



LC CORP GROUP

CONSOLIDATED QUARTERLY REPORT

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD OF THREE MONTHS, ENDED 31 MARCH 2018**

drawn up in accordance with the International Financial Reporting Standards

CONTAINING THE QUARTERLY FINANCIAL INFORMATION OF LC CORP S.A.

(unaudited financial data)

Wrocław, 15 May 2018

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CONSOLIDATED QUARTERLY REPORT

1. SELECTED FINANCIAL DATA

Data concerning interim condensed consolidated financial statements of LC Corp Group

	PLN'000		EUR'000	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
I. Non-current assets	1,976,577	1,920,718	469,663	460,504
II. Current assets	1,495,755	1,378,931	355,413	330,608
III. Total assets	3,472,332	3,299,649	825,076	791,112
IV. Equity	1,526,937	1,448,376	362,822	347,257
V. Equity attributable to shareholders of the parent	1,526,937	1,448,376	362,822	347,257
VI. Minority interest	-	-	-	-
VII. Non-current liabilities	1,105,392	1,047,931	262,657	251,248
VIII. Current liabilities	840,003	803,342	199,597	192,607
IX. Book value of equity attributable to shareholders of the parent, per share (PLN/EUR)	3.41	3.24	0.81	0.78

	Q1 2018	Q1 2017	Q1 2018	Q1 2017
	cumulatively from 01/01/2018 to 31/03/2018	cumulatively from 01/01/2017 to 31/03/2017	cumulatively from 01/01/2018 to 31/03/2018	cumulatively from 01/01/2017 to 31/03/2017
X. Sales revenue	258,051	192,184	61,758	44,808
XI. Gross profit on sales	98,908	79,479	23,671	18,530
XII. Net profit	78,333	11,048	18,747	2,576
XIII. Net profit attributable to shareholders of the parent	78,333	11,048	18,747	2,576
XIV. Net profit attributable to minority interest	-	-	-	-
XV. Basic profit per share (in PLN/EUR) attributable to equity holders of the parent	0.18	0.02	0.04	0.01

Data concerning interim condensed financial statements of LC Corp S.A.

	PLN'000		EUR'000	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
XVI. Total assets	1,561,738	1,470,516	371,091	352,566
XVII. Equity	924,193	882,436	219,602	211,570

	Q1 2018	Q1 2017	Q1 2018	Q1 2017
	cumulatively from 01/01/2018 to 31/03/2018	cumulatively from 01/01/2017 to 31/03/2017	cumulatively from 01/01/2018 to 31/03/2018	cumulatively from 01/01/2017 to 31/03/2017
XVIII. Net profit/(loss)	41,757	18,865	9,994	4,398

Selected financial data was converted to EUR acc. to the following principles:

- financial data concerning selected items of assets and liabilities was calculated using the average EUR/PLN exchange rate quoted by the National Bank of Poland and effective as at the balance-sheet date. As at 31/03/2018 it stood at EUR/PLN 4.2085, and at the balance-sheet date of 31/12/2017 at EUR/PLN 4.1709;
- financial data concerning selected items of the statement of comprehensive income for the first quarter of 2018 and the first quarter of 2017 was calculated using the EUR/PLN rate which is an arithmetic mean of average exchange rates quoted by the National Bank of Poland and effective on the last day of each month in the accounting period, i.e. EUR/PLN 4.1784 and EUR/PLN 4.2891, respectively.

CONSOLIDATED QUARTERLY REPORT

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE LC CORP GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 March 2018 (unaudited)	31 December 2017 (audited)
Assets			
A. Non-current assets		1,976,577	1,920,718
1. Intangible assets		448	452
2. Property, plant and equipment		5,629	5,749
2.1. Tangible assets		5,611	5,731
2.2. Tangible assets under construction		18	18
3. Non-current receivables		12,314	11,684
4. Land classified as non-current assets	2.7	86,270	86,254
5. Investment property	2.6	1,866,259	1,804,524
6. Non-current prepayments and accrued income		2,956	2,459
7. Deferred tax assets	2.10	2,701	9,596
B. Current assets		1,495,755	1,378,931
1. Inventory	2.7	937,750	977,865
2. Trade and other receivables		45,077	31,972
3. Income tax receivable		1,300	1,191
4. Current financial assets		15,730	16,915
5. Cash and Cash Equivalents		479,122	344,248
6. Current prepayments and accrued income		16,776	6,740
C. Non-current assets classified as held for sale		-	-
Total assets		3,472,332	3,299,649
Equity and liabilities			
A. Equity		1,526,937	1,448,376
I. Equity attributable to shareholders of the parent		1,526,937	1,448,376
1. Share capital		447,558	447,558
2. Other capital		1,001,046	920,578
3. Net profit/(loss)		78,333	80,240
II. Minority interest		-	-
B. Non-current liabilities		1,105,392	1,047,931
1. Non-current liabilities on account of loans and bonds	2.21	954,042	902,108
2. Non-current liabilities on account of the acquisition of a subsidiary	2.21.6	37,975	37,641
3. Provisions	2.9	22	22
4. Deferred tax liability	2.10	113,353	108,160
C. Current liabilities		840,003	803,342
1. Current liabilities on account of loans and bonds	2.21	183,460	179,601
2. Current liabilities on account of acquisition of subsidiary	2.21.6	39,342	38,996
3. Current trade and other payables		142,789	118,423
4. Income tax payables		11,479	9,257
5. Provisions	2.9	1,799	1,799
6. Accrued expenses and revenue		461,134	455,266
Total equity and liabilities		3,472,332	3,299,649

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	31 March 2018 (unaudited)	31 December 2017 (audited)
Book value of equity (PLN'000)	1,526,937	1,448,376
Book value of equity attributable to shareholders of the parent, per share (in PLN'000)	1,526,937	1,448,376
Number of registered shares (in pcs)	447,558,311	447,558,311
Book value of equity attributable to shareholders of the parent, per share (PLN)	3.41	3.24

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 2018 period from 01/01/2018 to 31/03/2018 (unaudited)	Q1 2017 period from 01/01/2017 to 31/03/2017 (unaudited)
Operating activity		
Sales revenue	258,051	192,184
Revenue from sales of services	34,325	35,946
Revenue from sales of goods and products	223,726	156,238
Cost of sales	(159,143)	(112,705)
Pre-tax profit/(loss) on sales	98,908	79,479
Gain/(loss) on disposal of non-current non-financial assets	1	1
Revaluation of non-financial non-current assets	21,061	(83,621)
Write-downs of inventories	-	-
Selling and distribution cost	(4,173)	(3,822)
General administrative expenses	(7,194)	(4,410)
Other operating income	1,050	548
Other operating expenses	(569)	(404)
Operating profit/(loss)	109,084	(12,229)
Financial income	1,643	32,567
Financial expenses	(14,530)	(8,138)
Pre-tax profit/(loss)	96,197	12,200
Income tax (tax burden)	(17,864)	(1,152)
Net profit/(loss) on business activities	78,333	11,048
Discontinued operations		
Profit/(loss) on discontinued operations	-	-
Net profit/(loss)	78,333	11,048
Other comprehensive income		
<i>Items subject to reclassification to profit/(loss) in subsequent reporting periods:</i>		
Financial assets available for sale	-	-
Cash flow hedges	247	2,000
Income tax relating to other components of comprehensive income	(19)	(301)
Other comprehensive income (net)	228	1,699
Total comprehensive income	78,561	12,747

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	Q1 2018 period from 01/01/2018 to 31/03/2018 (unaudited)	Q1 2017 period from 01/01/2017 to 31/03/2017 (unaudited)
Average weighted number of issued ordinary shares used to calculate basic profit per share	447,558,311	447,558,311
Average weighted number of issued ordinary shares used to calculate diluted profit per share	447,558,311	447,558,311
Net profit/(loss) attributable to:		
Equity holders of the parent	78,333	11,048
Minority interest	-	-
	78,333	11,048
Net profit/(loss) per share attributable to equity holders of the parent		
Net profit/(loss) per share attributable to equity holders of the parent in PLN (basic)	0.18	0.02
Net profit/(loss) per share attributable to equity holders of the parent in PLN (diluted)	0.18	0.02

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other capital		Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2018	447,558	920,338	240	80,240	1,448,376	-	1,448,376
<i>Net profit for the period of 3 months ended 31 March 2018</i>	-	-	-	78,333	78,333	-	78,333
<i>Other comprehensive income for the period of 3 months ended 31 March 2018</i>	-	-	228	-	228	-	228
Other comprehensive income for the period of 3 months ended 31 March 2018	-	-	228	78,333	78,561	-	78,561
Transfer of profit for the previous period to undistributed profit	-	80,240	-	(80,240)	-	-	-
As at 31 March 2018 (unaudited)	447,558	1,000,578	468	78,333	1,526,937	-	1,526,937

	Share capital	Other capital		Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2017	447,558	838,543	(3,073)	113,124	1,396,152	-	1,396,152
<i>Net profit/(loss) for 2017</i>	-	-	-	80,240	80,240	-	80,240
<i>Other comprehensive income for 2017</i>	-	-	3,313	-	3,313	-	3,313
Total comprehensive income for 2017	-	-	3,313	80,240	83,553	-	83,553
Transfer of profit for the previous period to undistributed profit	-	113,124	-	(113,124)	-	-	-
Payment of dividend	-	(31,329)	-	-	(31,329)	-	(31,329)
As at 31 December 2017 (audited)	447,558	920,338	240	80,240	1,448,376	-	1,448,376

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	Share capital	Other capital		Net profit/(loss)	Total capital attributable to shareholders of the parent	Minority interest	Total equity
		Reserve funds, other reserve funds and retained earnings	Other funds				
As at 1 January 2017	447,558	838,543	(3,073)	113,124	1,396,152	-	1,396,152
Net profit/(loss) for the period of 3 months ended 31 March 2017	-	-	-	11,048	11,048	-	11,048
Other comprehensive income for the period of 3 months ended 31 March 2017	-	-	1,699	-	1,699	-	1,699
Other comprehensive income for the period of 3 months ended 31 March 2017	-	-	1,699	11,048	12,747	-	12,747
Transfer of profit for the previous period to undistributed profit	-	113,124	-	(113,124)	-	-	-
As at 31 March 2017 (unaudited)	447,558	951,667	(1,374)	11,048	1,408,899	-	1,408,899

