



GDAŃSK, 12 JUNE 2025

# LPP Group Consolidated condensed interim report for 1Q 2025

**LPP**

**RESERVED**

**CROPP**

**HOUSE**

**MOHITO**

**sinsay**

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# 01



## Consolidated condensed interim report on the operations of LPP Group



## Basic information on LPP Group

LPP is a Polish, family-owned company specialising in the design, manufacturing and distribution of apparel. It has over 30-year experience in the clothing industry. The sales network comprises entire Poland, countries of Europe and the Middle East. The Group operates according to the omnichannel concept in over forty markets. It has five own recognised brands: Sinsay, Reserved, Cropp, House and Mohito. The concepts for brand collections are developed in Poland, while sewing of models already designed is outsourced (mainly to companies from Asia).

LPP Group has the distribution network (logistics centres) in Poland and in Europe. At the same time, it invests in new

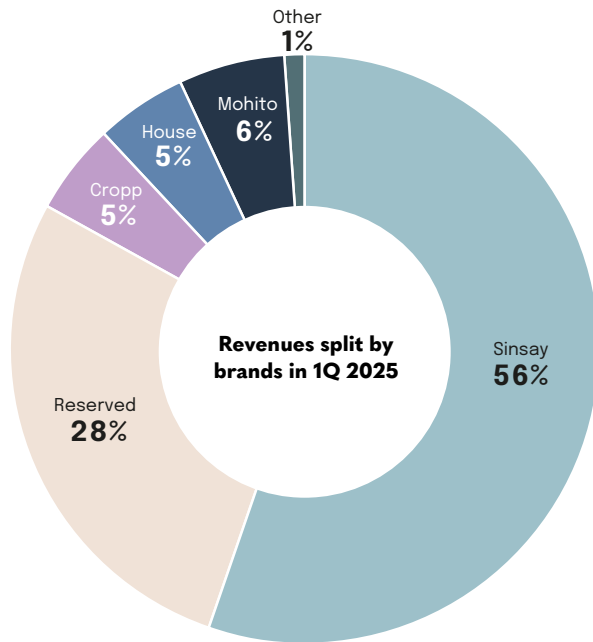
technologies that streamline the process of distributing products to traditional stores and in the online channel.

The headquarters of our organisation are located in Gdańsk where LPP history started. The Group also has its offices in Kraków and Warsaw and abroad, in Shanghai, Dhaka and also in Istanbul.

In total, the team of LPP Group comprises approximately 54 thousand people working in offices as well as in sales and distribution structures in Poland, countries of Europe and Asia.

## PORTFOLIO OF BRANDS

The Group has five own recognised brands: Sinsay, Reserved, Cropp, House and Mohito. Each of them is dedicated to a different group of customers representing various lifestyles, having different needs and expressing themselves in their own way. Reserved, Cropp, House and Mohito brands fall within a moderate price range while Sinsay offers products in Design&Value segment. At the same time, due to the omnichannel model adopted by LPP, all brands are currently available in both the traditional stores and online sales channels.





RESERVED



CROPP



HOUSE



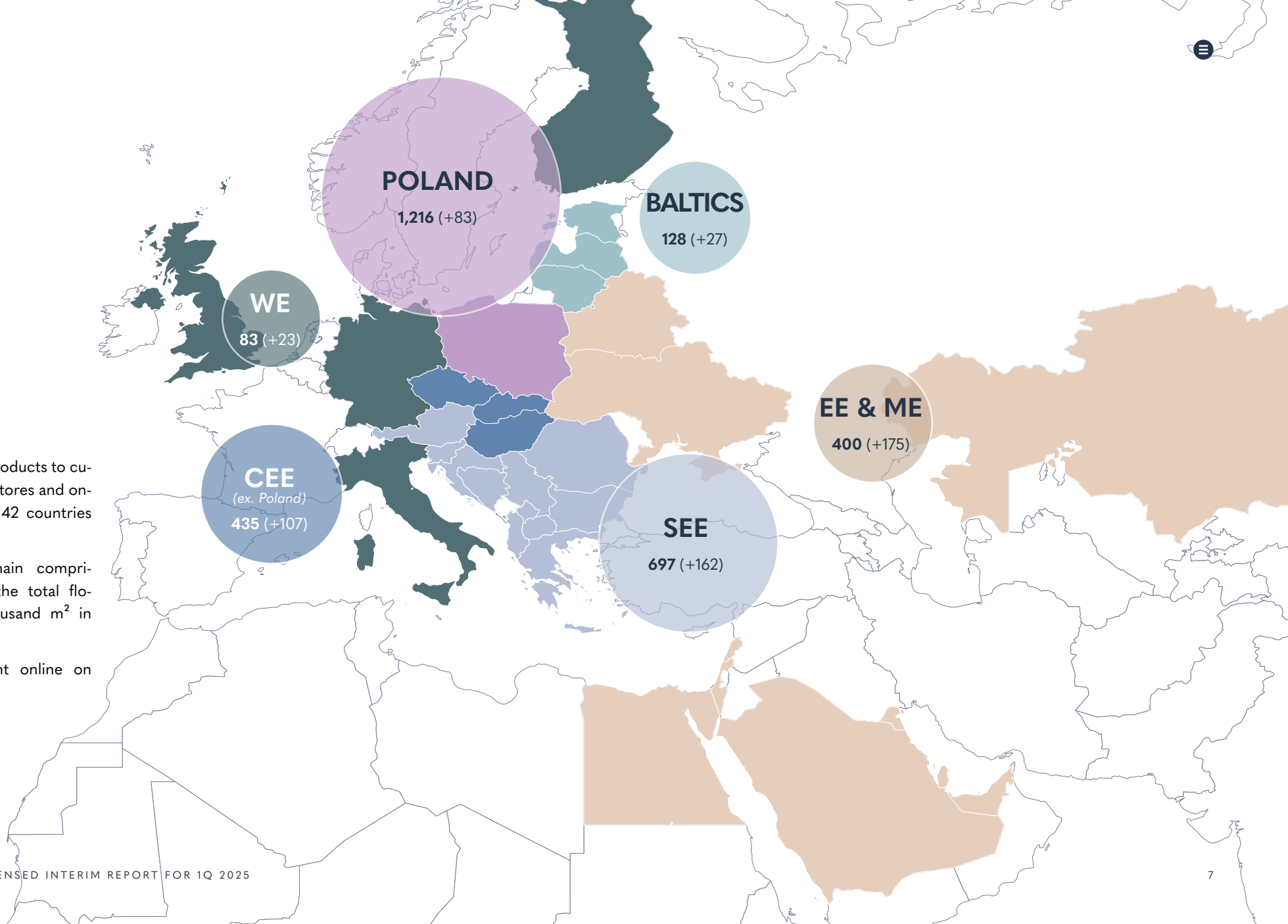
MOHITO

## MARKET PRESENCE

The Group offers its products to customers in traditional stores and on-line stores located in 42 countries on 3 continents.

The offline store chain comprises 2,959 stores of the total floorspace of 2,529 thousand m<sup>2</sup> in 31 countries.

LPP Group is present online on 35 markets.

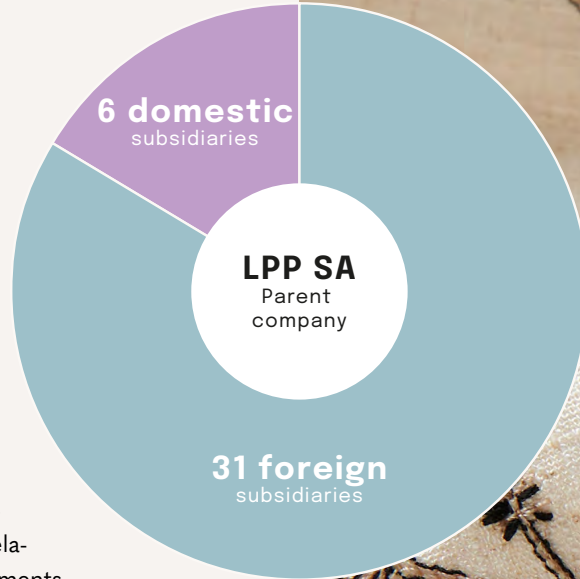


## STRUCTURE OF THE GROUP

LPP Group is composed of the Parent Company established in Poland, 6 domestic subsidiaries and 31 foreign subsidiaries. Most of the foreign subsidiaries are engaged in distribution of products of LPP brands outside Poland. On the other hand, Polish companies are involved in store operation services in the territory of Poland (LPP Retail Sp. z o.o.), sale of promotional clothing (Printable Sp. z o.o.), logistics services (LPP Logistics Sp. z o.o.), construction works related to logistics centres (Veviera Investments Sp. z o.o.) or management of IT projects for the Group (Silky Coders Sp. z o.o. and Dock IT Sp. z o.o.).

