total	3,639	3,034	19.9%



ONLINE SALES

	Q1 2023/24	Q1 2022/23	Change YoY (%)
Sales in PLN m	938	988	-5.0%

REVENUE BROKEN DOWN BY REGION

Region/ country (in PLN m)	Q1 2023/24	Q1 2022/23	Change YoY (%)
Poland	1,526	1,459	4.6%
Foreign countries	2,113	1,575	34.2%
Total	3,639	3,034	19.9%



OPERATING COSTS

	Q1 2023/24 (IFRS16)	Q1 2022/23 (IFRS16)	Change YoY
Operating costs (in PLN m)	1,548	1,419	9.1%
Operating costs per m ² /month	305	338	-9.8%
Operating costs/revenues	42.5%	46.8%	-4.3 p.p.



CAPITAL EXPENDITURES

In PLN m	Q1 2023/24	Q1 2022/23	Change YoY (%)
Stores	222	189	17.5%
Offices	22	29	-24.4%
Logistics	9	28	-69.2%
IT & other	19	17	9.8%
Total	272	263	3.2%

INVENTORY

	30.04.2023	30.04.2022	Change YoY (%)
Inventory (in PLN m)	3,328	3,663	-9.2%
Inventory per m ² in PLN	1,915	2,529	-24.3%

DEBT

Debt (in PLN m), IFRS16	As at 30.04.2023	As at 30.04.2022	Change YoY (%)
Long-term bank loans	527	138	282.6%
Short-term bank loans	458	684	-33.0%
Bonds	311	300	3.7%
Financial leases	3,639	3,278	11.0%
Cash	745	1,129	-34.1%
Net debt	4,190	3,269	28.2%
Net debt/EBITDA (4Q)	1.5	1.2	22.6%

FACTORS AND EVENTS, INCLUDING THOSE OF EXTRAORDINARY NATURE, SIGNIFICANTLY AFFECTING THE CONDENSED FINANCIAL STATEMENTS

In Q1 2023/24, the Group generated revenue of PLN 3.6 bn, i.e. approx. 20% more than in the preceding year. Revenue growth resulted from growing sales in each brand. The largest nominal revenue was recorded by Sinsay (PLN 1.5 bn, 42% of entire sales). Factors attributing to the revenue growth were as follows: a large number of newly opened traditional brand stores, sales launched on new markets and continuing popularity of shopping in the value-for-money segment. Reserved ranked second in terms of the nominal sales, with its sales volume reflecting the appreciation of female and male customers of both the female and male collections.

The largest growth dynamics YoY was recorded by Cropp (29.0%), Sinsay (26.8%) and Mohito (24.5%).

The growth of the Group's revenue in Q1 stemmed from sales in traditional stores, recording dynamics of 34%, and the trend of female and male customers returning to on-site stores. At the same time, one could notice a weakening popularity of the online channel, which affected the Gro-

up's revenue generated in that channel, i.e. less than PLN 1.0 bn, 5% less YoY. Revenue from the said channel accounted for approx. 26% of the Group's entire sales compared to 33% yielded in the same period a year ago. Additionally, smaller online sales YoY were affected by the limitation by the Group of marketing activities in the Internet.

In Q1 2023/24, the Group generated a gross profit on sales margin of 49.6%, i.e. lower YoY by 1.4 p.p. mainly due to the growing share of Sinsay in revenue (with the lowest margin in the entire portfolio of LPP's brands) and promotion campaigns conducted to support sales of the Group's brands in Q1. Furthermore, the gross margin was influenced by a less positive USD/PLN exchange rate YoY.

At the same time, owing to advantageous sales trends and discounts offered, the Group reduced the volume of inventory in Q1 2023/24 compared to the previous year by PLN 335 m, i.e. by 9.2%. In terms of m², inventory was reduced from PLN/m² 2,529 to PLN/m² 1,915, i.e. by 24.3%, as a result of further improvement of stock management and works on accelerating rotation.

The Group's financial statements for Q1 2023/24 were influenced by the cost discipline implemented by the Company. Operating costs incurred by the Group in the said period were higher YoY merely by 9.1% and resulted mainly from the development of the on-site store chain, with its dynamics being substantially lower than

the increase in revenue. At the same time, the Group recorded a decline in operating expenses per m² by 9.8% owing to lower other expenses of store operation and a reduced number of man-hours, which brought about no increase in staff costs despite increased minimum wages. Lower operating expenses YoY resulted also from lower expenditures on online marketing and reduced logistics costs.

As regards other operating expenses in Q1 2023/24, the Group's results were affected also by one-off events involving losses in non-current and current assets, amounting to PLN 17.6 m (mainly warehouse inventory losses) and write-offs on overdue receivables, amounting to PLN 19.3 m (concerning mainly the postponement of payment deadlines for goods sold to external contracting parties).

As a result of the above-mentioned factors, including certain atypical factors in the financial period, the LPP Group generated operating profit of PLN 231 m compared to PLN 117 m a year ago, i.e. higher by 97.2%. The Group's operating profitability (EBIT margin) reached 6.3% (compared to 3.9% a year ago).

Furthermore, in Q1 2023/24, the Group recorded a negative balance on net financial activity mainly due to higher costs of interest charged on bank loans and bonds as well as FX losses of PLN 43.1 m, resulting from the weakening of USD against PLN.



Consequently, in Q1 2023/24, the LPP Group generated a net profit on continuing operations, amounting to PLN 112 m compared to PLN 27 m a year ago, with net profitability of 3.1% (compared to 0.9% in the preceding year).

Basic figures reflecting the Group's performance and margins obtained in Q1 2023/24 are given in tables below.



(In PLN m)	Q1 2023/24	Q1 2022/23	Change YoY (%)
Revenue	3,639	3,034	19.9%
Gross profit on sales	1,806	1,548	16.7%
Costs of stores and distribution and general costs	1,548	1,419	9.1%
EBITDA	551	369	49.5%
Operating profit (loss)	231	117	97.2%
Net profit in continuing operations	112	27	309.5%

Margin (%)	Q1 2023/24	Q1 2022/23	Change YoY (p.p.)
Gross profit on sales margin	49.6%	51.0%	-1.4
EBITDA	15.1%	12.1%	3.0
Operating margin	6.3%	3.9%	2.5
Net margin on continuing operations	3.1%	0.9%	2.2



OTHER KEY EVENTS IN Q1 2023/24 AND IN THE PERIOD PRECEDING THE PUBLICATION OF THIS REPORT



FEBRUARY

Introduction of a new product line Reserved Home in the online offer of Reserved.



