

A woman with dark hair and red lipstick is lying down, looking upwards. She is wearing a thick, textured shawl with horizontal stripes in shades of blue, brown, and beige. A bright yellow bag is visible in the foreground, partially overlapping the shawl. The background is a plain, light color.

LPP

**LPP SA GROUP
CONSOLIDATED
CONDENSED INTERIM
REPORT FOR 1H 2024**

GDAŃSK, 25 SEPTEMBER 2024

RESERVED

CROPP

HOUSE

M O H I T O

sinsay

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01

CONSOLIDATED CONDENSED INTERIM REPORT ON THE OPERATIONS OF LPP SA 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 forty markets. It has five own recognised brands: Sinsay, Reserved, Cropp, House and Mohito. Each of the brands has a different target group and a distinctive profile. The concepts for brand collections are developed in Poland, while sewing of models already designed is outsourced (mainly to companies from Asia).

LPP has a distribution network (logistics centres) in Poland and in Europe, and simultaneously invests in new technologies for streamlining the entire product distribution process to traditional stores and in the e-commerce channel.

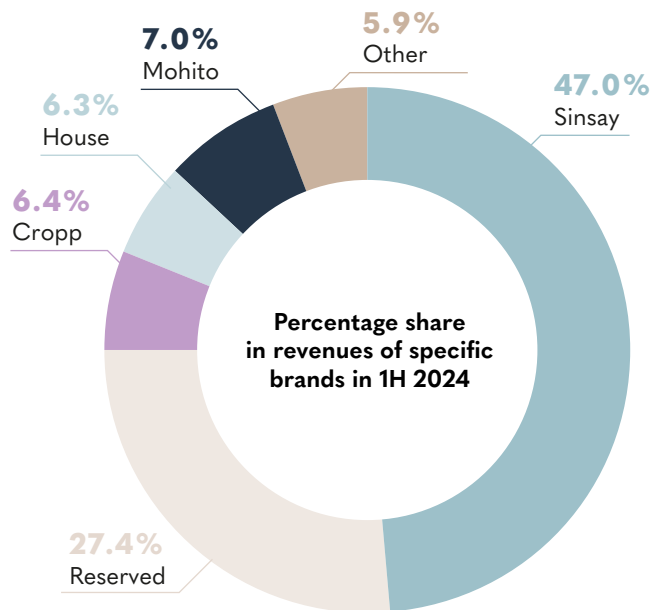
The headquarters of our organisation are located in Gdańsk where LPP history started. The Group also has its offices in Cracow, Warsaw, Barcelona, Shanghai and Dhaka.

In total, the team of LPP Group comprises approximately 33 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 the value-for-money segment. At the same time, due to the omnichannel model adopted by LPP, all brands are currently available in both the traditional and online sales channels.



Other revenues contain sales to trade agents.



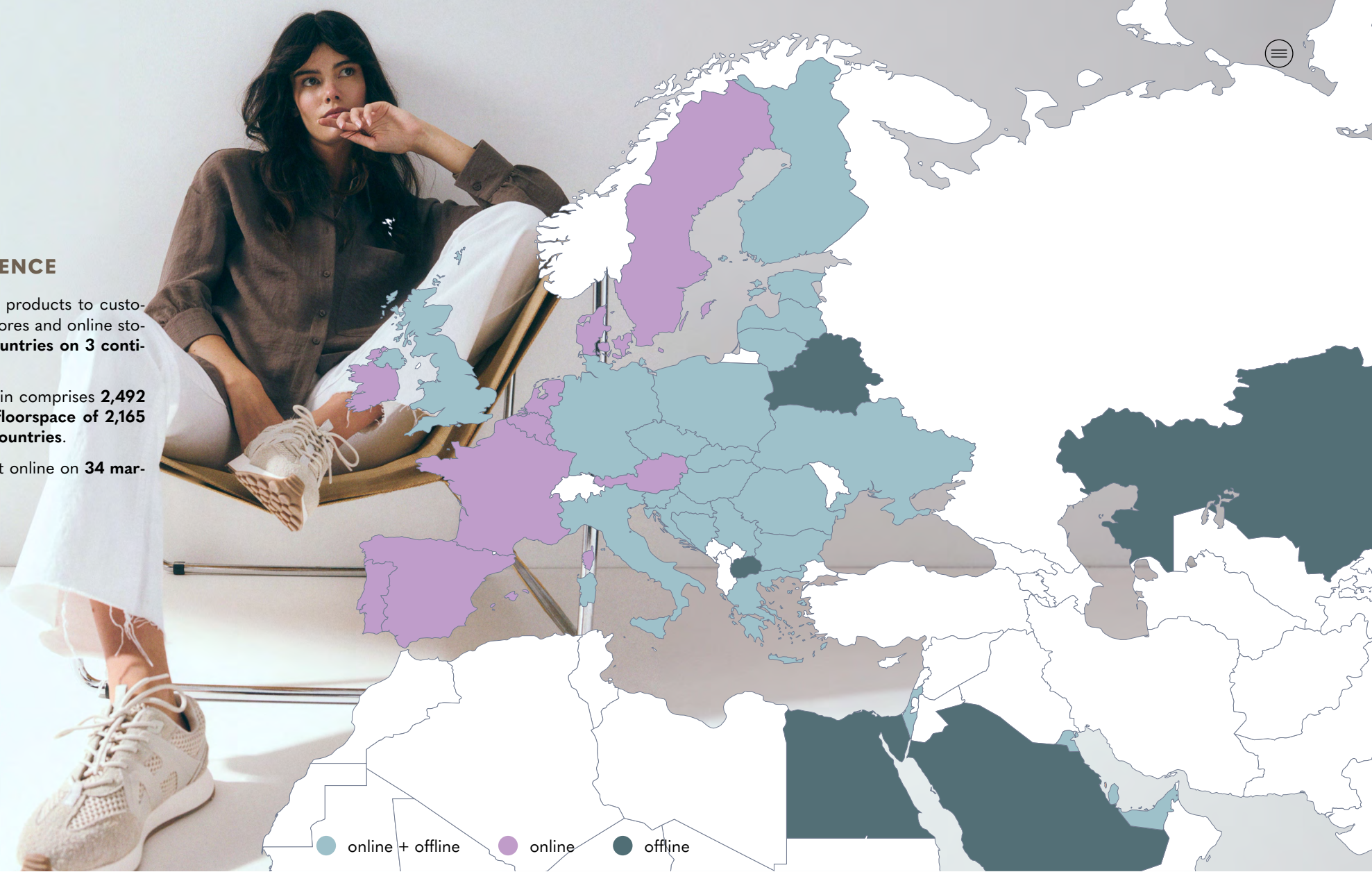


MARKET PRESENCE

The Group offers its products to customers in traditional stores and online stores located in **40 countries on 3 continents**.

The offline store chain comprises **2,492 stores** of the **total floorspace of 2,165 thousand m²** in **29 countries**.

LPP Group is present online on **34 markets**.



STRUCTURE OF THE GROUP

LPP Group is composed of the Parent Company established in Poland, 7 domestic subsidiaries and 28 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.), management of IT projects for the Group (Silky Coders Sp. z o.o. and Dock IT Sp. z o.o.) and activities in the scope of real estate rental in Poland, where our brand stores are located (IL&DL Sp. z o.o.).

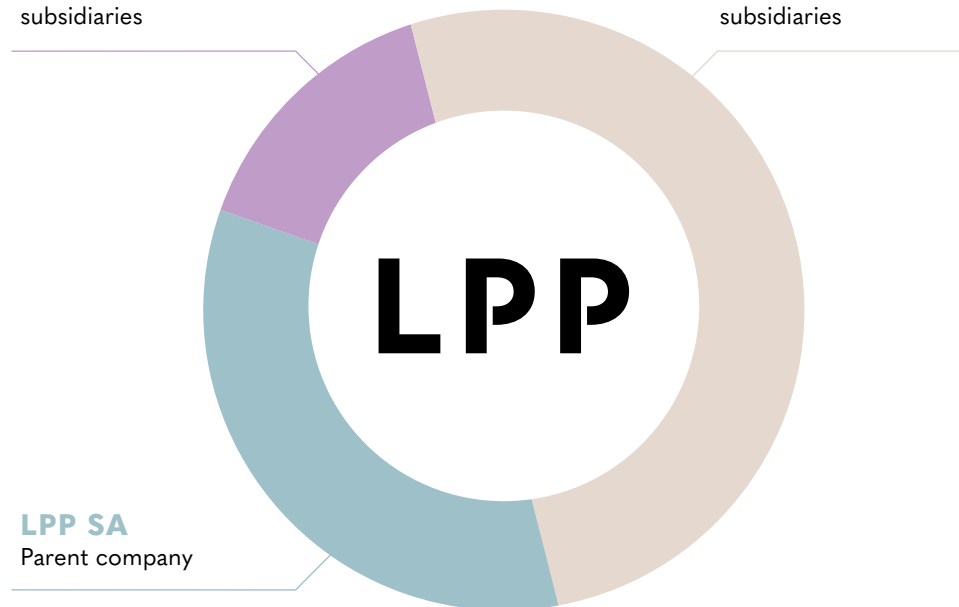
In 1H 2024, changes in the Group's structure took place involving the establishment of a foreign subsidiary, LPP Kosovo LLC and the liquidation of DP&SL Sp. z o.o. The name of the Serbian subsidiary was also changed to LPP Serbia DOO Beograd (formerly LPP Reserved DOO Beograd).

The consolidated financial statements of the Group for the period from 1 February 2024 to 31 July 2024 comprise separate results of LPP SA as well as the results of foreign subsidiaries and six Polish subsidiaries. Due to the immateriality of the data, the consolidation does not cover another Polish subsidiary (conducting real estate rental activities in Poland).