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Q1 2018 period from 01/01/2018 to 31/03/2018 (unaudited)	Q1 2017 period from 01/01/2017 to 31/03/2017 (unaudited)
A. Cash flows from operating activities			
I. Pre-tax profit/(loss)		96,197	12,200
II. Total adjustments		27,004	16,533
1. Depreciation and amortisation		282	234
2. Foreign exchange gains/(losses)		5,198	(26,842)
3. Interest and distributions from profit (dividends)		10,576	4,580
4. Profit (loss) on investing activities		-	-
5. Profit (loss) in respect of revaluation of non-financial non-current assets		(21,061)	83,621
6. Change in provisions		-	(2)
7. Change in inventories		40,099	(19,586)
8. Change in receivables		(13,735)	(4,455)
9. Change in current liabilities except for loans and bonds		12,918	11,651
10. Change in accruals and deferrals		(4,665)	(14,680)
11. Income tax		(3,682)	(8,503)
12. Other Adjustments		1,074	(9,485)
III. Net cash flow from operating activities (I+II)		123,201	28,733
B. Cash flows from investing activities			
I. Cash inflows		-	-
1. Sale of intangible assets and property, plant and equipment		-	-
2. From financial assets		-	-
II. Expenses		(28,703)	(22,964)
1. Acquisition of intangible assets and property, plant and equipment		(157)	(135)
2. Cash used on investment property		(28,546)	(22,829)
3. Cash used on financial assets		-	-
III. Net cash flow from investing activities (I+II)		(28,703)	(22,964)
C. Cash flows from financing activities			
I. Cash inflows		62,570	1,287
1. Loans and borrowings	2.21	17,570	1,287
2. Issue of debt securities	2.21	45,000	-
II. Expenses		(22,194)	(36,766)
1. Repayment of loans and borrowings	2.21	(14,778)	(27,161)
2. Redemption of debt securities		-	-
3. Interest		(7,416)	(9,605)
4. Dividends paid to equity holders of the parent		-	-
III. Net cash flows from financing activities (I+II)		40,376	(35,479)
D. Total net cash flows, (A.III+B.III+C.III)		134,874	(29,710)
E. Balance-sheet change in cash, including:		134,874	(29,710)
F. Cash at the beginning of period		344,248	354,851
G. Cash at the end of period (F+D)		479,122	325,141
- restricted cash		5,762	20

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OTHER INFORMATION AND NOTES**2.1. General information about the LC Corp Group**

The LC Corp Group (the "Group") consists of LC Corp S.A. and its subsidiary undertakings. The composition of the Group is presented in item 2.2.

LC Corp S.A. (the "Parent Undertaking", the "Company") was established by the Notarial Deed dated 3 March 2006. The Company's registered office is situated in Wrocław, Poland, at ul. Powstańców Śląskich 2-4. The Parent Undertaking has been entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under KRS No. 0000253077.

The Company has been assigned statistical identification number REGON 020246398.

The Parent Undertaking and the Group's subsidiaries were established for an indefinite period. The Parent Undertaking's primary activity is:

- PKD 6420Z Activities of financial holding companies
- PKD 6820Z Rental and management of own or leased real estate
- PKD 4110Z Completion of construction projects related to putting up buildings
- PKD 6810Z Buying and selling of own real estate
- PKD 4120Z Construction works related to the completion of residential and non-residential buildings

As at the date hereof, there was no parent undertaking of LC Corp S.A.

Composition and Changes in Management Board of LC Corp S.A.

As at 1 January 2018, the Management Board of LC Corp S.A. comprised:

- President of the Management Board – Dariusz Niedośpiał
- First Vice President of the Management Board – Jakub Malski
- Member of the Management Board – Mirosław Kujawski
- Member of the Management Board – Tomasz Wróbel
- Member of the Management Board – Małgorzata Danek
- Member of the Management Board – Radosław Stefurak

On 9 February 2018, Jakub Malski was removed from the Management Board of LC Corp S.A.

As at the date of drawing up these statements, the Management Board of LC Corp S.A. was composed of:

- President of the Management Board – Dariusz Niedośpiał
- Member of the Management Board – Mirosław Kujawski
- Member of the Management Board – Tomasz Wróbel
- Member of the Management Board – Małgorzata Danek
- Member of the Management Board – Radosław Stefurak

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Composition and Changes in Supervisory Board of LC Corp S.A.

As at 1 January 2018, the Supervisory Board of LC Corp S.A. comprised:

- Chairman of the Supervisory Board – Michał Hulbój
- Vice Chairman of the Supervisory Board – Michał Kowalczewski
- Member of the Supervisory Board – Grzegorz Grabowicz
- Member of the Supervisory Board – Krzysztof Kaczmarczyk
- Member of the Supervisory Board – Jacek Osowski
- Member of the Supervisory Board – John Bańka
- Member of the Supervisory Board – Paweł Małycka

The composition of the Supervisory Board in the reporting period remained unchanged.

Interim Condensed Consolidated Financial Statements of the LC Corp Group cover the period of 3 months ended 31 March 2018. The detailed description of the component parts of the consolidated financial statements is included in item 2.3.

2.2. Description of changes in the organisation of the LC Corp Group

As at 31 March 2018 and 31 December 2017, the LC Corp Group comprised the following subsidiaries of LC Corp S.A.:

Company name	Registered office	Effective share of LC Corp S.A.	
		31 March 2018 Share in Capital	31 December 2017 Share in Capital
Arkady Wrocławskie S.A.	Wrocław	100%	100%
Sky Tower S.A.	Wrocław	100%	100%
Warszawa Przyokopowa Sp. z o.o.	Wrocław	100%	100%
Kraków Zielony Złocięń Sp. z o.o.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest I Sp. z o.o.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest II Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest III Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest VIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest IX Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest X Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XI Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVI Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XVIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XIX Sp. z o.o.	Wrocław	100%	100%

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LC Corp Invest XX Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XXI Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XXII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XXIII Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XXIV Sp. z o.o.	Wrocław	100%	100%
LC Corp Invest XV Sp. z o.o. Projekt 1 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 3 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 4 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 5 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 6 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 7 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 8 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 9 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 10 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 11 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 12 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Projekt 14 Sp. k.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest XV Sp. z o.o. Finance S.K.A.	Wrocław	100% (indirectly)	100% (indirectly)
LC Corp Invest XV Sp. z o.o. Investments S.K.A.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)
LC Corp Invest XVIII Sp. z o.o. Real Estate S.K.A.	Wrocław	100% (indirectly and directly)	100% (indirectly and directly)

As at 31 March 2018 and as at 31 December 2017, the share in the total vote held by the Parent Undertaking in its subsidiaries was equal to the share of the Parent Undertaking in the capitals of these entities.

Acquisition and Sale of Subsidiaries

No transaction consisting in the acquisition or sale of business units was completed by the companies belonging to the Group in Q1 2018.

Newly Established Entities and Changes within Group

No new entity was established within the Group in Q1 2018.

On 17 January 2018, a change of the share capital of LC Corp Invest XIX Sp. z o.o. from PLN 5,000 to PLN 50,000 was registered. The said change in the share capital was effected by subscribing for new shares of the sole company's shareholder, owning all the shares – LC Corp S.A.

Apart from the foregoing, no other change within the Group occurred in Q1 2018.

2.3. Rules Adopted for Preparing Quarterly Report

These interim condensed consolidated financial statements of the LC Corp Group contain:

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- consolidated statement of financial position as at 31 March 2018 and comparable financial data as at 31 December 2017;
- consolidated statement of comprehensive income for the first quarter of 2018, i.e. for the period of 3 months, cumulatively from 1 January 2018 to 31 March 2018, as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2017 to 31 March 2017;
- consolidated statement of cash flows for the first quarter of 2018, i.e. for the period of 3 months, cumulatively from 1 January 2018 to 31 March 2018, as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2017 to 31 March 2017;
- statement of changes in equity as at 31 March 2018 and comparable data as at 31 December 2017 and as at 31 March 2018;
- notes to consolidated financial statements.

Notes to financial statements and other information defined by § 87 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by the issuers of securities and the conditions for recognising as equivalent the information required by the law of a non-member state, representing an element of this Consolidated Quarterly Report for Q1 2018, are included in item 4.

The enclosed condensed consolidated financial statements of the LC Corp Group were prepared in accordance with the International Financial Reporting Standards (“IFRS”), in particular with IAS 34 (concerning the preparation of interim financial statements) and IFRS adopted by the EU. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”), applicable to interim financial reporting.

As at the date of the approval of these financial statements for publication, taking into account the ongoing process of introducing IFRS in the EU and the business activity conducted by the Group, in the scope of the accounting principles adopted by the Group, there were no differences between IFRS already in effect and those approved by the EU. IFRS-EU comprise standards and interpretations accepted by the International Accounting Standard Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

The interim condensed consolidated statements of the LC Corp Group do not contain all information and disclosures required in the annual consolidated financial statements of the Group and they must be read together with the annual consolidated financial statements of the Group for the year ended 31 December 2017.

The interim condensed consolidated financial statements of the LC Corp Group are presented in thousand zlotys (‘PLN’), and all values included in the tables and descriptions, if not indicated otherwise, are given in PLN’000.

The interim condensed consolidated financial statements of the LC Corp Group were prepared on the going concern assumption, i.e. the continuation of the business activity by the Group companies in the foreseeable future. As at the day of the approval of these financial statements, there were no circumstances identified implying any threats to the continuation of the Group companies’ activity.

These interim condensed financial statements of the LC Corp Group were approved by the Management Board for publication on 15 May 2018.

The information on the accounting policies adopted by the LC Corp Group was presented in the annual consolidated financial statements of the LC Corp Group for the year ended 31 December 2017, published on 20 March 2018.

Standards and Interpretations Adopted for the First Time in 2018

The accounting principles (policies) applied to the preparation of these consolidated financial statements are consistent with those adopted to draw up the Group’s consolidated financial statements for the year ended 31 December 2017,

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save for the following principles. The below amendments to IFRS have been applied hereto as of the date of their entry into force, nevertheless, they had no significant impact on the financial information presented and disclosed herein, nor were they applicable to transactions conducted by the Group:

- IFRS 9, *Financial Instruments* (published on 24 July 2014) – applicable to annual periods beginning on or after 1 January 2018;

With regard to amendments to IFRS 9, *Financial Instruments*, the Management Board is of the opinion that they have an effect on the measurement of receivables, cash and cash equivalents, as well as on non-current financial assets. On the basis of analyses conducted, the Management Board did not find that these amendments would have any powerful effect on the financial situation, performance of the Group and the scope of information presented in the financial statements.

- IFRS 15, *Revenue from Contracts with Customers* (published on 28 May 2014), applicable to annual periods beginning on or after 1 January 2018 – comprising the amendments to IFRS 15, *Date of entry into force of IFRS 15* (published on 11 September 2015);

As regards amendments relating to IFRS 15, *Revenue from Contracts with Customers*, the Management Board analysed the impact of the above standard on the financial situation, performance of the Group and the scope of information presented in the financial statements. The aforementioned analysis refers mainly to the time when revenue from product sales is recognised (particularly residential, retail units or parking places and lease proceeds). Based on the analyses conducted, the Management Board did not find any significant changes with respect to the time of revenue recognition.