In 1Q 2025, a change in the Group's structure took place, involving the creation of two new companies, namely in Azerbaijan and in Georgia.

The consolidated financial statements of the Group for the period from 1 February 2025 to 30 April 2025 comprise separate results of LPP SA as well as the results of foreign subsidiaries and six Polish subsidiaries.



## SHAREHOLDERS

LPP shares have been listed on the main market of the Warsaw Stock Exchange (WSE) since 2001. They are included in domestic indices, such as WIG, WIG Poland, WIG20, WIG30, WIG140, WIG Clothes and foreign indices, including MSCI Poland Index, CECE Index, STOXX Europe 600, FTSE Russell Index. In addition, the Company has been qualified as a member of the segment of family-owned companies listed on the WSE, launched in 2021.

On the debut date, the price of the Company shares amounted to PLN 48.00. The Company recorded its all-time minimum price of

PLN 47.00 on 18 May 2001 and the all-time highest of PLN 18,900.00 on 26 February 2024.

The Group's share capital (which also constitutes the share capital of the parent company) consists of 1,855,890 shares with a nominal value of PLN 2 per share and amounted to PLN 3,711,780 as at the balance sheet date.

The table below presents shareholders holding (directly or indirectly) at least 5% of the total number of votes at the GM as at the date of publishing this report. Since the publication of the previous interim report, i.e. for 2024, no changes have taken place in the ownership structure of major LPP shareholdings.

Shareholder	Number of shares held (pcs.)	Shareholding	Number of votes at the GM	Share in the total number of votes at the GM	Nominal value of shares
Semper Simul Foundation*	578,889	31.2%	1,978,889	60.8%	1,157,778
Other shareholders	1,277,001	68.8%	1,277,001	39.2%	2,554,002
<b>Total</b>	<b>1,855,890</b>	<b>100.0%</b>	<b>3,255,890</b>	<b>100.0%</b>	<b>3,711,780</b>

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

## SUPERVISORY BOARD AND MANAGEMENT BOARD

**As at 30 April 2025, the Supervisory Board of LPP was composed of:**

Miłosz Wiśniewski – independent Chair of the LPP Supervisory Board  
 Alicja Milińska – Member of the LPP Supervisory Board  
 Jagoda Piechocka – Member of the LPP Supervisory Board  
 Piotr Piechocki – Member of the LPP Supervisory Board  
 Grzegorz Maria Słupski – independent Member of the LPP Supervisory Board

**As at 30 April 2025, the Management Board of LPP was composed of:**

Marek Piechocki – President of the LPP Management Board  
 Marcin Bójko – Management Board Member  
 Sławomir Łoboda – Management Board Member  
 Marcin Piechocki – Management Board Member  
 Mikołaj Wezdecki – Management Board Member

At the same time, no changes occurred in the composition of the LPP Supervisory Board or in the LPP Management Board in 1Q 2025. The table below presents the LPP shareholding of members of the LPP Management Board and Supervisory Board as at the date of publication of this report. Since the publication of the previous report, i.e. for 2024, the structure of LPP shares held by members of the management and supervisory bodies has changed as a result of the purchase of LPP shares by Mr Marcin Bójko (CR 05/2025).

Shareholder	Number of shares held (pcs.)	Number of votes at the GM
<b>Marek Piechocki</b> – President of the Management Board	1,952	1,952
<b>Marcin Bójko</b> – Management Board Member	10	10
<b>Sławomir Łoboda</b> – Management Board Member	650	650
<b>Marcin Piechocki</b> – Management Board Member	889	889
<b>Mikołaj Wezdecki</b> – Management Board Member	1	1
<b>Alicja Milińska</b> – Supervisory Board Member	732	732
<b>Jagoda Piechocka</b> – Supervisory Board Member	103	103

# Basic figures illustrating the effects of LPP Group's operations in 1Q

## NUMBER OF STORES

As at 30.04.2025	Number of stores
Sinsay	1,611
Reserved	354
Cropp	384
House	381
Mohito	229
<b>Total</b>	<b>2,959</b>

## REVENUES BY BRAND

PLN m	1Q 2025	1Q 2024	Change YoY (%)
Sinsay	2,751	2,103	30.8%
Reserved	1,388	1,138	22.0%
Cropp	237	254	-6.7%
House	254	249	1.8%
Mohito	299	316	-5.5%
Other	25	15	67.9%
Trade agents	0	232	-100.0%
<b>Total</b>	<b>4,954</b>	<b>4,306</b>	<b>15.0%</b>

## ONLINE SALES

PLN m	1Q 2025	1Q 2024	Change YoY (%)
Online sales	1,448	1,157	25.1%

## REVENUES BY REGION

Region/country (PLN m)	1Q 2025	1Q 2024	Change YoY (%)
Poland	2,224	1,891	17.6%
Other countries	2,729	2,184	25.0%
Trade agents	0	232	-100.0%
<b>Total</b>	<b>4,954</b>	<b>4,306</b>	<b>15.0%</b>

## OPERATING COSTS

IFRS16	1Q 2025	1Q 2024	Change YoY
Operating costs (PLN m)	2,179	1,823	19.5%
Operating costs per m <sup>2</sup> /month	295	301	-2.1%
Operating costs/sales	44.0%	42.3%	1.6 pp.
Operating costs/revenues on basic operations <sup>1</sup>	44.0%	44.7%	-0.8 pp.

<sup>1</sup>For comparability, 1Q24 figures have been cleared for the impact of transactions with trade agents during the transition period

## CAPITAL EXPENDITURE

PLN m	1Q 2025	1Q 2024	Change YoY (%)
Stores	276	232	19.1%
Offices	15	11	40.0%
Logistics	293	14	1,992.9%
IT & Other	29	29	-1.4%
<b>Total</b>	<b>613</b>	<b>286</b>	<b>114.5%</b>

## INVENTORY

	30.04.2025	30.04.2024	Change YoY (%)
Inventory (PLN m)	4,786	3,189	50.1%
Inventory per m <sup>2</sup> in PLN	1,903	1,542	23.4%

## INDEBTEDNESS

PLN m, IFRS16	30.04.2025	30.04.2024	Change YoY (%)
Long-term bank loans	170	478	-64.4%
Short-term bank loans	1,872	191	880.1%
Bonds	0	315	N/M
Finance leases	4,987	4,157	20.0%
Cash	651	702	-7.3%
Deposits and mutual funds	992	823	20.5%
<b>Net debt</b>	<b>5,386</b>	<b>3,616</b>	<b>48.9%</b>
<b>Net debt/EBITDA (4Q)</b>	<b>1.3</b>	<b>0.9</b>	<b>37.1%</b>



# Factors and events, including those of an extraordinary nature, with a material impact on the condensed financial statements in 1Q

## SALES REVENUES

In 1Q 2025, LPP Group generated revenues of PLN 5.0 billion, i.e. 15.0% higher YoY. At the same time, on a comparable basis (data for 2024 cleared of the impact of transactions with purchasing agents), revenue generated by the Group was 21.6% higher YoY and 24.1% higher in constant currency.

The Group generated a higher revenue due to the growth of sales in both channels, i.e. the online and the traditional channel.

The Group recorded double-digit revenue growth in traditional stores, i.e. +19.9% YoY due to the YoY floorspace growth (136 new stores opened) and positive LFLs, i.e. 4.3%.

Higher YoY online sales results, i.e. 25.1% were achieved due to the development of mobile apps and a broader product offer dedicated to online stores. At the same time, sales of the online channel in 1Q 2025 accounted for

29.2% of the Group's total sales (26.9% in 1Q 2024).

