

[Monika Wszeborowska]: Good morning, Monika Wszeborowska here. It is a pleasure to welcome you to the LPP Group's 1Q results conference for this year. Today's meeting will be chaired by Marcin Bójko, Management Board Member for Finance.

[Marcin Bójko]: Good morning.

[Monika Wszeborowska]: And Magdalena Kopaczewska, Director of Investor Relations.

[Magdalena Kopaczewska]: Good morning.

[Monika Wszeborowska]: Ladies and gentlemen, a few weeks ago we published our preliminary results for 1Q of this year. These are largely in line with the final results for February, March and April. We will tell you more about this in a moment. During today's meeting, we would also like to present our plans for the current year, as well as outline our plans for the next three years regarding the further development of our stores network. During today's meeting, we would also like to present our financial targets for 2026 and 2027, and we will conclude the meeting, as always, with a question-and-answer session.

[Monika Wszeborowska]: You may ask questions via the chat box visible on your screens. It is already active and will remain available to you until the end of today's conference. If, after the conference, you still have any matters requiring clarification or any issues you wish to raise, we encourage you to contact our investor relations department at lpp.investor.relations@lpp.com, or via the press offices at media@lpp.com. That is all from me. Let us now move on to a summary of the 1Q results.

[Marcin Bójko]: Thank you. As usual, we will begin our discussion of the results by presenting the key operational achievements and events. In 1Q of 2026, we opened 121 new stores, including 102 under the Sinsay brand. This figure is in line with our expectations and plans for this period. At the same time, we spent nearly PLN 600 billion on investments. The bulk of this Capex, nearly 300 million, was allocated to logistics. This year will not be a record-breaking one like last year; that Capex peak is behind us, but we are continuing to invest systematically in the area that brings us the greatest value and good return periods, and we will continue to do so in the coming quarters.

[Marcin Bójko]: At the same time, our comfortable financial position, very low leverage, and a net debt-to-EBITDA ratio of 1.2 allows us not only to invest in high-quality Capex, but also to share our profit with you, our shareholders, amongst other things. The dividend proposal for this year put forward by the Management Board is PLN 900 per share. This represents a 36% YoY increase, in line with the growth in profit and net profit, and this is how we intend to proceed in future periods, that is, to systematically share our generated profit with you. The operational situation, as we look at these achievements, events and figures, was very stable, whilst what was certainly not stable, but very dynamic, were the gains achieved at every level.

[Marcin Bójko]: And we are very pleased with these results. The fifth consecutive quarter with improved profitability. Admittedly, our revenue grew by only 10% YoY. We will look at this in more detail in a moment. However, when we look at EBITDA, EBIT or net profit, the growth rates were significantly higher. We are pleased with them, and these are the figures we aim for; we delivered such figures last year, and that is truly a source of pride. And another source of pride, not just from a financial perspective, is the development of our strategy and the growth of newest brand, Sinsay. As you will recall, last year we announced an acceleration of growth, and the development of the LPP Group is

based precisely on the Sinsay brand. We are delighted that everything is proceeding according to our plan.

[Marcin Bójko]: 121 openings, 102 new Sinsay stores. And we're ending 1Q with nearly 2,500 Sinsay stores, whilst the entire group has a number of 3,841 stores. This figure already takes closures into account, as we're constantly optimising our network across all our brands. We are pleased with the profits, we are pleased with the growth, which is proceeding according to plan. But we are even more pleased that this growth is profitable and that the profitability KPIs for the Sinsay brand are in line with what we set out to achieve; that is, before we accelerated our growth, we set ourselves internal targets that we wanted to grow quickly, but we want this growth to be of high quality, so that the proportion of, shall we say, poorly chosen locations remains the same as it was three years ago, for instance, when we were opening 300 stores.

[Marcin Bójko]: We are now opening over 900, and the proportion of unprofitable ones has even improved slightly, so we can see that this quality is being maintained. Whether it's Sinsay's EBITDA profitability relative to other brands, at 31%, or Sinsay's YoY performance depending on store size and format, we can see this in the chart on the right. These ratios are good and, despite the challenging environment, we are maintaining them at a very good level. And now we will move on to the details. That was the main summary, and we will begin this more detailed section; I wanted to say, perhaps unusually, but just to be honest, that when we look at the last three years, unfortunately the weather slide is becoming something of a norm. And, unfortunately, 1Q was no different. The chart shows the deviation of average daily temperatures from the long-term historical average.

[Marcin Bójko]: Well, we can see that the bars pretty much speak for themselves; however, February saw significantly lower temperatures compared to the historical average. In March, we had fairly warm weather, and this was also reflected in the results, whereas in April we saw a return to such unfavourable conditions. And why are we presenting this? Because in a moment we'll move on to likes, we'll move on to sales, and we should view the next slides through this lens, because the weather didn't just affect LPP; I imagine that everyone here regularly monitors market information, including statistical data on retail consumption, and we were part of that trend. The weather was challenging, but as I said and as we saw at the start, despite these conditions, these gains are truly impressive.

[Marcin Bójko]: So, armed with this information, we can move on to the next slide, which is more in line with our usual format. Sales in LFL stores, i.e. like-for-like stores. It was a difficult and challenging quarter, precisely because of the weather. We end 1Q of 2026 with a figure of -2.8 at group level. The Reserved, Cropp, House and Mohito brands were positive, at +2.2. As for the Sinsay brand, -7. We will move on to some of these operational challenges later in the presentation, but looking at the like from the point of view of the weather, we estimated that if it weren't for the unfavourable weather, the like would actually have been around three or four percentage points better, meaning it would have been positive.