STRUCTURE OF LPP GROUP

7 DOMESTIC
subsidiaries

28 FOREIGN
subsidiaries



SHAREHOLDERS

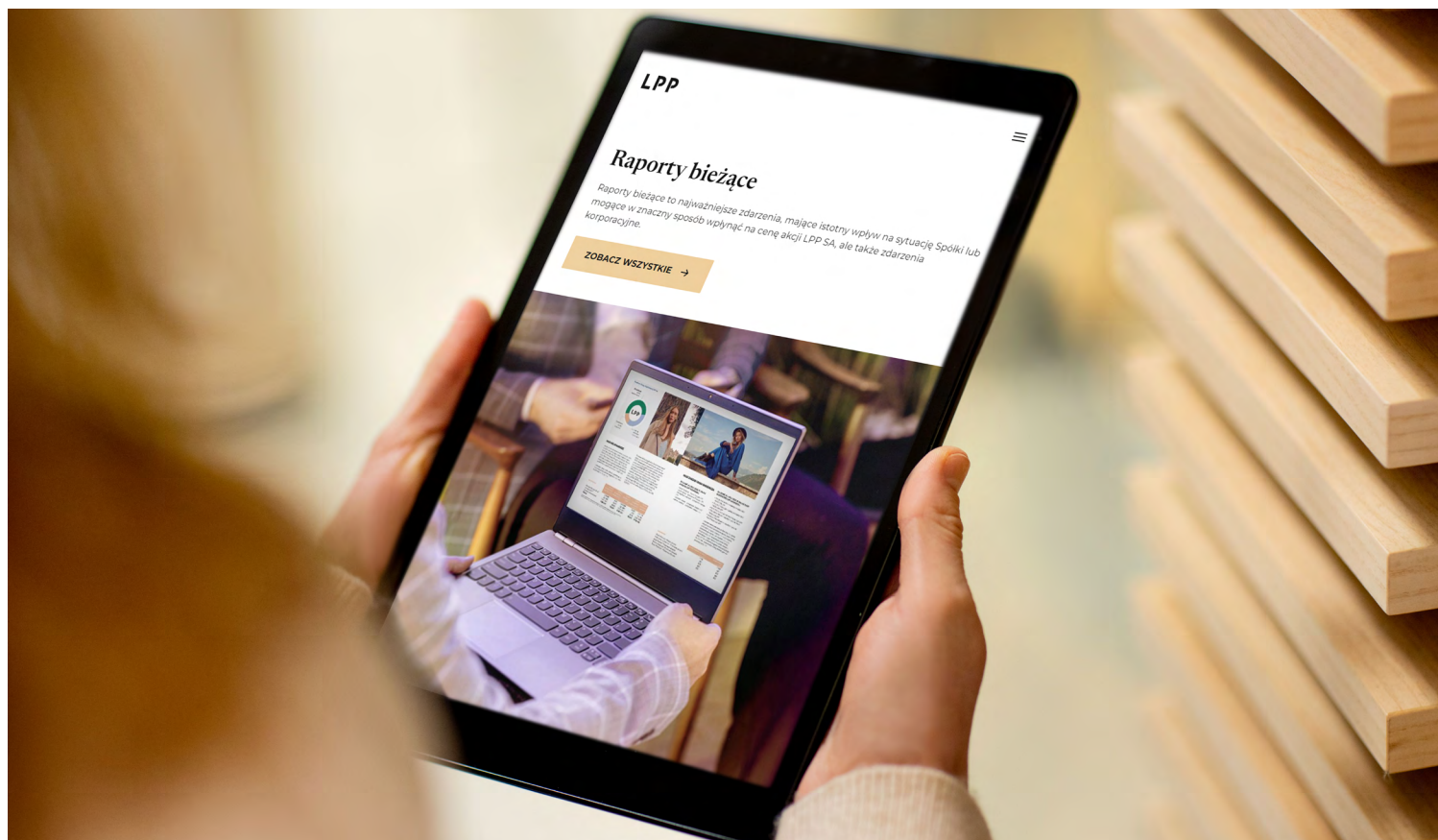
LPP SA shares have been listed on the main market of the Warsaw Stock Exchange (WSE) since 2001. They are included in domestic indices, such as WIG, WIG Poland, WIG20, WIG30, WIG140, WIG Clothes and foreign indices, including MSCI Poland Index, CECE Index and FTSE Russell Index. In addition, the Company 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.

Since the publication of the previous interim report, i.e. for 1Q 2024, a change in the share capital and the number of shares took place, associated with the increase of the share capital by PLN 1,400 and the issuance of 700 ordinary bearer M series shares with a nominal value of PLN 2 per share. The increase of the share capital was related to the performance of the incentive scheme for members of the Management Board of the Company (CR 12/2024).

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.



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
Total	1,855,890	100.0%	3,255,890	100.0%	3,711,780

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

SUPERVISORY BOARD AND MANAGEMENT BOARD

As at 31 July 2024, the Supervisory Board of LPP was composed of:

Miłosz Wiśniewski – Independent Supervisory Board Chair
 Alicja Milińska – Supervisory Board Member
 Jagoda Piechocka – Supervisory Board Member
 Piotr Piechocki – Supervisory Board Member
 Grzegorz Maria Słupski – Independent Supervisory Board Member

As at 31 July 2024, the Management Board of LPP was composed of:

Marek Piechocki – President of Management Board
 Przemysław Lutkiewicz – Management Board Member
 Sławomir Łoboda – Management Board Member
 Marcin Piechocki – Management Board Member
 Mikołaj Wezdecki – Management Board Member

No changes in the composition of the LPP Supervisory Board and Management Board took place in 1H 2024.

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 (for 1Q 2024), the structure of LPP shareholding of the Management Board members has changed due to the purchase of Company shares as part of the incentive programme for 2023 by persons discharging managerial responsibilities (CR 15/2024).

Shareholder	Number of shares held (pcs.)	Number of votes at the GM
Marek Piechocki – President of Management Board	1,952	1,952
Przemysław Lutkiewicz – Management Board Member	643	643
Sławomir Łoboda – Management Board Member	650	650
Marcin Piechocki – Management Board Member	889	889
Mikołaj Wezdecki – Management Board Member	1	1
Alicja Milińska – Supervisory Board Member	732	732
Jagoda Piechocka – Supervisory Board Member	103	103



Basic figures illustrating the effects of the LPP SA Group's operations from 1 February 2024 to 31 July 2024

NUMBER OF STORES

As at 31.07.2024	Number of stores
Sinsay	1,132
Reserved	364
Cropp	382
House	381
Mohito	233
Total	2,492

REVENUES BY BRAND

PLN m	1H 2024	1H 2023	YoY change (%)
Sinsay	4,372	3,067	42.6%
Reserved	2,549	2,583	-1.3%
Cropp	599	592	1.1%
House	586	500	17.0%
Mohito	655	638	2.7%
Other	45	106	-57.2%
Trade agents	505	729	-30.7%
Total	9,311	8,215	13.3%

PLN m	2Q 2024	2Q 2023	YoY change (%)
Sinsay	2,269	1,702	33.3%
Reserved	1,412	1,391	1.5%
Cropp	345	342	0.9%
House	337	288	16.8%
Mohito	339	329	3.0%
Other	31	78	-60.8%
Trade agents	274	445	-38.5%
Total	5,005	4,575	9.4%

ONLINE SALES

PLN m	1H 2024	1H 2023	YoY change (%)
Online sales	2,366	2,017	17.3%

PLN m	2Q 2024	2Q 2023	YoY change (%)
Online sales	1,208	1,079	12.0%

REVENUES BY REGION

Region/ country (PLN m)	1H 2024	1H 2023	YoY change (%)
Poland	4,090	3,448	18.6%
Other countries	4,716	4,038	16.8%
Trade agents	505	729	-30.7%
Total	9,311	8,215	13.3%

Region/ country (PLN m)	2Q 2024	2Q 2023	YoY change (%)
Poland	2,199	1,922	14.4%
Other countries	2,532	2,208	14.7%
Trade agents	274	445	-38.5%
Total	5,005	4,575	9.4%

OPERATING COSTS

IFRS16	1H 2024	1H 2023	YoY change
Operating costs (PLN m)	3,832	3,128	22.5%
Operating costs per m ² / month	309	300	3.1%
Operating costs/ sales	41%	38%	3.1 pp.

IFRS16	2Q 2024	2Q 2023	YoY change
Operating costs (PLN m)	2,009	1,580	27.2%
Operating costs per m ² / month	317	295	7.3%
Operating costs/ sales	40%	35%	5.6 pp.

CAPITAL EXPENDITURE

PLN m	1H 2024	1H 2023	YoY change (%)
Stores	485	431	12.6%
Offices	19	42	-54.3%
Logistics	121	9	1,307.0%
IT & Other	62	56	10.5%
Total	687	537	27.9%

PLN m	2Q 2024	2Q 2023	YoY change (%)
Stores	253	209	21.2%
Offices	8	20	-59.2%
Logistics	107	0	N/M
IT & Other	33	37	-11.1%
Total	401	266	51.0%

INVENTORY

	31.07.2024	31.07.2023	YoY change (%)
Inventory (PLN m)	3,905	3,126	24.9%
Inventory per m ² in PLN	1,816	1,722	5.5%

INDEBTEDNESS

PLN m, IFRS16	31.07.2024	31.07.2023	YoY change (%)
Short-term bank loans	254	451	-43.7%
Long-term bank loans	466	515	-9.4%
Bonds	304	303	0.3%
Finance leases	4,382	3,519	24.5%
Cash	1,397	784	78.3%
Net debt	4,009	4,005	0.1%
Net debt/ EBITDA (4Q)	1.0	1.3	-23.4%



FACTORS AND EVENTS, INCLUDING THOSE OF AN EXTRAORDINARY NATURE, WITH A MATERIAL IMPACT ON THE CONDENSED FINANCIAL STATEMENTS

REVENUES

In 1H 2024, LPP Group achieved revenues of PLN 9.3 billion, which represents a result higher by 13.3% YoY (by 18.6% in constant currency).

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

The Group recorded a high revenue growth in traditional stores, i.e. +19.2% YoY due to the YoY floorspace growth (217 new stores net opened) and positive LFLs, i.e. +5.1% in almost all brands (excluding Reserved).

Higher YoY online sales results, i.e. 17.3% were achieved due to the development of mobile apps, broader product offer dedicated to online stores and higher performance marketing expenses. At the same time, sales of the online channel in 1H 2024 accounted for ca 25% of the Group's total sales (YoY stable).

The Sinsay brand recorded the highest revenue in 1H 2024, both in nominal terms and growth rate, i.e. PLN 4.4 billion, a YoY increase of 42.6%. The intensive openings of new Sinsay traditional stores, attractive prices offered by the brand, positive impact of social programmes in Poland and the economic climate favourable for the value-for-money segment,

where the brand belongs, are the factors that contributed to its revenue growth.

In geographical terms, in 1H 2024, revenue on foreign omnichannel sales was higher than the revenue recorded in Poland, accounting for 53.6% of the Group's omnichannel sales. The Group achieved double-digit revenue growth both in Poland (+18.6% YoY) and abroad (+16.8% YoY) due to successful collections in almost all brands and the dynamic development of the network.

The Group achieved the highest revenues in 1H 2024 outside Poland, among others in Romania and Czech Republic.

