

LPP



LPP SA GROUP

INTERIM FINANCIAL STATEMENTS
FOR Q3 2019

RESERVED GROPP  house MOHITO sinsay





Contents

01.	SELECTED CONSOLIDATED INTERIM FINANCIAL DATA	4
02.	CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	5
03.	CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	6
04.	CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT	9
05.	CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	12
06.	SELECTED SEPARATE INTERIM FINANCIAL DATA	14
07.	SEPARATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	15
08.	SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	16
09.	SEPARATE CONDENSED INTERIM CASF FLOW STATEMENT	19
10.	SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	22
11.	ADDITIONAL INFORMATION ON CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS	24

01

Selected Consolidated Interim Financial Data

For 9 months ended 30 September 2019

Selected consolidated financial data	in PLN thousand		in EUR thousand	
	Cumulatively			
	2019	2018	2019	2018
	01.07 - 30.09	01.07 - 30.09	01.07 - 30.09	01.07 - 30.09
Revenues	6 389 983	5 674 032	1 483 076	1 333 968
Operating profit (loss)	392 825	323 235	91 172	75 993
Pre-tax profit (loss)	268 364	303 094	62 286	71 258
Net profit (loss)	110 519	192 917	25 651	45 355
Weighted average number of shares	1 834 091	1 833 445	1 834 091	1 833 445
Profit (loss) per share	60.26	105.22	13.99	24.74
Net cash flows from operating activities	1 019 515	901 073	236 623	211 843
Net cash flows from investing activities	-551 177	-619 594	-127 925	-145 667
Net cash flows from financing activities	-597 826	54 480	-138 752	12 808
Total net cash flows	-129 488	335 959	-30 053	78 984

Selected consolidated financial data	in PLN thousand		in EUR thousand	
	2019	2018	2019	2018
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Total assets	8 994 325	5 380 808	2 056 504	1 251 351
Long-term liabilities	2 708 344	346 148	619 248	80 500
Short-term liabilities	3 346 852	2 174 122	765 240	505 610
Equity	2 939 144	2 860 553	672 019	665 245
Share capital	3 705	3 705	847	862
Weighted average number of shares	1 834 091	1 833 483	1 834 091	1 833 483
Book value per share	1 602.51	1 560.17	366.40	362.83
Declared or paid dividend per share	60.00	40.00	13.72	9.30

02

Consolidated Condensed Interim Statement of Comprehensive Income

For 9 months ended 30 September 2019

Statement of comprehensive income (in PLN thousand)	2019	2018 (transformed)	2019	2018 (transformed)
	01.01 - 30.09	01.01 - 30.09	01.07 - 30.09	01.07 - 30.09
Continuing operations				
Revenue	6 389 983	5 674 032	2 348 161	2 043 944
Cost of goods sold	3 119 859	2 693 378	1 183 816	1 000 577
Gross profit (loss) on sales	3 270 124	2 980 654	1 164 345	1 043 367
Costs of stores and distribution	2 474 317	2 271 565	882 061	781 858
General costs	352 298	339 291	121 949	116 894
Other operating income	27 521	8 617	9 626	3 115
Other operating costs	78 205	55 180	29 447	18 518
Operating profit (loss)	392 825	323 235	140 514	129 212
Financial income	7 090	5 298	-29 389	-1 471
Financial costs	131 551	25 439	67 682	17 740
Pre-tax profit (loss)	268 364	303 094	43 443	110 001
Income tax	157 845	110 177	23 812	18 444
Net profit from continuing operations	110 519	192 917	19 631	91 557
Net profit attributable to:				
Shareholders of the parent company	110 519	192 917	19 631	91 557
Non-controlling interests	0	0	0	0
Other comprehensive income	0	0	0	0
Items transferred to profit or loss	0	0	0	0
Currency translation on foreign operations	73 212	-14 425	39 254	-42 700
Total comprehensive income	183 731	178 492	58 885	48 857
Attributable to:	0	0	0	0
Shareholders of the parent company	183 731	178 492	58 885	48 857
Non-controlling interests	0	0	0	0

03

Consolidated Condensed Interim Statement of Financial Position

As at 30 September 2019

Statement of financial position (in PLN thousand)	As at		
	30.09.2019	31.12.2018 (transformed)	30.09.2018 (transformed)
ASSETS			
Fixed assets	5 636 438	2 417 752	2 238 057
1. Fixed assets	2 139 613	1 818 316	1 648 279
2. Intangible assets	115 129	89 630	80 951
3. Right-of-use assets	2 955 662	0	0
4. Goodwill	209 598	209 598	209 598
5. Trademark	77 508	77 508	77 508
6. Other financial assets	8 891	7 822	7 241
7. Deferred tax assets	127 721	164 277	163 633
8. Prepayments	2 316	50 601	50 847
Current assets	3 357 887	2 963 056	2 951 505
1. Inventory	2 022 992	1 590 368	1 608 805
2. Trade receivables	154 508	121 729	129 034
3. Income tax receivables	7 697	377	7 358
4. Other financial assets	176 192	134 827	272 439
5. Other non-financial assets	44 044	37 843	39 565
6. Prepayments	31 615	32 943	43 149
7. Cash and cash equivalents	920 839	1 044 969	851 155
TOTAL assets	8 994 325	5 380 808	5 189 562

Statement of financial position

(in PLN thousand)

	As at		
	30.09.2019	31.12.2018 (transformed)	30.09.2018 (transformed)
EQUITY AND LIABILITIES			
Equity	2 939 144	2 860 553	2 555 325
1. Share capital	3 705	3 705	3 705
2. Treasury shares	-41 115	-43 067	-43 067
3. Share premium	284 877	278 591	277 631
4. Other reserves	2 731 039	2 251 623	2 250 525
5. Currency translation on foreign operations	-158 442	-231 654	-222 592
6. Retained earnings	119 080	601 355	289 123
- profit (loss) from previous years	8 561	96 179	96 206
- net profit (loss) for the current period	110 519	505 176	192 917
Non-controlling interest capital	-15	-15	-15
Long-term liabilities	2 708 344	346 148	315 296
1. Bank loans and borrowings	47 572	88 575	101 903
2. Lease liabilities	2 544 028	0	0
3. Employee liabilities	1 009	1 012	751
4. Deferred tax liabilities	1 758	686	0
5. Accruals	113 977	255 774	212 543
6. Other long-term liabilities	0	101	99
Short-term liabilities	3 346 852	2 174 122	2 318 956
1. Trade and other liabilities	2 133 774	1 497 511	1 764 252
2. Contract liabilities	14 919	23 140	12 558
3. Repayment liabilities	30 059	36 731	33 397
4. Bank loans and borrowings	277 304	203 196	224 137
5. Lease liabilities	631 920	0	0
6. Employee liabilities	74 079	86 707	76 456
7. Income tax liabilities	110 325	234 434	146 944
8. Provisions	31 994	20 397	1 111
9. Accruals	42 478	72 006	60 101
TOTAL equity and liabilities	8 994 325	5 380 808	5 189 562



RESERVED

Consolidated Condensed Interim Cash Flow Statement

For 9 months ended 30 September 2019

Cash flow statement (in PLN thousand)	01.01 - 30.09.2019	01.01 - 30.09.2018*	01.07- 30.09.2019	01.07- 30.09.2018*
A. Cash flows from operating activities				
I. Pre-tax profit (loss)	268 364	303 094	43 443	110 001
II. Total adjustments	751 151	597 979	339 708	319 821
1. Amortisation and depreciation	730 204	258 302	255 451	88 204
2. Foreign exchange gains (losses)	-3 958	-21 386	-19 586	11 712
3. Interest and dividends	82 214	2 962	53 082	269
4. Profit (loss) on investing activities	-13 386	-8 366	-5 888	-7 433
5. Income tax paid	-245 873	-32 655	-63 342	-12 306
6. Change in provisions and employee benefits	-20 651	23 503	30 367	16 301
7. Change in inventories	-400 770	-147 420	-9 388	-119 720
8. Change in receivables and other assets	-2 295	16 056	17 716	-25 497
9. Change in short-term liabilities, excluding bank loans and borrowings	641 164	485 525	97 349	369 879
10. Change in prepayments and accruals	-4 219	11 519	-16 883	8 283
11. Other adjustments	-11 279	9 939	830	-9 871
III. Net cash flows from operating activities	1 019 515	901 073	383 151	429 822
B. Cash flows from investing activities				
I. Inflows	299 277	417 421	95 128	168 656
1. Disposal of intangible and fixed assets	118 635	66 864	50 051	18 540
2. From financial assets, including:	1 339	557	77	116
a) in associates	0	96	0	96
- dividends	0	96	0	96
b) in other entities	1 339	461	0	96
- repayment of loans granted	49	57	77	20
- interest and other inflows from financial assets	1 290	404	9	20
3. Other investing inflows (investment funds)	179 303	350 000	68	0
II. Outflows	850 454	1 037 015	45 000	150 000
1. Purchase of intangible and fixed assets	642 747	496 971	341 857	360 933
2. For financial assets, including:	2 707	44	236 797	209 929
a) in associates	2 627	0	60	4
- purchase of shares in associates	2 627	0	0	0
b) in other entities	80	44	0	0
- loans granted	80	44	60	4
3. Other investing outflows (investment funds)	205 000	540 000	105 000	151 000
III. Net cash flows from investing activities	-551 177	-619 594	-246 729	-192 277