[Marcin Bójko]: Still below our ambitions and expectations – we'll come back to this later – but this simply illustrates the scale of the challenge we faced in terms of 1Q sales. Adding to this the online channel and all stores, not just the 'like' stores – that is, not just the comparable ones – our revenue growth in 1Q stood at 10%, close to 5.5 billion. We are not satisfied, but factoring in the weather adjustment, we believe this is a good result. We did what we could, especially given the two challenges we faced, which gradually grew and actually came to a head at the end of last year and the start of this

one – namely, following the fire in Romania in June 2025, our logistics network is not operating at full capacity.

[Marcin Bójko]: The goods we had imported into Romania had to be transported back to Poland. Polish warehouses took on the burden of handling e-commerce orders for the southern markets, those that had previously been operated in Romania. And that's what we were dealing with. We're slowly coming out of this. I'll talk about that later, but in 1Q, it weighed particularly heavily on the online channel. On top of that, we've focused quite heavily on profitability so far – that is, on the organisation's agility – and we made sure there wasn't too much so-called 'fat' in the cost area. And one of the areas where we've been optimising was performance marketing. With our relatively low outflows, which we deliberately kept at that level, we generated some good growth.

[Marcin Bójko]: However, we can see that in such a challenging environment, well, that level was probably insufficient. We entered the quarter with somewhat low outflows. Just to give a sense of scale, three years ago we were spending 16% here in relative terms, meaning marketing costs relative to revenue. Last year and in the recent period, it was closer to 7.5%, so we can see that this optimisation took place, and in 1Q we also had to deal with it. Less than 1% growth. Well, we're not happy with that, but we have a clear plan for the coming periods. Overall, we looked at the bigger picture, because despite these difficult sales conditions, the gross profit margin – that second element of the topline – performed very well.

[Marcin Bójko]: And how did that work out? With these low temperatures, we basically sold out our entire winter collection. In fact, precisely because the low temperatures persisted, we didn't have to mark down the goods. Later, in March and April, when we saw that sales were falling slightly below expectations, we launched so-called one-off sale days or periods, but these didn't yield results, as there was simply no footfall in the stores or online, so we withdrew from them and, overall, we're closing 1Q with a record margin for this period: 58.5%. Four and a half percentage points above 1 year. Well, if we add to this efficiency a strong zloty against the US\$ and well-negotiated freight rates for this year, then the gross profit margin nicely complemented and cushioned these difficult conditions in terms of sales – that is, volume and customer footfall in the stores.

[Marcin Bójko]: Moving on to the third component of our results, costs, well, as I said, in 2025 we optimised very strongly, we made sure our organisation was agile, that these costs were reduced to the bare minimum, and now we can comfortably build on that, as if we're focusing more on discipline rather than, hard cost-cutting. And you can see that in the figures: a nearly 9% improvement in the cost ratio per square metre. And here, logistics remains the biggest lever. I mentioned this at the start: the high Capex we're investing in robotic solutions is what contributes most to the improvement. And also a bit of old-fashioned, simple discipline when it comes to corporate costs.

[Marcin Bójko]: We look after every zloty here; we look at every zloty twice before we spend it. And thanks to that, we have such a good result in this area, and we will continue with this strategy. So when we put these three elements together – sales, margin and OPEX – we achieve very dynamic gains growth in 1Q, the fifth quarter in a row. And what makes us very happy is the improvement in profitability, whether it's EBITDA, which is up by four percentage points, or net profit, which is up by two percentage points. These are the results we want to see, the ones we set as our target a year ago. And as the Management Board, as an organisation and all our employees, we are truly proud of this. Gains are

great, we're pleased with them, but we're even more pleased with the operational ratios we generated in 1Q.

[Marcin Bójko]: And yes, inventory levels were under control. That problem, that challenge we created for ourselves and faced in the first half of last year, we dealt with effectively back in the autumn-winter 2025 season. Now we've simply continued the good work. And you can see that, you can see it in the figures. We're pleased with that. PLN 1,400 per square metre. Perhaps anticipating a question in the Q&A: do we expect further improvement? Well, no, we're about to start stocking up for the autumn-winter season. Here, we'll likely see a return to the PLN 1,500–1,600 level. However, we're improving inventory turnover; you can see that in the bullet points and comments on the right. An improvement of 8 days – and that's a good indicator of the quality of our inventory management.

[Marcin Bójko]: Good inventory management also means keeping working capital under control. A negative ratio, a 28-day inventory turnover cycle – here too, we're maintaining a good level. Our operating cash flow is growing steadily. And something else we're pleased with – because it's another strong foundation of our financial position – is that our factoring limits are only 40% utilised. So we can focus on developing our offering, on business development, on growth. We still have plenty of room for manoeuvre here, and working capital financing is also, as it were, ticked off from the back-office and financial side, so again this is another factor that allows us to focus precisely on our core business.

[Marcin Bójko]: Capex for the period is close to 600 million. That's 8% below last year, but it fits with the trend we communicated back in March: last year's Capex peak of over 3 billion was the high point, mainly due to logistics, where we spent over a billion on outflows in that area. We are now completing our main investments, namely the Distribution Center in Brześć Kujawski, which we are opening; we are also working on a new site in Tczew, and we continue to implement robotic solutions. As for this last slide in this section, well, as the finance director, I'm probably most pleased by it, because all this growth and investment, as well as sharing gains with shareholders, is taking place with a very safe level of indebtedness, and the leverage ratio of 1.2 is even improving slightly compared to last year.

