



LPP

**LPP SA GROUP
CONSOLIDATED
CONDENSED INTERIM
REPORT FOR 3Q 2024**

GDAŃSK, 11 DECEMBER 2024

RESERVED

CROPP

HOUSE

M O H I T O

sinsay

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01

CONSOLIDATED CONDENSED INTERIM REPORT ON THE OPERATIONS OF LPP SA GROUP

Basic information on LPP Group

LPP is a Polish, family-owned company specialising in the design, manufacturing and distribution of apparel. It has over 30-year experience in the clothing industry. The sales network comprises entire Poland, countries of Europe and the Middle East. The Group operates according to the omnichannel concept in forty markets. It has five own recognised brands: Sinsay, Reserved, Cropp, House and Mohito. Each of the brands has a different target group and a distinctive profile. The concepts for brand collections are developed in Poland, while sewing of models already designed is outsourced (mainly to companies from Asia).

LPP has a distribution network (logistics centres) in Poland and in Europe, and simultaneously invests in new technologies for streamlining the entire product distribution process to traditional stores and in the e-commerce channel.

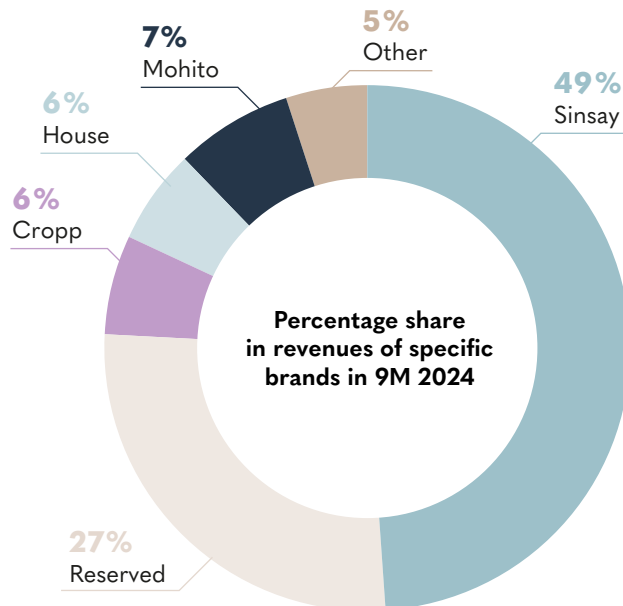
The headquarters of our organisation are located in Gdańsk where LPP history started. The Group also has its offices in Cracow, Warsaw, Barcelona, Shanghai, Dhaka and Istanbul.

In total, the team of LPP Group comprises approximately 33 thousand people working in offices as well as in sales and distribution structures in Poland, countries of Europe and Asia.



PORTFOLIO OF BRANDS

The Group has five own recognised 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, Cropp, House and Mohito brands fall within a moderate price range while Sinsay offers products in the value-for-money segment. At the same time, due to the omnichannel model adopted by LPP, all brands are currently available in both channels: traditional and online.



Other revenues contain sales to trade agents.



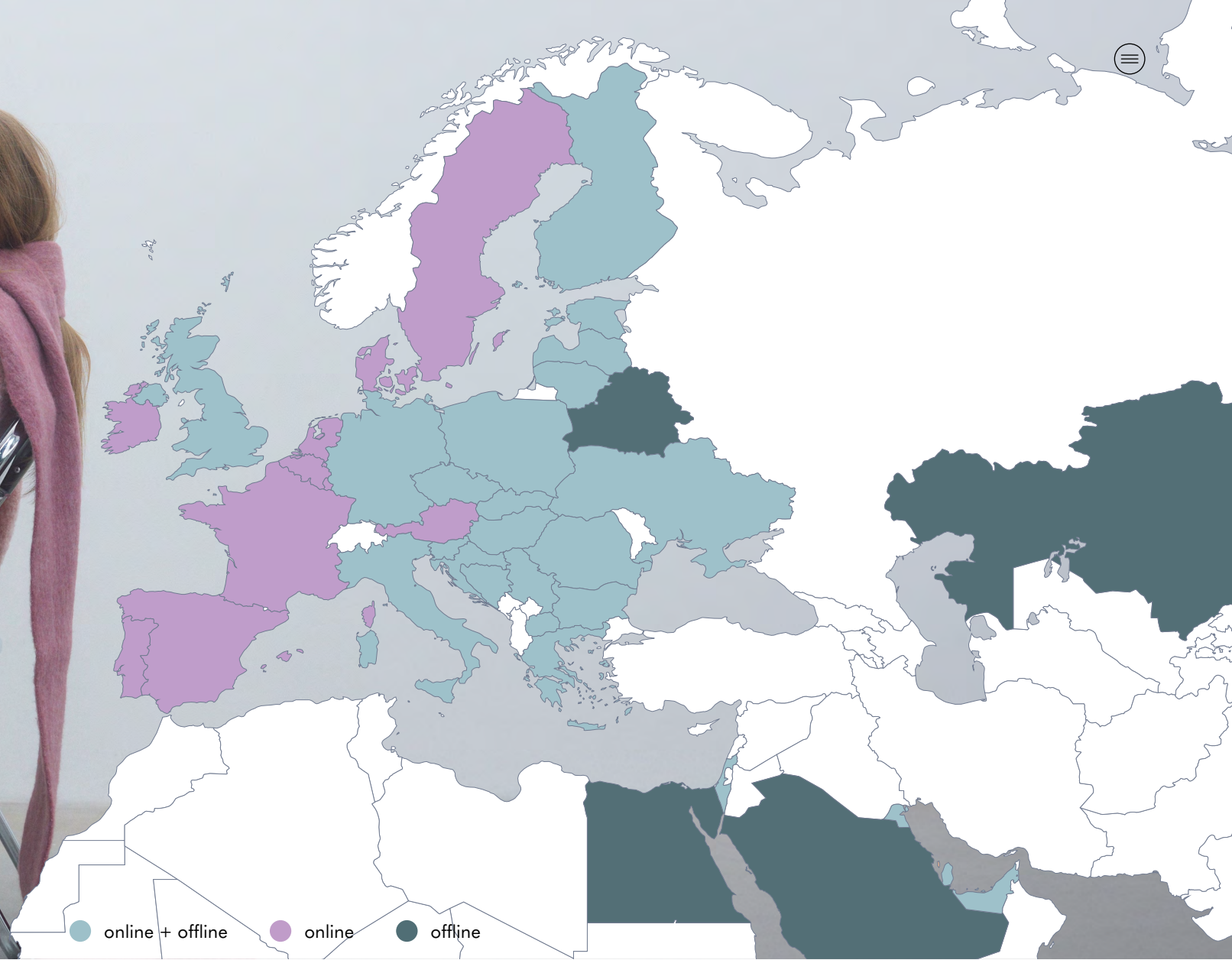


MARKET PRESENCE

The Group offers its products to customers in traditional stores and online stores located in **40 countries on 3 continents**.

The offline store chain comprises **2,574 stores of the total floorspace of 2,255 thousand m² in 29 countries**.

LPP Group is present online on **35 markets**.



STRUCTURE OF THE GROUP

LPP Group is composed of the Parent Company established in Poland, 6 domestic subsidiaries and 28 foreign subsidiaries. Most of the foreign subsidiaries are engaged in distribution of products of LPP brands outside Poland. On the other hand, Polish companies are involved in store operation services in the territory of 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 related to logistics centres (Veviera Investments Sp. z o.o.) or management of IT projects for the Group (Silky Coders Sp. z o.o. and Dock IT Sp. z o.o.).

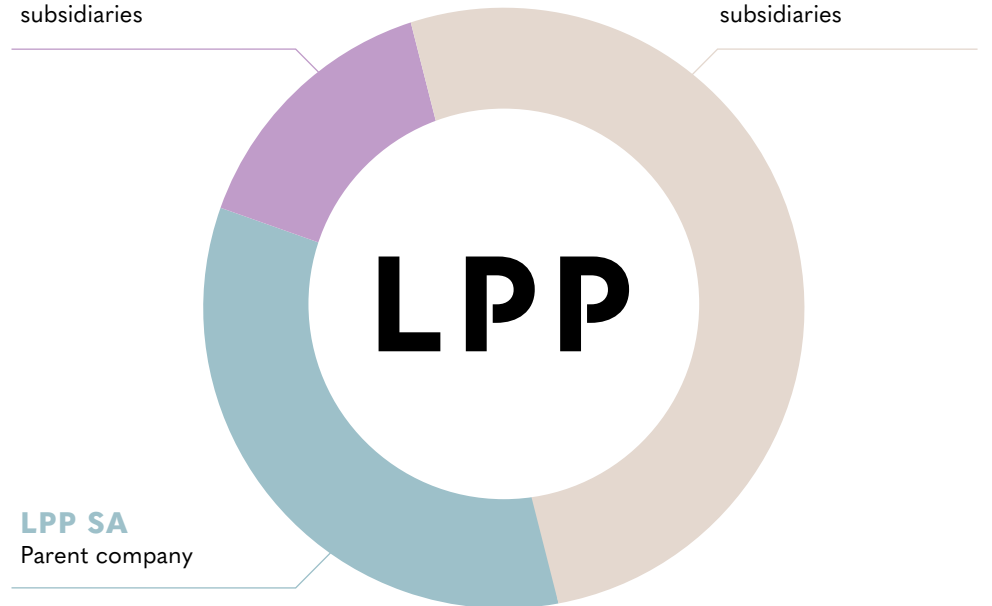
In 3Q 2024, a change in the Group's structure occurred involving the liquidation of the domestic subsidiary, IL&DL Sp. z o.o. dealing with real estate rental in Poland.