New Standards and Interpretations Published But Not Effective Yet

The Group did not decide to choose the option of early application of any standard, interpretation or amendment which was published but has not yet entered into force.

The Group's intention is to adopt the amendments to IFRS published, but not yet effective prior to the publication of these interim condensed consolidated statements, according to the date of entry into force thereof.

2.4. Seasonal or Cyclical Character of LC Corp Group's Operations

The operations of the LC Corp Group are not seasonal by nature. They are related to the investment cycles of the implemented property development projects, which is particularly noticeable in the recognition of the proceeds from the sale of residential and retail premises. In accordance with IFRS 15, such proceeds can only be recognised when practically all risks and benefits related to given premises have been transferred to the client and the revenue can be reasonably measured. Consequently, the sales results in a given period depend on the value of the premises transferred to the clients in accordance with the above definition.

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2.5. Information on Material Estimates and Professional Judgement

Professional Judgement

In the process of applying the accounting principles (policies) to the issues specified hereinbelow, the professional judgement of the management was, apart from the accounting estimates, of the greatest importance.

Determination of Moment When, Upon Sale of Residential and Retail Premises, Risk Is Transferred to Client

The moment of transferring the risk to the client determines when revenues from the sales of residential and retail premises can be recognised.

Upon the sale of residential and retail premises, the risk is transferred to the client when the following conditions are fulfilled:

- (i) obtaining the occupancy permit for the buildings;
- (ii) payment of 100% of the value of the premises, based on the developer agreement or preliminary agreement;
- (iii) acceptance of the premises by the client, evidenced by the delivery and acceptance protocol;
- (iv) signing of the developer agreement or notarial deed transferring the title.

In the case of the financing of part of the price by the state in accordance with the Act of 27 September 2013 on state aid in the purchase of the first flat by young people (MDM), the conditions set out in item (ii) are also met when a bank financing the client confirms the reservation of funds (the last instalment of the payment) for this purpose with the applicable provision in the developer agreement.

Investment Property Under Construction

As at 31 March 2018, *Investment Property Under Construction* referred to the Wola Retro office building in Warsaw – taking into consideration the progress of the project, the value of capital expenditure on the construction of the property has been valued at historical cost.

Land classified as Non-Current Assets

As at 31 March 2018, *Land Qualified as Non-Current Assets* concerned the land located in Malin, Wisznia Mała, municipality in the Lower Silesian Voivodeship.

In view of the entry into force on 30 April 2016 of the provisions amending the Act of 11 April 2003 on the shaping of the agricultural system (Journal of Laws of 2012, item 803, of 2016, item 585, 1159) and the introduced restrictions on acquisition of agricultural property, an analysis was made to check the impact of the provisions of this act on the restrictions on the possibility of implementation of investment opportunities on the above-mentioned land.

This amendment introduced restrictions on the acquisition of agricultural property with an area of more than 0.3 ha and not covered by the current spatial development plan in a way that the buyer of the agricultural property may be in principle only an individual farmer - a natural person, while other entities may acquire agricultural property only with the agreement of the President of the Agricultural Property Agency and in the cases provided by regulations. The restrictions imposed by the act apply also to shares and stocks in companies which own agricultural property, where the Agricultural Property Agency which is the owner of the agricultural property has the right of pre-emption of shares and stocks in these companies.

The introduced restrictions have an impact on the shaping of demand and supply on the agricultural land market by changing the profile of market participants and new legal terms of the sale of agricultural property, which results in a smaller number of agricultural real property sold after 30 April 2016.

The Group is the owner of land with the total area of 169 ha, located in Malin Wisznia Mała, municipality in the Lower Silesian Voivodeship, and currently there is no spatial development plan for this property, therefore in accordance with

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Article 2 point 1 of the above-mentioned Act, it is "agricultural property" and is subject to the above restrictions on the possibility of trade in this property.

Due to the acquisition of land by the Group with a view to implement a development investment and the designation in the Study of land use conditions and directions of Wisznia Mała, municipality of this property for residential areas, the Group, as at 31 March 2018, disclosed the property in the item Land qualified as non-current assets for development during a period of over 2 years, in the valuation by an independent valuer drawn up before the date of entry into force of the above-mentioned Act, used also as at 31 December 2017, since despite the restrictions introduced by the Act, the Group believes that there is still a possibility to use this land in a manner consistent with its intention and the Group does not intend to dispose of this property.

Classification of Lease Agreements

The Group classifies lease as operational and financial on the basis of the assessment to what extent the risk and profits from ownership of the subject of lease fall to the lessor and to the lessee. This assessment is based on the economic content of each transaction.

Impairment of Assets

As at 31 March 2018, market capitalisation was lower than the net value of the Group's assets. Even though the Management Board of the Parent Undertaking is strongly convinced that this was only a temporary situation triggered by a variety of factors, *inter alia*, the considerable fluctuation of Company's share prices, it took appropriate actions aimed at reviewing the Group's assets to determine whether an additional write-down was required. The Management Board did not find it necessary to recognise any potential additional impairment.

Uncertainty of Estimates

The Management Board of the Parent Undertaking used their best knowledge of the applied standards and interpretations, and also the methods and principles of the valuation of particular items of the enclosed consolidated financial statements. Preparing the financial statements in accordance with IFRS required the Company's Management Board to make some assessments and assumptions, which are reflected in these statements. The actual results may vary from these assessments. The financial data pertaining to Q1 2018 and presented below was not subject to examination by an auditor.

Discussed below have been the basic assumptions concerning the future, as well as other key reasons for doubts occurring as at the balance sheet date and entailing a significant risk of the considerable adjustment of the book value of assets and liabilities in the following financial year.

Deferred Tax Asset

The Group recognises a deferred tax asset based on the assumption that a tax profit enabling its utilisation should be obtained in the future. Worse tax results obtained in the future could have the effect that this assumption might become groundless. Deferred income tax is presented in Note 2.10.

Fair Value of Investment Property

At the end of each quarter of an accounting year, the Group independently measures the fair value of its investment properties in EUR based on the agreed model of investment capitalisation, or maintains the valuation in EUR carried out by an independent valuer at the end of the preceding year (provided there were no significant indications to update the valuation). At the end of each accounting year, the fair value of investment property is established or verified by an independent valuer. As at 31 March 2018, investment property was measured on the basis of valuations of valuers, save for the measurement of Arkady Wrocławskie, which was made by the Management Board of the Parent Undertaking. Investment property is shown in Note 19.

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Fair Value of Financial Instruments in the Form of Forward Contracts

The fair value of financial instruments in the form of forward contracts, measured at fair value through profit or loss, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (among others – by the Bank) or on the basis of a financial model.

Fair Value of IRS and COLLAR Financial Instruments

The fair value of IRS and COLLAR financial instruments, covered by the cash flow hedge accounting, measured at fair value through other comprehensive income, is determined on the last day of each quarter in a given accounting year and at the end of each accounting year on the basis of the valuation made by an institution which professionally measures such financial transactions (among others – by the Bank) or on the basis of a financial model.

Write-downs of Inventories

At the end of each reporting period, the Management Board verifies if there is any evidence pointing to the loss of value of its property development projects under implementation on the basis of sales reports, market research and other available evidence. Should the risk of the loss of value occur, the value of such projects is estimated employing the DCF method, which is used to establish the write-down of inventories. The DCF method is based on discounted cash flows generated within the approved investment schedules and proceeds from the sale of premises, allowing for the sale price of 1 square metre of usable floor space in accordance with the current market situation. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The write-downs of inventories are estimated as at 31 March 2018 and may be subject to change depending on the fluctuation of market prices of land, selling prices of flats, construction costs, project completion schedules and discount rate calculations in the future. The actual results may vary from these estimates, which were calculated on the grounds of the data available as at the reporting date. It is also related to the uncertainty regarding the proper estimation of the market conditions in the following years. Consequently, valuation allowances may change in the following financial periods. Inventories and write-down of inventories are presented in Note 2.7.

Uncertainty Associated with Tax Settlements

The regulations concerning the tax on goods and services, corporate tax and burdens associated with social insurance are subject to frequent changes. These frequent changes make no appropriate reference points, inconsistent interpretations and few established precedents that might be applicable. The binding regulations also contain uncertainties, resulting in different opinions regarding the legal interpretation of tax regulations, both among public authorities and between public authorities and companies.

Tax settlements and other areas of activity (for example customs and foreign currency issues) may be subject to inspection by bodies authorised to impose high penalties and fines, and any additional tax liabilities arising from the inspection must be paid together with high interest. Having considered these conditions, the tax risk in Poland is greater than in countries with a more mature tax system.

Consequently, amounts presented and disclosed in financial statements may change in the future as a result of a final decision of a tax audit authority.

On 15 July 2016, changes were made to the Tax Ordinance Act in order to take account of the provisions of the General Anti-Avoidance Rule (GAAR). GAAR is to prevent the creation and use of artificial legal structures created in order to avoid the payment of tax in Poland. GAAR defines the avoidance of taxation as an action made above all in order to achieve a tax advantage, contrary – under given circumstances – to the object and purpose of the provisions of the tax act. In accordance with GAAR, such an action does not result in the tax advantage, if the operation was artificial. Any occurrence of (i) unjustified separation of operations, (ii) involvement of intermediary entities despite the lack of economic justification, (iii) elements that null or compensate each other and (iv) other actions having a similar effect to the previously mentioned, may be treated as a premise of artificial operations subject to GAAR. New regulations will require a much greater degree of professional judgement in assessing the tax consequences of individual transactions.

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The GAAR clause should be applied to transactions made after its entry into force and transactions that had been carried out before the entry into force of the GAAR clause, but for which benefits were or are still being gained after the date of entry of this clause into force. The implementation of these provisions will enable Polish tax audit authorities to question the legal arrangements and agreements carried out by taxable persons, such as the restructuring and reorganisation of a group, provided, however, that such arrangements and agreements are related to the above clause.

The Group recognises and measures the assets or liabilities in respect of current and deferred income tax in compliance with the requirements of IAS 12, Income Tax on the basis of the tax profit (loss), tax base, unrelieved tax losses, unused tax exemptions and tax rates, taking into account the uncertainty associated with tax settlements.

