



Information on the necessity to make write-offs

Current report no.: 23/2025

Date: 28 November 2025

Time: 2:10 pm

The Management Board of LPP SA (the "Company") hereby announces that on 28 November 2025 it received letters from General Consulting Services – FZCO with its registered office in Dubai ("GCS") and Far East Services – FZCO with its registered office in Dubai ("FES") (both entities hereinafter collectively referred to as the "Investors"), shareholders of OOO Re Trading, a Russian company with its registered office in Moscow ("Re Trading"), informing about the Investors' inability to fulfil their obligation to pay the third and fourth instalments of the price for shares in Re Trading (in the total amount of USD 94.8 million), which should be payable till 25 December 2025 and 25 December 2026, respectively, as well as Re Trading's inability to settle its liabilities towards its suppliers.

According to the information provided by Re Trading, the reason for the inability to meet the above obligations is Re Trading's difficult financial situation, the failure of restructuring measures and the inability to obtain financing from Russian banks.

In connection with the information received, the Company's Management Board decided that, based on the obligations and principles of International Accounting Standard 36, the Company should write-offs the value of its receivables from Investors and Re Trading:

- a) trade receivables from trading agents – in the amount of approx. PLN 547 million;
- b) receivables from the sale of the Russian company – in the amount of approx. PLN 241 million.

The difference between the outstanding sale price for shares in Re Trading and the amount of the write-offs results from the current recognition of the value of this receivable at a discount in the Company's books.

Thus, the total estimated impact of the above events on the consolidated and separate net result of the Company and LPP SA Group for the third quarter of 2025 will amount to approx. PLN 788 million.

The above events are non-cash in nature and do not affect in any way the financial condition of the Company and its development plans, nor the implementation of the adopted Dividend Policy (including the future recommendation of the Company's Management Board regarding the payment of dividends for the financial year 2025).

The financial data presented is approx. and therefore subject to change. The final amounts of the write-offs will be presented in the condensed interim separate and consolidated financial statements of LPP SA for 3Q25.

In the statements delivered, the Investors also informed that they do not intend to exercise their right to withdraw from the agreement for the sale of shares in Re Trading, (i.e. the put option described in current report 32/2024 published on 13 December 2024) during the period of 4 (four) weeks preceding 25 December 2025. The next time, in which, from a formal point of view, it would be possible for the Investors to submit a statement of intent to exercise the put option will be the period of 4 weeks preceding 25 December 2026.

At the same time, the Company maintains the assessment contained in current reports 32/2024 and 6/2025 that the exercise of the put option by Investors remains unlikely due to:

- a) geopolitical conditions; and
- b) legal requirements preventing the transfer of shares in Re Trading to the Company without the consent of the Russian authorities, which is extremely unlikely to be obtained as Poland is considered a "*Hostile State*" by the Russian Federation.

The Issuer maintains the position presented in current report 32/2024 that even if the put option were to be effectively exercised by the Investors, the Company would not conduct any business in Russia (in which case it assumes the closure of the Russian company and a total write-off of its value).

Art. 17(1) MAR – inside information

Signatures: Marcin Bójko – Management Board Member Sławomir Łoboda – Management Board Member
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