The consolidated financial statements of the Group for the period from 1 August 2024 to 31 October 2024 comprise separate results of LPP SA as well as the results of foreign subsidiaries and six Polish subsidiaries.

STRUCTURE OF LPP GROUP

6 DOMESTIC
subsidiaries

28 FOREIGN
subsidiaries



SHAREHOLDERS

LPP SA shares have been listed on the main market of the Warsaw Stock Exchange (WSE) since 2001. They are included in domestic indices, such as WIG, WIG Poland, WIG20, WIG30, WIG140, WIG Clothes and foreign indices, including MSCI Poland Index, CECE Index and FTSE Russell Index. In addition, the Company has been qualified as a member of the segment of family-owned companies listed on the WSE, launched in 2021.

On the debut date, the price of the Company shares amounted to PLN 48.00. The Company recorded its all-time minimum price of PLN 47.00 on 18 May 2001 and the all-time highest of PLN 18,900.00 on 26 February 2024.

The Group's share capital (which also constitutes the share capital of the parent company) consists of 1,855,890 shares with a nominal value of PLN 2 per share and amounted to PLN 3,711,780 as at the balance sheet date.

The table below presents shareholders holding (directly or indirectly) at least 5% of the total number of votes at the GM as at the date of publishing this report. Since the publication of the previous interim report, i.e. for 1H 2024, no changes have taken place in the ownership structure of major LPP shareholdings.



Shareholder	Number of shares held (pcs.)	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
Other shareholders	1,277,001	68.8%	1,277,001	39.2%	2,554,002
Total	1,855,890	100.0%	3,255,890	100.0%	3,711,780

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

SUPERVISORY BOARD AND MANAGEMENT BOARD

As at 31 October 2024, the Supervisory Board of LPP was composed of:

Miłosz Wiśniewski – Independent Supervisory Board Chair
 Alicja Milińska – Supervisory Board Member
 Jagoda Piechocka – Supervisory Board Member
 Piotr Piechocki – Supervisory Board Member
 Grzegorz Maria Słupski – Independent Supervisory Board Member

As at 31 October 2024, the Management Board of LPP was composed of:

Marek Piechocki – President of Management Board
 Sławomir Łoboda – Management Board Member
 Marcin Piechocki – Management Board Member
 Mikołaj Wezdecki – Management Board Member

At the same time, in 3Q 2024, changes in the composition of the LPP Management Board took place, resulting from the resignation of Mr Przemysław Lutkiewicz as a member of the Company's Management Board on 17 October (CR 25/2024) and the appointment of Mr Marcin Bójko as the Management Board Member by the EGM on 15 November (CR 30/2024).

The table presents LPP shareholding of members of LPP Management Board and Supervisory Board as at the date of publication of this report. Since the publication of the previous report, i.e. for 1H 2024, the structure of LPP shareholding of members of the Management Board and the Supervisory Board has changed due to Mr Marcin Bójko holding LPP shares joining the Management Board.

Shareholder	Number of shares held (pcs.)	Number of votes at the GM
Marek Piechocki – President of LPP Management Board	1,952	1,952
Marcin Bójko – Management Board Member	5	5
Sławomir Łoboda – Management Board Member	650	650
Marcin Piechocki – Management Board Member	889	889
Mikołaj Wezdecki – Management Board Member	1	1
Alicja Milińska – Supervisory Board Member	732	732
Jagoda Piechocka – Supervisory Board Member	103	103



Basic figures illustrating the effects of LPP Group's operations from 1 August 2024 to 31 October 2024 and cumulatively for 9 months

NUMBER OF STORES

As at 31.10.2024	Number of stores
Sinsay	1,230
Reserved	365
Cropp	374
House	371
Mohito	234
Total	2,574

REVENUES BY BRAND

PLN m	1-3Q 2024	1-3Q 2023	YoY change (%)
Sinsay	7,066	4,947	42.8%
Reserved	3,955	3,858	2.5%
Cropp	902	903	-0.1%
House	900	788	14.2%
Mohito	967	958	0.9%
Other	65	175	-62.6%
Trade agents	667	937	-28.8%
Total	14,523	12,565	15.6%

PLN m	3Q 2024	3Q 2023	YoY change (%)
Sinsay	2,695	1,880	43.3%
Reserved	1,406	1,275	10.3%
Cropp	303	310	-2.2%
House	315	288	9.4%
Mohito	311	320	-2.7%
Other	20	69	-71.0%
Trade agents	162	208	-22.2%
Total	5,212	4,350	19.8%

ONLINE SALES

PLN m	1-3Q 2024	1-3Q 2023	YoY change (%)
Online sales	3,759	3,044	23.5%

PLN m	3Q 2024	3Q 2023	YoY change (%)
Online sales	1,394	1,027	35.7%

REVENUES BY REGION

Region/ country (PLN m)	1-3Q 2024	1-3Q 2023	YoY change (%)
Poland	6,298	5,314	18.5%
Other countries	7,559	6,314	19.7%
Trade agents	667	937	-28.8%
Total	14,523	12,565	15.6%

Region/ country (PLN m)	3Q 2024	3Q 2023	YoY change (%)
Poland	2,208	1,866	18.3%
Other countries	2,843	2,276	24.9%
Trade agents	162	208	-22.2%
Total	5,212	4,350	19.8%

OPERATING COSTS

IFRS16	1-3Q 2024	1-3Q 2023	YoY change
Operating costs (PLN m)	5,928	4,728	25.4%
Operating costs per m ² / month	312	295	5.7%
Operating costs/ sales	40.8%	37.6%	3.2 pp.

IFRS16	3Q 2024	3Q 2023	YoY change
Operating costs (PLN m)	2,096	1,600	31.0%
Operating costs per m ² / month	317	287	10.6%
Operating costs/ sales	40.2%	36.8%	3.4 pp.

CAPITAL EXPENDITURE

PLN m	1-3Q 2024	1-3Q 2023	YoY change (%)
Stores	782	692	12.9%
Offices	30	57	-47.1%
Logistics	274	10	2,695.9%
IT & Other	120	68	76.0%
Total	1,206	827	45.8%

PLN m	3Q 2024	3Q 2023	YoY change (%)
Stores	297	262	13.5%
Offices	11	15	-27.2%
Logistics	153	1	12,650.0%
IT & Other	58	12	383.3%
Total	519	290	79.0%

LPP

INVENTORY

	31.10.2024	31.10.2023	YoY change (%)
Inventory (PLN m)	4,094	3,187	28.5%
Inventory per m ² in PLN	1,827	1,666	9.7%

INDEBTEDNESS

PLN m, IFRS16	31.10.2024	31.10.2023	YoY change (%)
Long-term bank loans	443	502	-11.7%
Short-term bank loans	494	451	9.5%
Bonds	308	294	4.6%
Finance leases	4,558	3,865	17.9%
Cash	1,134	908	24.9%
Net debt	4,669	4,204	11.1%
Net debt/ EBITDA (4Q)	1.2	1.2	-4.9%



FACTORS AND EVENTS, INCLUDING THOSE OF AN EXTRAORDINARY NATURE, WITH A MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS IN 3Q

REVENUES

In 3Q 2024, LPP Group achieved revenues of PLN 5.2 billion, which represents a result higher by 19.8% YoY (by 25.2% in constant currencies).

The Group generated a higher revenue due to the growth of sales in both channels, the online and the traditional channel. Higher YoY online sales results, i.e. 35.7% were achieved due to the development of mobile apps and a broader product offer dedicated to online stores. At the same time, sales of the online channel in 3Q 2024 accounted for ca 26.7% of the Group's total sales (23.6% in 3Q 2023).

The Group recorded double-digit revenue growth in traditional stores, i.e. +19.4% YoY due to the YoY floorspace growth (135 new stores opened) and positive LFLs of almost all brands (7.5% for the Group).

The Sinsay brand recorded the highest revenue in 3Q 2024, both in nominal terms and growth rate, i.e. PLN 2.7 billion, a YoY increase of 43.3%. A diversified and constantly developing product range at affordable prices, the systematic pursuit of the ambitious target of opening new Sinsay traditional stores and the economic climate fostering the popularity of shopping in the value-for-money segment,

where the brand belongs, are the factors that contributed to its revenue growth.