GROSS PROFIT MARGIN ON SALES

In 1H 2024, the Group generated gross profit of 52.3%, i.e. 3.6 pp. higher than a year earlier. The higher YoY gross margin was achieved due to significantly lower YoY collection purchase costs, a more favourable US\$/PLN YoY exchange rate and lower YoY promotional campaigns supporting sales. A low YoY base had additional impact.

INVENTORIES

In H1 2024, the Group reduced its inventory by PLN 779 million, i.e. by 24.9% compared with the previous year. At the same time, inventory per m² increased by 5.5%, from PLN 1,722/ m² to PLN 1,816/ m². The YoY increase in inventory is a result of the stocking of warehouses for the planned subsequent openings of Sinsay stores and the opening of two new warehouses for the e-commerce service. Inventory turnover in 1H 2024 amounted to 134 days, compared to 122 days in 1H 2023.

OPERATING COSTS

The higher YoY operating costs had an impact on the Group's financial statements for 1H 2024. The operating costs increased by 22.5% YoY. This growth was mainly driven by several factors, i.e. the continued development of sales network, higher personnel costs in stores resulting from the minimum wage growth, costs of logistics (growth of transport costs due to higher volumes of goods, costs of personnel and external services). The commissioning of consecutive two warehouses dedicated to e-commerce sales had additional impact on higher YoY costs (an increase in costs of personnel and external services). At the same time, performance marketing expenses were higher YoY, with a low base in the same period of the previous year.

All these factors resulted in an increase in costs per m² from PLN 300 per m² to PLN 309 per m².

Consequently, the share of operating costs in the revenue increased from 38% in 1H 2023 to 41% in 1H 2024.

OTHER OPERATING INCOME AND COSTS

The Group's results at a level of other operating revenues and costs in 1H 2024 were also affected by one-offs related to the reversal of write-offs for goods (PLN 20.0 million) and losses in fixed and current assets (PLN 48.0 million).

As a result of the above factors in the accounting period, the Group generated EBIT at a level of PLN 1.0 billion, i.e. 22.0% higher

compared to PLN 838 million earned a year earlier. The Group's operating profitability (EBIT margin) stood at 11.0%, compared with 10.2% in the previous year.

FINANCIAL COSTS AND INCOME

Furthermore, in 1H 2024, due to lower YoY interest on loans and bonds and as a result of discount unwind on receivables from the divestiture of the Russian company in the amount of PLN +42.0 million (PLN +14.2 million in 1H 2023), the Group recorded a more favourable YoY balance of net financial activity.

As a consequence, in 1H 2024, the LPP Group generated net profit of PLN 720 million compared to PLN 553 million in the previous year, with net profitability of 7.7% (compared to 6.7% in the previous year).

The key figures illustrating the effects of the Group's operations and the margins achieved in 1H and 2Q 2024 are presented in the tables below.

Figure (PLN m)	1H 2024	1H 2023	YoY change (%)
Sales revenue	9,311	8,215	13.3%
Gross profit on sales	4,872	4,000	21.8%
Costs of stores and distribution and general costs	3,832	3,128	22.5%
EBITDA	1,813	1,494	21.3%
Operating profit (loss)	1,022	838	22.0%
Net profit (loss)	720	553	30.1%

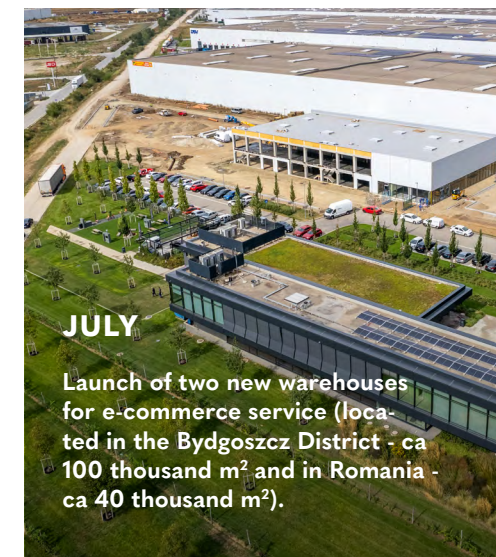
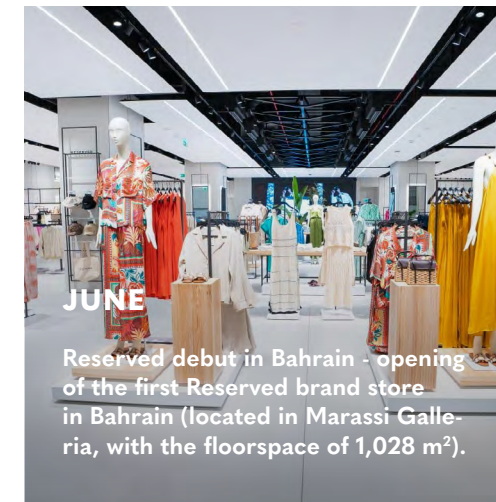
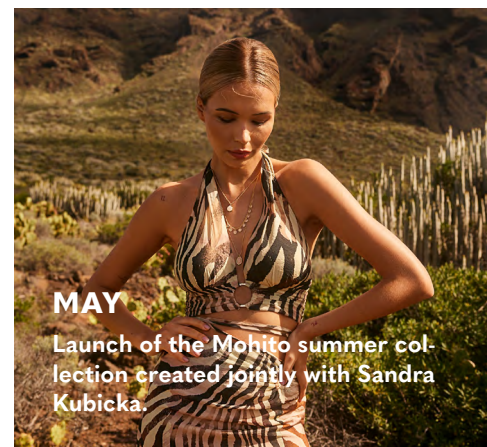
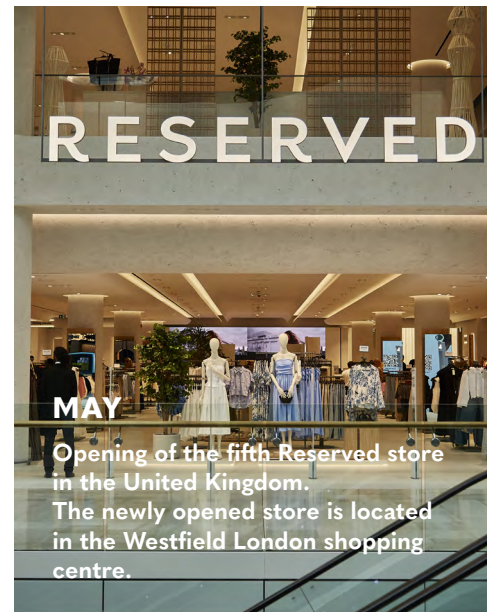
Figure (PLN m)	2Q 2024	2Q 2023	YoY change (%)
Sales revenue	5,005	4,575	9.4%
Gross profit on sales	2,629	2,194	19.8%
Costs of stores and distribution and general costs	2,009	1,580	27.2%
EBITDA	1,018	944	7.9%
Operating profit (loss)	611	607	0.7%
Net profit (loss)	443	442	0.3%

Margin (%)	1H 2024	1H 2023	YoY change (pp.)
Gross profit on sales margin	52.3%	48.7%	3.6 pp.
EBITDA	19.5%	18.2%	1.3 pp.
Operating margin	11.0%	10.2%	0.8 pp.
Net margin	7.7%	6.7%	1.0 pp.

Margin (%)	2Q 2024	2Q 2023	YoY change (pp.)
Gross profit on sales margin	52.5%	47.9%	4.6 pp.
EBITDA	20.3%	20.6%	-0.3 pp.
Operating margin	12.2%	13.3%	-1.1 pp.
Net margin	8.9%	9.6%	-0.8 pp.



**OTHER MATERIAL
EVENTS IN H1 2024
AND UNTIL THE REPORT
PUBLICATION DATE:**



FACTORS THAT MAY AFFECT LPP GROUP'S PERFORMANCE IN THE PERSPECTIVE OF AT LEAST THE NEXT SIX MONTHS

The Group's financial performance over the next half year may be affected by several factors, which may both pose risks and offer opportunities for the Company. On the one hand, exploited potential opportunities may positively influence the Group's financial performance and, on the other hand, potential risks may have an adverse impact on the Group's results.

These factors may be both of an external nature - independent of the Company - and of an internal nature under the Company's control.

OPPORTUNITIES

- Social programmes in Poland, a growth of minimum wage which may increase the propensity to purchase clothes of persons benefiting from the programmes or the rise in the minimum wage.
- Opening of new stores (mainly Sinsay brand) in such locations as retail parks in small towns.
- Expansion in new markets (especially Southern Europe).
- Development of mobile apps in all brands.
- Fashion trends, attractiveness of the collection and products adapted to customer needs, offered by the Company.
- Increased negotiation opportunities with suppliers of goods to the Company resulting from the condition of the industry.
- Appreciation of the PLN against the US\$ with a positive impact on gross sales margins.
- Control of operating costs (SG&A).
- New technological solutions introduced by the Company in shops and warehouses.
- Implementation of new AI solutions by the Company in the areas of logistics, e-commerce, product preparation departments.

THREATS AND RISKS

- Lack of recovery in the economy and consumption and the resulting impact on the behaviour of customers.
- Geopolitical instability and potential disruptions to the supply chain resulting from the situation in East Asia.
- Rise in freight costs affecting the gross margin.
- Rise in the minimum wage in Poland adversely affecting the Group's operating costs.
- Increasing competition in the value-for-money segment.

TARGETS FOR FINANCIAL YEAR 2024

- Considering the aforementioned opportunities and risks, as well as an increase in floorspace, positive LFLs and a double-digit YoY growth in sales in the online channel, in 2024 the Group anticipates revenue in the range of PLN 20-21 billion and the gross sales margin of 52-53%.
- The Company also anticipates maintaining cost efficiency (the operating costs/ sales ratio below 40%) and capital expenditure at a level of PLN 1.5 billion, including PLN 1.2 billion for stores.
- In addition, the Company wants to maintain a safe debt level and there are no plans to roll over bonds.

Supplementary information

The Company is not a party to any material proceedings pending before a court or other public administration authority concerning the liabilities and receivables of the Company or a subsidiary.

In the reporting period, no related party transactions occurred other than those indicated in Section 19 of the Consolidated Financial Statements and Section 18 of the Separate Financial Statements for H1 2024.

In the reporting period, neither LPP 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.

Due to the fact that the Company does not provide forecasts of results for the year, the Management Board's position on the feasibility of such forecasts in the context of the results presented in the report does not apply.

This report contains basic information material for the evaluation of the LPP Group standing. In the opinion of the Management Board, no threats for the fulfilment of the LPP Group obligations currently exist.

