

LPP

2021/22



LPP EQUITY STORY

LPP EQUITY STORY

AUGUST 2022

RESERVED

CROPP

 **house**

M O H I T O

sinsay

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Table of contents



01

Overview // 7

02

Investment case // 16

Dynamic floorspace development // 18
Developing omnichannel // 24
Efficient business model // 31
Dividend payments to continue // 36
A responsible company // 40

03

Back-up // 46

Brands // 47
LFLs // 57
Floorspace // 59
Regions // 63
Growth drivers // 76
Business model details // 80
Corporate milestones // 98
ESG topics // 103
Stock exchange/IR // 116

Changes in fiscal years



2021/22

4

2019/20
(13M)

13-month-long fiscal year, from January 1, 2019 to January 31, 2020, audited numbers

2018/19
and 2019/20

12-month-long fiscal years, created for the purpose of comparison, starting from February 1 of respective years, unaudited numbers

2020/21

12-month-long fiscal year, from February 1, 2020 until January 31, 2021

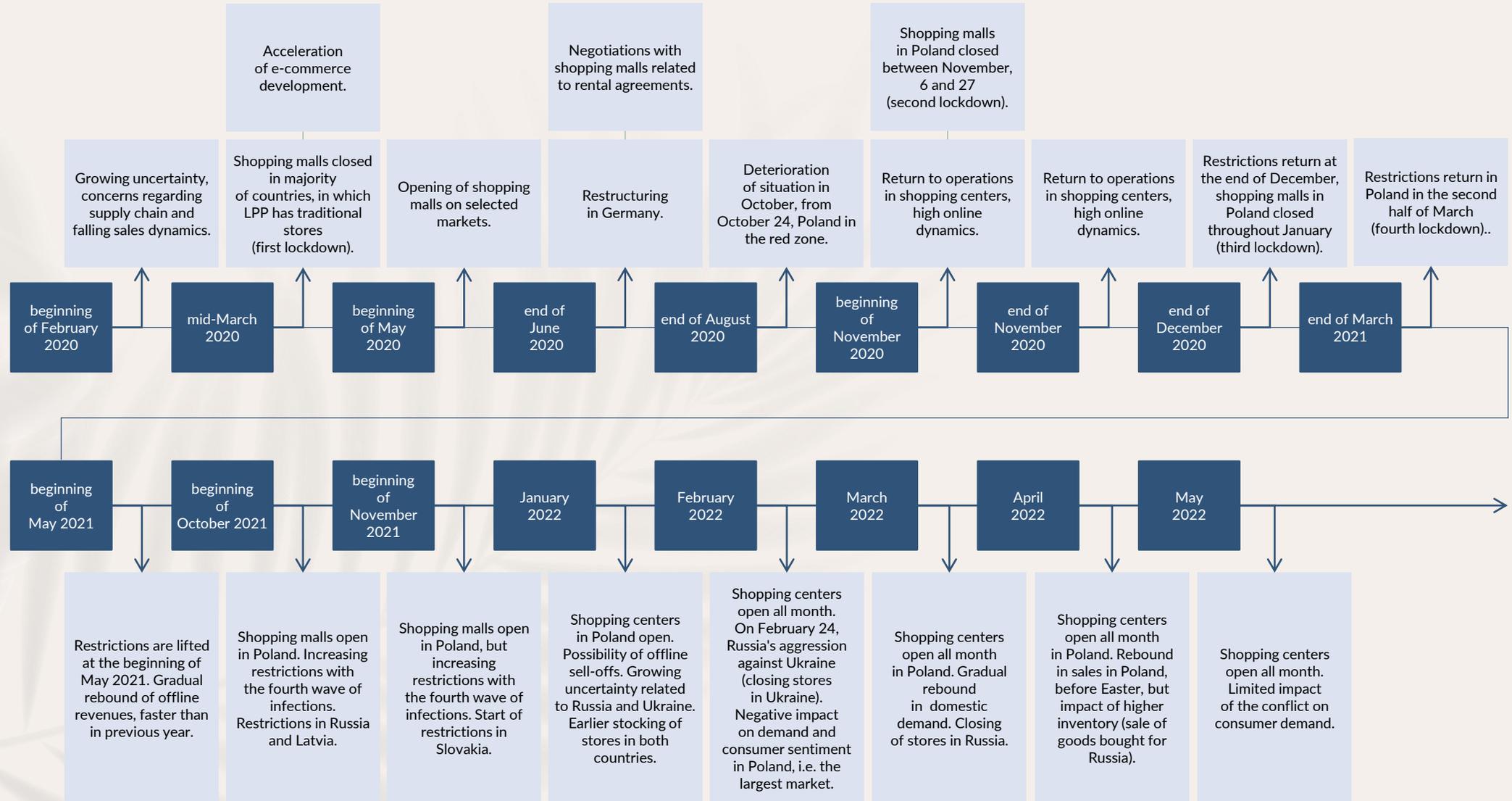
2021/22

12-month-long fiscal year, from February 1, 2021 until January 31, 2022

Last 2 years of results affected by COVID-19 and war

2021/22

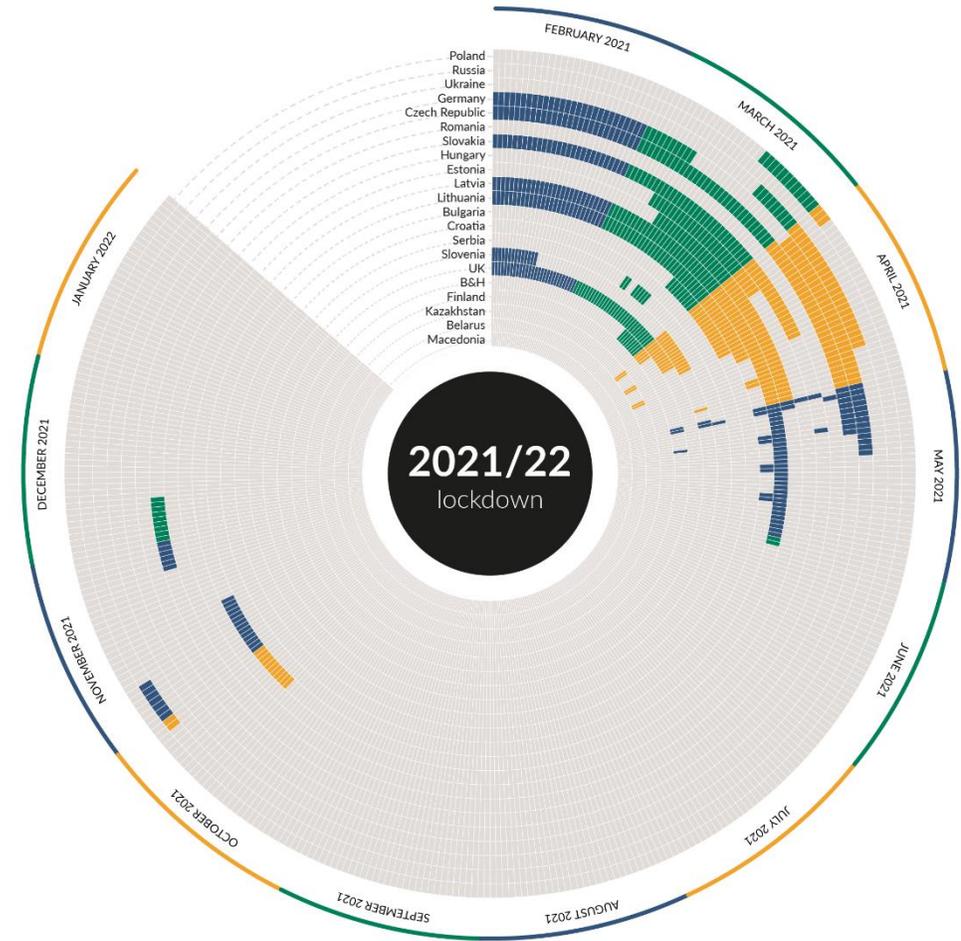
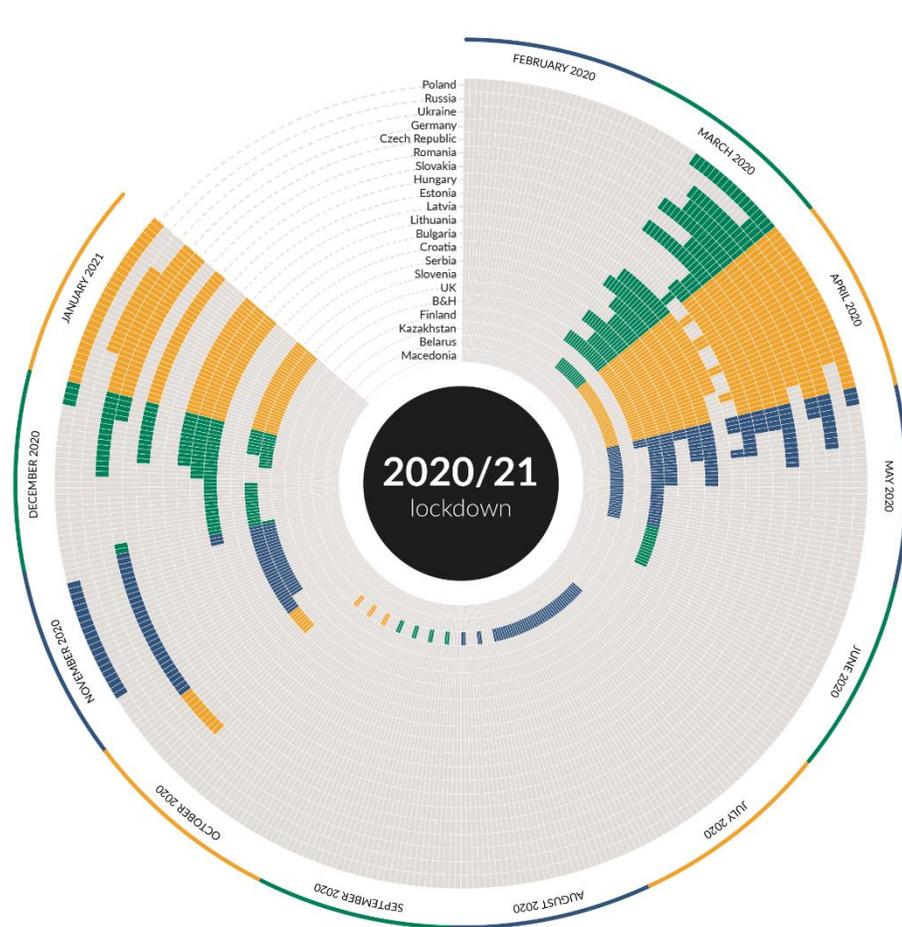
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Different YoY pandemic restrictions in 2021/22

2021/22

6



LPP

2021/22

7



01

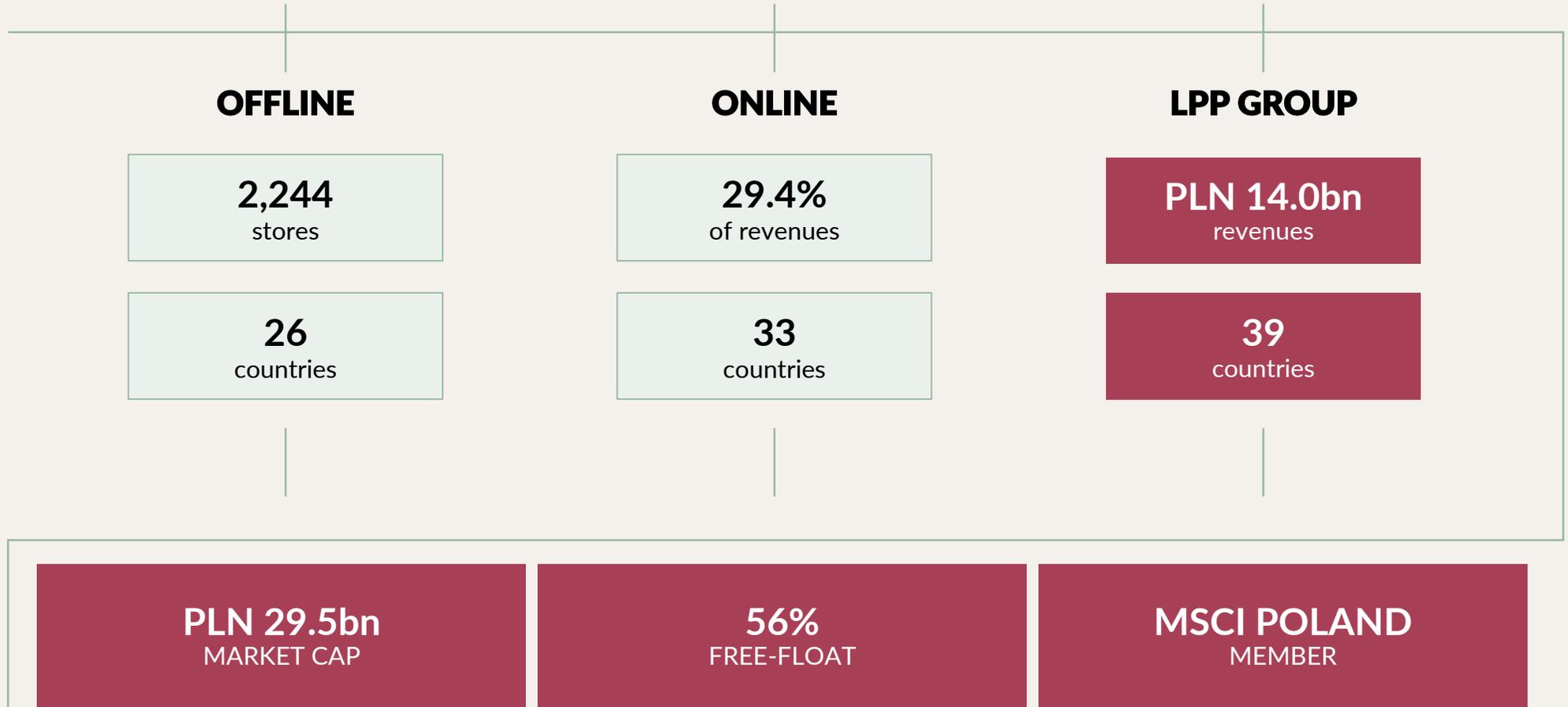
Overview

One of the largest clothing retailers on WSE

2021/22

8

LPP EQUITY STORY

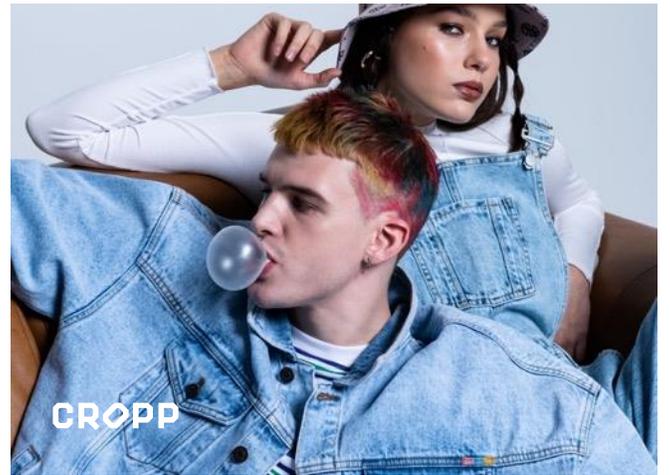


Data as of 31.01.2022

A diversified brand portfolio ...

2021/22

9



...with varied and modern store concepts

2021/22

10



Portfolio of 5 mainstream brands

WE FOCUS ON MAINSTREAM-PRICED BRANDS

| | RESERVED | CROPP |  house | M O H I T O | sinsay |
|---------------------------------|---------------------------------------|---|---|---|---|
| KEY BRAND FEATURES | Anchor brand with broad customer base | Streetwear brand influenced by contemporary culture and music | An optimistic fashion brand | Comfort and elegance for business and informal meetings | Clothes for every day inspirations and original party outfits |
| TARGET CUSTOMERS | Women, men, children, newborn | Teenagers (boys and girls) | Teenagers (boys and girls) | Women | Women, men, teenagers, children, newborn |
| YEAR OF LAUNCH | 1998 | 2004 | 2001 (at LPP since 4Q08) | 2008 (at LPP since 4Q08) | 2013 |
| COUNTRIES/ REGIONS PRESENT | CEE, SEE, Baltic, CIS, WE, ME | CEE, SEE, Baltic, CIS, WE (Finland) | CEE, SEE, Baltic, CIS, WE (Finland) | CEE, SEE, Baltic, CIS, WE (Finland) | CEE, Baltic, CIS, SEE, WE (Finland) |
| # STORES/ FLOORSPACE 2021/22 | 447 710.2 ths m2 | 398 191.5 ths m2 | 368 173.4 ths m2 | 286 122.5 ths m2 | 743 689.1 ths m2 |
| AVERAGE STORE SIZE | 1,589 m2 | 481 m2 | 471 m2 | 428 m2 | 927 m2 |

Note: sum of brands' stores and floorspace does not equal group floorspace as on top we had 1.4 ths m2 of outlets at the end of 2021/22.

2021/22

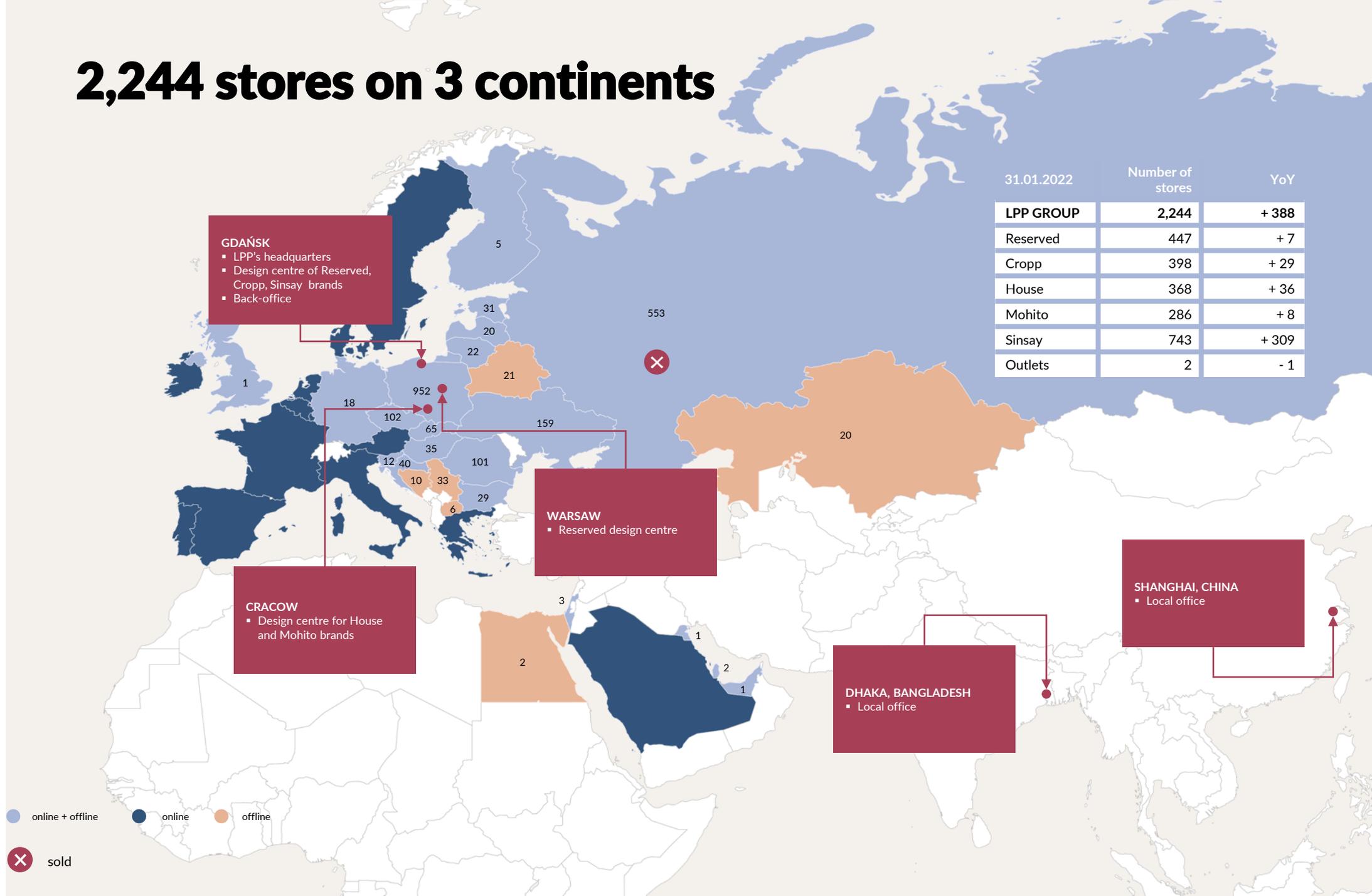
11

2,244 stores on 3 continents

2021/22

12

LPP EQUITY STORY



Offline operations in six geographic regions

| DEVELOPMENT STAGE | MATURITY | | DEVELOPING | NO GROWTH | EARLY STAGE | |
|---------------------------|---|--|---|--|---|-----------------------------------|
| | CEE | BALTIC | SEE | CIS | WE | ME |
| COUNTRIES PRESENT OFFLINE | Poland, Czech Republic, Hungary, Slovakia | Lithuania, Latvia, Estonia | Bulgaria, Romania, Croatia, Serbia, Slovenia, B&H, Northern Macedonia | Russia (now sold), Ukraine (partially operational due to war), Belarus, Kazakhstan | Germany, UK, Finland | Egypt, Kuwait, Qatar, UAE, Israel |
| # COUNTRIES PRESENT | 4 | 3 | 7 | 4 | 3 | 5 |
| BRANDS | Reserved, Cropp, House, Mohito, Sinsay | Reserved, Cropp, House, Mohito, Sinsay | Reserved, Cropp, House, Mohito, Sinsay | Reserved, Cropp, House, Mohito, Sinsay | Reserved (all countries), Cropp, House, Mohito, Sinsay (4 brands in Finland only) | Reserved |
| # STORES 2021/22 | 1,154 | 73 | 231 | 753 | 24 | 9 |
| TYPE OF STORES | Own | Own | Own | Own | Own | Franchise |
| FLOORSPACE 2021/22 | 853.6 ths m2 | 62.0 ths m2 | 231.0 ths m2 | 678.1 ths m2 | 53.5 ths m2 | 10.0 ths m2 |

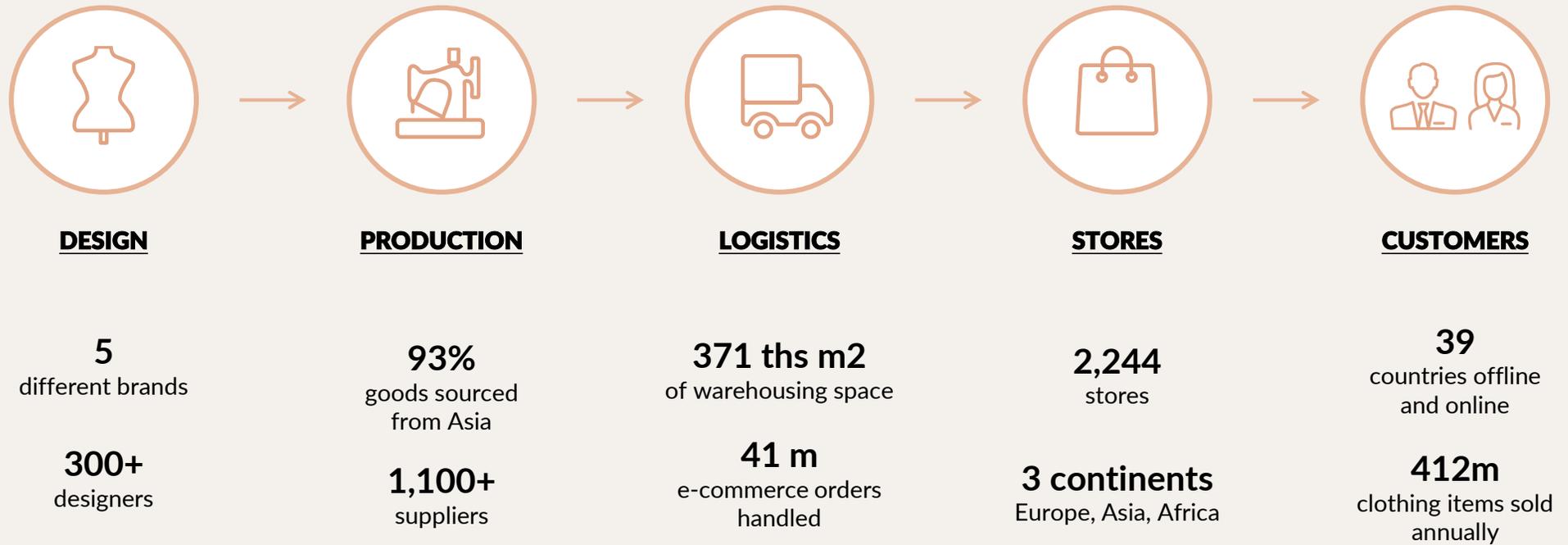
2021/22

13

A lean customer focused business model

2021/22

14

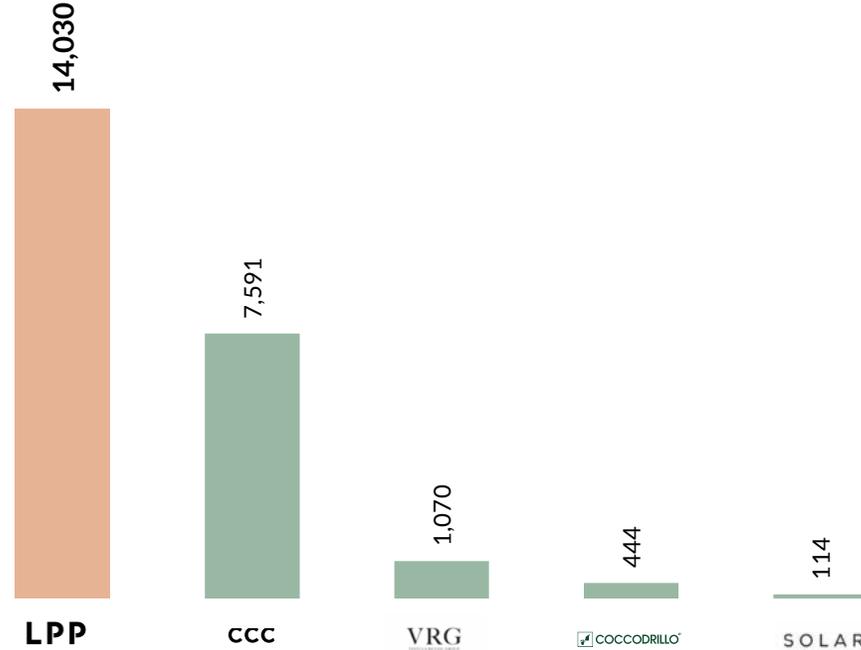


Time of implementation from design to stores: up to 30 days for the most fashionable items. The rest of the collection is manufactured in approx. 90-100 days.