APRIL

Creating of Reserved with Le Petit Trou, a Polish brand, covering a capsule lingerie collection.



MARCH

Sinsay brand store opened in Milan, Italy, in the Biocca Village shopping centre.



APRIL

Publication of the next sustainability report.



APRIL

Establishment of foreign subsidiaries LPP Logistics Slovakia SRO and LPP Logistics Romania SRL.

Factors which may affect results gained by the LPP Group within at least the next quarter

In the next several quarters, the Group's financial results may be affected by several factors which may be considered, simultaneously, as risks and opportunities for the Company. On one hand, potential risk may adversely affect the Group's results, yet, on the other hand, prospective opportunities taken advantage of may have a positive impact on the Group's financial performance. These factors may be either external, being independent of the Company, or internal which may be influenced by the Company.

THREATS

- The impact of the economic slow-down on the behaviour of female and male customers - due to customers' lower disposable income, the propensity to consume to purchase clothes is diminished.
- Continuing inflationary pressure.
- Possible disturbances in the supply chain, caused by the situation in Asia.
- Risk of tax changes in Poland and countries in which the Company's is present.

- Limitation by the Company of outlays for online marketing - in consequence, less dynamic revenue increases, specifically in the online channel.
- Increased minimum wages in Poland, which affects the Group's operating expenses.
- Increased competition in the value-for-money segment.

OPPORTUNITIES

- Development on new markets (Southern and Western Europe).
- Debut of Mohito Brand Stores in Italy.
- Fashion trends, attractiveness of collections offered by the Company.
- Change in the customer behaviour model and increased inclination to buy value-for-money clothing (Sinsay).
- Greater bargaining power with suppliers of goods to the Company as a result of the situation in the clothing sector.
- PLN/USD appreciation positively affecting gross margins.
- Lower freight transport costs.

- Control of the Group's operating expenses (SG&A), specifically logistics costs.
- Development of Sinsay, Reserved and Mohito mobile apps on new markets.

GOALS

In consideration of the above-mentioned risks and opportunities, the Group's sales plans for the financial year 2023/24 provide for the possibility of reaching sales exceeding PLN 18 bn, i.e. an increase of approx. 20% YoY, of which an increase of 25% YoY in the traditional sales channel, as well as stable online sales. The Company expects that its retail space will increase by 18% YoY, with the development of Sinsay brand stores considered a priority.

In financial year 2023/24, the Group expects that its trade margin (51-53%) will increase YoY and that the operating margin will exceed 10%.

At the same time, it is planned to maintain investment engagement totalling PLN 1.05 bn (including PLN 800 m for brand stores,

PLN 50 m for offices, PLN 120 m for logistics and PLN 80 m for IT and other expenditures). The Company envisages that its working capital will normalise (liabilities exceeding inventory) and that the net debt/EBIDTA will be lower YoY.

Our plans for 2023/24 are supported by the results for Q2 (by the date of publication of the report), i.e. two-digit offline sales growths, stable YoY online sales and the sales positively impacted by ceremonies and family events in May and June.





02

Consolidated condensed interim financial statements

Introduction

We hereby approve the consolidated condensed interim financial statements of the LPP SA Group for 3 months ended 30 April 2023, comprising the consolidated condensed interim statement of comprehensive income, with comprehensive income totalling PLN 90.5 m, the consolidated condensed interim statement of financial position, with assets and liabilities totalling PLN 13,333.6 m, the consolidated condensed interim statement of cash flows, showing an increase in net cash by PLN 273.9 m, the consolidated condensed interim statement of changes in equity, showing an increase in equity by PLN 91.3 m, as well as additional notes comprising a description of relevant accounting principles and other clarifications.

GDAŃSK, 14 JUNE 2023

MANAGEMENT BOARD OF LPP SA:

Marek Piechocki

President of the Management Board

Przemysław Lutkiewicz

Executive Vice-President of LPP's
Management Board

Jacek Kujawa

Executive Vice-President of LPP's
Management Board

Sławomir Łoboda

Executive Vice-President of LPP's
Management Board

Marcin Piechocki

Executive Vice-President of LPP's
Management Board





SELECTED CONSOLIDATED INTERIM FINANCIAL DATA

for 3 months ended 30 April 2023

Selected consolidated financial data	in PLN m		in EUR m	
	Cumulatively			
	2023/24	2022/23	2023/24	2022/23
	01.02 - 30.04	01.02 - 30.04	01.02 - 30.04	01.02 - 30.04
Revenue	3,639.4	3,034.2	780.9	650.1
Operating profit (loss)	230.7	117.0	49.5	25.1
Pre-tax profit (loss)	145.2	74.6	31.2	16.0
Net profit (loss) attributable to shareholders of the parent company	109.5	268.0	23.5	57.4
Weighted average number of shares	1,854,241	1,838,066	1,854,241	1,838,066
Profit (loss) per share	59.1	145.8	12.7	31.2
Net cash flows from operating activities	1,144.7	-289.8	245.6	-62.1
Net cash flows from investing activities	-238.4	-179.2	-51.2	-38.4
Net cash flows from financing activities	-632.4	250.1	-135.7	53.6
Total net cash flows	273.9	-183.9	58.8	-39.4

Selected consolidated financial data	in PLN m		in EUR m	
	2023/24	2022/23	2023/24	2022/23
	30.04.2023	31.01.2023	30.04.2023	31.01.2023
Total assets	13,333.6	12,921.1	2,905.6	2,744.0
Non-current liabilities	3,664.3	3,722.7	798.5	790.6
Current liabilities	5,593.6	5,214.0	1,218.9	1,107.3
Equity	4,075.7	3,984.4	888.2	846.1
Share capital	3.7	3.7	0.8	0.8
Weighted average number of shares	1,854,241	1,853,738	1,854,241	1,853,738
Book value per share	2,198.04	2,149.39	478.99	456.45
Declared or paid dividend per share	430.00	350.00	93.70	74.33



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for 3 months ended 30 April 2023

Statement of comprehensive income (in PLN m)	1Q	
	2023/24	2022/23
	01.02 - 30.04	01.02 - 30.04
Continuing operations		
Revenue	3,639.4	3,034.2
Cost of goods sold	1,833.0	1,486.3
Gross profit (loss) on sales	1,806.4	1,547.9
Costs of stores and distribution	1,309.7	1,256.2
General costs	238.1	162.3
Other operating income	14.0	11.4
Other operating expenses	41.9	23.8
Operating profit (loss)	230.7	117.0
Financial income	14.7	2.7
Financial expenses	100.2	45.1
Pre-tax profit (loss)	145.2	74.6
Income tax	33.4	47.3
Net profit (loss) on continuing operations	111.8	27.3
Net profit (loss) on operations for sale	0.0	240.7
Total net profit (loss)	111.8	268.0
Net profit attributable to:		
Shareholders of the parent company	109.5	268.0
Non-controlling interests	2.3	0.0
Other comprehensive income		
Items transferred to profit or loss		