[Marcin Bójko]: To sum up 1Q, it's basically fair to say that we are exactly where we wanted to be. We are growing rapidly, we are growing profitably, and our gains are rising very dynamically. Of course, we see certain challenges ahead, but we have all the tools at our disposal. The ball is in our court; we have strong financial foundations, so we can focus on our core business, we can focus on initiatives to improve the customer experience, on developing our offering, and thanks to this, and due to these very reasons, we are looking ahead to the coming periods and 1Q with great optimism. And so, looking ahead, or perhaps looking a little further into the future, as we are essentially already halfway through 2Q, we wanted to use this second part of the presentation to talk about the current situation, but also, as Monika mentioned, about what lies ahead in the longer term.

[Marcin Bójko]: And what we see in the hard figures after May and the first few days of June is a 20% increase in sales at group level. The online channel has rebounded nicely after that difficult 1Q, with 17% growth – that is already the level we are aiming for in the long term. And a 4% increase. What also pleases us is that this sales rebound is happening with a good gross profit margin, higher than last year. It's no longer at that level of perhaps four or five points that we saw just a moment ago for 1Q, but it's still performing well. Today we've entered the sale period for the Sinsay brand; in two weeks' time we'll be entering the sale period for the other brands. We'll see how that goes, but good management of goods also bodes well for us.

[Marcin Bójko]: We have less goods for the sell-offs, so here too we'll be able to manage the margin quite effectively and adapt it to needs, maximising the margin. And finally, around 350 new stores – that's how many openings we're planning for the 1H, as per our earlier announcement, so here too everything is going according to plan. These are the figures we're seeing at the moment, but if we take a step back and look at the broader macroeconomic picture, we'd like to comment on and address the market trends and behaviours we're seeing in the key areas, countries and regions for our growth.

[Marcin Bójko]: And starting perhaps with Poland, we'll move clockwise. Poland: a favourable macroeconomic environment, a really strong consumer; despite the weather in 1Q, the market is performing well. Our new openings are in line with our plans. Every DCF is essentially meeting the criteria, so here too we have no reason to scale back or accelerate. We will focus on what we have set out to achieve this year. Ukraine: we already have a very strong position there, which we have been systematically building over the last three years. It is now our second-largest market within the Group. Ukraine has overtaken Romania to take third place. This strong, established position also gives us such market comfort that we can take our foot off the accelerator a little here and focus on the very best locations, because this market is profitable, conditions are normalising, yet it remains an area with its own challenges.

[Marcin Bójko]: Well, unfortunately, the conflict, the war, is still raging there. So here, common sense, a sensible approach at this stage, given our scale – over 500 stores in this market – simply dictates a more selective approach to developing new locations. Moving further south, Central Asia offers very promising markets, with a very good economic outlook, but also in terms of population growth. The first stores we opened there last year are also showing good profitability. However, what we have observed in recent months is that, unfortunately, we have had instances where individual stores in Uzbekistan or Kazakhstan, even when the weather had warmed up, were still, so to speak, wearing winter coats, to put it figuratively.

[Marcin Bójko]: Our logistics have been stretched quite thin since the fire; we face challenges both in Poland and across the region. However, we're currently consolidating all deliveries in Poland, and then, once they've arrived by sea, we're sending them back to Kazakhstan and Uzbekistan by land. This isn't optimal in terms of either cost or time. That's why we'll slow down expansion a bit here and, until the new DC opens and FC early next year, we will focus on our best stores; however, once our logistics capacity in the region is at a level where these logistics can be streamlined, we will launch this warehouse, accelerate our expansion, and all deliveries from the Asia will be consolidated in China, and from there they will be sent directly by rail to warehouses in Kazakhstan.

[Marcin Bójko]: Southern Europe – here we're essentially focusing on the two largest markets, Romania and Bulgaria. A very brief comment. Some of you have already mentioned to us during our regular meetings that, economically speaking, Romania, for example, has been slowing down in recent months. We haven't really seen this reflected in our sales figures yet. Perhaps our strong position has prolonged this somewhat and made it easier for us to achieve good sales, but now, with GDP growth steadily slowing and high inflation in these two countries, some of our new openings are becoming a bit of a stretch. We don't want to force this. Again, we'll focus on the most profitable openings.

[Marcin Bójko]: Forecasts suggest a year, a year and a half, maybe two at most, and the situation will start to improve. I think the whole market and the whole region are in the same situation, so we'll be keeping an eye on things here too. If things improve, we'll certainly speed things up. Italy is a new

market, WE. New openings there are generating positive profitability, though it is slightly below our expectations, which is why we are taking a more strategic pause here. We are focusing our entire opening pipeline on the south of the country and the centre of the country. And here we will improve our offering; we will improve the way we present the collection in our stores, and once we've sorted that out, we'll also tap into the significant potential it offers— basically half the country, for later, as soon as we see better profitability – and we're not far off, let's say, whether it's four or five percentage points – then we'll return to slightly faster growth.

[Marcin Bójko]: And Central Europe, as we understand it, that is, the Czech Republic, Slovakia and Hungary. Here, particularly in the Czech Republic and Slovakia, we are seeing an economic slowdown similar to that in southern Europe. We've seen this before, and we've seen it reflected in our yields too. We've shared this information with you on more than one occasion, and now the time has come to actually press the brake pedal a little harder. And additionally, what we're seeing is what we call 'controlled cannibalisation', because in this region we actually have very high brand recognition; we've been present there for a long time, but as a result we also have significant market saturation. In some regions of these countries, it's already reaching 55–60%. And that's where these 'like' sales are slowly cannibalising each other.