Eyeing the international giants

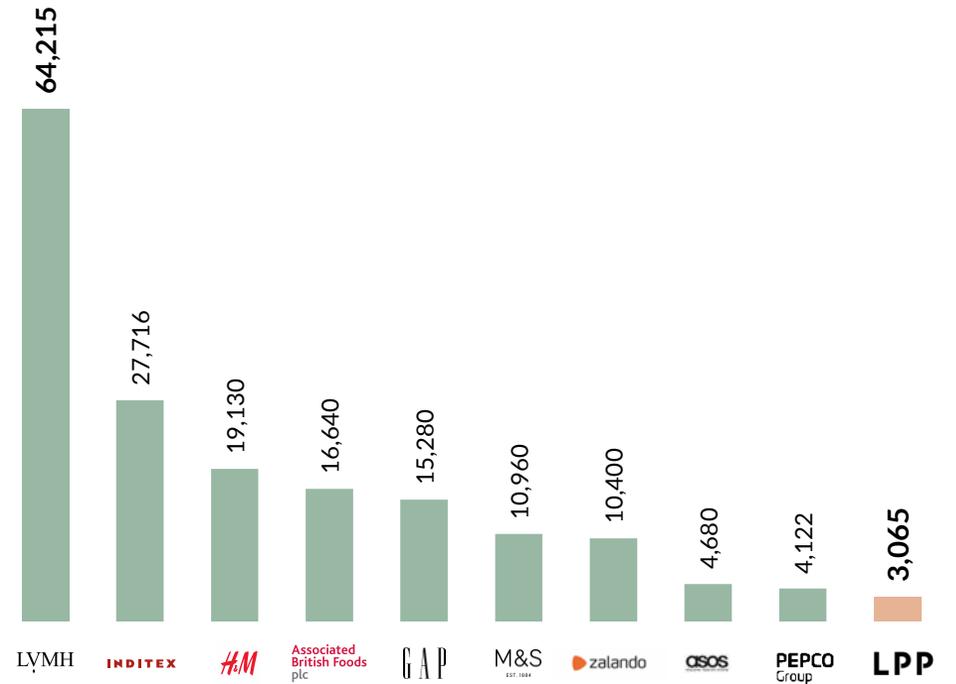
LEADER ON THE DOMESTIC RETAIL MARKET

REVENUES (PLN m)



AMBITIONS TO BE AMONG THE INTERNATIONAL LEADERS

REVENUES (EUR m)



Note: data for LPP for 2021/22, while for other companies for comparable fiscal years.

LPP

2021/22

16



02

Investment case

1

DYNAMIC FLOORSPACE DEVELOPMENT

New countries, floorspace growth 2023/24+ post Russian operations disposal

2

DEVELOPING OMNICHANNEL

PLN 5bn online revenues in 2022/23

3

EFFICIENT BUSINESS MODEL

Lean and cost cautious business model

4

DIVIDEND PAYMENTS TO CONTINUE

Strong cash position to sustain dividend payments

5

A RESPONSIBLE COMPANY

2020-2025 Sustainable Development Strategy with ambitious targets



Investment case



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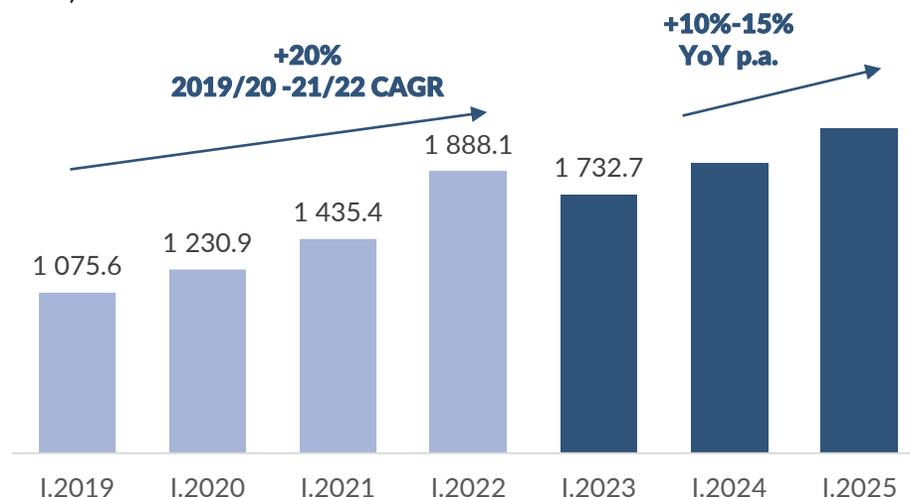
Dynamic floorspace development

NEW COUNTRIES, FLOORSPACE GROWTH 2023/24+ POST RUSSIAN OPERATIONS DISPOSAL

Floorspace growth to continue post Russian disposal

FLOORSPACE GROWTH TARGETS

(ths m2)



FLOORSPACE TARGETS BY REGIONS

| ths m2 | I.2022 | I.2023 | YoY |
|------------------|----------------|----------------|------------|
| LPP GROUP | 1,888.1 | 1,732.7 | -8% |
| Poland | 677.2 | 783.4 | 16% |
| Europe | 522.8 | 809.1 | 55% |
| CIS | 678.1 | 129.6 | -81% |
| ME | 10.0 | 10.6 | 6% |

2021/22

19

- Dynamic floorspace growth in the past resulted from: (1) enlarging stores of all brands, (2) entering new countries and (3) expansion Sinsay in Poland and abroad.
- April/May 2022 divestiture of the Russian business following Russian military aggression on Ukraine. As a result, a strategic shift from East to West.
- Reasons behind further floorspace growth: (1) stronger entry to smaller towns, also via retail parks, (2) opportunity to develop value-for-money segment, (3) emphasis on omnichannel, of which traditional network is an important part.
- Single-digit YoY floorspace fall at the end of 2022/23. 10-15% p.a. floorspace growth in the next two years.



Faster offline growth – openings in retail parks



| | RESERVED | MOHITO | sinsay | house | CROPP |
|---------|----------|--------|--------|-------|-------|
| ONLINE | + | + | + | | |
| OFFLINE | | | + | + | + |

Brackets below the table indicate that the first three brands (RESERVED, MOHITO, sinsay) are grouped under the first explanatory box, and the last three brands (house, CROPP) are grouped under the second explanatory box.

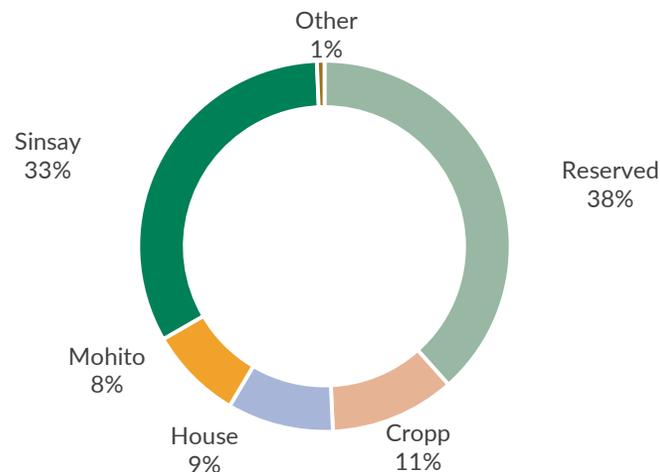
Fast online expansion boosted by omnichannel, selective offline development, shopping malls, big cities.

Fast offline growth: retail parks and smaller towns, online expansion boosted by omnichannel.

Reserved and Sinsay – two revenue pillars

GROUP REVENUES BY BRANDS

(PLN m)



GROUP REVENUES BY BRANDS

| PLN m | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|--------------|--------------|--------------|---------------|
| LPP GROUP | 8,756 | 9,222 | 7,848 | 14,030 |
| Reserved | 3,881 | 4,370 | 3,467 | 5,386 |
| Cropp | 1,206 | 1,289 | 972 | 1,526 |
| House | 993 | 1,135 | 875 | 1,295 |
| Mohito | 846 | 987 | 708 | 1,144 |
| Sinsay | 851 | 1,282 | 1,738 | 4,587 |
| E-commerce | 802 | - | - | - |
| Other | 178 | 159 | 88 | 92 |

Change in data presentation, from 2019/20 e-commerce is included in the brand revenues.

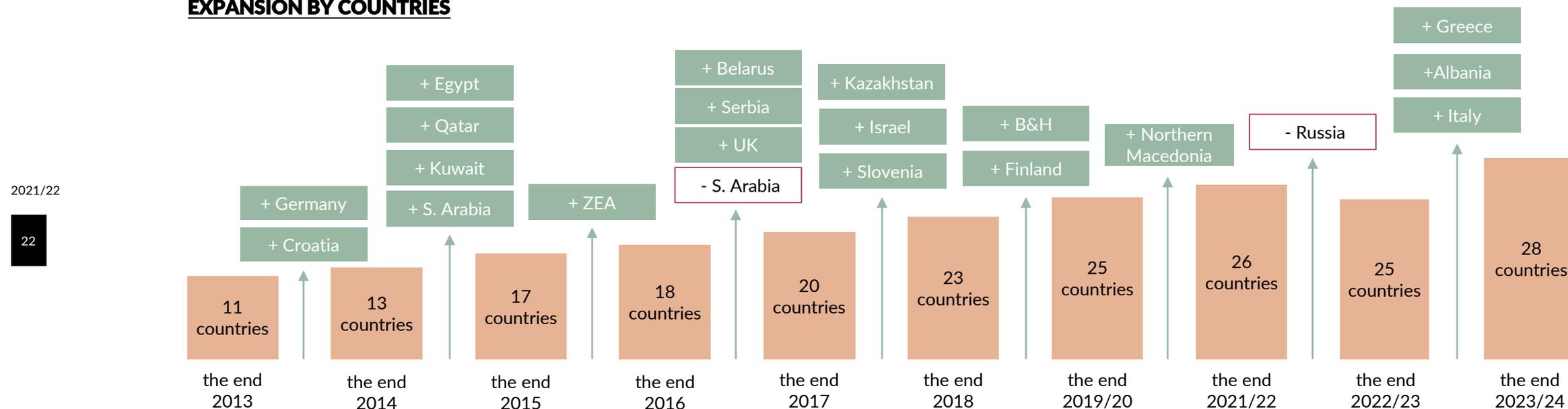
- Historically, the Reserved mainstream brand was the key revenue pillar.
- We continue to develop other brands to minimise fashion risk and benefit from economies of scale.
- Sinsay brand positioned in the value-for-money segment is now the second revenue pillar of LPP's group.
- The priority in new markets' expansion is given to Reserved and Sinsay brand (SEE, Western Europe, Middle East).
- In upcoming quarters, development will be focused on younger brands, especially Sinsay.

2021/22

21

New countries broaden our offline presence

EXPANSION BY COUNTRIES

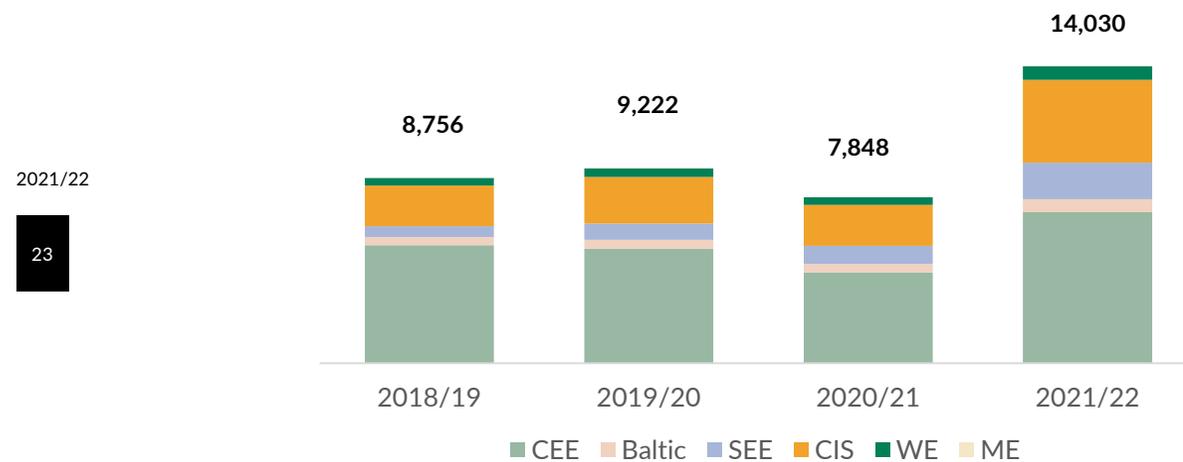


- Entry to new countries with all five brands continues to be a means of our floorspace development.
- In 2018, we entered 3 new countries: Kazakhstan (own stores), Israel (franchise stores, first opened in August 2018) and Slovenia (own stores).
- In 2019, we opened our first own stores in Bosnia & Hercegovina, while we entered Finland in 2H19. In 2021/22, we entered Northern Macedonia (entry delayed due to COVID-19).
- In 2022/23 we divested our Russian operations, due to the Russian attack on Ukraine.
- Further development in other countries is planned. At the end of 2023/24 LPP's offline stores should be present in 28 countries, with own stores in Greece, Italy and Albania (delayed).

Mature and developing markets drive revenue growth

GROUP REVENUES BY REGIONS

(PLN m)



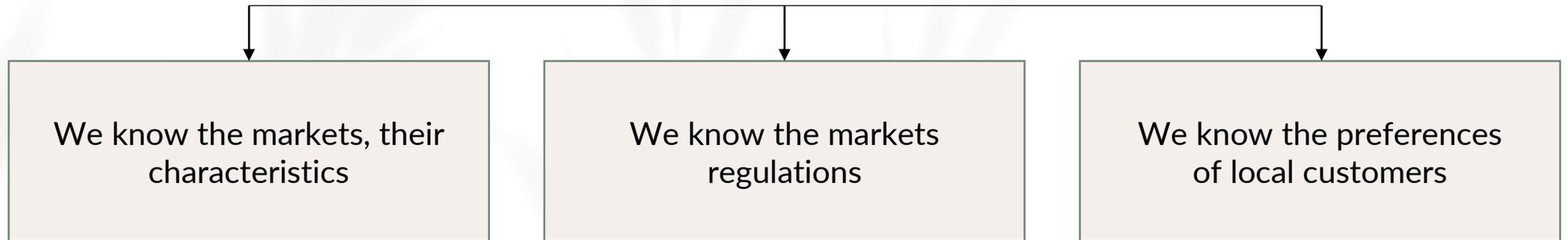
GROUP REVENUES BY REGIONS

| PLN m | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|--------------|--------------|--------------|---------------|
| LPP GROUP | 8,756 | 9,222 | 7,848 | 14,030 |
| CEE | 5,562 | 5,403 | 4,280 | 7,124 |
| Baltic | 388 | 417 | 402 | 619 |
| SEE | 513 | 762 | 851 | 1,721 |
| CIS | 1,924 | 2,199 | 1,929 | 3,892 |
| WE | 345 | 410 | 370 | 644 |
| ME | 24 | 30 | 17 | 30 |

- CEE: these are mature countries for us. We will focus on network quality and omnichannel implementation. Floorspace growth prospects are still visible, mostly in the value-for-money segment.
- SEE countries offer much greater growth potential than the Baltic countries. We no longer see growth potential in CIS: where we disposed of our Russian operations, though we remain committed to the Ukrainian market.
- WE: we continue to work on Western European presence – the UK, Germany (where we broke even in 2021/22 after restructuring) and remain optimistic on Finland. We plan development in Greece and Italy. We focus on online on top of offline. ME: will likely remain of limited importance to the top-line in upcoming years.

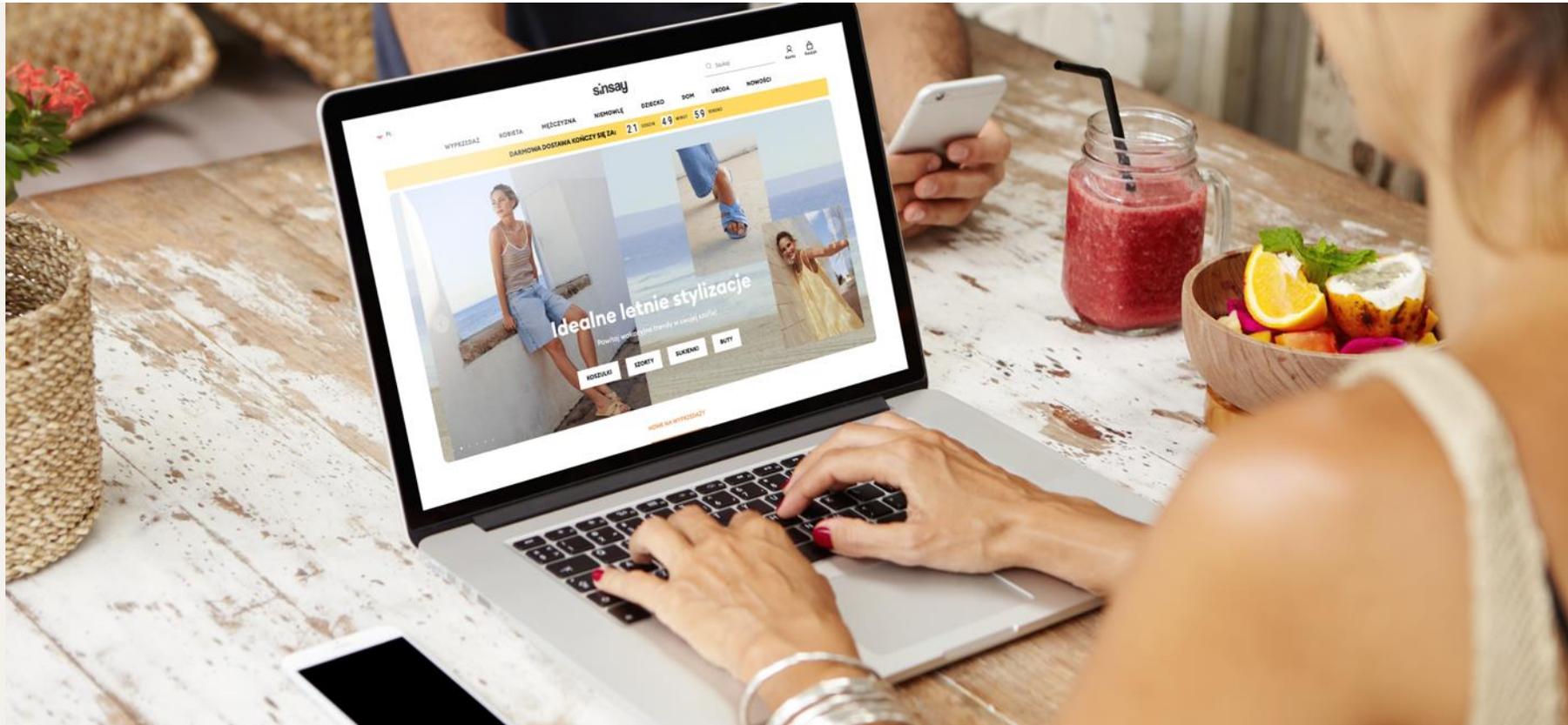
Saturation of currently present markets as a growth source

The majority of floorspace growth should come from existing markets



We see potential to obtain much higher revenues from existing countries





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Developing omnichannel

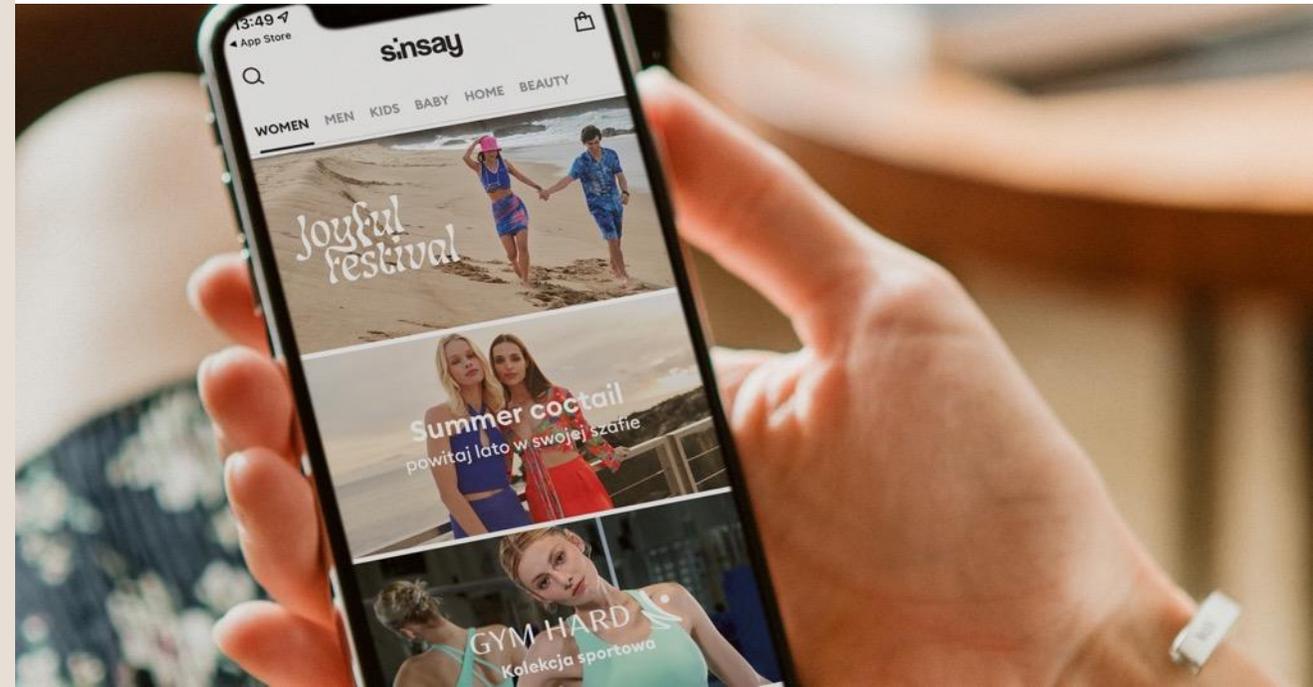
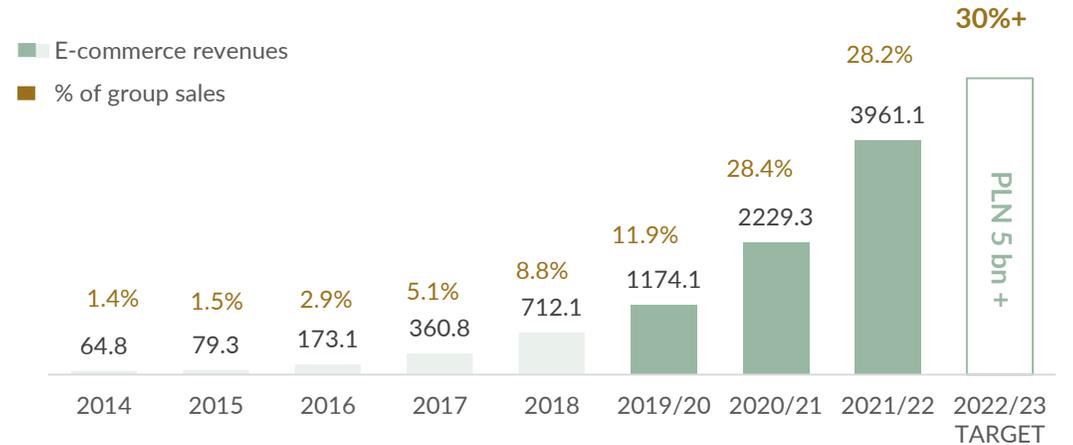
PLN 5 BN IN ONLINE REVENUES
IN 2022/23

Dynamic online sales growth to continue

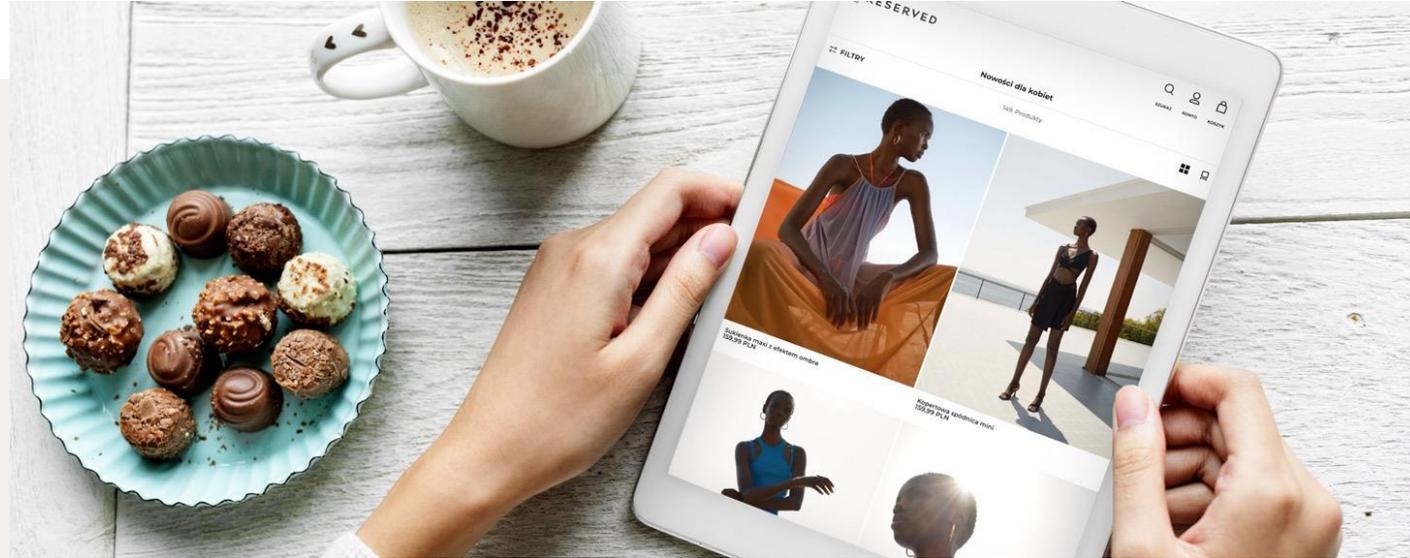
2022/23 TARGET:

- some PLN 5 bn e-commerce revenues,
- double-digit YoY online revenue growth to continue, supported by:
 - entry to new countries,
 - stronger focus on value for money segment,
 - broader offer online than offline (dedicated models),
 - digital marketing (social media),
 - launch of own sales applications.