GROSS PROFIT MARGIN

In 3Q 2024, the Group generated a favourable gross profit margin of 54.8%. It was 1.0 pp. lower than a year earlier. The lower YoY gross margin resulted from the increasing revenue contribution of the Sinsay brand, which records a lower gross margin due to its presence in the value-for-money segment. The lower YoY margin was affected by the unfavourable effect of exchange rates in the selling price, as well as the high base in 2023.

INVENTORIES

In 3Q 2024, the Group increased its inventory by PLN 907 million, i.e. by 28.5% compared with the previous year. At the same time, inventory remained at a similar level of 4.8% in quarter-on-quarter terms. Inventory per m² increased by 9.7% from PLN 1,666/ m² to PLN 1,827/ m² due to the planned increase in floorspace in 3Q and 4Q and a broader product offering. Inventory turnover in 3Q 2024 was 153 days, compared to 148 days in 3Q 2023.

OPERATING COSTS

The Group's operating costs in 3Q 2024 increased by 31.0% YoY. This increase was driven by a low base, as well as by an intensive growth of the traditional store network, which involves periodically higher expenses in the areas of store costs, logistics and partly in head office costs.

In 3Q 2024, costs of stores amounted to PLN 1,176 million (+22.5% YoY) and HQ and e-commerce costs – to PLN 920 million (+43.7% YoY).

At the same time, the Group's operating costs per m² increased by 10.6% YoY. This growth was mainly driven by higher YoY wage costs in traditional stores and the costs of opening new stores as well as building the operational scale of two more warehouses for e-commerce. In addition, the YoY increase in costs is the result of higher transport costs (higher volume of goods) and higher YoY performance marketing expenses (low 3Q23 base).

Consequently, the share of operating costs in the revenue increased from 37% in 3Q 2023 to 40% in 3Q 2024.

OTHER OPERATING INCOME AND COSTS

The Group's results at a level of other operating revenues and costs in 3Q 2024 were also affected by one-offs related to the reversal of write-offs for goods (PLN 7 million) and losses in fixed and current assets (PLN 30 million).

As a result of the above factors in the accounting period, the Group generated EBIT of PLN 731 million, i.e. 8.9% lower compared to PLN 803 million earned a year earlier. The Group's operating profitability (EBIT margin) stood at 14.0%, compared with 18.4% in the previous year.

FINANCIAL COSTS AND INCOME

In 3Q 2024, the Group recorded negative balance on net financial activities, which consisted mainly of revenues from the reversal of the discount on receivables from the divestment of Russian company (+PLN 18 million), and on the cost side, interest from leasing liabilities (PLN 37 million).

As a consequence, in 3Q 2024, LPP Group generated net profit of PLN 577 million compared to PLN 574 million in the previous year, with net profitability of 11.1% (compared to 13.2% in the previous year).

The key figures illustrating the effects of the Group's operations and the margins achieved in 3Q 2024 are presented in the tables below.

Figure (PLN m)	1-3Q 2024	1-3Q 2023	YoY change (%)
Revenues	14,523	12,565	15.6%
Gross profit on sales	7,729	6,426	20.3%
Costs of stores and distribution and general costs	5,928	4,728	25.4%
EBITDA	2,970	2,653	11.9%
Operating profit (loss)	1,753	1,640	6.9%
Net profit (loss)	1,297	1,128	15.0%

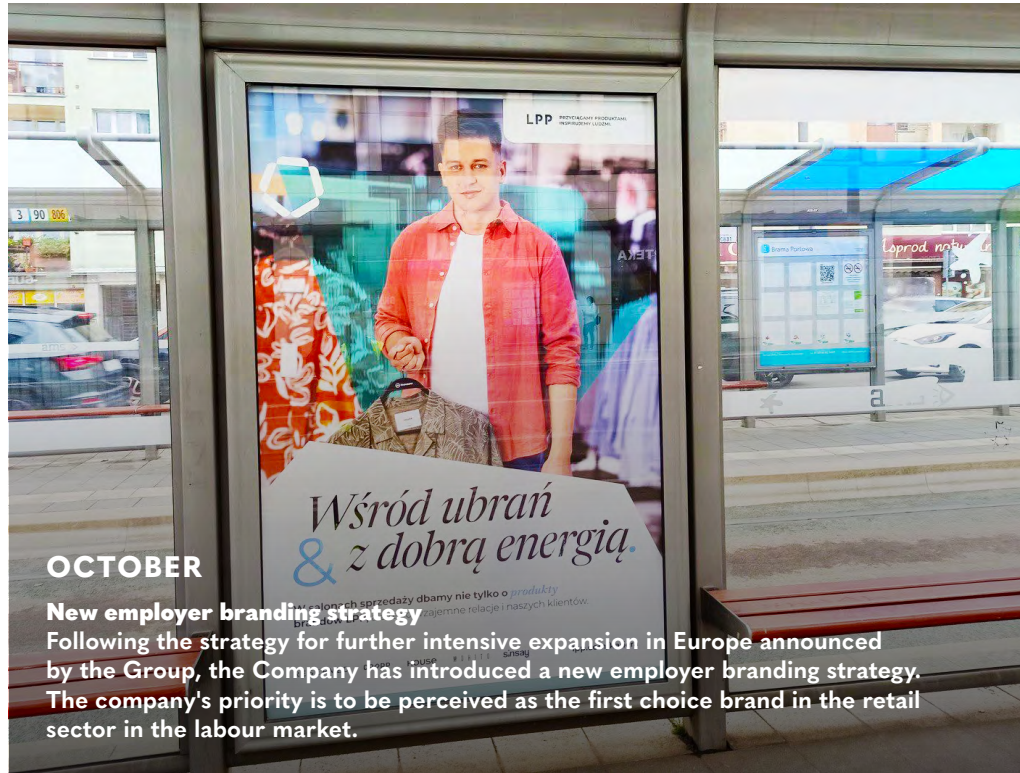
Figure (PLN m)	3Q 2024	3Q 2023	YoY change (%)
Revenues	5,212	4,350	19.8%
Gross profit on sales	2,857	2,426	17.7%
Costs of stores and distribution and general costs	2,096	1,600	31.0%
EBITDA	1,157	1,159	-0.1%
Operating profit (loss)	731	803	-8.9%
Net profit (loss)	577	574	0.5%

Margin (%)	1-3Q 2024	1-3Q 2023	YoY change (pp.)
Gross profit on sales margin	53.2%	51.1%	2.1 pp.
EBITDA	20.5%	21.1%	-0.7 pp.
Operating margin	12.1%	13.1%	-1.0 pp.
Net margin	8.9%	9.0%	0.0 pp.

Margin (%)	3Q 2024	3Q 2023	YoY change (pp.)
Gross profit on sales margin	54.8%	55.8%	-1.0 pp.
EBITDA	22.2%	26.6%	-4.4 pp.
Operating margin	14.0%	18.4%	-4.4 pp.
Net margin	11.1%	13.2%	-2.1 pp.



OTHER MATERIAL EVENTS IN 3Q 2024 AND UNTIL THE REPORT PUBLICATION DATE:



OCTOBER

New employer branding strategy

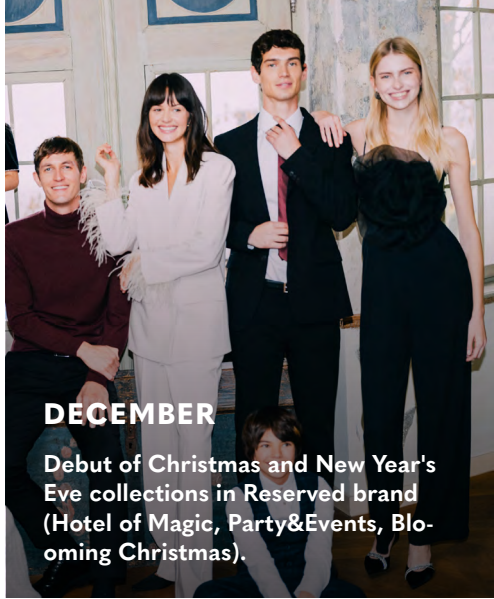
Following the strategy for further intensive expansion in Europe announced by the Group, the Company has introduced a new employer branding strategy. The company's priority is to be perceived as the first choice brand in the retail sector in the labour market.

OCTOBER 

North Macedonia - online debut
Opening of an all-brand online store in North Macedonia.