[Marcin Bójko]: Of course, we've factored this in; we see it in the DCFs, and we've factored it into profitability. The incremental stores we're adding continue to make a positive contribution to EBIT, but here too we need to be more selective, particularly given the economic situation in the Czech Republic and especially Slovakia. So that's a very brief summary of what we're seeing on a macro scale in our regions. So what does this mean for our plans going forward? We are reducing the 950 stores we had set as our target for the end of 2025 to 750, and we are adopting the same number of Sinsay store openings for next year. We believe this is the optimal number of openings, because, as I said at the start and we repeat at every opportunity, we want to grow quickly, but we want to grow profitably.

[Marcin Bójko]: And perhaps to put it more vividly, because I was thinking about this slide – over a year and a half ago, when we were accelerating LPP's growth based on Sinsay, we said we were switching to Formula 1. So perhaps, sticking with this historical analogy, we're probably on lap 20 of the race, with 40 laps still to go, and to be honest, we're not fighting for a single-lap record, but to be among the leaders at the end of the race, at the end of the season, and that's exactly how we view our growth. We also want to be an organisation that grows in the long term, grows systematically. And this decision— — stems solely from that; with these figures, we feel comfortable moving forward. That's all as far as new openings are concerned, and that's how we view the next two years.

[Marcin Bójko]: However, we're not forgetting our 'like' stores, because new openings are just one part of the story; of course, they drive growth, but within the Sinsay network we already have over 1,800 'like' stores – that is, the majority of 'like' stores, which, as a reminder, have been with us for over 14 months. And here, looking at the 'likes' we're generating – that is, the sales results in comparable stores – we've set ourselves five main areas to focus on in the coming months and quarters, as we believe these will also boost the value and improve the momentum of our sales. So let's briefly go through what we mean by each of them.

[Marcin Bójko]: The Sinsay collection is in the value-for-money segment, and what we've essentially seen since the second half of last year and the start of this one is that, within this value-for-money segment, we've focused heavily on the 'money' aspect in terms of price, whereas the 'value' component seems to

have slipped a bit from our view, and whilst we had a few hit models, we weren't able to reorder them either, so we've strayed a bit from our fashion heritage – how do we want to work with this going forward? We have this slogan 'back to fashion' – what does that mean? It means we're focusing on a smart approach to value, so it won't necessarily be the lowest price, but a trendy product, a product that fits with the latest fashion – that's our strength, we're capable of doing it and that's what we want to return to, which is what the Reserved brand did so effectively two years ago, it went back to its roots, identified who its customers were in the region, and now, as essentially the only brand, has been generating very good results and very good profitability for eight or nine quarters in a row.

[Marcin Bójko]: It's the same here; this is the new path for Sinsay. It may sound like a new path, but it's certainly not a revolution, just a bit of a return to what we're good at, a return to our roots, and that's what we'll be focusing on in the coming periods. The second area is the shopping experience. As I mentioned earlier, in 2025 we focused on strong cost optimisation to become a very lean organisation that could focus on growth, and that cost overhang wouldn't be a problem for us. And, to put it bluntly, the stores probably took a bit of a hit here as a result; in other words, those budgets were also cut, and what did that mean in practice? Some of you have also pointed this out to us: for instance, the presentation of our collections in the stores, our window displays – well, they've lost a bit of quality compared to what we had two years ago.

[Marcin Bójko]: And that's what we want to change. We've also seen the queues – the reduced staffing levels automatically meant longer waiting times for collecting online orders. The solution is simple: we'll be increasing budgets in our top stores, monitoring them closely, and adding staff there, so the shopping experience will definitely improve. We're also boosting the marketing budget, improving the presentation of our collections, and creating better, more inviting shop windows that showcase our fashion side. And we are also systematically rolling out self-service checkouts. As of today, we already have self-service checkouts in 350 stores. By the end of this year, we aim to have around 1,100 to 1,200 stores equipped with self-service checkouts, which will also automatically free up time for our store staff.

[Marcin Bójko]: Another area is performance marketing. I mentioned this at the start: in 2023 and 2024, we spent a lot in this area. And by the end of 2024 and into 2025, we were likely still benefiting from it – the snowball was rolling and, through momentum, generated some great growth for us. We, on the other hand, also generated good, very good profitability in the e-commerce segment through. It was, in fact, comparable to our stores. We can see to some extent that this potential has been exhausted; however, for those who follow us regularly and have asked these questions, we have also commented that we have a very healthy cash reserve, our PNL conditions allow for it, so we see that this is the moment to unfreeze some of that cost and spend more on online advertising.

[Marcin Bójko]: On a Sinsay scale, this will amount to ca. one percentage point more YoY in relation to revenue generated through this channel. Another major area we have identified for intensive work and as an initiative for the coming periods is the Home segment. Well, in 2024, if we recall the figures, Home was growing at a rate of 60%, so you can see that this offering was popular; it was the novelty effect, and we were building a broad range of products. It performed well back then and contributed to likes, but we've now reached a natural stage in the department's development where we need to focus on profitability – we were building volume, now it's time to refine. For the AW26 season, that is, this year's autumn-winter, we've already ordered ca. 20% fewer styles and colours; we use this term in these areas,

meaning we're focusing, cutting off the unprofitable tail, products that are similar and cannibalising each other, and we're also reducing the seasonal range.

[Marcin Bójko]: Another anecdotal example: if we have Halloween this autumn, you won't find 17 pumpkin-shaped cushions at Sinsay, just the three most beautiful, best and most profitable ones. Perhaps the online range will be broader, but we're working on this regularly. And in our traditional stores, we're also updating the furniture displays; as I mentioned at the start, fashion heritage is LPP's strong point. We've been developing the Home range on an ongoing basis, and we can see that this approach to presentation matters in our stores too. This project is already underway. The best Sinsay stores, where the Home section is still based on some of the early concepts – that is, from the start of our openings – will be systematically improved, and we can see from the data that after refreshing this Home corner, sales really do accelerate to a very high pace.