GDAŃSK, 25 SEPTEMBER 2024

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member



02

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We hereby approve the consolidated condensed interim financial statements of the LPP SA Group for the 6-month period ended 31 July 2023, comprising the consolidated condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 701 million, the consolidated condensed interim statement of financial position recognising the total assets and liabilities in the amount of PLN 16,043 million, the consolidated condensed interim statement of cash flows recognising an increase in net cash by PLN 331 million, the consolidated condensed interim statement of changes in equity, recognising a decrease in equity by PLN 429 million, as well as notes containing the description of the material accounting principles and other explanatory information.

GDAŃSK, 25 SEPTEMBER 2024

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member

SELECTED CONSOLIDATED CONDENSED INTERIM FINANCIAL DATA

for the 6-month period ended 31 July 2024

Selected consolidated financial data	PLN m		EUR m		Selected consolidated financial data	PLN m		EUR m	
	Cumulatively					As at:			
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023		31.07.2024	31.01.2024	31.07.2024	31.01.2024
Revenues	9,311	8,215	2,164	1,800	Total assets	16,043	13,802	3,735	3,178
Operating profit (loss)	1,022	838	238	184	Long-term liabilities	3,803	3,431	885	790
Pre-tax profit (loss)	932	711	217	156	Short-term liabilities	7,952	5,654	1,851	1,302
Net profit (loss) attributable to shareholders of the dominating entity	720	553	167	121	Equity	4,288	4,717	998	1,086
Weighted average number of shares	1,855,355	1,854,666	1,855,355	1,854,666	Share capital	4	4	1	1
Profit (loss) per share (in PLN)	388.07	298.17	90.19	65.33	Weighted average number of shares	1,855,355	1,855,190	1,855,355	1,855,190
Net cash flows from operating activities	2,174	2,125	505	466	Book value per share (in PLN)	2,311.15	2,542.60	538.06	585.39
Net cash flows from investing activities	-888	-484	-206	-106	Declared or paid dividend per share (in PLN)	610.00	430.00	142.02	99.00
Net cash flows from financing activities	-955	-1,334	-222	-292					
Total net cash flows	331	307	77	67					

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 31 July 2024

Statement of comprehensive income (PLN m)	Notes	1H		2Q	
		01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Continuing operations					
Revenues	7	9,311	8,215	5,005	4,575
Cost of goods sold		4,439	4,215	2,376	2,381
Gross profit (loss) on sales		4,872	4,000	2,629	2,194
Costs of stores and distribution		3,322	2,701	1,799	1,392
Overheads		510	426	210	188
Other operating income	8	41	28	19	14
Other operating costs	8	59	63	28	21
Operating profit (loss)		1,022	838	611	607
Financial income	9	69	33	36	18
Financial costs	9	159	160	97	59
Pre-tax profit (loss)		932	711	550	566
Income tax	10	212	158	107	125
Total net profit (loss)		720	553	443	441
Net profit attributable to:					
Shareholders of the dominating entity		720	548	444	438
Non-controlling interests		0	5	-1	3
Other comprehensive income					
Items transferred to profit or loss					
Currency translation on foreign operations		-19	-62	-9	-41
Total comprehensive income		701	491	434	400

Attributed to:				
Shareholders of the parent company	701	486	435	397
Non-controlling interests	0	5	-1	3
Weighted average number of shares	1,855,355	1,854,666	1,855,355	1,854,666
Diluted number of shares	1,855,355	1,854,666	1,855,355	1,854,666
Net profit (loss) attributable to shareholders of the dominating entity per share (in PLN)	388.07	295.47	239.31	236.16
Diluted profit (loss) attributable to shareholders of the dominating entity per share (in PLN)	388.07	295.47	239.31	236.16
Net profit (loss) from continuing operations amount per share (in PLN)	388.07	298.17	238.77	237.78
Diluted net profit (loss) from continuing operations per share (in PLN)	388.07	298.17	238.77	237.78

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 July 2024

Statement of financial position (PLN m)	Notes	As at:			Statement of financial position (PLN m)	Notes	As at:		
		31.07.2024	31.01.2024	31.07.2023			31.07.2024	31.01.2024	31.07.2023
ASSETS					EQUITY AND LIABILITIES				
Non-current assets		8,818	7,973	7,440	Equity		4,288	4,717	3,678
1. Tangible fixed assets	11	3,972	3,643	3,480	1. Share capital	15	4	4	4
2. Right of use assets		3,734	3,245	2,864	2. Share premium		364	364	364
3. Intangible assets		301	271	210	3. Other reserves		2,962	2,466	2,458
4. Goodwill		183	183	183	4. Currency translation on foreign operations		-52	-33	-5
5. Trade mark		78	78	78	5. Retained earnings		1,007	1,913	854
6. Long-term receivables		257	229	282	6. Non-controlling interest		3	3	3
7. Deferred tax assets		278	306	328	Long-term liabilities		3,803	3,431	3,514
8. Pre-payments		9	9	6	1. Bank loans and borrowings	16	466	490	514
9. Other financial assets	14	6	9	9	2. Lease liabilities		3,297	2,892	2,606
Current assets		7,225	5,829	5,635	3. Bonds		0	0	303
1. Inventory	12	3,905	3,040	3,126	4. Employee benefits		3	2	2
2. Trade receivables		765	810	895	5. Deferred tax liabilities		0	2	2
3. Receivables from income tax		18	36	51	6. Accruals		37	45	87
4. Short-term receivables		99	90	50	Short-term liabilities		7,952	5,654	5,883
5. Other non-financial assets		70	66	40	1. Trade and other liabilities	16	5,497	4,185	3,808
6. Pre-payments		75	82	76	2. Dividend liabilities		601	0	397
7. Other financial assets	14	74	68	52	3. Contract liabilities		23	29	19
8. Deposits and mutual funds	13	822	561	561	4. Customer refund liabilities		112	85	98
9. Cash and cash equivalents		1,397	1,076	784	5. Bank loans and borrowings	16	254	49	451
TOTAL Assets		16,043	13,802	13,075	6. Lease liabilities		1,085	1,015	913
					7. Employee benefits		197	181	137
					8. Income tax liabilities		117	53	16
					9. Provisions		10	6	7
					10. Accruals		56	51	37
					TOTAL equity and liabilities		16,043	13,802	13,075

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the 6-month period ended 31 July 2024

Statement of cash flows (PLN m)	Notes	1H		2Q	
		01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
A. Cash flows from operating activities - indirect method					
I. Pre-tax profit (loss)		932	711	550	566
II. Total adjustments		1,242	1,414	795	414
1. Amortisation and depreciation		791	656	407	336
2. Foreign exchange (gains) losses		6	-36	4	-27
3. Interest and dividends		103	116	43	65
4. (Profit) loss on investing activities		9	-2	2	-4
5. Income tax paid		-104	-326	-21	-245
6. Change in provisions and employee benefits		8	-15	22	-4
7. Change in inventory		-886	170	-728	171
8. Change in receivables and other assets		168	86	376	148
9. Change in short-term liabilities, excluding bank loans and borrowings		1,143	780	681	-11
10. Change in prepayments and accruals		3	-16	9	-15
11. Other adjustments		1	1	0	0
III. Net cash flows from operating activities		2,174	2,125	1,345	980
B. Cash flows from investing activities					
I. Inflows		51	63	21	31
1. Disposal of intangible and fixed assets		51	62	21	30
2. Repayment of loans including interest		0	1	0	1
3. Other investing inflows (investment funds)	14	0	0	0	0
II. Outflows		939	547	401	276
1. Purchase of intangible assets and fixed assets		687	537	401	266
2. Loans granted		0	0	0	0
3. Other investing outflows	14	252	10	0	10
III. Net cash flows from investing activities		-888	-484	-380	-245
C. Cash flows from financing activities					
I. Inflows		205	0	63	0
1. Bank loans and borrowings		205	0	63	0
II. Outflows		1,160	1,334	327	702
1. Dividends and other payments to owners		529	399	0	399
2. Repayment of bank loans and borrowings		24	379	12	13
3. Financial lease liabilities paid		506	441	257	224
4. Interest		101	115	58	66
III. Net cash flows from financing activities		-955	-1,334	-264	-702
D. Total net cash flows		331	307	701	33
E. Balance sheet change in cash, including:		321	318	786	784
- change in cash due to currency translation		-10	11	-6	6
F. Opening balance of cash		1,000	390	630	664
G. Closing balance of cash		1,331	697	1,331	697

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 31 July 2024

Statement of changes in equity (w mln PLN)	Share capital	Share premium	Other reserves	Currency translation on foreign operations	Retained earnings	Equity attributable to the parent company	Non-controlling interests	TOTAL equity
As at 1 February 2024	4	364	2,466	-33	1,913	4,714	3	4,717
Remuneration paid in shares	0	0	2	0	0	2	0	2
Distribution of profit for 2023	0	0	494	0	-494	0	0	0
Dividend paid	0	0	0	0	-1,132	-1,132	0	-1,132
Transaction with owners	0	0	496	0	-1,626	-1,130	0	-1,130
Net profit for 1H 2024 ended 31 July 2024	0	0	0	0	720	720	0	720
Currency translation on foreign operations	0	0	0	-19	0	-19	0	-19
Total comprehensive income	0	0	0	-19	720	701	0	701
As at 31 July 2024	4	364	2,962	-52	1,007	4,285	3	4,288
As at 1 February 2023	4	364	2,721	57	840	3,986	-2	3,984
Remuneration paid in shares	0	0	1	0	0	1	0	1
Dividend paid	0	0	-264	0	-534	-798	0	-798
Transaction with owners	0	0	-263	0	-534	-797	0	-797
Net profit for 1H 2023 ended 31 July 2023	0	0	0	0	548	548	5	553
Currency translation on foreign operations	0	0	0	-62	0	-62	0	-62
Total comprehensive income	0	0	0	-62	548	486	5	491
As at 31 July 2023	4	364	2,458	-5	854	3,675	3	3,678

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SUPPLEMENTARY INFORMATION AND NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 FEBRUARY 2024 TO 31 JULY 2024

1. GENERAL INFORMATION

LPP SA Group (hereinafter referred to as the “Group”, “LPP Group”) is composed of LPP SA (“Parent Company”, “Company”) and its subsidiaries.

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

The parent company and the subsidiaries have been established for an indefinite period of time.

The Group’s core business comprises:

- retail sale of clothing;
- wholesale of clothing.

These consolidated condensed interim financial statements of the Group for the 6-month period ended 31 July 2024 were approved by the Management Board of LPP SA for publication on 25 September 2024.

2. CHANGES IN THE COMPOSITION OF GROUP

In the 6-month period ended 31 July 2024, the composition of the Group changed compared to 31 January 2024 involving the creation of a distribution company in Kosovo and the divestment of one of the Polish companies.