ONLINE SALES (PLN MLN)



33
countries
online



2021/22

27

RESERVED
CROPP MORITO

POLAND

online store

2011

RESERVED

GERMANY

online store

07.2014

05.2015

RESERVED

CZECH REPUBLIC

online store

RESERVED

SLOVAKIA

online store

10.2015

11.2015

RESERVED

ROMANIA

online store

TALLINDER

POLAND

online store

02.2016

03.2016

RESERVED

HUNGARY

online store

CROPP MORITO

CZECH REP.,
HUNGARY, ROMANIA,
SLOVAKIA, GERMANY

online store

12.2016

04.2017

RESERVED
CROPP MORITO

LITHUANIA, LATVIA,
ESTONIA

online store

RESERVED

UK

online store

09.2017

10.2017

RESERVED
 MORITO

RUSSIA

online store

RESERVED
CROPP MORITO

RUSSIA (CROPP),
5 ME COUNTRIES (RESERVED
VIA FRANCHISE PARTNER)

online store

2018

2019

RESERVED
CROPP MORITO

UKRAINE, CROATIA
PAN EUROPEAN

online stores
online store

RESERVED

ISRAEL

online via a franchise partner

2020

RESERVED
CROPP MORITO

SLOVENIA

online store

2020

2021

RESERVED
CROPP MORITO

BULGARIA

online store

Development by own e-stores to continue

2021/22

28

Another step towards realisation of our goal: omnichannel.

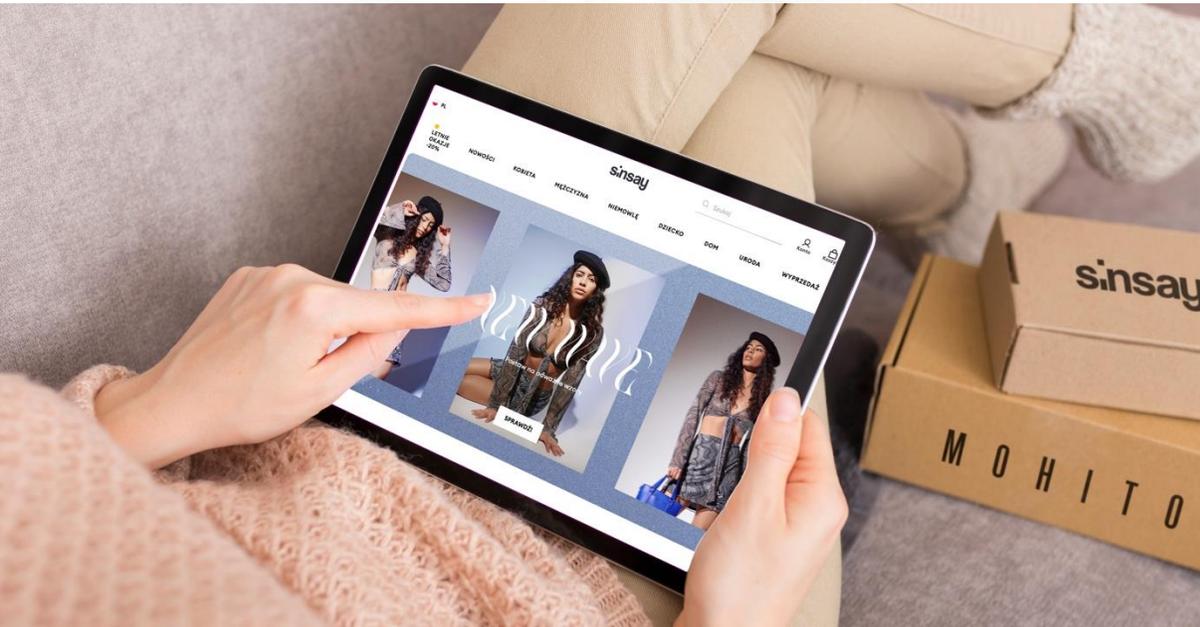
No need to resort to growth via marketplaces – sizeable development potential of our own e-stores.

DEVELOPMENT THROUGH OWN E-STORES GIVES US:

- direct access to retail customers,
- control over inventory and pricing policy,
- stability (no intermediaries, continuation of contact).

GOALS BEHIND THE LAUNCH OF PAN-EUROPEAN E-STORE:

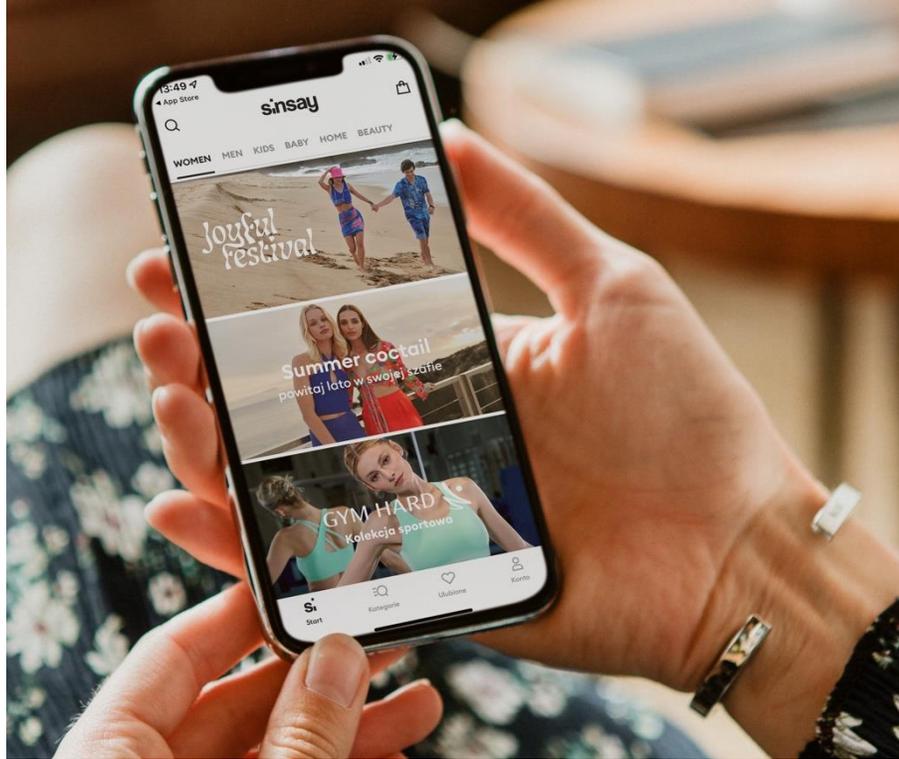
- online sales growth,
- learning the tastes of Western European customers,
- identification of potential new markets for traditional stores.



LPP

2021/22

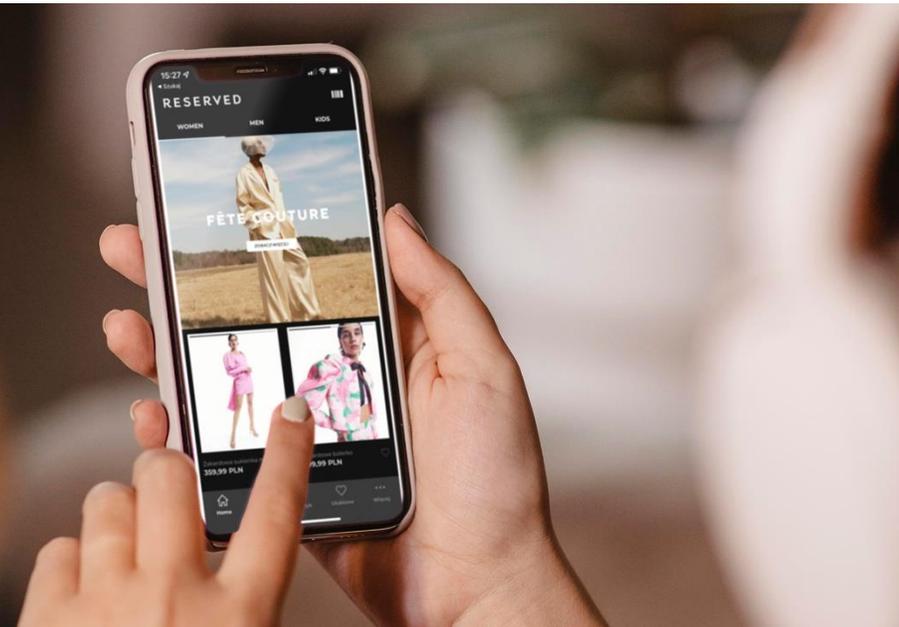
29



Reserved and Sinsay apps support online

Launch of own Reserved application – access to promotions. 2.4m downloads since June 2021. Available in Poland, planned in Germany and Romania.

Launch of own Sinsay application - the second brand after Reserved. Sinsay in TOP5 most popular mobile applications in Poland. 1.7m downloads since April 2022. Launch of Sinsay e-commerce in **Greece, Italy and Spain** on April 19, 2022.





Omnichannel – the key to retail of the future

//RESERVED ONLINE

Brand development on European markets (focus on SEE).

//SINSAY STORES

Network of Sinsay's traditional stores (smaller cities, retail parks, value for money concept).

//SINSAY ONLINE

LPP's advantage lies in a proven online sales model in the value for money segment.



Omnichannel organisation



PRODUCT

- consistent product communication regardless of channel used,
- consistent product presentation regardless of the channel,
- focus on online advertising.



SALES

- merging of online and offline sales departments,
- customer service process supported by RFID,
- customers having access to product, regardless of the form of purchase.



LOGISTICS

- inventory available for both online and offline,
- integration of logistics systems of both channels,
- possibility to send goods directly from stores to speed up delivery.



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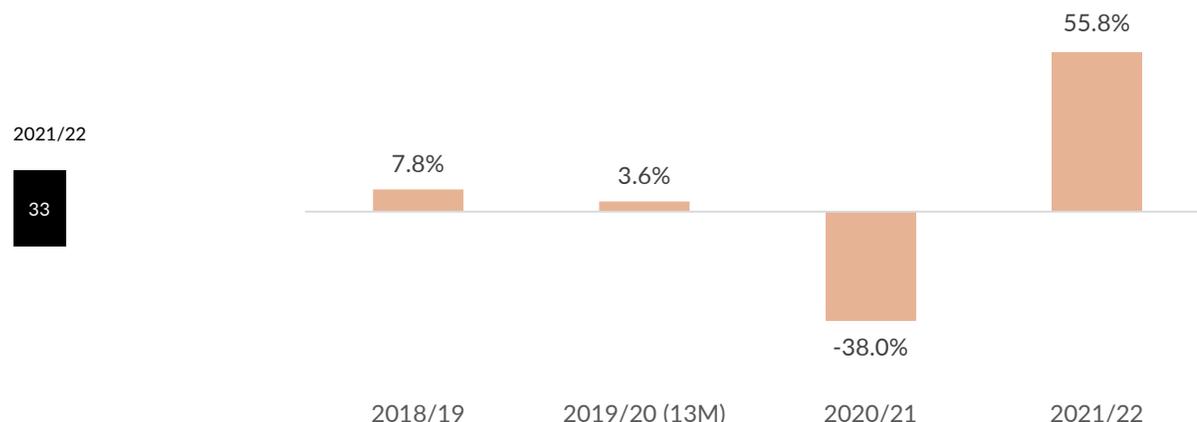
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Efficient business model

LEAN AND COST-CAUTIOUS BUSINESS MODEL

Rebound in LFLs and revenues/m2 despite COVID-19

LFLS (LOCAL CURRENCIES)



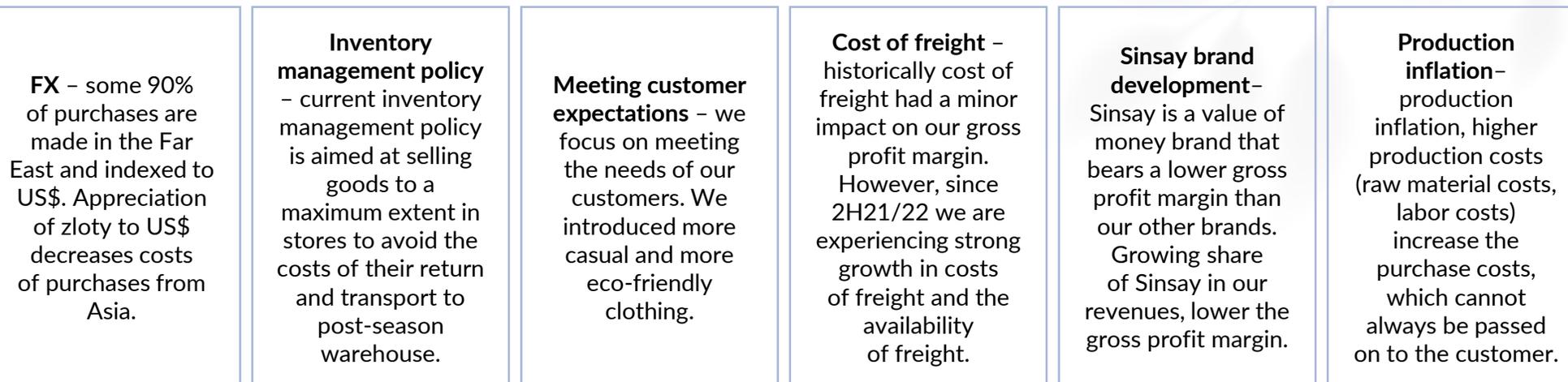
AVERAGE MONTHLY REVENUES/ M2

| PLN m | 2018/19 | 2019/20 (13M) | 2020/21 | 2021/22 |
|------------------|------------|------------------|------------|------------|
| LPP GROUP | 657 | 671 | 500 | 715 |
| Poland | 692 | 697 | 528 | 740 |
| Export | 617 | 639 | 487 | 706 |
| Reserved | 525 | 500 | 441 | 657 |
| Cropp | 723 | 717 | 517 | 712 |
| House | 684 | 715 | 535 | 673 |
| Mohito | 619 | 631 | 523 | 801 |
| Sinsay | 709 | 728 | 615 | 790 |

- LFLs show the strength of our collections across our brands in our traditional stores. LFLs are supported by RFID introduction: faster delivery receipt, faster transfer of product from storage to sales room. In 2021/22 rebound in LFLs despite continued COVID-19 pandemics due to lesser YoY restrictions and stronger revenues in traditional stores.
- Level of sales/ m2 at brands is influenced also by the size of their stores. Reserved has the largest stores and thus records lower sales/ m2 than the younger and brands with smaller stores.
- Difference between sales/ m2 in Poland and abroad narrowed in 2018-21/22 due to stronger recognition of younger brands abroad, more favourable FX trends and introduction of a new replenishment system abroad. Level of sales/ m2 in 2020/21 depends on different impact and approach to lockdowns in various countries in which LPP's traditional stores are present. Rebound in 2021/22 due to lesser restrictions related to COVID-19.

Gross profit margin on high levels

KEY FACTORS INFLUENCING GROSS PROFIT MARGIN



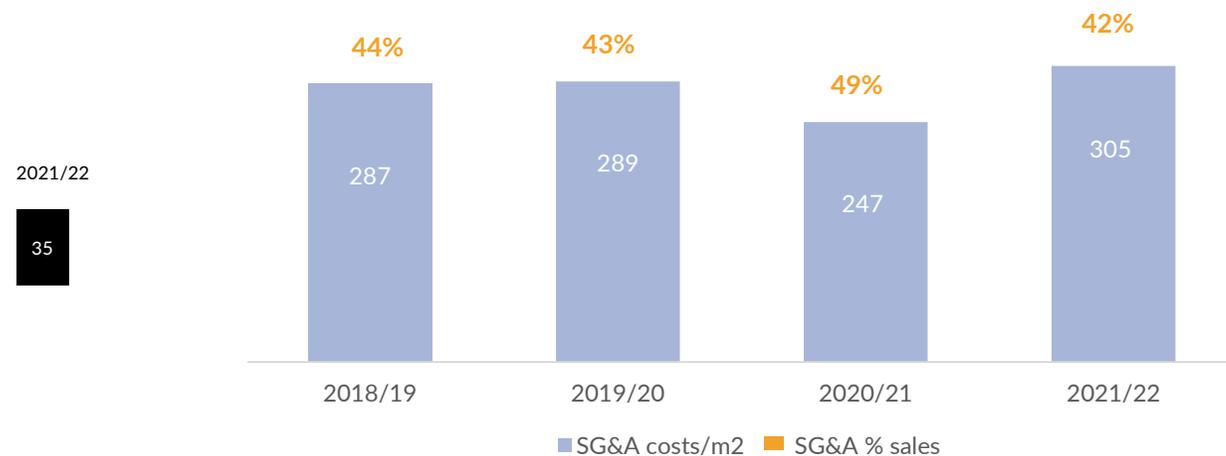
| % Gross profit margin | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| LPP GROUP | 52.9% | 53.6% | 52.0% | 57.8% |

In 2021/22, our margins were significantly higher YoY due to: (1) increased sales prices, (2) lower availability of goods on the market and related lower YoY discounts, (3) higher share of foreign sales with higher margins and (4) favorable purchase prices obtained for orders for collections in 2021 had a positive effect on the margin.

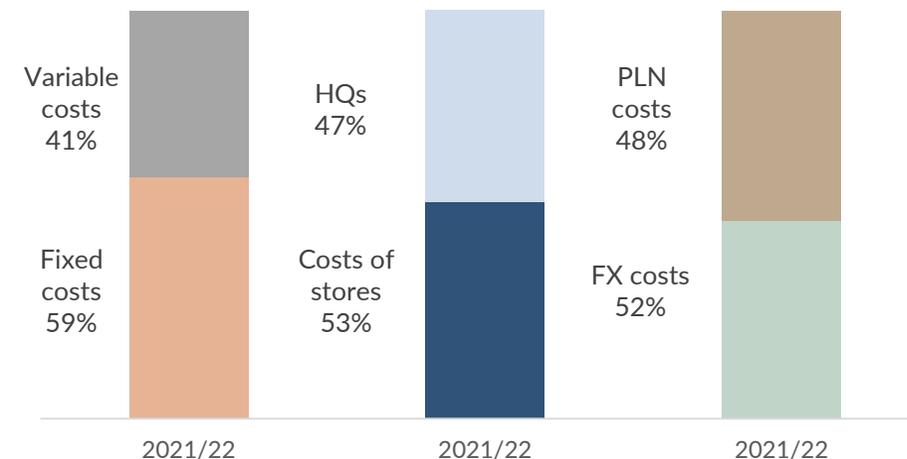
High operating leverage business

AVERAGE MONTHLY SG&A COSTS/ M2 VS SG&A AS % SALES

(PLN, %, from 2019/20 IFRS16)



SG&A COSTS (IAS17)



- Some 60% of our SG&A costs are fixed, which implies a high operating leverage. Almost 60% of SG&A costs are linked to foreign currencies → PLN appreciation is favourable for EBIT (IAS17).
- Stable SG&A/ m2 over 2018/19-19/20 → optimisation of costs of stores and headquarters. Fall in SG&A/ m2 in 2020/21 due to actions taken to maintain our cost cautiousness during COVID-19 pandemics: further rental renegotiation and benefiting from anti-crisis packages introduced by various states, headcount reductions and benefiting from state support in terms of salaries, RFID introduction, constant work on automation of processes, especially in the logistics field. Rebound in 2021/22 due to growth in online and offline revenues.
- Due to a growing portion of e-commerce in revenues, we shift our managerial focus from SG&A/m2 to SG&A as percentage of revenues. Our target is to reach 40% SG&A as % of sales – it is an ambitious one given disposal of Russian operations in 2022.

Streamlining the business operations

We set up subsidiaries to speed up the command chain, increase responsibility for achieving corporate targets and allocate capital more efficiently within our Group.

Silky Coders
Subsidiary responsible for development of IT solutions

670+ employees

LPP logistics
Subsidiary responsible for managing the logistics assets of LPP

150+ employees





2022/23 targets:



Challenges

- Negative impact of the war in Ukraine on European economies.
- Lower willingness of customers to buy clothes in the situation of lower disposable income.
- PLN exchange rate in relation to USD, EUR.



Targets

- Over PLN 16bn of revenues, +13% YoY.
- Fall in floorspace to 1,733 ths m2, down 8% YoY due to Russian operations disposal.
- PLN 5bn online sales.
- Lower gross profit and operating margin.
- PLN 1 bn capex (out of which PLN 630m for stores, PLN 220m on logistics and PLN 150m for offices & IT).



Opportunities

- Higher willingness of customers to buy clothes from the value-for-money segment (Sinsay brand).
- Development of Sinsay brand on new markets in the offline and online channels.
- Translating inflation into prices.



Company prepared for possible slow-down

LPP'S KEY ADVANTAGE IS THE PRICE TO QUALITY RATIO OF ITS FASHIONABLE GARMENTS AND ACCESSORIES

OPPORTUNITIES

- A diversified brand portfolio with Mohito having the highest and Sinsay the lowest average price tag
- Orders for stable YoY LFLs for Fall/Winter 2022/23 collections
- Cost cautious organisation
- Safe liquidity situation

THREATS

- Customer reaction to increase in prices of goods due to double-digit inflation
- Disturbances in supply chains from Asia



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5

Dividend payments to continue

STRONG CASH POSITION TO SUSTAIN DIVIDEND PAYMENTS

Strong positive FCFF

FCFF GENERATION

| PLN m | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-------|---------|---------|---------|---------|
| FCFF | 438 | 749 | 441 | 1,168 |
| NOPAT | 474 | 628 | 79 | 1,200 |
| D&A | 427 | 1,018 | 1,073 | 1,148 |
| Capex | -932 | -945 | -825 | -1,325 |
| NWC | 469 | 48 | 113 | 145 |

NOPAT

- Positive NOPAT despite continued pandemics.
- Sizeable online growth due to efficient logistics. Rebound in offline revenues following lesser YoY restrictions.
- Cost efficiency maintained.

CAPEX & D&A

- We commit capex to be able to grow, both offline and online.
- Offline development due to opportunities visible especially in the value-for-money segment.
- Logistics capex to streamline online operations.

NWC

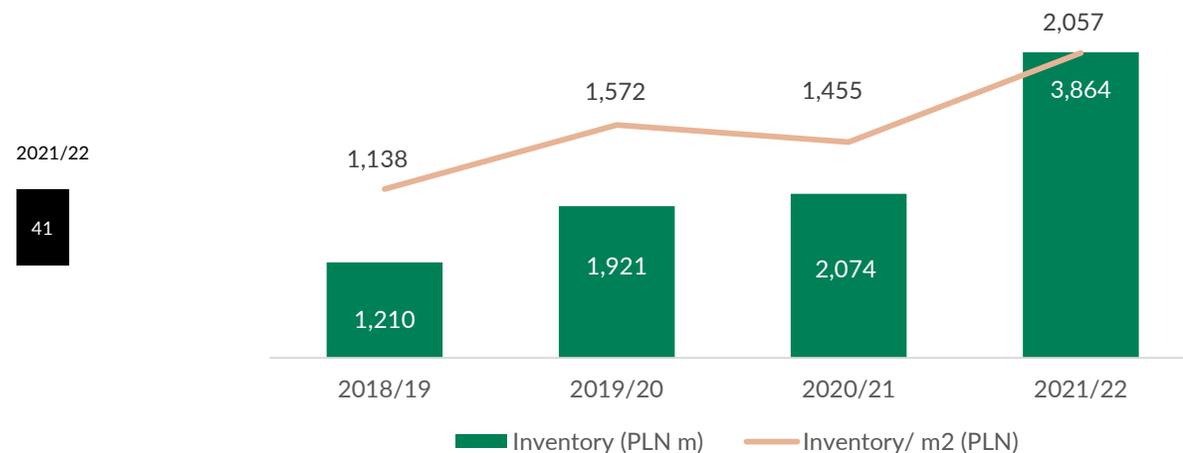
- We have achieved our target of matching liabilities to the level of inventory.
- We use supply chain financing for our suppliers.
- We search for the optimal inventory/ m2 level.

STRONG AND POSITIVE 2018/19 - 2021/22 FCFF (FREE CASH FLOW TO FIRM) EVEN DESPITE PANDEMICS.

Data under IFRS16 except for 2018/19.

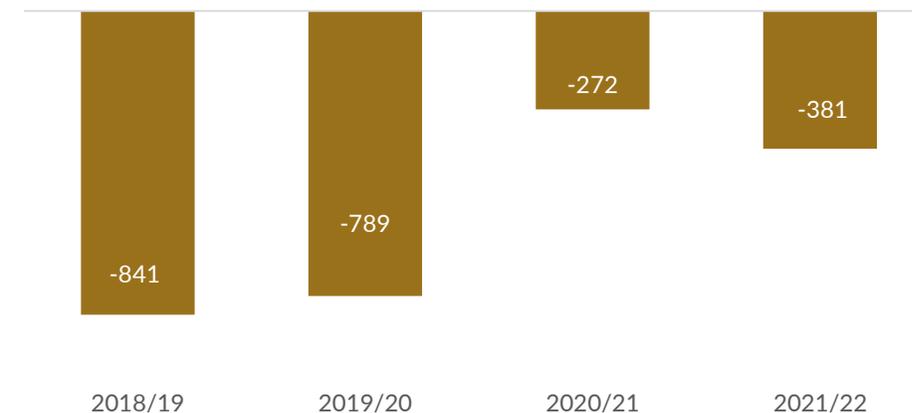
Safe net cash situation

INVENTORY



NET DEBT

(PLN m, IAS17)



- Inventory is an important part of net working capital. Despite COVID-19 LPP did not have excessive and obsolete inventory until 2022/21. 86.3% YoY increase in inventories at the end of 2021/22 resulted from: (1) greater stocking for the planned new stores and (2) acceleration of orders for goods from the Spring/Summer 2022 collection due to extended delivery times for goods from Asia.
- 41.4% YoY increase in inventories/ m2 at the end of 2021/22 due to faster import of goods, stocking up for stores to be opened in the following months and e-commerce development. PLN 88.1m inventory write-offs in 4Q21/22. Write-offs for inventory in Ukraine in other operating costs.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 3.3bn at the end of 2021/22.
- LPP maintained a safe net cash situation under IAS17. Additionally, PLN 1.3 bn cash in: money market funds and restricted cash, not recognised in net debt calculations at the end of 2021/22.