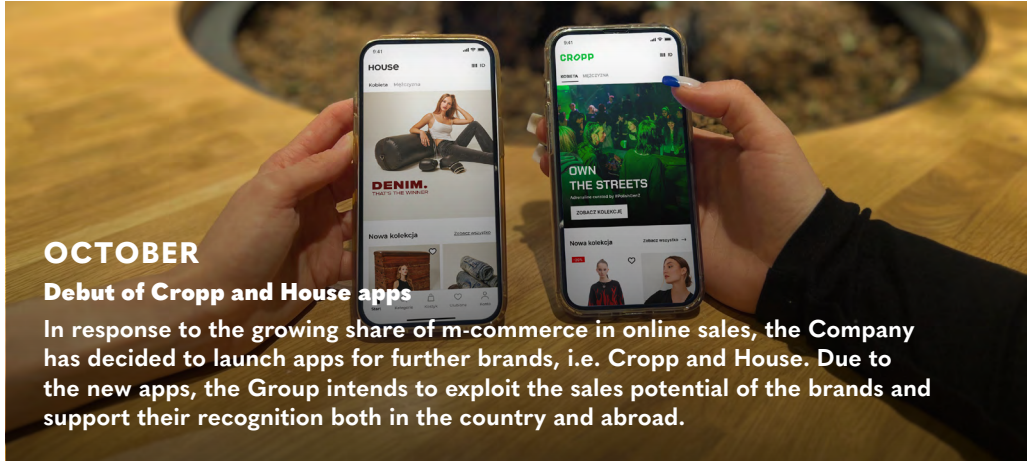
OCTOBER

Payment of dividend
In accordance with the resolution of the Annual General Meeting of Shareholders, the dividend for the financial year 2023 in the total amount of PLN 610 per share (less the advance payment of PLN 285 disbursed in April 2024) was paid on 30 October 2024.



DECEMBER

Debut of Christmas and New Year's Eve collections in Reserved brand (Hotel of Magic, Party&Events, Blooming Christmas).



OCTOBER

Debut of Cropp and House apps

In response to the growing share of m-commerce in online sales, the Company has decided to launch apps for further brands, i.e. Cropp and House. Due to the new apps, the Group intends to exploit the sales potential of the brands and support their recognition both in the country and abroad.

FACTORS THAT MAY AFFECT LPP GROUP'S PERFORMANCE IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER

The Group's financial performance over the next quarters may be affected by several factors, which may both pose risks and offer opportunities for the Company. These factors may be both of an external nature - independent of the Company - and of an internal nature under the Company's control.

OPPORTUNITIES

- Development of the Sinsay brand omnichannel concept based on traditional stores (located mainly in retail parks in smaller towns), supported by the online channel.
- Continuous expansion of Sinsay brand's online offer with new product categories.
- Expansion in new markets (especially Southern Europe).
- Development of mobile apps in all brands.
- A rise in the minimum wage, which may increase the propensity of people benefiting from the increases to buy clothing.
- Fashion trends, attractiveness of the collection offered by the Company.
- Growing scale of operations, including increased bargaining power when negotiating with suppliers and carriers.

THREATS AND RISKS

- Geopolitical instability and potential disruptions to the supply chain.
- Downturn in the economy in the region and its resulting impact on the behaviour of customers.
- Rise in the minimum wage in Poland adversely affecting the Group's operating costs.
- Increasing competition in the value-for-money segment.
- Depreciation of the US\$/PLN exchange rate, affecting the gross sales margin.

TARGETS

- The Group's revenue plans for the whole financial year 2024 assume a possibility of generating ca PLN 20-21 billion of sales, with a YoY growth in the traditional sales segment (due to the increase in floorspace and positive LFLs) and a growth in the online channel. The Company anticipates a 23% YoY increase in floorspace, prioritising the development of Sinsay brand stores. In the 2024 financial year, the Group expects a gross sales margin in the range of 52-53%. At the same time, the Company assumes maintaining cost efficiency (the operating costs/ sales ratio of ca 40%). Capital expenditure at a level of PLN 1.9 billion, including PLN 1.4 billion for stores is also planned. In addition, the Company wants to maintain a safe debt level and there are no plans to roll over bonds, which redemption is 12 December 2024.
- In implementing its plans for 2024, the Group is strengthened by the good outlook for 4Q, resulting from the positive response to the winter collection by customers and the YoY sales growth of +22,4% (constant currencies) in the period from 1 November to 10 December, as well as the implementation of the planned store openings in 4Q.
- At the same time, for the next financial year, i.e. 2025, due to the floorspace growth 35-40%, positive LFLs and double-digit YoY growth in the online channel, the Group expects revenues of ca PLN 26 billion, with gross profit on sales in the range of 52-53%. In 2025, the Company also anticipates maintaining cost efficiency (the operating costs/ sales ratio max. 40%) and capital expenditure of PLN 3.5 billion, including PLN 2.3 billion for stores. In addition, the Company wants to maintain a safe debt level.



02

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We hereby approve the consolidated condensed interim financial statements of the LPP SA Group for the 9-month period, i.e. from 1 February to 31 October 2024, comprising the consolidated condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 1,290 million, the consolidated condensed interim statement of financial position recognising the total assets and liabilities in the amount of PLN 16,771 million, the consolidated condensed interim statement of cash flows recognising an increase in net cash by PLN 68 million, the consolidated condensed interim statement of changes in equity, recognising an increase in equity by PLN 165 million, as well as notes containing the description of the material accounting principles and other explanatory information.

GDAŃSK, 11 DECEMBER 2024

MANAGEMENT BOARD OF LPP SA:

MAREK PIECHOCKI

President of the Management Board

MARCIN BÓJKO

Management Board Member

SŁAWOMIR ŁOBODA

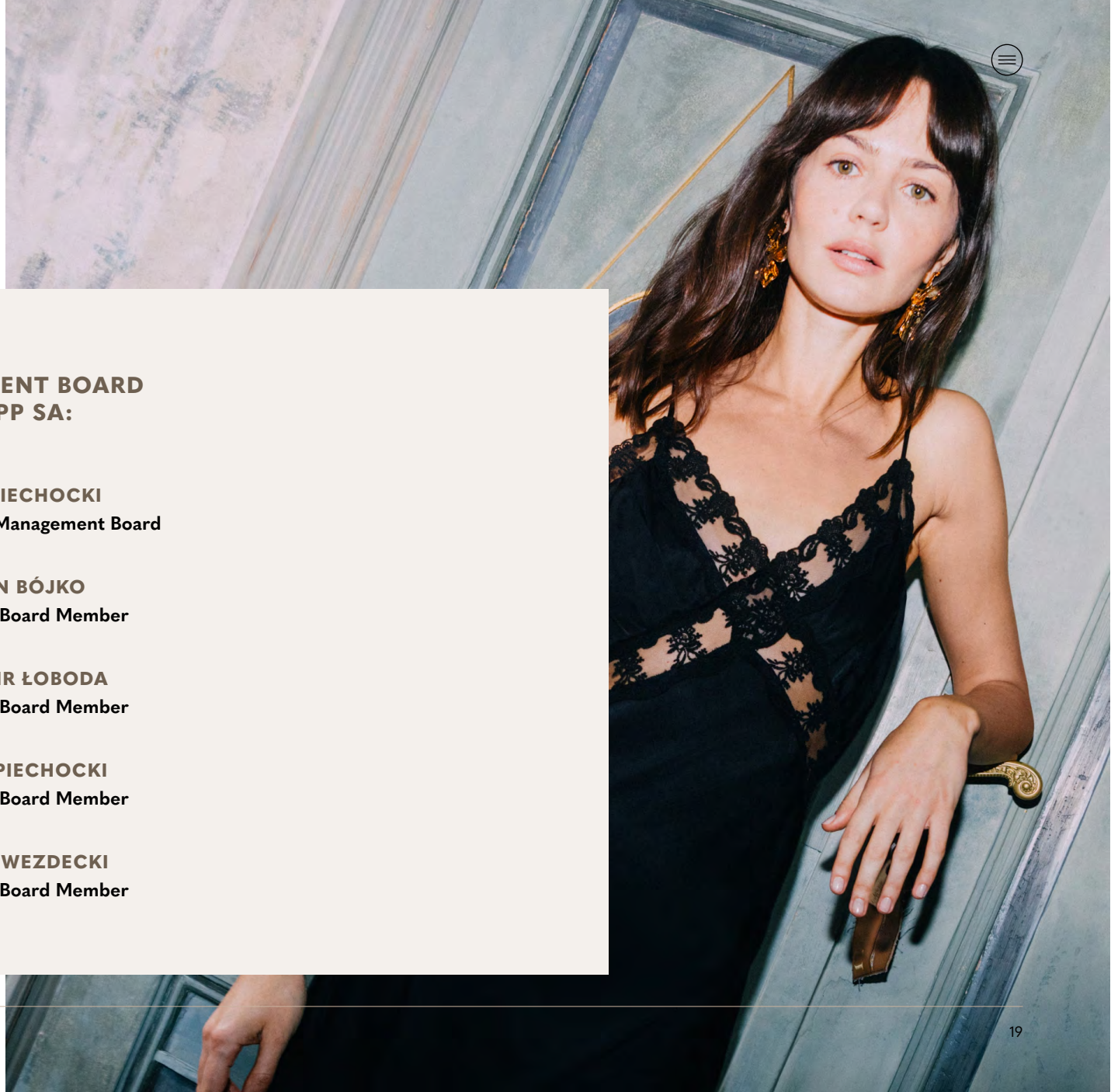
Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member