Currency translation on foreign operations	-21.3	84.9
Total comprehensive income	90.5	352.9
Attributable to:		
Shareholders of the parent company	88.2	352.9
Non-controlling interests	2.3	0.0



CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 April 2023

Statement of financial position (in PLN m)	As at:		
	30.04.2023	31.01.2023	30.04.2022
ASSETS			
Non-current assets	7,492.6	7,351.8	5,885.3
1. Property, plant and equipment	3,424.6	3,336.0	2,641.7
2. Right-of-use assets	2,927.0	2,888.4	2,583.3
3. Intangible assets	202.1	185.6	146.0
4. Goodwill	183.2	183.2	183.2
5. Trademark	77.5	77.5	77.5
6. Non-current receivables	298.8	314.6	0.0
7. Deferred tax assets	364.5	350.7	242.7
8. Prepayments	6.4	8.2	5.0
8. Other financial assets	8.5	7.6	5.9
Current assets	5,841.0	5,569.3	6,750.6
1. Inventory	3,327.6	3,353.4	3,663.4
2. Trade receivables	885.7	944.1	210.1
3. Income tax receivables	12.9	8.5	10.9
4. Current receivables	50.0	50.4	0.0
5. Other non-financial assets	46.2	53.2	87.3
6. Prepayments	69.1	78.9	56.2
7. Other financial assets	151.6	59.0	263.0
8. Deposits and investment funds	553.3	556.8	1,330.3
9. Cash and cash equivalents	744.6	465.0	1,129.4

Assets held for sale	0.0	0.0	3,001.5
TOTAL assets	13,333.6	12,921.1	15,637.4



As at:

Statement of financial position (in PLN m)	30.04.2023	31.01.2023	30.04.2022
EQUITY AND LIABILITIES			
Equity	4,075.7	3,984.4	3,625.0
1. Share capital	3.7	3.7	3.7
2. Share premium	364.3	364.3	364.3
3. Other reserves	2,721.2	2,720.4	2,345.1
4. Currency translation on foreign operations	36.3	57.6	-119.7
5. Retained earnings	949.5	840.0	1,031.6
6. Non-controlling interest capital	0.7	-1.6	0.0
Non-current liabilities	3,664.3	3,722.7	3,124.2
1. Bank loans and borrowings	526.5	538.1	137.6
2. Lease liabilities	2,718.2	2,760.1	2,580.7
3. Bonds	310.9	306.9	295.8
4. Employee liabilities	1.7	1.7	1.4
5. Deferred tax liabilities	3.4	1.6	0.7
6. Accruals	103.6	114.3	108.0
Current liabilities	5,593.6	5,214.0	7,162.7
1. Trade and other liabilities	3,891.9	3,062.2	5,321.7
2. Contractual liabilities	21.8	26.0	18.5
3. Customer refund liabilities	84.7	75.9	80.7
4. Bank loans and borrowings	458.0	806.1	683.6
5. Lease liabilities	921.1	902.5	696.9
6. Employee liabilities	51.4	147.9	110.5

7. Income tax liabilities	128.0	155.5	214.8
8. Provisions	6.3	4.9	2.0
9. Accruals	30.4	33.0	34.0
Liabilities directly related to assets held for sale	0.0	0.0	1,725.5
TOTAL equity and liabilities	13,333.6	12,921.1	15,637.4



CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

for 3 months ended 30 April 2023

Cash flow statement (in PLN m)	1Q	
	2023/24	2022/23
	01.02 - 30.04	01.02 - 30.04
A. Cash flows from operating activities - indirect method		
I. Pre-tax profit (loss)	145.2	74.6
II. Total adjustments	999.5	-364.4
1. Amortisation and depreciation	320.2	251.5
2. Foreign exchange (gains) losses	-9.5	-98.7
3. Interest and dividends	51.0	21.5
4. (Profit) loss on investing activities	2.9	-3.9
5. Income tax paid	-80.9	-49.9
6. Change in provisions and employee benefits	-10.7	-5.5
7. Change in inventory	-1.6	-494.8
8. Change in receivables and other assets	-61.7	-256.1
9. Change in current liabilities, excluding bank loans and borrowings	790.7	300.4
10. Change in prepayments and accruals	-1.7	-28.9
11. Other adjustments	0.8	0.0
III. Net cash flows from operating activities	1,144.7	-289.8

B. Cash flows from investing activities		
I. Inflows	33.3	84.4
1. Disposal of intangible assets and PPE	32.7	31.6
2. Repayment of loans	0.6	0.0
3. Other investing inflows (investment funds)	0.0	52.8
II. Outflows	271.7	263.6
1. Purchase of intangible assets and PPE	271.7	263.4
2. Other investing outflows	0.0	0.2
III. Net cash flows from investing activities	-238.4	-179.2
C. Cash flows from financing activities		
I. Inflows	0.0	445.9
1. Bank loans and borrowings	0.0	445.9
II. Outflows	632.4	195.8
1. Repayment of bank loans and borrowings	366.1	7.0
2. Financial lease liabilities paid	217.9	164.6
3. Interest	48.4	24.2
III. Net cash flows from financing activities	-632.4	250.1
D. Net cash flows from continuing operations	273.9	-218.9
E. Net cash flows from operations for sale	0.0	35.0

Cash flow statement (in PLN m)	1Q	
	2023/24 01.02 - 30.04	2022/23 01.02 - 30.04
F. Total net cash flows	273.9	-183.9
G. Balance sheet change in cash, including:	279.6	-124.6
- change in cash due to foreign currency translation	5.6	59.2
H. Opening balance of cash	390.5	1,317.0
I. Closing balance of cash	664.4	1,133.1





CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for 3 months ended 30 April 2023

