

**REPORT OF THE SUPERVISORY BOARD
ON ITS ACTIVITY IN THE FINANCIAL YEAR FROM 1 FEBRUARY 2023 TO 31
JANUARY 2024**

In the period from 1 February 2023 to 31 January 2024, the Supervisory Board was composed of the following persons:

- Miłosz Wiśniewski – Chairman of the Supervisory Board,
- Wojciech Olejniczak – Vice-Chairman of the Supervisory Board (Mr Wojciech Olejniczak completed his term of office on the Supervisory Board as of 30 June 2023),
- Magdalena Sekuła (Ms Magdalena Sekuła completed her term of office on the Supervisory Board as of 31 May 2023),
- Piotr Piechocki,
- Grzegorz Maria Słupski,
- Alicja Milińska (Ms Alicja Milińska has acted as a member of the Supervisory Board since 30 June 2023),
- Jagoda Piechocka (Ms Jagoda Piechocka has acted as a member of the Supervisory Board since 2 June 2023).

From 1 January 2023 to 31 January 2024, the Supervisory Board had one separate committee i.e. the Audit Committee which, until 31 May 2023 was composed of the following persons:

- Piotr Piechocki,
- Magdalena Sekuła (as an independent member until 31 May 2023),
- Grzegorz Maria Słupski – Chairman of the Audit Committee (as an independent member),
- Miłosz Wiśniewski (as an independent member).

From 18 September 2023, the Audit Committee was composed of the following persons:

- Piotr Piechocki,
- Grzegorz Maria Słupski – Chairman of the Audit Committee (as an independent member),
- Miłosz Wiśniewski (as an independent member).

Mr Grzegorz Maria Słupski, Ms Magdalena Sekuła and Mr Miłosz Wiśniewski fulfilled independence criteria set forth in Article 129(3) of the Act of 11 May 2017 on *Statutory Auditors, Audit Companies and on Public Supervision* (Journal of Laws of 2023, item 1015 as amended), the “2021 Code of Best Practice for WSE Listed Companies” and Annex no. II to Commission Recommendation of 15 February 2005 *on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*.

Mr Piotr Piechocki (who used to work for LPP SA and, among others, managed the e-commerce department) was a Member of the Supervisory Board and the Audit Committee with knowledge and expertise in the business sector in which LPP SA operates.

Furthermore, the following persons have knowledge and skills in the area of accounting and the auditing of financial statements: Mr Grzegorz Maria Słupski (PhD in Economics, entrepreneur and manager who has created and managed a number of enterprises mainly in the printing, trade and new technologies industries) and Mr Miłosz Wiśniewski (who has knowledge and skills gained while he was Finance Director at Cereal Partners Worldwide and Boryszew SA). In the financial year 2023, the Audit Committee performed its duties set forth in the provisions of law, specifically in Article 130(1) and (2) of the Act of 11 May 2017 *on Statutory Auditors, Audit Companies and on Public Supervision*.

From 1 February 2023 to 31 January 2024, five meetings of the Supervisory Board were held.

The Supervisory Board analysed the Company's day-to-day operations and position as well as examined motions submitted by the Management Board. The meetings of the Supervisory Board were attended by invited employees of the Company.

The information provided to the Supervisory Board by the Management Board was comprehensive and allowed the Supervisory Board to carry out its tasks effectively. In the financial year ended 31 January 2024, the Supervisory Board did not commission any audit of an advisor referred to in the provisions of Article 382¹ of the Commercial Companies Code.

The subject of the analysis and evaluation of the Supervisory Board at the meeting on 26 March 2024 was the effectiveness of the internal control and risk management systems and the internal audit function in the financial year from 1 February 2023 to 31 January 2024. The members of the Supervisory Board carried out an analysis and discussion regarding their assessment of the adequacy and effectiveness of the internal control, risk management, compliance and internal audit function in place in the Company in the financial year from 1 February 2023 to 31 January 2024.