Sinsay brand recorded the highest revenue in 1Q 2025, both in nominal terms and growth rate, i.e. PLN 2.8 billion, a YoY increase of 30.8%. A diversified and constantly developing product range at affordable prices, the systematic pursuit of the ambitious target of opening new Sinsay traditional stores and the economic climate fostering the popularity of shopping in the Design&Value segment, where the brand belongs, are the factors that contributed to its revenue growth.

At the same time, Reserved brand, the second largest in terms of share in the Group's revenue, generated sales of PLN 1.4 billion, 22.0% more than in the previous year. The positive sales result of this brand is the result of the improved collection and very good sales growth in the online channel.

## GROSS PROFIT MARGIN

In 1Q 2025, the Group recorded gross margin of 54.0%. The gross margin generated was 1.9 pp. higher YoY. At the same time after cleared for the impact of transactions with purchasing agents in 1Q 2024, gross margin in 1Q 2025 was 1.1 pp. lower. The lower YoY gross margin was the result of earlier and deeper promotional campaigns aimed at accelerating the turnover of goods ordered for a higher number of planned store openings. The higher share of Sinsay brand in the Group's revenue had an additional impact on the decreased margin as the brand has a lower gross margin due to its operation in the budget segment.

## INVENTORIES

In 1Q 2025, the Group increased its inventory by PLN 1.6 billion, i.e. by 50.1% compared with the previous year. In q/q terms, inventory remained at a similar level of +2.5%. The YoY increase in inventories resulted from the

preparation for the opening of new traditional stores which were partly postponed to the second half of the year, and the stocking of new warehouses supporting online stores. At the same time, inventory per m<sup>2</sup> increased YoY by 23.4% from PLN 1,542/m<sup>2</sup> to PLN 1,903/m<sup>2</sup>. Inventory turnover in 1Q 2025 was 187 days compared to 136 days in 1Q 2024.

## OPERATING COSTS

The operating costs incurred by the Group in 1Q 2025 increased by 19.5% YoY and were lower than the growth of revenue (on a comparable basis).

The YoY increase in operating costs resulted mainly from intensive growth (costs of new stores) and a higher volume of goods (costs of logistics). At the same time, the Group's operating costs per m<sup>2</sup> fell by 2.1% YoY.

In 1Q 2025, costs of stores amounted to PLN 1,222 million, (+19.1% YoY) and HQ and e-commerce costs – to PLN 957 million (+20.1% YoY).

Costs of stores per m<sup>2</sup> fell from PLN 169 per m<sup>2</sup> to PLN 165 per m<sup>2</sup> YoY, as a result of lower YoY rental costs per m<sup>2</sup> (more Sinsay brand store openings at lower rents and favourable EUR currency) and stable other store costs YoY maintained due to optimisation of energy consumption and costs of external services. At the

same time, staff costs per m<sup>2</sup> increased YoY as a result of the YoY increase in the minimum wage and the wage review.

Consequently, the share of operating costs in the revenue increased from 42.3% in 1Q 2024 to 44.0% in 1Q 2025. At the same time, taking into account the share of costs to comparable sales (cleared of the impact of transactions with purchasing agents), this ratio fell from 44.7% to 44.0% YoY.

## OTHER OPERATING INCOME AND COSTS

The Group's results in 1Q 2025 at a level of other operating income and costs were also affected by non-recurring events, which related to losses in non-current and current assets (mainly inventory shortages in stores and warehouses at a level of PLN 37 million and liquidation of damaged goods).

As a consequence of the above-mentioned factors, in the accounting period, the Group achieved operating profit at a level of PLN 464 million or 12.9% higher compared to PLN 411 million generated in the previous year.

The Group's operating profitability (EBIT margin) stood at 9.4%, compared with 9.5% in the previous year.

## FINANCIAL INCOME AND COSTS

As part of financial income in 1Q 2025, the Group recorded +PLN 29 million of foreign exchange gains (compared with PLN 14 million of losses in 1Q 2024) and +PLN 21 million due to the revaluation of receivables on account of the disposal of shares in the Russian company (+PLN 22 million in 1Q 2024).

As part of financial expenses in 1Q 2025, the Group recorded higher YoY interest on loans (PLN 27 million) and lease liabilities (PLN 53 million). As a result, the Group recorded a negative balance on financial activities.

As a consequence, in 1Q 2025, LPP Group generated net profit of PLN 332 million compared to PLN 277 million in the previous year, with net profitability of 6.7% (compared to 6.4% in the previous year).

Figure (PLN m)	1Q 2025	1Q 2024	Change YoY (%)
Sales revenue	4,954	4,306	15.0%
Gross profit on sales	2,675	2,243	19.3%
Costs of stores and distribution and general costs	2,179	1,823	19.5%
EBITDA	938	795	18.0%
Operating profit (loss)	464	411	12.9%
Net profit/(loss)	332	277	19.9%

Margin (%)	1Q 2025	1Q 2024	Change YoY (pp.)
Gross profit on sales margin	54.0%	52.1%	1.9
EBITDA	18.9%	18.5%	0.5
Operating margin	9.4%	9.5%	-0.2
Net	6.7%	6.4%	0.3

Margin (%) – comparability <sup>1</sup>	1Q 2025	1Q 2024	Change YoY (pp.)
Gross profit on sales margin	54.0%	55.1%	-1.1
EBITDA	18.9%	19.5%	-0.6
Operating margin	9.4%	10.1%	-0.7
Net	6.7%	6.8%	-0.1

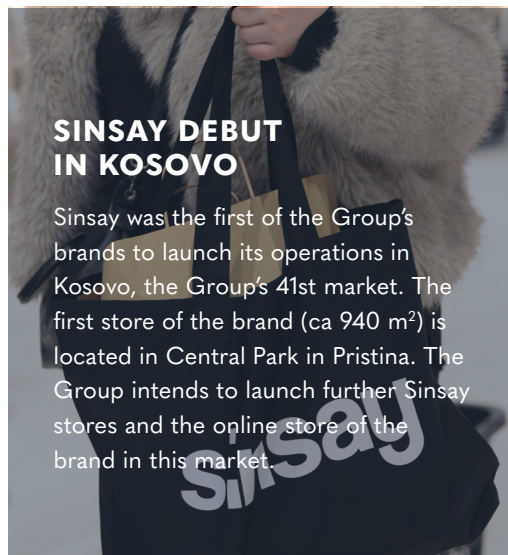
<sup>1</sup>For comparability, 1Q24 figures have been cleared for the impact of transactions with trade agents during the transition period

## OTHER MATERIAL EVENTS IN 1Q 2025 AND UNTIL THE REPORT PUBLICATION DATE



### SINSAY DEBUT IN ALBANIA

LPP Group has opened the first two Sinsay stores in Albania. The first Albanian Sinsay store (850 m<sup>2</sup>) was located in the Blue Star shopping centre in the city of Durres. Meanwhile, the second store (1,000 m<sup>2</sup>) was opened in the new Tirana Fashion Gallery shopping centre in the capital of the country. In total, more than ten locations are planned in Albania by the end of the year, as well as the launch of the brand's online sales. Albania is the Group's 42nd market.



### SINSAY DEBUT IN KOSOVO

Sinsay was the first of the Group's brands to launch its operations in Kosovo, the Group's 41st market. The first store of the brand (ca 940 m<sup>2</sup>) is located in Central Park in Pristina. The Group intends to launch further Sinsay stores and the online store of the brand in this market.



### ADVANCE DIVIDEND PAYMENTS

On 30 April 2025, the advance dividend of PLN 330 per share was paid for the financial year 2024.



### BERRIES X RESERVED LIMITED COLLECTION

As part of a co-creation project carried out between the Polish brand, BERRIES and the Reserved brand, a collection of unique jewellery and accessories (earrings, rings, maxi bracelets, hair accessories, phone accessories) was created.

# Factors that may affect LPP Group's performance in the perspective of at least the next quarter

The Group's financial performance over the next quarters may be affected by several factors, which may both pose risks and offer opportunities for the Company. These factors may be both of an external nature – independent of the Company – and of an internal nature under the Company's control.