Dividend payments to be continued

Return to dividend payments after one year since suspension of payments (suspension due to COVID-19 impact). High dividend payments as a means of sharing the safe financial situation with shareholders.

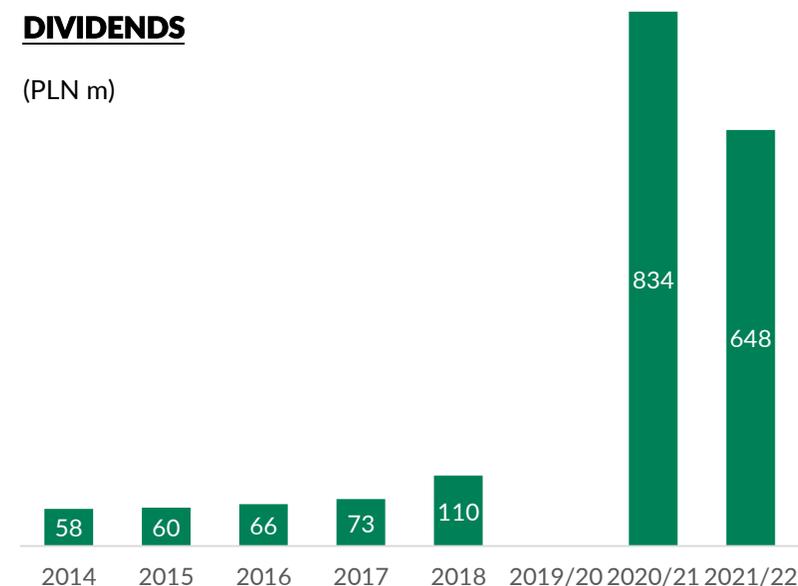
General Meeting of LPP's Shareholders held on May 20, 2022 decided on net profit distribution. Dividend date (i.e. the date on which the list of shareholders entitled to dividend is established) was set at May 30, 2022. Dividend payment (PLN 350 per share) in two equal tranches (PLN 175 per share):

- the first tranche on June 6, 2022,
- the second tranche on August 30, 2022.

The goal is to pay dividends in two tranches per year on a regular basis.

DIVIDENDS

(PLN m)



Dividends under the year from which they were paid.

Reasons for paying dividends:

- low interest on deposits,
- negative cash cycle thanks to supply chain financing,
- pandemic proven business model.



1

2

3

4

5

A responsible company

**2020-2025 SUSTAINABLE
DEVELOPMENT STRATEGY WITH
AMBITIOUS TARGETS**

Sustainable development strategy 2020-2025

//4 strategic pillars

ECO AWARE -
PRODUCT AND PRODUCTION

CHEMICAL SAFETY
IN PRODUCTION

PACKAGING AWARE -
PLASTIC UNDER CONTROL

SUSTAINABLE DEVELOPMENT IN HQs
AND SALES NETWORK

// 2025

50% of Reserved garments in Eco Aware collection.
CO2 reduction by 15%.

Full compliance with ZDHC standards (Zero Discharge of Hazardous Chemicals).

100% of plastic in packaging suitable for re-use, recyclable or biodegradable.

100% of stores covered by Eco Aware STORES programme.

Continuation of production audits, social and employee-oriented actions.





We focus on material sustainability topics

HUMAN RIGHTS

- Code of Conduct for suppliers – sourcing only from those suppliers who have signed it,
- audits conducted by LPP's employees and SGS,
- diverse employees and senior management,
- gender pay gap ratio at -4%

CLIMATE & ENVIRONMENT

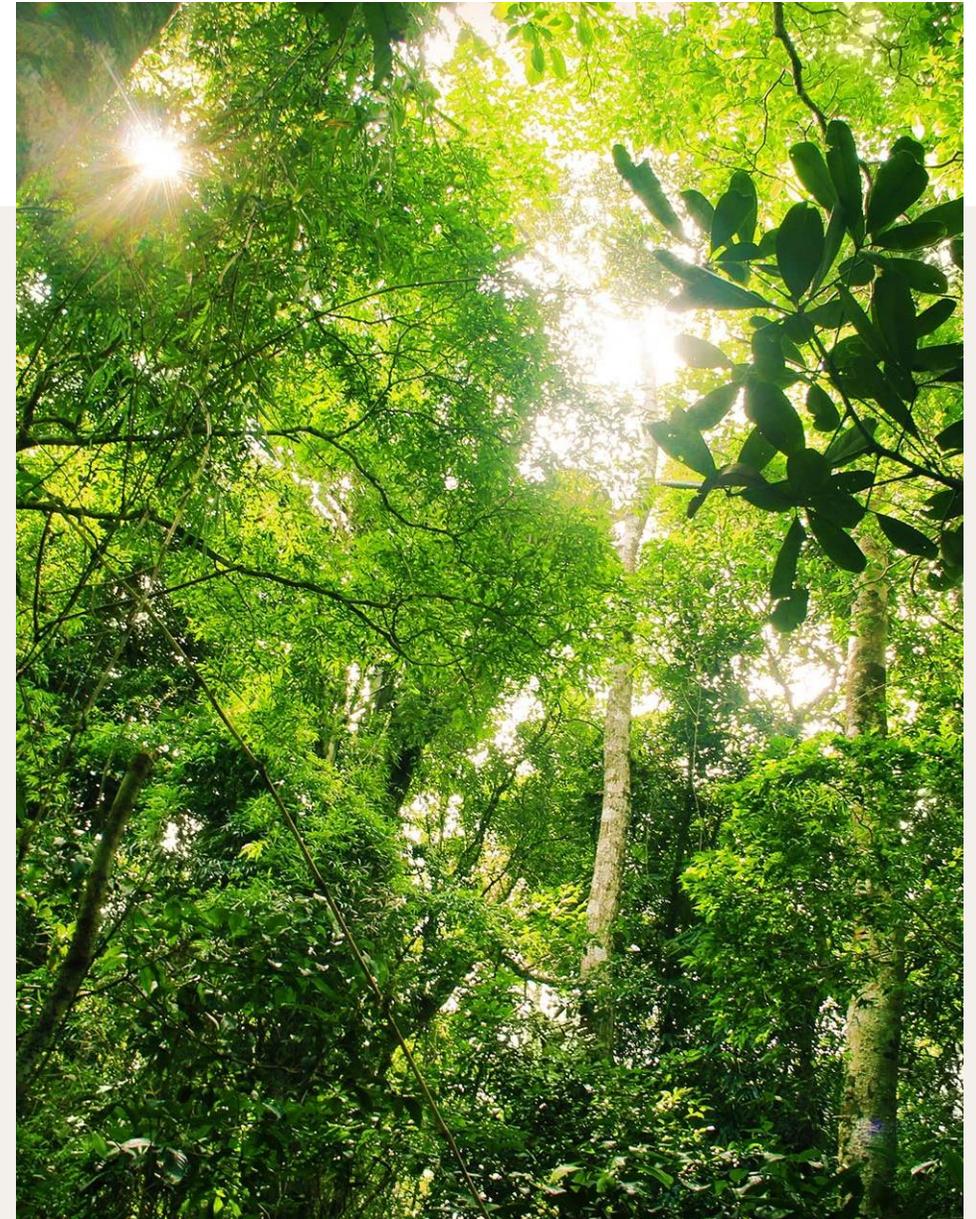
- 26% of collections are EcoAware, while 38% for Reserved, 30% factories from South Asia under the Eco Aware Production program,
- inclusion of climate risks (transition and physical ones) into decision making at the board level,
- CO2 intensity at 1.15 (t Co2e/PLN 1m revenues; Scope 1-2)

Towards decarbonisation

In May 2022, LPP was the first Polish clothing company to join the global **Science Based Targets initiative supporting the private sector in efforts to combat global warming.**

Objective:

- short-term - creating a decarbonisation strategy whose goals will be verified according to the SBTi methodology this year,
- long-term - achieving climate neutrality by 2050.



**CONTINUATION OF OUR ACTIVITIES, INCLUDING
CALCULATION OF CARBON FOOTPRINT
IN SCOPE 3.**

We are rated in ESG topics

WE REPORT USING INTERNATIONAL STANDARDS AND FRAMEWORKS



WE ARE RATED BY:



WE ARE PART OF ESG INDICES





Company with both offline and online expansion, successfully developing in mainstream and value for money segment.

High quality growth company with a successful track record in dealing with retail market and geopolitical changes.

A leader in ESG reporting in Poland, responding to local and international data needs.

LPP – an investment opportunity

LPP

2021/22

49



03

Back-up

LPP

447

stores

1,589 m²

store size

33

markets online

26

markets offline

2021/22

50

RESERVED



KEY BRAND FEATURES

Anchor brand with broad customer base

TARGET CUSTOMERS

Women, men, children, newborn

YEAR OF LAUNCH

1998

ADVERTISING

International stars like Cindy Crawford, Kate Moss, Georgia May Jagger, Kendall Jenner and Polish stars like Joanna Kulig. Cooperation with influencers and bloggers.

Reserved

2021/22

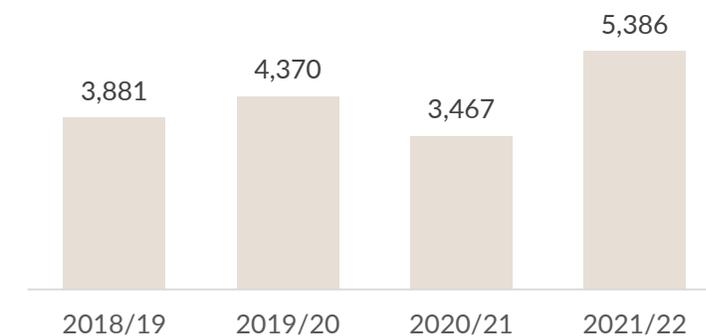
51

| Key data | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 3,880.5 | 4,369,7 | 3,466.7 | 5,386.3 |
| No. of stores | 452 | 454 | 440 | 447 |
| Store size (m2) | 1,338 | 1,464 | 1,533 | 1,589 |
| Floorspace (ths, m2) | 605.0 | 664.8 | 674.7 | 710.2 |
| Sales/ m2 monthly | 525 | 500 | 441 | 657 |
| % of floorspace in PL | 44% | 41% | 40% | 38% |

| YoY growth | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | - | 13% | -21% | 55% |
| No. of stores | - | 0% | -3% | 2% |
| Store size (m2) | - | 9% | 5% | 4% |
| Floorspace (eop, m2) | - | 10% | 1% | 5% |
| Sales/ m2 monthly | - | -5% | -12% | 49% |
| % of floorspace in PL | - | -3pp | -1ppt | -2ppt |

REVENUES

(PLN m)



STORES



LPP

398

stores

481 m²

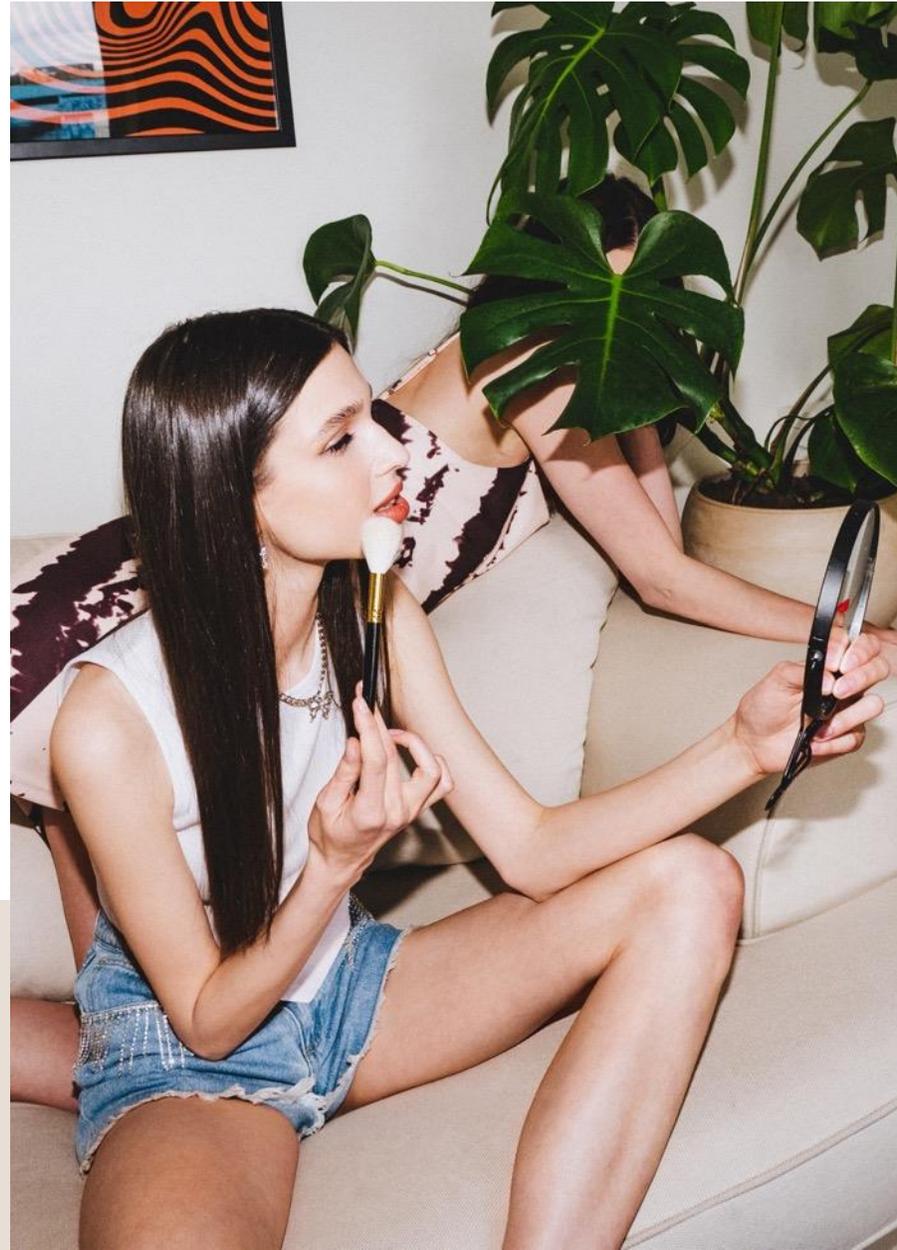
store size

14

markets online

19

markets offline



KEY BRAND FEATURES

Streetwear brand influenced by contemporary culture and music

TARGET CUSTOMERS

Teenagers (boys and girls)

YEAR OF LAUNCH

2004

ADVERTISING

Partner of artistic and street art events

CROPP

2021/22

52

Cropp

2021/22

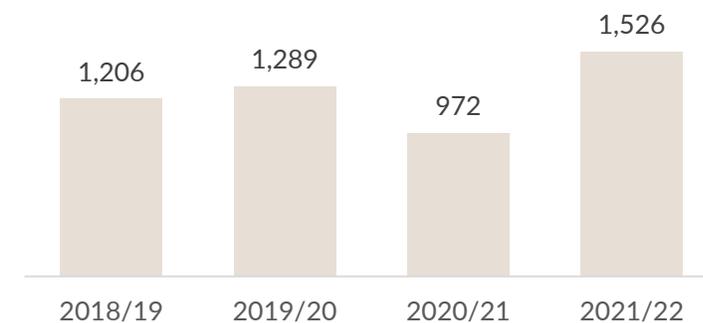
53

| Key data | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 1,205.7 | 1,288.7 | 972.3 | 1,526.5 |
| No. of stores | 369 | 360 | 369 | 398 |
| Store size (m2) | 360 | 411 | 450 | 481 |
| Floorspace (ths, m2) | 132.8 | 147.9 | 166.1 | 191.5 |
| Sales/ m2 monthly | 723 | 717 | 517 | 712 |
| % of floorspace in PL | 50% | 43% | 38% | 36% |

| YoY growth | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | - | 7% | -25% | 57% |
| No. of stores | - | -2% | 2% | 8% |
| Store size (m2) | - | 14% | 10% | 7% |
| Floorspace (eop, m2) | - | 11% | 12% | 15% |
| Sales/ m2 monthly | - | -1% | -28% | 38% |
| % of floorspace in PL | - | -7pp | -5ppt | -2ppt |

REVENUES

(PLN m)



STORES



LPP

368

stores

471 m²

store size

14

markets online

19

markets offline



KEY BRAND FEATURES

An optimistic fashion brand

TARGET CUSTOMERS

Teenagers (boys and girls)

YEAR OF LAUNCH

2001 (at LPP since 4Q08)

ADVERTISING

Artistic events partner and music sponsor

2021/22

54



2021/22

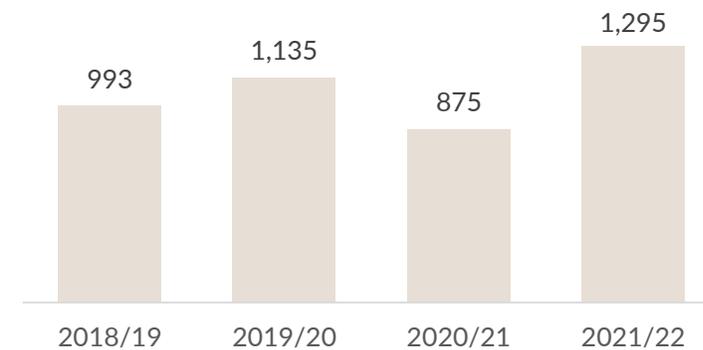
55

| Key data | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 992.6 | 1,135.3 | 875.3 | 1,294.9 |
| No. of stores | 329 | 318 | 332 | 368 |
| Store size (m2) | 350 | 401 | 442 | 471 |
| Floorspace (ths, m2) | 115.2 | 127.4 | 146.8 | 173.4 |
| Sales/ m2 monthly | 684 | 715 | 535 | 673 |
| % of floorspace in PL | 58% | 51% | 49% | 45% |

| YoY growth | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | - | 14% | -23% | 48% |
| No. of stores | - | -3% | 4% | 11% |
| Store size (m2) | - | 14% | 17% | 7% |
| Floorspace (eop, m2) | - | 11% | 19% | 18% |
| Sales/ m2 monthly | - | 4% | -25% | 26% |
| % of floorspace in PL | - | -7pp | -2ppt | -4ppt |

REVENUES

(PLN m)

**STORES**

LPP

286

stores

428 m²

store size

15

markets online

19

markets offline

2021/22

56

M O H I T O



KEY BRAND FEATURES

Comfort and elegance; business and casual

TARGET CUSTOMERS

Women

YEAR OF LAUNCH

2008 (at LPP since 4Q08)

ADVERTISING

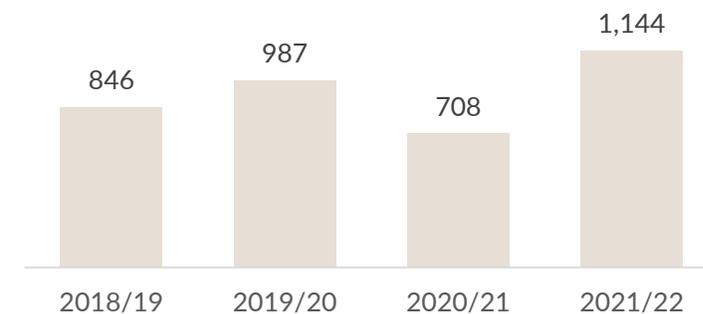
Super models (Anna Jagodzińska, Anja Rubik, Zuzanna Bijoch)

| Key data | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 846.0 | 986.9 | 707.7 | 1,143.9 |
| No. of stores | 292 | 283 | 278 | 286 |
| Store size (m2) | 370 | 395 | 414 | 428 |
| Floorspace (ths, m2) | 107.9 | 111.7 | 115.2 | 122.5 |
| Sales/ m2 monthly | 619 | 631 | 523 | 801 |
| % of floorspace in PL | 50% | 46% | 44% | 42% |

| YoY growth | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | - | 17% | -28% | 62% |
| No. of stores | - | -3% | -2% | 3% |
| Store size (m2) | - | 7% | 5% | 3% |
| Floorspace (eop, m2) | - | 3% | 3% | 6% |
| Sales/ m2 monthly | - | 2% | -17% | 53% |
| % of floorspace in PL | - | -4pp | -2ppt | -2ppt |

REVENUES

(PLN m)

**STORES**

LPP

743

stores

927 m²

store size

14

markets online

19

markets offline

2021/22

58

sinsay



KEY BRAND FEATURES

Every day clothes and original party outfits

TARGET CUSTOMERS

Women, men, teenagers, children, newborn

YEAR OF LAUNCH

2013

ADVERTISING

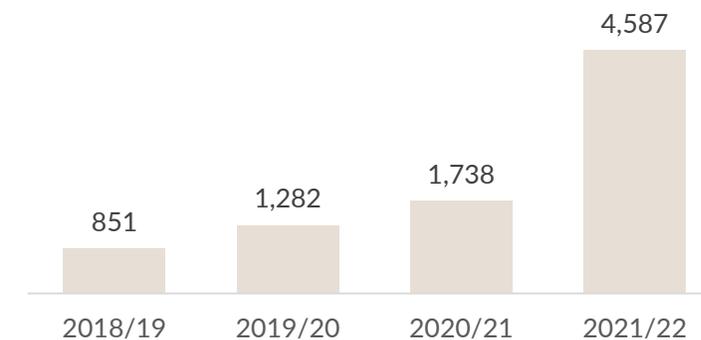
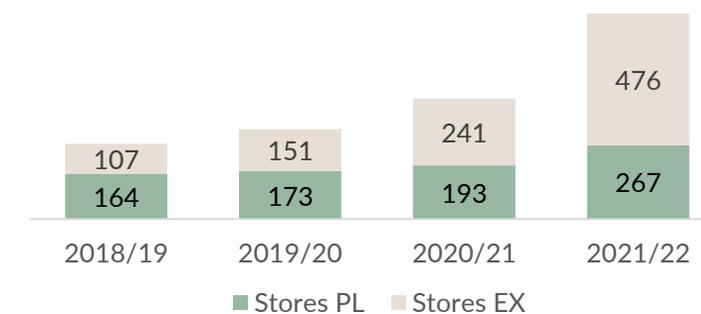
Social media

| Key data | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 850.8 | 1,282.5 | 1,737.8 | 4,586.6 |
| No. of stores | 271 | 324 | 434 | 743 |
| Store size (m2) | 379 | 535 | 760 | 927 |
| Floorspace (ths, m2) | 102.7 | 173.3 | 329,8 | 689.1 |
| Sales/ m2 monthly | 709 | 728 | 615 | 790 |
| % of floorspace in PL | 58% | 45% | 35% | 30% |

| YoY growth | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | - | 51% | 36% | 164% |
| No. of stores | - | 20% | 34% | 71% |
| Store size (m2) | - | 41% | 42% | 22% |
| Floorspace (eop, m2) | - | 69% | 90% | 109% |
| Sales/ m2 monthly | - | 3% | -15% | 28% |
| % of floorspace in PL | - | -13pp | -10ppt | -5ppt |

REVENUES

(PLN m)

**STORES**



LFLs show offline performance

LFLs DEFINITION

- Stores that:
 - have been the same as a year before (have not changed their floorspace, have not undergone upgrades) and
 - have been in operation for the past 12 months (without a break longer than 7 days).
- Calculations are conducted without taking into account changes in currencies in countries in which LPP's stores are run, i.e. in local currencies.

LFLs IN LOCAL CURRENCIES

| 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------|---------|---------|---------|
| 7.8% | 3.6% | -38.0% | 55.8% |

In 2021/22, LFLs show a sizeable YoY growth due to a lesser number of COVID-19 restrictions.

International stars promote our brands

2021/22

61



GEORGIA MAY JAGGER



KATE MOSS



CINDY CRAWFORD



ANJA RUBIK



ANNA JAGODZIŃSKA



ZUZANNA BIJOCH



JOANNA KULIG



KENDALL JENNER

Marketing changes along with our customers

2021/22

62



MONIKA BRODKA FOR RESERVED

Cooperation with Polish artists to promote extravagant but ECO clothing



KINGA SAWCZUK I ANTONINA FLAK FOR CROPP

Cooperation with 2 top Polish generation Z TikTok influencers – Kinga Sawczuk @kompleksiaraxx and Antonina Flak @samosiaa_yt.



MAGDA MOŁEK FOR RESERVED

A series of podcasts run by a Polish journalists and youtuber touching on topics important for generation X, Y and Z.