Cash flow statement (in PLN thousand)	01.01 - 30.09.2019	01.01 - 30.09.2018*	01.07- 30.09.2019	01.07- 30.09.2018*
C. Cash flows from financing activities				
I. Inflows	439 856	183 764	158 490	69 528
1. Proceeds from issuance of shares	0	0	0	0
2. Loans and borrowings	439 856	183 764	158 490	69 528
3. Other inflows from financing activities	0	0	0	0
II. Outflows	1 037 682	129 284	244 754	97 682
1. Cost of maintenance of treasury shares	0	0	0	0
2. Dividends and other payments to owners	110 065	73 342	0	73 342
3. Repayment of loans and borrowings	414 880	50 459	72 831	22 683
4. Lease liabilities paid	429 410	0	153 907	0
5. Interest	83 327	5 483	18 016	1 657
6. Other financial outflows	0	0	0	0
III. Net cash flows from financing activities	-597 826	54 480	-86 264	-28 154
D. Total net cash flows	-129 488	335 959	50 158	209 391
E. Balance sheet change in cash, including:	-124 130	336 365	57 989	199 697
- change in cash due to foreign currency translation	5 358	406	7 831	-9 694
F. Opening balance of cash	1 043 947	515 405	864 301	641 973
G. Closing balance of cash	914 459	851 364	914 459	851 364

* transformed



RESERVED KIDS

05

Consolidated Condensed Interim Statement of Changes in Equity

For 9 months ended 30 September 2019

Statement of changes in equity (in PLN thousand)	Share capital	Treasury shares	Share premium	Other reserves	Currency translation on foreign operations	Profit (loss) from previous years	Profit (loss) for the current period	Equity attributable to the parent company	Non-controlling interests	TOTAL equity
Balance as at 1 January 2019	3 705	-43 067	278 591	2 251 623	-231 654	601 355	0	2 860 553	-15	2 860 538
Distribution of profit for 2018	0	0	0	482 729	0	-482 729	0	0	0	0
Dividend payment	0	0	0	0	0	-110 065	0	-110 065	0	-110 065
Settlement of the incentive programme	0	1 952	6 286	-8 236	0	0	0	2	0	2
Remuneration paid in shares	0	0	0	4 923	0	0	0	4 923	0	4 923
Transactions with owners	0	1 952	6 286	479 416	0	-592 794	0	-105 140	0	-105 140
Net profit for three quarters of 2019	0	0	0	0	0	0	110 519	110 519	0	110 519
Currency translation on foreign operations	0	0	0	0	73 212	0	0	73 212	0	73 212
Balance as at 30 September 2019	3 705	-41 115	284 877	2 731 039	-158 442	8 561	110 519	2 939 144	-15	2 939 129

Statement of changes in equity (in PLN thousand)	Share capital	Treasury shares	Share premium	Other reserves	Currency translation on foreign operations	Profit (loss) from previous years	Profit (loss) for the current period	Equity attributable to the parent company	Non-controlling interests	TOTAL equity
Balance as at 1 January 2018	3 705	-43 334	277 631	1 823 453	-208 167	590 158	0	2 443 446	-15	2 443 431
Distribution of profit for 2017	0	0	0	420 610	0	-420 610	0	0	0	0
Dividend payment	0	0	0	0	0	-73 342	0	-73 342	0	-73 342
Remuneration paid in shares	0	0	0	6 729	0	0	0	6 729	0	6 729
Subscription to treasury shares	0	267	0	-267	0	0	0	0	0	0
Transactions with owners	0	267	0	427 072	0	-493 952	0	-66 613	0	-66 613
Net profit for three quarters of 2018	0	0	0	0	0	0	192 917	192 917	0	192 917
Currency translation on foreign operations	0	0	0	0	-14 425	0	0	-14 425	0	-14 425
Balance as at 30 September 2018	3 705	-43 067	277 631	2 250 525	-222 592	96 206	192 917	2 555 325	-15	2 555 310

06

Selected Separate Interim Financial Data

For 9 months ended 30 September 2019

Selected separate financial data	in PLN thousand		in EUR thousand	
	Cumulatively			
	2019	2018	2019	2018
	01.07 - 30.09	01.07 - 30.09	01.07 - 30.09	01.07 - 30.09
Revenue	4 993 240	4 586 765	1 158 901	1 078 351
Operating profit (loss)	53 924	182 775	12 515	42 970
Pre-tax profit (loss)	-21 310	339 670	-4 946	79 857
Net profit (loss)	-101 513	234 373	-23 561	55 101
Weighted average number of shares	1 834 091	1 833 464	1 834 091	1 833 464
Profit (loss) per share	-55,35	127,83	-12,85	30,05
Net cash flows from operating activities	447 148	747 454	103 780	175 727
Net cash flows from investing activities	-288 635	-341 343	-66 990	-80 250
Net cash flows from financing activities	-310 593	-73 133	-72 087	-17 194
Total net cash flows	-152 080	332 978	-35 297	78 283

Selected consolidated financial data	in PLN thousand		in EUR thousand	
	2019	2018	2019	2018
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Total assets	6 598 155	5 143 266	1 508 632	1 196 108
Long-term liabilities	931 627	237 490	213 011	55 230
Short-term liabilities	2 798 039	1 830 634	639 756	425 729
Equity	2 868 489	3 075 142	655 865	715 149
Share capital	3 705	3 705	847	862
Weighted average number of shares	1 834 091	1 833 483	1 834 091	1 833 483
Book value per share	1 563,98	1 677,21	357,60	390,05
Declared or paid dividend per share	60.00	40.00	13.72	9.30

Separate Condensed Interim Statement of Comprehensive Income

For 9 months ended 30 September 2019

Statement of comprehensive income (in PLN thousand)	2019	2018 (transformed)	2019	2018 (transformed)
	01.01 - 30.09	01.01 - 30.09	01.07 - 30.09	01.07 - 30.09
Continuing operations				
Revenue	4 993 240	4 586 765	1 810 071	1 701 146
Cost of goods sold	3 163 348	2 680 377	1 212 661	1 031 703
Gross profit (loss) on sales	1 829 892	1 906 388	597 410	669 443
Costs of stores and distribution	1 267 458	1 238 547	452 315	419 375
General costs	487 003	461 824	172 631	175 409
Other operating income	17 692	6 294	9 046	3 430
Other operating costs	39 199	29 536	17 739	10 531
Operating profit (loss)	53 924	182 775	-36 229	67 558
Financial income	8 035	172 381	-12 591	54 982
Financial costs	83 269	15 486	60 837	10 443
Pre-tax profit (loss)	-21 310	339 670	-109 657	112 097
Income tax	80 203	105 297	-2 062	25 272
Net profit (loss)	-101 513	234 373	-107 595	86 825
Total comprehensive income	-101 513	234 373	-107 595	86 825

Separate Condensed Interim Statement of Financial Position

As at 30 September 2019

Statement of financial position (in PLN thousand)	As at		
	30.09.2019	31.12.2018 (transformed)	30.09.2018 (transformed)
ASSETS			
Non-current assets	4 145 830	3 067 956	2 726 513
1. Fixed assets	1 233 030	1 155 114	1 046 550
2. Intangible assets	112 005	86 349	78 100
3. Right-of-use assets	937 834	0	0
4. Goodwill	179 618	179 618	179 618
5. Investments in subsidiaries	1 604 896	1 573 700	1 337 724
6. Other financial assets	3 034	1 711	1 592
7. Deferred tax assets	74 443	70 251	81 539
8. Prepayments	970	1 213	1 390
Current assets	2 452 325	2 075 310	2 261 649
1. Inventory	1 452 054	1 164 410	1 190 694
2. Trade receivables	327 869	114 525	222 727
3. Other financial assets	139 672	108 910	238 682
4. Other non-financial assets	2 690	15 334	18 173
5. Prepayments	11 909	7 278	17 276
6. Cash and cash equivalents	518 131	664 853	574 097
TOTAL assets	6 598 155	5 143 266	4 988 162

Statement of financial position

(in PLN thousand)

As at

	30.09.2019	31.12.2018 (transformed)	30.09.2018 (transformed)
EQUITY AND LIABILITIES			
Equity	2 868 489	3 075 142	2 715 162
1. Share capital	3 705	3 705	3 705
2. Treasury shares	-41 115	-43 067	-43 067
3. Share premium	284 877	278 591	277 631
4. Other reserves	2 722 535	2 243 618	2 242 520
5. Retained earnings	-101 513	592 295	234 373
- profit (loss) from previous years	0	0	0
- net profit (loss) for the current period	-101 513	592 295	234 373
Long-term liabilities	931 627	237 490	233 038
1. Bank loans and borrowings	47 572	88 575	101 903
2. Lease liabilities	829 060	0	0
3. Employee liabilities	944	944	733
4. Accruals	54 051	147 873	130 303
5. Other long-term liabilities	0	98	99
Short-term liabilities	2 798 039	1 830 634	2 039 962
1. Trade and other liabilities	2 163 140	1 363 900	1 673 619
2. Lease liabilities	10 822	18 407	10 211
3. Contract liabilities	19 026	10 024	8 371
4. Product return liabilities	97 478	218 354	147 090
5. Income tax liabilities	153 704	89 695	99 302
6. Bank loans and borrowings	245 055	0	0
7. Employee liabilities	54 693	64 648	58 650
8. Provisions	31 000	17 900	0
9. Accruals	23 121	47 706	42 719
TOTAL equity and liabilities	6 598 155	5 143 266	4 988 162