## OPPORTUNITIES

- Development of Sinsay brand omnichannel concept based on traditional stores (located mainly in smaller towns), supported by the online channel.
- Continuous expansion of the online offer of Sinsay brand by new product categories.
- Expansion into new markets (Southern Europe and Central Asia).
- Development of mobile apps of all brands for additional markets.
- Fashion trends, attractiveness of the collections offered by the Company.
- Favourable USD/PLN exchange rate, with a positive impact on gross margin on sales.
- Increased bargaining power with suppliers in China as a result of the tariff war.

## THREATS AND RISKS

- Geopolitical instability and potential supply chain disruptions, including those resulting from the tariff war.
- Downturn in the economic growth in the region of activity and its impact on the behaviour of customers.
- Rise in the minimum wage in Poland adversely affecting the Group's operating costs.
- Increased competition especially in the segment of budget products.
- Unusual weather for the time of year reducing customers' purchasing motivation.

## TARGETS

The Group's revenue plans for the whole financial year 2025 assume a possibility of generating ca PLN 23-24 billion of revenues, with a YoY growth in the traditional sales segment (due to the increase in floorspace and positive LFLs) and a growth in the online channel.

In 2025, the Company assumes an increase in floorspace by ca 25-30% YoY, focusing mainly on the development of Sinsay brand stores (approximately 1,100). The Group expects the gross margin on sales in the range of 53-54%. At the same time, it assumes maintaining of the operating costs to sales ratio in the range of ca 41-42%.

Capital expenditure at a level of PLN 3.1 billion, including PLN 1.9 billion for stores is planned.

At the same time, the Company strives to maintain a safe level of debt.

The Group's annual plans are affected by the results of 2Q, the beginning of which saw exceptionally low temperatures both in Poland and the rest of Europe, which reduced the propensity to purchase the spring/summer collection. The Group's YoY sales from 1 Maj to 10 June recorded a level of 13% in constant currencies.

# 02

## Consolidated condensed interim financial statements



# Introduction

We hereby approve the consolidated condensed interim financial statements of LPP SA Group for the 3-month period, i.e. from 1 February to 30 April 2025, comprising the consolidated condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 344 million, the consolidated condensed interim statement of financial position recognising the total assets and liabilities in the

amount of PLN 18,840 million, the consolidated condensed interim statement of cash flows recognising an decrease in net cash by PLN 199 million, the consolidated condensed interim statement of changes in equity, recognising an increase in equity by PLN 344 million, as well as notes containing the description of the material accounting principles and other explanatory information.

GDAŃSK, 11 JUNE 2025

## MANAGEMENT BOARD OF LPP SA:

**MAREK PIECHOCKI**

The CEO

**MARCIN BÓJKO**

Management Board Member

**SŁAWOMIR ŁOBODA**

Management Board Member

**MARCIN PIECHOCKI**

Management Board Member

**MIKOŁAJ WEZDECKI**

Management Board Member

## SELECTED CONSOLIDATED INTERIM FINANCIAL DATA

for 3 months ended 30 April 2025

Selected consolidated financial data	PLN m		EUR m	
	Cumulatively			
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Revenues	4,954	4,306	1,178	998
Operating profit (loss)	464	411	110	95
Pre-tax profit (loss)	439	382	104	89
Net profit (loss) attributable to shareholders of the dominating entity	334	276	79	64
Weighted average number of shares	1,855,190	1,855,190	1,855,190	1,855,190
Profit (loss) per share (PLN m)	180.04	148.77	42.80	34.49
Net cash flows from operating activities	336	829	80	192
Net cash flows from investing activities	-601	-508	-143	-118
Net cash flows from financing activities	66	-691	16	-160
Total net cash flows	-199	-370	-47	-86

Selected consolidated financial data	PLN m		EUR m	
	As at			
	30.04.2025	31.01.2025	30.04.2025	31.01.2025
Total assets	18,840	17,501	4,404	4,154
Long-term liabilities	3,868	3,746	904	889
Short-term liabilities	9,326	8,453	2,180	2,006
Equity	5,646	5,302	1,320	1,258
Share capital	4	4	1	1
Weighted average number of shares	1,855,190	1,855,624	1,855,190	1,855,624
Book value per share (PLN m)	3,043.35	2,857.26	711.43	678.20
Paid dividend per share (PLN m)	330.00	610.00	77.14	144.79

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for 3 months ended 30 April 2025

Statement of comprehensive income (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
<b>Continuing operations</b>		
Revenues	4,954	4,306
Cost of goods sold	2,279	2,063
<b>Gross profit (loss) on sales</b>	<b>2,675</b>	<b>2,243</b>
Costs of stores and distribution	1,879	1,523
Overheads	300	300
Other operating income	15	22
Other operating costs	47	31
<b>Operating profit (loss)</b>	<b>464</b>	<b>411</b>
Financial income	57	33
Financial costs	82	62
<b>Pre-tax profit</b>	<b>439</b>	<b>382</b>
Income tax	107	105
<b>Total net profit (loss)</b>	<b>332</b>	<b>277</b>
<b>Net profit attributable to:</b>		
Shareholders of the dominating entity	334	276
Non-controlling interests	-2	1
<b>Other comprehensive income</b>		
<b>Items transferred to profit or loss</b>		
Currency translation on foreign operations	12	-10
<b>Total comprehensive income</b>	<b>344</b>	<b>267</b>
<b>Attributed to:</b>		
Shareholders of the parent company	346	266
Non-controlling interests	-2	1



# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 April 2025

Statement of financial position (PLN m)	As at:		
	30.04.2025	31.01.2025	30.04.2024
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>10,471</b>	<b>9,872</b>	<b>8,325</b>
1. Tangible fixed assets	5,125	4,735	3,736
2. Right of use assets	4,306	4,100	3,497
3. Intangible assets	383	363	280
4. Goodwill	183	183	183
5. Trade mark	78	78	77
6. Long-term receivables	127	148	248
7. Deferred tax assets	255	253	289
8. Pre-payments	5	5	6
9. Other financial assets	9	7	9
<b>Current assets</b>	<b>8,369</b>	<b>7,629</b>	<b>6,534</b>
1. Inventory	4,786	4,669	3,189
2. Trade receivables	789	757	903
3. Receivables from income tax	18	15	26
4. Short-term receivables	156	178	96
5. Other non-financial assets	172	134	63
6. Pre-payments	81	81	68
7. Other financial assets	724	84	664
8. Deposits and mutual funds	992	865	823
9. Cash and cash equivalents	651	846	702
<b>TOTAL Assets</b>	<b>18,840</b>	<b>17,501</b>	<b>14,859</b>

Statement of financial position (PLN m)	As at:		
	30.04.2025	31.01.2025	30.04.2024
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>5,646</b>	<b>5,302</b>	<b>4,986</b>
1. Share capital	4	4	4
2. Share premium	364	364	364
3. Other reserves	2,980	2,980	2,468
4. Currency translation on foreign operations	-54	-66	-43
5. Retained earnings	2,351	2,017	2,189
6. Non-controlling interest	1	3	4
<b>Long-term liabilities</b>	<b>3,868</b>	<b>3,746</b>	<b>3,614</b>
1. Bank loans and borrowings	170	182	478
2. Lease liabilities	3,662	3,523	3,094
3. Employee benefits	3	3	3
4. Deferred tax liabilities	2	2	0
5. Accruals	31	36	39
<b>Short-term liabilities</b>	<b>9,326</b>	<b>8,453</b>	<b>6,259</b>
1. Trade and other liabilities	5,562	5,676	4,601
2. Contract liabilities	31	36	24
3. Customer refund liabilities	129	103	117
4. Bank loans and borrowings	1,872	817	191
5. Lease liabilities	1,325	1,248	1,063
6. Employee benefits	209	231	168
7. Income tax liabilities	137	255	50
8. Provisions	1	5	11
9. Accruals	60	82	34
<b>TOTAL Equity and liabilities</b>	<b>18,840</b>	<b>17,501</b>	<b>14,859</b>