We focus on flagships

RESERVED IN DUBAI, MALL



RESERVED IN MUNICH, GERMANY



RESERVED IN BELGRADE, SERBIA



RESERVED IN HELSINKI, FINLAND



RESERVED IN LONDON, UK



RESERVED IN WARSAW, POLAND



Network development

| Floorspace (thś m2) | 31.01.2020 | 30.04.2020 | 31.07.2020 | 30.10.2020 | 31.01.2021 | 30.04.2021 | 31.07.2021 | 30.10.2021 | 31.01.2022 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Reserved | 664.8 | 657.1 | 669.7 | 667.8 | 674.7 | 683.1 | 688.1 | 706.5 | 710.2 |
| Poland | 270.3 | 262.9 | 262.5 | 264.8 | 267.7 | 266.1 | 269.7 | 271.9 | 272.9 |
| Europe | 225.3 | 223.7 | 232.2 | 233.2 | 233.2 | 235.3 | 234.7 | 243.1 | 240.6 |
| CIS | 160.8 | 162.1 | 166.5 | 161.5 | 164.0 | 172.8 | 173.7 | 181.5 | 186.6 |
| ME | 8.4 | 8.4 | 8.4 | 8.4 | 9.9 | 8.8 | 10.0 | 10.0 | 10.0 |
| Cropp | 147.9 | 149.2 | 157.3 | 159.7 | 166.1 | 170.8 | 177.6 | 185.5 | 191.5 |
| Poland | 63.0 | 61.2 | 64.4 | 64.2 | 63.7 | 64.6 | 69.3 | 68.6 | 69.6 |
| Europe | 34.9 | 34.8 | 37.8 | 39.0 | 41.2 | 41.8 | 41.1 | 45.9 | 46.9 |
| CIS | 50.0 | 53.2 | 55.1 | 56.5 | 61.2 | 64.4 | 67.2 | 71.0 | 75.0 |
| House | 127.4 | 129.8 | 138.4 | 141.9 | 146.8 | 151.9 | 159.0 | 168.6 | 173.4 |
| Poland | 65.6 | 64.9 | 69.4 | 69.4 | 71.4 | 72.2 | 75.8 | 75.8 | 77.2 |
| Europe | 30.1 | 31.9 | 34.8 | 36.1 | 36.1 | 36.7 | 37.4 | 43.0 | 43.2 |
| CIS | 31.7 | 33.0 | 34.3 | 36.4 | 39.3 | 43.0 | 45.8 | 49.8 | 53.1 |
| Mohito | 111.7 | 110.5 | 111.8 | 112.3 | 115.2 | 116.4 | 118.0 | 123.1 | 122.5 |
| Poland | 51.4 | 50.2 | 49.7 | 50.2 | 50.3 | 49.9 | 51.1 | 51.4 | 51.0 |
| Europe | 29.7 | 29.2 | 30.5 | 31.3 | 32.4 | 31.9 | 31.9 | 35.1 | 34.6 |
| CIS | 30.5 | 31.1 | 31.6 | 30.8 | 32.5 | 34.7 | 35.1 | 36.5 | 36.9 |
| Sinsay | 173.3 | 190.4 | 223.1 | 265.4 | 329.8 | 386.7 | 472.4 | 565.3 | 689.1 |
| Poland | 78.4 | 81.4 | 88.0 | 103.0 | 113.8 | 131.6 | 153.7 | 177.3 | 206.5 |
| Europe | 50.7 | 56.3 | 68.4 | 77.8 | 89.6 | 96.3 | 112.8 | 138.1 | 157.6 |
| CIS | 44.2 | 52.8 | 66.8 | 84.6 | 126.3 | 158.7 | 205.9 | 249.9 | 325.0 |
| Outlets | 5.8 | 5.8 | 4.6 | 4.6 | 2.8 | 2.8 | 1.4 | 1.4 | 1.4 |
| Total by regions | | | | | | | | | |
| Poland | 530.0 | 521.7 | 534.0 | 551.5 | 566.9 | 584.4 | 619.6 | 645.0 | 677.2 |
| Europe | 370.7 | 375.9 | 403.6 | 417.5 | 432.6 | 442.0 | 457.9 | 505.2 | 522.8 |
| CIS | 321.8 | 336.8 | 358.8 | 374.4 | 426.1 | 476.5 | 529.0 | 590.2 | 678.1 |
| ME | 8.4 | 8.4 | 8.4 | 8.4 | 9.9 | 8.8 | 10.0 | 10.0 | 10.0 |
| TOTAL | 1,230.9 | 1,242.7 | 1,304.9 | 1,351.8 | 1,435.4 | 1,511.7 | 1,616.5 | 1,750.4 | 1,888.1 |

2021/22

64

Network development details at the end of I.2023

2021/22

65

| Floorspace (tys m2) | 31.01.2022 | 31.01.2023 | Nom. growth | Growth YoY |
|---------------------|----------------|----------------|---------------|--------------|
| Reserved | 710.2 | 555.8 | -154.4 | -22% |
| Poland | 272.9 | 268.8 | -4.2 | -2% |
| Europe | 240.6 | 241.3 | 0.7 | 0% |
| CIS | 186.6 | 35.1 | -151.5 | -81% |
| ME | 10.0 | 10.6 | 0.6 | 6% |
| Cropp | 191.5 | 152.8 | -38.6 | -20% |
| Poland | 69.6 | 77.0 | 7.4 | 11% |
| Europe | 46.9 | 62.1 | 15.2 | 33% |
| CIS | 75.0 | 13.7 | -61.3 | -82% |
| House | 173.4 | 154.7 | -18.7 | -11% |
| Poland | 77.2 | 83.2 | 6.0 | 8% |
| Europe | 43.2 | 60.9 | 17.8 | 41% |
| CIS | 53.1 | 10.6 | -42.5 | -80% |
| Mohito | 122.5 | 93.0 | -29.5 | -24% |
| Poland | 51.0 | 50.7 | -0.3 | -1% |
| Europe | 34.6 | 37.0 | 2.4 | 7% |
| CIS | 36.9 | 5.3 | -31.6 | -86% |
| Sinsay | 689.1 | 776.4 | 87.2 | 13% |
| Poland | 206.5 | 303.8 | 97.3 | 47% |
| Europe | 157.6 | 407.7 | 250.1 | 159% |
| CIS | 325.0 | 64.9 | -260.2 | -80% |
| Outlety | 1.4 | 0.0 | -1.4 | -100% |
| Poland | 0.0 | 0.0 | 0.0 | 0% |
| Europe | 0.0 | 0.0 | 0.0 | 0% |
| CIS | 1.4 | 2.8 | -1.4 | -100% |
| TOTAL | 1,888.1 | 1,732.7 | -155.4 | -8% |

| Number of stores | 31.01.2022 | 31.01.2023 | Nom. growth | Growth YoY |
|------------------|--------------|--------------|-------------|--------------|
| Reserved | 447 | 343 | -104 | -23% |
| Poland | 189 | 183 | -6 | -3% |
| Europe | 131 | 129 | -2 | -2% |
| CIS | 118 | 20 | -98 | -83% |
| ME | 9 | 11 | 2 | 22% |
| Cropp | 398 | 324 | -74 | -19% |
| Poland | 175 | 184 | 9 | 5% |
| Europe | 89 | 116 | 27 | 30% |
| CIS | 134 | 24 | -110 | -82% |
| House | 368 | 327 | -41 | -11% |
| Poland | 188 | 196 | 8 | 4% |
| Europe | 78 | 110 | 32 | 41% |
| CIS | 102 | 21 | -81 | -79% |
| Mohito | 286 | 214 | -72 | -25% |
| Poland | 133 | 130 | -3 | -2% |
| Europe | 70 | 74 | 4 | -6% |
| CIS | 83 | 10 | -73 | -88% |
| Sinsay | 743 | 815 | 72 | 10% |
| Poland | 267 | 358 | 91 | 34% |
| Europe | 162 | 395 | 233 | 144% |
| CIS | 314 | 62 | -252 | -80% |
| Outlets | 2 | 0 | -2 | -100% |
| Poland | 0 | 0 | 0 | 0% |
| Europe | 0 | 0 | 0 | 0% |
| CIS | 2 | 0 | 0 | -100% |
| TOTAL | 2,244 | 2,023 | -221 | -10% |

2022/23 floorspace development impacted by Russian divesture

2021/22

66

- Planned 8% YoY floorspace fall at the end of 2022/23 due to divesture of Russian operations (second largest market after Poland).
- End-2022/23 Reserved traditional stores should be in 25 countries (shift in Albanian opening).
- 2022/23 targets:
 - acceleration of floorspace openings in Poland, especially in the value for money segment,
 - continuation of European development, entry to new countries, emphasis on SEE,
 - no growth in CIS,
 - emphasis on development of younger brands: Cropp, House, Sinsay.
- Key reasons behind floorspace development:
 - stronger entry to smaller towns,
 - opportunity to develop in value-for-money segment,
 - emphasis on omnichannel of which traditional network is an important part.
- PLN 1 bn capex (out of which PLN 630m for stores, PLN 220m on logistics and PLN 150m for offices and IT).

| Floorspace (thn m2) | I.2022 | I.2023 target | YoY |
|---------------------|----------------|----------------|------------|
| BY BRANDS | | | |
| Reserved | 710.2 | 555.8 | -22% |
| Cropp | 191.5 | 152.8 | -20% |
| House | 173.4 | 154.7 | -11% |
| Mohito | 122.5 | 93.0 | -24% |
| Sinsay | 689.1 | 776.4 | 13% |
| Outlets | 1.4 | 0.0 | -100% |
| BY REGIONS | | | |
| Poland | 677.2 | 783.4 | 16% |
| Europe | 522.8 | 809.1 | 55% |
| CIS | 678.1 | 129.6 | -81% |
| ME | 10.0 | 10.6 | 6% |
| TOTAL | 1,888.1 | 1,732.7 | -8% |

CEE region

COUNTRIES PRESENT OFFLINE

Poland, Czech Republic, Slovakia, Hungary

GROWTH STAGE

Maturity

TRADITIONAL STORES

Reserved, Cropp, House, Mohito, Sinsay in all countries

ONLINE STORES

Reserved, Cropp, House, Mohito, Sinsay in all countries

TYPE OF STORES

Own

CENTRAL EASTERN EUROPE



1,154
stores

853.6 ths m²
floorspace

Established position domestically

- Poland is LPP's largest market, generating 39% of group revenues in 2021/22.
- As development of company-owned stores was initiated domestically, Poland is the market where sales/ m2 are higher than average abroad due to stronger brand recognition.
- Currently, stores of all brands are present in Poland in best shopping malls and high-streets. However, we are increasingly active in opening stores in retail parks.
- We focus on omnichannel implementation and floorspace growth of younger brands, especially in value-for-money segment.

FOCUS SET ON OMNICHANNEL DEVELOPMENT.

| Key data Poland | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 4,647 | 4,419 | 3,398 | 5,513 |
| % of group revenues | 53% | 48% | 43% | 39% |
| No. of stores | 949 | 874 | 866 | 952 |
| Floorspace (ths m2) | 523.0 | 530.0 | 566.9 | 677.2 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------|------------|------------|------------|------------|
| Poland | 949 | 874 | 866 | 952 |
| Reserved | 212 | 200 | 189 | 189 |
| Cropp | 198 | 176 | 169 | 175 |
| House | 199 | 181 | 182 | 188 |
| Mohito | 154 | 142 | 133 | 133 |
| Sinsay | 164 | 173 | 193 | 267 |
| Outlets | 22 | 2 | 0 | 0 |

Strong presence in other CEE countries

- All five mainstream brands are now in Czech Republic and maturity has been reached.
- Hungary remains the least saturated CEE market, despite 2015 introduction of House and Sinsay brands.
- After taking over the Slovak franchise stores (April 2014), we still see some development potential.
- Focus on omnichannel.
- Emphasis on development of traditional network in smaller towns, where we see development potential for younger brands in value-for-money segment.

STRONG PRESENCE IN OTHER CEE COUNTRIES.

2021/22

69

| Key data other CEE | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 915 | 984 | 882 | 1,611 |
| % of group revenues | 10% | 11% | 11% | 11% |
| No. of stores | 160 | 177 | 180 | 202 |
| Floorspace (ths, m2) | 103.5 | 133.5 | 145.4 | 176.3 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------------|------------|------------|------------|------------|
| Other CEE countries | 160 | 177 | 180 | 202 |
| Czech Republic | 79 | 89 | 87 | 102 |
| Slovakia | 25 | 31 | 60 | 65 |
| Hungary | 56 | 57 | 33 | 35 |

Baltic region

COUNTRIES PRESENT OFFLINE

Lithuania, Latvia, Estonia

GROWTH STAGE

Maturity

TRADITIONAL STORES

Reserved, Cropp, House, Mohito, Sinsay

ONLINE STORES

Reserved, Cropp, House, Mohito, Sinsay

TYPE OF STORES

Own

BALTIC COUNTRIES



73
stores

62.0 ths m²
floorspace

Strong presence in Baltic countries

2021/22

71

- Five mainstream brands present in Lithuania, Latvia and Estonia.
- Emphasis on efficiency improvement in traditional stores.
- Focus on online sales. Online stores of all brands launched in April 2017.
- Modernisation of traditional network to fully implement omnichannel.
- In this area, we focus on the development of mainly Sinsay, Cropp, House, in smaller agglomerations, in retail parks.

A DEVELOPED REGION.

| Key data Baltic | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 388 | 417 | 402 | 619 |
| % of group revenues | 4% | 5% | 5% | 4% |
| No. of stores | 71 | 71 | 75 | 73 |
| Floorspace (ths, m2) | 41.1 | 51.0 | 62.0 | 62.0 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|-------------------------|-----------|-----------|-----------|-----------|
| Baltic countries | 71 | 71 | 75 | 73 |
| Lithuania | 20 | 23 | 23 | 22 |
| Latvia | 18 | 19 | 20 | 20 |
| Estonia | 33 | 29 | 32 | 31 |

SEE region

COUNTRIES PRESENT OFFLINE

Bulgaria, Romania, Croatia, Serbia, Slovenia, B&H, Northern Macedonia

GROWTH STAGE

Developing

TRADITIONAL STORES

Reserved, Cropp, House, Mohito, Sinsay

ONLINE STORES

Reserved, Cropp, House, Mohito, Sinsay in Romania, Croatia, Slovenia and Bulgaria

TYPE OF STORES

Own

SOUTH EASTERN EUROPE



231
stores

231.0 ths m²
floorspace

Developing presence in SEE countries

2021/22

73

- Late SEE entry (2008) due to: 1) priority given to CIS and 2) limited appropriate infrastructure in the region.
- Along with softer macro environment, in 2014 we stepped up our development, opening more stores in Romania and Bulgaria and entering Croatia.
- First store in Serbia was opened in August 2017.
- In 2018 we entered Slovenia. In 1H19 we opened first stores in B&H.
- Entry to Northern Macedonia in 2021/22.
- Strong logistics development with FC in Romania to support further growth.

WE SEE DEVELOPMENT POTENTIAL IN THE SEE REGION.

| Key data SEE | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 513 | 762 | 851 | 1,721 |
| % of group revenues | 5% | 7% | 9% | 12% |
| No. of stores | 98 | 145 | 175 | 231 |
| Floorspace (ths, m2) | 81.0 | 130.7 | 169.7 | 231.0 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|-----------|------------|------------|------------|
| SEE countries | 98 | 145 | 175 | 231 |
| Romania | 41 | 59 | 78 | 101 |
| Bulgaria | 18 | 25 | 26 | 29 |
| Croatia | 24 | 29 | 30 | 40 |
| Serbia | 14 | 21 | 26 | 33 |
| Slovenia | 1 | 6 | 9 | 12 |
| B&H | 0 | 5 | 6 | 10 |
| Macedonia | 0 | 0 | 0 | 6 |

CIS region

COUNTRIES PRESENT OFFLINE

Russia, Ukraine, Belarus, Kazakhstan

GROWTH STAGE

Developing

TRADITIONAL STORES

Reserved, Cropp, House, Mohito, Sinsay

ONLINE STORES

Reserved, Cropp, House, Mohito, Sinsay in Russia and Ukraine

TYPE OF STORES

Own

CIS REGION



753
stores

678.1 ths m²
floorspace

Limiting the CIS region exposure

- CIS was the second most important market after Poland, responsible for 28% of group sales in 2021/22.
- Following the geopolitical issues from 2014, we have withheld new Russian and Ukrainian openings. From 2017 we accelerated development in Russia and Ukraine, where we continue to see growth potential.
- First franchise stores in Belarus were opened in 2017. These have been changed into company-owned stores.
- Own stores in Kazakhstan were successfully opened in 2018 and expansion continues.
- Following the Russian invasion of the Ukraine, we divested our Russian operations in April 2022.
- We do not plan further development in the CIS region.

WE DO NOT PLAN GROWTH AFTER DISPOSAL OF THE RUSSIAN BUSINESS.

| Key data CIS | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 1,924 | 2,218 | 1,929 | 3,892 |
| % of group revenues | 22% | 24% | 25% | 28% |
| No. of stores | 436 | 446 | 526 | 753 |
| Floorspace (ths, m2) | 270.9 | 321.8 | 426.1 | 678.1 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|------------|------------|------------|------------|
| CIS countries | 436 | 446 | 526 | 753 |
| Russia | 333 | 332 | 394 | 553 |
| Ukraine | 89 | 104 | 113 | 159 |
| Belarus | 8 | 0 | 4 | 21 |
| Kazakhstan | 6 | 10 | 15 | 20 |

Western Europe

COUNTRIES PRESENT OFFLINE

Germany, the UK, Finland

GROWTH STAGE

Early stage

TRADITIONAL STORES

Reserved (in all countries), Cropp, House, Mohito, Sinsay (four brands in Finland only)

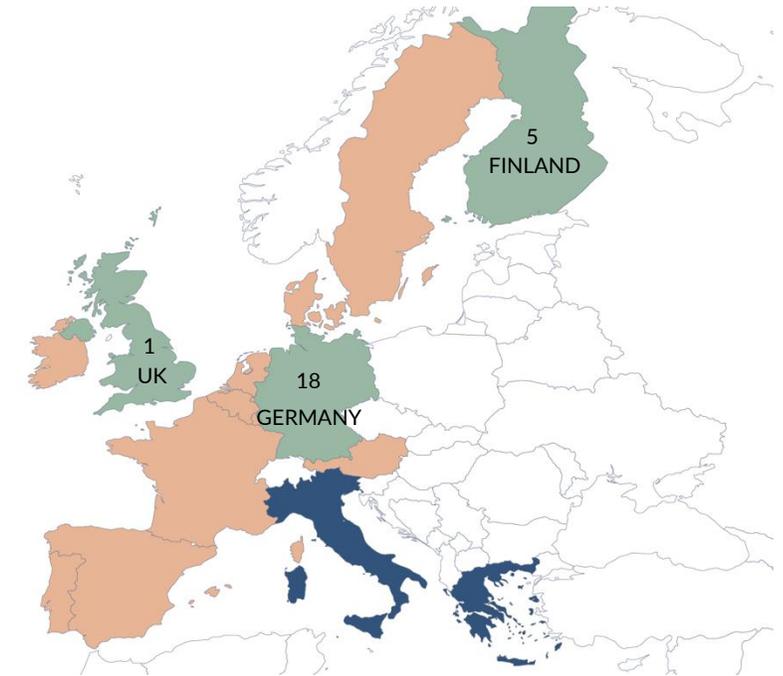
ONLINE STORES

Reserved, Cropp, House, Mohito, Sinsay in Germany, Reserved online in UK and Finland; pan-European online store

TYPE OF STORES

Own

WESTERN EUROPE



● online + offline ● online ● offline ● 2023/24

24
stores

53.5 ths m²
floorspace

Western Europe at early stage of development

- Germany was the first Western European country entered. In July 2014 we launched Reserved online store, while first shop followed in September 2014.
- Our target: 19 stores in Germany by the end of 2018 has been reached. In 2020/21, our stores in Germany were under restructuring, due to impact of COVID-19. We have successfully renegotiated rental agreements making a BEP possible. One store was closed thus at the end of 2021/22 we had 18 stores.
- Our first store in the UK, in the centre of London, was opened in September 2017. The store's operations have been severely hit by COVID-19.
- First own stores in Finland opened in 2019.
- Pan-European e-store opened in 2H19.
- Sinsay own offline stores to be opened in 2023/24 in Italy and Greece.

WE SEE MORE OPPORTUNITIES IN THE WESTERN EUROPE.

| Key data WE | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 345 | 433 | 370 | 644 |
| % of group revenues | 4% | 4% | 5% | 5% |
| No. of stores | 20 | 25 | 25 | 24 |
| Floorspace (ths, m2) | 49.0 | 55.5 | 55.5 | 53.5 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------|-----------|-----------|-----------|-----------|
| WE countries | 20 | 25 | 25 | 24 |
| Germany | 19 | 19 | 19 | 18 |
| UK | 1 | 1 | 1 | 1 |
| Finland | 0 | 5 | 5 | 5 |

Middle East

COUNTRIES PRESENT OFFLINE

Egypt, Kuwait, Qatar, UAE, Israel

GROWTH STAGE

Early stage

TRADITIONAL STORES

Reserved

ONLINE STORES

No own stores; Reserved on Azadea.com (decision of a franchise partner); separate partner for Israel e-commerce

TYPE OF STORES

Franchise

MIDDLE EAST



9
stores

10.0 ths m²
floorspace

ME – foothold on the third continent

2021/22

79

- Development via franchise stores opened by franchisee Azadea since 1Q15.
- Franchise stores require no capex, yet bear no retail margin.
- Now, only Reserved stores are developed within the region.
- New country – Israel – was opened in August 2018 in a shopping mall in Tel Aviv. Further stores followed.
- Reserved products are available on online platform Azadea.com (decision of our franchise partner).
- In 2020/21 a new store was opened in Dubai, in the largest shopping mall in the world.
- Reserved present on online platform in Israel via our franchise partner.

WE PLAN TO CONTINUE TO DEVELOP VIA FRANCHISE STORES.

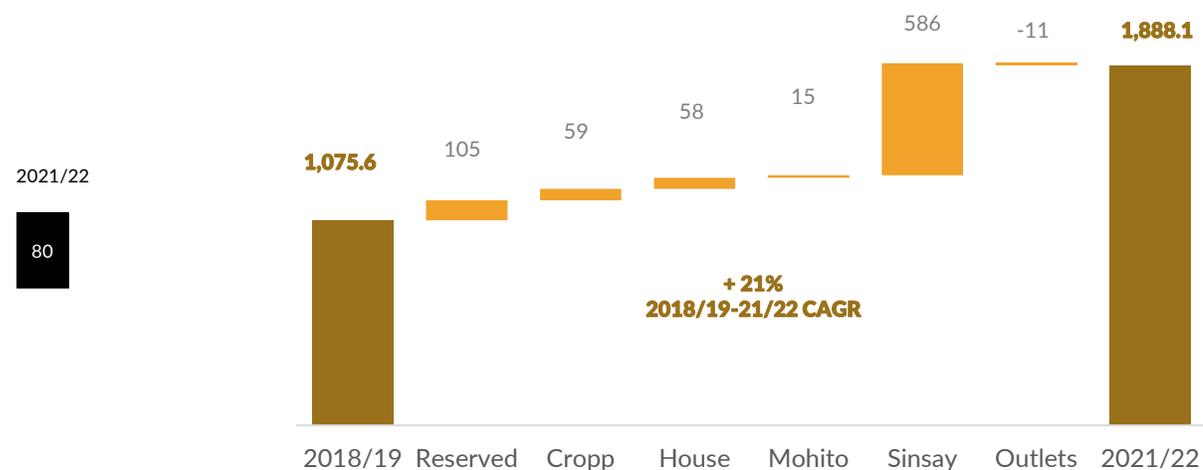
| Key data Poland | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|----------------------|---------|---------|---------|---------|
| Revenues (PLN m) | 24 | 33 | 17 | 30 |
| % of group revenues | 0% | 0% | 0% | 0% |
| No. of stores | 7 | 8 | 9 | 9 |
| Floorspace (ths, m2) | 7.1 | 8.4 | 9.9 | 10.0 |

| No. of stores | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---------------------|----------|----------|----------|----------|
| ME countries | 7 | 8 | 9 | 9 |
| Egypt | 1 | 1 | 1 | 2 |
| Kuwait | 1 | 1 | 1 | 1 |
| Qatar | 2 | 2 | 2 | 2 |
| UAE | 1 | 1 | 2 | 1 |
| Israel | 2 | 3 | 3 | 3 |

Sinsay dominated floorspace growth

FLOORSPACE GROWTH BY BRANDS

ths m2



FLOORSPACE BY BRANDS

ths m2

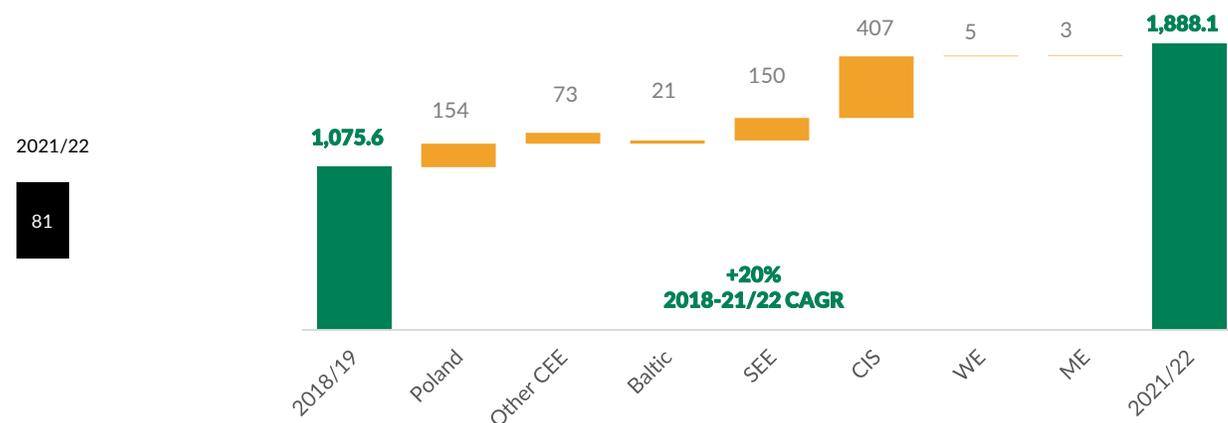
| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|----------------|----------------|----------------|----------------|
| LPP GROUP | 1,075.6 | 1,230.9 | 1,435.4 | 1,888.1 |
| Reserved PL | 268.7 | 270.3 | 267.7 | 272.9 |
| Reserved EX | 336.3 | 394.5 | 407.0 | 437.3 |
| Cropp PL | 65.9 | 63.0 | 63.7 | 69.6 |
| Cropp EX | 66.9 | 84.9 | 102.4 | 121.9 |
| House PL | 66.9 | 65.6 | 71.4 | 77.2 |
| House EX | 48.3 | 61.8 | 75.4 | 96.2 |
| Mohito PL | 53.4 | 51.4 | 50.3 | 51.0 |
| Mohito EX | 54.5 | 60.2 | 64.9 | 71.5 |
| Sinsay PL | 59.8 | 78.4 | 113.8 | 206.5 |
| Sinsay EX | 42.9 | 94.8 | 216.0 | 482.6 |
| Outlets | 12.0 | 5.8 | 2.8 | 1.4 |

- In 2018-21/22, Reserved was the second largest contributor to floorspace openings due to entry into new countries.
- Sinsay was the largest contributor to floorspace growth even though it was launched in 2013.
- Cropp contributed similarly to floorspace as House in 2017-20/21.
- Foreign expansion of the brands was the key driver behind floorspace growth.