[Marcin Bójko]: And the first results – it's not that we're waiting for them, but rather we're summarising for you here in a concise and organised way the initiatives we'll be focusing on, but we aren't waiting; this is our day-to-day work, and we can see that the first results are already visible: better orders, slightly higher-quality Home products, because within Sinsay, in 1Q, this is the only department that generated positive like-for-like growth, and this trend is continuing; so we can see that we're heading in the right direction and we'll stick to it. And then there's the final lever: logistics. It's not there by chance, because it's the foundation – if we have a good range and customer traffic, then we can deliver good goods to the customer quickly and reliably.

[Marcin Bójko]: And it was precisely this speed that we had a problem with following the fire in Romania last year. Our lead times – that is, the time it takes to deliver to the customer, but also to stock the stores – went from four, three, four or five days to 15 or 17. A customer might accept this once or twice, but probably not a third time; and well, this is a cause beyond our control, but we had to deal with it, and we did what we could. The momentum in the southern markets has indeed stalled, but this is an area we have under our control. We have already selected new locations; a new FC has been operational in Romania since October. At the end of June or beginning of July, a new Distribution Center will open in Romania, replacing the one that was destroyed by fire last year. From August, the utilisation of this location will gradually pick up pace.

[Marcin Bójko]: By November, we should already be at the target level. The first containers are already returning to the ports in Constanța, meaning we are once again restocking Romania directly from the sea, and now we will be supplying our new warehouse from the ports in Constanța; this is something we've had to contend with over the past year, through no fault of our own, but everything is returning to normal and we are also confident that, in conjunction with these other initiatives, we will gradually regain customer trust over time. And at the end of the day, what is this expected to deliver? Naturally, positive like-for-like growth and an increase in e-commerce momentum within the online channel. From a PNL perspective, this does not affect our OPEX estimate for this year, as these activities – whether performance marketing or an increase in budgets for high-street stores – naturally raise costs on the one hand, but the operational leverage in logistics and our discipline regarding corporate costs are significant enough to offset them nicely, so here too we have absolutely no grounds to adjust the OPEX target.

[Marcin Bójko]: Well, as for Capex, this is the more 'home' part, i.e. the change in store fittings, including the Home section; even against the backdrop of our Capex, this is not a material amount, and as we'll see in a moment, even this year's Capex target for capital expenditure is slightly lower than what we had

previously planned. And what's also important for us, because we've prepared a cheat sheet for you here, is which initiatives should be implemented in which areas—whether that's LFL (stores), e-commerce, or our online sales. Well, Sinsay operates on a True Omnichannel model, and we believe that thanks to this flywheel effect, the total sum of these synergies is actually slightly greater than the effect of individual initiatives; in other words, we truly believe that thanks to Omnichannel, in our case, in Sinsay's case, 2+2 will this time equal five, and this leverage will work very well across the whole group, for example by spreading out, spreading out OPEX.

[Marcin Bójko]: In terms of the figures, because that's certainly a key point for the group – what it actually means, namely the review of store openings, and all the initiatives that go with it. Of course, a brief update regarding 2026 in terms of the top line, i.e. the income statement. Naturally, with fewer store openings and a weak 1Q, we expect slightly lower sales growth in both channels, i.e. offline and online. However, looking at how the margin has behaved so far and considering the best forecasts and data we have for the coming periods – namely the second half of the year – we are confident we can raise the gross profit margin to ca. 56%. Below that, i.e. costs, we are keeping them at the same level, which effectively means slightly lower revenue, a better margin; overall, the bottom-line result, EBITDA and net profit remain unchanged, and in fact profitability is even improving.

[Marcin Bójko]: As for 2027, a similar trend compared to the figures we presented in December 2025. Slightly lower growth in the top line, meaning less revenue, but a better margin, maintained cost discipline, and ultimately at the bottom line, meaning profitability, we achieve the same result. Capex is in line with our expectations, naturally adjusted downwards to account for fewer openings, and the financial position is very comfortable; this leverage will steadily decrease. The year 2027 is not, as it were, a target in itself for us. Of course, our three-year strategy for 2025, 2026 and 2027 is, as it were, the final year of our strategy, but we at LPP do not treat this as a target, but rather as a milestone. And we are looking further ahead.

[Marcin Bójko]: And here we wanted to present a framework plan for 2028. How we're looking a little further into the future and what our vision is. Our strategic vision for the stores network is, of course, positive like-for-like growth above inflation. That is the lifeblood of retail. If the situation here is healthy, then the whole business automatically performs very well. More specifically in terms of figures, for 2028 we see that we will still be able to maintain this pace of 750 openings this year as far as the Sinsay network is concerned. From 2029 onwards, we will focus more on 300–350 openings a year, selecting only the best projects. Of course, the current pipeline is very large, with the potential for 10,000 stores. Is it all available for use? Probably not, but whether it's 60% or 65%, there will still be a lot to do in this area.

[Marcin Bójko]: And we'll be focusing on the very best ones, and as I mentioned earlier, on a macro level, Hungary is a very good example. The last two years have been a really tough market. We'd already slowed down the pace of openings there, but now, with each passing quarter, we're seeing better profitability and better news coming from the market, so if we give it another two quarters and this improvement proves sustainable, we'll likely return to a few more projects in this market. As for the other brands – Reserved, Cropp, House, Mohito – we'll be focusing on opportunistic growth here. Well, not enough new shopping centres are being built for us to open more Reserved stores, but it's not as though there are none at all – take last year's Oberhausen, for instance – so we're monitoring the situation here and focusing on that.