The newly created company was established to continue the sale of goods in the territory of Kosovo.

3. BASIS FOR PREPARATION OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS AND KEY ACCOUNTING PRINCIPLES

3.1. 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 2024 approved for publication on 26 March 2024.

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

The data presented in these financial statements for the 6-month period ended 31 July 2024 have been subject to the semi-annual review by the statutory auditor. The consolidated statement of cash flows and the consolidated statement of comprehensive income

and notes thereto comprise also data for 2Q, i.e. for the 3-month period ended 31 July 2024 and the comparative data for the 3-month period ended 31 July 2023. The data for the 3-month period has neither been reviewed nor audited by the statutory auditor.

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: 31.07.2024 - PLN/EUR 4.2953 and 31.01.2024 - PLN/EUR 4.3434,
- 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: 01.02-31.07.2024 - PLN/EUR 4.3029, 01.02.-31.07.2023 - PLN/EUR 4.5638.

The consolidated condensed interim financial statements have been prepared under the assumption that the Group will continue as a going concern in the foreseeable future and do not include any adjustments relating to different methods of measurement 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.

3.2. CHANGES IN ESTIMATES AND ASSUMPTIONS

When drawing up these consolidated condensed interim financial statements, the Management Board of the Parent Company is driven by judgement in making estimates

and assumptions that have an impact on accounting principles applied and the reported amounts of assets, liabilities, income and costs. Actual values may differ from those estimated by the Management Board.

Information on estimates and assumptions significant for the financial statements were presented in the consolidated financial statements for the financial year ended 31 January 2024. Furthermore, in these consolidated condensed interim financial statements, the Group presented the impact of assumptions adopted by the Management Board on estimated write-offs (notes 7, 11 and 12) and revenues from contracts with customers (note 7).

The Management Board emphasises that all estimates related to the sale of Re Trading OOO recognised in notes 7 and 10 are subject to uncertainty associated with the effects of Russian military operations. The estimates regarding the value of assets linked with the Russian market have been applied according to the best knowledge of the Management Board. In the future, any change in the economic and business environment in Russia may result in changes in the Management Board’s estimates in terms of risks involving the assets in question.

3.3. ACCOUNTING PRINCIPLES

These consolidated condensed interim financial statements were prepared in accordance with the accounting principles presented in the last consolidated financial statements of the Group for the year ended 31 January 2024.

3.4. ADJUSTMENTS OF ERRORS AND CHANGES IN ACCOUNTING PRINCIPLES

The consolidated condensed interim financial statements do not comprise any adjustments of errors from previous years or a change in accounting principles.























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 2024 to 31 July 2024 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	Southern and Eastern Europe	Countries of the Baltic Sea region	Other		
	 Poland	 Germany,  Italy,  Finland,  United Kingdom	 Czech Republic,  Slovakia,  Hungary	 Romania,  Bulgaria,  Greece,  Macedonia,  Serbia,  Bosnia,  Croatia,  Slovenia	 Lithuania,  Latvia,  Estonia	 Ukraine,  Kazakhstan,  Belarus, trade agents and franchise sale		
01.02.2024-31.07.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Other	Total	
Sales revenue	4,090	541	1,092	1,895	367	1,326	9,311	
Operating profit (loss)	656	-25	68	189	35	99	1,022	
Profit before tax							932	
Income tax							212	
Net profit (loss)							720	
01.02.2023-31.07.2023 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Other	Total	
Sales revenue	3,448	399	1,047	1,535	379	1,407	8,215	
Operating profit (loss)	453	23	83	97	50	132	838	
Profit before tax							711	
Income tax							158	
Net profit (loss)							553	

6. DISCONTINUED OPERATIONS

No discontinued operations took place in the current period.

7. REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents revenue from contracts with customers, broken down by categories reflecting how the economic factors affect the nature, amount, payment date and uncertainty of revenue and cash flows.

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. The sale of goods that related to the aforementioned support, which took place through trade agents, was reported in the item and column Other and amounted to 505 million in H1 of 2024 and 729 million in the comparative period.

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. Due to this business model, the balance of receivables is relatively low. Trade and other receivables also include settlements due to wholesale and sales to trading agents. As at the balance sheet date, receivables from trading agents amounted to PLN 595 million. In addition, a receiva-

Revenue from contracts with customers for the period from 01.02.2024 to 31.07.2024 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Other	Total
Type of sales							
online	1,134	225	297	452	79	178	2,366
offline	2,956	316	795	1,443	288	1,147	6,946
Total	4,090	541	1,092	1,895	367	1,326	9,311
Brand							
Sinsay	1,806	110	510	1,278	154	514	4,372
Reserved	1,189	400	328	342	126	164	2,549
Cropp	321	12	69	92	34	71	599
House	370	7	67	68	22	53	586
Mohito	359	12	120	115	31	19	655
Other	46	0	0	0	0	505	551
Total	4,090	541	1,092	1,895	367	1,326	9,311
Revenue from contracts with customers for the period from 01.02.2023 to 31.07.2023 (PLN m)	Poland	Western Europe	Central and Eastern Europe	Southern and Eastern Europe	Countries of the Baltic Sea region	Other	Total
Type of sales							
online	908	162	293	414	90	151	2,017
offline	2,541	237	754	1,121	289	1,256	6,197
Total	3,448	399	1,047	1,535	379	1,407	8,215
Brand							
Sinsay	1,183	45	434	922	140	344	3,067
Reserved	1,218	324	367	348	146	181	2,583
Cropp	301	12	72	96	39	73	592
House	293	5	61	63	23	55	500
Mohito	348	13	114	107	32	25	638
Other	106	0	0	0	0	729	835
Total	3,448	399	1,047	1,535	379	1,407	8,215

ble from the divestiture of the Russian company in the amount of PLN 356 million was recognised in the statement of financial position, which was presented under long-term receivables in the amount of PLN 257 million and under short-term receivables in the amount of PLN 99 million.

Revaluation write-offs on receivables (in PLN m)	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Opening balance	78	51	69	70
Write-offs created in the period	10	29	0	7
Write-offs reversed in the period	30	9	11	7
Foreign exchange differences from the conversion	0	-1	0	0
Closing balance	58	70	58	70

WRITE-OFFS

During the 6-month period ended 31 July 2024, 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 comparative period are presented in the table below.

8. OTHER OPERATING INCOME AND COSTS

Other operating income (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Profit on disposal of non-financial tangible fixed assets	0	0	0	0
Subsidies	1	1	1	0
Impairment losses on assets, including:	20	5	10	5
- revaluation of write-offs on receivables	20	0	11	0
- revaluation write-offs on non-current assets net	0	5	-1	5
Other operating income, including:	20	22	8	9
- gain on disposal of contracts under IFRS16	3	10	2	2
- compensations	4	3	0	1
Total	41	28	19	14

Other operating costs (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Loss on disposal of non-financial tangible fixed assets	0	0	0	0
Revaluation of non-financial assets, including:	0	20	0	1
- revaluation write-offs on receivables net	0	20	0	1
Other operating costs, including:	59	43	28	20
- losses in current and non-current assets	48	31	24	13
- donations	4	2	1	0
Total	59	63	28	21

In other operating costs, the most significant value comprises losses on current and non-current assets in the amount of PLN 48 million, mainly inventory shortages in stores and wa-

rehouses and liquidation of impaired goods (in the 6-month period ended 31 July 2023: PLN 31 million).

9. FINANCIAL INCOME AND COSTS

Financial income (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Interest	7	7	5	5
Measurement of units in funds	19	11	10	6
Other financial income, including:	43	15	21	7
- discount	42	14	20	7
Total	69	33	36	18

Due to the update of the discount rate on the receivables from the divestment of the Russian company, the Group reco-

gnised a rise in financial income in the amount of PLN 20 million in the Discount item (in 2Q 2023: PLN 7 million).

Financial costs (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Interest expenses - bank loans	22	48	12	21
Interest expenses - bonds	5	9	1	5
Interest expenses - budgetary and other	0	3	0	0
Interest expenses - lease liabilities	67	51	35	27
Other financial costs, including:	65	49	49	6
- currency translation balance	58	47	44	4
- bank commission	4	2	2	0
Total	159	160	97	59

10. INCOME TAX

Income tax (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Current income tax	189	144	97	95
Deferred income tax	23	14	10	30
Total	212	158	107	125

11. TANGIBLE FIXED ASSETS

PURCHASE AND SALE

In the 6-month period ended 31 July 2024, the Group purchased tangible fixed assets worth PLN 713 million (in the 6-month period ended 31 July 2023: PLN 479 million). These investments were mainly related to the development of new stores as well as the construction of warehouse space in Brześć Kujawski and offices in Gdańsk.

In the 6-month period ended 31 July 2024, the Company sold tangible fixed assets with the net value of PLN 2 million (in the 6-month period ended 31 July 2023: PLN 0.3 million), without generating any profit on sales.

IMPAIRMENT WRITE-OFFS

In the period ended 31 July 2024, the Group did not recognise any additional impairment write-offs on tangible fixed assets (in the 6-month period ended 31 July 2023: PLN 0.3 million). At the same time, in 2024, the write-off in the amount of PLN 2 million was used (in the 6-month period ended 31 July 2023: the reversal of the write-off in the amount of PLN 5 million).

CONTRACTUAL LIABILITIES RELATED TO THE PURCHASE OF TANGIBLE FIXED ASSETS

As at the balance sheet date, the Group has contractual liabilities related to the purchase of tangible fixed assets in the amount of 365 million.

The above amount consisted of:

- liabilities related to the development of LPP stores – PLN 146 million
- liabilities under contracts for the extension of logistics centres – PLN 138 million
- liabilities under contracts for the construction of office buildings – PLN 81 million.

In comparative periods, the following figures were recognised:

- 31.07.2023 – the amount of PLN 130 million
- 31.01.2024 – the amount of PLN 156 million.

12. INVENTORY

In the 6-month period ended 31 July 2024, the Group created revaluation write-offs on inventories in the amount of PLN 20 million (in the 6-month period ended 31 July 2023: creating write-offs in the amount of PLN 50 million). This amount was recognised in the item "Cost of goods sold".

Inventory - carrying amount (PLN m)	31.07.2024	31.01.2024
Materials	14	14
Goods	3,828	2,979
Right of return assets	63	47
Total	3,905	3,040

13. MUTUAL FUNDS

Deposits and mutual funds (PLN m)	31.07.2024	31.01.2024
Participation units in funds	822	561
Total	822	561

During the reporting period, the Group purchased participation units in money market funds in the amount of PLN 252 million. The above value is recognised in the Cash flow statement under investing activities as other expenses.