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

for 3 months ended 30 April 2025

1Q

Statement of cash flows (PLN m)	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024		01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
<b>A. Cash flows from operating activities – indirect method</b>					
I. Pre-tax profit (loss)	439	382			
II. Total adjustments	-103	447			
1. Amortisation and depreciation	474	384			
2. Foreign exchange (gains) losses	3	2			
3. Interest and dividends	81	60			
4. (Profit) loss on investing activities	9	7			
5. Income tax paid	-228	-83			
6. Change in provisions and employee benefits	-31	-14			
7. Change in inventory	-115	-158			
8. Change in receivables and other assets	-1,140	-208			
9. Change in short-term liabilities, excluding bank loans and borrowings	873	462			
10. Change in prepayments and accruals	-29	-6			
11. Other adjustments	0	1			
<b>III. Net cash flows from operating activities</b>	<b>336</b>	<b>829</b>			
<b>B. Cash flows from investing activities</b>					
I. Inflows	12	30			
1. Disposal of intangible and fixed assets	12	30			
2. Repayment of loans	0	0			
3. Other investing inflows (investment funds)	0	0			
II. Outflows	613	538			
1. Purchase of intangible assets and fixed assets	613	286			
2. Other investing outflows	0	252			
<b>III. Net cash flows from investing activities</b>	<b>-601</b>	<b>-508</b>			
<b>C. Cash flows from financing activities</b>					
I. Inflows	1,055	142			
1. Bank loans and borrowings	1,055	142			
II. Outflows	989	833			
1. Dividends and other payments to owners	612	529			
2. Repayment of bank loans and borrowings	12	12			
3. Financial lease liabilities paid	286	249			
4. Interest	79	43			
<b>III. Net cash flows from financing activities</b>	<b>66</b>	<b>-691</b>			
<b>D. Total net cash flows</b>	<b>-199</b>	<b>-370</b>			
<b>E. Balance sheet change in cash, including:</b>	<b>-195</b>	<b>-374</b>			
– change in cash due to currency translation	4	-4			
<b>F. Opening balance of cash</b>	<b>774</b>	<b>1,000</b>			
<b>G. Closing balance of cash</b>	<b>575</b>	<b>630</b>			

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for 3 months ended 30 April 2025

Statement of changes in equity (PLN m)	Share capital	Share premium	Other reserves	Currency translation on foreign operations	Retained earnings	Equity attributable to the parent company	Non-controlling interests	TOTAL equity
<b>As at 1 February 2025</b>	<b>4</b>	<b>364</b>	<b>2,980</b>	<b>-66</b>	<b>2,017</b>	<b>5,299</b>	<b>3</b>	<b>5,302</b>
<b>Transaction with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net profit for 1Q 2025	0	0	0	0	334	334	-2	332
Currency translation on foreign operations	0	0	0	12	0	12	0	12
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>334</b>	<b>346</b>	<b>-2</b>	<b>344</b>
<b>As at 30 April 2025</b>	<b>4</b>	<b>364</b>	<b>2,980</b>	<b>-54</b>	<b>2,351</b>	<b>5,645</b>	<b>1</b>	<b>5,646</b>
<b>As at 1 February 2024</b>	<b>4</b>	<b>364</b>	<b>2,466</b>	<b>-33</b>	<b>1,913</b>	<b>4,714</b>	<b>3</b>	<b>4,717</b>
Remuneration paid in shares	0	0	2	0	0	2	0	2
<b>Transaction with owners</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>
Net profit for 1Q 2024	0	0	0	0	276	276	1	277
Currency translation on foreign operations	0	0	0	-10	0	-10	0	-10
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10</b>	<b>276</b>	<b>266</b>	<b>1</b>	<b>267</b>
<b>As at 30 April 2024</b>	<b>4</b>	<b>364</b>	<b>2,468</b>	<b>-43</b>	<b>2,189</b>	<b>4,982</b>	<b>4</b>	<b>4,986</b>

# 03



## Supplementary information to the consolidated condensed interim financial statements

BASIS FOR PREPARATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND INFORMATION ON  
CHANGES IN KEY ACCOUNTING PRINCIPLES AND NOTES



## 1. BASIS FOR PREPARATION

These consolidated condensed interim financial statements have been prepared in accordance with International Accounting Standard no. 34, Interim Financial Reporting ("IAS 34") approved by the European Union.

The consolidated condensed interim financial statements do not comprise all the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 January 2025 approved for publication on 02 April 2025.

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

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

- the exchange rate effective as at the last day of the reporting period: 30.04.2025 to PLN/EUR 4.2778 and 31.01.2025 to PLN/EUR 4.2130,
- the average exchange rate for the period, calculated as an arithmetic mean of the rates effective as at the last day of each month in a given period: 01.02.-30.04.2025 – PLN/EUR 4.2064, 01.02.-30.04.2024 – PLN/EUR 4.3137.

These consolidated condensed interim financial statements have been prepared under the assumption that the Group will continue as a going concern and do not include any adjustments relating to different methods of valuation and classification of

assets and liabilities that might be deemed necessary if the Group were unable to continue as a going concern for the foreseeable future.

## 2. CHANGES IN ESTIMATES AND ASSUMPTIONS

In the current period, no change in the approach to estimates or assumptions took place compared to those adopted and disclosed in the consolidated financial statements for the financial year ended 31 January 2025, approved on 02 April 2025.

## 3. ADJUSTMENTS OF ERRORS AND CHANGES IN ACCOUNTING PRINCIPLES

In the consolidated condensed interim financial statements, no change in accounting principles or adjustment of errors occurred.

## 4 SEASONALITY OF OPERATIONS

Seasonality in sales is characteristic for the entire clothing market both in Poland and abroad. The gross profit margin generated in the period of selling a new collection at regular prices is usually higher than the margin recorded during sell-offs. Such situation affects disproportions in the level of margins generated in individual calendar quarters (with the highest margins in 2Q and 4Q and the lowest in 1Q and 3Q). In order to avoid major differences in margins between quarters, the Group changed its financial year by adjusting it to the collection calendar consequently mitigating the impact of clearance sales and seasonality on margins of individual calendar quarters.

## 5. OPERATING SEGMENTS

Revenues and financial results regarding geographical segments for the period from 1 February to 30 April 2025 and for a comparable period are presented in the tables below.

The geographical areas indicated below comprise individual countries where revenue and other results were generated for LPP SA Group. The breakdown of countries is as follows:

Poland	Western Europe	Central and Eastern Europe	Central and Eastern Europe	Countries of the Baltic Sea region	Purchasing agents	Other
Poland	Germany, Italy, Finland, United Kingdom	Czech Republic, Slovakia, Hungary	Romania, Bulgaria, Greece, North Macedonia, Serbia, Bosnia and Herzegovina, Croatia, Slovenia, Albania, Kosovo	Lithuania, Latvia, Estonia	in the interim period on the basis of the sales contract of the Re Trading company	Ukraine, Kazakhstan, Belarus and franchise sales

01.02.2025-30.04.2025 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Sales revenue	2,224	332	611	1,112	190	0	484	4,954
<b>Operating profit (loss)</b>	<b>332</b>	<b>5</b>	<b>15</b>	<b>51</b>	<b>8</b>	<b>0</b>	<b>53</b>	<b>464</b>
<b>Profit before tax</b>								<b>439</b>
Income tax								107
<b>Net profit/(loss)</b>								<b>332</b>

01.02.2024-30.04.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
Sales revenue	1,891	231	502	879	163	232	408	4,306
<b>Operating profit (loss)</b>	<b>260</b>	<b>-22</b>	<b>9</b>	<b>112</b>	<b>13</b>	<b>-26</b>	<b>65</b>	<b>411</b>
<b>Profit before tax</b>								<b>382</b>
Income tax								105
<b>Net profit/(loss)</b>								<b>277</b>

## 6. REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents revenues from contracts with customers broken down by categories that most accurately reflect the nature of cooperation and management analyses.

The target country for goods sold to trade agents in the transition period, based on the sales contract of the Re Trading company, was the Russian Federation. As part of the Re Trading divestment agreement, the parties provided for a transitional period during which LPP SA undertook to support the investor, among others, in the processes of purchasing goods. This process was completed at the end of January 2025. In connection with the foregoing, no sales of goods to purchasing agents took place in the current period. In the comparative period, the value of sales under the aforementioned process amounted to PLN 232 million and was reported in the Purchasing Agents column.