The table below presents balance sheet figures of the above items as at 31 March 2018 and as at 31 December 2017:

	31 March 2018	31 December 2017
	(unaudited)	(audited)
Deferred tax asset	2,701	9,596
Fair value of investment property	1,794,277	1,741,586
Fair value of financial instruments in the form of forward contracts	(66)	223
Fair value of IRS and CAP financial instruments	(4,887)	(5,133)
Deferred tax liability	(113,353)	(108,160)
Write-down of land qualified as non-current asset	(3,263)	(3,263)
Write-down of inventories	(131,712)	(132,529)

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2.6. Information on Investment Properties and Their Revaluation

As at 31 March 2018, the Group's investment property includes:

- retail and office centres: Arkady Wrocławskie and Sky Tower in Wrocław,
- office buildings: Wola Center in Warsaw, Silesia Star complex of office buildings in Katowice (Stage 1 and Stage 2), Retro Office House in Wrocław
- office buildings under construction: Wola Retro in Warsaw

31 March 2018 (unaudited)	Value EUR	Value PLN	Value adjustment PLN	Balance sheet value PLN
Implemented investment property				
Arkady Wrocławskie	86,926	365,828	-	365,828
Wola Center	104,400	439,367	(303)	439,064
Sky Tower	122,190	514,237	-	514,237
Silesia Star (Stage 1)	34,410	144,814	(722)	144,092
Silesia Star (Stage 2)	29,150	122,678	(2,617)	120,061
Retro Office House	55,910	235,297	(24,302)	210,995
Investment property under construction				
Wola Retro				71,982
				1,866,259

31 December 2017 (audited)	Value EUR	Value PLN	Value adjustment PLN	Balance sheet value PLN
Implemented investment property				
Arkady Wrocławskie	91,900	383,306	-	383,306
Wola Center	104,400	435,442	(303)	435,139
Sky Tower	122,190	509,642	-	509,642
Silesia Star (Stage 1)	34,410	143,521	(722)	142,799
Silesia Star (Stage 2)	29,150	121,582	(8,842)	112,740
Investment property under construction				
Retro Office House	37,872	157,960	-	157,960
Wola Retro				62,938
				1,804,524

As at 31 March 2018, the fair value of investment property was determined on the basis of valuations made by professional real estate valuers as at 31 December 2017 and updated in PLN so as to include changes in respect of exchange rates, save for the measurement of Arkady Wrocławskie, which was made by the Management Board of the Parent Undertaking. Market values of the property have been estimated in the income approach, using the investment method. The income approach and the investment method are based on the assumption that the value of a property depends on the rental income that can be obtained from the property and the capitalisation rate. Income from the property is due to lease agreements and in the case of free surface with the use of market rental rates. The rate of return, known as capitalisation rate, is determined on the basis of the analysis of similar transactions on the market in a given financial year. Valuation is expressed in the currency of the invoiced rents, i.e. in EUR and converted into PLN at the average NBP exchange rate at the date of the end of the accounting period. Valuation determined in this manner

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has been reduced by other costs to be incurred for surface finishes in the facility in the case of Wola Center and Silesia Star (Stage 1 and 2).

As at 31 March 2018, the fair value measurement of Retro Office House was estimated on the basis of an appraisal made by a professional real estate valuer as at the date after the completion of the project, less outlays to be still made. Due to the fact that a situation on the Wrocław's local retail real estate market has changed and having considered a revision of estimates pertaining to the operating performance of Arkady Wrocławskie S.A., the fair value measurement of Arkady Wrocławskie dropped and as at 31/03/2018 amounted to EUR 86,926,000, which means a decrease in the property value in the amount of EUR 4,974,000.

As at 31 March 2018, *Investment Property Under Construction* referred to the Wola Retro office building in Warsaw – taking into consideration the construction progress the property has been valued at historical cost.

The reconciliation of changes to the balance-sheet values of investment property in the period ended 31 March 2018 and the year 31 December 2017 is presented in the table below:

	Period of 3 months ended 31 March 2018	Year ended 31 December 2017
	(unaudited)	(audited)
At the beginning of the reporting period	1,804,524	1,810,369
Acquisition of land for the construction of investment property	-	-
Capital expenditure incurred	40,674	112,881
Revaluation of property fair value (EUR/PLN conversion)	15,789	(100,870)
Revaluation of property fair value (<i>inter alia</i> : due to changes in the EUR valuation of property and finishing works)	5,272	(17,856)
At the end of the reporting period	1,866,259	1,804,524

In the period ended 31 March 2018, the Group's operating activity related to the rental of commercial property was conducted in the Arkady Wrocławskie retail and office centre, the Sky Tower retail and office centre and Wola Center and Silesia Star (Stage 1 and 2) office buildings.

2.7. Information about Write-Downs of Inventory to Net Realisable Value and Reversal of Write-Downs in This Respect

Land Classified as Non-Current Assets

As at 31 March 2018, this item includes the land of PLN 86,270,000 (as at 31 December 2017 of PLN 86,254,000), which is intended for development during a period of over 2 years. The write-down as at 31 March 2018 and 31 December 2017 did not change and was PLN 3,263,000.

In the period ended 31 March 2018, in view of the entry into force on 30 April 2016 of the provisions amending the Act of 11 April 2003 on the shaping of the agricultural system (Journal of Laws of 2012, item 803, of 2016, item 585, 1159) and the introduced restrictions on acquisition of agricultural property, an analysis of impact of the provisions of this Act on the restrictions on the possibility of implementation of investment opportunities on the above-mentioned land was made (see Note 2.5).

Due to the acquisition of land by the Group with a view to implementing a development investment and allocation in the Study of land use conditions and directions of Wisznia Mała municipality of this property to residential areas, as at 31 December 2017 the Group discloses the property in the item Land qualified as non-current assets for development during a period of over 2 years, in the valuation by an independent valuer drawn up before the date of entry into force of the above-mentioned act, since despite the restrictions introduced by the Act (which in practice prevent the disposal of this property), there were no other considerations that might affect the current measurement and there is still a

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possibility to use this land in a manner consistent with the intention of the Group and the Group does not intend to dispose of this property.

Inventory

	31 March 2018 (unaudited)	31 December 2017 (audited)
Advances on purchase of land	4,079	5,264
Work in progress	929,154	964,248
Finished products	136,229	140,882
Write-downs of inventories	(131,712)	(132,529)
Total inventories	937,750	977,865

Changes in the write-downs of inventories were as follows:

	Period of 3 months ended 31 March 2018 (unaudited)	Year ended 31 December 2017 (audited)
At the beginning of the reporting period	132,529	135,807
Increase	-	-
Use	(817)	(3,278)
Decrease	-	-
At the end of the reporting period	131,712	132,529

As at 31 March 2018 and as at 31 December 2017, the items of inventories used as collateral are described in Note 2.21.5.

2.8. Information about Impairment Losses in Respect of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and Reversal of Such Losses

During the period of three months ended 31 March 2018 there were no significant changes in the impairment losses in respect of financial assets, property, plant and equipment, intangible assets, land classified as non-current assets and other assets, except for the provisions for trade receivables, presented in the table below:

	Period of 3 months ended 31 March 2018 (unaudited)	Year ended 31 December 2017 (audited)
At the beginning of the period	8,005	4,493
Increase	349	3,992
Use	(997)	(152)
Decrease	(3)	(328)
At the end of the period	7,354	8,005

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2.9. Information about Creating, Increasing, Utilising and Reversing Provisions

The amounts of provisions and the reconciliation presenting the changes in their position during the reporting period are shown in the table below:

	<i>Retirement and disability benefits and bereavement payment</i>	<i>Disputes and litigation</i>	<i>Remedy of construction faults and defects</i>	<i>Total</i>
As at 1 January 2018	22	1,785	14	1,821
Created	-	-	-	-
Used	-	-	-	-
Reversed	-	-	-	-
As at 31 March 2018, including:	22	1,785	14	1,821
- non-current	22	-	-	22
- current	-	1,785	14	1,799

	<i>Retirement and disability benefits and bereavement payment</i>	<i>Disputes and litigation</i>	<i>Remedy of construction faults and defects</i>	<i>Total</i>
As at 1 January 2017	22	1,441	15	1,478
Created	-	344	-	344
Used	-	-	-	-
Reversed	-	-	(1)	(1)
As at 31 December 2017, including:	22	1,785	14	1,821
- non-current	22	-	-	22
- current	-	1,785	14	1,799

2.10. Information about Deferred Tax Liabilities and Deferred Tax Assets

Deferred income tax arises from the following items:

	Statement of financial position			Deferred income tax burden for the year ended	
	31 March 2018 (unaudited)	31 December 2017 (audited)	1 January 2017 (audited)	31 March 2018 (unaudited)	31 December 2017 (unaudited)
<i>Deferred tax liability</i>					
Accrued interest and discounts on borrowings, bonds, notes and deposits	(9,350)	(8,437)	(15,223)	(913)	6,786
Valuation of investment property	(59,816)	(55,871)	(78,568)	(3,945)	22,697
Difference in the value of tangible assets (tax and balance-sheet depreciation)	(53,628)	(52,046)	(42,508)	(1,582)	(9,538)
Difference in the value of other assets (tax value and book value)	(7,267)	(183)	-	(7,084)	(183)

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Other	(653)	(612)	(537)	(41)	(75)
Gross deferred tax liability	(130,714)	(117,149)	(136,836)		
Deferred tax assets					
Provisions and prepayments and accrued income	2,859	2,860	1,905	(1)	955
Accrued interest and discounts on borrowings, bonds and notes	7,605	6,190	9,503	1,415	(3,313)
Foreign exchange differences	2,514	1,540	9,805	974	(8,265)
Difference in the value of other assets (tax value and book value)	-	-	626	-	(626)
Losses potentially deductible from future taxable income	6,167	7,059	10,779	(892)	(3,720)
Other	917	936	1,538	(19)	(602)
Gross deferred tax assets	20,062	18,585	34,156		
Deferred tax expense				(12,088)	4,116
Net deferred tax asset	2,701	9,596	10,972		
Net deferred tax liability	(113,353)	(108,160)	(113,652)		

Considering the specificity of the conducted activity, which involves the achievement of taxable revenue at a deferred time, the Group activates incurred tax losses until taxable income is achieved, taking into account the tax regulations concerning the possibility of settling such losses. The amount of an asset resulting from tax losses disclosed in deferred tax is presented in the table above.

As at 31 March 2018, the Group carried out an analysis of the recoverability of created and potential deferred tax asset and did not create a deferred tax asset on account of, among others, tax losses in companies in the amount of PLN 556,000 (PLN 515,000 as at 31 December 2017 respectively), which can be used within the maximum period of up to five years from the end of the reporting period, in which they occurred. In addition, the Group did not create a deferred tax asset in the amount of PLN 11,299,000 with regard to temporary differences between the balance-sheet and tax values of respective assets and liabilities items (PLN 11,778,000 as at 31 December 2017 respectively).

