

LPP

Correction of the consolidated financial statements for 2022/2023

Current report no: 22/2023

Date: 28.08.2023

Time: 5:01 pm

The Management Board of LPP S.A. with its registered office in Gdańsk (the “**Company**” or the “**Issuer**”), implementing the recommendation of the Polish Financial Supervision Authority (the “**PFSA**”) of 25 July 2023, issued pursuant to the provision of Article 68(5) of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (consolidated text: Journal of Laws of 2022, item 2554) (the “**Recommendation**”), hereby provides information on the subject and nature of correction of the data contained in the consolidated financial statements of the Group of the Company for the period from 1 February 2022 to 31 January 2023 (“**CFS 2022/2023**”), published in the annual report of 26 April 2023 and approved by Resolution No 6 of the Ordinary General Meeting of the Company of 30 June 2010.

The correction is made as part of the implementation of the Recommendation.

In the opinion of the PFSA, the full-scale military aggression of the Russian Federation against Ukraine undertaken a few weeks after the end of the reporting period, preceded by months of escalating tensions, did not constitute an adjusting event for the financial data in the financial year ended 31 January 2022 within the meaning of IAS 10. Consequently, according to the supervision authority, the recognition of impairment losses on property, plant and equipment as well as inventory in the territory of Russia and Ukraine in the indicated total amount of PLN 608 million in the consolidated financial statements of the Company's Group for the period from 1 February 2021 to 31 January 2022 was premature.

Considering the publication and approval of the CFS 2022/2023, the provision of §42 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* shall apply in this case whereby an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

- a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

At the same time, pursuant to § 5 of IAS 8, a *retrospective restatement* is correcting the recognition, measurement and disclosure of amounts of elements of financial statements as if a prior period error had never occurred.

The adjustment affects the selected consolidated financial data of the Company's Group for the financial year from 1 February 2022 to 31 January 2023 as reported in CFS 2022/2023, including in particular:

- total net profit for the period ended 31 January 2023 is reduced by PLN 608,467 thousand and for the period ended 31 January 2022, it is increased by that amount,
- total comprehensive income for the period ended 31 January 2023 is reduced by PLN 608,467 thousand and for the period ended 31 January 2022, it is increased by that amount.

A detailed list of the adjustments made is attached to this current report.

The correction described will be included in subsequent reporting documents, starting with the consolidated interim financial statements for the period from 1 February 2023 to 31 July 2023.

Article 56(1)(2) of the Public Offering Act – current and interim information

Signatures:	Przemysław Lutkiewicz – Vice-President of the Management Board Jacek Kujawa – Vice-President of the Management Board
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