sinsay

Separate Condensed Interim Cash Flow Statement

For 9 months ended 30 September 2019

Cash flow statement (in PLN thousand)	01.01 - 30.09.2019	01.01 - 30.09.2018*	01.07- 30.09.2019	01.07- 30.09.2018*
A. Cash flows from operating activities				
I. Pre-tax profit (loss)	-21 310	339 670	-109 657	112 097
II. Total adjustments	468 458	407 784	276 103	275 616
1. Amortisation and depreciation	312 789	136 200	108 084	45 802
2. Foreign exchange gains (losses)	-5 358	-21 784	-19 709	11 480
3. Interest and dividends	22 753	-165 689	9 541	-60 380
4. Profit (loss) on investing activities	-11 697	-17 842	-3 936	-7 986
5. Income tax paid	-205 271	-7 483	-48 501	-1 423
6. Change in provisions and employee benefits	-3 405	24 941	46 361	25 621
7. Change in inventories	-287 774	-83 326	56 950	-58 343
8. Change in receivables and other assets	-205 015	41 854	-80 902	-50 191
9. Change in short-term liabilities, excluding bank loans and borrowings	850 223	492 449	222 537	370 037
10. Change in prepayments and accruals	-3 710	1 735	-15 962	-1 060
11. Other adjustments	4 923	6 729	1 640	2 059
III. Net cash flows from operating activities	447 148	747 454	166 446	387 713
B. Cash flows from investing activities				
I. Inflows	270 436	584 777	63 335	228 766
1. Disposal of intangible and fixed assets	38 461	66 716	18 255	18 653
2. From financial assets, including:	52 672	168 061	81	60 113
a) in associates	51 333	167 609	0	60 096
- dividends	0	167 609	0	60 096
- other (repayment of capital contributions)	51 333	0	0	0
b) in other entities	1 339	452	81	17
- repayment of loans granted	49	48	12	17
- interest and other inflows from financial assets	1 290	404	69	0
3. Other investing inflows	179 303	350 000	44 999	150 000
II. Outflows	559 071	926 120	230 655	305 003
1. Purchase of intangible and fixed assets	268 834	319 541	87 222	134 655
2. For financial assets, including:	85 237	66 579	38 433	19 347
a) in associates	85 157	66 535	38 373	19 343
- purchase of shares	85 157	66 535	38 373	19 343
b) in other entities	80	44	60	4
- loans granted	80	44	60	4
3. Other investing outflows	205 000	540 000	105 000	151 001
III. Net cash flows from investing activities	-288 635	-341 343	-167 320	-76 237

Cash flow statement (in PLN thousand)	01.01 - 30.09.2019	01.01 - 30.09.2018*	01.07- 30.09.2019	01.07- 30.09.2018*
III. Cash flows from financing activities				
I. Inflows	63 242	44 719	83 292	38 808
1. Proceeds from issuance of shares	0	0	0	0
2. Loans and borrowings	63 242	44 719	83 292	38 808
3. Other inflows from financing activities	0	0	0	0
II. Outflows	373 835	117 852	77 564	86 738
1. Cost of maintenance of treasury shares	0	0	0	0
2. Dividends and other payments to owners	110 065	0	0	0
3. Repayment of loans and borrowings	40 165	40 165	0	12 388
4. Lease liabilities paid	198 999	0	69 362	0
5. Interest	24 606	4 345	8 202	1 008
6. Other financial outflows	0	73 342	0	73 342
III. Net cash flows from financing activities	-310 593	-73 133	5 728	-47 930
D. Total net cash flows	-152 080	332 978	4 854	263 546
E. Balance sheet change in cash, including:	-146 722	333 384	12 685	253 853
- change in cash due to foreign currency translation	5 358	406	7 831	-9 693
F. Opening balance of cash	663 831	241 327	506 897	310 759
G. Closing balance of cash	511 751	574 305	511 751	574 305

*transformed



MOHITO

10

Separate condensed interim statement of changes in equity

For 9 months ended 30 September 2019

Statement of changes in equity (in PLN thousand)	Share capital	Treasury shares	Share premium	Other reserves	Profit (loss) from previous years	Profit (loss) for the current period	TOTAL equity
Balance as at 1 January 2019	3 705	-43 067	278 591	2 243 618	592 295	0	3 075 142
Remuneration paid in shares	0	0	0	4 923	0	0	4 923
Settlement of the incentive programme	0	1 952	6 286	-8 236	0	0	2
Distribution of profit for 2018	0	0	0	482 230	-482 230	0	0
Dividend payment	0	0	0	0	-110 065	0	-110 065
Transactions with owners	0	1 952	6 286	478 917	-592 295	0	-105 140
Net loss for three quarters of 2019	0	0	0	0	0	-101 513	-101 513
Balance as at 30 September 2019	3 705	-41 115	284 877	2 722 535	0	-101 513	2 868 489

Statement of changes in equity (in PLN thousand)	Share capital	Treasury shares	Share premium	Other reserves	Profit (loss) from previous years	Profit (loss) for the current period	TOTAL equity
Balance as at 1 January 2018	3 705	-43 334	277 631	1 815 973	493 427	0	2 547 402
Remuneration paid in shares	0	0	0	6 729	0	0	6 729
Distribution of profit for 2017	0	0	0	420 085	-420 085	0	0
Dividend payment	0	0	0	0	-73 342	0	-73 342
Subscription to treasury shares	0	267	0	-267	0	0	0
Transactions with owners	0	267	0	426 547	-493 427	0	-66 613
Net loss for three quarters of 2018	0	0	0	0	0	234 373	234 373
Balance as at 30 September 2018	3 705	-43 067	277 631	2 242 520	0	234 373	2 715 162

Additional Information on the Consolidated Condensed Interim Financial Statements

1. Overview of the LPP SA Group

The LPP SA Group ("Group") is composed of LPP SA ("Parent Company", "Company") and its subsidiaries.

The Parent Company is recorded in the register of entrepreneurs of the National Court Register kept by the District Court for Gdańsk-North in Gdańsk, 7th Economic Division of the National Court Register, under number KRS 0000000778.

The Parent Company and the Group companies have been established for an unlimited period of time.

The Group's basic scope of business is:

- retail sale of clothing,
- wholesale of clothing.

During 9 months ended 30 September 2019, there were changes in the composition of the Group as compared to 31 December 2018 due to the establishment of new subsidiaries:

- LPP Finland Oy with its registered office in Helsinki;
 - OOO LPP BLR with its registered office in Minsk;
 - LPP Macedonia DOOEL with its registered office in Skopje;
- and liquidation of LLC Re Street, the Russian subsidiary.

The newly established companies will handle the distribution of products in, respectively, Finland, Belarus and Macedonia.



2. Basis for preparation of the consolidated condensed interim financial statements and information on changes in applied accounting principles

These consolidated condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34"), approved by the European Union.

The consolidated condensed interim financial statements do not contain 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 December 2018, approved for publishing on 10 April 2019.

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

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

- exchange rate as at the last day of the reporting period: 30.09.2019 - PLN/EUR 4.3736, 31.12.2018 - PLN/EUR 4.3000,
- average exchange rate for the period, calculated as an arithmetic average of the rates as at the last day of each month in a given period: 01.01-30.09.2018 - PLN/EUR 4.3086, 01.01.-30.09.2018 - PLN/EUR 4.2535.

These consolidated condensed interim financial statements were prepared based on the assumption that the Group companies subject to consolidation will remain a going concern in the foreseeable future. As at the date of approval of these consolidated condensed financial statements for publishing, there are no circumstances that could pose a threat to the continued operations of these companies.

The accounting policy applied for preparing these financial statements complies in all material respects with the accounting policy adopted for preparing the annual consolidated financial statements of the LPP SA Group for the financial year 2018, in accordance with International Financial Reporting Standards.

In 2019, the Group made several changes in presenting data in the financial statements.

- Change in presentation of receivables from payment card operators

Since January 2019, receivables arising from credit card payments have been shown by the Group in other financial assets. Previously, the Group presented them in trade receivables.

Data for 2019 and as at 30 September 2018 have been transformed, with values given in the table below.

- Change in presentation of inventory surpluses and shortages

Since January 2019, inventory surpluses and shortages are shown in a single item, in net value, in the operating part of the statement of comprehensive income and not separately for assets and liabilities, in other operating income and expenses as before.

Data as at 30 September 2018 have been transformed, with values given in the table below.

- In 2019, there has also been a change in presentation of operating expenses. The previous division into the costs of sales and distribution and general costs was replaced with the division into (1) the costs of stores and distribution and (2) general costs.

The costs of stores and distribution comprise the costs of store operation and logistics as well as the costs of online sales (e-commerce) together with logistics. General costs include the costs of marketing, product and sales departments and the back-office. Before transformation, the Group presented the costs of online sales (e-commerce) together with logistics as general and administrative expenses.

The values of specific items after transformation in the statement of comprehensive income for 9 months ended 30 September 2018 are given below.

After transformation	01.01-30.09.2018
Costs of stores and distribution	2 271 565
General costs	339 291
Total value	2 610 856

The values of specific items before transformation in the statement of comprehensive income for 9 months ended 30 September 2018 are given below.

Before transformation	01.01-30.09.2018
Selling costs	2 236 044
General and administrative expenses	374 812
Total value	2 610 856

Following implementation of changes in presentation, adjustments given below were made in financial data as at 31 December 2018.

Changes as at 31 December 2018	Value in PLN thousand	Data approved	Data transformed
Receivables from payment card operators	34 523	Trade receivables	Other financial assets

Changes were also made in financial data as at 30 September 2018.