SELECTED CONSOLIDATED CONDENSED INTERIM FINANCIAL DATA

for the 9-month period ended 31 October 2024

Selected consolidated financial data	PLN m		EUR m		Selected consolidated financial data	PLN m		EUR m	
	Cumulatively					As at:			
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023		31.10.2024	31.01.2024	31.10.2024	31.01.2024
Revenues	14,523	12,565	3,375	2,763	Total assets	16,771	13,802	3,853	3,178
Operating profit (loss)	1,753	1,640	407	361	Long-term liabilities	3,904	3,431	897	790
Pre-tax profit (loss)	1,656	1,430	385	314	Short-term liabilities	7,985	5,654	1,834	1,302
Net profit (loss) attributable to shareholders of the dominating entity	1,299	1,124	302	247	Equity	4,882	4,717	1,122	1,086
Weighted average number of shares	1,855,300	1,854,842	1,855,300	1,854,842	Share capital	4	4	1	1
Profit (loss) per share (PLN m)	700.16	605.98	162.71	133.23	Weighted average number of shares	1,855,300	1,855,190	1,855,300	1,855,190
Net cash flows from operating activities	3,121	3,223	725	709	Book value per share (PLN m)	2,631.38	2,542.60	604.50	585.39
Net cash flows from investing activities	-1,391	-746	-323	-164	Declared or paid dividend per share (PLN m)	610.00	430.00	140.13	99.00
Net cash flows from financing activities	-1,662	-2,035	-386	-447					
Total net cash flows	68	442	16	97					

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the 9-month period ended 31 October 2024

Statement of comprehensive income (PLN m)	Cumulatively		3Q						
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023					
Continuing operations					Weighted average number of shares	1,855,300	1,854,842	1,855,300	1,854,842
Revenues	14,523	12,565	5,212	4,350	Diluted number of shares	1,855,888	1,856,102	1,855,888	1,856,102
Cost of goods sold	6,794	6,139	2,355	1,924	Net profit (loss) attributable to shareholders of the dominating entity per share (PLN m)	700.16	605.98	312.08	310.54
Gross profit (loss) on sales	7,729	6,426	2,857	2,426	Diluted profit (loss) attributable to shareholders of the dominating entity per share (PLN m)	699.93	605.57	311.98	310.33
Costs of stores and distribution	5,126	4,101	1,804	1,400	Net profit (loss) from continuing operations amount per share (PLN m)	699.08	608.14	311.00	310.00
Overheads	802	626	292	200	Diluted net profit (loss) from continuing operations per share (PLN m)	698.86	607.73	310.90	309.79
Other operating income	42	40	1	12					
Other operating costs	90	99	31	36					
Operating profit (loss)	1,753	1,640	731	802					
Financial income	108	53	39	20					
Financial costs	205	263	46	103					
Pre-tax profit	1,656	1,430	724	719					
Income tax	359	302	147	144					
Total net profit (loss)	1,297	1,128	577	575					
Net profit attributable to:									
Shareholders of the dominating entity	1,299	1,124	579	576					
Non-controlling interests	-2	4	-2	-1					
Other comprehensive income									
Items transferred to profit or loss									
Currency translation on foreign operations	-7	-54	12	8					
Total comprehensive income	1,290	1,074	589	583					
Attributed to:									
Shareholders of the parent company	1,292	1,070	591	584					
Non-controlling interests	-2	4	-2	-1					

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 October 2024

Statement of financial position (PLN m)	As at:			Statement of financial position (PLN m)	As at:		
	31.10.2024	31.01.2024	31.10.2023		31.10.2024	31.01.2024	31.10.2023
ASSETS				EQUITY AND LIABILITIES			
Non-current assets	9,351	7,973	7,934	Equity	4,882	4,717	4,265
1. Tangible fixed assets	4,333	3,643	3,633	1. Share capital	4	4	4
2. Right of use assets	3,872	3,245	3,174	2. Share premium	364	364	364
3. Intangible assets	324	271	229	3. Other reserves	2,967	2,466	2,462
4. Goodwill	183	183	183	4. Currency translation on foreign operations	-40	-33	3
5. Trade mark	78	78	78	5. Retained earnings	1,586	1,913	1,430
6. Long-term receivables	273	229	308	6. Non-controlling interest	1	3	2
7. Deferred tax assets	277	306	314	Long-term liabilities	3,904	3,431	3,778
8. Pre-payments	5	9	5	1. Bank loans and borrowings	443	490	502
9. Other financial assets	6	9	10	2. Lease liabilities	3,418	2,892	2,896
Current assets	7,420	5,829	5,787	3. Bonds	0	0	294
1. Inventory	4,094	3,040	3,187	4. Employee benefits	2	2	2
2. Trade receivables	841	810	804	5. Deferred tax liabilities	1	2	7
3. Receivables from income tax	22	36	31	6. Accruals	40	45	77
4. Short-term receivables	105	90	55	Short-term liabilities	7,985	5,654	5,678
5. Other non-financial assets	128	66	59	1. Trade and other liabilities	5,732	4,185	3,940
6. Pre-payments	76	82	65	2. Contract liabilities	22	29	18
7. Other financial assets	175	68	114	3. Customer refund liabilities	132	85	102
8. Deposits and mutual funds	845	561	564	4. Bank loans and borrowings	494	49	451
9. Cash and cash equivalents	1,134	1,076	908	5. Lease liabilities	1,140	1,015	969
TOTAL Assets	16,771	13,802	13,721	6. Employee benefits	178	181	126
				7. Income tax liabilities	210	53	22
				8. Provisions	16	6	11
				9. Accruals	61	51	39
				TOTAL equity and liabilities	16,771	13,802	13,721

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the 9-month period ended 31 October 2024

Statement of cash flows (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
A. Cash flows from operating activities - indirect method				
I. Pre-tax profit (loss)	1,656	1,430	724	719
II. Total adjustments	1,465	1,793	223	379
1. Amortisation and depreciation	1,217	1,013	426	357
2. Foreign exchange (gains) losses	18	-13	12	23
3. Interest and dividends	162	162	59	46
4. (Profit) loss on investing activities	23	0	14	2
5. Income tax paid	-162	-425	-58	-99
6. Change in provisions and employee benefits	-16	-20	-24	-5
7. Change in inventory	-1,067	108	-181	-62
8. Change in receivables and other assets	-294	129	-462	43
9. Change in short-term liabilities excluding bank loans and borrowings	1,562	845	419	65
10. Change in prepayments and accruals	15	-11	12	5
11. Other adjustments	7	5	6	4
III. Net cash flows from operating activities	3,121	3,223	947	1,098
B. Cash flows from investing activities				
I. Inflows	72	91	21	28
1. Disposal of intangible and tangible fixed assets	70	90	19	28
2. Repayment of loans including interest	2	1	2	0
II. Outflows	1,463	837	524	290
1. Purchase of intangible assets and tangible fixed assets	1,206	827	519	290
2. Other investing outflows	257	10	5	0
III. Net cash flows from investing activities	-1,391	-746	-503	-262
C. Cash flows from financial activity				
I. Inflows	434	0	229	0
1. Bank loans and borrowings	434	0	229	0
II. Wydatki	2,096	2,035	936	701
1. Dividends and other payments to owners	1,132	798	603	399
2. Repayment of bank loans and borrowings	36	392	12	13
3. Lease liabilities paid	776	683	270	241
4. Interest	152	162	51	48
III. Net cash flows from financing activities	-1,662	-2,035	-707	-701
D. Total net cash flows	68	442	-263	135
E. Balance sheet change in cash, including:	58	443	523	135
- change in cash due to foreign exchange differences	-10	1	0	-11
F. Opening balance of cash	1,000	390	1,331	697
G. Closing balance of cash	1,068	832	1,068	832

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 31 October 2024

Statement of changes in equity (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 2024	4	364	2,466	-33	1,913	4,714	3	4,717
Remuneration paid in shares	0	0	7	0	0	7	0	7
Distribution of profit for 2023	0	0	494		-494	0	0	0
Dividend paid	0	0	0	0	-1,132	-1,132	0	-1,132
Transaction with owners	0	0	501	0	-1,626	-1,125	0	-1,125
Net profit for the 9-month period ended 31 October 2024	0	0	0	0	1,299	1,299	-2	1,297
Currency translation on foreign operations	0	0	0	-7	0	-7	0	-7
Total comprehensive income	0	0	0	-7	1,299	1,292	-2	1,290
As at 31 October 2024	4	364	2,967	-40	1,586	4,881	1	4,882
As at 1 February 2024	4	364	2,721	57	840	3,986	-2	3,984
Remuneration paid in shares	0	0	5	0	0	5	0	5
Dividend paid	0	0	-264	0	-534	-798	0	-798
Transaction with owners	0	0	-259	0	-534	-793	0	-793
Net profit for the 9-month period ended 31 October 2023	0	0	0	0	1,124	1,124	4	1,128
Currency translation on foreign operations	0	0	0	-54	0	-54	0	-54
Total comprehensive income	0	0	0	-54	1,124	1,070	4	1,074
As at 31 October 2023	4	364	2,462	3	1,430	4,263	2	4,265

03

SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

BASIS FOR PREPARATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND INFORMATION ON CHANGES IN KEY ACCOUNTING PRINCIPLES AND NOTES



1. BASIS FOR PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard no. 34, Interim Financial Reporting ("IAS 34") approved by the European Union.