2.11. Information about Significant Purchase and Sale Transactions Regarding Property, Plant and Equipment

During the period of three months ended 31 March 2018, the Group purchased property, plant and equipment having the value of PLN 105,000.

In the period of three months ended 31 March 2018, the Group did not enter into any sale transactions regarding property, plant and equipment items.

Moreover, within the period of 3 months ended 31 March 2018 the Group companies purchased the following real estate:

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- 1) On 5 January 2018, the Company – as the Purchaser – entered into a purchase agreement in the form of a notarial deed, under which the right of ownership to land of an area of 0.4675 ha, situated at Granitowa street in Wrocław, for a net price of PLN 2,869,105.69. The said real property is designated for multi-family residential development.
- 2) On 15 March 2018, an Issuer's subsidiary, i.e. LC Corp Invest X Sp. z o.o. – as the purchaser – purchased the right of ownership to land located at ul. Dożynkowa in Wrocław, of the total area of 14,396 sq m, and to other benefits arising from the purchase agreement, for a net price of PLN 11,680,000.00. The said real property is designated for multi-family residential development.
- 3) On 30 March 2018, after having won an open public oral tender (auction), which was announced by the President of Gdańsk, the Company – as the Purchaser – entered into a purchase agreement in the form of a notarial deed, under which the right of ownership to land located at ul. Letnicka in Gdańsk, with a total area of 1.3002 ha was acquired for a price of PLN 24,376,600.00 gross. The said real property is designated for multi-family residential and retail development.

On 27 February 2018, the Issuer, as the seller, disposed of the ownership of the undeveloped land located at ul. Starogardzka in Gdańsk, with the area of 0.7532 sq m for a price of PLN 3,766,000.00 net.

2.12. Information about Significant Liabilities on Account of the Purchase of Property, Plant and Equipment

As at 31 March 2018, there were no significant liabilities on account of the purchase of property, plant or equipment.

2.13. Information about Significant Settlements on Account of Litigation

Currently, there are no proceedings before the court or arbitration or public administration authorities with regard to liabilities or receivables of LC Corp S.A. or its subsidiaries whose value would be significant for the financial standing of the Group companies. The subsidiary undertakings of LC Corp S.A. are parties to court and public administration proceedings whose value is insignificant for their operations or financial standing. Other proceedings are mostly related to claims of LC Corp S.A.'s subsidiaries lodged against their debtors.

2.14. Disclosure of Correction of Errors of Previous Periods

During the period of three months ended 31 March 2018 there were no corrections of errors of the previous periods.

2.15. Information about Changes in Economic Situation and Conditions for Running Business Activity Which Have Considerable Impact on Fair Value of Group's Financial Assets and Financial Liabilities, Regardless of Whether Such Assets and Liabilities Are Recognised at Fair Value or at Adjusted Purchase Price (Depreciated Cost)

Fluctuations of the EUR exchange rate translate into significant changes in the EUR valuation of assets/equity and liabilities (i.e. commercial property and the loans financing it) converted into PLN according to the average exchange rate of NBP effective at the end of each accounting period. The situation on financial markets has also an impact on the valuation of IRS, COLLAR and forward financial instruments disclosed in the statement of comprehensive income.

The table below shows the sensitivity of a net financial result to possible fluctuations of the Euro exchange rates of fair value measurement of assets and loans valuations in EUR, on the assumption of the invariability of other factors.

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Because of a considerable instability of Euro exchange rate in recent years, the sensitivity of the financial result for this year is presented for a change by PLN 0.20.

	Increase/decrease in the exchange rate in PLN	Impact on the net financial result in PLN '000	Impact on equity in PLN '000
31 March 2018	+ 0.20	45,546	45,546
(unaudited)	- 0.20	(45,546)	(45,546)
31 December 2017	+ 0.20	42,312	42,312
(unaudited)	- 0.20	(42,312)	(42,312)

2.16. Information about Failure to Repay Loan or Borrowing or Infringement of Material Provisions of Loan or Borrowing Agreement With Regard to Which No Corrective Actions Were Taken by the End of the Reporting Period

No such events occurred in any of the Group's companies.

2.17. Information on Single or Numerous Transactions Concluded by Issuer or Its Subsidiary Undertaking with Related Entities (If Made on Terms Other Than at Arm's Length)

In the discussed reporting period neither the Issuer nor its subsidiary undertakings concluded with a related entity any transactions, which were effected on the terms other than at arm's length.

Transactions with related entities for the Group are presented in item 2.18.

2.18. Transactions with Related Undertakings

31 March 2018 (unaudited)

<i>Related undertaking</i>	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Shareholders	-	-	-	-	-	-
Undertakings related through shareholders	-	-	-	-	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	2,014 (*)	-	-	-	-
Supervisory Board	-	171 (*)	-	-	-	-

(*) Remuneration paid

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31 December 2017 (audited)

Related undertaking	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Shareholders (**)						
LC Corp B.V. (**)	-	-	n/a	n/a	-	-
Undertakings related through shareholders (**)						
LC Corp Sky Tower Sp. z o.o.	398	375	n/a	n/a	-	-
Development System sp. z o.o.	340	-	n/a	n/a	-	-
Europejski Dom Brokerski Sp. z o.o.	8	-	n/a	n/a	-	-
Fundacja Jolanty i Leszka Czarneckich	22	-	n/a	n/a	-	-
Getin Holding S.A.	1,300	-	n/a	n/a	-	-
Getin Leasing S.A.	60	-	n/a	n/a	-	-
Getin Noble Bank S.A.	17,125	205	n/a	n/a	4,151	7,403
Home Broker S.A.	574	2,410	n/a	n/a	-	-
Idea Bank S.A.	6,949	-	n/a	n/a	-	595
Idea Fleet S. A.	34	297	n/a	n/a	-	-
Idea Leasing S.A.	2	-	n/a	n/a	-	-
Idea Money S.A.	1,146	-	n/a	n/a	-	-
Multifinance Expert Sp. z o.o.	7	-	n/a	n/a	-	-
Noble Concierge Sp. z o.o.	-	-	n/a	n/a	-	-
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. (**)	925	-	n/a	n/a	-	-
Noble Securities S.A.	701	23	n/a	n/a	-	-
Open Finance S.A.	2,138	-	n/a	n/a	-	-
Open Life TFI	1,037	-	n/a	n/a	-	-
RB Computer Sp. z o.o.	-	17	n/a	n/a	-	-
RB Investcom Sp. z o.o.	198	-	n/a	n/a	-	-
Sky Dress Sp. z o.o.	5	-	n/a	n/a	-	-
Tax Care S.A.	826	-	n/a	n/a	-	-
TU Europa S.A.	1,780	-	n/a	n/a	-	-
TU Europa Życie S.A.	1,745	-	n/a	n/a	-	-
Sax Development Sp. z o.o.	203	-	n/a	n/a	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	13,929 (*)	-	-	-	-
Supervisory Board	-	230 (*)	-	-	-	-

(*) Remuneration paid

(**) as consequence of the change of the main shareholder of the parent undertaking in September 2017, entities listed as at 31 December 2017 were not undertakings related to the Company. Transactions shown in the table refer to data until 30 September 2017.

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31 March 2017 (unaudited)

	Sales to related undertakings	Purchases from related undertakings	Receivables from related undertakings (trade and financial)	Liabilities to related undertakings (trade and financial)	Financial income (interest)	Financial expenses (interest, discounts)
Related undertaking						
Shareholders						
LC Corp B.V	-	-	-	121,200	-	-
Undertakings related through shareholders						
LC Corp Sky Tower Sp. z o.o.	143	92	17	37	-	-
Development System sp. z o.o.	166	-	8	-	-	-
Europejski Dom Brokerski Sp. z o.o.	2	-	-	-	-	-
Fundacja Jolanty i Leszka Czarnieckich	8	-	2	10	-	-
Getin Holding S.A.	454	-	61	-	-	-
Getin Leasing S.A.	6	-	-	-	-	-
Getin Noble Bank S.A.	5,620	1,315	1,229	219,710	1,528	2,633
Home Broker S.A.	192	798	162	88	-	-
Idea Bank S.A.	2,321	-	351	15,742	-	196
Idea Fleet S. A.	1	73	-	-	-	-
Idea Money S.A.	345	-	54	219	-	-
Multifinance Expert Sp. z o.o.	2	-	-	-	-	-
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	145	-	28	-	-	-
Noble Securities S.A.	229	8	36	244	-	-
Open Finance S.A.	671	-	38	159	-	-
Open Finance Towarzystwo Funduszy Inwestycyjnych S.A.	98	-	15	-	-	-
Open Life TFI	336	-	53	-	-	-
RB Computer Sp. z o.o.	-	7	-	-	-	-
RB Investcom Sp. z o.o.	91	-	11	9	-	-
Sky Dress Sp. z o.o.	1	-	28	-	-	-
Tax Care S.A.	230	-	26	-	-	-
TU Europa S.A.	654	-	101	75	-	-
TU Europa Życie S.A.	639	-	86	78	-	-
Sax Development Sp. z o.o.	18	-	15	-	-	-
Management and Supervisory Board						
Management Board of parent undertaking and subsidiaries	-	714 (*)	-	-	-	-
Supervisory Board	-	30 (*)	-	-	-	-

(*) Remuneration paid

2.19. Information about Change in the Way (Method) of Determining Fair Value for Financial Instruments Measured at Fair Value

None occurred.

2.20. Information about Change in Classification of Financial Assets Resulting From Change in Purpose or Utilisation of Such Assets

None occurred.