Revenue from contracts with customers for the period from 01.02.2025 to 30.04.2025 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
<b>Type of sales</b>								
online	722	155	170	278	41	0	82	1,448
offline	1,502	178	440	834	149	0	402	3,506
<b>Total</b>	<b>2,224</b>	<b>332</b>	<b>611</b>	<b>1,112</b>	<b>190</b>	<b>0</b>	<b>484</b>	<b>4,954</b>
<b>Brand</b>								
Sinsay	1,093	97	322	807	96	0	335	2,751
Reserved	661	221	176	187	61	0	82	1,388
Cropp	123	5	30	37	11	0	31	237
House	155	3	30	28	9	0	28	254
Mohito	168	7	53	53	12	0	7	299
Other	24	0	0	0	0	0	0	24
<b>Total</b>	<b>2,224</b>	<b>332</b>	<b>611</b>	<b>1,112</b>	<b>190</b>	<b>0</b>	<b>484</b>	<b>4,954</b>
Revenue from contracts with customers for the period from 01.02.2024 to 30.04.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Trade agents	Other	Total
<b>Type of sales</b>								
online	540	116	145	222	38	0	96	1,157
offline	1,351	114	356	657	125	232	313	3,149
<b>Total</b>	<b>1,891</b>	<b>231</b>	<b>502</b>	<b>880</b>	<b>163</b>	<b>232</b>	<b>408</b>	<b>4,306</b>
<b>Brand</b>								
Sinsay	878	48	243	608	74	0	251	2,103
Reserved	532	169	145	152	53	0	88	1,138
Cropp	134	5	29	38	15	0	33	254
House	156	2	28	27	8	0	27	249
Mohito	176	7	57	54	14	0	9	316
Other	15	0	0	0	0	232	0	247
<b>Total</b>	<b>1,891</b>	<b>231</b>	<b>502</b>	<b>880</b>	<b>163</b>	<b>232</b>	<b>408</b>	<b>4,306</b>

## TRADE AND OTHER RECEIVABLES

LPP Group sells clothes and accessories to target customers in traditional and online stores in Poland and abroad, with payments made in cash or by payment cards. Trade and other receivables also include wholesale settlements.

As at the balance sheet date, the Group recognises the discounted value of receivables after the divestiture of the Russian company in the amount of PLN 283 million. This value was presented in the Statement of financial position in the item Long-term receivables in the amount of PLN 127 million and in the item Short-term receivables in the amount of PLN 156 million. In accordance with the contract, the date of payment for the divestment of the company was deferred in agreed proportions maximum to 2026. This receivable was

increased in the current quarter by the amount of PLN 21 million, recognised in financial income, resulting from the revaluation of the receivable and a reduction in the discount due to the lapse of time and the shortening of the period anticipated until the final repayment of the receivable.

## WRITE-OFFS

During the 3-month period ended 30 April 2025, the Group recognised changes in write-offs on receivables in relation to all receivables or assets due to consumer contracts.

Changes performed both in the current period and in the comparable period are presented in the table below.

Revaluation write-offs on receivables (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Opening balance	72	78
Write-offs created in the period	4	10
Write-offs reversed in the period	0	19
Foreign exchange differences from the conversion	0	0
<b>Closing balance</b>	<b>76</b>	<b>69</b>

## 7. OTHER OPERATING INCOME AND COSTS

Other operating income (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Profit on disposal of non-financial tangible fixed assets	0	0
Subsidies	1	0
Other operating income, including:	14	22
– gain on disposal of contracts under IFRS16	4	1
– compensations	1	4
– revaluation write-offs on non-current assets net	0	1
– revaluation write-offs on receivables net	0	9
<b>Total</b>	<b>15</b>	<b>22</b>

Other operating costs (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Loss on disposal of non-financial tangible fixed assets	0	0
Revaluation of non-financial assets, including:	4	0
– revaluation write-offs on non-current assets net	0	0
– revaluation write-offs on receivables net	4	0
Other operating costs, including:	43	31
– losses in current and non-current assets	37	24
– donations	4	3
<b>Total</b>	<b>47</b>	<b>31</b>

In other operating costs, the most significant values comprise losses on current and non-current assets in the amount of PLN 37 million, mainly inventory shortages in stores and

warehouses and liquidation of impaired goods (in the 3-month period ended 30 April 2024: PLN 24 million).

## 8. FINANCIAL INCOME AND COSTS

Financial income (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Interest	3	2
Measurement of units in funds	4	9
Dividends	0	0
Other financial income, including:	50	22
– currency translation balance	29	0
– discount	21	22
<b>Total</b>	<b>57</b>	<b>33</b>

Under financial income, LPP SA Group recognises a discount item of PLN 21 million in connection with the revaluation of receivables due to the disposal of shares in Re Trading OOO (in the 3-month period ended 30 April 2024: PLN 22 million).

Financial costs (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Interest expenses – bank loans	27	10
Interest expenses – bonds	0	4
Interest expenses – budgetary and other	0	0
Interest expenses – lease liabilities	53	32
Bank commission	2	2
Other financial costs, including:	0	14
– currency translation balance	0	14
<b>Total</b>	<b>82</b>	<b>62</b>

## 9. INCOME TAX

Income tax (PLN m)	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
Current income tax	110	92
Deferred income tax	-3	13
<b>Total</b>	<b>107</b>	<b>105</b>

## 10. TANGIBLE FIXED ASSETS

### PURCHASE AND SALE

In the 3-month period ended 30 April 2025, the Group purchased tangible fixed assets worth PLN 559 million (in the 3-month period ended 30 April 2024: PLN 253 million). These investments were mainly related to the development of new stores as well as the construction of warehouse space and offices in Gdańsk.

In the 3-month period ended 30 April 2025, the Company sold tangible fixed assets with the net value of PLN 0.8 million (in the 3-month period ended 30 April 2024: PLN 0.2 million).

### IMPAIRMENT WRITE-OFFS

In the 3-month period ended 30 April 2025, the Group did not recognise any impairment losses on property, plant and equipment (in the 3-month period ended 30 April 2024: no impairment losses) or the reversal or utilisation of previously recognised write-offs (in the 3-month period ended 30 April 2024: reversal of impairment losses of PLN 1 million).

## 11. INVENTORY

In accordance with the principles adopted in the Group, revaluation write-offs on inventories are recognised twice a year. In 1Q, the Group has not applied any revaluation write-offs.

The value of inventories consists mainly of trade goods. A detailed inventory structure is presented in the table below:

Inventory (PLN m)	30.04.2025	31.01.2025
Materials	18	15
Goods	4,707	4,594
Right of return assets	61	60
<b>Total</b>	<b>4,786</b>	<b>4,669</b>

## 12. DEPOSITS AND MUTUAL FUNDS

Deposits and mutual funds (PLN m)	30.04.2025	31.01.2025
Participation units in funds	816	865
Deposits	176	0
<b>Total</b>	<b>992</b>	<b>865</b>

Item 2 Deposits relate to hedging of forward contracts.

The valuation of fund shares falls within level 2 of the fair value hierarchy as unquoted fund shares.

## 13. OTHER FINANCIAL ASSETS

Other financial assets (PLN m)	30.04.2025	31.01.2025
<b>Fixed assets</b>		
Other receivables	9	7
<b>Other long-term financial assets</b>	<b>9</b>	<b>7</b>
<b>Current Assets</b>		
Advances paid for dividend	612	0
Other receivables	5	4
Receivables from payment card operators	107	74
Originated loans	0	0
Forward contract measurement	0	6
<b>Other short-term financial assets</b>	<b>724</b>	<b>84</b>
<b>Total</b>	<b>733</b>	<b>91</b>

Measurement of the aforementioned instruments is included in level 2 of the fair value hierarchy.

Receivables from payment card operators in the amount of PLN 107 million represent a significant value disclosed above. Such a considerable growth compared to the end of January 2025 is due to the significant increase in the number of stores in the Group as well as a rise in offline and online sales with the use of payment cards.

## 14. BANK LOANS AND TRADE LIABILITIES

In the balance sheet period ended 30 April 2025, LPP SA Group did not sign or launch

any new bank loan agreement. As at the balance sheet day, the Group recognised debt due to investment loans in the amount of PLN 230 million.

The Group's liabilities (including trade liabilities) as at the balance sheet date of 30 April 2025 amounted to PLN 5.6 billion and did not change compared to 31 January 2025.