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

The measurement of the aforementioned instruments is included in level 2 of the fair value hierarchy in relation to participation units in unlisted funds.

14. OTHER FINANCIAL ASSETS

Other financial assets (PLN m)	31.07.2024	31.01.2024
Fixed assets		
Other receivables	6	9
Other long-term financial assets	6	9
Current Assets		
Other receivables	2	2
Receivables from payment card operators	72	63
Originated loans	0	3
Other short-term financial assets	74	68
Total	80	77

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

15. SHARE CAPITAL

The Group's share capital comprises the share capital of the Parent Company.

As at 31 July 2024, this capital amounted to PLN 3,712 thousand and changed compared to the value as at 31 January 2024 by the amo-

unt of PLN 1.4 thousand. The change related to the issuance of new M series shares in connection with the settlement of the incentive scheme for the financial year ended 31 January 2024. The share capital of the Company was divided into 1,855,890 shares with the nominal value of PLN 2 per share.

The shareholding structure of the Parent Company as at 31 July 2024 is presented in the table below.

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
Total	1,855,890	100.0%	3,255,890	100.0%	3,711,780

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

16. BANK LOANS AND TRADE LIABILITIES

In the balance sheet period ended 31 July 2024, the 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 266 million.

During the audited period and as at the date of signing the financial statements, bank covenants were met.

As at the balance sheet date of 31 July 2024, the liabilities, including trade liabilities, amounted to PLN 5,497 million and they increased by ca 24% compared to 31 January 2024. This growth resulted from increased purchases in connection with the opening and replenishment of new traditional and online stores.

As at 31 July 2024, the Group held trade liabilities owed to HSBC, Santander Polska SA, PEKAO SA, PKO BP SA, ING SA and BNP Paribas under the supplier financing schemes, i.e. reverse factoring. According to the rules of reversed factoring, after presenting a purchase invoice, the bank factor paid liabilities owed to the supplier in line with a previously agreed time schedule. The reversed factoring limits held by the Group in the above mentioned banks amount to: USD 345 million established by 30.06.2024, USD 872 million and EUR 50 million established indefinitely, the total amount of PLN 5 billion. As at 31 July 2024 their use amounted to PLN 3 billion.

17. DIVIDENDS PAID AND OFFERED FOR PAYMENT

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 will amount to PLN 603 million, i.e. PLN 325 per share, to be paid on 30 October 2024. The dividend record date was set for 11 October 2024.

In the comparative period, on 30 June 2023, by resolution no 19, the GM of LPP SA decided to allocate the total profit generated for the year ended 31 January 2023 and a part of previous years' profit for dividend payment in the total amount of PLN 798 million. The dividend record date was set for 10 July 2023, whereas the payment was made in two instalments: on 14 July 2023 and on 10 October 2023. The dividend per share amounted to PLN 430.00.

18. CONTINGENT LIABILITIES AND ASSETS

In 1H 2024, subsidiaries used bank guarantees to secure the payment of rent for the leased floorspace for brand stores, offices and a warehouse.

As at 31 July 2024, the total value of bank guarantees issued at the request and under the responsibility of LPP amounted to PLN 306 million, of which:

- The value of guarantees issued to secure agreements concluded by LPP SA amounted to PLN 99 million
- The value of guarantees issued to secure agreements concluded by consolidated affiliates amounted to PLN 185 million
- The value of guarantees issued to secure agreements for the lease of warehouse and office space concluded by LPP SA amounted to PLN 22 million.

In 1H 2024, the Company also received guarantees. These guarantees served as collateral for payments from a contracting party. As at 31 July 2024, their value amounted to PLN 17 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.

19. RELATED PARTY TRANSACTIONS

The Group's related parties include:

- key management officers of LPP SA 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.

From 1 February to 31 July 2024, the value of short-term benefits of members of the Parent Company Supervisory Board amounted to PLN 2,887 thousand (in the 6-month period ended 31 July 2023: PLN EUR 2,915 thousand thousand).

From 1 February to 31 July 2024, the value of short-term benefits of members of the Parent Company Supervisory Board amounted to PLN 59 thousand (in the 6-month period ended 31 July 2023: PLN EUR 81 thousand thousand).

20. LITIGATION

LPP SA is not a party to any proceedings before a court, authority competent for arbitration or public administration body concerning the liabilities or receivables with the value exceeding, individually or in total, 10% of equity of LPP SA.

On the other hand, LPP SA is involved in an investigation initiated by the Office for Competition and Consumer Protection (UOKiK) 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.

21. EVENTS AFTER THE BALANCE SHEET DAY

Until the date of publication of the attached financial statements, no events requiring additional disclosures occurred after the balance sheet date.

22. APPROVAL FOR PUBLICATION

These consolidated condensed interim financial statements prepared for the 6-month period ended 31 July 2024 (including the comparative data) were approved for publication by the Management Board of LPP SA on 25 September 2024.

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member

GDAŃSK, 25 SEPTEMBER 2024





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SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We hereby approve the separate condensed interim financial statements of LPP SA for the 6-month period ended 31 July 2024, comprising the separate condensed interim statement of comprehensive income recognising the total comprehensive income of PLN 877 million, the separate condensed interim statement of financial position recognising the total assets and liabilities in the amount of PLN 12,910 million, the separate condensed interim statement of cash flows recognising an increase in net cash by PLN 257 million, the separate condensed interim statement of changes in equity, recognising a decrease in equity by PLN 253 million, as well as supplementary information and notes containing the description of the material accounting principles and other explanatory data.

GDAŃSK, 25 SEPTEMBER 2024

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

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 the 6-month period ended 31 July 2024

Selected separate financial data	PLN m		EUR m	
	Cumulatively			
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023
Revenues	7,652	6,850	1,778	1,501
Operating profit (loss)	814	755	189	165
Pre-tax profit (loss)	1,033	882	240	193
Net profit (loss)	877	755	204	165
Weighted average number of shares	1,855,355	1,854,666	1,855,355	1,854,666
Profit (loss) per share (in PLN)	472.69	407.08	109.85	89.20
Net cash flows from operating activities	1,193	1,160	277	254
Net cash flows from investing activities	-416	-38	-97	-8
Net cash flows from financing activities	-520	-970	-121	-213
Total net cash flows	257	152	60	33

Selected separate financial data	PLN m		EUR m	
	As at:			
	31.07.2024	31.01.2024	31.07.2024	31.01.2024
Total assets	12,910	11,029	3,006	2,539
Long-term liabilities	1,578	1,514	367	349
Short-term liabilities	6,795	4,725	1,582	1,088
Equity	4,537	4,790	1,056	1,103
Share capital	4	4	1	1
Weighted average number of shares	1,855,355	1,855,190	1,855,355	1,855,190
Book value per share (in PLN)	2,445.41	2,581.95	569.32	594.45
Declared or paid dividend per share (in PLN)	610.00	430.00	142.02	99.00

SEPARATE CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the 6-month period ended 31 July 2024

Statement of comprehensive income (PLN m)	Notes	1H		2Q	
		01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Continuing operations					
Revenues	5	7,652	6,850	3,990	3,741
Cost of goods sold		4,435	4,121	2,295	2,247
Gross profit (loss) on sales		3,217	2,729	1,695	1,494
Costs of stores and distribution		1,994	1,630	1,071	860
Overheads		403	316	210	155
Other operating income		28	11	15	3
Other operating costs		34	39	12	8
Operating profit (loss)		814	755	417	474
Financial income	6	294	252	239	234
Financial costs	6	75	125	52	51
Pre-tax profit		1,033	882	604	657
Income tax	7	156	127	74	85
Net profit (loss) from continuing operations		877	755	530	572
Total comprehensive income		877	755	530	572
Other comprehensive income					
Total comprehensive income		877	755	530	572
Weighted average number of shares		1,855,355	1,854,666	1,855,355	1,854,666
Diluted number of shares		1,855,355	1,854,666	1,855,355	1,854,666
Net profit (loss) per share		472.69	407.08	285.66	308.41
Diluted net profit (loss) per share		472.69	407.08	285.66	308.41

SEPARATE CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

as at 31 July 2024

Statement of financial position (PLN m)	Notes	As at:		
		31.07.2024	31.01.2024	31.07.2023
ASSETS				
Non-current assets		5,618	5,410	5,467
1. Tangible fixed assets	8	1,284	1,212	1,146
2. Right of use assets		1,160	1,094	1,092
3. Intangible assets		282	248	188
4. Goodwill		180	180	180
5. Trade mark		77	77	77
6. Investments in subsidiaries	9	1,714	1,704	1,839
7. Long-term receivables		257	229	282
8. Deferred tax assets		134	160	166
9. Pre-payments		3	4	4
10. Other financial assets	12	527	502	493
Current assets		7,292	5,619	5,528
1. Inventory	10	3,262	2,452	2,575
2. Trade receivables		1,856	1,664	1,797
3. Short-term receivables		99	90	50
4. Receivables from income tax		0	26	29
5. Other non-financial assets		9	4	3
6. Pre-payments		29	35	28
7. Other financial assets	12	212	36	44
8. Deposits and mutual funds	11	822	561	560
9. Cash and cash equivalents		1,003	751	442
TOTAL Assets		12,910	11,029	10,995

Statement of financial position (PLN m)	Notes	As at:		
		31.07.2024	31.01.2024	31.07.2023
EQUITY AND LIABILITIES				
Equity		4,537	4,790	3,911
1. Share capital	14	4	4	4
2. Share premium		364	364	364
3. Other reserves		2,956	2,460	2,452
4. Retained earnings		1,213	1,962	1,091
Long-term liabilities		1,578	1,514	2,034
1. Bank loans and borrowings	15	552	524	697
2. Lease liabilities		1,011	973	1,016
3. Bonds		0	0	303
4. Employee benefits		1	1	1
5. Accruals		14	16	17
Short-term liabilities		6,795	4,725	5,050
1. Trade and other liabilities		5,339	4,144	3,730
2. Dividend liabilities		601	0	397
3. Contract liabilities		18	22	15
4. Refund liabilities		64	52	56
5. Bank loans and borrowings	15	236	32	449
6. Lease liabilities		398	393	370
7. Employee benefits		41	46	13
8. Income tax liabilities		63	0	0
9. Accruals		35	36	20
TOTAL equity and liabilities		12,910	11,029	10,995