At its meeting on 26 March 2024, the Supervisory Board evaluated the Management Board's report on the activities of the Company's Group in the financial year from 1 February 2023 to 31 January 2024 (which comprises the Management Board's report on the Company's activities in that year) with regard to its compliance with the books, documents and facts. As a result of the analysis performed, the Supervisory Board adopted the resolution recommending that the Annual General Meeting of Shareholders should adopt the resolution approving the Management Board's report on the operations of the Company's Group and the Company's operations in the financial year from 1 February 2023 to 31 January 2024.

The subject of the meeting of the Supervisory Board on 26 March 2024 was also the evaluation of the Company's financial statements for the financial year from 1 February 2023 to 31 January 2024 in terms of their compliance with the books and documents as well as with the facts, as a result of which the Supervisory Board adopted a resolution stating that, in the opinion of the Supervisory Board, the Company's financial statements for the financial year from 1 February 2023 to 31 January 2024 are complete, reliable and contain data that comprehensively report on the position of the Company.

Having reviewed the consolidated financial statements of LPP SA Group for the financial year from 1 February 2023 to 31 January 2024, the report of the Management Board of LPP SA on the operations of the Company's Group in the financial year from 1 February 2023 to 31 January 2024, the information presented by the audit team, being the subject of the auditor's opinion and report on the audit of the consolidated financial statements of the Company's Group for the financial year from 1 February 2023 to 31 January 2024, the Audit Committee's evaluation, on 26 March 2024 the Supervisory Board concluded that, in its opinion, the consolidated financial statements of LPP SA Group for the financial year from 1 February 2023 to 31 January 2024 are complete, reliable and contain data that comprehensively report on the position of LPP SA Group.

The subject of the Supervisory Board's analysis was also the motion of the Management Board regarding profit distribution, which was subject to the written vote of the Supervisory Board on 31 January 2024. The Supervisory Board approved the advance dividend payment. The motion regarding profit distribution for the financial year ended 31 January 2024 was put on the agenda included in the invitation to the meeting of the Supervisory Board on 10 May 2024.

In the opinion of the Supervisory Board, the diversity policy applied in the Company in terms of differentiation of the level of competence and experience of individual members of the Company's bodies (i.e. Supervisory and Management Boards) is satisfactory. The Management Board of LPP is composed of five men: two of them are aged between 30 and 50 years and three are aged above 50 years. The Supervisory Board is currently composed of two women and three men. Two persons are aged between 30 and 50 years and three are aged above 50 years. Members of LPP's Management and Supervisory Boards have diverse education i.e. from technical education to finance, economic and legal education. They have diversified professional experience both in terms of the sector in which LPP SA Group operates and types of institutions where they had gained their previous experience.

Owing to the above-mentioned composition, the Supervisory Board was able to examine problems presented to it comprehensively.

In 2023, the Audit Committee held five meetings in its full composition. The Audit Committee also adopted resolutions by means of written procedure.

At its meetings, the Audit Committee monitored the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, including with regard to financial reporting and the performance of auditing activities. The Audit Committee also controlled and monitored the independence of the key auditor and the audit firm. The Audit Committee also assessed the requests for approval for the use of authorised services other than auditing by the audit firm or the statutory auditor.

The Supervisory Board requests that the Annual General Meeting of Shareholders approve the Supervisory Board's report on its activity in the financial year from 1 February 2023 to 31 January 2024 and grant discharge to the following members of the Supervisory Board:

- Alicja Milińska,
- Wojciech Olejniczak,
- Jagoda Piechocka,

- Piotr Piechocki,
- Magdalena Sekuła,
- Grzegorz Maria Słupski,
- Miłosz Wiśniewski

for performing their duties as members of the Supervisory Board from 1 February 2023 to 31 January 2024.

The Supervisory Board carried out the self-evaluation of its work, including the Audit Committee operating as its part. Following such evaluation, the Supervisory Board states that the Supervisory Board has performed all duties stipulated in the provisions of law and the Company's internal regulations, as well as those arising from the principles of the 2021 Code of Best Practice for WSE Listed Companies. Additionally, at the meetings held, the Supervisory Board analysed the Company's position on an ongoing basis and supported the Management Board in its day-to-day operations. Therefore, the Supervisory Board expresses its positive opinion on its activity in the financial year from 1 February 2023 to 31 January 2024.