[Marcin Bójko]: However, for all brands – whether it's Sinsay or our other mature brands – we will focus on closing unprofitable stores, as this naturally helps to improve the overall health of the entire network and allows us to generate better profitability. In the second area, the e-commerce segment, we are targeting 15–20% growth. And here we still see that we have plenty of room to generate precisely this momentum. If we look, for example, at online penetration compared to Western Europe (WE) or other markets, it is still at a fairly low level, so naturally this channel will grow in importance. We at LPP operate in 27 markets; in some of them, our e-commerce is essentially non-existent or on a very small scale, so here too we still have considerable potential to tap into.

[Marcin Bójko]: This omnichannel synergy I mentioned is also driving this channel. And including the marketplace, we're planning to launch it this year during the back-to-school period, so let's say around August, the end of August. We'll start with small steps, but we also have high hopes for this project. We're focusing on complementary products that will naturally support the Sinsay brand. It will be more of a quality marketplace; we won't be focusing on volume, we'll be ensuring quality and carefully selecting who is featured there, precisely to generate natural synergies. As for the financial results, a minimum margin of 55%. Looking at the history, and adjusting for various macroeconomic inflows, we can see that with such good collections, this is a level we are comfortably able to achieve.

[Marcin Bójko]: Cost discipline – well, LPP is known for this, and we won't be changing anything here. This is our strength. If we combine strong sales, a good margin, a stable margin and cost discipline, then we are confident that we will be able to systematically improve our profitability 1Q on 1Q, year on year. This will mean better free cash flow, but also the potential to pay dividends, because we are a dividend-paying company; we have been one and we intend to continue this in the coming periods. And how will we do it? Certainly thanks to our passionate people. In May this year, LPP celebrated a significant milestone: 25 years on the Polish stock exchange.

[Marcin Bójko]: And it is precisely thanks to people with passion – some of whom are still here, and I'm sure the majority are still with us – that we have worked towards this success. Over these 25 years, our share price has risen by 50,000%. We know how to do this; we have faced many challenges, but we have also celebrated many successes, and it is on these that we will build our growth for the coming years, because whether we meet again in two years, or 12, or 20, I am certain that LPP will continue to grow steadily, and we wish for such growth to continue, and with the support of and the technology we have been focusing on recently, I am confident that this change will be both faster and very visible from the coming quarters onwards. So, that concludes our summary of the results and our look ahead, and I think we can move on to the Q&A.

[Magdalena Kopaczewska]: Yes, let's start with a question regarding the gross profit margin. How much of the impact on the gross profit margin was due to freight and exchange rates, and how much was due to improved pricing and fewer promotions?

[Marcin Bójko]: Of the 4.5 point positive YoY deviation, three points are down to macro factors, so to speak – that is, freight and currencies – whilst the other points are down to pricing efficiency.

[Magdalena Kopaczewska]: The next question concerns the sales growth of House and Mohito. House achieved sales growth of 15%, whilst Mohito recorded -16%. Could you elaborate on the factors that led to such differing results for the two brands?

[Marcin Bójko]: As for the House brand, that's a very good question – I'm glad you asked. Since last year, or rather the second half of last year, we've been operating under a slightly different model: before the start of the season, the purchasing budget – as we call it – allocated to the brand for buying new collections is utilised less, in the sense that House doesn't contract models 100%, so to speak, but leaves itself a buffer. It exists – perhaps I won't reveal exactly how much it is – but this buffer is substantial, and once the season begins, House actively works on trends it spots on social media. It has AI tools for this that scan social media; we pick up on these trends, and they react in real time, bringing in a few, let's say, fashion items in limited quantities.

[Marcin Bójko]: When these go on sale – let's say there are 10 styles – three or four start selling very well, generating good margins and likes, so we quickly reorder them; that's how House operates. I think you can see that in the results. They're good at doing this, but we also want to scale it up gradually to other brands. Of course, just like LPP, we're approaching this cautiously, and Reserved or House are on a slightly different scale compared to House, but we have the know-how and you can see that in the likes, so to put it bluntly, that's probably the reason for their good likes. As for the Mohito brand, well, here we were rediscovering ourselves. It's a brand strictly for women.

[Marcin Bójko]: Two years ago, this brand was essentially a model for others on how to grow and generate positive engagement. Since 2024, our collections have perhaps drifted away from—well, that's the simplest answer—they've drifted away from customers' expectations. We're now focusing on higher-quality materials. I think you'll see the first results this autumn. We have a new team there who are already doing a really solid job. They have ideas for this, and they'll also be using the solutions developed by House, this new approach. So here, we're simply biding our time. However, to give the full picture, it remains a very, very profitable brand. Just two years ago, a year ago, it was the most profitable; now it's probably somewhere on a par with Reserved, perhaps slightly below, but despite these challenges and weak sales, it's still a very good result in terms of the brand's EBIT.

[Magdalena Kopaczewska]: The next question concerns e-commerce. E-commerce revenue remained virtually unchanged YoY, whilst the average growth rate over the last two years was around +23%. Please comment on the reasons for this result. To what extent did the reduction in performance marketing expenditure affect this, and should the current quarter be treated as a one-off deviation in this respect? And another question here: was the Sinsay brand also a factor in this result?