The consolidated condensed interim financial statements do not comprise 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 2024 approved for publication on 26 March 2024.

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

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

- the exchange rate effective as at the last day of the reporting period: 31.07.2024 to PLN/EUR 4.353 and 31.01.2024 to PLN/EUR 4.3434,

- the average exchange rate for the period, calculated as an arithmetic mean of the rates effective as at the last day of each month in a given period: 01.02-31.10.2024 - PLN/EUR 4.3032, 01.02.-31.10.2023 - PLN/EUR 4.5483.

These consolidated condensed interim financial statements have been prepared under the assumption that the Group will continue as a going concern and do not include any adjustments relating to different methods of valuation and classification of assets and liabilities that might be deemed necessary if the Group were unable to continue as a going concern for the foreseeable future.

2. CHANGES IN ESTIMATES AND ASSUMPTIONS

In the current period, no change in the approach to estimates or assumptions took place compared to those adopted and disclosed in the consolidated financial statements for the financial year ended 31 January 2024, approved on 26 March 2024.

3. ADJUSTMENTS OF ERRORS AND CHANGES IN ACCOUNTING PRINCIPLES

In the consolidated condensed interim financial statements, no change in accounting principles or adjustment of errors occurred.

4 SEASONALITY OF OPERATIONS

Seasonality in sales is characteristic for the entire clothing market both in Poland and abroad. The gross profit margin generated in the period of selling a new collection at regular prices is usually higher than the margin recorded during sell-offs. Such situation affects disproportions in the level of margins generated in individual calendar quarters (with the highest margins in 2Q and 4Q and the lowest in 1Q and 3Q). In order to avoid major differences in margins between quarters, the Group changed its financial year by adjusting it to the collection calendar consequently mitigating the impact of clearance sales and seasonality on margins of individual calendar quarters.

5. OPERATING SEGMENTS

Revenues and financial results regarding geographical segments for the period from 1 February to 31 October 2024 and for a comparable period are presented in the tables below.

The geographical areas indicated below comprise individual countries where revenue and other results were generated for LPP SA Group. The breakdown of countries is as follows:

Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other
Poland	Germany, Italy, Finland, United Kingdom	Czech Republic, Slovakia, Hungary	Romania, Bulgaria, Greece, North Macedonia, Serbia, Bosnia and Herzegovina, Croatia, Slovenia	Lithuania, Latvia, Estonia	UEA*, Türkiye*	Ukraine, Kazakhstan, Belarus and franchise sale

01.02.2024-31.10.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Revenues	6,298	866	1,737	3,051	581	667	1,323	14,523
Operating profit (loss)	1,060	-21	141	381	72	-70	190	1,753
Profit before tax								1,656
Income tax								359
Net profit (loss)								1,297
01.02.2023-31.10.2023 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Revenues	5,314	619	1,597	2,427	577	937	1,094	12,565
Operating profit (loss)	898	34	151	211	95	138	113	1,640
Profit before tax								1,430
Income tax								302
Net profit (loss)								1,128

*The destination country for goods sold to Trade agents, during the transitional period, based on the Re Trading sales agreement, was the Russian Federation.

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents revenue from contracts with customers, broken down by categories reflecting how the economic factors affect the nature, amount, payment date and uncertainty of revenue and cash flows.

The specified column Trade agents illustrates the value of sales of goods, in the transitional period, to entities acting on behalf of investors in the Re Trading company.

TRADE AND OTHER RECEIVABLES

LPP Group sells clothes and accessories to target customers in traditional and online stores in Poland and abroad, with payments made in cash or by payment cards. Trade and other receivables also include wholesale settlements.

As at the balance sheet date, the Group recognises the discounted value of receivables after the divestiture of the Russian company in the amount of PLN 378 million. This value was presented in the Statement of financial position in the item Long-term receivables in the amount of PLN 273 million and in the item Short-term receivables in the amount of PLN 105 million. In accordance with the contract, the date of payment for the divestment of the company was deferred in agreed proportions maximum to 2026. This receivable was increased in the current quarter by the amount of PLN 18 million, recognised in financial income, resulting from

Revenue from contracts with customers for the period from 01.02.2024 to 31.10.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Type of sales								
online	1,777	370	483	732	120	0	276	3,759
offline	4,521	496	1,253	2,319	461	667	1,047	10,764
Total	6,298	866	1,737	3,051	581	667	1,323	14,523
Brand								
Sinsay	2,825	199	847	2,096	254	0	846	7,066
Reserved	1,845	621	507	534	195	0	254	3,955
Cropp	479	18	105	139	52	0	109	902
House	562	10	102	106	34	0	85	900
Mohito	522	19	175	176	46	0	29	967
Other	66	0	0	0	0	667	0	733
Total	6,298	866	1,737	3,051	581	667	1,323	14,523

Revenue from contracts with customers for the period from 01.02.2023 to 31.10.2023 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Type of sales								
online	1,367	246	450	624	129	0	228	3,044
offline	3,947	372	1,147	1,803	448	937	866	9,521
Total	5,314	619	1,597	2,427	577	937	1,095	12,565
Brand								
Sinsay	1,886	85	686	1,503	221	0	567	4,947
Reserved	1,801	487	544	528	214	0	283	3,858
Cropp	461	19	106	142	59	0	116	903
House	465	9	93	95	35	0	90	788
Mohito	527	18	168	159	48	0	38	958
Other	175	0	0	0	0	937	0	1,112
Total	5,314	619	1,597	2,427	577	937	1,095	12,565

the revaluation of the receivable and a reduction in the discount due to the lapse of time and the shortening of the period anticipated until the final repayment of the receivable.

WRITE-OFFS

During the 9-month period ended 31 October 2024, the Group recognised changes in write-

-offs on receivables in relation to all receivables or assets due to consumer contracts.

Changes performed both in the current period and in the comparable period are presented in the table below.

Revaluation write-offs on receivables (in PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Opening balance	78	51	58	70
Write-offs created in the period	11	27	1	-2
Write-offs reversed in the period	24	3	-6	-6
Foreign exchange differences from the conversion	0	0	0	1
Closing balance	65	75	65	75

7. OTHER OPERATING INCOME AND COSTS

Other operating income (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Profit on disposal of non-financial tangible fixed assets	0	2	0	2
Subsidies	1	1	0	0
Revaluation of assets, including:	14	5	-6	0
- revaluation of write-offs on receivables	13	0	-7	0
- revaluation write-offs on non-current assets net	1	5	1	0
Other operating income, including:	27	32	7	10
- gain on disposal of contracts under IFRS16	4	16	1	6
- compensations	4	4	0	1
Total	42	40	1	12

Other operating costs (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Loss on disposal of non-financial tangible fixed assets	0	0	0	0
Revaluation of non-financial assets, including:	0	24	0	4
- value of net fixed asset write-downs	0	0	0	0
- value of net write-downs on receivables	0	24	0	4
Other operating costs, including:	90	75	31	32
- losses on current and non-current assets	78	59	30	28
- donations	5	3	1	1
Total	90	99	31	36

In other operating costs, the most significant values comprise losses on current and non-current assets in the amount of PLN 78 million, mainly inventory shortages in stores and wa-

rehouses and liquidation of impaired goods (in the 9-month period ended 31 October 2023: PLN 59 million).

8. FINANCIAL INCOME AND COSTS

Financial income (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Interest	15	10	8	3
Valuation of units in funds	32	21	13	10
Dividends	0	0	0	0
Other financial income, including:	61	22	18	7
- discount	60	22	18	7
- currency translation balance	0	0	0	0
Total	108	53	39	20

Under financial income, LPP SA Group recognises a discount item of PLN 60 million in connection with the revaluation of receivab-

les due to the disposal of shares in Re Trading OOO (in the 9-month period ended 31 October 2023: PLN 22 million).

Financial costs (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Interest expenses - bank loans	36	66	14	18
Interest expenses - bonds	8	13	3	4
Interest expenses - budgetary and other	0	4	0	1
Interest expenses - lease liabilities	104	77	37	26
Other financial costs, including:	57	103	-8	54
- currency translation balance	50	99	-8	52
- bank commission	6	4	2	2
Total	205	263	46	103

9. INCOME TAX

Income tax (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Current income tax	334	268	145	124
Deferred income tax	25	34	2	20
Total	359	302	147	144

10. TANGIBLE FIXED ASSETS

PURCHASE AND SALE

In the 9-month period ended 31 October 2024, the Group purchased tangible fixed assets worth PLN 1,146 million (in the 9-month period ended 31 October 2023: PLN 799 million). These investments were mainly related to the development of new stores as well as the construction of warehouse space and offices in Gdańsk.

In the 9-month period ended 31 October 2024, the Company sold tangible fixed assets with the net value of PLN 2 million (in the 9-month period ended 31 October 2023: PLN 1 million).