Changes as at 30 September 2018	Value in PLN thousand	Data approved	Data transformed
Receivables from payment card operators	78 313	Trade receivables	Other financial assets
Inventory surpluses	12 267	Other operating income	Other operating costs

Simultaneously, adjustments to financial data as at 1 January 2018 were presented.

Changes as at 1 January 2018	Value in PLN thousand	Data approved	Data transformed
Receivables from payment card operators	70 366	Trade receivables	Other financial assets

3. Achievements of the LPP SA Group in the reporting period

Key achievements of the Group in Q3 2019

1. Number of stores and retail space

At the end of Q3 2019, the LPP SA Group had 1 746 stores in 24 countries, having the total area of approx. 1 168.0 thousand sq. m., with 838 stores located abroad (638.3 thousand sq. m.) Compared to Q3 2018, the total retail space increased by 12.8%.

In Q3 2019, the largest nominal increase in space compared to Q3 2018 was recorded by the Reserved brand (58.2 thousand m2). The growth dynamics was the highest in the Sinsay brand (45.5 % y/y).

As at 30 September 2019	Number of stores	Change y/y	Q3 2019	Q3 2018	Change y/y
			Area in thousand m2	Area in thousand m2	
Reserved	453	2	643.1	584.9	10.0%
Cropp	362	0	142.1	126.4	12.4%
House	319	-7	123.1	112.4	9.6%
Mohito	290	-1	111.9	106.2	5.3%
Sinsay	302	46	137.7	94.7	45.5%
Outlet	20	-8	10.1	10.8	-6.3%
Total LPP Group	1 746	32	1 168.0	1 035.4	12.8%

2. Sales broken down by brand

In Q3 2019, the highest nominal sales growth was generated by Sinsay. This result has been achieved by the brand owing to collections highly recognised by female customers and consistent development of retail space.

The highest growth dynamics in Q3 2019 were recorded by Sinsay owing to a successful collection and dynamic development of retail space, as well as Cropp and House as the said brands' collections continued to improve y/y.

The lowest growth dynamics in Q3 2019 were generated by Reserved due to decreased domestic sales in traditional stores. The online sales of the Reserved brand is on the grow (specifically the collection designed for children). At the same time, abroad, Reserved recorded an increase in sales y/y.

Three brands, i.e. Reserved, Cropp and Mohito, generated in Q3 2019 more revenue abroad than in Poland.

Sales in retail stores of specific brands and online, generated in Q3 2019, is given in tables below.

	In PLN mln		
	Sales in Q3 2019	Sales in Q3 2018	Change y/y
Reserved	943	918	2.8%
Cropp	325	289	12.5%
House	266	237	12.0%
Mohito	212	193	9.4%
Sinsay	295	209	41.3%
E-commerce	227	150	50.6%
Other	81	47	71.1%
Total	2 348	2 044	14.9%

	In PLN mln		
	Sales in Q1-Q3 2019	Sales in Q1-Q3 2018	Change y/y
Reserved	2 675	2 566	4.3%
Cropp	852	786	8.4%
House	726	630	15.2%
Mohito	598	568	5.3%
Sinsay	739	553	33.5%
E-commerce	677	460	47.2%
Other	124	110	12.1%
Total	6 390	5 674	12.6%

3. Sales in LFL stores

Sales revenues in LFL stores (in local currencies) in Q3 2019 increased by 4.2%, remaining positive in August and September 2019. In Q3 2019, positive LFL performance was recorded by all brands except Reserved. In the reporting period, the highest (two-digit) LFL performance was reached in Ukraine, Russia, Romania and Great Britain. Positive LFL performance was recorded also in Germany.

4. Online sales

In Q3 2019, the LPP SA Group gained revenue of PLN 227 mln from online sales, i.e. 50.6% more than a year ago. A two-digit growth in online sales was gained owing to the development of e-stores outside Poland, marketing expenditures (cooperation with female bloggers and influencers) and changes in customer habits in Poland (stores closed on certain Sundays). In Q3 2019, revenue from online stores constituted 9.7% of the Group's sales and 11.4% of domestic revenue. Approx. 55% of online sales were generated domestically.

	Q3 2019	Q3 2018	Change y/y (%)	Q1-Q3 2019	Q1-Q3 2018	Change y/y (%)
Sales in PLN mln	226.6	150.5	50.6%	676.9	459.8	47.2%

5. Sales revenues broken down by country and region

In Q3 2019, the LPP Group recorded dynamic sales growths in the CIS region, Europe and in the Middle East.

The sales increase in the CIS region resulted from high sales dynamics in Russia, Ukraine and a new market in this region - Kazakhstan. Sales in other European countries was positively affected by space development (specifically in the countries of South-Eastern Europe) and collections highly recognised by female and male customers in Western Europe. A sales growth in the Middle East was generated owing to development in Israel.

In Q3 2019, sales abroad exceeded domestic sales, with revenue generated in foreign countries constituting 53.8% of the Group's sales and domestic revenue reaching 46.2% of the Group's sales.

The highest nominal increase in revenue y/y was recorded in Russia, Poland, Ukraine and Romania.

Revenues from sales generated by the Group companies operating in individual countries and regions are given in tables below (excluding intra-Group sales).

Country	Revenues Q3 2019	Revenues Q3 2018	Change y/y (%)
Poland	1 084 131	1 044 041	3.8%
Czech Republic	109 801	97 823	12.2%
Slovakia	63 445	59 609	6.4%
Hungary	52 501	37 582	39.7%
Lithuania	42 284	36 447	16.0%
Latvia	33 538	27 165	23.5%
Estonia	37 378	37 090	0.8%
Russia	491 801	398 567	23.4%
Ukraine	127 636	91 670	39.2%
Belarus*	2 680	7 162	-62.6%
Kazakhstan	7 675	-	-
Bulgaria	26 712	21 097	26.6%
Romania	88 715	60 912	45.6%
Croatia	38 593	26 373	46.3%
Serbia	21 218	9 036	134.8%
Slovenia	4 794	632	658.5%
Bosnia and Hercegovina	6 418	-	-
Germany	85 572	68 271	25.3%
Great Britain	13 482	12 252	10.0%
Middle East*	9 786	8 213	19.2%
Total	2 348 161	2 043 943	14.9%

Country	Revenues Q1-Q3 2019	Revenues Q1-Q3 2018	Change y/y (%)
Poland	3 089 813	3 003 973	2.9%
Czech Republic	312 022	280 989	11.0%
Slovakia	186 532	170 098	9.7%
Hungary	155 859	112 293	38.8%
Lithuania	105 296	95 667	10.1%
Latvia	85 581	72 586	17.9%
Estonia	100 395	93 822	7.0%
Russia	1 213 467	1 033 882	17.4%
Ukraine	321 787	241 825	33.1%
Belarus*	10 750	13 489	-20.3%
Kazakhstan	20 859	-	-
Bulgaria	70 629	57 900	22.0%
Romania	252 150	169 503	48.8%
Croatia	97 095	65 695	47.8%
Serbia	48 969	18 830	160.1%
Slovenia	10 725	632	1 597.0%
Bosnia and Hercegovina	12 063	-	-
Germany	235 408	194 087	21.3%
Great Britain	36 974	32 081	15.3%
Middle East*	23 609	16 680	41.5%
Total	6 389 983	5 674 031	12.6%

	Revenues Q3 2019	Revenues Q3 2018	Change y/y (%)	Revenues Q1-Q3 2019	Revenues Q1-Q3 2018	Change y/y (%)
Poland	1 084 131	1 044 041	3,8%	3 089 813	3 003 973	2,9%
Other European countries	624 452	494 290	26,3%	1 709 698	1 364 182	25,3%
Russia, Ukraine, Belarus*, Kazakhstan	629 791	497 399	26,6%	1 566 863	1 289 196	21,5%
Middle East*	9 786	8 213	19,2%	23 609	16 680	41,5%
Total	2 348 161	2 043 943	14,9%	6 389 983	5 674 031	12,6%

* Revenues in the Middle East countries and Belarus are generated by franchise stores.

6. Sales per m2

In Q3 2019, retail sales (in traditional stores) per m2* of the LPP Group decreased by 2.3% compared to the preceding year due to the opening of brand stores with growing retail space.

	Q3 2019	Q3 2018	Change y/y (%)	Q1-Q3 2019	Q1-Q3 2018	Change y/y (%)
Retail sales m2/month in PLN	604	618	-2.3%	569	591	-3.7%

* this indicator is calculated as the Group's retail sales divided by an average number of meters operating in a given period

In Q3 2019, total sales per m2 of the LPP Group increased by 3.4% compared to the preceding year owing to the development of online sales.

	Q3 2019	Q3 2018	Change y/y (%)	Q1-Q3 2019	Q1-Q3 2018	Change y/y (%)
Total sales m2/month in PLN	685	663	3.4%	641	624	2.7%

7. Operating costs

The operating costs of the LPP Group include the costs of stores (both own and franchise stores), the costs of distribution and general costs. The costs of own stores comprise rent, payroll and other costs. The costs of distribution comprise the costs of e-commerce and logistics. General costs include marketing and back-office costs and the costs of sales and product departments.

In Q3 2019, the Group recorded an increase in operating costs, amounting to 11.7%, mainly due to the sales network growth and e-commerce development.