SEPARATE CONDENSED INTERIM STATEMENT OF CASH FLOWS

for the 6-month period ended 31 July 2024

Statement of cash flows (PLN m)	Notes	1H		2Q	
		01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
A. Cash flows from operating activities - indirect method					
I. Pre-tax profit (loss)		1,033	882	604	657
II. Total adjustments		160	278	203	-294
1. Amortisation and depreciation		282	237	144	123
2. Foreign exchange (gains) losses		7	-11	4	-10
3. Interest and dividends		-9	-146	-22	-172
4. (Profit) loss on investing activities		8	0	1	-1
5. Income tax paid		-40	-271	16	-208
6. Change in provisions and employee benefits		-5	-14	18	-1
7. Change in inventory		-808	134	-778	94
8. Change in receivables and other assets		-449	-257	-26	24
9. Change in short-term liabilities, excluding bank loans and borrowings		1,170	597	829	-153
10. Change in prepayments and accruals		3	8	17	10
11. Other adjustments		1	1	0	0
III. Net cash flows from operating activities		1,193	1,160	807	363
B. Cash flows from investing activities					
I. Inflows		109	296	84	250

1. Disposal of intangible and fixed assets		29	35	16	17
2. From financial assets, including:		80	261	68	233
a) in associates		80	260	68	233
- dividends		48	222	48	213
- repayment of loans granted		28	36	18	20
- interest		4	2	2	0
b) in other entities		0	1	0	0
- repayment of loans granted		0	1	0	0
3. Other investing inflows	12	0	0	0	0
II. Outflows		525	334	122	171
1. Purchase of intangible and PPE assets		208	251	99	118
2. For financial assets, including:		65	73	23	43
a) in associates		65	73	23	43
- purchase of shares		10	21	1	7
- loans granted		55	52	22	36
b) in other entities		0	0	0	0
- loans granted		0	0	0	0
3. Other investing outflows	12	252	10	0	10
III. Net cash flows from investing activities		-416	-38	-38	79
C. Cash flows from financing activities					
I. Inflows		285	69	116	62
1. Proceeds from issuance of shares		0	0	0	0
2. Bank loans and borrowings		285	69	116	62

Statement of cash flows (PLN m)	Notes	1H		2Q	
		01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
II. Outflows		805	1,039	149	550
1. Dividends and other payments to owners		529	399	0	399
2. Repayment of bank loans and borrowings		20	374	13	8
3. Lease liabilities paid		214	198	108	99
4. Interest		42	68	28	44
5. Other financial outflows		0	0	0	0
III. Net cash flows from financing activities		-520	-970	-33	-488
D. Total net cash flows		257	152	736	-46
E. Balance sheet change in cash, including:		252	163	733	-41
- change in cash due to currency translation		-5	11	-3	5
F. Opening balance of cash		675	204	196	402
G. Closing balance of cash		932	356	932	356

SEPARATE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 6-month period ended 31 July 2024

Statement of changes in equity (w mln PLN)	Share capital	Share premium	Other reserves	Retained earnings	TOTAL equity
As at 1 February 2024	4	364	2,460	1,962	4,790
Remuneration paid in shares	0	0	2	0	2
Distribution of profit for 2023	0	0	494	-494	0
Dividend paid	0	0	0	-1,132	-1,132
Transaction with owners	0	0	496	-1,626	-1,130
Net profit for 1H 2024	0	0	0	877	877
Total comprehensive income	0	0	0	877	877
As at 31 July 2024	4	364	2,956	1,213	4,537
As at 1 February 2023	4	364	2,715	870	3,953
Remuneration paid in shares	0	0	1	0	1
Dividend paid	0	0	-264	-534	-798
Transaction with owners	0	0	-263	-534	-797
Net profit for 1H 2023	0	0	0	755	755
Total comprehensive income	0	0	0	755	755
As at 31 July 2023	4	364	2,452	1,091	3,911

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SUPPLEMENTARY INFORMATION AND NOTES TO THE SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 FEBRUARY 2024 TO 31 JULY 2024

1. GENERAL INFORMATION

LPP SA (hereinafter referred to as "LPP", "Company") is a joint-stock company with publicly traded shares.

The Company is recorded in the register of entrepreneurs of the National Court Register in the District Court for Gdańsk-North in Gdańsk, 7th Economic Department of the National Court Register, under the KRS number 0000000778. The Company has been assigned the statistical number REGON 190852164.

The Company's registered office is located at ul. Łąkowa 39/44 in Gdańsk (80-769).

LPP SA is a company involved in designing and distribution of clothing in Poland, Europe and the Middle East. The basic products of the Company are designated with the following trademarks: Reserved, Cropp, House, Mohito and Sinsay.

These separate condensed interim financial statements of the Company for the 6-month period ended 31 July 2024 were approved by the Management Board of for publication on 25 September 2024.

2. BASIS FOR PREPARATION OF THE SEPARATE CONDENSED INTERIM FINANCIAL STATEMENTS AND KEY ACCOUNTING PRINCIPLES

2.1. BASIS FOR PREPARATION

These separate 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 separate condensed interim financial statements of LPP SA do not comprise all the information and disclosures required in the annual financial statements and should be read in conjunction with the separate financial statements of the Company for the year ended 31 January 2024 approved for publication on 26 March 2024.

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

The data presented in these financial statements for the 6-month period ended 31 July 2024 have been subject to the semi-annual review by the statutory auditor. The consolidated statement of comprehensive income and notes thereto comprise also data for 2Q, i.e. for the 3-month period ended 31 July 2024 and the comparative data for the 3-month period ended 31 July 2023 which has neither been reviewed nor audited by the statutory auditor.

In the periods covered by these separate 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: 31.07.2024 - PLN/EUR 4.2953 and 31.01.2024 - PLN/EUR 4.3434,

- 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: 01.02-31.07.2024 - PLN/EUR 4.3029, 01.02.-31.07.2023 - PLN/EUR 4.5638.

These separate condensed interim financial statements have been prepared under the assumption that the Company will continue as a going concern for the foreseeable future despite the occurrence of the following circumstances affecting the continuation of the Company's activities in the near future.

2.2. CHANGES IN ESTIMATES AND ASSUMPTIONS

When drawing up these separate condensed interim financial statements, the Management Board of the Company is driven by judgement in making estimates and assumptions that have an impact on accounting principles applied and the reported amounts of assets, liabilities, income and costs. Actual values may differ from those estimated by the Management Board.

Information on estimates and assumptions significant for the financial statements were presented in the separate financial statements for the financial year ended 31 January 2024. Furthermore, in these separate condensed interim financial statements, the Company presented the impact of assumptions adopted by the Management Board on estimated revaluation write-offs (note 13).

2.3. ACCOUNTING PRINCIPLES

These separate condensed interim financial statements were prepared in accordance with the accounting principles presented in the last consolidated financial statements of the LPP SA for the year ended 31 January 2024.

3. ADJUSTMENTS OF ERRORS AND CHANGES IN ACCOUNTING PRINCIPLES

The separate condensed interim financial statements do not comprise any adjustments of errors from previous years or a change in accounting principles.

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 Company changed its financial year by adjusting it to the collection calendar consequently mitigating the impact of sell-offs and seasonality on margins of individual calendar quarters.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

The table below presents revenue from contracts with customers, broken down by categories reflecting how the economic factors

affect the nature, amount, payment date and uncertainty of revenue and cash flows.

Revenue from contracts with customers (PLN m)	H1		Q2	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Type of sales				
Sales of goods, including:	7,643	6,843	3,985	3,737
E-commerce	1,678	1,345	878	754
Sale of services	9	7	5	4
Total	7,652	6,850	3,990	3,741
Brand				
Sinsay	3,534	2,644	1,774	1,446
Reserved	2,037	2,002	1,100	1,059
Cropp	506	492	281	276
House	507	434	280	235
Mohito	531	516	266	264
Other	537	762	289	461
Total	7,652	6,850	3,990	3,741

The Company has no contracting party with the revenues exceeding 10% of all revenues.

6. FINANCIAL INCOME AND COSTS

Financial revenues (PLN m)	H1		Q2	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Interest, including:	18	16	11	10
- on deposits	2	7	2	6
- on loans and receivables	11	9	6	4
- other	5	0	3	0
Measurement of participation units in funds	19	11	10	6
Dividends	215	211	199	211
Other financial income, including:	42	14	19	7
- currency translation balance	0	0	-1	0
- discount	42	14	20	7
Total	294	252	239	234

Financial costs (PLN m)	H1		Q2	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Interest expenses - bank credits and loans	21	46	12	22
Interest expenses - bonds	5	9	2	5
Interest expenses - state budget and other	0	0	0	0
Interest expenses - lease liabilities	16	14	9	7
Revaluation of investments	3	0	0	0
Other financial costs, including:	30	56	29	17
- bank commission	4	2	3	1
- currency translation balance	26	54	26	16
Total	75	125	52	51

7. INCOME TAX

Income tax (PLN m)	1H		2Q	
	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023	01.05.2024 - 31.07.2024	01.05.2023 - 31.07.2023
Current income tax	130	119	60	78
Deferred income tax	26	8	14	7
Total	156	127	74	85

8. TANGIBLE FIXED ASSETS

PURCHASE AND SALE

In the 6-month period ended 31 July 2024, the Company purchased tangible fixed assets worth PLN 160 million (in the 6-month period ended 31 July 2023: PLN 162 million). These investments were mainly related to the development of new stores but also the construction of offices in Gdańsk.

In the 6-month period ended 31 July 2024, the Company sold tangible fixed assets with the net value of PLN 1 million (in the 6-month period ended 31 July 2023: PLN 0.2 million).

IMPAIRMENT WRITE-OFFS

In the period ended 31 July 2024, LPP SA did not recognise any additional impairment write-offs on tangible fixed assets (in the 6-month period ended 31 July 2023: PLN 0.2 million). At the same time, an impairment write-off in the amount of PLN 2 million was used in 2024 (in the 6-month period ended 31 July 2023, the use of the write-off: PLN 1 million).

CONTRACTUAL LIABILITIES RELATED TO THE PURCHASE OF TANGIBLE FIXED ASSETS

As at the balance sheet date, the LPP SA has contractual liabilities related to the purchase of tangible fixed assets in the amount of 38 million.

The above amount consisted of:

- liabilities related to the development of LPP SA stores – PLN 25 million
- liabilities under contracts on the construction of office buildings – PLN 13 million.

In comparative periods, the following figures were recognised:

- 31.07.2023 - the amount of PLN 47 million
- 31.01.2024 - the amount of PLN 40 million.

9. INVESTMENTS IN SUBSIDIARIES

The value of shares in subsidiaries and additional contributions to their share capitals according to their purchase price, as well as changes in individual periods were as follows:

Investments in subsidiaries (PLN m)	Shares	Contributions to share capital
Balance as at 01 February 2024	1,267	504
- increase	10	0
- decrease	3	0
Balance as at 31 July 2024	1,274	504

Balance as at 1 February 2023	1,244	693
- increase	21	0
- decrease	5	0
Balance as at 31 July 2023	1,260	693

In the current reporting period, the value of shares in subsidiaries increased due to the capital injection for the existing subsidiaries in Greece and Albania and the establishment of a new subsidiary in Kosovo. In the same period, one of the Polish companies was divested.