Floorspace growth mostly on existent markets

FLOORSPACE GROWTH BY REGIONS

ths m2



FLOORSPACE BY REGIONS

| ths m2 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|----------------|----------------|----------------|----------------|
| LPP GROUP | 1,075.6 | 1,230.9 | 1,435.4 | 1,888.1 |
| CEE | 626.6 | 663.5 | 712.3 | 853.6 |
| Poland | 523.0 | 530.0 | 566.9 | 677.2 |
| Other CEE | 103.5 | 133.5 | 145.4 | 176.3 |
| Baltic | 41.1 | 51.0 | 62.0 | 62.0 |
| SEE | 81.0 | 130.7 | 169.7 | 231.0 |
| CIS | 270.9 | 321.8 | 426.1 | 678.1 |
| WE | 49.0 | 55.5 | 55.5 | 53.5 |
| ME | 7.1 | 8.4 | 9.9 | 10.0 |

- The CEE region was a mature market, especially Poland. Still, it was the second largest floorspace growth contributor in 2018-2021/22, due to expansion into smaller towns and value-for-money segment.
- SEE floorspace growth was the third largest floorspace growth contributor in 2018-21/22 due to acceleration of expansion and entry to new countries.
- The CIS region was the largest contributor as more high quality mall space was available and new countries were entered into (Belarus and Kazakhstan). That will no longer take place due to divesture of Russian operations in April 2022.

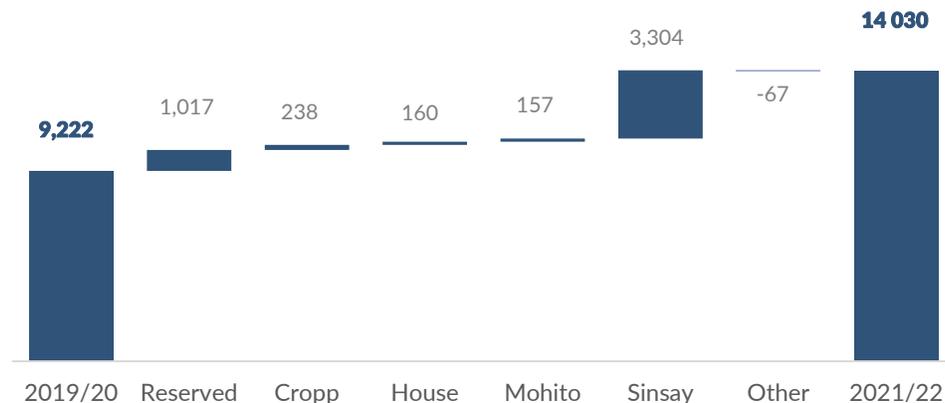
Reserved and Sinsay key revenue contributors

REVENUES BY BRANDS

PLN m

2021/22

82



REVENUES BY BRANDS

PLN m

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|----------------|----------------|----------------|-----------------|
| LPP GROUP | 8 755,9 | 9,221.7 | 7,848.1 | 14,029.7 |
| Reserved PL | 1,883.6 | 1,949.2 | 1,391.7 | 2,082.6 |
| Reserved EX | 1,996.9 | 2,420.6 | 2,075.0 | 3,303.7 |
| Cropp PL | 570.0 | 552.3 | 368.3 | 586.0 |
| Cropp EX | 635.7 | 736.4 | 604.0 | 940.5 |
| House PL | 619.3 | 653.9 | 452.8 | 647.6 |
| House EX | 373.3 | 481.5 | 422.4 | 647.3 |
| Mohito PL | 438.4 | 503.3 | 345.1 | 552.0 |
| Mohito EX | 407.5 | 483.6 | 362.6 | 591.9 |
| Sinsay PL | 539.3 | 689.9 | 790.1 | 1,585.8 |
| Sinsay EX | 311.5 | 592.6 | 947.7 | 3,000.7 |
| Other | 937.1 | 158.5 | 88.3 | 91.6 |

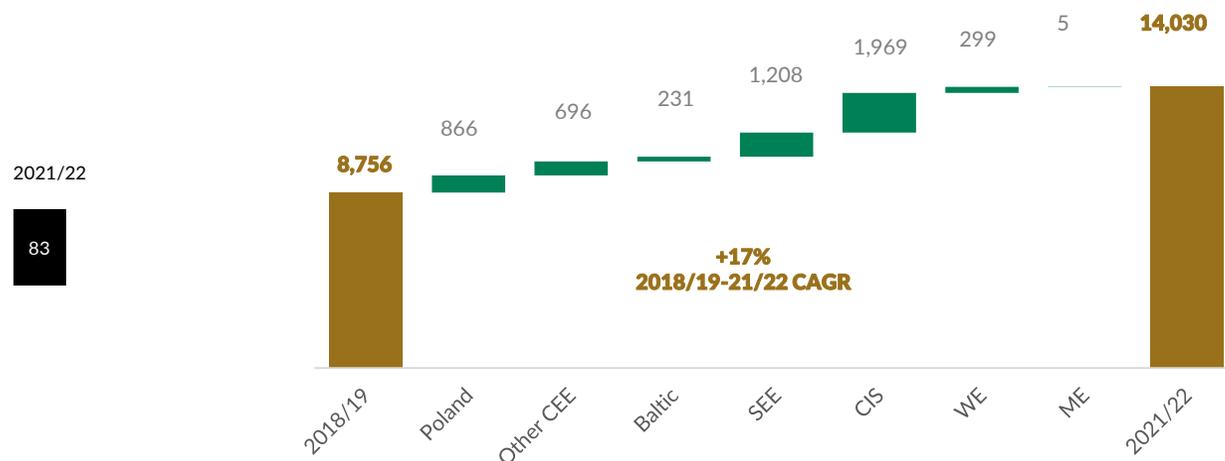
Change in data presentation, from 2019/20 e-commerce is included in the brand revenues.

- All brands were affected by the pandemics in 2020 and rebounded in 2021.
- Sinsay proved to be a successful concept, growing domestically and abroad, also during COVID-19 pandemics.
- Despite its scale in Poland, Reserved was the second largest revenue contributor in 2018/19-21/22 compared to other brands.
- Cropp, House and Mohito were similar revenue contributors.
- E-commerce development was another source of growth.

Developing regions fuel revenue growth

REVENUE GROWTH BY REGIONS

PLN m



REVENUES BY REGIONS

PLN m

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|------------------|----------------|----------------|----------------|-----------------|
| LPP GROUP | 8,755.9 | 9,221.7 | 7,848.1 | 14,029.7 |
| CEE | 5,562.4 | 5,402.5 | 4,279.8 | 7,123.7 |
| Poland | 4,647.4 | 4,418.7 | 3,397.7 | 5,513.0 |
| Other CEE | 915.1 | 983.9 | 882.1 | 1,610.6 |
| Baltic | 387.7 | 417.3 | 401.8 | 619.0 |
| SEE | 513.3 | 761.7 | 850.7 | 1,721.1 |
| CIS | 1,923.7 | 2,199.5 | 1,929.3 | 3,892.4 |
| WE | 344.7 | 410.3 | 369.7 | 644.0 |
| ME | 24.2 | 32.8 | 16.8 | 29.5 |

- The Polish revenue contribution was below that of the SEE region between 2018/19-2021/22. Expansion into SEE resulted from entry to new countries and strengthening presence in Romania via FC.
- Floorspace expansion and online development in Russia translated into CIS being the largest revenue addition.
- WE was visible on our top-line – Finland is our most successful Western European market. Since 2015 we have been developing in the Middle East via franchise stores, yet their contribution was limited.

Three design centres

2021/22

84

Gdansk HQs

- LPP's largest design centre.
- The centre is responsible for Reserved, Cropp and Sinsay brands.

Design centres

CRACOW

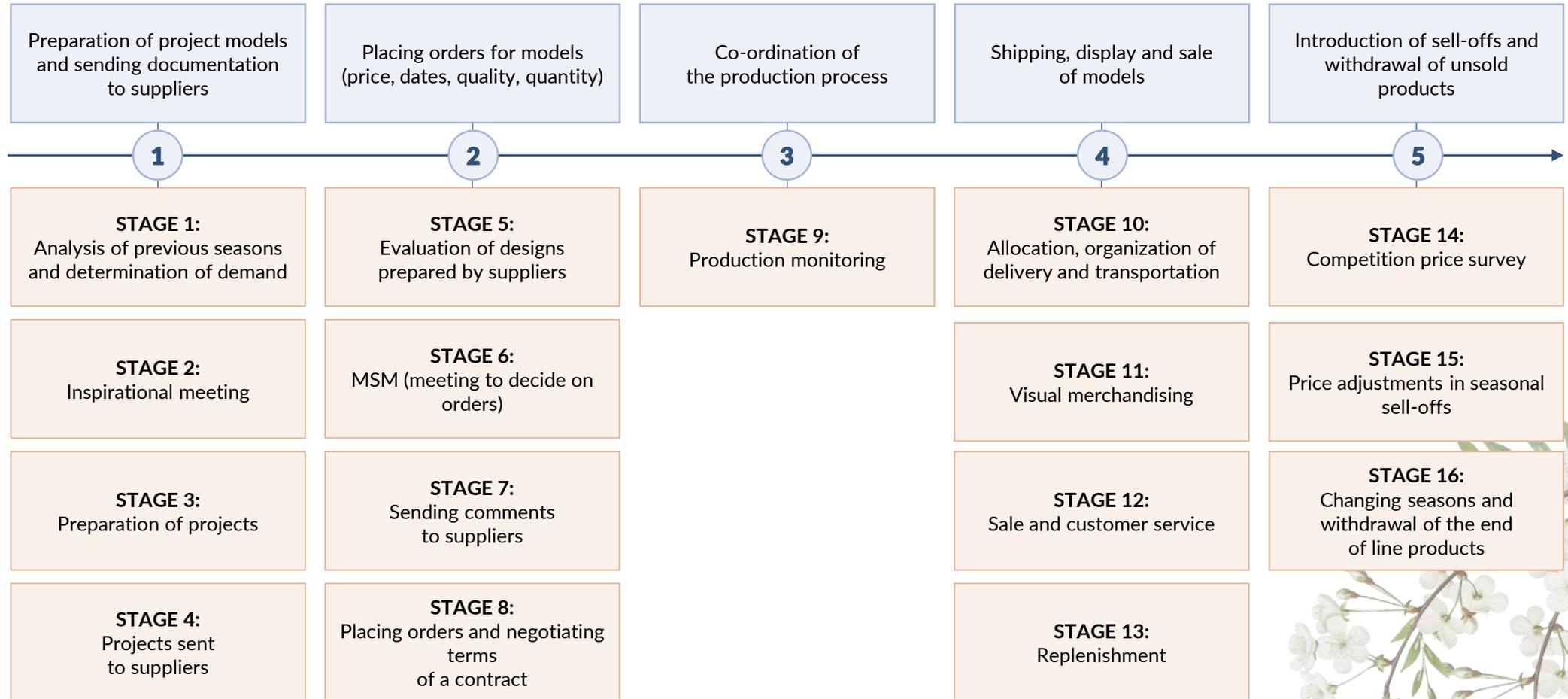
- Design centre for House and Mohito brands.

WARSAW

- Design centre responsible for Reserved (support for Gdańsk design centre, special occasion projects).



Stages of the designing and supply process

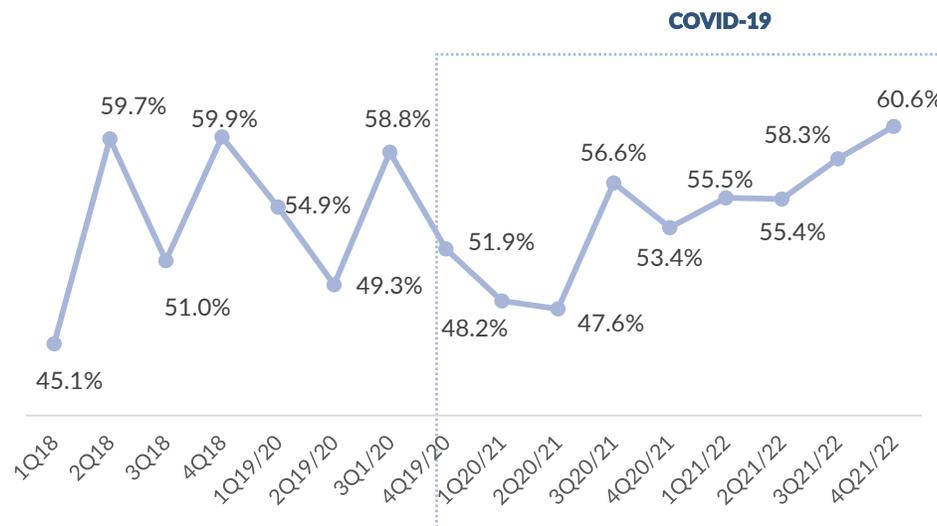


2021/22

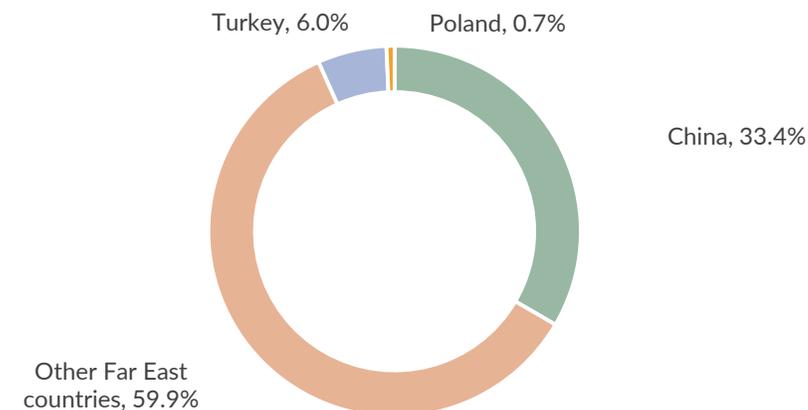


Gross profit margin follows collections quality

QUARTERLY GROSS PROFIT MARGIN



2021/22 PURCHASES BY REGION

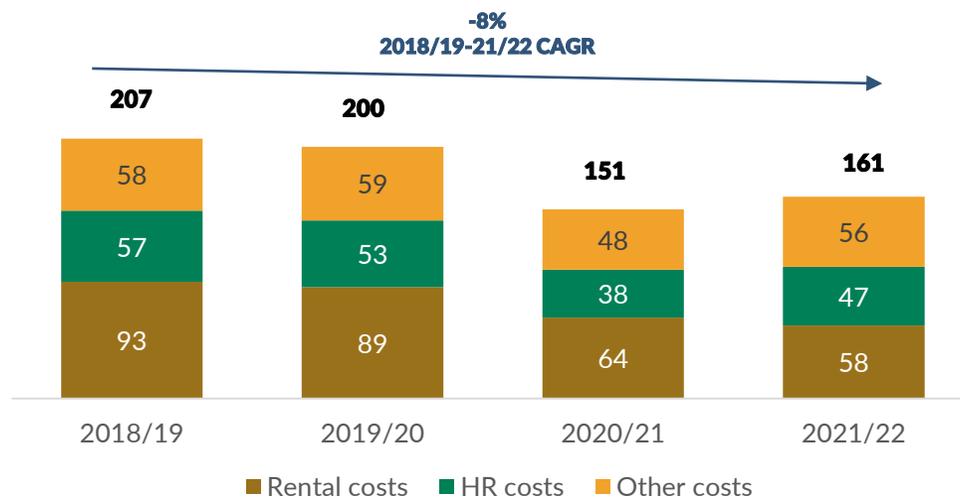


- Significant increase in gross margin YoY in 2021/22: lower YoY sell-offs, more favorable purchase prices for Spring collection and strong demand from delayed demand post pandemics. COVID-19 impact on gross profit margin was thus much lower in 2021/22 than in 2020/21 when gross profit margin came in at 52.0%, down 1.5 pp. The YoY decrease in 2020/21 was due to a higher share of online channel, in which customers more effectively search for promotions, and inability to translate unfavorable exchange rates into prices in selected quarters.
- Before the impact of COVID-19, gross profit margin was favourably affected over the last quarters by the new inventory policy, especially the system allocating goods to stores, which allows for individual allotment of inventory to each store.
- Since 2Q18 write-offs for inventory are shown in gross profit margin and not other operating line.
- Dependency on China has been decreasing over the past decade – in 2010 share of China in purchases amounted to 75% while in 2015 at 60%.

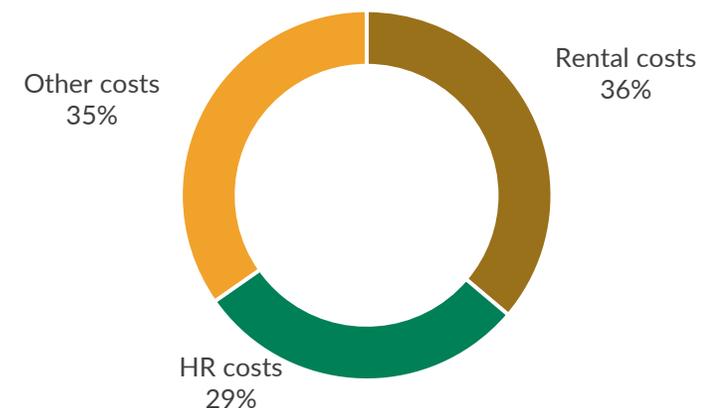
Costs of own stores depend on rentals

COSTS OF OWN STORES/ M2

(PLN monthly, IAS17)



2021/22 COSTS OF OWN STORES SPLIT



- Rental charges → successful rental renegotiations in the past (reopened after COVID-19); level paid depends on EUR/PLN exchange rate; focus on turnover-based rentals. Falling charges/m2 due to a stronger shift in Sinsay floorspace opening (retail parks in smaller towns, lower rentals).
- Personnel costs → adjusting headcount and salaries to the COVID-19 reality in 2020/21, limited benefits from state support in various countries where traditional stores are present. Growth in 2021/22 due to the need for growing headcount and pressure to raise salaries.
- Other costs of stores → depreciation constitutes half of other costs of stores (under IAS17); other costs: energy, provisions, security. Growth related to openings of new stores.

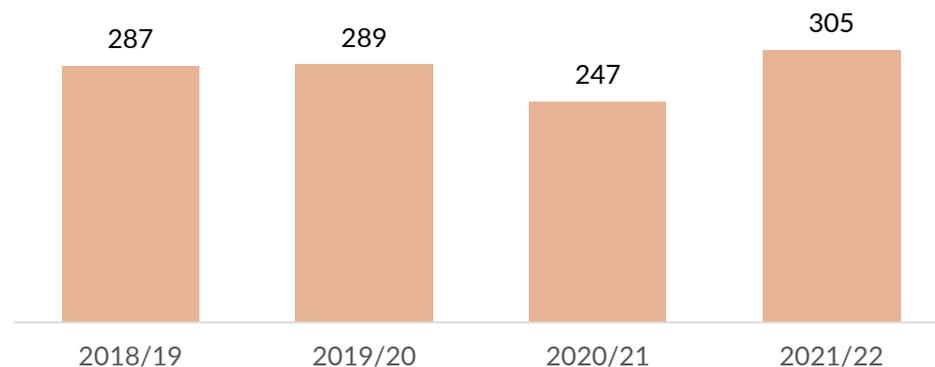
We control SG&A/ m2

SG&A/ M2

(PLN monthly, from 2019/20 IFRS16)

2021/22

88



SG&A COSTS

(PLN m, from 2019/20 IFRS16)



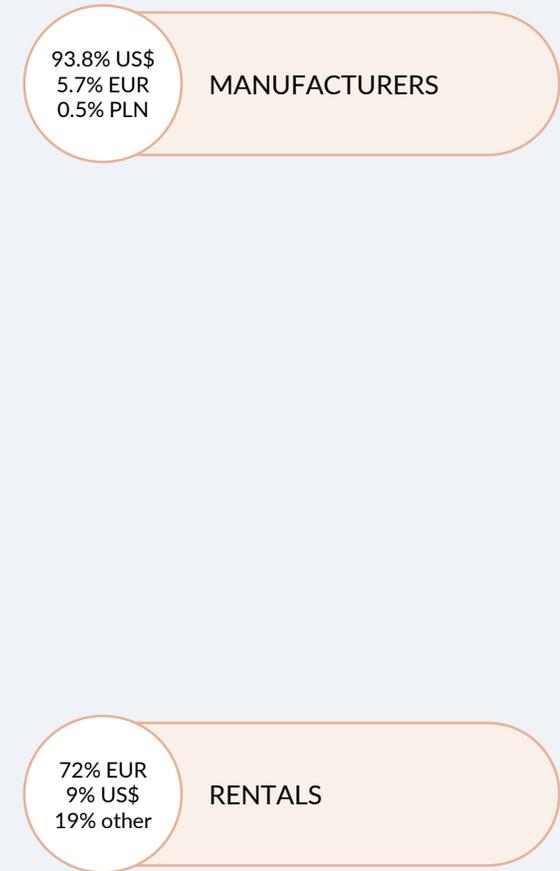
- Costs of stores encompass costs of own stores (rentals, personnel and other). Stores in Middle East do not have any material effect on SG&A costs.
- Costs of stores → YoY growth in 2018/19-19/20 due to higher YoY floorspace, FX relations and other costs of stores. 2020/21 brought reduction, yet lower than revenues fall, due to sizeable portion of the cost being fixed. 2021/22 brought rebound due to smaller YoY restrictions.
- HQ costs → YoY growth in 2018/19-2020/21 due to investments in product departments, e-commerce expansion, higher costs of foreign logistics and growing marketing costs. Pick-up in 2021/22 due to growth in e-commerce.

Group FX exposure (excluding IFRS16)

REVENUES



COSTS

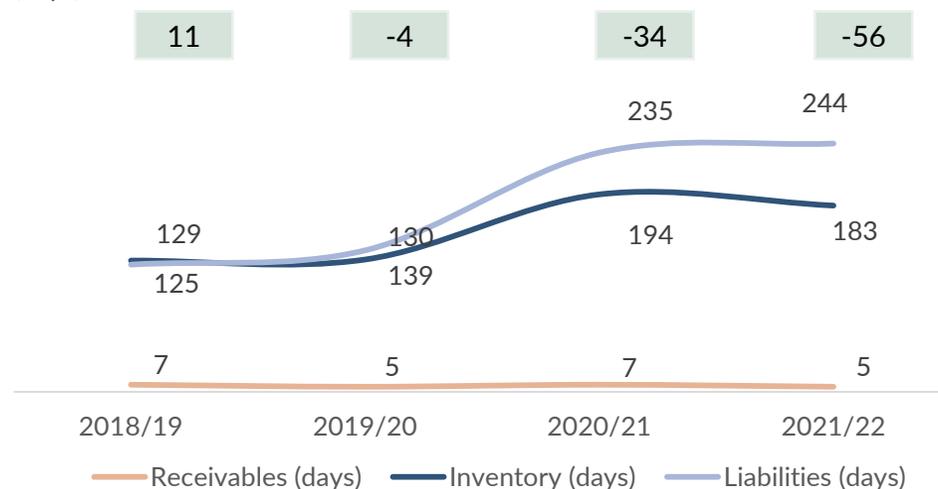


Note: LC stands for local currency. Calculations based on 2021/22 numbers and IAS17 data.

Freeing up working capital

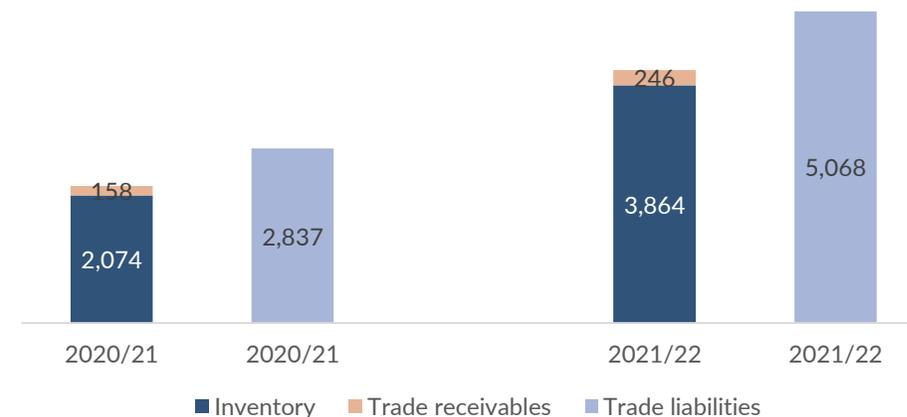
CASH CYCLE

(days)



WORKING CAPITAL

(PLN m)



2021/22

90

- Inventory is an important part of net working capital. Despite COVID-19 LPP did not have excessive and obsolete inventory. 86.3% YoY increase in inventories at the end of 2021/22 resulted from: (1) greater stocking for the planned new stores and (2) acceleration of orders for goods from the Spring/Summer 2022 collection due to extended delivery times for goods from Asia. 41.4% YoY increase in inventories/ m2 in 2021/22 due to faster import of goods, stocking up for stores to be opened in the following months and e-commerce development.
- Liabilities are a source of inventory financing. Supplier financing programme utilization at PLN 3.3bn at the end of 2021/22. Lengthening of payment terms for suppliers.
- Benefits of supplier financing for LPP: extended payment periods on invoices for goods purchased and net working capital and operating cash flows improvement. Benefits for suppliers: possibility to discount invoices for LPP before the payment deadline (low discount rate based on LPP's standing) and no impact on credit ability.
- As a result, our cash conversion cycle remained at a low level of - 56 days in 2021/22 (-34 days in 2020/21).