IMPAIRMENT WRITE-OFFS

In the 9-month period ended 31 October 2024, the Group did not recognise write-offs on tangible fixed assets (in the 9-month period ended 31 October 2023: PLN 1 million). At the same time, in the current period,

the reversal of the write-off in the amount of PLN 1 million took place and the write-offs recognised earlier for the amount of PLN 5 million were used (in the 9-month period ended 31 October 2023: the reversal of the write-offs in the amount of PLN 6 million and the use of the write-offs in the amount of PLN 7 million). In the statement of comprehensive income, the surplus of reversal of write-offs over their creation is recognised in Other operating income, in the amount of PLN 1 million (in the 9-month period ended 31 October 2023: PLN 5).

11. INVENTORY

In accordance with the principles adopted in the Group, revaluation write-offs on inventories are recognised twice a year. In 3Q, the Group has not applied any revaluation write-offs.

Inventory (PLN m)	31.10.2024	31.01.2024
Materials	15	14
Goods	4,021	2,979
Right of return assets	58	47
Total	4,094	3,040

12. DEPOSITS AND MUTUAL FUNDS

Deposits and mutual funds (PLN m)	31.10.2024	31.01.2024
Participation units in funds	845	561
Total	845	561

During the reporting period, the Group purchased participation units in money market funds in the amount of PLN 257 million. The above value is recognised in the Cash flow statement under investing activities as other

The value of inventories consists mainly of trade goods. A detailed inventory structure is presented in the table below:

expenses. The measurement of the aforementioned instruments is included in level 2 of the fair value hierarchy in relation to participation units in unlisted funds.

13. OTHER FINANCIAL ASSETS

Other financial assets (PLN m)	31.10.2024	31.01.2024
Non-current assets		
Other receivables	6	9
Other long-term financial assets	6	9
Current assets		
Other receivables	2	2
Receivables from payment card operators	112	63
Loans granted	0	3
Forward contract measurement	61	0
Other short-term financial assets	175	68
Total	181	77

Measurement of the aforementioned instruments is included in level 2 of the fair value hierarchy.

Receivables from payment card operators in the amount of PLN 112 million represent a significant value disclosed above. Such a considerable growth compared to the end of January 2024 is due to the significant increase in the number of stores in the Group as well as a rise in offline and online sales with the use of payment cards.

14. BANK LOANS AND TRADE LIABILITIES

In the balance sheet period ended 31 October 2024, LPP SA Group did not sign or launch any new bank loan agreement. As at the balance sheet day, the Group recognised

debt due to investment loans in the amount of PLN 254 million.

Furthermore, LPP SA has five-year bonds issued in 2019 in the amount of 300 thousand pcs with the total historical value of PLN 300 million. As at the balance sheet date, their value amounted to PLN 308 million.

The Group's liabilities (including trade liabilities) as at the balance sheet date of 31 October 2024 amounted to PLN 5.7 million and increased by ca 37% compared to 31 January 2024. The noticeable increase in liabilities is a consequence of the intensive development of the chain of stores across the Group.

The Group also uses the supplier financing schemes, i.e. reverse factoring offered by the following banks: HSBC Polska SA, Santander Polska SA, Bank Pekao SA, PKO BP SA

and BNP Paribas, under which, after presenting a purchase invoice, the bank factor pay liabilities owed to the suppliers in line with a previously agreed time schedule. As at 31 October 2024, the Group's total trade liabilities held on this account amounted to PLN 3.5 billion (the total limit of PLN 5.5 billion).

15. DIVIDENDS PAID AND OFFERED FOR PAYMENT

On 12 July 2024, by resolution no 21, the Annual General Meeting of Shareholders of LPP SA decided to allocate a part of the profit generated for the year ended 31 January 2024 for dividend payment in the total amount of PLN 1,132 million, i.e. PLN 610 per share, whereas the payment of the dividend was divided into two instalments. The dividend advance was paid on 30 April 2024 in the amount of PLN 529 million, i.e. PLN 285 per share. The second tranche of the dividend amounted to PLN 603 million, i.e. PLN 325 per share, and it was paid on 30 October 2024. The dividend record date was set for 11 October 2024.

In the comparative period, on 30 June 2023, by resolution no 19, the GM of LPP SA decided to allocate the total profit generated for the year ended 31 January 2023 and a part of previous years' profit for dividend payment in the total amount of PLN 798 million. The dividend record date was set for 10 July 2023, whereas the payment was made in two instalments: on 14 July 2023 and on 10 October 2023. The dividend per share amounted to PLN 430.00.

16. CONTINGENT LIABILITIES AND ASSETS

In 3Q 2024, LPP Group companies used bank guarantees to secure the payment of rent for the leased floorspace for brand stores, offices and a warehouse.

As at 31 October 2024, the total value of bank guarantees issued at the request and under the responsibility of LPP amounted to PLN 335 million, of which:

- the value of guarantees issued to secure agreements concluded by LPP SA amounted to PLN 93 million;
- the value of guarantees issued to secure agreements concluded by consolidated affiliates amounted to PLN 214 million;
- the value of guarantees issued to secure agreements for the lease of warehouse and office space concluded by LPP SA amounted to PLN 28 million.

In balance sheet period, the Company also received guarantees. These guarantees served as collateral for payments from a contracting party. As at 31 October 2024, their value amounted to PLN 17 million. As at 31 October 2024, the value of sureties granted by LPP SA amounted to PLN 219 million. In the opinion of the Management Board, any outflow of funds recognised in off-balance sheet/ contingent liabilities is unlikely. The majority of these liabilities involve guarantees securing payment of rent by LPP Group entities. In the reporting period, neither the Issuer nor any of its subsidiaries granted any sureties for bank loans or credits 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 officers of LPP Group and their close family members,
- entities where persons classified as key personnel or their close family members exercise control or have significant influence, within the meaning of IAS 24.

The Company recognises members of the Parent Company Management Board and the Supervisory Board as key management officers.

From 01 February to 31 October 2024, the value of short-term benefits of members of the Parent Company Management Board amounted to PLN 4,303 thousand (in the 9-month period ended 31 October 2023: PLN 4,380 thousand).

From 1 February 2023 to 31 October 2024, the value of short-term benefits of members of the Parent Company Supervisory Board amounted to PLN 81 thousand (in the 9-month period ended 31 October 2023: PLN 100 thousand).

18. LITIGATION

In 3Q 2024, no material proceedings before a court, a competent authority for arbitration proceedings or a public administration authority were pending concerning the liabilities or receivables of LPP or a subsidiary. No si-

gnificant settlements on account of litigation took place in the reporting period.

On the other hand, LPP SA is involved in an investigation initiated by the Office for Competition and Consumer Protection (UOKiK) in order to determine whether the Company, in connection with its marketing activity referring to ecological issues, has committed an infringement justifying the initiation of proceedings concerning practices infringing the collective interests of consumers. The UOKiK enquiry is part of a coordinated effort by the European antitrust authorities targeting companies in the clothing industry with regard to standards for the use of ECO labelling of clothing. At the request of the President of the Office for Competition and Consumer Protection, LPP SA submitted a wide range of explanations and evidence. At this stage the Company is not charged for applying practices violating the collective interest of consumers. In the event that the authority decides that there are grounds to attribute such practices to the Company, the maximum legally permitted level of the fine is no more than 10% of the turnover generated in the financial year preceding the imposition of the fine.

In addition, pursuant to the decision of 3 October 2024, the Polish Financial Supervision Authority initiated administrative proceedings to impose a pecuniary penalty on LPP SA under the provisions of Article 96(1i) of the Act on Public Offering in connection with the suspected failure to comply with the disclosure obligation required by the MAR through the failure to promptly disclose to the public

LPP

confidential information about the key terms and structure of the transaction for the sale by the Issuer of 100% of shares in Re Trading OOO, as agreed by the parties to the negotiations concluded on 10 May 2022. Such an act is punishable by a fine of up to the equivalent of 2% of the total annual revenue recognised in the most recent audited financial statements for the financial year. The Company takes the opportunity to participate in the proceedings as a party by considering the use of the remedies provided by law to terminate the proceedings.

19. DISCONTINUED OPERATIONS

No discontinued operations took place in the current period.

20. SUPPLEMENTARY INFORMATION

In the reporting period, no issue, redemption or repayment of debt and equity securities took place.

21. EVENTS AFTER THE BALANCE SHEET DAY

Until the date of publication of the attached financial statements, no events requiring additional disclosures, other than those referred to in the report occurred after the balance sheet date.

MANAGEMENT BOARD OF LPP SA:

MAREK PIECHOCKI

President of the Management Board

MARCIN BÓJKO

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member

GDAŃSK, 11 DECEMBER 2024





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SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We hereby approve the separate condensed interim financial statements of LPP SA for the 9-month period, i.e. from 1 February to 31 October 2024, comprising the separate condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 1,309 million, the separate condensed interim statement of financial position recognising the total assets and liabilities in the amount of PLN 13,063 million, the separate condensed interim statement of cash flows recognising a decrease in net cash by PLN 7 million, the separate condensed interim statement of changes in equity, recognising an increase in equity by PLN 184 million, as well as supplementary information.