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2.21. Financial Liabilities

2.21.1 Interest-bearing Bank Loans and Bonds

Non-current	Entity	Interest rate	Repayment date	31 March 2018 (unaudited)	31 December 2017 (audited)
Bank loan in EUR (a)	Arkady Wrocławskie S.A.	Euribor 3M+margin	31 Dec 2022	91,470	93,232
Bank loan in EUR (b)	Warszawa Przyokopowa Sp. z o.o.	Euribor 1M+margin	15 Jun 2022	166,106	171,198
Bank loan in EUR (c)	Sky Tower S.A.	Euribor 3M+margin	20 Dec 2022	194,930	195,552
Bank loan in EUR (d)	LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. (Silesia Star)	Euribor 3M+margin	31 Dec 2025	40,589	42,411
Bank loan in EUR (e)	LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. (Silesia Star)	Euribor 3M+margin	31 Dec 2025	51,852	52,924
Bank loan in EUR (f)	LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. (Retro Office House)	Euribor 3M+margin	30 May 2029	54,321	36,637
Bank loan in PLN (g)	LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. (Retro Office House)	Wibor 1M+margin	31 Oct 2019	1,288	1,187
Bank loan in PLN (h)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Euribor 3M+margin	28 Nov 2027	-	-
Bank loan in PLN (i)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Wibor 1M+margin	28 Nov 2020	-	-
Bank loan in PLN (j)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	-	-
Bank loan in PLN (k)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	-	-
Bond scheme (l)	LC Corp S.A.	Wibor 6M+margin	30 Oct 2018	-	-
Bond scheme (m)	LC Corp S.A.	Wibor 6M+margin	6 Jun 2019	49,883	49,858
Bond scheme (n)	LC Corp S.A.	Wibor 6M+margin	20 Mar 2020	64,819	64,796
Bond scheme (o)	LC Corp S.A.	Wibor 6M+margin	10 May 2021	84,769	84,750
Bond scheme (p)	LC Corp S.A.	Wibor 6M+margin	10 May 2021	14,977	14,975
Bond scheme (q)	LC Corp S.A.	Wibor 6M+margin	6 Oct 2021	24,956	24,953
Bond scheme (r)	LC Corp S.A.	Wibor 6M+margin	6 Oct 2021	14,925	14,920
Bond scheme (s)	LC Corp S.A.	Wibor 6M+margin	5 Jun 2022	49,605	49,582
Bond scheme (t)	LC Corp S.A.	Wibor 6M+margin	28 Feb 2022	44,665	-
Revolving loan (u)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	-	-
				949,155	896,975

Current	Entity	Interest rate	Repayment date	31 March 2018 (unaudited)	31 December 2017 (audited)
Bank loan in EUR (a)	Arkady Wrocławskie S.A.	Euribor 3M+margin	31 Dec 2018	10,521	10,427
Bank loan in EUR (b)	Warszawa Przyokopowa Sp. z o.o.	Euribor 1M+margin	31 Dec 2018	10,420	10,227
Bank loan in EUR (c)	Sky Tower S.A.	Euribor 3M+margin	31 Dec 2018	13,790	13,567
Bank loan in EUR (d)	LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. (Silesia Star)	Euribor 3M+margin	31 Dec 2018	2,243	2,209

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Bank loan in EUR (e)	LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. (Silesia Star)	Euribor 3M+margin	31 Dec 2018	2,173	2,141
Bank loan in EUR (f)	LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. (Retro Office House)	Euribor 3M+margin	31 Dec 2018	-	-
Bank loan in PLN (g)	LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. (Retro Office House)	Wibor 1M+margin	31 Dec 2018	-	-
Bank loan in PLN (h)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Euribor 3M+margin	31 Dec 2018	-	-
Bank loan in PLN (i)	LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. (Wola Retro)	Wibor 1M+margin	31 Dec 2018	-	-
Bank loan in PLN (j)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	50,116	50,089
Bank loan in PLN (k)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	38,106	38,092
Bond scheme (l)	LC Corp S.A.	Wibor 6M+margin	30 Apr 2018 / 30 Oct 2018	51,008	50,328
Bond scheme (m)	LC Corp S.A.	Wibor 6M+margin	6 Jun 2018	819	164
Bond scheme (n)	LC Corp S.A.	Wibor 6M+margin	20 Sep 2018	155	963
Bond scheme (o)	LC Corp S.A.	Wibor 6M+margin	10 May 2018	1,731	618
Bond scheme (p)	LC Corp S.A.	Wibor 6M+margin	10 May 2018	305	108
Bond scheme (q)	LC Corp S.A.	Wibor 6M+margin	6 Apr 2018	635	309
Bond scheme (r)	LC Corp S.A.	Wibor 6M+margin	6 Apr 2018	379	183
Bond scheme (s)	LC Corp S.A.	Wibor 6M+margin	5 Jun 2018	798	176
Bond scheme (t)	LC Corp S.A.	Wibor 6M+margin	28 Aug 2018	195	-
Revolving loan (u)	LC Corp S.A.	Wibor 1M+margin	31 Dec 2018	-	-
				183,394	179,601

- (a) Loan at Arkady Wrocławskie taken out in EUR on 28 February 2008 with the consortium of banks: ING Bank Śląski S.A. and Bank Zachodni WBK S.A. On 29 December 2017, the Company and Bank Zachodni WBK S.A. executed an amendment to the consortium loan agreement of 28 February 2008 to extend the period of financing granted under the loan agreement. The amount of loan granted under the said amendment is EUR 25,000,000, and the loan repayment date has been fixed for 31 December 2022. Prior to entering into the above amendment, i.e. on 27 December 2017, an amendment to the loan agreement was executed between Arkady Wrocławskie S.A. and ING Bank Śląski S.A. and Bank Zachodni WBK S.A., as the existing consortium of lending banks, under which ING Bank Śląski S.A. assigned to Bank Zachodni WBK S.A. its receivables against the Company arising from the loan granted within the framework of the bank consortium, and Bank Zachodni WBK S.A. accepted the said assignment becoming thus the sole lender. At this moment, also all the entitlements, rights and claims (including the entire collateral), and all the risks and obligations relating to the loan were assigned to Bank Zachodni WBK S.A..
- (b) The loan at Warszawa Przyokopowa Sp. z o.o. was taken out pursuant to the agreement of 15 July 2011 with Raiffeisen Bank Polska S.A. in the amount of up to EUR 49,000,000 for the partial financing of the construction of Wola Center office building development in Warsaw. On 26 June 2014 the company concluded an amendment to the Loan Agreement pursuant to which the maximum amount was increased to EUR 55,000,000.
- (c) The loan at Sky Tower S.A. taken out in EUR pursuant to the agreement of 29 December 2012 concluded with the consortium of banks Getin Noble Bank S.A. and Alior Bank S.A.
- (d) The Loan at LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. taken out under the agreement of 14 May 2014 with PKO BP S.A. The loan was taken out in EUR up to the amount equivalent in EUR of PLN 62,000,000 in order to

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- finance, partially, the construction of an office and retail development with a car park under the name Silesia Star (stage 1) in Katowice at ul. Roździeńskiego.
- (e) The loan at LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. taken out under the agreement of 26 February 2016 with PKO BP S.A. The loan amounts to the equivalent in EUR of PLN 63,500,000 for the partial financing of the 2 stage of Silesia Star.
 - (f) The loan at LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. taken out pursuant to the agreement of 30 November 2016 with mBank Hipoteczny S.A. up to the amount of EUR 23,700,000 for the partial financing of Retro Office House.
 - (g) The revolving loan at LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. taken out under the agreement of 26 April 2017 with mBank S.A. up to the amount of PLN 6,000,000 for financing and refinancing the payment of VAT in respect of costs related to Retro Office House.
 - (h) The loan at LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. taken out pursuant to the agreement 20 December 2017 with the consortium of mBank Hipoteczny S.A. and mBank S.A. up to the amount of EUR 34,187,000 for the partial financing of Wola Retro in Warsaw. As at 31 March 2018, no loan disbursement was made yet.
 - (i) The revolving loan at LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. taken out under the agreement of 20 December 2017 with the consortium of mBank Hipoteczny S.A. and mBank S.A. up to the amount of PLN 7,000,000 for financing and refinancing the payment of VAT in respect of costs related to Wola Retro in Warsaw. As at 31 March 2018, no loan disbursement was made yet.
 - (j) Loan at LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 29 April 2014, disbursed on 30 April 2014 in LC Corp S.A.
 - (k) Loan at LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 18 June 2014, disbursed on 3 September 2015 in LC Corp S.A.
 - (l) Coupon bonds – the issue of 31 October 2013, including 500 five-year unsecured coupon bonds, having a par value of PLN 100,000 each and a total nominal value of PLN 50,000,000 each under a Bond Issue Agreement with the buyback date set at 30 October 2018 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
 - (m) Coupon bonds – the issue of 6 June 2014, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 each under a Bond Issue Agreement with the buyback date set at 6 June 2019 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
 - (n) Coupon bonds – the issue of 20 March 2015, including 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 65,000,000 each under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
 - (o) Coupon bonds – the issue of 10 May 2016, including 85,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 85,000,000 each under a Bond Issue Agreement with the buyback date set at 10 May 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 23 December 2016, the assimilation of bonds of these series with bonds issued on 19 August 2016 took place on the “Catalyst” bond market.
 - (p) Coupon bonds – the issue of 19 August 2016, including 15,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 15,000,000 each under a Bond Issue Agreement with

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the buyback date set at 10 May 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 23 December 2016, the assimilation of bonds of these series with bonds issued on 10 May 2016 took place on the “Catalyst” bond market.

- (q) Coupon bonds – the issue of 6 October 2016, including 25,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 25,000,000 each under a Bond Issue Agreement with the buyback date set at 6 October 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 25 April 2017, the assimilation of bonds of these series with bonds issued on 27 October 2016 took place on the “Catalyst” bond market.
- (r) Coupon bonds – the issue of 27 October 2016, including 15,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 15,000,000 each under a Bond Issue Agreement with the buyback date set at 6 October 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 25 April 2017, the assimilation of bonds of these series with bonds issued on 6 October 2016 took place on the “Catalyst” bond market.
- (s) Coupon bonds – the issue of 5 December 2017, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 each under a Bond Issue Agreement with the buyback date set at 5 June 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (t) Coupon bonds – the issue of 28 February 2018, including 45,000 four-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 45,000,000 each under a Bond Issue Agreement with the buyback date set at 28 February 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (u) Revolving loan in the amount of up to PLN 25,000,000 – taken out under the agreement concluded between LC Corp S.A. and Getin Noble Bank S.A. on 21 December 2016, and the final repayment date fixed for 31 December 2018. As at 31 March 2018, the loan balance was PLN 0.00.

The allocation of respective loans, bonds to operating segments is presented in item 2.26.

2.21.2 Other Liabilities on Account of Financial Instruments

As at 31 March 2018 and 31 December 2017, the fair value measurement of transactions hedging the risk of an interest rate increase, of the IRS, COLLAR and forward type, was recognised under *Liabilities on account of loans and bonds* and totalled:

	31 March 2018 (unaudited)	31 December 2017 (audited)
Non-current	4,887	5,133
Current	66	-
Total	4,953	5,133

The allocation of respective instruments to operating segments is presented in item 2.26.

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2.21.3 Issue, Buyout of Equity Securities

On 28 February 2018, 45,000 four-year unsecured coupon bonds having a par value of PLN 1,000 each and a total nominal value of PLN 45,000,000 were issued under a Bond Issue Agreement with the buyback date set at 28 February 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.

In the period of 3 months ended 31 March 2018, no bonds were bought out.