[Marcin Bójko]: Yes, I'll repeat what I said during the presentation: if we look at the one percent growth rate on a quarterly basis, in the e-commerce sector, ca. 5–6% of that growth was taken off by the weather. However, if we adjust for that, a figure of 6–7% is a poor result, quite rightly so when viewed historically. We're aiming more for 15–20%, and the other factors are lower outflows for performance marketing, particularly within the Sinsay brand. And then there are our logistical issues; to give you an idea of the seriousness and scale of these logistical problems following the warehouse fire in Romania. Well, we maintained sales; it's not as though they came to a standstill, which is why our organisation is truly agile and our logistics team deserves credit for that, but the momentum has slowed, particularly in Europe, in Southern Europe.

[Marcin Bójko]: Romania, Greece, Bosnia, Macedonia, Serbia, Croatia – those markets that were operated from the Romanian warehouse; in those other areas, growth was actually going well, but here, e-commerce growth was the only one below last year's levels, and that's evident now. I don't want to break down exactly how much each inflow generates here, but we're focusing on the fact that logistics

are improving. Thanks to our strong turnover, we can easily add performance marketing to this budget, and we're waiting – it'll be hard work, because we need to rebuild the trust of customers who need to be convinced that they can once again receive their goods in three or four days, rather than 14. So, as shown on this slide, we're aiming for 3Q or 4Q, as that's when our new facility will also reach full operational capacity.

[Magdalena Kopaczewska]: The next question concerns the settlement of compensations for lost assets in Romania. How much was outstanding on the balance sheet at the end of April? What is the situation regarding business interruption insurance? When do you intend to claim this part of the insurance? In the report, you state that you are incurring additional costs and, in effect, lost sales, so I assume these are quite substantial amounts.

[Marcin Bójko]: Regarding the insurance, to remind you of the provisions we have, 350 million was booked last year following the fire. And of that, over two-thirds of the money has already been received; we have it in our account. The other part, specifically in this area of property and stock, well, we're still working with the insurer; the liquidation, particularly for such damage, takes time. Here we're focusing on providing documentation, we're working with the claims adjuster, and the process is still ongoing. As for the business interruption part – that is, lost gains and additional costs – that period ended at the end of March. We sent the documentation at the beginning of May. Perhaps I won't reveal exactly what the base is here, but it covers precisely what was mentioned in the question, namely the lost margin, which we estimated for the given period, and all additional costs, mainly the costs of these logistical inefficiencies.

[Marcin Bójko]: We will keep you updated on this, but the liquidation process, so to speak, and discussions with the insurer are ongoing, so please give us a moment to work on this calmly.

[Magdalena Kopaczewska]: The next question concerns the economics of Sinsay's recently opened stores, specifically how sales performance and the payback period compare for stores opened very recently versus those opened a few years ago?

[Marcin Bójko]: Looking at these results, say from last year and 1Q of this year, the payback period has lengthened by two or three months; that is, from around 13 months, let's say, a year and a half ago we've moved more towards 16 months, 17, but it is still well below our target threshold of 24 months, so everything is proceeding according to plan. We have tried to provide more detail on this slide regarding the macroeconomic situation, showing how we view it region by region. So there is no single, universal comment; it is somewhat case-by-case here. And that's how we're responding, but overall we're looking at Sinsay's performance as a brand, and it's at a really good, solid level, particularly in relation to the scale and pace at which it's growing.

[Magdalena Kopaczewska]: The next question concerns the competition. How does the Management Board assess the impact of competing platforms such as Shein and Temu today compared to the situation two years ago? Which customer segments are most at risk, and where does LPP SA see its strongest competitive advantages?

[Marcin Bójko]: I know the best answer would probably be to give specific figures – so many millions and so much customer traffic. Unfortunately, it's not that simple. We can only summarise it as follows: as far as we could see, these platforms entering Poland grew rapidly, particularly at the start, achieving a large market share, but this later stabilised. Naturally, given the price points, this is the segment closest to the

Sinsay brand. However, our strengths – namely our omnichannel advantage, being present in both channels simultaneously, a robust app, good quality and safety of the goods – these are our competitive edges. Faster logistics – well, some customers in Southern Europe might disagree on this point, but we're working on it, and it's a very straightforward issue that we'll resolve as soon as the warehouse is fully operational.

[Marcin Bójko]: So these are our strengths, and this is how we want to compete, and we can see that we are capable of competing. Based on just 1Q of this year, I wouldn't extrapolate the results, because, as someone rightly pointed out in an earlier question, we've grown online by 20–25%. We still have the tools and plenty of inventory to continue growing rapidly, and that is what we will do, so we will simply get back on that track. We have a lot of initiatives, and even looking at the latest data, you can see that everyone is experiencing some stabilisation – for instance, in the context of the Temu platform, the number of users, which was over 20 million just three or four months ago, is now somewhere around 17 million and change – so everyone has their own challenges. We are convinced that it is precisely thanks to the strengths I have mentioned that we are able to compete not only with them, but also with other players, whether offline or online.

[Magdalena Kopaczewska]: One more question regarding TikTok Shop, which is launching in Poland in June: what impact on the market and the company do we expect?

[Marcin Bójko]: At this stage, we're looking at it more as one of the platforms where you can make purchases, as one of the tools. We've also seen examples from the domestic market here; I'm sure InPost has also been showcasing new solutions. I think this is simply one of the ways we view it for the customer, which will make it easier to reach brands, but at this stage it is probably still too early to give specific figures or specific inflows for LPP or for the market as such.

[Magdalena Kopaczewska]: My question concerns the guidance. In the guidance for 2027, at the upper end of the gross profit margin range, you're assuming a level comparable to 2026 despite the high base in 1Q of 2026. Does this mean you see room to cover increases in sourcing costs starting from the SS27 collection?