GDAŃSK, 11 DECEMBER 2024

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

MARCIN BÓJKO

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member



SELECTED SEPARATE CONDENSED INTERIM FINANCIAL DATA

for the 9-month period ended 31 October 2024

Selected separate financial data	PLN m		EUR m	
	Cumulatively			
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023
Revenues	12,001	10,535	2,789	2,316
Operating profit (loss)	1,305	1,372	303	302
Pre-tax profit (loss)	1,569	1,484	365	326
Net profit (loss)	1,309	1,245	304	274
Weighted average number of shares	1,855,300	1,854,842	1,855,300	1,854,842
Profit (loss) per share (PLN m)	705.55	671.22	163.96	147.58
Net cash flows from operating activities	1,359	1,853	316	407
Net cash flows from investing activities	-367	-141	-85	-31
Net cash flows from financing activities	-999	-1,521	-232	-334
Total net cash flows	-7	191	-2	42

Selected separate financial data	PLN m		EUR m	
	As at:			
	31.10.2024	31.01.2024	31.10.2024	31.01.2024
Total assets	13,063	11,029	3,001	2,539
Long-term liabilities	1,669	1,514	383	349
Short-term liabilities	6,420	4,725	1,475	1,088
Equity	4,974	4,790	1,143	1,103
Share capital	4	4	1	1
Weighted average number of shares	1,855,300	1,855,190	1,855,300	1,855,190
Book value per share (PLN m)	2,680.97	2,581.95	615.89	594.45
Declared or paid dividend per share (PLN m)	610.00	430.00	140.13	99.00

SEPARATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the 9-month period ended 31 October 2024

Statement of comprehensive income (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
Continuing operations				
Revenues	12,001	10,535	4,349	3,685
Cost of goods sold	6,964	6,211	2,529	2,090
Gross profit (loss) on sales	5,037	4,324	1,820	1,595
Costs of stores and distribution	3,096	2,427	1,102	797
Overheads	614	486	211	170
Other operating income	25	17	-3	6
Other operating costs	47	56	13	17
Operating profit (loss)	1,305	1,372	491	617
Financial income	340	303	46	51
Financial costs	76	191	1	66
Pre-tax profit (loss)	1,569	1,484	536	602
Income tax	260	239	104	112
Net profit (loss) from continuing operations	1,309	1,245	432	490
Total comprehensive income	1,309	1,245	432	490
Other comprehensive income				
Total comprehensive income	1,309	1,245	432	490
Weighted average number of shares	1,855,300	1,854,842	1,855,300	1,854,842
Diluted number of shares	1,855,888	1,856,102	1,855,888	1,856,102
Net profit (loss) per share (in PLN)	705.55	671.22	232.85	264.17
Diluted net profit (loss) per share (in PLN)	705.32	670.76	232.77	263.99

SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 October 2024

Statement of financial position (PLN m)	As at:		
	31.10.2024	31.01.2024	31.10.2023
ASSETS			
Non-current assets	5,793	5,410	5,555
1. Tangible fixed assets	1,334	1,212	1,183
2. Right of use assets	1,237	1,094	1,072
3. Intangible assets	306	247	209
4. Goodwill	180	180	180
5. Trade mark	78	78	78
6. Investments in subsidiaries	1,720	1,704	1,846
7. Long-term receivables	273	229	308
8. Deferred tax assets	129	160	160
9. Pre-payments	3	4	3
10. Other financial assets	533	502	516
Current assets	7,270	5,619	5,629
1. Inventory	3,192	2,452	2,421
2. Trade receivables	2,222	1,664	2,003
3. Short-term receivables	105	90	54
4. Receivables from income tax	0	26	12
5. Other non-financial assets	18	4	2
6. Pre-payments	32	35	31
7. Other financial assets	120	36	72
8. Deposits and mutual funds	845	561	564
9. Cash and cash equivalents	736	751	470
TOTAL Assets	13,063	11,029	11,184

Statement of financial position (PLN m)	As at:		
	31.10.2024	31.01.2024	31.10.2023
EQUITY AND LIABILITIES			
Equity	4,974	4,790	4,406
1. Share capital	4	4	4
2. Share premium	364	364	364
3. Other reserves	2,961	2,460	2,457
4. Retained earnings	1,645	1,962	1,581
Long-term liabilities	1,669	1,514	1,985
1. Bank loans and borrowings	571	524	676
2. Lease liabilities	1,085	973	996
3. Bonds	0	0	294
4. Employee benefits	1	1	1
5. Accruals	12	16	18
Short-term liabilities	6,420	4,725	4,793
1. Trade and other liabilities	5,241	4,144	3,863
2. Dividend liabilities	0	0	0
3. Contract liabilities	17	22	14
4. Refund liabilities	74	52	55
5. Bank loans and borrowings	476	32	448
6. Lease liabilities	429	393	376
7. Employee benefits	21	46	12
8. Income tax liabilities	122	0	0
9. Accruals	40	36	25
TOTAL equity and liabilities	13,063	11,029	11,184

SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the 9-month period ended 31 October 2024

Statement of cash flows (PLN m)	Cumulatively		3Q	
	01.02.2024 - 31.10.2024	01.02.2023 - 31.10.2023	01.08.2024 - 31.10.2024	01.08.2023 - 31.10.2023
A. Cash flows from operating activities - indirect method				
I. Pre-tax profit (loss)	1,569	1,484	536	602
II. Total adjustments	-210	369	-370	91
1. Amortisation and depreciation	433	365	151	128
2. Foreign exchange (gains) losses	9	-1	2	10
3. Interest and dividends	-154	-150	-145	-4
4. (Profit) loss on investing activities	16	0	8	0
5. Income tax paid	-81	-360	-41	-89
6. Change in provisions and employee benefits	-25	-16	-20	-2
7. Change in inventory	-739	288	69	154
8. Change in receivables and other assets	-752	-528	-303	-271
9. Change in short-term liabilities, excluding bank loans and borrowings	1,073	755	-97	158
10. Change in prepayments and accruals	3	10	0	2
11. Other adjustments	7	6	6	5
III. Net cash flows from operating activities	1,359	1,853	166	693
B. Cash flows from investing activities				
I. Inflows	317	356	208	60
1. Disposal of intangible and fixed assets	54	54	25	19
2. From financial assets, including:	263	302	183	41
a) in associates	261	301	181	41
- dividends	210	233	162	11
- repayment of loans granted	45	61	17	25
- interest	6	7	2	5
b) in other entities	2	1	2	0
- repayment of loans granted	2	1	2	0

II. Outflows	684	497	159	163
1. Purchase of intangible and PPE assets	344	361	136	110
2. For financial assets, including:	83	126	18	53
a) in associates	83	126	18	53
- purchase of shares	16	28	6	7
- loans granted	67	98	12	46
3. Other investing outflows (investment funds)	257	10	5	0
III. Net cash flows from investing activities	-367	-141	49	-103
C. Cash flows from financing activities				
I. Inflows	562	74	277	5
1. Proceeds from issuance of shares	0	0	0	0
2. Bank loans and borrowings	562	74	277	5
II. Outflows	1,561	1,595	756	556
1. Dividends and other payments to owners	1,132	798	603	399
2. Repayment of bank loans and borrowings	44	405	24	31
3. Lease liabilities paid	323	300	109	102
4. Interest	62	92	20	24
5. Other financial outflows	0	0	0	0
III. Net cash flows from financing activities	-999	-1,521	-479	-551
D. Total net cash flows	-7	191	-264	39
E. Balance sheet change in cash, including:	-15	192	-267	28
- change in cash due to currency translation	-8	1	-3	-11
F. Opening balance of cash	675	204	932	356
G. Closing balance of cash	668	395	668	395

SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 31 October 2024

Statement of changes in equity (PLN m)	Share capital	Share premium	Other reserves	Retained earnings	TOTAL equity
As at 1 February 2024 roku	4	364	2,460	1,962	4,790
Remuneration paid in shares	0	0	7	0	7
Distribution of profit for 2023	0	0	494	-494	0
Dividend paid	0	0	0	-1,132	-1,132
Transaction with owners	0	0	501	-1,626	-1,125
Net profit for the 9-month period ended 31 October 2024	0	0	0	1,309	1,309
Total comprehensive income	0	0	0	1,309	1,309
As at 31 October 2024	4	364	2,961	1,645	4,974
As at 1 February 2023	4	364	2,715	870	3,953
Remuneration paid in shares	0	0	6	0	6
Dividend paid	0	0	-264	-534	-798
Transaction with owners	0	0	-258	-534	-792
Net profit for the 9-month period ended 31 October 2023	0	0	0	1,245	1,245
Total comprehensive income	0	0	0	1,245	1,245
As at 31 October 2023	4	364	2,457	1,581	4,406

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