2.21.4 Taking out and Repayment of Bank Loans and Borrowings

1. In the period of 3 months ended 31 March 2018, Arkady Wrocławskie S.A. repaid, in accordance with the repayment schedule, the instalments of the loan in EUR taken out with Bank Zachodni WBK S.A. in the amount of 2,244,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 101,991,000.
2. In the period of 3 months ended 31 March 2018, Warszawa Przyokopowa Sp. z o.o. repaid, in accordance with the repayment schedule, the instalments of the loan in EUR taken out with Raiffeisen Bank Polska S.A. in the amount of PLN 6,586,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 176,526,000.
3. In the period of 3 months ended 31 March 2018, Sky Tower S.A. repaid, in accordance with the repayment schedule, the instalments of the loan in EUR taken out with the consortium of banks: Getin Noble Bank S.A. and Alior Bank S.A. in the amount of PLN 2,197,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 208,720,000.
4. In the period of 3 months ended 31 March 2018, LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 20 Sp. k. repaid, according to the loan agreement aimed at the financing of the construction of the office development – Silesia Star (1st stage), the loan in the amount of PLN 2,188,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 42,832,000.
5. In the period of 3 months ended 31 March 2018, LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 20 Sp. k., according to the loan agreement with PKO BP S.A. aimed at the partial financing of the 2nd stage of Silesia Star project, repaid the loan in the amount of PLN 1,563,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 54,025,000.
6. In the period of 3 months ended 31 March 2018, LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 21 Sp. k., according to the loan agreement with mBank Hipoteczny S.A. aimed at the partial financing of Retro Office House in Wrocław, drew down funds in the total amount of PLN 17,469,000. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 54,321,000.
7. In the period of 3 months ended 31 March 2018, LC Corp Invest XVII Spółka z ograniczoną odpowiedzialnością Projekt 21 Sp. k., according to the revolving loan agreement with mBank S.A. designated for financing and refinancing the payment of VAT in respect of costs arising from the Retro Office House project, drew down funds (disbursements less repayments) in the total amount of PLN 101,000,000 net. As at 31 March 2018, the total amount to be repaid, after conversion into PLN, was PLN 1,288,000.
8. On 20 December 2017, LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k., as borrower, executed with the consortium of mBank Hipoteczny S.A. and mBank S.A. an investment loan agreement in the amount of up to EUR 34,187,000 for financing and refinancing Wola Retro in Warsaw and a revolving loan agreement in the amount of up to PLN

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7,000,000 for financing and refinancing the payment of VAT in respect of costs related to this project. As at 31 March 2018, no loan disbursements were made yet.

2.21.5 Collateral

The main collateral used to secure loan repayment as at 31 March 2018 is presented below.

Security for Loans Granted to Finance Commercial Properties:

1. Security for the bank loan agreement concluded by Arkady Wrocławskie S.A.:
 - capped mortgage (*loan in EUR*) – up to the amount of EUR 37,500,000;
 - pledge on the shares of Arkady Wrocławskie S.A. held by LC Corp S.A. – up to the amount of EUR 37,500,000;
 - registered pledge on bank accounts (*loan in EUR*) – up to the amount of EUR 37,500,000,
 - assignment of rights arising from rental contracts, insurance and guarantees related to agreements with contractors;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure with regard to 113,700,000 ordinary registered shares of a nominal value of PLN 1.00 each being a part of the share capital of Arkady Wrocławskie S.A., encumbered with registered pledge, under financial and registered pledge agreement, on shares as security for the repayment of secured receivable;
 - support agreement concerning the loan repayment, concluded by LC Corp S.A.;
 - deposit of EUR 500,000.
2. Security for transactions hedging against interest rate risk (COLLAR) (hedging agreement), which were established by Arkady Wrocławskie S.A. after the balance-sheet date under a framework agreement:
 - contractual mortgage of up to PLN 8,250,000;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure for a total amount of up to PLN 8,250,000;
3. Security for the bank loan agreement concluded by Warszawa Przyokopowa Sp. z o.o.:
 - contractual capped mortgage of the highest priority up to the amount of EUR 75,957,124.43;
 - financial and registered pledges on accounts receivable from bank accounts with a power of attorney to manage the accounts;
 - registered pledge on all shares of Warszawa Przyokopowa Sp. z o.o. together with a financial pledge;
 - assignment to secure the borrower's rights arising from all agreements concluded by the Borrower;
 - subordination agreement on claims from other borrower's creditors being the borrower's partners, making them junior to the claims of the bank resulting from the Agreement;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure for a total amount of up to EUR 82,500,000;
4. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by Warszawa Przyokopowa Sp. z o.o. pursuant to the framework agreement of 1 June 2012:
 - contractual mortgage of up to PLN 135,000,000;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law for a total amount of up to PLN 135,000,000.
5. Security for the agreement on a bank loan taken out by Sky Tower S.A.:
 - contractual mortgage of the highest priority of up to EUR 90,000,000;
 - financial and registered pledges on accounts receivable from bank accounts with a power of attorney to manage the accounts;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law and Article 777 of the Code of Civil Procedure;

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- registered pledges on all shares of Sky Tower S.A., together with a financial pledge of up to EUR 90,000,000;
 - assignment to secure the borrower's rights arising from all agreements concluded by the Borrower;
 - subordination agreement on claims from other borrower's creditors being the borrower's partners, making them junior to the claims of the bank resulting from the Agreement.
6. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by Sky Tower S.A. pursuant to the framework agreement of 27 December 2012:
- contractual mortgage of the highest priority of up to EUR 44,000,000;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law.
7. Security for the agreements on bank loans taken out by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k.:
- contractual mortgage of up to the total of EUR 72,816,666.66, established on land owned by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k. (as a security for loan agreements for the 1st and 2nd stage of the project);
 - support agreement concluded by the borrower, the bank and the Issuer, pursuant to which the Issuer, acting as guarantor, will be obliged, among other things, to provide the borrower with financial support in the events specified in this agreement;
 - four blank promissory notes with promissory note agreements, guaranteed by the Issuer by the time of submitting the rental contracts to the Bank, covering at least 20% of the leasable space in the Silesia Star A building, concluded with tenants not related to the Issuer;
 - assignment of cash receivable arising from agreements on the building site insurance against construction and installation risks in the period of carrying out the project, and, upon its completion, the assignment of cash receivable under the agreement on the real property insurance against fire and other accidents, concluded with an insurance company for the sum not lower than the amount due on account of the loan;
 - financial and registered pledges on accounts receivable from bank accounts with a power of attorney to manage the accounts;
 - surety agreement concluded by the borrower, the bank PKO BP S.A. and the Issuer, regarding the loan agreement for the implementation of stage 2 of Silesia Star in Katowice, pursuant to which LC Corp S.A., acting as surety, will be obliged to provide financial support to the borrower under the circumstances specified in the agreement, for potential cost overrun up to the maximum amount of PLN 31,750,000;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in conjunction with the support agreement and surety agreement mentioned above;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law and Article 777 of the Code of Civil Procedure;
 - registered pledge on LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k.;
 - assignment to secure the borrower's rights arising from all agreements concluded by the Borrower;
 - subordination agreements on claims from other borrower's creditors being the borrower's partners, making them junior to the claims of the bank resulting from the Agreement.
8. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k. pursuant to the framework agreement of 31 March 2016 (which replaced, upon its execution, the hedging agreement for the 1st stage of the project entered into on 30 June 2014) as security for both loan agreements:
- next ranking contractual mortgage of up to PLN 82,210,300, subordinated to the mortgage established as security for the investment loan and revolving loan for VAT on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. k.;
 - declaration on submission to enforcement pursuant to Article Article 777 of the Code of Civil Procedure.
9. Security for the bank loan agreement signed by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp.k.:
- contractual mortgage for a total amount of up to EUR 35,550,000.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.;
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- support agreement concluded by the borrower, mBank Hipoteczny S.A. and Kraków Zielony Złocień Sp. z o.o. – the Issuer's subsidiary as the guarantor, pursuant to which the guarantor will be obliged, among other things, to provide financial support to the borrower under the circumstances specified in the agreement;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure submitted by Kraków Zielony Złocień Sp. z o.o. towards mBank Hipoteczny S.A. in connection to the support agreement described above of up to PLN 4,500,000;
 - declaration of the borrower on voluntary submission to enforcement towards mBank Hipoteczny S.A. of up to EUR 35,550,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
 - registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of EUR 35,550,000.00;
 - agreement on the assignment of claims from all agreements concluded by the borrower connected with the project implemented on the property;
 - subordination agreement on accounts receivable concluded by the borrower with other subsidiaries of the Issuer - LC Corp Invest XVII Sp. z o.o., Kraków Zielony Złocień Sp. z o.o. and LC Corp Invest I Sp. z o.o., making them subordinated creditors and mBank Hipoteczny S.A. as senior creditor, including the assignment to secure all subordinated accounts receivable for the bank in accordance with the above agreement;
 - registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 35,550,000.
10. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp.k. pursuant to the framework agreement of 30 November 2016 as security for the loan agreement in favour of mBank S.A.:
- next ranking contractual mortgage of up to PLN 32,985,000, subordinated to the mortgage established as security for the investment loan and revolving loan for VAT on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.;
 - declaration on submission to enforcement pursuant to Article Article 777 of the Code of Civil Procedure of up to PLN 32,985,000.00.
11. Security for the agreement on a revolving bank loan taken out by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp.k. to pre-finance a VAT refund up to PLN 6,000,000.00;
- contractual mortgage for a total amount of up to PLN 9.000.000,00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k.;
 - instruction to block funds in the borrower's account;
 - declaration of the borrower on voluntary submission to enforcement towards mBank Hipoteczny S.A. of up to PLN 9,000,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
12. Security for the bank loan agreement signed by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k.:
- contractual mortgage of up to EUR 36,280,500.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. in favour of mBank Hipoteczny S.A.;
 - contractual mortgage of up to EUR 15,000,000.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. in favour of mBank S.A.;
 - contractual mortgage of up to PLN 10,500,000.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k. in favour of mBank S.A.;
 - declaration of the borrower on voluntary submission to enforcement towards mBank Hipoteczny S.A. of up to EUR 36.280.500,00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;