	Q3 2019 (IFRS 16)	Q3 2018 (IFRS 17)	Change y/y (%)	Q1-Q3 2019	Q1-Q3 2018	Change y/y (%)
Operating costs (in PLN mln)	1 004	899	11,7%	2 827	2 611	8,3%
Operating costs per m2/month	296	295	0,3%	287	290	-1,2%

8. Capital expenditures

In Q3 2019, the Group's capital expenditures (CAPEX) amounted to PLN 237.0 mln, i.e. 13.0% more than in Q3 2018, due to expenditures relating to the development of the sales network (especially abroad), expansion of offices in Gdańsk and Cracow as well as expenditures for IT systems.

9. Inventory

The inventory level and its optimisation are important elements of working capital management – it is important to observe inventory per m² over time. The Group's inventory consists of goods in stores, warehoused goods and merchandise in transit - from the manufacturer to a distribution centre. The CG strives at minimising inventory and, at the same time, maintaining a sufficient product volume to maximise sales.

In Q3 2019, compared to Q3 2018, the inventory level per m² was higher by 25.7% and the inventory per m² was higher by 11.1% due to the fact that the target stock level of the AW 2019 collection was reached one month earlier and Sinsay's target stock increased owing to the planned opening of the brand's new stores.

The Company's long-term goal was equalling trade liabilities with inventories. This goal was attained in Q3 2018.

	30.09.2019	30.09.2018	Change y/y (%)
Inventory (in PLN mln)	2 023	1 609	25.7%
Inventory per m ² in PLN	1 748	1 573	11.1%

10. Debt

LPP has credit lines in banks in the total amount of PLN 1.4 billion, utilised for bank guarantees, letters of credit for trade financing or as a revolving loan. At the end of Q3 2019, LPP utilised specific credit line products in the following amounts, respectively: PLN 112.5 mln, PLN 284.1 mln, PLN 60.5 mln.

Additionally, the Group uses a supplier financing programme (reversed factoring) and, at the end of Q3 2019, the limit was utilised in the amount of PLN 1 346 mln.

Furthermore, the Group has a debt arising from investment loans extended to finance the expansion of the distribution centre and the head office in Gdańsk, with such investment loans totalling PLN 99.6 mln at the end of Q3 2019.

Due to the seasonality of sales, LPP increases the financing of purchases with a bank loan in the first and third quarter to finance inventories, and reduces lending in the second and fourth quarters, during periods of regular sales. The Company strives at minimising the level of debt to maintain financial security. At the end of Q3 2019, the Group held cash of PLN 921 mln, thus showing net cash of PLN 596 mln (according to IFRS17) compared to PLN 525 a year ago. The following tables show the level of net debt (net cash) in PLN thousand and the utilisation of loans as at 30 September 2019.

	Q3 2019 (IFRS17)	Q3 2018 (IFRS17)	Change y/y (%)
Short-term loans	277 304	224 137	23.7%
Long-term loans	47 572	101 903	-53.3%
Cash	920 839	851 155	8.2%
Net debt (net cash)	-595 963	-525 115	13.5%

Bank (in PLN thousand)	Type of loan/credit line	Bank loan utilisation as at 30 September 2019		Bank loan utilisation as at 31 December 2018	
		in PLN thousand	currency in thousand	in PLN thousand	currency in thousand
PKO BP SA	Investment loan	68 786	-	84 611	-
PKO BP SA	Investment loan	18 639	-	33 862	-
PKO BP SA	Multi-purpose and multi-currency credit line	26 763	-	-	-
Pekao SA	Investment loan	11 988	-	20 762	-
Pekao SA	Multi-purpose and multi-currency credit line	49 626	-	-	-
Citibank Bank Handlowy	Multi-purpose and multi-currency credit line	36	-	14	-
Raiffeisen Bank Polska SA	Multi-purpose and multi-currency credit line	-	-	23 613	-
BNP Paribas Bank Polska SA	Multi-purpose and multi-currency credit line	25 438	-	15 408	-
Ukrsibbank	Credit line	-	-	15 551	UAH 114 600
Citibank Russia	Credit line	123 600	RUB 2 000 000	97 950	RUB 1810 532
Total		324 876		291 771	

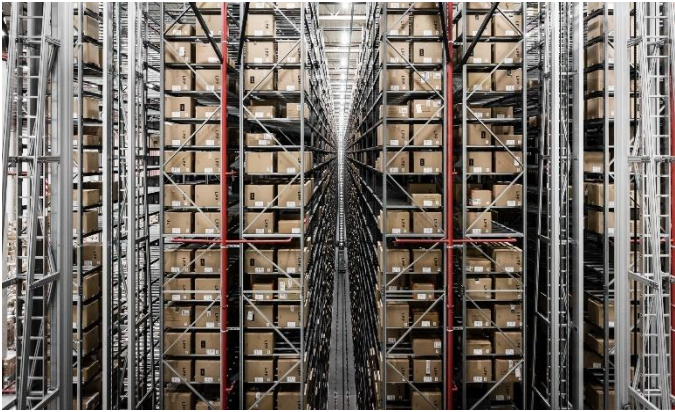
Other key events in Q3 2019 and in the period preceding publication of this report



SEPTEMBER 2019

E-COMMERCE DEVELOPMENT

An e-store opened in Ukraine (thirteenth own online market). The launching of the European e-store aimed at increasing online sales, recognising preferences of customers from Western Europe and identifying new markets for traditional stores.



OCTOBER 2019

E-COMMERCE WAREHOUSE IN ROMANIA

The opening of the Fulfillment Centre (FC) in Romania, near Bucharest. The warehouse of 22 thousand m2 supports e-commerce operations in South-Eastern Europe and enables quick and cost-effective deliveries to customers in this region. The warehouse handles online orders of all five brands: Reserved, Cropp, House, Mohito and Sinsay.



OCTOBER 2019

KENDALL JENNER - THE STAR OF RESERVED

"Ciao Kendall" - the largest advertising campaign in the history of the Reserved brand, promoting the brand's AW 2019 collection. The campaign has been launched simultaneously online and in TV. The clip with Kendall Jenner directed by Gordon Von Steiner has had a record-breaking number of views (ca. 20 mln).



OCTOBER 2019

DEBUT IN FINLAND - THE 25th RETAIL MARKET

Stores of all 5 brands, of the total area of 6 520 m2 in the Mall of Tripla, one of the most important shopping centres in Helsinki.



OCTOBER 2019

SUSTAINABLE DEVELOPMENT STRATEGY FOR THE YEARS 2020-2025

Announcement of the sustainable development strategy based on 4 cornerstones:
Eco aware – product and manufacturing;
Chemical safety in manufacturing;
Packaging aware – plastic use control;
Sustained development in office buildings and the sales network.

4. Factors and events, including those of extraordinary nature, significantly affecting the condensed financial statements

In Q3 2019, sales revenues increased by 14.9% compared to the same period of the preceding year, mainly owing to very good sales in both channels, i.e. in traditional stores (specifically Sinsay) and online stores. The sales increase in traditional stores resulted from the increase of retail space by 12.8% y/y and positive LFL performance. The increased online sales were a consequence of increased operations abroad and marketing outlays. Although the AW collections were appreciated by customers, a sales margin decreased in July by 1.5 pp, i.e. to 49.6% (compared to 51.0% a year ago) due to more extensive sales of the SS collection.

In Q3 2019, operating costs increased by 11.7%, with such increase being lower than the sales increase due to the positive effect of operating leverage. However, due to the application of MSSF 16, values y/y may be compared to a limited extent.

In Q3 2019, the Group recorded a less positive effect of net financing activities due to negative foreign exchange differences from balance sheet measurement, application of IFRS 16 (additional negative foreign exchange differences) and interest based on IFRS 16.

Consequently, in Q3 2019, the Group generated net profit of PLN 19.6 mln, compared to net profit of PLN 91.6 mln (according to IRFS 17) a year ago.

Basic figures reflecting the outcome of the Group's operations and margins gained in Q3 2019 are given in tables below.

	Q3 2019 (IFRS16)	Q3 2018 (IFRS17)	Change y/y (%)	Q3 2019 (IFRS17)
Revenues from sales	2 348 161	2 043 944	14.9%	2 348 161
Gross sales profit	1 164 345	1 043 367	11.6%	1 164 345
Costs of stores and distribution and general costs	1 004 010	898 752	11.7%	997 396
EBITDA	395 965	217 416	82.1%	250 383
Operating profit (loss)	140 514	129 212	8.7%	147 128
Net profit (loss)	19 631	91 557	-78.6%	65 037

	Q1-Q3 2019 (IFRS16)	Q1-Q3 2018 (IFRS17)	Change y/y (%)	Q1-Q3 2019 (IFRS17)
Revenues from sales	6 389 983	5 674 032	12.6%	6 389 983
Gross sales profit	3 270 124	2 980 654	9.7%	3 270 124
Costs of stores and distribution and general costs	2 826 615	2 610 856	8.3%	2 809 379
EBITDA	1 123 029	581 537	93.1%	700 487
Operating profit (loss)	392 825	323 235	21.5%	410 061
Net profit (loss)	110 519	192 917	-42.7%	183 298

Margin (%)	III kw. 2019	III kw. 2018	Change y/y (pp.)
Gross sales margin	49.6%	51.0%	-1.5
EBITDA	16.9%	10.6%	6.2
Operating margin	6.0%	6.3%	-0.3
Net margin	0.8%	4.5%	-3.6

Margin (%)	Q1-Q3 2019	Q1-Q3 2018	Change y/y (pp.)
Gross sales margin	51.2%	52.5%	-1.4
EBITDA	17.6%	10.2%	7.3
Operating margin	6.1%	5.7%	0.5
Net margin	1.7%	3.4%	-1.7

5. Explanations of the seasonal or cyclical nature of the LPP SA Group's operations in the reporting period

The seasonal nature of sales is a feature of the entire clothing market both in Poland and abroad. The third quarter of a calendar year covers months (mainly July), during which, traditionally, the clearance sales of the SS collection are organised. Usually, this process results in attaining a lower margin compared to the average yearly gross margin on sales in the entire quarter.

