

LPP

Completion of remedial actions in respect of LPP Deutschland GmbH, a subsidiary

Current report no: 21/2020

Date: 28 August 2020

Time: 5:41 p.m.

With reference to current report no 16/2020 of 10 June 2020 on the implementation of remedial actions aimed at improving the standing of LPP Deutschland GmbH, including its temporary protection against its creditors (under section 270b of the Insolvency Law applicable in the territory of Germany), the Management Board of LPP SA with its registered office in Gdańsk (the Company) informs that the procedure has been completed with a positive result for the single-member subsidiary in Germany. On 28 August 2020, the competent court in Hamburg approved the application of the management body of LPP Deutschland GmbH for closure of the above-mentioned remedial procedure, cessation of protection against creditors and reinstatement of the company's normal operations (without initiating any further restructuring procedures).

In the course of the remedial procedure, that main goal, i.e. negotiation with lessors of new terms and conditions of agreements for the use by LPP Deutschland GmbH of retail premises, has been achieved. Renegotiated agreements provide, first of all, for a substantial reduction of rents, thus giving an opportunity to make the company's business operations profitable. Consequently, LPP Deutschland GmbH resumes its normal business activity.

Furthermore, the Management Board of LPP informs that, in consideration of the above and in relation to current report no RB18/2020 *Initial Selected Consolidated Financial Data of the LPP Group for Q2 and H1 2020/21*, published on 3 August 2020, the value of write-offs established for the liquidation procedure involving the German company will be substantially reduced, which, in consequence, will positively affect the financial result of the LPP Group for Q2 2020. The final value of write-offs will be known following the audit of accounting books for H1 2020 by an auditor.

Article 17(1) MAR – Inside Information

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