Statement of changes in equity (in PLN m)	Share capital	Share premium	Other reserves	Currency translation on foreign operations	Retained earnings	Equity attributable to the parent company	Non-controlling interests	TOTAL equity
As at 1 February 2023	3.7	364.3	2,720.4	57.6	840.0	3,986.0	-1.6	3,984.4
Remuneration paid in shares	0.0	0.0	0.8	0.0	0.0	0.8	0.0	0.8
Transaction with owners	0.0	0.0	0.8	0.0	0.0	0.8	0.0	0.8
Net profit for Q1 2023	0.0	0.0	0.0	0.0	109.5	109.5	2.3	111.8
Currency translation on foreign operations	0.0	0.0	0.0	-21.3	0.0	-21.3	0.0	-21.3
Total comprehensive income	0.0	0.0	0.0	-21.3	109.5	88.2	2.3	90.5
As at 30 April 2023	3.7	364.3	2,721.2	36.3	949.5	4,075.0	0.7	4,075.7
As at 1 February 2022	3.7	364.3	2,345.1	-204.6	763.6	3,272.1	0.0	3,272.1
Net profit for Q1 2022	0.0	0.0	0.0	0.0	268.0	268.0	0.0	268.0
Currency translation on foreign operations	0.0	0.0	0.0	84.9	0.0	84.9	0.0	84.9
Total comprehensive income	0.0	0.0	0.0	84.9	268.0	352.9	0.0	352.9
As at 30 April 2022	3.7	364.3	2,345.1	-119.7	1,031.6	3,625.0	0.0	3,625.0





03

Supplementary notes to the consolidated condensed interim financial statements

1. BASIS FOR PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34"), approved by the European Union.

The consolidated condensed interim financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 January 2023, approved for publishing on 25 April 2023.

The currency of these consolidated condensed interim financial statements is Polish Zloty and, unless provided otherwise, all amounts are expressed in PLN m.

In the periods covered by these consolidated condensed financial statements, the following PLN/EUR exchange rates fixed by the National Bank of Poland were applied to convert selected financial data:

- exchange rate as at the last day of the reporting period: 30.04.2023 - PLN/EUR 4.5889, 31.01.2023 - PLN/EUR 4.7089,
- average exchange rate for the period, calculated as an arithmetic average of the rates as at the last day of each month in a given period: 01.02-30.04.2023 to PLN/EUR 4.6605, 01.02.-30.04.2022 - PLN/EUR 4.6672.

These consolidated condensed interim financial statements were prepared based on the assumption that the Group would remain a going concern and incorporate no adjustments concerning various methods of measurement and classification of assets and liabilities, which could be deemed required should the Group be unable to remain a going concern in the foreseeable future.

2. CHANGES IN ESTIMATES AND ASSUMPTIONS

In the current reporting period, there were no changes in estimates or assumptions compared to those adopted and disclosed in the separate financial statements for the financial year ended 31 January 2023, approved on 25 April 2023.

3. ERROR CORRECTIONS AND A CHANGE IN ACCOUNTING PRINCIPLES

The consolidated condensed interim financial statements comprise neither corrections of errors from previous years nor any changes in accounting principles.





4. SEASONALITY OF OPERATIONS

Seasonality in sales is a characteristic feature of the entire clothing market both in Poland and abroad. Typically, the gross margin achieved in periods of selling new collections at regular prices is higher than the one recorded during sell-offs. This results in disproportions in the level of margins generated in individual calendar quarters (with the highest margins in Q2 and Q4 and the lowest in Q1 and Q3). To avoid significant differences in margins between calendar quarters, the Company changed its financial year by adjusting it to the collection calendar and, therefore, mitigated the impact of sell-offs and seasonality on margins of individual calendar quarters.

5. OPERATING SEGMENTS

Revenue and financial performance in geographical segments for the period 01.02-30.04.2023 and for the comparable period are given in tables below.

01.02.2023 - 30.04.2023 (in PLN m)	Poland	Romania	Czech Republic	Germany	Other countries	Total
Revenue	1,526.2	293.9	217.9	129.9	1,471.5	3,639.4
Operating profit (loss)	124.5	7.1	-1.0	10.9	89.2	230.7
Pre-tax profit						145.2
Income tax						33.4
Net profit (loss) on continuing operations						111.8
Net profit (loss) on discontinued operations						0.0
Net profit (loss)						111.8

01.02.2022 - 30.04.2022 (in PLN m)	Poland	Romania	Czech Republic	Germany	Other countries	Total
Revenue	1,459.2	274.4	219.4	148.5	932.7	3,034.2
Operating profit (loss)	114.4	8.3	3.7	8.7	-18.1	117.0
Pre-tax profit						74.6
Income tax						47.3
Net profit (loss) on continuing operations						27.3
Net profit (loss) on discontinued operations						240.7
Net profit (loss)						268.0



6. REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents revenue on customer contracts broken down by categories reflecting the manner in which economic factors affect the nature, amount, payment date as well as revenue and cash flow uncertainty.

Revenue on customer contracts from 01.02.2023 to 30.04.2023 (in PLN m)	Poland	Romania	Czech Republic	Germany	Other	Total
Type of sales						
Online	406.6	97.0	53.8	62.9	318.1	938.4
Offline	1,119.6	196.9	164.1	67.0	1,153.4	2,701.0
Total	1,526.2	293.9	217.9	129.9	1,471.5	3,639.4
Brand						
Sinsay	524.0	182.6	83.4	7.1	728.0	1,525.1
Reserved	554.4	65.3	76.1	116.4	434.0	1,246.2
Cropp	128.1	17.4	17.8	0.7	123.9	287.9
House	122.6	11.6	13.1	0.5	76.7	224.5
Mohito	169.3	17.0	27.5	5.2	108.9	327.9
Other	27.8	0.0	0.0	0.0	0.0	27.8
Total	1,526.2	293.9	217.9	129.9	1,471.5	3,639.4

Revenue on customer contracts from 01.02.2022 to 30.04.2022 (in PLN m)	Poland	Romania	Czech Republic	Germany	Other	Total
Type of sales						
Online	428.6	117.8	75.1	87.3	279.3	988.1
Offline	1,030.6	156.6	144.3	61.2	653.4	2,046.1
Total	1,459.2	274.4	219.4	148.5	932.7	3,034.2
Brand						
Sinsay	504.0	175.4	87.6	19.0	417.3	1,203.3
Reserved	494.8	57.9	78.2	122.7	324.5	1,078.1
Cropp	124.3	15.2	16.9	0.8	65.9	223.1
House	135.1	11.7	12.4	0.7	53.0	212.9
Mohito	147.5	14.2	24.3	5.3	72.0	263.3
Other	53.5	0.0	0.0	0.0	0.0	53.5
Total	1,459.2	274.4	219.4	148.5	932.7	3,034.2

TRADE AND OTHER RECEIVABLES

The LPP Group sells clothes and accessories to end customers in its own on-site stores and online in Poland and abroad, with payments made in cash or by credit/debit cards. Trade receivables comprise wholesale settlements.