The value of revaluation write-offs and the contributions to the share capital of subsidiaries as well as changes in individual periods were as follows:

Revaluation write-off (PLN m)	Revaluation write-off on shares	Revaluation write-off on contributions to share capital
Balance as at 01 February 2024	67	0
- increase	0	0
- decrease	3	0
Balance as at 31 July 2024	64	0

Balance as at 1 February 2023	119	0
- increase	0	0
- decrease	5	0
Balance as at 31 July 2023	114	0

10. INVENTORY

In the 6-month period ended 31 July 2024, the Company reversed a part of its revaluation write-offs on inventory to a recoverable value of PLN 39 million (in the 6-month period ended 31 July 2023: creation of write-offs for

Inventory - carrying amount (PLN m)	31.07.2024	31.01.2024
Materials	5	5
Goods	3,224	2,420
Right of return assets	33	27
Total	3,262	2,452

11. MUTUAL FUNDS

Deposits and mutual funds (PLN m)	31.07.2024	31.01.2024
Participation units in funds	822	561
Total	822	561

During the reporting period, the Company purchased participation units in money market funds in the amount of PLN 252 million. The above value is recognised in the Cash flow statement under investing activities as other expenses.

PLN 10 million). This amount was recognised in the item "Cost of goods sold".

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

The measurement of the aforementioned instruments is included in level 2 of the fair value hierarchy in relation to participation units in unlisted funds.

12. OTHER FINANCIAL ASSETS

Other financial assets (PLN m)	31.07.2024	31.01.2024
Fixed assets		
Other receivables	1	2
Originated loans	526	500
Other long-term financial assets	527	502
Current Assets		
Other receivables	3	3
Receivables from payment card operators	22	14
Originated loans	20	19
Dividend receivables	167	0
Other short-term financial assets	212	36
Total	739	538

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

13. REVALUATION WRITE-OFFS ON OTHER ASSETS

Revaluation write-off on tangible fixed assets (PLN m)	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023
Opening balance	22	17
Write-offs recognised as cost in the period	0	0
Write-offs used in the period	2	1
Write-offs reversed in the period	0	0
Closing balance	20	16

Revaluation write-offs on receivables (PLN m)	01.02.2024 - 31.07.2024	01.02.2023 - 31.07.2023
Opening balance	70	42
Write-offs recognised as cost in the period	3	29
Write-offs used in the period	0	0
Write-offs reversed in the period	23	9
Closing balance	50	62

14. SHARE CAPITAL

As at 31 July 2024, the share capital of the Company amounted to PLN 3,712 thousand and changed compared to 31 January 2024 by the amount of PLN 1.4 thousand. The change related to the issuance of new M series shares in connection with the settle-

ment of the incentive scheme for the financial year ended 31 January 2024. The share capital of the Company was divided into 1,855,890 shares of the nominal value of PLN 2 per share.

The shareholding structure of the Parent Company as at 31 July 2024 is presented in the table below.

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
Total	1,855,890	100.0%	3,255,890	100.0%	3,711,780

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

15. BANK LOANS AND TRADE LIABILITIES

In the balance sheet period ended 31 July 2024, LPP SA did not sign or launch any new bank loan agreement. As at the balance sheet day, the Company recognised debt due to investment loans in the amount of PLN 103 million.

As at the balance sheet date of 31 July 2024, the liabilities, including trade liabilities, amounted to PLN 5,339 million and they increased by ca 28% compared to 31 January 2024. This growth resulted from increased purchases in connection with the opening and replenishment of new traditional and online stores.

As at 31 July 2024, LPP SA held trade liabilities owed to HSBC, Santander Polska SA, PEKAO SA, PKO BP SA, ING SA and BNP Paribas under the supplier financing schemes, i.e. reverse factoring. According to the rules of reversed factoring, after presenting a purchase invoice, the bank factor paid liabilities owed to the supplier in line with a previously agreed time schedule. The reversed factoring limits held by LPP SA in the above mentioned banks amount to: USD 345 million established by 30.06.2024, USD 872 million and EUR 50 million established indefinitely, the total amount of PLN 5 billion. As at 31 July 2024 their use amounted to PLN 3 billion.

16. CONTINGENT LIABILITIES AND ASSETS

In 1H 2024, the LPP Group companies used bank guarantees to secure the payment of rent

for the leased floorspace for brand stores, offices and a warehouse.

As at 31 July 2024, the total value of bank guarantees issued at the request and under the responsibility of LPP amounted to PLN 306 million, of which:

- The value of guarantees issued to secure agreements concluded by LPP SA amounted to PLN 99 million
- The value of guarantees issued to secure agreements concluded by consolidated affiliates amounted to PLN 185 million
- The value of guarantees issued to secure agreements for the lease of warehouse and office space concluded by LPP SA amounted to PLN 22 million.

In same period, the Company also received guarantees. These guarantees served as collateral for payments from a contracting party. As at 31 July 2024, their value amounted to PLN 17 million. As at 31 July 2024, the value of guarantees granted by the parent Company amounted to PLN 206 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 the 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. DIVIDENDS PAID AND OFFERED FOR PAYMENT

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 will amount to PLN 603 million, i.e. PLN 325 per share, to be paid on 30 October 2024. The dividend record date was set for 11 October 2024.

In the comparative period, on 30 June 2023, by resolution no 19, the GM of LPP SA decided to allocate the total profit generated for the year ended 31 January 2023 and a part of previous years' profit for dividend payment in the total amount of PLN 798 million. The dividend record date was set for 10 July 2023, whereas the payment was made in two instalments: on 14 July 2023 and on 10 October 2023. The dividend per share amounted to PLN 430.00.

18. TRANSACTIONS WITH RELATED PARTIES

The LPP SAs related parties include:

- Polish and foreign subsidiaries controlled by LPP SA through direct shareholdings,
- key management officers of LPP SA Group and their close family members,

- entities where persons classified as key personnel or their close family members exercise control or have significant influence.

18.1. REMUNERATION OF KEY MANAGEMENT OFFICERS OF LPP SA

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

From 1 February to 31 July 2024, the value of short-term benefits of members of the Parent Company Supervisory Board amounted to PLN 2,887 thousand (in the 6-month period ended 31 July 2023: PLN 2,915 thousand).

From 1 February to 31 July 2024, the value of short-term benefits of members of the Parent Company Supervisory Board amounted to PLN 59 thousand (in the 6-month period ended 31 July 2023: PLN 81 thousand).

18.2. TRANSACTIONS WITH RELATED PARTIES

The figures provided in the tables above illustrate only mutual transactions between LPP SA and its related parties and are presented from the Parent Company's perspective.

The data presented as liabilities of LPP SA are receivables in related parties while purchases represent revenues of the companies presented.

All transactions with related parties are concluded on an arm's length basis.

Revenues generated by domestic subsidiaries result from the rental of office space for the purpose of their business operations and business-related services, while revenues gained by foreign subsidiaries arise from the sale of goods and services.

Purchases from domestic subsidiaries relate to the purchase of logistics and transport services as well as employing personnel in facilities where Sinsay, Cropp, Reserved, Mohito and House stores operate, whereas purchases from foreign subsidiaries relate mainly to the purchase of logistics and warehousing services.

Related parties (PLN m)	Liabilities as at 31 July 2024	Loans received as at 31 July 2024	Receivables as at 31 July 2024	Loans granted as at 31 July 2024	Revenues for the period from 1 February to 31 July 2024	Purchases for the period from 1 February to 31 July 2024
Domestic subsidiaries	377	252	3	242	8	1,057
Foreign subsidiaries	50	228	1,179	303	2,805	135
Total	427	480	1,182	545	2,813	1,192

Related parties (PLN million)	Liabilities as at 31 July 2023	Loans received as at 31 July 2023	Receivables as at 31 July 2023	Loans granted as at 31 July 2023	Revenues for the period from 1 February to 31 July 2023	Purchases for the period from 1 February to 31 July 2023
Domestic subsidiaries	388	252	3	254	7	931
Foreign subsidiaries	1	360	971	250	2,462	2
Total	389	612	974	504	2,469	933

19. DISCONTINUED OPERATIONS

No discontinued operations occurred in the current period.

20. LITIGATION

LPP SA is not a party to any proceedings before a court, authority competent for arbitration or public administration body concerning the liabilities or receivables with the value exceeding, individually or in total, 10% of equity of LPP SA.

On the other hand, LPP SA is involved in an investigation initiated by the Office for Competition and Consumer Protection (UOKiK) 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.

21. EVENTS AFTER THE BALANCE SHEET DAY

Until the date of publication of the attached financial statements, no events requiring additional disclosures occurred after the balance sheet date.

22. APPROVAL FOR PUBLICATION

These condensed interim financial statements prepared for the 6-month period ended 31 July 2024 (including the comparative data) were approved for publication by the Management Board of LPP SA on 25 September 2024.

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member

GDAŃSK, 25 SEPTEMBER 2024



06

DECLARATION OF THE MANAGEMENT BOARD

Declaration of the Management Board

In accordance with the requirements set forth in the Regulation of the Council of Ministers of 29 March 2018 on the current and interim information provided by issuers of securities and the terms and conditions for recognising information required under the laws of an EU non-member state as equivalent, the Management Board of LPP SA declares as follows:

- to the best of the Management Board's knowledge, the semi-annual consolidated report of the Management Board on the operations of the Issuer's Group provides an accurate presentation of the development, achievements and standing of LPP SA Group, including a description of basic risks and threats,
- to the best of the Management Board's knowledge, the consolidated condensed interim financial statements and the comparative data have been prepared in accordance with the accounting principles currently in force and provide an accurate, reliable and clear presentation of the economic

and financial standing of LPP SA Group and its financial result,

- to the best of the Management Board's knowledge, the separate condensed interim financial statements and the comparative data have been prepared in accordance with accounting principles currently in force and provide an accurate, reliable and clear presentation of the economic and financial standing of LPP SA Group and its financial result.

GDAŃSK, 25 SEPTEMBER 2024

MANAGEMENT BOARD OF LPP SA

MAREK PIECHOCKI

President of the Management Board

PRZEMYSŁAW LUTKIEWICZ

Management Board Member

SŁAWOMIR ŁOBODA

Management Board Member

MARCIN PIECHOCKI

Management Board Member

MIKOŁAJ WEZDECKI

Management Board Member

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