The report prepared by Hindenburg Research is part of an organized disinformation attack seeking to decrease the share price of LPP Group. We have managed to establish that we are not the first company to have become an object of interest for Hindenburg Research.

We strongly deny the information contained in the report. In particular, we inform that:

* LPP does not own the Russian business. In May 2022, the company signed an agreement to sell 100% of its shares in RE TRADING OOO, which was confirmed and made final by a Russian court decision.
* The company does not trade in the Russian Federation.
* LPP does not, directly or indirectly, control the current owners and directors of the company that purchased RE TRADING OOO. The buyer is an independent company with no capital or personal relations to LPP.
* The sale transaction pertaining to the Russian company was not fictitious and did not involve bookkeeping or accounting manipulation.
* Since the conclusion of the agreement for the sale of the shares in RE TRADING OOO, the company has reported in the Financial Reports available on the company’s website <https://www.lpp.com/en/investor-relations/reports/financial-reports/> that, as part of the sale agreement, the parties have provided for a transitional period of the transaction in which the buyer successively assumes complete autonomy over the individual business areas of the company. This period was set to apply up to 2026 at the latest.
* Entities operating under the names Fashion Group Textile and Asia Fashion Import Export are not controlled by LPP SA in any way.
* The entity operating under the name Far East Services is not controlled by LPP SA in any way.
* The Management Board of LPP SA did not finance, in any way, the sale of shares or the operation of the business in Russia following its sale, including through loans secured by pledges on LPP SA shares.
* The company did not make shipments of goods to Russia via the territory of Kazakhstan.
* The company did not change the auditing company carrying out the audits of the financial statements of the Company and its Group because of the transaction of sale of the Russian company or the resulting issues (the change was due to the expiry of the term of the envisaged cooperation with the selected company).
* For several months, LPP has been monitoring the situation related to the attack targeted at the company, aimed at manipulating the share price. From the information obtained, it is clear that the attack is inspired by persons whose aim is to profit from the loss of value of LPP shares.
* The modus operandi involving a media attack and simultaneously taking short positions on LPP shares is similar to the one applied a few years ago in relation to the international conglomerate Adani Group, involving the same entities.
* LPP is a company that constitutes a pillar of the Polish financial market and prides itself on being one of the largest employers and tax payers in Poland.
* For more detailed information please check the following presentations available at lpp.com website:
  1. <https://wwwlpp62711ea95a.blob.core.windows.net/blobwwwlpp62711ea95a/wp-content/uploads/2024/03/Presentation-The-Companys-current-situation.pdf>
  2. <https://wwwlpp62711ea95a.blob.core.windows.net/blobwwwlpp62711ea95a/wp-content/uploads/2024/03/Presentation-hypothesis-vs-facts.pdf>