The Group also uses the supplier financing schemes, i.e. reverse factoring offered by the following banks: HSBC Polska SA, Santander Polska SA, Bank Pekao SA, PKO BP SA and BNP Paribas, under which, after presenting a purchase invoice, the bank factor pay liabilities owed to the suppliers in line with

a previously agreed time schedule. As at 30 April 2025, the Group's total trade liabilities held on this account amounted to PLN 3.6 billion (the total limit of PLN 6.2 billion).

## 15. DIVIDENDS PAID AND OFFERED FOR PAYMENT

On 11 June 2025, the Supervisory Board, based on the motion of the Management Board of LPP SA, adopted a resolution to recommend to the General Meeting of Shareholders of LPP SA to allocate funds for the distribution to shareholders for the financial year ended 31 January 2025 under the following conditions:

- Dividend payment of PLN 660 per share (including the advance payment of PLN 330 and dividend of PLN 330 per share);
- Setting the dividend record date at 10 October 2025;
- The dividend payment date at 31 October 2025.

The amount of the dividend paid (PLN 660) per share will be reduced by the amount of the dividend advance (PLN 330) previously paid in accordance with the decision of the Supervisory Board of 31 January 2025. The advance payment of PLN 612 million was paid on 30 April 2025 based on the list of shareholders of 23 April 2025.

In the previous year, on 12 July 2024, by resolution no 21, the Annual General Meeting of Shareholders of LPP SA decided to allocate a part of the profit generated for the year ended 31 January 2024 for dividend payment in the total amount of PLN 1,132 million, i.e. PLN 610 per share, whereas the payment of the dividend was divided into two instalments. The dividend advance was paid on 30 April 2024 in the amount of PLN 529 million, i.e. PLN 285 per share. The second tranche of the dividend amounted to PLN 603 million, i.e. PLN 325 per share,

and it was paid on 30 October 2024. The dividend record date was set for 11 October 2024.

## 16. CONTINGENT LIABILITIES AND ASSETS

In 1Q 2025, LPP Group companies used bank guarantees to secure rental payments for the leased floorspace for brand stores, offices and a warehouse.

As at 30 April 2025, the total value of bank guarantees issued at the request and under the responsibility of LPP amounted to PLN 347 million, of which:

- the value of guarantees issued to secure agreements concluded by LPP SA amounted to PLN 97 million;
- the value of guarantees issued to secure agreements concluded by consolidated affiliates amounted to PLN 221 million;
- the value of guarantees issued to secure agreements for the lease of warehouse and office space concluded by LPP SA amounted to PLN 29 million.

In balance sheet period, the Company also received guarantees. These guarantees served as collateral for payments from a contracting party. As at 30 April 2025, their value amounted to PLN 16 million. As at 30 April 2025, the value of sureties granted by LPP SA amounted to PLN 233 million. In the opinion of the Management Board, any outflow of funds recognised in off-balance sheet/contingent liabilities is unlikely. The majority of these liabilities involve guarantees securing payment of rent by LPP Group entities. In the reporting period, neither the Issuer nor any of its subsidiaries granted any sureties for bank loans or credits or any guarantees, jointly to a single entity or such entity's subsidiary, of a value exceeding 10.0% of the Issuer's equity.

## 17. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include:

- key management officers of LPP Group and their close family members,
- entities where persons classified as key personnel or their close family members exercise control or have significant influence, within the meaning of IAS 24.

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

Value of short-term benefits of members of the Management Board of the parent company, paid in the period from 1 February to 30 April 2025 amounted to PLN 1.4 million (in the 3-month period ended 30 April 2024: PLN 1.4 million).

From 1 February 2023 to 30 April 2025, the value of short-term benefits of members of the Supervisory Board of the parent company amounted to PLN 91 thousand (in the 3-month period ended 30 April 2024: PLN 37 thousand).

## 18. LITIGATION

In 1Q 2025, no material proceedings before a court, a competent authority for arbitration proceedings or a public administration authority were pending concerning the liabilities or receivables of LPP or a subsidiary. No significant settlements on account of litigation took place in the reporting period.

With the participation of the Issuer, administrative proceedings are pending, initiated by the Office of the Polish Financial Supervision Authority by decision of 3 October 2024, concerning the imposition of a financial penalty on LPP SA pursuant to

Article 96(1)(i) of the Act on Public Offerings in connection with the suspicion of failure to fulfil the obligation referred to in Article 17 (1 in conjunction with Article 7 of the MAR), through the failure to immediately disclose confidential information about the negotiations agreed by the parties, which ended on 10 May 2020, key terms and conditions and structure of the sale by the Company of 100% of the shares in OOO Re Trading. The company actively participates in the proceedings by presenting its position. Following the Issuer's request submitted pursuant to Article 18k(2) in conjunction with Article 18k(1) of the Act on Financial Market Supervision of 21 July 2006, on 30 April 2025, the Office of the Polish Financial Supervision Authority issued a decision on the possibility of concluding an arrangement on the terms of extraordinary leniency, setting a three-month time limit for concluding the arrangement. On 7 May 2025, the Issuer submitted a statement of intent to enter into the arrangement, presenting all known circumstances and evidence of the breach. By the decision of 9 May 2025, the Office of the Polish Financial Supervision Authority (UKNF) initiated administrative proceedings to impose a fine on LPP SA under Article 96(1e) of the Public Offering Act in connection with a suspected breach of Article 56(1)(2)(a) of the Public Offering Act by failing to fulfil the information obligation regarding periodic information related to the submission of the consolidated annual report for the financial year 2021 and 2022 to the Polish Financial Supervision Authority, the company operating the regulated market and to the public.

In addition, the investigation initiated by the Office for Competition and Consumer Protection (UOKiK) is pending in order to determine whether the Company, in connection with its marketing activity referring to ecological issues, has committed an

infringement justifying the initiation of proceedings concerning practices infringing the collective interests of consumers. The UOKiK enquiry is part of a coordinated effort by the European antitrust authorities targeting companies in the clothing industry with regard to standards for the use of ECO labelling of clothing. At the request of the President of the Office for Competition and Consumer Protection, LPP SA submitted a wide range of explanations and evidence. At this stage the Company is not charged for applying practices violating the collective interest of consumers. In the event that the authority decides that there are grounds to attribute such practices to the Company, the maximum legally permitted level of the fine is no more than 10% of the turnover generated in the financial year preceding the imposition of the fine.

## 19. DISCONTINUED OPERATIONS

No discontinued operations took place in the current period.

## 20. SUPPLEMENTARY INFORMATION

In the reporting period, no issue, redemption or repayment of debt and equity securities took place.

## 21. EVENTS AFTER THE BALANCE SHEET DAY

Until the date of publication of the attached financial statements, no events requiring additional disclosures, other than those referred to in the report occurred after the balance sheet date.



# 04

## Separate condensed interim financial statements



# Introduction

We hereby approve the separate condensed interim financial statements of LPP SA for the 3-month period, i.e. from 1 February to 30 April 2025, comprising the separate condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 433 million, the separate condensed interim statement of financial position recognising

the total assets and liabilities in the amount of PLN 14,852 million, the separate condensed interim statement of cash flows recognising a decrease in net cash by PLN 203 million, the separate condensed interim statement of changes in equity, recognising an increase in equity by PLN 433 million, as well as supplementary information.

