

Wrocław, on 19 March 2018

Dear Sirs,

The year 2017 certainly brought a breakthrough for the LC Corp S.A. Group. The most important event consisted in a significant change in the shareholding of the Company made in the second half of the year – resignation of the previous majority shareholder and replacement thereof by pension and investment funds. The current shareholders – dominated by large financial institutions – set new tasks and challenges for the Management Board. This change has been positively interpreted by the financial market which responded with a significant increase in the value of the shares. The new ownership structure also opened new opportunities and affected favourably the current operations, particularly as regards the possibility of obtaining financing. A new strategy for the operation of the Group was developed, putting much emphasis on a predictable and stable dividend policy – the principles of this policy have been developed and published. The dividend policy involves the need for changes in the organisational structure and management of the Group – this is a crucial task for the Management Board for the current and subsequent years. The approach to commercial facilities that are managed and under construction has also changed.

The financial results for the year 2017 should be assessed very positively: we have achieved the set objectives and generated a very good financial result. This success was achieved through consistent implementation of the adopted development strategy aimed at strengthening the position in the housing segment and increasing revenue in the segment of commercial real estate. The implementation of this strategy is confirmed by achieving, once again in the year 2017, a high level of sales of flats – more than 2,000 developer agreements. We are analysing the trends in the real estate industry on a regular basis and reacting to the expectations of the buyers by striving to adjust the existing offer to market requirements. The high standard of the projects, attractive locations and competitive prices translated directly into the sales results in 2017.

The constantly pursued Group's strategy consists in a gradual strengthening of its position in the Polish property development market. This objective is being achieved through market investments, both on the basis of the owned land bank and by acquisitions of new projects. The good performance of the Company over the next years and stable financial resources allow for further acquisition of land and implementation of new projects in the largest cities in Poland. The Group has already acquired plots of land in Warsaw, Kraków, Wrocław, and Gdańsk. The implementation of projects in the biggest metropolitan areas significantly strengthens the Group's position on a national scale, at the same time providing the diversification of risk. Those activities are aimed at maintaining the continuity of investment over the next several years.

The year 2018 creates further challenges such as continued strong demand and a new reality in the market environment – increasing prices of land and costs of execution of works. In the opinion of the Management Board, the current changes will strengthen the position of

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LC Corp S.A. as a solid and reliable developer with stable financial resources ensuring the security of transactions. Maintaining a high development level will require compliance with the highest standards, which for many years has been the distinctive feature of the LC Corp S.A. Group, therefore we look into the future with confidence. By working as intensively as in the previous years, we hope to maintain a strong position among the leading developers in Poland. In order to achieve this objective, we need a firm commitment of the entire Group.

I want to thank all those who contributed to the development of LC Corp S.A. – the Shareholders, the Supervisory Board, our Employees, the Management Boards of the Group companies, the General Contractors, the Bondholders and all Business Partners. It would not be possible to achieve such good results without their commitment, knowledge, and professionalism. We owe them our current position and we hope that together we will develop even further.

Dariusz Niedośpiał

President of the Management Board of LC Corp S.A.