6. Information on revaluation write-offs on inventories to a net realisable value and reversal of the said write-offs

Detailed information is provided for in Note 35.2.

7. Information on impairment losses on financial assets, fixed and intangible assets or other assets, and on their reversal

Detailed information is provided for in Note 35.2.

8. Information on the creation, increase, utilisation and reversal of provisions

Detailed information is provided for in Note 35.6.

9. Information on deferred income tax assets and liabilities

Detailed information is provided for in Note 35.8.

10. Information on material transactions involving the purchase and sale of fixed assets

In the reporting period, there were no such events.

11. Information on material obligations arising from the purchase of property, plant and equipment

In the reporting period, there were no such events.

12. Information on material litigation-related settlements

In the reporting period, there were no such events.

13. Adjustments of errors from previous periods

In the reporting period, there were no such events.



RESERVED

14. Information on changes in economic and business conditions substantially affecting the fair value of the Company's financial assets and liabilities

In the reporting period, there were no such events.

15. Information on non-repayment of loans or borrowings or a breach of any material provisions of credit facility or loan agreements

In the reporting period, there were no such events.

16. Information on one or more transactions effected by the Issuer or its subsidiary with associates if effected on terms other than at arm's length basis, with a specification of their value

In the reporting period, there were no such events.

17. Organisational changes in the LPP Group, including those resulting from a merger of companies, gain or loss of control over associates or long-term investments, division, restructuring or discontinuation of operations

In the reporting period, there were no such events.

18. For financial instruments measured at fair value – information on the change of the method of determining such value

Not applicable.

19. Information on changes in the classification of financial assets due to their changed purpose or utilisation

Not applicable.

20. Division into operating segments – revenues and results by segment

The LPP SA Group is involved in one type of business activity (one trade segment regarded as the core one). A division into two geographical segments was applied: activity within and outside the European Union. The division into geographical segments was based on the criterion of location of the Group's assets.

Revenue and results attributable to specific segments in Q3 2019 and for the comparable period are presented in Note 35.10.

21. Information on the issuance, redemption and repayment of debt and equity securities

In Q3 2019, the Issuer neither issued nor redeemed or repaid any debt or equity securities. However, on 13 September 2019, the Extraordinary Meeting of Shareholders adopted a resolution on the issuance of bonds. Under the said resolution, the Company considers the issuance of bonds of the total value of up to PLN 300 mln with their planned redemption falling five years from the issuance date. The purpose of the said issuance of bonds is the financing of the construction of the distribution centre in Brześć Kujawski.

22. Information on the dividend paid (or declared), in total and per share, broken down by ordinary and other shares

In the reporting period, there were no such events. The dividend date fell in Q2 2019, with dividend being paid in the same quarter.

23. Date of approval of the financial statements for publishing

These financial statements were approved for publishing by the Management Board of the Parent Company on 18 November 2019.

24. Events occurring after the balance sheet date, not disclosed in the financial statements, which may significantly affect future financial results of the LPP SA Group

There were no such events.

25. Changes in contingent liabilities or assets, subsequent to the end of the previous financial year

In Q3 2019, the companies of the LPP SA Group benefited from bank guarantees to secure the payment of rent for the leased space for brand stores, offices and a warehouse.

As at 30 September 2019, the total value of bank guarantees granted upon request and under responsibility of LPP SA amounted to PLN 267 242 thousand, of which:

PLN 83 283 thousand	guarantees granted to secure agreements concluded by LPP SA
PLN 176 269 thousand	guarantees granted to secure agreements concluded by consolidated associates
PLN 7 690 thousand	guarantees granted to secure lease agreements concluded by LPP SA for warehouse and office space

In Q3 2019, the Company also received guarantees. These guarantees secured payments by a contracting party, and their value as at 30 September 2019 amounted to PLN 18 000 thousand.

In the reporting period, the Parent Company provided guarantees. As at 30 September 2019, their value amounted to PLN 131 584 thousand and increased compared to 31 December 2018 by PLN 5 561 thousand.

26. Estimates concerning future liabilities under lease agreements concluded

The Group companies are parties to agreements on the lease of retail, office and warehouse space and a car fleet.

Before implementation of IFRS 16, the Group classified each lease (as lessee) as at the lease commencement date either as financial or operating lease. The lease was classified as financial one if substantially all risk and benefits arising from the possession of the leased object were transferred to the Group. Otherwise the lease was classified as operating lease. The financial lease was recognised at fair value of the leased object as at the lease commencement date or in amounts equalling the current value of the minimum lease payments if such value was below fair value. Lease payments were divided into interest (recognised as financial costs) and a decrease of the lease liability. In the operating lease, the leased object was not activated while lease payments were recognised as rental costs in the profit and loss account applying the straight line method throughout the lease term.

Following adoption of IFRS 16, the Group applied a single recognition and valuation model for all lease contracts in which the Group is a lessee, except for short-term lease and the lease of low-value assets. The Group recognised lease liabilities and assets involving the right to use an underlying asset.

The Group implemented IFRS 16 using a modified retrospective method i.e. with the cumulative effect of initially applying IFRS 16 recognized as at the date of initial application. The Group decided to apply a practical solution permitting to apply the standard only in respect of agreements which had earlier been identified as lease contracts according to IAS 17 at the date of initial application.

Due to the implementation of IFRS 16, at the first stage, the Group recognised right-of-use assets of a value equalling lease liabilities. Subsequently, the value of a right-of-use asset was adjusted with the value of lease incentives settled over time, which as at 1 January 2019 were recognised by the Group in its balance sheet, and the value of agent commissions recognised as at 1 January 2019. The weighted average discount rate adopted upon initial application of the standard was 4.93%.

As at 31 December 2018, future minimum fees under agreements on irrevocable operating lease according to IAS 17 amounted to PLN 3 325 771 thousand.

The reconciliation of values when calculating liabilities in line with IAS 17 and IFRS 16 is given in the table below.

(in PLN thousand)	1 January 2019
Value of the minimum lease payments according to IAS 17	3 325 771
<i>Reasons for change in value according to IFRS 16</i>	
Agreements not subject to measurement under IFRS 16*	(84 688)
Agreements measured in line with IFRS 16, which were not measured so far under IAS 17**	4 000
Discount	(193 473)
Value of the liability according to IFRS 16	3 051 610

*E.g. short-term contracts – payable in 2019

**Right of perpetual usufruct

As at 30 September 2019, the Group recognised:

- right-of-use assets in the amount of PLN 2 955 662 thousand,
- lease liabilities in the amount of PLN 3 175 948 thousand.

In the period of 9 months ended 30 September 2019, the right-of-use asset was depreciated in the amount of PLN 439 778 thousand, with lease interest totalling PLN 75 710 thousand.

27. Position of the Management Board on the feasibility of annual consolidated results forecasts

The Company published no annual result forecasts.

28. Shareholders holding directly or indirectly, through subsidiaries, at least 5% of the total number of votes at the General Meeting of Shareholders of LPP SA as at the date of report submission, along with the number of shares held by those entities, their percentage share in the share capital, the number of votes attached, and their percentage share in total votes at the General Meeting of Shareholders, and changes in the structure of major shareholdings in LPP SA following submission of the previous periodical report

The shareholding structure of the Parent Company as at the date of submission of the report for Q3 2019 is given in the table below.

Shareholder	Number of shares held	Share in the share capital	Number of votes at the GM	Share in total votes at the GM
Semper Simul Foundation*	319 208	17.2%	1 019 208	31.5%
Sky Foundation**	226 338	12.2%	926 338	28.6%
Treasury shares***	18 006	1.0%	0	0.0%
Other shareholders	1 288 871	69.6%	1 288 871	39.8%
Total	1 852 423	100.0%	3 234 417	100.0%

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

**The Sky Foundation is associated with Mr Jerzy Lubianiec (Article 3(1)(26)(d) and Article 4(15) of the Public Offering Act).

*** Voting rights at the GM, attached to 18 006 shares, may not be exercised as these are treasury shares of LPP SA.

In the period following submission of the previous report (for H1 2019), there were no changes in the ownership of major shareholdings.

29. Structure of shareholdings in LPP SA or rights attached to shares, held by the Issuer's management and supervisory officers as at the date of submission of a quarterly report, including changes in the shareholding structure following submission of the previous interim report, broken down by person

The shareholdings in LPP SA, owned by key management and supervisory officers, as at the date of submission of the report for Q3 2019:

Shareholder	Number of shares held	Number of votes at the GM
Marek Piechocki – President of the Management Board	342	342
Jacek Kujawa - Vice-President of the Management Board	220	220
Przemysław Lutkiewicz - Vice-President of the Management Board	363	363
Sławomir Łoboda - Vice-President of the Management Board	312	312
Jerzy Lubianiec – Chairman of the Supervisory Board*	226 338	926 338
Piotr Piechocki – Member of the Supervisory Board	14	14
Antoni Tymiński – Member of the Supervisory Board	11	11

*shares held indirectly through a subsidiary

After submission of the last periodical report (for H1 2019), there were no changes in the ownership structure of LPP SA shares held by members of the Issuer's Management Board and the Supervisory Board.