Supply chain management as a source of financing

SUPPLY CHAIN FINANCE - SCF (SUPPLIER FINANCING PROGRAMME)

BENEFITS FOR LPP

- Extended payment periods on invoices for goods purchased.
- Net working capital and operating cash flows improvement.
- No cost for LPP – cost is included in discount rate used.



BANKING PLATFORM



BENEFITS FOR SUPPLIERS

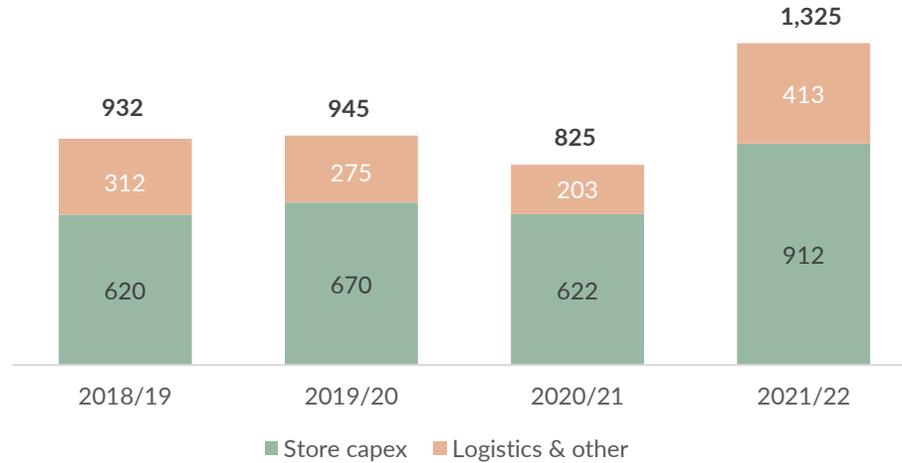
- Possibility to discount invoices for LPP before the payment deadline (low discount rate based on LPP's standing).
- No impact on credit ability.
- Lower cost than banking debt.

PLN 3.3bn positive effect at the end of 2021/22.

Capex supports LPP's development

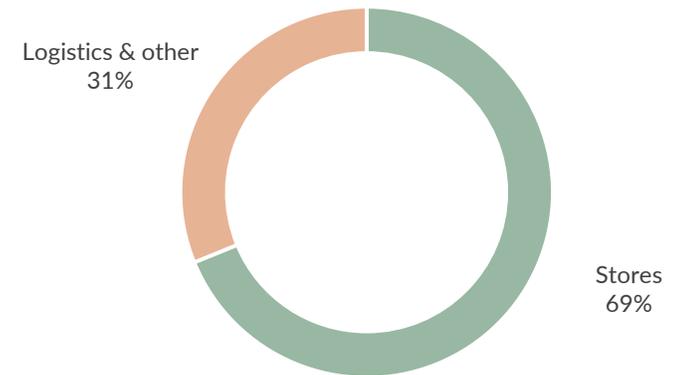
CAPEX SPLIT

(PLN m)



2021/22 CAPEX SPLIT

(PLN m)



- Our store capex encompasses outlays for new stores as well as modernisations of existing ones. We are in the process of modernising our network – opening larger stores that will support us in full omnichannel integration and stores in retail parks.
- Logistics capex includes outlays for our distribution centres. We have finished construction capex for Brześć Kujawski DC.
- We are in the process of modernisation and expansion of our Gdansk headquarters. In 2020/21 we finalised expansion of our Cracow offices.

2021/22

92

Further logistics development

FULFILLMENT CENTRES



2021/22

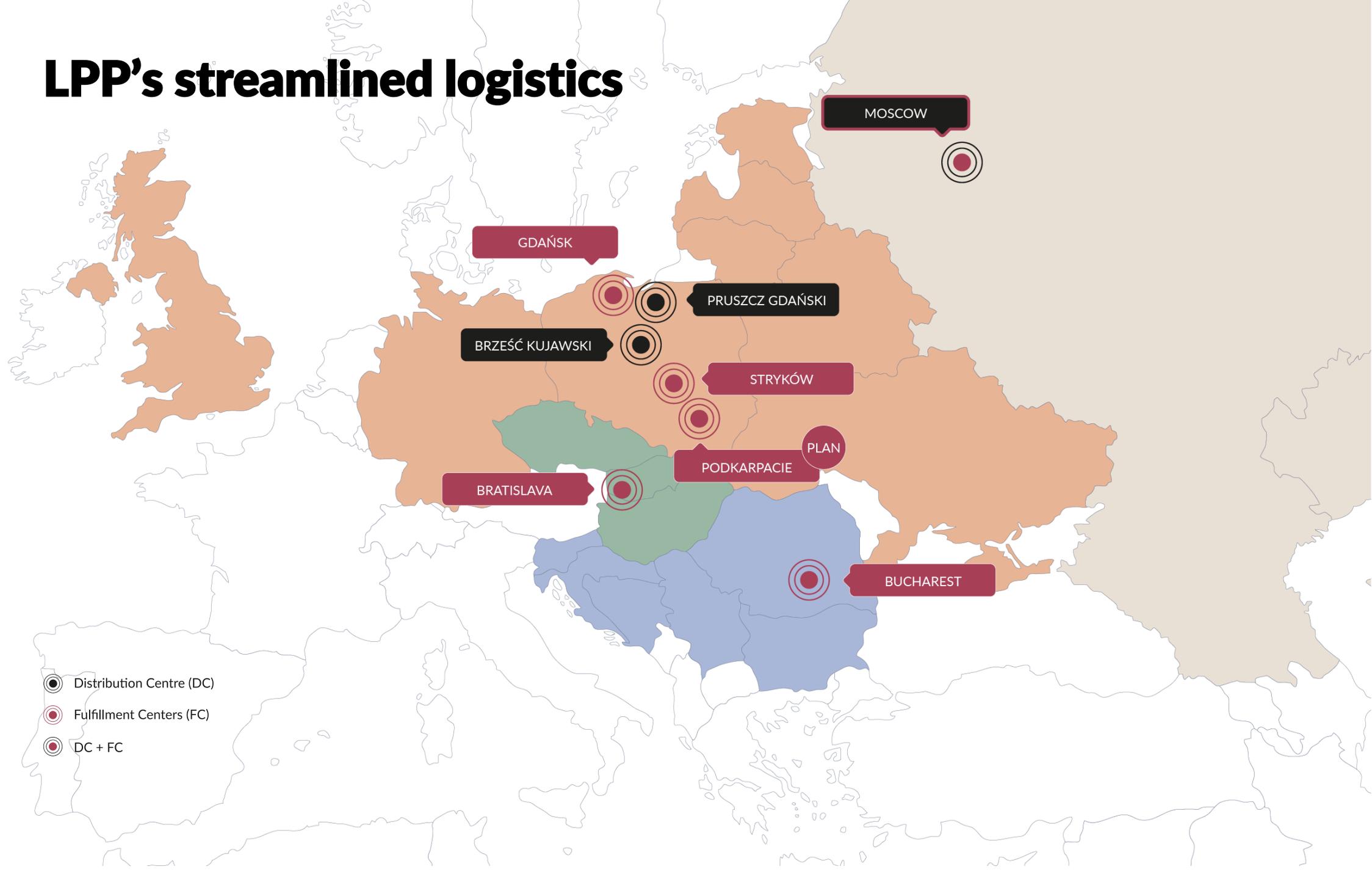
93

DISTRIBUTION CENTRES



¹ Data as at 31.01.2021, the rental agreement was passed to the buyer of the Russian subsidiary

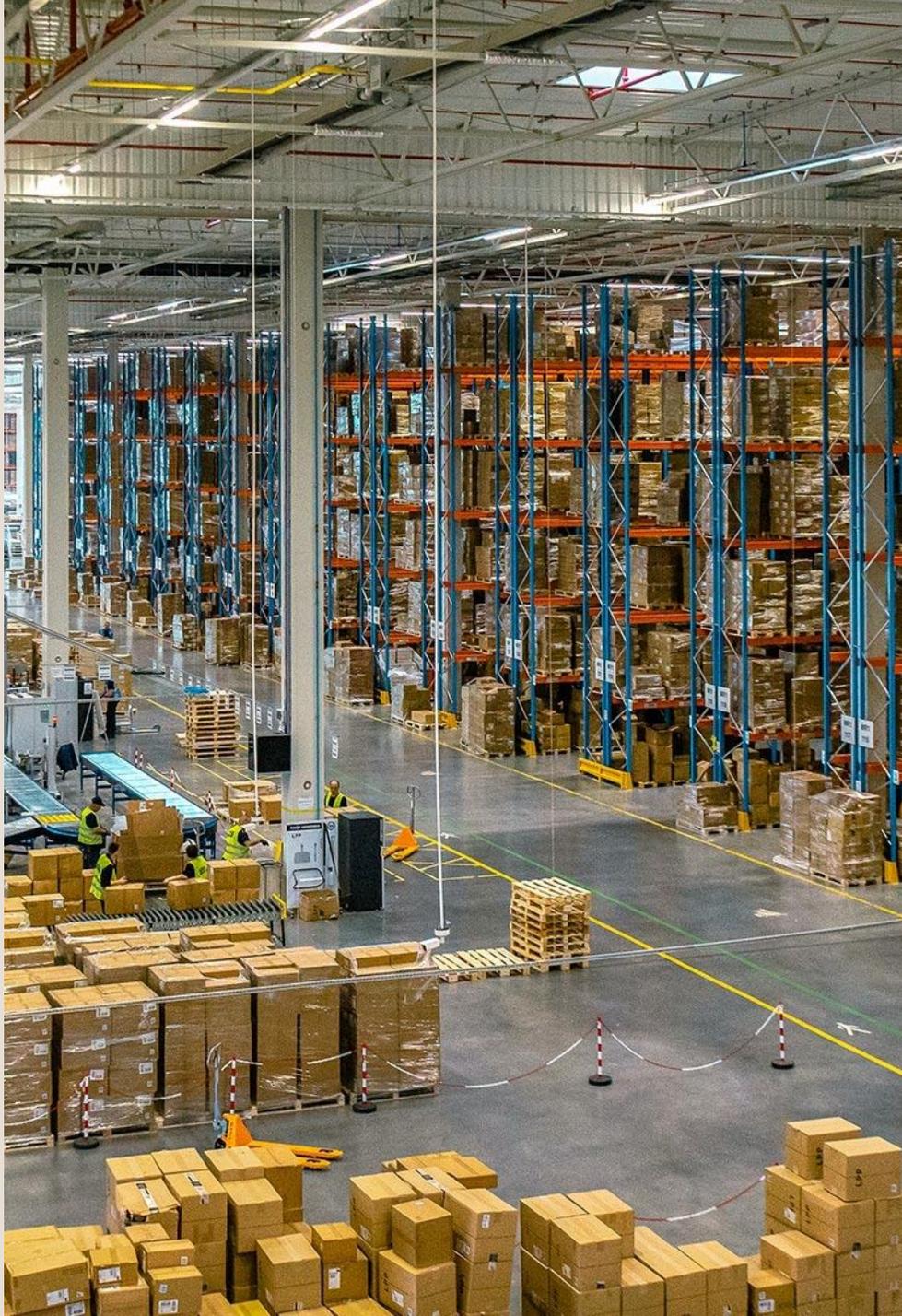
LPP's streamlined logistics



2021/22

94

- Distribution Centre (DC)
- Fulfillment Centers (FC)
- DC + FC



Logistics improvements

LAUNCH OF BRZEŚĆ KUJAWSKI DISTRIBUTION CENTRE IN 2022

- Storage capacity: 40m pieces of goods
- Servicing up to 1,000 stores simultaneously
- 700 employees
- 75 ths m2 of floorspace
- Capacity to send up to 8m pieces of clothing and accessories per week
- Undergoing BREEAM certification
- 1.5MW solar panels

CONSTRUCTION OF E-COMMERCE WAREHOUSE IN PODKARPACIE REGION (JASIONKA, NEAR RZESZÓW)

- Floorspace: 69 ths m2
- Planned launch: by the end of 2022
- New Fulfillment Center should allow to streamline many distribution processes in online sales.

Modern Pruszcz Gdański distribution centre

We have 2 modern distribution centers (in Pruszcz Gdański and Brześć Kujawski) with a total area of 175,000 m², ensuring logistics services for e-commerce warehouses and nearly 1,700 stores located at almost 40 markets.

The maximum efficiency of the infrastructure of both facilities ensures the possibility of shipping up to 18 million items of garments per week.



TECHNICAL PARAMETERS

MINILOAD

Pruszcz Gdański

Brześć Kujawski

10 m
pieces shipped weekly
(up to 2.2m daily)

8 m
pieces shipped weekly
(maximum capacity)

1,177 ths
storage positions for boxes

320
containers admitted weekly

40m
items of clothing stored in the system rack

18m
high warehouse

212 ths
cartons sent weekly

2
automatic sorters (simultaneous delivery up to 1,000 stores)

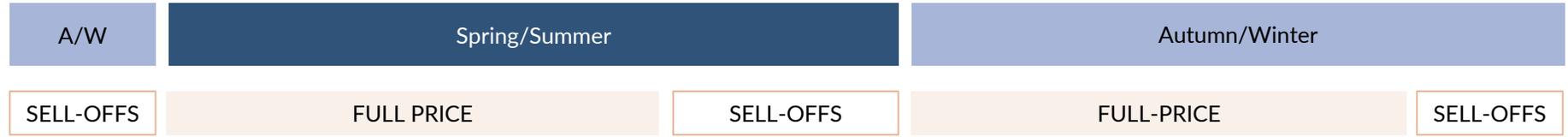
57 alleys
120 and 83 meters long

1,000
employees in distribution centre

700+
employees in distribution centre

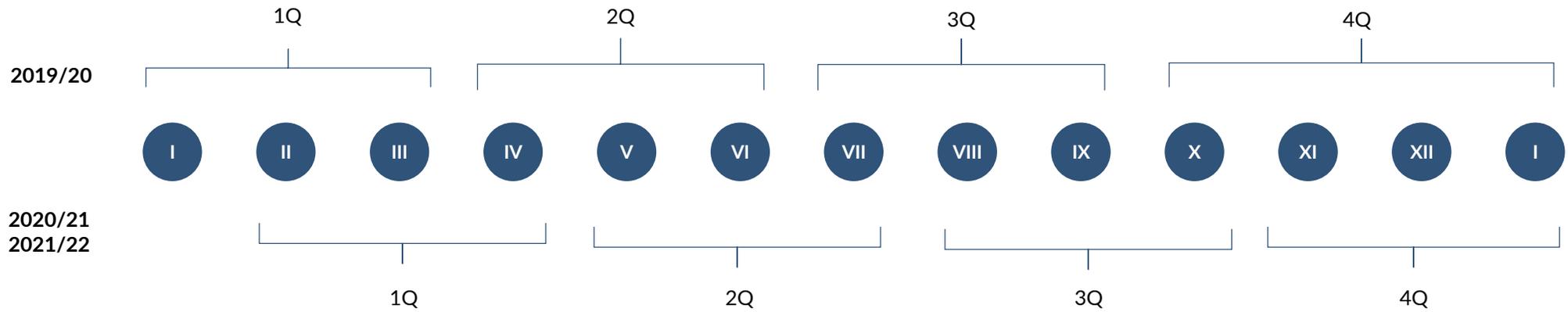
7,500
operations per hour

Change in the fiscal year from 2019



2021/22

97



The aim behind the fiscal year change is to align the fiscal year with the fashion seasons (collection assessment, lower seasonality).

The fiscal year in 2019 was 13-month-long and 4Q19 was 4-month-long. These were marked as 2019/20 and 4Q19/20.

The first 12-month financial year after the fiscal year change from February 1, 2020.



IFRS16 impact summary on 2021/22 numbers

EBITDA

PLN 599.3m of additional amortisation of right of use asset.

EBIT

56% of rentals under IFRS16 (PLN 659.5m).

NET INCOME

Financial income related to the asset (PLN 139.9m) and FX gains (PLN 3.9m).
PLN 9.0m impact of deferred taxes.

Growth in operating line despite pandemics

| PLN m | 2018/19 IAS17 | 2019/20 (13M) IFRS16 | 2019/20 IFRS16 | 2020/21 IFRS16 | 2021/22 IFRS16 | YoY |
|------------------------|------------------|-------------------------|-------------------|-------------------|-------------------|---------------|
| Revenues | 8,755.9 | 9,899.2 | 9,221.7 | 7,848.1 | 14,029.7 | 78.8% |
| Gross profit on sales | 4,628.3 | 5,145.7 | 4,940.2 | 4,083.9 | 8,107.2 | 98.5% |
| Gross profit margin | 52.9% | 52.0% | 53.6% | 52.0% | 57.8% | 5,7pp |
| SG&A costs | 3,822.3 | 4,213.1 | 3,937.3 | 3,847.6 | 5,960.9 | 54.9% |
| Other operating line | -117.7 | -126.9 | -123.6 | -83.3 | -667.3 | N/M |
| EBIT | 688.2 | 805.7 | 879.2 | 153.0 | 1,479.0 | 866.5% |
| EBIT margin | 7.9% | 8.1% | 9.5% | 1.9% | 10.5% | 8.6pp |
| Net financial activity | -31.4 | -140.5 | -142.1 | -269.5 | -247.0 | N/M |
| Pre-tax profit | 656.8 | 665.2 | 737.1 | -116.5 | 1,232.0 | N/M |
| Tax | 214.3 | 244.2 | 251.1 | 73.6 | 278.5 | 278.3% |
| Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | N/M |
| Net income | 442.5 | 421.0 | 486.0 | -190.1 | 953.5 | N/M |
| Net income margin | 5.1% | 4.3% | 5.3% | -2.4% | 6.8% | 9.2pp |

2021/22

99

Balance sheet strong even during the pandemics

| PLN m | 31.01.2019 IFRS16 | 31.01.2020 IFRS16 | 31.01.2021 IFRS16 | 31.01.2022 IFRS16 |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| Non-current assets | 5,279.5 | 5,870.7 | 5,620.6 | 7,027.7 |
| fixed assets | 1,821.1 | 2,312.4 | 2,439.8 | 2,760.5 |
| intangibles (inc. goodwill) | 379.8 | 413.3 | 397.2 | 405.1 |
| right-of-use asset | 2,894.1 | 3,000.2 | 2,589.1 | 3,412.3 |
| Current assets | 2,626.8 | 3,735.1 | 4,733.2 | 7,107.5 |
| inventory | 1,210.3 | 1,921.1 | 2,074.4 | 3,864.1 |
| trade receivables | 103.6 | 143.8 | 158.1 | 246.1 |
| cash and equivalents | 1,070.3 | 1,361.5 | 1,277.9 | 1,354.9 |
| Total assets | 7,906.3 | 9,605.9 | 10,353.8 | 14,135.2 |
| Equity | 2,815.7 | 3,247.5 | 3,068.4 | 3,272.1 |
| Long-term liabilities | 2,634.3 | 3,159.3 | 3,114.2 | 3,983.2 |
| interest bearing debt | 84.1 | 462.9 | 484.7 | 438.8 |
| finance lease (IFRS16) | 2,439.4 | 2,568.0 | 2,523.7 | 3,428.2 |
| Short-term liabilities | 2,456.3 | 3,199.1 | 4,171.2 | 6,879.9 |
| trade liabilities | 1,341.1 | 2,100.8 | 2,837.1 | 5,067.7 |
| interest bearing debt | 145.3 | 109.5 | 521.1 | 535.0 |
| finance lease (IFRS16) | 566.0 | 680.2 | 654.0 | 749.1 |
| Total liabilities | 7,906.3 | 9,605.9 | 10,353.8 | 14,135.2 |

Strong operating cash flows

| PLN m | 2018/19 IAS17 | 2019/20 (13M) IFRS16 | 2019/20 IFRS16 | 2020/21 IFRS16 | 2021/22 IFRS16 |
|------------------------|------------------|-------------------------|-------------------|-------------------|-------------------|
| Pre-tax profit | 656.8 | 665.2 | 737.1 | -116.5 | 1,232.0 |
| D&A | 426.9 | 1,093.8 | 1,017.2 | 1,073.0 | 1,147.7 |
| NWC | 469.1 | 268.8 | 48.0 | 113.2 | 145.0 |
| Operating CF | 1,600.0 | 1,848.3 | 1,572.6 | 1,074.5 | 3,003.7 |
| Capex | -931.8 | -1,003.8 | -944.9 | -824.8 | -1,324.7 |
| Investing CF | -933.0 | -861.5 | -753.1 | -1,007.1 | -1,328.3 |
| Interest bearing debt | 41.7 | -14.3 | 54.3 | 444.5 | -48.6 |
| Dividends | 73.3 | -110.1 | -110.1 | 0.0 | 833.6 |
| Finance lease (IFRS16) | 47.5 | -721.1 | -663.3 | -538.6 | -583.2 |
| Interest | -27.4 | -137.0 | -127.7 | -157.7 | -169.3 |
| Financing CF | -106.5 | -682.5 | -547.0 | -139.5 | -1,634.7 |
| Total CF | 560.5 | 304.4 | 272.4 | -72.1 | 40.7 |

2021/22

101



LPP's success story

No. of stores

10

1991 Creation of Mistral company by Marek Piechocki and Jerzy Lubianiec

1995 Mistral transformed into LPP

1997 Opening offices in Shanghai

50

1998 Launch of Reserved – first retail store opened

2001 IPO on the Warsaw Stock Exchange

2002 Start of international expansion (Russia, Czech Rep., Estonia, Hungary, Latvia)

100

2003 Further international expansion (Lithuania, Ukraine, Slovakia)

2004 Launch of Cropp brand

2008 Acquisition of Artman, owner of House and Mohito brands

400

2008 Launch of the modern distribution center; expansion into Romania and Bulgaria

2010 Payment of first dividend

2013 Launch of Sinsay brand

500

2014 New countries: Germany, Croatia; entry into MSCI Poland and WIG20 indices

2015 Middle East entry: Egypt, Kuwait, Qatar, Saudi Arabia

2016 Launch of Tallinder brand and decision to abandon it; entry into UAE

1,000

2017 Entry into Belarus, Serbia and the UK; closing down Tallinder brand

2018 Publication of first integrated report, entry into Israel, Slovenia, Kazakhstan

2019 Entry into B&H and Finland, new CSR strategy

>1,700

2020 Expansion of Pruszcz Gdański distribution centre, modernisation of Cracow offices, completion of restructuring in Germany, acquisition of controlling interest by Semper Simul Foundation

2021 Entry to Norther Macedonia

2022 Sale of the Russian business

Key corporate events of 2021/22 (1)

2021/22

103



03.21

STRENGTHENING E-COMMERCE IN ROMANIA

Doubling floorspace of e-commerce Facility Centre in Romania

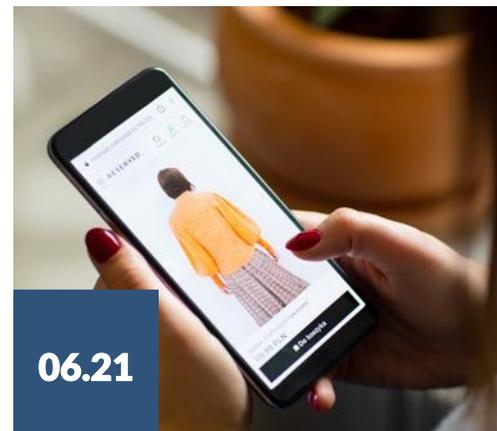
43,000 m2



06.21

AGM APPROVES DIVIDEND PAYMENT

Annual General Meeting of Shareholders appointed a new Management Board Member and the Supervisory Board. On top, it approved a sizeable dividend payment



06.21

RESERVED APP

Launch of Reserved application in Polish language version



09.21

MORE GREEN ENERGY

Signing a letter of intent with Figene company to deliver green energy.

Installation of 4 ths solar panels in Brześć Kujawski Distribution Centre

Key corporate events of 2021/22 (2)

2021/22

104



09.21

GROWING PRESENCE IN THE BALKANS

Launch of e-store operations in Bulgaria. Entry to Northern Macedonia with offline stores.



10.21

AWARDS TO OUR BUILDINGS

The main prize in the office superstar course in the "best office" category in Tri-City "for an office building Fashion Lab2 LPP in Gdańsk. Breeam certificate (assessing buildings in terms of environmental standards) for the headquarters of the Kraków branch of LPP.



10.21

FC EXPANSION

Contract for the lease of a new Fulfillment Center in Pruszcz Gdański, located in Panattoni Tricity South II Park



11.21

LOGISTICS EXPANSION

System introduction automatic sorting in Slovak Fulfillment Center.
Signing a lease agreement with Panattoni warehouse space (67,000 m²) in the Rzeszów region.

Return to business operations in Ukraine



re-opening of e-store
in Ukraine in April 2022
(limited range, only
prepayments)

resuming operations
of stores in western Ukraine

deliveries of new collections
to traditional stores
from June 2022

At the same time, we continue to support our employees and citizens from Ukraine. The total value of support amounts to **PLN 20m.**



Disposal of the Russian subsidiary

The sale agreement includes, among others:

- the buyer's inability to use LPP brand names and trademarks both in offline and online stores (logos in stores have been changed);
- recovery by LPP of receivables from inventories in Russia (regular repayment along with the liquidation of the goods).

DETAILS OF THE TRANSACTION WILL BE PRESENTED IN THE SEMI-ANNUAL REPORT, AFTER THE AGREEMENT IS SETTLED.

