



Implementation of remedial actions in respect of LPP Deutschland GmbH, a subsidiary – declassification of delayed inside information

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The Management Board of LPP SA with its registered office in Gdańsk (the Company) informs that, on 5 June 2020, it approved the decision of the governing body of its one-member subsidiary LPP Deutschland GmbH, adopted also on 5 June 2020, on the intention to undertake activities aimed at improving the said company's standing and its remedial restructuring. To that end, on 8 June 2020, the governing body of LPP Deutschland GmbH filed, with a competent court in Hamburg, the application for granting consent for the undertaking by LPP Deutschland GmbH of remedial actions and having the company temporarily protected against its creditors in accordance with section 270b of the Insolvency Law in the territory of Germany. In the late afternoon of 9 June 2020, the court in Hamburg issued the decision on the granting of consent for the implementation of remedial actions in the form of a legal procedure encompassing protection against creditors of that subsidiary i.e. the so-called Protective Shield Procedure (Schutzschirmverfahren).

These actions are aimed at improving the standing and remedial restructuring of LPP Deutschland GmbH, which sells goods of the LPP SA Group in the territory of Germany. The company operates 19 traditional stores in Germany, employing approx. 500 people, with Germany being, in terms of sales volume, the sixth market for the LPP SA Group. In 2019, LPP Deutschland GmbH generated revenue of approx. PLN 350 mln. The company's standing has been affected by the negative consequences of the COVID-19 pandemic, involving store closure in the territory of Germany and a decrease in sales after stores reopened.

In the procedure in question, the main goal of LPP Deutschland GmbH is the negotiation with lessors of new terms and conditions of contracts under which the company uses retail premises and, therefore, ensuring profitability of the company's operations. As part of the said procedure, for three months, LPP Deutschland GmbH will be protected against its creditors and pursue operations under the supervision of persons appointed by the court in Hamburg. The company's current governing body will remain on

office. In the said period, the company will still manage its assets, being supervised by an administrator appointed by the court, and will also be supported by an external restructuring manager. Furthermore, the creditors council will be appointed to represent creditors against the company and the administrator. In the said period, LPP Deutschland GmbH will be protected against any potential enforcement actions undertaken by creditors.

If, during the three-month period, the German company finally amends contractual terms and conditions, it will be able to reinstate its current operations. Should the company fail to reach that goal, it might be required to implement further restructuring procedures as provided for in German law, including in particular the insolvency procedure under German law (the so-called preliminary insolvency procedure - vorläufiges Insolvenzverfahren or "full" insolvency procedure - Insolvenzeröffnungsverfahren).

At the same time, the Management Board of LPP SA informs that, with a view to protecting the interests of LPP Deutschland GmbH and, therefore, LPP SA and its shareholders by, *inter alia*, ensuring unhindered implementation of the remedial procedure, the Company decided to delay disclosure to the public of the information on, respectively, the adoption and approval on 5 June 2020 by the Management Board of LPP Deutschland GmbH and the Management Board of LPP SA of the decision on the intended submission on 8 June 2020 to the Court of the application in the case in question [the Decision]. The Company clarifies that, in the opinion of its Management Board, immediate disclosure to the public of the above-mentioned information on the Decision on the date of its adoption would give rise to the risk of occurrence of events recognised as negative in terms of the procedure in question before issuance by the Court of the decision, referred to above, by virtue of which LPP Deutschland GmbH has been legally protected. Today's disclosure to the public of the Decision is related to the expiry on 9 June 2020 of prerequisites set forth in Article 17(4) MAR, justifying a possible delay in public disclosure of inside information in connection with the issuance by the court in Hamburg of the decision on the granting of consent for implementation of remedial actions. Simultaneously, the Issuer informs that the information provided in this report exhausts the content of the above-mentioned delayed inside information.

Article 17(1) MAR – Inside Information

Signatures:	Przemysław Lutkiewicz – Vice-President of the Management Board Sławomir Łoboda - Vice-President of the Management Board
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