30. Significant proceedings pending before courts and arbitration or public administration authorities in respect of liabilities or receivables of the issuer or its subsidiary, with the specification of the subject matter of the proceedings, value of the object of dispute, date of commencement of the proceedings, parties thereto and the Issuer's standpoint

With reference to information provided in earlier interim and current reports on the pending tax audit procedure carried out in respect of settlement of CIT for previous years (2011, 2012, 2013 and 2016), in particular the analysis of settlements related to license fees for the use of trademarks, LPP SA informs that it has been notified by the tax authority that the tax audit procedure for 2012 has been completed and cancelled. Due to pending tax audit procedures covering the years 2011, 2013 and 2016, carried out by the Customs and Fiscal Office, the Company recognised, as at 30 September 2019, a provision for potential tax risks, in the total amount of PLN 80.7 mln (as at 30 June 2019, the said amount was PLN 86.7 mln).

By the date of publishing the enclosed financial statements, there were no other events after the balance sheet date, requiring any additional disclosures, apart from those specified above.

31. Transactions with associates

31.1. Key management officers

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

The value of short-term benefits of members of the Management Board of the Parent Company, received between 1 January and 30 September 2019, amounted to PLN 5 441 thousand.

Remunerations shown separately for each key management officer were as follows.

First name and surname (in PLN thousand)	Position	30 September 2019	30 September 2018
Marek Piechocki	President of the Management Board	1 931	2 156
Przemysław Lutkiewicz	Vice-President of the Management Board	1 170	1 320
Jacek Kujawa	Vice-President of the Management Board	1 170	1 320
Sławomir Łoboda	Vice-President of the Management Board	1 170	1 320

The value of short-term benefits of members of the Supervisory Board of the Parent Company, received between 1 January and 30 September 2019, amounted to PLN 195 thousand.

Remunerations shown separately for each member of the Supervisory Board were as follows.

First name and surname (in PLN thousand)	Position	30 September 2019	30 September 2018
Jerzy Lubianiec	Chairman of the Supervisory Board	90	67
Wojciech Olejniczak	Member of the Supervisory Board	21	14
Piotr Piechocki	Member of the Supervisory Board	21	14
Magdalena Sekuła	Member of the Supervisory Board	21	21
Antoni Tymiąski	Member of the Supervisory Board	21	21
Miłosz Wiśniewski	Member of the Supervisory Board	21	21

32. Information on the granting by the issuer or its subsidiary of credit or loan sureties or guarantees – jointly to a single entity or its subsidiary if the total value of existing sureties or guarantees is significant

In the reporting period, neither the Issuer nor any of its subsidiaries granted any substantial credit or loan sureties or guarantees to a single entity or its subsidiary.

Detailed information on conditional liabilities are provided in Note 25.

33. Other information which may significantly affect the evaluation of the staffing, property and financial standing and the financial result of the LPP SA Group as well as information relevant for evaluating the capacity of the Issuer's Group to perform its liabilities

This report contains basic information essential for evaluating the standing of the Issuer's Group. In the opinion of the Management Board, currently, the performance of the Group's liabilities remains unthreatened.

34. Factors which, according to LPP SA, will affect the results gained by its Group within at least the next quarter

The Group's goal for 2019/20 (a 13-month financial year) is to continue two-digit sales growths (owing to the development of retail space, positive LFL dynamics, e-commerce development), attaining a margin of 52-53% (reduction by 1 pp. compared to previous goals due to the faster development of Sinsay which generates lower gross margins), control of operating costs and maintenance of net cash (according to IAS 17).

The Group's goal for 2020/21 (a 12-month financial year) is to continue two-digit sales growths (owing to the development of retail space, positive LFL dynamics, e-commerce development), EBIT improvement, control of operating costs and maintenance of net cash (according to IAS 17)

Basic factors affecting results to be achieved by the LPP SA Group are as follows:

a) Attractiveness of collections

The attractiveness of collections of specific brands and their high appreciation by female and male customers will decisively affect the results of the LPP Group and, consequently, on LFL sales. Therefore, LPP designers focus on fashion-related issues. Each brand has a separate design team following fashion trends in the brand's group of end customers, who take part in exhibitions and events all over the world and follow trends online (also in social media) and street fashion in the hottest fashion capitals, i.e. Paris, New York, Seoul, Tokio. Inspirations found and worldwide trends are given attention in the process of creating our collections.

b) PLN/USD, PLN/EUR and PLN/RUB exchange rates

Due to the fact that approx. a half of the Group's revenues are denominated in foreign currencies (with costs of purchases of goods being denominated in approx. 90% in USD, and SG&A in approx. 60% in EUR), the USD/PLN and EUR/PLN exchange rates will affect the Group's results. USD exposure is related to the venue of manufacturing and purchasing goods (mainly Asian countries), while EUR exposure is related to payments of rent in brand stores. Considering the fact that Russia is responsible for approx. 18% of the Group's sales, the Company is substantially exposed to Russian ruble. The Group reports its financial results in PLN. Consequently, the strengthening of PLN versus USD and EUR positively affects our margins, while the weakening of PLN versus key currencies decreases the Group's profitability. At the same time, the model involving continuous deliveries of merchandise reduces the risk of purchasing entire collections when foreign exchange rates peak.

Since 2019, due to implementation of IFRS 16, another risk has emerged in connection with recalculation of lease liabilities (mainly in EUR) with current foreign exchange rates.

c) Economic and political situation in Poland and countries where the stores of the LPP SA Group are operated

The economic situation in countries where the Group sells its products is crucial for the Group's situation. The revenues and margins of the CG depend on the economic situation of households and consumption inclinations. An economic growth or decline in countries where our brand stores are located may translate into an increase or decrease in consumers' spending, including clothing expenses.

d) Tightening of the Sunday trading ban

Gradual introduction, from March 2018, of a Sunday trading ban in Poland may affect the Group's domestic sales revenues. In the first year, the amended law permitted trading on the first and last Sunday each month, during the second (current) year – on one Sunday a month, with the maximum of 7 trading Sundays to be introduced starting from the third year. Before law amendment, trading was banned on statutory days off only. In 2017, the Sunday share in domestic sales reached 18% while in 2018 it was 12%.

e) Turnover tax on large stores

Results generated by the Company may be affected by turnover tax to be implemented on large stores in Poland. Initially, the said tax was to be implemented in September 2016, however, it was suspended upon initiation by the European Commission (EC) of the procedure involving a violation by Poland of EU law due to its introduction. Should the said tax be implemented in Poland, the Company will incur additional costs affecting the Group's financial result.

f) Control of SG&A

In the nearest future, the Group's financial results will be affected by the control of operating costs. The operating costs of the LPP Group include the costs of stores (both own and franchise stores in Poland), the costs of distribution and general costs. The costs of own stores comprise rent, payroll and other costs. The costs of distribution comprise the costs of e-commerce and logistics. General costs include marketing and back-office costs and the costs of sales and product departments. In upcoming calendar quarters, operating costs may be affected by increasing working costs.

g) Development of traditional stores chains

The Group's goal is to develop the chain of traditional stores of all our brands, with simultaneous optimisation of retail space (closing of unprofitable stores and expanding profitable ones). Owing to the launching of our operations on new markets, i.e. Finland and Bosnia and Hercegovina, at the end of 2019/20, the Group will operate its traditional stores in 25 countries. In 2019/20, the Group will increase its retail space by approx. 15% y/y, i.e. up to 1 232.8 thousand m².

In 2020/21 (12 months), we plan another increase of 16% y/y, focusing on the development of Sinsay, House and Cropp brands, selective space development in Poland, growth increase in Europe (in particular South-Eastern Europe) and accelerated space development in the CIS region. Furthermore, in 2020/21, the Group plans to launch its own stores on the next new market, i.e. in North Macedonia.

The Group's results will be affected by the development of the sales network.

h) Dynamic e-commerce development

Adjusting to the current tendency involving increasing popularity of online shopping, the Group takes actions aimed at further development of this sales channel. Such development is based on own on-line stores, ensuring direct access to customers and control of the goods, without any intermediaries. In the second half of 2019, the Group launched an e-store for all EU countries and Ukraine. The Group envisages that, following actions related to the development of online stores, in 2019/20, the Group will exceed PLN 1 bln of revenue generated in the said sales channel, while in 2021/22 revenues from online sales will reach 20%.

i) Logistics development

The development of the sales network (both traditional and online stores) entails the development of logistics. The lease of warehouse space in Romania (22 thousand m²) and Slovenia (25.4 thousand m²), dedicated to e-commerce, will make it possible to reach the online sales goals, while the construction of a distribution centre in Brześć Kujawski will enable attaining sales goals in traditional stores.

j) Omnichannel

The development of the omnichannel system will affect results generated by the Group. Owing to the omnichannel system, a customer will be able to freely purchase goods in both channels, with both sales channels permeating. Traditional stores support online sales and, therefore, it is necessary to invest in modern stores encouraging customers to pay a visit. Building the omnichannel system, the Group invests in the development of modern stores, logistics and state-of-the-art technology.

k) RFID

The implementation of RFID (radio-frequency identification) will enable the Group to manage the supply chain very precisely in terms of inventory and merchandise accessibility at each stage of the supply chain. Owing to RFID investments, we will identify products quickly and precisely, accept deliveries quicker, shorten the time for registering goods at the cashier's desk and, since 2020, we will deliver online purchases from traditional stores. All these elements will can affect the results gained by the Group, bringing, among others, a revenue increase (expected - approx. 3%). In 2019, we plan to take actions aimed at implementing RFID in the Reserved brand and, since 2020, in the remaining brands. Estimated total cost of RFID for all brands - PLN 60 mln.

l) CAPEX

The Group's results will be affected by replacement investments. Capital expenditures planned in 2019/20 (13 months) will amount to PLN 920 mln, comprising the following expenditures: stores - PLN 730 mln, head offices - PLN 110 mln, logistics - PLN 30 mln and IT - 50 mln PLN.