Closed Russian stores generated

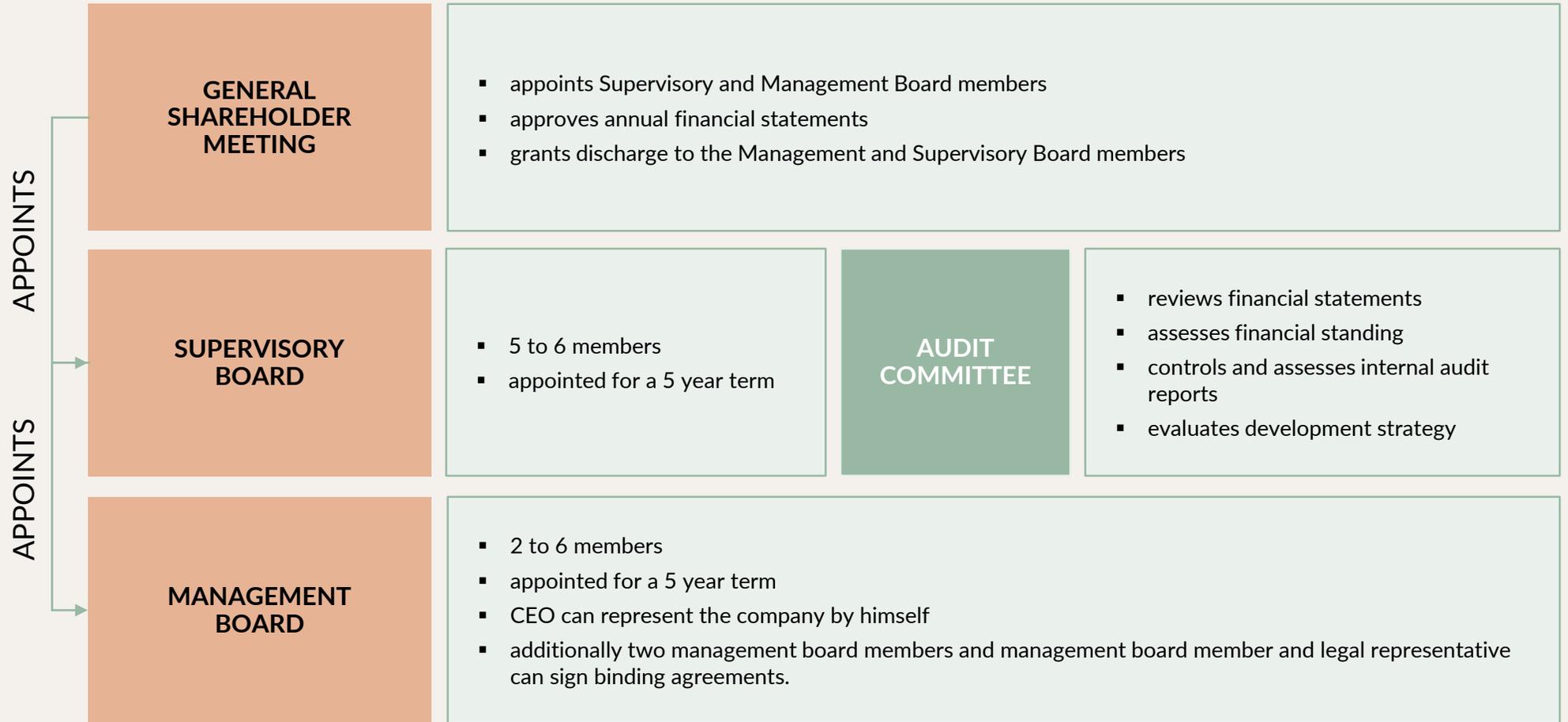
c. PLN 50m

of losses on average per month between April-May

Corporate governance

2021/22

107





Marek Piechocki's children are involved in LPP's operations. Marcin Piechocki sits on the Management Board while Piotr Piechocki on the Supervisory Board.

Two LPP's founders

LPP's FOUNDERS

Marek Piechocki

Chief Executive Officer

- Present in the retail business since 1989.
- In 1991 together with Jerzy Lubianiec, founded Mistral company, activities of which in 1995 were transferred into LPP.
- CEO of LPP since 2000.
- The Best-Performing CEO according to Harvard Business Review (2013).

Jerzy Lubianiec

President of Supervisory Board until the end of 2020

- 1991 - 1997 ran Mistral company as a sole trader (LPP's predecessor).
- 1995 - 2000 CEO of LPP.
- 2000 - 2020 President of the Supervisory Board of LPP.

Management with long-term vision

2021/22

109



Marek Piechocki (61)
CEO & Founder

- Since 1989 in the retail business.
- Founded LPP's predecessor in 1991. CEO of LPP since 2000.
- Responsible for LPP's strategy and development of all brands.

Przemysław Lutkiewicz (50)
CFO

- At LPP since 2008. Since 2015 LPP's CFO (Chief Financial Officer).
- Responsible for finance, controlling, internal audit, investor relations, as well as supervision over foreign companies belonging to the LPP Group.
- 1995-2007 manager at First Data Poland.

Jacek Kujawa (48)
Board Member

- At LPP since 2004. Initially IT Director.
- Appointed: 25 November 2009. Responsible for logistics, administration and IT.
- 1999-2004 at Wirtualna Polska.

Sławomir Łoboda (57)
Board Member

- Co-operated with LPP since 1997.
- Appointed: 14 October 2015.
- Responsible for legal issues, new retail space and store development.

Marcin Piechocki (33)
Board Member

- Co-operated with LPP since 2017.
- Appointed: 29 June 2021.
- Responsible for Mohito and Sinsay brands, internal communication and external relations.

Independent Chair of the Supervisory Board



2021/22

110

Miłosz Wiśniewski (58)
Chair of the Supervisory Board, Independent

- An MBA graduate (Paris). Since 2016 CEO of Robod SA.
- 2012-15 CFO of Boryszew SA. Earlier CFO and CEE & SEE Director
- at CPW.

Wojciech Olejniczak (66)
Deputy

- Since 1999 member of the Supervisory Board of LPP.
- 1996 – 1997 LPP Management Board member. 1991 – 1996 partner at Mistral company (LPP's predecessor).

Piotr Piechocki (34)
Member

- Graduated from Warsaw School of Economics and IE Business School in Madrid.
- 2012-2017 manager at LPP, responsible for creation and development of e-commerce.

Magdalena Sekuła (47)
Independent Member

- Graduated from Gdansk University and University of Toulouse and Orleans.
- CEO of Gdansk-Sopot sports hall. Earlier, among other, responsible for promotional and informational actions related to the sports hall.

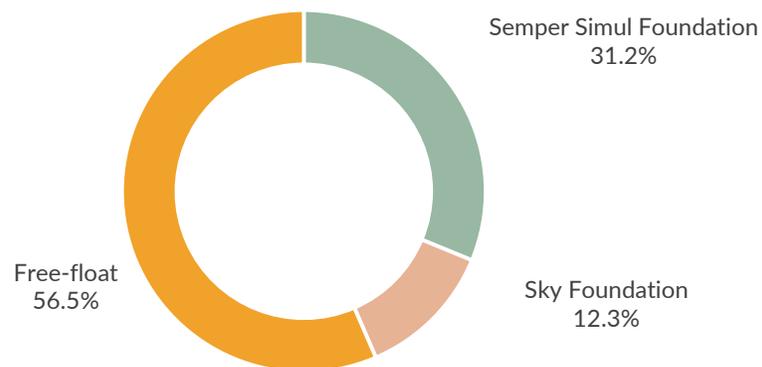
Grzegorz Maria Słupski (63)
Independent Member

- Appointed: 29 June 2021, following resignation of Jerzy Lubianiec.
- Entrepreneur, manager, academic teacher at University of Gdańsk, with over 20 years of experience.

A family company controlled by its founders

SHAREHOLDERS BY EQUITY (JULY 2022)

total no. of shares: 1,854,241



SHAREHOLDERS BY VOTES (JULY 2022)

total no. of votes: 3,254,241



2021/22

111

- Founders' shares have been deposited in foundations. Effectively, they control 43.5% of equity and 67.8% of votes.
- The CEO, Marek Piechocki, transferred shares to the Semper Simul Foundation (always together), which currently holds 31.2% of equity and 60.8% of votes. Jerzy Lubianiec, the co-founder, transferred his shares to the Sky Foundation, which currently holds 12.3% of capital and 7.0% of votes. He is no longer actively involved in the Company. All LPP's privileged shares (1 to 5 in votes) are held by Semper Simul Foundation.
- Currently, LPP has no treasury shares. 18,978 of treasury shares were sold to the market in December 2020 along with changes in shareholder structure. Earlier, treasury shares were partially used for the purpose of stock option plan. These were purchased in 2008, between 13th March and 4th June.



A Polish socially responsible company



FAMILY-RUN COMPANY

- Created by Polish entrepreneurs–partners from student years
- Managed by one of the Founders and controlling shareholder
- A family capital and determination to preserve status quo
- Stability and long-term vision matched with large investments is at the heart of our development instead of profit consumption
- The well-being of the company and its employees is more important than short-term profits



POLISH COMPANY

- Our roots are in Poland
- All strategic decisions are taken in Poland
- All our concepts are designed in Poland
- We pay all due taxes in Poland



SOCIALLY RESPONSIBLE COMPANY

- Ethical
- Responsible production
- Caring for workplaces
- Supporting its employees and partners
- Environmentally friendly

A history of sustainable actions

2021

- joining Canopy
- joining Cotton made in Africa

2020

- joining ZDHC (Zero Discharge of Hazardous Chemicals) and joining the Polish Plastics Pact

2019

- new CSR For People For Our Planet strategy
- joining the New Plastics Economy Global Commitment

2018

- second ACCORD agreement
- start of Eco Aware collection

2017

- increased control of factories in Asia
- commencement of cooperation with the audit company SGS

2016

- resignation from use of natural fur

2015

- establishing of offices in Dhaka (Bangladesh)
- update of Code of Conduct for suppliers
- introduction of organic cotton

2014

- establishing of a factory audit department
- resignation from angora

2013

- accession to ACCORD agreement

ESG is high on our agenda

Supervisory Board

LPP SA Management Board

ESG Committee

Sustainable development department

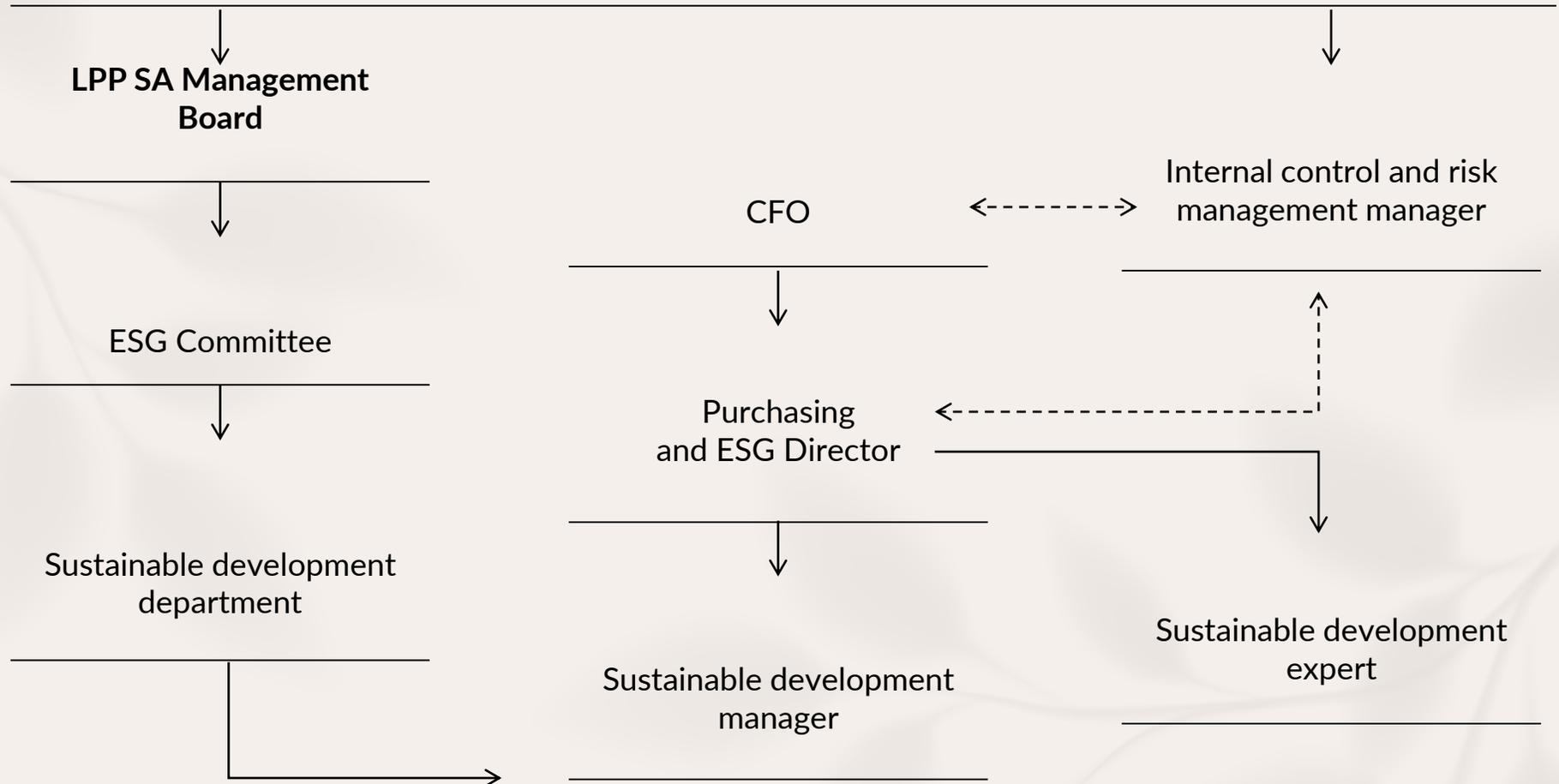
CFO

Purchasing and ESG Director

Sustainable development manager

Internal control and risk management manager

Sustainable development expert



Climate is high on LPP's board agenda

SINCE 2021/22 WE USE TCFD METHODOLOGY TO CLIMATE-RELATED RISKS.

| OBTAINING OF RESOURCES    | PRODUCTION   | DISTRIBUTION & SALES   | CUSTOMER  |
|---|---|---|--|
| PHYSICAL (CHRONIC) RISK | | | |
| Risk of limited availability of producers and subcontractors due to progressing climate change and increasing prices of raw materials for production | | | |
| MARKET RISK | | | |
| Risk of limited availability and increase in price of materials from sustainable production (sustainable textiles, innovative materials) or materials from recycling | Risk of increase in own costs due to management of stores and supply chain costs due to increased electrical energy prices | | |
| REGULATORY RISK | | | |
| | | Risk of limited availability and increased cost of marine logistics and timely transport | |
| REPUTATIONAL RISK | | | |
| | | | Risk of a negative image and social pressure due to insufficient, negative or improperly received messages |



High temperatures



Risk in sea level



Extreme phenomena



Cyclones

[Download TCFD report](#)

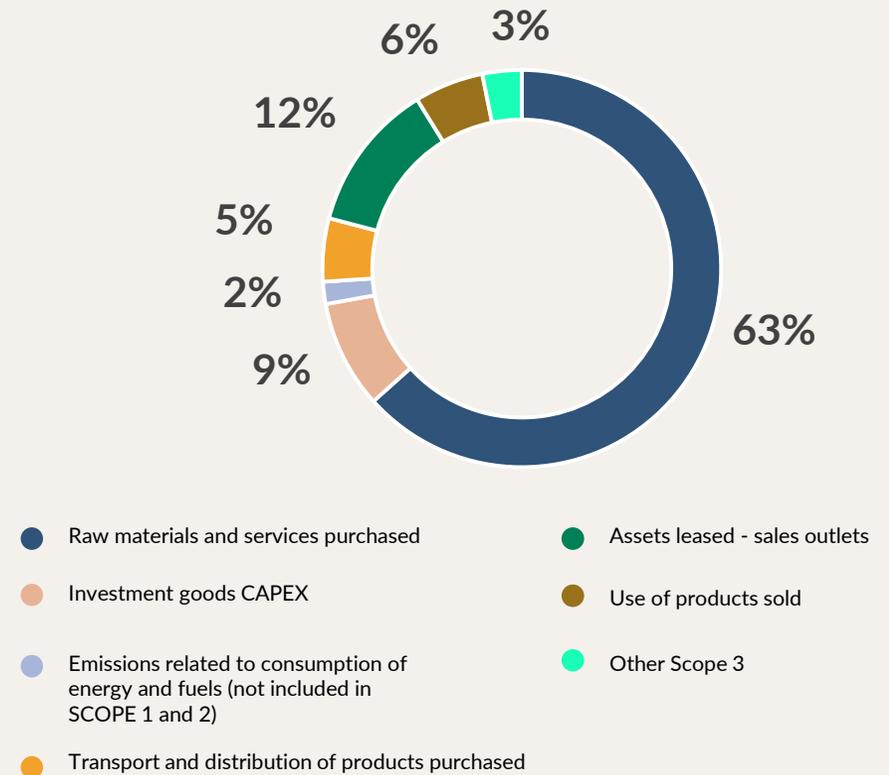
We measure our carbon footprint

LPP Group GHG emissions in tonnes of CO₂e, 2020/21



GHG calculations conducted in line with internationally recognised GHG Protocol.

Scope 3 GHG emissions of LPP Group by sources





PLN 5.6m

LPP's outlays to increase safety in suppliers' factories in 2021/22.

PLN 34.9m

outlays to increase safety in suppliers' factories since 2013.

We control our supply chain

ACCORD CONTROL RESULTS:

- 97% of factories had their electrical installations modernised or replaced,
- 91% of factories installed additional anti-fire alarms and installations,
- 88% of factories had their constructions strengthened. In many cases the production was transferred to other venues.

LPP'S CODE OF CONDUCT REQUIRES FROM OUR SUPPLIERS:

- payroll policies and formal conditions of employment,
- total ban for child labour and regulations regarding young employees,
- unforced labour,
- freedom of association,
- equal treatment of employees,
- occupational safety and hygiene,
- supplier ecological commitments.



EcoAware clothes increasingly more popular

38%

of Reserved collections

26%

of all our collections

2021/22

118



ECO AWARE LABEL:

- products with a more environmentally friendly composition,
- confirms that a given model contains an appropriate proportion of certified eco-friendly materials,
- composition of the model can be found at the back of the label.

ECO AWARE PRODUCTION LABEL:

- clothes that have been produced in a more environmentally friendly process,
- confirms that the model was produced in a factory qualified by our audit department to the group of factories properly implementing production rules and methods aimed at reducing environmental impact,
- icon symbolizing the factory at the back of the label.

MATERIALS COMPATIBLE WITH ECO AWARE STANDARD:

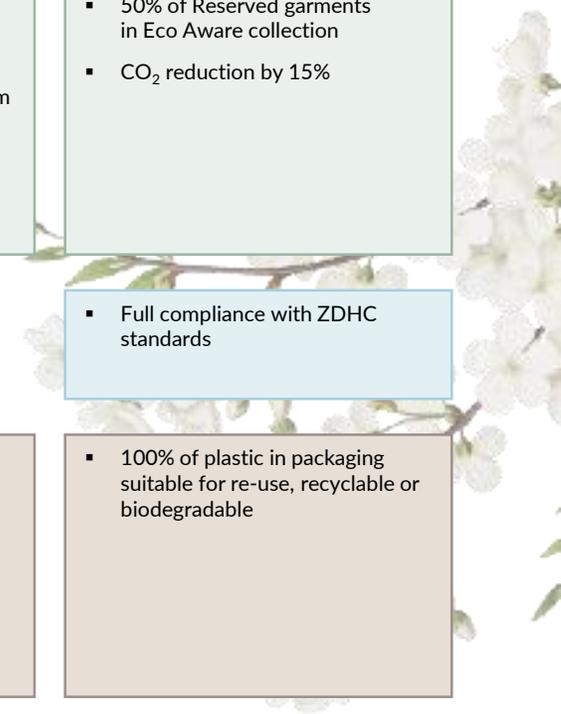
- organic cotton,
- fabrics based on wood cellulose, such as TENCEL™ (LYOCELL), LENZING™, ECOVERO™ and TENCEL™ (MODAL),
- recycled fibres,
- organic fibres.

Sustainable development strategy

2021/22

119

| | 2020 | 2021 | 2023 | 2025 |
|--|---|---|--|---|
| ECO AWARE – PRODUCT AND PRODUCTION | <ul style="list-style-type: none"> Implementing Eco Aware Production programme in the areas of water management and energy sourcing | <ul style="list-style-type: none"> 25% of clothes produced by LPP are Eco Aware collections 30% of factories in Southern Asia covered by Eco Aware Production programme | <ul style="list-style-type: none"> 100% of denim production factories covered by Eco Aware Production programme Used garments collection system in 100% of stores PLN 1m on investment in new technologies allowing for textile waste utilisation | <ul style="list-style-type: none"> 50% of Reserved garments in Eco Aware collection CO₂ reduction by 15% |
| CHEMICAL SAFETY IN PRODUCTION | <ul style="list-style-type: none"> ZDHC membership | <ul style="list-style-type: none"> 100% of products containing wool or down will have RDS/RWS certificate | | <ul style="list-style-type: none"> Full compliance with ZDHC standards |
| PACKAGING AWARE – PLASTIC UNDER CONTROL | <ul style="list-style-type: none"> 100% of online orders packaging of MO and RE without single use plastic 100% of film for HO, CR and SI online orders shipment recycled Limiting single-use film for commercial samples packaging by 50% | <ul style="list-style-type: none"> 100% of price tags film-free | <ul style="list-style-type: none"> 100% of cardboard boxes with FSC certificate or recycled 100% of store packaging recycled | <ul style="list-style-type: none"> 100% of plastic in packaging suitable for re-use, recyclable or biodegradable |
| SUSTAINABLE DEVELOPMENT IN HQ BUILDINGS AND SALES NETWORK | <ul style="list-style-type: none"> Implementing Eco Aware STORES programme | <ul style="list-style-type: none"> 100% of green energy powering our servers and online stores | <ul style="list-style-type: none"> All new buildings with environmental certification (BREEAM/LEED) | <ul style="list-style-type: none"> 100% of stores covered by Eco Aware STORES programme |



Company regularly awarded for its actions



Most effective CEO
(2013)



Index of Success awarded
by Deloitte and
Rzeczpospolita newswire
in 2016 for the last
10-year performance



Top Investor Relations by
Parkiet
(2017, 2018, 2019, 2020)



Polish President's Award,
National Success
Category
(2019)



Winner of the Digital
Excellence Contest
(2020)



Laureate of the 14th edition
of the Competition of
Social Reports
(2020)



Silver CSR Leaf
(2021)



Top Listed Company of
the Year by Puls Biznesu
(2017, 2018, 2021)



The Best WIG20
Company in the Bulls and
Bears competition
(2021)



Climate Aware Company -
3rd edition of the survey
by Association of Listed
Companies, Foundation of
Reporting Standards and
Bureau Veritas Polska
(2021)

SINCE IPO, TOP-RANKED MANAGEMENT FOR THE QUALITY OF INVESTOR RELATIONS IN SURVEYS AMONG INVESTMENT PROFESSIONALS.

Presence in key indices

POLISH INDICES

WIG20

- The most important index of the WSE
- Member since March 2014
- c. 4.9% LPP's weight
- The sole clothing retailer in the index

WIG30

- WIG30 index of the 30 most liquid companies on the WSE, launched September 2013
- Member since index inception
- c. 6.5% LPP's weight

WIG140

- WIG140 index of the 140 most liquid companies on the WSE, launched December 2021
- Member since index inception
- c. 3.8% LPP's weight

WIG

- The broadest index of the WSE
- c. 4.7% LPP's weight
- One of the largest clothing retailers in the index

WIG ESG

- The index comprises of WIG20 and mWIG40 companies, published since September 2019
- Weight in the index is among others based on ESG standing
- c. 6.1% share

INTERNATIONAL INDICES

MSCI
POLAND

- Key index for international institutions investing in Poland
- Encompasses 20+ companies from WSE
- LPP member since August 2014

FTSE
Russel
Index

- Poland is a developed market for FTSE from 24 September 2018. LPP is part of FTSE Developed Index (Medium Classification)
- LPP member of All-World Index

CECE

- Created by the Vienna Stock Exchange, the index comprises of companies from Poland, Czech Republic and Hungary
- LPP re-entered the index mid-September 2017

On top LPP's shares belong also to WIG-Poland (index of solely Polish companies), WIG-ODZIEŻ (a sector index), WIG20TR and WIG30TR (TR indices show total return).

Since August 2021 LPP also belongs to a segment of family companies.

Triple-digit share price growth

LPP'S SHARE PRICE RELATIVE TO WIG 20 INDEX



| TICKERS | |
|-----------|---------|
| WSE | LPP |
| Bloomberg | LPP PW |
| Reuters | LPPP.WA |

| PERFORMANCE | |
|-------------|-------|
| 1Y | +107% |
| 3Y | +90% |
| 5Y | +212% |

| MARKET DATA | |
|------------------|------------|
| Price (31.01.22) | PLN 15,890 |
| Min 1Y | PLN 7,680 |
| Max 1Y | PLN 18,770 |

Broad analytical coverage

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2022 KEY DATES

30.08

Payment of 2nd
tranche of dividend
(PLN 175/share)

5.10

2Q22/23 results
publication

6.10

2Q22/23 results
conference

14.12

3Q22/23 results
publication

15.12

3Q22/23 results
conference

Glossary

| | |
|--|---|
| Poland | Retail sales in Poland and other revenues of LPP SA. |
| CEE | Region including: Czech Republic, Slovakia, Hungary and Poland unless otherwise stated. |
| Baltic | Region including: Lithuania, Latvia, Estonia. |
| CIS | Region including: Russia, Ukraine, from 2017 Belarus and from 2018 also Kazakhstan. |
| SEE | Region including: Bulgaria, Romania, Croatia, from 2017 Serbia, from 2018 Slovenia, from 2019 B&H and from 2021 Northern Macedonia. |
| WE | Region including Germany, from 2017 the UK and from 2019 Finland. |
| ME | Region including: Egypt, Qatar, Kuwait and UAE. In 2017 the region included Saudi Arabia while in 2018 it encompasses Israel. |
| Europe | Region including: CEE, Baltic, SEE and WE. |
| EBITDA | EBIT + depreciation from cash flow statement. |
| Average monthly revenues/m2 | Revenues of segment or brand / average working total floorspace / 12. |
| Average monthly costs of own stores/m2 | Costs of own stores / average working floorspace of own stores (ie. excluding all franchise stores which represent c. 2.5% of the working floorspace) / 12. |
| Average monthly SG&A PLN/m2 | SG&A costs/ average working total floorspace excluding franchise stores located in ME and Belarus / 12. |
| Inventory/ m2 | End of period group inventory/ total floorspace without franchise stores in ME. |
| Inventory days | Average inventory/ group COGS * 365 days. |
| Receivables days | Average receivables/ group revenues * 365 days. |
| Liabilities days | Average short-term liabilities/ group COGS * 365 days. |
| Cash conversion cycle | Inventory days + receivables days – liabilities days. |

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