As at the balance sheet date, the Group shows a discounted value of receivables from the sale of the Russian subsidiary, amounting to PLN 348.8 m. The said value is presented in the statement of financial position, in item "non-current receivables" - PLN 298.8 m, and in item "current receiva-

bles" - PLN 50 m. As agreed, the payment deadline following the sale of the company has been postponed in agreed proportions until 2026 at the maximum. In the current quarter, this receivable was increased by PLN 7.3 m, as shown in financial income, following the revaluation of receivables and reduction of discount due to the lapse of time and the shortening of the period for the expected final repayment of receivables.

IMPAIRMENT LOSSES

In 3 months ended 30 April 2023, the Group recognised changes in write-offs on receivables in respect of all receivables or assets under consumer contracts.

Changes made both in the current period and the comparative one are given in the table below.





Write-offs on receivables (in PLN m)	2023	2022
	01.02 - 30.04	01.02 - 30.04
Opening balance	51.3	24.1
Write-offs made in the period	21.9	4.6
Write-offs reversed in the period	2.6	0.0
Currency translation differences	-0.3	0.0
Closing balance	70.3	28.7

7. OTHER OPERATING INCOME AND EXPENSES

Other operating income (in PLN m)	1Q	
	2023	2022
	01.02 - 30.04	01.02 - 30.04
Profit on sale of non-financial fixed assets	0.3	0.0
Subsidies	0.4	2.2
Other operating income including:	13.3	9.2
- profit on the annulment of contracts under IFRS16	7.5	0.0
- compensations	1.6	0.3
- reversal of write-offs on net fixed assets	0.0	0.4
- reversal of write-offs on net receivables	0.0	0.0
Total other operating income	14.0	11.4

Other operating expenses (in PLN m)	1Q	
	2023	2022
	01.02 - 30.04	01.02 - 30.04
Loss on sale of non-financial fixed assets	0.0	0.0
Revaluation of non-financial assets, including:	19.5	4.6
- write-offs on net fixed assets	0.2	0.0
- write-offs on net receivables	19.3	4.6
Other operating expenses including:	22.4	19.2
- losses on non-current and current assets	17.6	7.1
- losses on the liquidation of contracts under IFRS 16	0.0	3.6
- donations	1.9	7.4
Total other operating expenses	41.9	23.8

In other operating expenses, the largest values are losses on non-current and current assets, amounting to PLN 17.6 m, covering mainly warehouse inventory losses identified when transferring warehouses to a new location (in 3 months ended 30 April 2022: PLN 7.1 m), and write-offs established for overdue receivables, amounting to PLN 19.3 m, involving mainly the postponement of payment deadlines for goods sold to external contracting parties (in 3 months ended 30 April 2022: PLN 4.6 m).

8. FINANCIAL INCOME AND EXPENSES

Financial income (in PLN m)	1Q	
	2023 01.02 - 30.04	2022 01.02 - 30.04
Interest	1.5	0.3
Valuation of participation units in funds	5.3	2.5
Dividends	0.0	0.0
Other financial income including:	7.9	0.0
- currency translation balance	0.0	0.0
- discount	7.3	0.0
Total financial income	14.7	2.8

In financial income, the LPP SA Group shows a discount of PLN 7.3 m due to yet another revaluation of receivables following the sale of shares in Re Trading OOO.





Financial expenses (in PLN m)	1Q	
	2023 01.02 - 30.04	2022 01.02 - 30.04
Interest expenses – bank loans	26.2	8.2
Interest expenses – bonds	3.9	0.0
Interest expenses – budgetary and other	2.3	5.0
Interest expenses – lease liabilities	23.8	18.2
Bank commissions	0.9	0.6
Other financial expenses, including:	43.1	13.1
- currency translation balance	43.1	7.7
Total financial expenses	100.2	45.1

Negative foreign exchange differences shown in the current reporting period in the amount of PLN 43.1 m are a consequence of the weakening of USD against PLN.

9. INCOME TAX

The main components of the income tax liability of the Group for the period 01.02-30.04.2023 and for the comparative period are given in the table below.

Income tax (in PLN m)	1Q	
	2023 01.02 - 30.04	2022 01.02 - 30.04
Current income tax	49.8	32.7
Deferred income tax	-16.4	14.6
Total income tax	33.4	47.3

10. PROPERTY, PLANT AND EQUIPMENT

PURCHASE AND SALE

In 3 months ended 30 April 2023, the Group purchased PPE of PLN 248 m (in 3 months ended 30 April 2022: PLN 451.4 m). Those were mainly investments involving the development of new stores.

In 3 months ended 30 April 2023, the Group sold PPE of the net value of PLN 0.3 m (in 3 months ended 30 April 2022: PLN 1 m PLN), generating a net profit of PLN 0.3 m.

IMPAIRMENT LOSSES

In the period ended 30 April 2023, the Group recognised an additional impairment loss on fixed assets, totalling PLN 0,2 m (in 3 months ended 30 April 2022: no impairment losses). In the current period, no write-off was reversed (in 3 months ended 30 April 2022: PLN 0.4

m). In the statement of comprehensive income, the establishment of write-offs is shown in “other operating expenses”, in the amount of PLN 0.2 m (in 3 months ended 30 April 2022: PLN 0.4 m as other operating income).

11. INVENTORY

According to the rules adopted by the Group, write-offs on inventory are recognised twice a year. In Q1, the Group made no write-offs.

The inventory comprises primarily trade commodities. A detailed inventory structure is given in the table below.

Inventory (in PLN m)	30.04.2023	31.01.2023
Materials	18.1	18.8
Goods	3,266.8	3,288.0
Product return assets	42.7	46.6
Total inventory	3,327.6	3,353.4

12. DEPOSITS

Deposits and investment funds (in PLN m)	30.04.2023	31.01.2023
Participation units in funds	540.3	556.8
Security deposits	13.0	0.0
Total deposits and investment funds	553.3	556.8



In the reporting period, the Group effected no transactions involving the purchase or buy-back of participation units in money market funds. The value of participation units as at 30 April 2023 amounted to PLN 540.3 m, comprising the value of purchased units as at the purchase date, amounting to PLN 538.6 m, and their valuation amounting to PLN 5.3 m. The measurement of the above-mentioned instruments is at level 2 of the fair value hierarchy in respect of participation units in unquoted funds.

The participation units purchased in American money-market funds, amounting to USD 67 m, yield income for the Group, resulting from the increase on the investment's value, which was simultaneously appropriated to secure factoring agreements described in note 14. Additionally, also in connection with factoring agreements signed, LPP SA paid a security deposit of PLN 13 m.

