

TIMETABLE OF THE TRANSACTION

The Issuer announces that on 18 April 2022 it received a letter from Ms Anna Pilyugina, the CEO of Re Trading at that time, indicating her interest in acquiring 100% of the shares in Re Trading from the Issuer.

On 20-30 April 2022, representatives of the Issuer held preliminary telephone discussions with Ms Anna Pilyugina regarding the possible shape of the transaction.

On 8-10 May 2022, negotiations took place in Dubai between representatives of the Issuer and Ms Anna Pilyugina representing potential investors interested in acquiring Re Trading.

In the course of negotiations, it was agreed that the parties would immediately proceed to prepare the draft agreement for the sale of 100% of Re Trading shares under the English law (the "**Share Purchase Agreement**").

At the same time, the Issuer indicates that the negotiations were concluded with an arrangement on the boundary conditions, without the detailed provisions of the agreements (legal relationships) regarding the sale and other aspects of the Transaction, subject to further arrangements. In particular, at this stage of the discussions, no agreement was reached on the content or conclusion of agreements committing to the transfer of Re Trading shares or determining of other detailed terms of the Transaction.

On 19 May 2022, the Company decided to terminate its operations in Russia through the sale of 100% of Re Trading shares.

On the same day, LPP also concluded the Share Purchase Agreement. In accordance with the Share Purchase Agreement, adequate agreements under Russian law should be concluded in order to transfer the title to RE Trading shares.

On 23 June 2022, as part of fulfilment of the obligation under the Share Purchase Agreement, two agreements for the transfer of shares in Re Trading under the Russian law (covering the total of 100% of the shares in this company) were concluded before the Russian notary.

On 30 June 2022, the registry court registered the purchasers of Re Trading shares.

Information regarding the circumstances indicated above was provided by the Issuer in particular in: Current Report No. 19/2022 of 19 May 2022, SSF 1H2022 and the presentation entitled "*Presentation on the Company's current situation*" made available to investors on 18 March 2024, available on the Issuer's website at the following link: <https://www.lpp.com/en/investor-relations/materials-for-investors/investor-presentations/> ("**Investor Presentation 1**")

PURCHASERS OF SHARES IN RE TRADING

The purchasers of Re Trading shares were as follows:

- 1) the far East Services company - FZCO, established in Dubai; and
- 2) Ms Anna Pilyugina, who simultaneously acted in the capacity of the Managing Director of Re Trading upon concluding of the Transaction,

(jointly referred to as “**Investors**”).

The investors do not have and did not have any capital or personal relationship with LPP or the major shareholders of the Company.

After the date of the Transaction, Ms Anna Pilyugina transferred the shares in Re Trading to her subsidiary, i.e. General Consulting Services - FZCO, established in Dubai.

Information regarding the circumstances indicated above was provided by the Issuer in particular in Investor Presentation 1 and the presentation entitled “*Hypotheses vs. Facts. Supplementary information regarding Hindenburg’s report*” made available to investors on 27 March 2024, accessible on the Issuer’s website at the following link: <https://www.lpp.com/en/investor-relations/materials-for-investors/investor-presentations/> (hereinafter referred to as “**Investor Presentation 2**”)

SELLING PRICE OF THE SHARES

The selling price of the Re Trading shares amounted to USD 135.5 million, i.e. according to the exchange rate as at the date of concluding the Share Purchase Agreement, approximately PLN 601 million.

The payment of the price has been split into instalments in accordance with the following schedule:

- (i) 10% of the price payable by 25 December 2023 (payment made);
- (i) 20% of the price payable by 25 December 2024 (payment in progress);
- (iii) 35% of the price payable by 25 December 2025; and
- (iv) 35% of the price payable by 25 December 2026.

Payment of individual instalments of the price should be made in USD.

The treatment of the price for the shares in Re Trading in the Issuer’s books was presented, among others, in SSF 1H2022 and SSF 2022.

Information concerning the circumstances indicated above was provided by the Issuer in particular in: SSF 1H2022, SSF 2022, Investor Presentation 1 and Investor Presentation 2.

PAYMENT FOR RE TRADING INVENTORY

Notwithstanding the settlements under the Share Purchase Agreement, Re Trading was obliged to pay for the goods that LPP had previously purchased for the purposes

of its operations in the Russian market (i.e. operations prior to the outbreak of Russia's full-scale aggression against Ukraine).

At the end of the financial quarter in which the Share Purchase Agreement was concluded, total liabilities of Re Trading to LPP amounted to approximately PLN 1,057 million.

Payment of liabilities was made in tranches, with the last repayment in the fourth quarter of the 2022 financial year:

PLN m	1Q22	2Q22	3Q22	4Q22
Receivables	1,057	858	125	0
Repayment	--	199	733	125

Information regarding the circumstances indicated above has been provided by the Issuer as at the date of publication, in particular in Investor Presentation 1.

TRANSITIONAL PERIOD

As part of the Transaction, a transitional period was agreed, the purpose of which was the transfer by LPP of all business processes that, until Russia's attack on Ukraine, the Company was conducting for Re Trading as its subsidiary.

The transfer of business processes from LPP to Re Trading took place successively from mid-2022. All operational functions will be transferred by the end of 2024.

In the Share Purchase Agreement, the Investors undertook that Re Trading would change the branding of the shops and refrain from selling goods bearing LPP trademarks in Russia, with the exception of goods already present in Russia and goods previously ordered for the Russian market.

Some of the goods ordered by Re Trading after the sale of the shares are made in the same factories as LPP goods, but have different labels and logos (they bear Re Trading trademarks). The factories are not owned by LPP, the manufacturers are not related to the Company, and the Issuer does not benefit from sales from these factories made ultimately to Re Trading.

Some of Re Trading's goods were purchased through purchasing agents: Asia Fashion Import Export PTE LTD, established in Singapore and Fashion Group Tekstil Limited Şirketi, established in Turkey ("**Purchasing Agents**") from LPP.

The Issuer anticipates that sales to Purchasing Agents will be completed by the end of the current financial year.

The most up-to-date summary of the data on LPP sales to Purchasing Agents is presented in the interim condensed consolidated report of LPP SA Group for Q3 2024.

Information regarding the circumstances indicated above has been provided by the Issuer in particular in SSF 1H2022, SSF 2022, Investor Presentation 1 and Investor Presentation 2.

PUT OPTION

The Management Board of the Company reiterates that the inclusion of the put option in the Share Purchase Agreement was a condition imposed by the Investors. The Transaction and the Share Purchase Agreement do not provide for the so-called call option on the part of LPP (i.e. the possibility for LPP to require a reverse purchase of shares in Re Trading).

Pursuant to the Share Purchase Agreement, the conditions for the exercise of the put option are as follows:

- a) RE Trading's failure to generate revenue sufficient to pay the relevant tranche of the share price; or
- b) unsatisfactory performance of Re Trading.

The put option means that the Investors can withdraw from the Share Purchase Agreement.

In the opinion of the LPP Management Board, the exercise of the put option by the Investors was and is unlikely due to:

- a) continuation of Re Trading operations in the way that allows for payment of the share price to LPP;
- b) geopolitical considerations; and
- c) legal requirements preventing the transfer of shares in Re Trading to LPP.

At the same time, the Issuer emphasises that even if the put option was exercised by the Investors, LPP will not operate in Russia (in such a case it assumes the closure of the company and the total write-down of its value).

Information regarding the circumstances indicated above was provided by the Issuer in particular in SSF 1H2022, SSF 2022 and in Investor Presentation 2.