Capital expenditures planned in 2020/21 (12 months) will amount to PLN 1 120 mln, comprising the following expenditures: stores - PLN 760 mln, head offices - PLN 110 mln, logistics - PLN 200 mln and IT - 50 mln PLN.

35. Explanatory notes to the consolidated condensed interim financial statements

35.1. Lease

As of 1 January 2019, the Group implemented IFRS 16 using a modified retrospective method i.e. without modifying previous years.

As at 1 January 2019, the value of the right-of-use assets amounted to PLN 2 926 806 thousand, while lease liabilities amounted to PLN 3 051 610 thousand.

The Group applied the following simplifications:

1. a single discount rate for assets having similar features;
2. no measurement for short-term agreements of a duration of less than 12 months;
3. no measurement for low-value assets.

As at 30 September 2019 and 1 January 2019, the impact of implementing IFRS 16 on the Group's statement of financial position and the statement of comprehensive income is given below.

Lease in the statement of financial position (in PLN thousand)	30.09.2019	01.01.2019
Assets		
Right-of-use assets	2 955 662	2 926 806
Long-term prepayments*	0	(45 843)
Short-term prepayments*	0	(6 296)
Total assets	2 955 662	2 874 667
Liabilities		
Long-term lease liabilities	2 544 028	2 466 288
Long-term accruals**	0	(141 980)
Short-term lease liabilities	631 920	585 322
Short-term accruals**	0	(34 963)
Total liabilities	3 175 948	2 874 667

* According to IFRS 16, the Group presents agent commissions as an increase in the right-of-use asset.

** According to IFRS 16, the Group presents a fee paid to the lessor for outlays as a decrease in the right-of-use asset.

35.2. Revaluation write-offs on assets

Values of certain assets, presented in the consolidated financial statements drawn up as at 30 September 2019, were adjusted with revaluation write-offs. Detailed information on revaluation write-offs shown as at the last day of the reporting period and changes in the period are given in the table below.

	in PLN thousand		
	Fixed and intangible assets	Inventory	Receivables, loans and shares
As at 1 January 2019	31 874	93 125	28 591
Increase	699	8 931	18 757
Decrease	15 265	15 074	6 761
As at 30 September 2019	17 308	86 982	40 587

35.3. Other financial assets

In PLN thousand	30.09.2019	31.12.2018
Fixed assets		
Other receivables	8 772	7 764
Shares in non-consolidated associates	50	0
Loans granted	69	58
Other long-term financial assets	8 891	7 822
Current assets		
Other receivables	0	1 378
Receivables from payment card operators	44 902	34 523
Loans granted	49	46
Participation units in funds	81 157	55 425
Forward contract valuation	35 217	23
Foreign currency sold	14 867	43 432
Other short-term financial assets	176 192	134 827
Other financial assets in total	185 083	142 649

In the reporting period, the Group purchased participation units in money market funds. As at 30 September 2019, the value of participation units was PLN 81 157 thousand, comprising the value of units acquired on the purchase date, in the amount of PLN 80 456 thousand, and their measured value, in the amount of PLN 701 thousand. In the cash flow statement, in investing activities, the Group reports the purchase of participation units in the amount of PLN 205 000 thousand and their amortisation in the amount of PLN 179 303 thousand. The measured value of PLN 573 thousand (unpaid interest charged) is recognised in operating activities, in interest and dividends. The value of profit earned from amortised units amounted to PLN 1 274 thousand (paid) and was reported in investing activities, in other inflows from financial assets. The measurement of the above-mentioned instruments is at level 1 of the fair value hierarchy in respect of participation units in funds quoted on the regulated market and at level 2 of the fair value hierarchy in respect of participation units in unquoted funds.

35.4. Cash

For the purpose of preparing the cash flow statement, the Group classifies cash in the manner adopted for the presentation of financial position. The difference in the value of cash shown in the statement of financial position and the cash flow statement is affected by:

in PLN thousand	30.09.2019	30.09.2018
Cash and cash equivalents recognised in the statement of financial position at hand and in bank:	920 839	851 155
<i>Adjustments:</i>		
Currency translation from balance sheet valuation of cash in foreign currency	-6 380	209
Cash and cash equivalents recognised in the consolidated cash flow statement	914 459	851 364

35.5. Employee liabilities

The value of employee liabilities shown in the consolidated condensed financial statements and their changes in specific periods are as follows.

	in PLN thousand		
	Long-term provision for retirement and similar benefits	Short-term provision for unpaid remuneration	Short-term provision for unused holiday leave
Balance as at 1 January 2019	1 012	60 831	25 876
Increase	0	47 352	26 727
Decrease	3	60 831	25 876
Balance as at 30 September 2019	1 009	47 352	26 727

35.6. Provisions

The value of provisions recognised in the consolidated condensed financial statements and their changes in the reporting period are as follows.

	in PLN thousand	
	Provision for early contract termination	Other provisions
Balance as at 1 January 2019	17 900	2 497
Provision made	0	31 994
Provision reversed	17 900	2 497
Balance as at 30 September 2019	0	31 994

In Q1 2019, a provision made in December 2018 in connection with the payment of compensations for the early closure of stores was reversed.

At the same time, in Q3 2019, a provision was made for IT works in RFID, Big Data, logistics and e-commerce projects.

35.7. Income tax

The main components of the Group's income tax for the period from 1 January to 30 September 2019 and for a comparative period are given in the table below.

	in PLN thousand	
	01.01 - 30.09.2019	01.01 - 30.09.2018
Current income tax	118 417	122 611
Deferred income tax	39 428	-12 434
Total	157 845	110 177

35.8. Deferred tax assets and liabilities

At the end of the reporting period, the values of deferred tax assets and liabilities were recognised in the consolidated financial statements.

Detailed information on the components of those figures is given in tables below.

Deferred tax assets	in PLN thousand	
	30.09.2019	31.12.2018
Difference between balance sheet and tax depreciation of fixed assets	-6 142	-3 172
Difference between balance sheet and tax depreciation of trademarks	0	40 000
Difference between the right-of-use asset and a lease liability	28 064	0
Revaluation of inventories	6 759	13 461
Revaluation of trade receivables	3 672	2 599
Margin on goods unsold outside the Group	17 020	21 119
Margin on the sale of outlays	14 663	36 336
Tax loss	33 423	31 057
Unpaid remuneration and surcharges	18 831	16 079
Provision for product returns	3 169	1 704
Estimated costs	8 882	6 725
Other temporary differences	-620	-1 631
Total	127 721	164 277

Deferred tax liabilities	30.09.2019	31.12.2018
Difference between balance sheet and tax depreciation of intangible and fixed assets	1 758	686
Total	1 758	686

35.9. Foreign exchange differences

In the consolidated statement of comprehensive income, prepared as at 30 September 2019, the value of foreign exchange losses exceeds by PLN 33 027 thousand the value of foreign exchange gains.

35.10. Operating segments

Revenues and financial results relating to geographical segments for the period from 1 January 2019 to 30 September 2019 and for a comparative period are given in tables below.

30.09.2019	in PLN thousand				Total
	EU Member States	Other countries	Consolidation adjustments	Values not attributed to segments	
External sales	4 782 206	1 607 777	0	0	6 389 983
Inter-segment sales	984 278	9 544	-993 822	0	0
Other operating income	19 215	8 306	0	0	27 521
Total revenue	5 785 699	1 625 627	-993 822	0	6 417 504
Total operating costs, including	5 133 777	1 444 059	-983 660	352 298	5 946 474
Costs of inter-segment sales	750 815	0	-750 815	0	0
Other operating costs	51 077	26 912	0	216	78 205
Segment result	600 845	154 656	-10 162	-352 514	392 825
Financial income	0	0	0	7 090	7 090
Financial costs	0	0	0	131 551	131 551
Profit/loss before taxation					268 364
Income tax					157 845
Non-controlling interests					0
Net profit/loss attributable to Shareholders of the Parent Company					110 519

30.09.2018	in PLN thousand				Total
	EU Member States	Other countries	Consolidation adjustments	Values not attributed to segments	
External sales	3 689 500	1 984 532	0	0	5 674 032
Inter-segment sales	790 385	0	-790 385	0	0
Other operating income	5 524	2 341	0	752	8 617
Total revenue	4 485 409	1 986 873	-790 385	752	5 682 649
Total operating costs, including	3 593 976	2 168 246	-797 279	339 291	5 304 234
Costs of inter-segment sales	607 250	0	-607 250	0	0
Other operating costs	29 694	25 486	0	0	55 180
Segment result	861 739	-206 859	6 894	-338 539	323 235
Financial income	0	0	0	5 298	5 298
Financial costs		0	0	25 439	25 439
Profit/loss before taxation					303 094
Income tax					110 177
Non-controlling interests					0
Net profit/loss attributable to shareholders of the Parent Company					192 917

Management Board of LPP SA:

Marek Piechocki

President of the Management
Board

Przemysław Lutkiewicz

Vice-President of the
Management Board

Jacek Kujawa

Vice-President of the
Management Board

Sławomir Łoboda

Vice-President of the
Management Board



www.lppsa.pl