13. OTHER FINANCIAL ASSETS

Other financial assets (in PLN m)	30.04.2023	31.01.2023
Non-current assets		
Other receivables	8.3	7.4
Loans granted	0.2	0.2
Other non-current financial assets	8.5	7.6
Current assets		
Other receivables	2.8	5.4
Receivables payable by payment card operators	145.9	50.1
Loans granted	2.9	3.5
Other current financial assets	151.6	59.0
Total other financial assets	160.1	66.6

The valuation of the above-mentioned instruments is at level 2 of the fair value hierarchy.

As at the balance sheet date, the Group shows a substantial value of receivables payable by payment card operators, amounting to PLN 145.9 m. Such substantial increase compared to the balance as at the end of 2023 resulted from the fact that, in Q1 2023, the last trading days in retail and online sales fell during the weekend. Receivables from payment card operators were settled at the beginning of May 2023.



14. BANK LOANS AND LIABILITIES

The LPP Group has credit lines in 5 banks, utilised for bank guarantees, letters of credit for trade financing or a revolving loan. As at 30 April 2023, the total value of the said credit lines was PLN 2.3 bn.

Furthermore, the Company has a debt arising from investment credit facilities for the development and extension of logistics centres and the head office in Gdańsk. At the end of Q1 2023, the total value of such credit facilities was PLN 331.1 m.

Additionally, LPP has 300 thousand 5-year bonds issued in 2019, of the total historical value of PLN 300 m. As at the balance sheet date, their value was PLN 323 m.

As at the balance sheet date, i.e. 30 April 2023, the Group's liabilities (including trade liabilities) totalled PLN 3.9 bn and their value increased by approx. 27% compared to the balance as at 31 January 2023.

Also, the Group uses reversed factoring schemes offered by HSBC Polska SA, Santander Polska SA, Bank Pekao SA and BNP Paribas. As part of reversed factoring, after presenting purchase invoices, banks factors pay liabilities owed to the suppliers in line with previously agreed timeschedules. As at 30 April 2023, the Company's total trade liabilities arising from the above amounted to PLN 2.4 bn (the total factoring limit of PLN 3.8 bn). The above-men-

tioned factoring limits were secured with participation units in a money market fund in the amount of USD 67 m and a collateral deposited in the amount of PLN 13 m on another factor's bank account. Any prospective release from, or a reduction of, the collateral or the security deposit will be equivalent to a decrease of the limit set forth in the reversed factoring agreement and the requirement to pay liabilities in the same amount.

15. DIVIDENDS PAID AND OFFERED FOR PAYMENT

On 26 April 2023, the Management Board of LPP SA adopted a resolution on the recommendation for the Annual General Meeting of LPP SA in respect of allocation of funds to be divided among shareholders for the financial year ended 31 January 2023 as follows:

- payment of a dividend of PLN 430 per share;
- setting the dividend date for 10 July 2023;
- payment of the dividend in two instalments: 14 July 2023 and 10 October 2023.

In the comparative period, on 20 May 2022, by resolution no 18, the General Meeting of LPP SA resolved to allocate part of profit from previous years for dividend payment in the amount of PLN 648,348,050. The dividend date was set for 30 May 2022, with payment to be made in two instalments: on 6 June 2022 and 30 August 2022. The dividend per share was PLN 350.00.

16. CONTINGENT ASSETS AND LIABILITIES

In Q1 2023/24, the LPP SA Group companies utilised bank guarantees to secure payment of rent for the leased premises designated for brand stores, offices and warehouse space.

As at 30 April 2023, the total value of bank guarantees issued upon request and at the responsibility of LPP SA amounted to PLN 310.8 m, of which:

- guarantees issued to secure agreements concluded by LPP SA amounted to PLN 87.1 m,
- guarantees issued to secure agreements concluded by consolidated associates amounted to PLN 20.4 m,
- guarantees issued to secure warehouse and office space lease agreements concluded by LPP SA amounted to PLN 19.7 m.

From February to April 2023, the Company also received guarantees as collateral for payments from a contracting party. As at 30 April 2023, the value of the said guarantees was PLN 4.6 m. On 30 April 2023, the value of sureties granted by the Parent Company was PLN 252.9 m. In the opinion of the Management Board, any outflow of funds recognised in off-balance sheet/contingent liabilities is very unlikely. The majority of these liabilities involve guarantees securing payment of rent by the LPP SA Group companies. In the reporting period, neither Issuer nor its subsi-

diary granted any sureties for bank loans or borrowings or any guarantees, jointly to a single entity or such entity's subsidiary, of a value exceeding 10.0% of the Issuer's equity.

17. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include:

- key management personnel of the LPP SA Group and their close family members;
- entities controlled or significantly influenced by key management personnel or their close family members within the meaning provided for in IAS 24.

The Company recognises members of the Parent Company's Management and Supervisory Boards as key management personnel.

From 1 February to 30 April 2023, short-term benefits of members of the Parent Company's Management Board amounted to PLN 1,450 thousand.

From 1 February to 30 April 2023, short-term benefits of members of the Parent Company's Supervisory Board amounted to PLN 27 thousand.



18. LITIGATION

In Q1 2023/24, LPP SA was not a party to any substantial court, arbitration or administrative proceedings involving any obligations or liabilities of LPP or its subsidiary. In the reporting period, there were neither any major litigation-related settlements.

However, LPP is a party to a clarification procedure initiated by the Office for the Protection of Competition and Consumers in order to determine whether, in connection with the pursued marketing activity involving ecology issues, the Company committed a breach giving grounds for the initiation of a procedure involving practices infringing consumers' collective interests. The enquiry of the Office for the Protection of Competition and Consumers is part of coordinated activities carried out by European anti-monopoly offices, involving companies from the clothing sector in terms of standards for ECO labelling of clothes. Upon formal request of the Head of the Office for the Protection of Competition and Consumers, LPP SA provided extensive clarifications and evidence. At the present stage, no charges have been brought against the Company in terms of application of practices infringing any collective interest of consumers. Should the said authority recognise that there are prerequisites for attributing any such practices to the Company, the authority in question would have the right to charge the Company with a fine not exceeding 10%

of turnover yielded in the year preceding the year in which such fine was imposed.

19. DISCONTINUED OPERATIONS

Due to Russia's aggression resulting in a war in Ukraine in February 2022, LPP SA decided to suspend its operations in Russia and sell its Russian company as described in detail in the consolidated annual report, in note 13. Consequently, in the comparative period, the data presented is that generated as part of the operations of the Russian subsidiary, classified as operations for sale.