[Marcin Bójko]: Yes. This is what we expect, hence the lower end of that range, as we anticipate some normalisation. I'd prefer to ensure we're all on the same page, as 2026 is rather an exceptional year, because in terms of margins, a lot of things fell into place and aligned, as it were, with many factors converging to create a conjunction of positive elements. However, looking at, for example, our likes and history, and operationally at these reduction levels, we have inventory there, so we believe that with the improvement in likes, better collections – and we see this in the House brand – these price reductions, with good orders that hit the trends, really do not require such large markdowns. Sales at the first-tier margin are at a higher level, i.e. so-called product success, and thanks to this we see the scope here to absorb, for example, freight costs, which are certainly set to rise, because that's simply how things go after such a difficult year for this industry, and with what's happening to oil prices, these increases are likely to happen.

[Marcin Bójko]: This will probably also affect purchase prices to some extent. However, we're assuming a relatively stable US\$; we're monitoring the situation, but thanks to our efficiency measures, we're able to absorb this.

[Magdalena Kopaczewska]: The next question concerns the guidance. It's about the revenue side for 2026–2027. Why a material cut?

[Marcin Bójko]: If I were to list the main factors, well, a lower number of store openings, the assumption of lower sales volumes across all brands, because we can see that due to the logistics issues we're facing, e-commerce growth won't reach the 20% level we'd recently assumed for e-commerce, we're revising our figures, but August will essentially be the first month where the centre in Romania will likely be operating at 40%; it's only in November that we'll reach those high 80–90% levels, so naturally, we're trying to be realistic with our guidance and provide the best possible figures. And after 1Q, to be honest, 2Q will also be challenging in terms of sales, because May was very good, whereas last year, after a weak May, there was a very strong June, so inevitably, with such a high base, this June will also be normalised.

[Marcin Bójko]: However, with this good margin and lower discounts, we are confident that the margin will remain higher YoY, and overall it will be somewhat of a repeat of 1Q; that is, we can see that the top line might fall a little short due to these operational challenges, but this will be offset by a higher margin, so the 1Q will be good in terms of results, but the full effect and full impact of the initiatives we've listed in today's presentation – well, we're expecting that to materialise in 2H.

[Magdalena Kopaczewska]: The downward revision of the planned number of openings in the guidance for after 2028 suggests several potential reasons. The first is lower market uptake than you originally anticipated, greater operational challenges related to managing multiple regions, stronger competitive pressure, a greater cannibalisation effect, or the availability of attractive locations. Which of these factors has the greatest influence on this decision?

[Marcin Bójko]: I'd probably have to read the list again, but as we see it, there really is a range of factors, and I could probably add economic challenges, customer sentiment in various countries, and logistical challenges regarding Central Asia. We take a more common-sense approach; that is, looking at this plan, our pipeline stands at 10,000 Sinsays. That's the maximum market potential. We currently have 2,500; over the next three years we'll add another 2,000, and we'll essentially be at a saturation level of around 45–50%. At that point, naturally, a certain level of cannibalisation sets in, so we'll have to be careful and focus on the most profitable projects. And we're simply assuming that we'll gradually reach that 55–60% full potential.

[Marcin Bójko]: This will, of course, also involve lower Capex, and we will also be optimising our network. We're looking at it more from the perspective of the organisation as a whole, to ensure it remains healthy and profitable in the long term. However, just as we did last year, just as we have done now, we will continue to expand in such a way that in the long term – not in two years' time, not in 2027, but in 2037 – LPP remains a healthy organisation, has strong financial foundations and systematically improves its profitability. So whether it's 300, when we meet in a year or two, well, we can see that the situation is dynamic; in recent years, the only constant has essentially been change. And we'll keep you updated. That's exactly what we're doing; this is our best assessment for now. We're pleased that the bottom line – that is, the level of gains – remains essentially unchanged, and we're still delivering on what we declared and set out for ourselves at the end of last year.

[Magdalena Kopaczewska]: The next question concerns turnover. What is the projected turnover for the Sinsay marketplace?

[Marcin Bójko]: Oh, I think it's still too early to say. We'll be launching the project in the second half of August. We'll see how the ramp-up goes, how new customers come on board, and then I think we have a conference in September, followed by another in December, and we'll share the initial results then. However, what we'll keep saying is that we're starting slowly, we're starting with quality, so that the merchants and the range that ends up on the Sinsay marketplace form a natural synergy – in other words, have that complementary effect, that complementary nature. Whether it's toys, pet food or cosmetics, that's what we're aiming for; however, it won't be tyres or tools, so it must fit into the vision, into Sinsay's vision, into Sinsay's concept, and have precisely that positive, incremental effect on the whole.

[Magdalena Kopaczewska]: And perhaps I'll read out the final question, as there are quite a lot of questions today, so we'll answer all the other questions after the conference. The final question, however, concerns dividends. You mention dividends for the coming years. Will there be a new official policy for dividends, or perhaps one already exists and you could say a few words about it?

[Marcin Bójko]: No, we are working on a new dividend policy; it will be presented and approved at the AGM in July. However, please do not expect a revolution.

[Monika Wszeborowska]: And with that answer, ladies and gentlemen, we conclude today's Q&A session. Thank you very much for all your questions and for joining us. Our next meeting will take place in mid-September, right at the start of autumn, so please allow us to wish both ourselves and you as few weather anomalies as possible this summer. We also wish you a good holiday and a safe return to us in September. We look forward to seeing you in three months' time at the results conference for the first half of this year. See you then.

[Marcin Bójko]: See you then.

[Magdalena Kopaczewska]: See you soon.