GDAŃSK, 11 JUNE 2025



## MANAGEMENT BOARD OF LPP SA:

**MAREK PIECHOCKI**  
The CEO

**MARCIN BÓJKO**  
Management Board Member

**SŁAWOMIR ŁOBODA**  
Management Board Member

**MARCIN PIECHOCKI**  
Management Board Member

**MIKOŁAJ WEZDECKI**  
Management Board Member

## SELECTED SEPARATE CONDENSED INTERIM FINANCIAL DATA

for 3 months ended 30 April 2025

Selected separate financial data	PLN m		EUR m	
	01.02.2025	01.02.2024	01.02.2025	01.02.2024
	- 30.04.2025	- 30.04.2024	- 30.04.2025	- 30.04.2024
Revenues	4,206	3,662	1,000	849
Operating profit (loss)	480	397	114	92
Pre-tax profit (loss)	529	429	126	99
Net profit (loss)	433	347	103	80
Weighted average number of shares	1,855,190	1,855,190	1,855,190	1,855,190
Profit (loss) per share (PLN m)	233.40	187.04	55.49	43.36
Net cash flows from operating activities	-318	386	-76	89
Net cash flows from investing activities	-161	-378	-38	-88
Net cash flows from financing activities	276	-487	66	-113
Total net cash flows	-203	-479	-48	-111

Selected separate financial data	PLN m		EUR m	
	As at			
	30.04.2025	31.01.2025	30.04.2025	31.01.2025
Total assets	14,852	13,499	3,472	3,204
Long-term liabilities	1,714	1,694	401	402
Short-term liabilities	7,402	6,502	1,730	1,543
Equity	5,736	5,303	1,341	1,259
Share capital	4	4	1	1
Weighted average number of shares	1,855,190	1,855,624	1,855,190	1,855,624
Book value per share (PLN m)	3,091.87	2,857.80	722.81	678.33
Declared or paid dividend per share (PLN m)	330.00	610.00	77.14	144.79

## SEPARATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for 3 months ended 30 April 2025

Statement of comprehensive income (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
<b>Continuing operations</b>		
Revenues	4,206	3,662
Cost of goods sold	2,404	2,140
<b>Gross profit (loss) on sales</b>	<b>1,802</b>	<b>1,522</b>
Costs of stores and distribution	1,089	923
Overheads	211	193
Other operating income	3	13
Other operating costs	25	22
<b>Operating profit (loss)</b>	<b>480</b>	<b>397</b>
Financial income	90	55
Financial costs	41	23
<b>Pre-tax profit (loss)</b>	<b>529</b>	<b>429</b>
Income tax	96	82
<b>Net profit (loss) from continuing operations</b>	<b>433</b>	<b>347</b>
<b>Total comprehensive income</b>	<b>433</b>	<b>347</b>
Other comprehensive income		
<b>Total comprehensive income</b>	<b>433</b>	<b>347</b>
Weighted average number of shares	1,855,190	1,855,190
Diluted number of shares	1,855,190	1,856,450
<b>Net profit (loss) per share (PLN m)</b>	<b>233.40</b>	<b>187.04</b>
<b>Diluted net profit (loss) per share (PLN m)</b>	<b>233.40</b>	<b>186.92</b>



## SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 30 April 2025

Statement of financial position (PLN m)	As at:			Statement of financial position (PLN m)	As at:		
	30.04.2025	31.01.2025	30.04.2024		30.04.2025	31.01.2025	30.04.2024
<b>ASSETS</b>				<b>EQUITY AND LIABILITIES</b>			
<b>Non-current assets</b>	<b>5,927</b>	<b>5,860</b>	<b>5,518</b>	<b>Equity</b>	<b>5,736</b>	<b>5,303</b>	<b>5,139</b>
1. Tangible fixed assets	1,456	1,432	1,241	1. Share capital	4	4	4
2. Right of use assets	1,294	1,257	1,124	2. Share premium	364	364	364
3. Intangible assets	369	347	260	3. Other reserves	2,957	2,957	2,462
4. Goodwill	180	180	180	4. Retained earnings	2,411	1,978	2,309
5. Trade mark	78	78	77	<b>Long-term liabilities</b>	<b>1,714</b>	<b>1,694</b>	<b>1,545</b>
6. Investments in subsidiaries	1,770	1,767	1,712	1. Bank loans and borrowings	612	619	546
7. Long-term receivables	127	148	248	2. Lease liabilities	1,092	1,063	983
8. Deferred tax assets	113	123	148	3. Employee benefits	2	2	1
9. Pre-payments	3	3	4	4. Accruals	8	10	15
10. Other financial assets	537	525	524	<b>Short-term liabilities</b>	<b>7,402</b>	<b>6,502</b>	<b>5,157</b>
<b>Current assets</b>	<b>8,925</b>	<b>7,639</b>	<b>6,323</b>	1. Trade and other liabilities	5,149	5,174	4,449
1. Inventory	3,790	3,894	2,483	2. Contract liabilities	22	26	19
2. Trade receivables	2,977	2,114	1,984	3. Refund liabilities	77	59	69
3. Short-term receivables	156	178	96	4. Bank loans and borrowings	1,605	550	173
4. Receivables from income tax	0	0	13	5. Lease liabilities	463	441	403
5. Other non-financial assets	3	12	3	6. Employee benefits	22	50	24
6. Pre-payments	23	31	31	7. Income tax liabilities	36	148	0
7. Other financial assets	707	66	620	8. Accruals	28	54	20
8. Deposits and mutual funds	992	865	823	<b>TOTAL Equity and liabilities</b>	<b>14,852</b>	<b>13,499</b>	<b>11,841</b>
9. Cash and cash equivalents	277	479	270				
<b>TOTAL Assets</b>	<b>14,852</b>	<b>13,499</b>	<b>11,841</b>				

# SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS

for 3 months ended 30 April 2025

Statement of cash flows (PLN m)	1Q	
	01.02.2025 – 30.04.2025	01.02.2024 – 30.04.2024
<b>A. Cash flows from operating activities – indirect method</b>		
I. Pre-tax profit (loss)	529	429
II. Total adjustments	-847	-43
1. Amortisation and depreciation	162	138
2. Foreign exchange (gains) losses	-2	3
3. Interest and dividends	34	13
4. (Profit) loss on investing activities	10	7
5. Income tax paid	-198	-56
6. Change in provisions and employee benefits	-29	-23
7. Change in inventory	105	-30
8. Change in receivables and other assets	-984	-423
9. Change in short-term liabilities, excluding bank loans and borrowings	75	341
10. Change in prepayments and accruals	-20	-14
11. Other adjustments	0	1
<b>III. Net cash flows from operating activities</b>	<b>-318</b>	<b>386</b>
<b>B. Cash flows from investing activities</b>		
I. Inflows	14	25
1. Disposal of intangible and fixed assets	8	13
2. From financial assets, including:	6	12
a) in associates	6	12
– dividends	0	0
– repayment of loans granted	5	10
– interest	1	2
b) in other entities	0	0
– repayment of loans including interest	0	0
3. Other investing inflows	0	0
II. Outflows	175	403
1. Purchase of intangible and PPE assets	163	109
2. For financial assets, including:	12	42
a) in associates	12	42
– purchase of shares	3	9
– loans granted	9	33
b) in other entities	0	0
– loans granted	0	0
3. Other investing outflows (investment funds)	0	252
<b>III. Net cash flows from investing activities</b>	<b>-161</b>	<b>-378</b>
<b>C. Cash flows from financing activities</b>		
I. Inflows	1,058	169
1. Proceeds from issuance of shares	0	0
2. Bank loans and borrowings	1,058	169
II. Outflows	782	656
1. Dividends and other payments to owners	612	529
2. Repayment of bank loans and borrowings	18	7
3. Lease liabilities paid	117	106
4. Interest	35	14
5. Other financial outflows	0	0
<b>III. Net cash flows from financing activities</b>	<b>276</b>	<b>-487</b>
<b>D. Total net cash flows</b>	<b>-203</b>	<b>-479</b>
<b>E. Balance sheet change in cash, including:</b>	<b>-202</b>	<b>-481</b>
– change in cash due to currency translation	1	-2
<b>F. Opening balance of cash</b>	<b>407</b>	<b>675</b>
<b>G. Closing balance of cash</b>	<b>204</b>	<b>196</b>

## SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for 3 months ended 30 April 2025

Statement of changes in equity (PLN m)	Share capital	Share premium	Other reserves	Retained earnings	TOTAL equity
<b>As at 1 February 2025</b>	<b>4</b>	<b>364</b>	<b>2,957</b>	<b>1,978</b>	<b>5,303</b>
<b>Transaction with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net profit for 1Q 2025	0	0	0	433	433
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>433</b>	<b>433</b>
<b>As at 30 April 2025</b>	<b>4</b>	<b>364</b>	<b>2,957</b>	<b>2,411</b>	<b>5,736</b>
<b>As at 1 February 2024</b>	<b>4</b>	<b>364</b>	<b>2,460</b>	<b>1,962</b>	<b>4,790</b>
Remuneration paid in shares	0	0	2	0	2
<b>Transaction with owners</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>
Net profit for 1Q 2024	0	0	0	347	347
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>347</b>	<b>347</b>
<b>As at 30 April 2024</b>	<b>4</b>	<b>364</b>	<b>2,462</b>	<b>2,309</b>	<b>5,139</b>



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