Revenue, expenses and results generated by operations for sale:



Consolidated statement of comprehensive income (in PLN m)

	1Q 2023	1Q 2022
	01.02.2023 - 30.04.2023	01.02.2022 - 30.04.2022
Operating income	-	634.1
Operating expenses	-	293.3
Net financial expenses	-	23.2
Pre-tax profit (loss)	-	317.6
Income tax	-	76.9
Net profit (loss) on operations for sale	-	240.7

Cash flows on operations for sale:

Consolidated cash flow statement (in PLN m)	1Q 2023	1Q 2022
	01.02.2023 - 30.04.2023	01.02.2022 - 30.04.2022
Cash flows from operating activities	-	89.9
Cash flows from investing activities	-	-67.5
Cash flows from financing activities	-	12.6
Net cash flows from operations for sale	-	35.0

Balance sheet items reclassified as those for sale:

Consolidated statement of financial position (in PLN m)	As at 30.04.2022
Non-current assets	1,814.6
1. Property, plant and equipment	748.2
2. Intangible assets	0.2
3. Right-of-use assets	963.1
4. Deferred tax assets	87.8
5. Prepayments	0.6
6. Other financial assets	14.7
Current assets	1,186.9
1. Inventory	799.4
2. Trade receivables	57.6
3. Income tax receivables	34.5
4. Other non-financial assets	188.2
5. Prepayments	1.1
6. Other financial assets	5.2
7. Cash and cash equivalents	100.9



TOTAL assets	3,001.5
Non-current liabilities	920.0
Current liabilities	805.7
1. Trade and other liabilities	176.9
2. Bank loans and borrowings	412.4
3. Lease liabilities	182.6
4. Employee liabilities	18.4
5. Income tax liabilities	8.4
6. Accruals	7.0
TOTAL equity and liabilities	1,725.7

**20. SUPPLEMENTARY
INFORMATION**

In the reporting period, there was no issue, redemption or repayment of any debt or equity securities.

However, after the balance-sheet date, as a result of the increase of the share capital by PLN 1,898 as part of the authorised capital, there were issued 949 ordinary bearer shares of the M series, of the nominal value of PLN 2 per share.

Following the issuance of the above-mentioned capital securities, on 22 May 2023, the District Court for Gdańsk-North in Gdańsk made a record of the increase of the share capital from PLN 3,708,482 to PLN 3,710,380.



**21. EVENTS AFTER
THE BALANCE SHEET DATE**

By the date of publishing the enclosed financial statements, there were no events after the balance sheet date, requiring any additional disclosures, apart from those specified in this report.







04

Separate condensed
interim financial
statements



Introduction

We hereby approve the separate condensed interim financial statements of the LPP SA for 3 months ended 30 April 2023, comprising the separate condensed interim statement of comprehensive income, with comprehensive income totalling PLN 183.0 m, the separate condensed interim statement of financial position, with assets and liabilities totalling PLN 11,049.9 m, the separate condensed interim statement of cash flows, showing an increase in net cash by PLN 198.5 m, the separate condensed interim statement of changes in equity, showing an increase in equity by PLN 183.8 m, as well as additional notes.

MANAGEMENT BOARD OF LPP SA:

Marek Piechocki
President of the Management Board

Przemysław Lutkiewicz
Executive Vice-President of LPP's
Management Board

Jacek Kujawa
Executive Vice-President of LPP's
Management Board

Sławomir Łoboda
Executive Vice-President of LPP's
Management Board

Marcin Piechocki
Executive Vice-President of LPP's
Management Board

GDĄSK, 14 JUNE 2023



SELECTED SEPARATE CONDENSED INTERIM FINANCIAL DATA

for 3 months ended 30 April 2023

Selected separate financial data	in PLN m		in EUR m	
	Cumulatively			
	2023/24	2022/23	2023/24	2022/23
	01.02 - 30.04	01.02 - 30.04	01.02 - 30.04	01.02 - 30.04
Revenue	3,109.2	2,730.3	667.1	585.0
Operating profit (loss)	281.2	130.8	60.3	28.0
Pre-tax profit (loss)	225.1	152.0	48.3	32.6
Net profit (loss)	183.0	123.8	39.3	26.5
Weighted average number of shares	1,854,241	1,838,066	1,854,241	1,838,066
Profit (loss) per share	98.69	67.35	21.18	14.43
Net cash flows from operating activities	797.1	-485.7	171.0	-104.1
Net cash flows from investing activities	-116.7	-132.3	-25.0	-28.3
Net cash flows from financing activities	-481.9	469.4	-103.4	100.6
Total net cash flows	198.5	-148.6	42.6	-31.8

Selected separate financial data	in PLN m		in EUR m	
	2023/24	2022/23	2023/24	2022/23
	30.04.2023	31.01.2023	30.04.2023	31.01.2023
Total assets	11,049.9	10,534.5	2,408.0	2,237.1
Non-current liabilities	2,047.9	2,098.0	446.3	445.5
Current liabilities	4,865.5	4,483.8	1,060.3	952.2
Equity	4,136.5	3,952.7	901.4	839.4
Share capital	3.7	3.7	0.8	0.8
Weighted average number of shares	1,854,241	1,853,738	1,854,241	1,853,738
Book value per share	2,230.83	2,132.29	486.14	452.82
Declared or paid dividend per share	430.00	350.00	93.70	74.33



SEPARATE CONDENSED INTERIM STATEMENT
OF COMPREHENSIVE INCOME

for 3 months ended 30 April 2023

Comprehensive income statement (in PLN m)	1Q	
	2023/24	2022/23
	01.02 - 30.04	01.02 - 30.04
Continuing operations		
Revenue	3,109.2	2,730.3
Cost of goods sold	1,874.3	1,650.9
Gross profit (loss) on sales	1,234.9	1,079.4
Costs of stores and distribution	769.8	775.9
General costs	160.7	162.6
Other operating income	8.1	7.2
Other operating expenses	31.3	17.3
Operating profit (loss)	281.2	130.8
Financial income	18.1	42.0
Financial expenses	74.2	20.8
Pre-tax profit (loss)	225.1	152.0
Income tax	42.1	28.2
Net profit (loss) on continuing operations	183.0	123.8
Total comprehensive income	183.0	123.8
Other comprehensive income		
Total comprehensive income	183.0	123.8
Weighted average number of shares	1,854,241	1,838,066
Diluted number of shares	1,855,052	1,839,884
Net profit (loss) per share	98.69	67.35
Diluted net profit (loss) per share	98.65	67.29





SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 April 2023

Statement of financial position (in PLN m)	As at		
	30.04.2023	31.01.2023	30.04.2022
ASSETS			
Non-current assets	5,430.3	5,347.1	4,439.0
1. Property, plant and equipment	1,105.9	1,056.6	1,525.3
2. Right-of-use assets	1,087.1	1,063.4	1,091.1
3. Intangible assets	177.3	152.4	141.5
4. Goodwill	179.6	179.6	179.6
5. Trademark	77.5	77.5	77.5
6. Investments in subsidiaries	1,832.0	1,818.0	1,230.5
7. Non-current receivables	298.9	314.6	0.0
8. Deferred tax assets	173.5	173.8	99.6
9. Prepayments	5.5	5.6	1.5
10. Other financial assets	493.0	505.6	92.4
Current assets	5,619.6	5,187.4	6,923.8
1. Inventory	2,669.3	2,709.4	3,185.1
2. Trade receivables	1,741.2	1,507.2	1,642.4
3. Current receivables	50.0	50.4	0.0
4. Other non-financial assets	0.8	2.1	2.3
5. Prepayments	29.0	32.6	24.5
6. Other financial assets	93.8	50.9	197.0
7. Deposits and investment funds	553.3	556.7	1,327.3
8. Cash and cash equivalents	482.2	278.1	545.2

Assets held for sale	0.0	0.0	913.0
TOTAL assets	11,049.9	10,534.5	12,275.8



SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 April 2023

Statement of financial position (in PLN m)	As at		
	30.04.2023	31.01.2023	30.04.2022
EQUITY AND LIABILITIES			
Equity	4,136.5	3,952.7	4,185.6
1. Share capital	3.7	3.7	3.7
3. Share premium	364.3	364.3	364.3
4. Other reserves	2,715.4	2,714.6	2,336.5
5. Retained earnings	1,053.1	870.1	1,481.1
Non-current liabilities	2,047.9	2,098.0	1,754.0
1. Bank loans and borrowings	653.2	678.2	137.6
2. Lease liabilities	1,065.4	1,089.6	1,166.7
3. Bonds	310.8	306.9	295.8
4. Other financial liabilities	0.0	0.0	116.5
5. Employee liabilities	1.2	1.2	1.2
6. Accruals	17.3	22.1	36.2
Current liabilities	4,865.5	4,483.8	6,336.2
1. Trade and other liabilities	3,844.3	3,098.0	4,936.7
2. Contract liabilities	16.9	19.8	14.4
3. Refund liabilities	50.3	44.2	42.4
4. Bank loans and borrowings	450.8	787.1	683.6
5. Lease liabilities	372.7	369.2	337.6
6. Employee liabilities	14.6	27.7	35.3
7. Income tax liabilities	102.7	123.4	266.9

8. Accruals	13.2	14.4	19.3
TOTAL equity and liabilities	11,049.9	10,534.5	12,275.8



SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS

for 3 months ended 30 April 2023

Cash flow statement (in PLN m)	1Q	
	2023 01.02 - 30.04	2022 01.02 - 30.04
A. Cash flows from operating activities – indirect method		
I. Pre-tax profit (loss)	225.1	152.0
II. Total adjustments	572.0	-637.7
1. Amortisation and depreciation	114.5	118.9
2. Foreign exchange losses (gains)	-1.2	-99.9
3. Interest and dividends	26.3	4.9
4. (Profit) loss on investing activities	0.5	4.4
5. Income tax paid	-62.6	-37.9
6. Change in provisions and employee benefits	-13.1	-3.7
7. Change in inventory	40.0	-385.0
8. Change in receivables and other assets	-281.1	-622.6
9. Change in current liabilities, excluding bank loans and borrowings	750.2	382.0
10. Change in prepayments and accruals	-2.3	1.2
11. Other adjustments	0.8	0.0
III. Net cash flows on operating activities	797.1	-485.7
B. Cash flows from investing activities		
I. Inflows	45.6	50.8
1. Disposal of intangible and PPE assets	18.1	15.2
2. From financial assets, including:	27.5	9.8
a) in associates	26.9	9.8

- dividends	9.4	9.2
- repayment of loans granted	15.6	0.5
- interest	1.9	0.1
b) in other entities	0.6	0.0
- repayment of loans granted	0.6	0.0
- interest and other inflows from financial assets	0.0	0.0
3. Other investing inflows	0.0	25.8
II. Outflows	162.3	183.1
1. Purchase of intangible and PPE assets	132.7	99.2
2. For financial assets, including:	29.6	83.6
a) in associates	29.6	83.6
- purchase of shares	14.1	68.2
- loans granted	15.5	15.4
b) in other entities	0.0	0.0
- loans granted	0.0	0.0
3. Other investing outflows (investment funds)	0.0	0.3
III. Net cash flows from investing activities	-116.7	-132.3
C. Cash flows from financing activities		
I. Inflows	7.0	564.1
1. Proceeds from issuance of shares	0.0	0.0
2. Bank loans and borrowings	7.0	564.1
3. Issuance of bonds	0.0	0.0
II. Outflows	488.9	94.7



Cash flow statement (in PLN m)	1Q	
	2023	2022
	01.02 - 30.04	01.02 - 30.04
1. Dividends and other payments to owners	0.0	0.0
2. Repayment of bank loans and borrowings	366.0	0.0
3. Lease liabilities paid	99.1	82.1
4. Interest	23.8	12.6
5. Other financial outflows	0.0	0.0
III. Net cash flows from financing activities	-481.9	469.4
D. Total net cash flows	198.5	-148.6
E. Balance sheet change in cash, including:	204.1	-89.4
- change in cash due to foreign currency translation	5.6	59.2
F. Opening balance of cash	203.5	596.7
G. Closing balance of cash	402.0	448.1





SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for 3 months ended 30 April 2023

Statement of changes in equity (in PLN m)	Share capital	Share premium	Other reserves	Retained earnings	TOTAL equity
As at 1 February 2023	3.7	364.3	2,714.6	870.1	3,952.7
Remuneration paid in shares	0.0	0.0	0.8	0.0	0.8
Transactions with owners	0.0	0.0	0.8	0.0	0.8
Net profit for Q1 2023	0.0	0.0	0.0	183.0	183.0
Total comprehensive income	0.0	0.0	0.0	183.0	183.0
As at 30 April 2023	3.7	364.3	2,715.4	1,053.1	4,136.5
As at 1 February 2022	3.7	364.3	2,336.5	1,357.3	4,061.8
Net profit for Q1 2022	0.0	0.0	0.0	123.8	123.8
Total comprehensive income	0.0	0.0	0.0	123.8	123.8
As at 30 April 2022	3.7	364.3	2,336.5	1,481.1	4,185.6







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