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- declaration of the borrower on voluntary submission to enforcement towards mBank Hipoteczny S.A. of up to EUR 15,000,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
- declaration of the borrower on voluntary submission to enforcement towards mBank S.A. of up to PLN 10,500,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
- agreement on the assignment of claims from all agreements concluded by the borrower connected with the project implemented on the property;
- registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of EUR 36,280,500.00 in favour of mBank Hipoteczny S.A.;
- registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of EUR 15,000,000.00 and PLN 10,500,000 in favour of mBank S.A.;
- subordination agreement on accounts receivable concluded by the borrower, LC Corp S.A. and other subsidiaries of the Issuer - LC Corp Invest XVII Sp. z o.o. and LC Corp Invest I Sp. z o.o., making them subordinated creditors, and mBank S.A. and mBank Hipoteczny S.A. as senior creditors, including the assignment to secure all subordinated accounts receivable for the bank in accordance with the above agreement;
- support agreement concluded by the borrower, mBank Hipoteczny S.A., mBank S.A. and LC Corp S.A. as the guarantor, pursuant to which the guarantor will be obliged, among other things, to provide financial support to the borrower under the circumstances specified in the agreement;
- declaration of LC Corp S.A. on its submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in conjunction with the above-mentioned support agreement up to EUR 3,576,261.90;
- surety agreement concluded by the borrower, mBank Hipoteczny S.A., mBank S.A. and LC Corp S.A., under which LC Corp S.A. will stand surety for the borrower up to a partial amount of the borrower's liabilities as a result of achieving a certain level of DSCR ;
- commitment to enter into a support agreement with the borrower, mBank Hipoteczny S.A., mBank S.A. and LC Corp S.A. as the guarantor, pursuant to which the guarantor will be obliged, among other things, to provide financial support to the borrower under the circumstances specified in the agreement;
- declaration of LC Corp S.A. on its submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in conjunction with the above-mentioned support agreement up to EUR 558,660.50;
- registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 36,280,500.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
- registered pledge in favour of mBank S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 15,000,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
- registered pledge in favour of mBank S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of PLN 10,500,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
- registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp S.A. with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 36,280,500.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
- registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp S.A. with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to

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- the highest sum of security in the amount of EUR 15,000,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
- registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp S.A. with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of PLN 10,500,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
 - registered pledge on the enterprise (a set of movables and transferable rights) in favour of mBank Hipoteczny S.A. established by the borrower with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 36,280,500.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
 - registered pledge on the enterprise (a set of movables and transferable rights) in favour of mBank S.A. established by the borrower with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 15,000,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
 - registered pledge on the enterprise (a set of movables and transferable rights) in favour of mBank S.A. established by the borrower with regard to the rights and obligations due to the limited partner of the borrower to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of PLN 10,500,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
 - contractual mortgage of up to EUR 36,280,500.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. in favour of mBank Hipoteczny S.A.;
 - contractual mortgage of up to EUR 15,000,000.00 established on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. in favour of mBank S.A.;
 - declaration of LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. on voluntary submission to enforcement towards mBank Hipoteczny S.A. up to EUR 36,280,500.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
 - declaration of LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. on voluntary submission to enforcement towards mBank S.A. up to EUR 15,000,000.00 pursuant to Article 777(1)(5) of the Code of Civil Procedure, due to any pecuniary liabilities of the Company towards the Bank resulting from the Loan agreement;
 - registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of EUR 36,280,500.00, established by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. in favour of mBank Hipoteczny S.A., together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure and a power of attorney with respect to these accounts;
 - registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of EUR 15,000,000.00 and PLN 10,500,000, established by LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. in favour of mBank S.A., together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure and a power of attorney with respect to these accounts;
 - registered pledge in favour of mBank Hipoteczny S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 36,280,500.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
 - registered pledge in favour of mBank S.A. established by LC Corp Invest XVII Sp. z o.o. – a subsidiary of the Issuer, with regard to the rights and obligations due to LC Corp Invest XVII Sp. z o.o. as the general partner of LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp. k. to secure the repayment of secured accounts receivable up to the highest sum of security in the amount of EUR 15,000,000.00 together with a declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure;
13. Security for the transactions hedging against foreign exchange risk and interest rate risk (hedging agreements), established by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k. pursuant to the framework agreement as security for the loan agreement in favour of mBank S.A.:

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- next ranking contractual mortgage of up to PLN 32,235,000, subordinated to the mortgage established as security for the investment loan and revolving loan for VAT on the land property owned by LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp. k.;
- registered pledges on the rights to cash in all bank accounts of the Borrower up to the highest sum of security in the amount of PLN 32,235,000 in favour of mBank S.A.;
- declaration on submission to enforcement pursuant to Article Article 777 of the Code of Civil Procedure of up to PLN 32,235,000.

Security for Loans Granted to Finance Residential Projects or Finance Acquisition of Land for Such Projects and Their Initial Stages:

1. The bank loan agreements signed by LC Corp S.A. with Getin Noble Bank S.A. are secured by:
 - a) with regard to the loan agreement of 29 April 2014 for PLN 50,000,000:
 - joint contractual mortgage of up to PLN 75,000,000.00 on the real property owned by the Issuer and on the real property owned by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV Sp. z o.o. Investments S.K.A.;
 - surety granted by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV sp. z o.o. Investments S.K.A.;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law.
 - b) with regard to the loan agreement of 18 June 2014 for PLN 40,000,000:
 - joint contractual mortgage of up to PLN 60,000,000.00 on the real property to which the right of perpetual usufruct was granted to LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.;
 - surety granted by the Issuer's subsidiary - LC Corp Invest XV Sp. z o.o. and LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law submitted by the Issuer's subsidiary – LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k., with a restriction to cancel the enforcement from the mortgaged property.
 - c) with regard to the loan agreement of 21 December 2016 for PLN 25,000,000:
 - a power of attorney relating to all the borrower's accounts maintained with the bank;
 - declaration on borrower's submission towards the bank to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure up to PLN 37,500,000.
2. On 25 July 2016, LC Corp Invest IX Sp. z o.o., in connection with the agreement on the transfer of the right of perpetual usufruct to the property located in Kraków at ul. Mogilska, established a contractual mortgage for the seller up to PLN 1,771,200.00. It secures the claim according to which when the company obtains the final decision regarding the building permit providing for an authorisation to implement on the acquired property a residential project of the usable floor area of the flats of over 11,500 sq m, the seller will be entitled to additional remuneration in the amount of PLN 800.00, increased by tax on goods and services for each square meter of usable floor area exceeding 11,500 sq m obtained by the company.

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2.21.6 Liabilities on Account of Acquisition of Subsidiary

Due to the fact that the payment date of the purchase price of the shares of Sky Tower S.A. (pursuant to the agreement of 6 December 2013) was deferred, the liabilities in that regard are subject to discounting. As at 31 March 2018, the discount amount to be settled was PLN 3,482,000, while as at 31 December 2017, it was PLN 4,163,000.

Discounted liabilities as at 31 March 2018 and as at 31 December 2017 are presented in the table below:

	31 March 2018 (unaudited)	31 December 2017 (audited)
Non-current	37,975	37,641
Current	39,342	38,996
Total	77,317	76,637

2.22. Information Concerning Paid Out (or Declared) Dividend, in Total and Per Share, in Breakdown by Ordinary and Preference Shares

On 20 March 2018, the Management Board of the Company carried a resolution in line with the adopted dividend policy, about which the Issuer informed in the Current Report no. 127/2017 of 7 December 2017. Pursuant to the resolution, the Management Board will recommend to the Ordinary General Meeting the payment of dividend in the total amount of PLN 107,413,994.64, i.e. in the amount of PLN 0.24 per share, which corresponds to the total profit of PLN 100,909,315.22 earned by the Issuer in the year ended 31 December 2017 and the amount of PLN 6,504,679.42 originating from the supplementary capital comprising profit generated in previous years.

2.23. Events Subsequent to 31 March 2018, Not Disclosed in These Statements, Which Could Have Material Bearing on Future Financial Results of LC Corp Group

- On 17 April 2018, an Issuer's subsidiary, i.e. LC Corp Invest III Sp. z o.o. – as the Purchaser – entered into purchase agreements in the form of notarial deed, under which it acquired the right of ownership to parcels of land located at Parowcowa / Trzciniowa streets in Warsaw, of the total area of 9,690 sq m, and to other benefits arising from the agreements, for a net price of PLN 11,900,000.00. The aforementioned land is designated for a residential development project with about 163 flats.
- On 24 April 2018, the share capital of LC Corp Invest XVIII Sp. z o.o. was increased from PLN 5,000 to PLN 180,000.00. The said change in the share capital was effected by subscribing for new shares of the sole company's shareholder, owning all the shares – LC Corp S.A.
- On 27 April 2018, the share capital of LC Corp Invest XX Sp. z o.o. was increased from PLN 5,000 to PLN 1,000,000.00. The said change in the share capital was effected by subscribing for new shares of the sole company's shareholder, owning all the shares – LC Corp S.A.

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2.24. Information on Changes in Contingent Liabilities or Contingent Assets After the End of Last Accounting Year

From the end of the last financial year there were no significant changes in contingent liabilities or contingent assets of the Group companies, including contingent liabilities arising from real estate development, relating to contingent fees for the removal of trees, whose total amount fell from PLN 6,392,000 as at 31 December 2017 to PLN 6,333,000 as at 31 March 2018.

Apart from contingent liabilities representing security for bank loans, described in detail in Note 2.21.5 and the above-described contingent fees for the removal of trees, as at 31 March 2018, the Group Companies do not have any other significant contingent liabilities.

2.25. Other Information Deemed by Group as Relevant for Assessment of Its Personnel, Assets, Financial and Profit/Loss Standing and Changes Thereof and Information Relevant for Feasibility of Fulfilling Its Obligations

In the discussed reporting period, there were no events relevant for the assessment of the Group's personnel, assets, financial or profit/loss standing or changes thereof or of the feasibility of discharging its obligations.

2.26. Revenue and Profit-Loss Attributable to Respective Operating Segments

For management purposes, the Group distinguishes three reporting operating segments:

- rental services segment
- property development activity segment
- holding (other) activity segment

The Group measures the results of operating segments on the basis of sales revenue and gross sales result. The results of other operating activity and financial activity are managed at the Group's level and are not allocated to operating segments.

In the tables below, the data (PLN'000) concerning revenues and profits of the Group's individual segments have been provided for the period of three months ended 31 March 2018 and 31 March 2017 and those concerning assets and liabilities as at 31 March 2018 and 31 December 2017:

Period of 3 months ended 31 March 2018 (unaudited)	Rental activity	Property development activity	Holding (other) activity	Total activity
Total sales revenue	34,294	223,720	37	258,051
Pre-tax profit/(loss) on sales (Segment result)	23,157	75,714	37	98,908
Unallocated revenues				23,755
Unallocated expenses				(26,466)
Pre-tax profit/(loss)				96,197
Income tax (tax burden)				(17,864)
Net profit/(loss)				78,333

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Period of 3 months ended 31 March 2017 (unaudited)	Rental activity	Property development activity	Holding (other) activity	Total activity
Total sales revenue	36,041	156,087	56	192,184
Pre-tax profit/(loss) on sales (Segment result)	25,013	54,410	56	79,479
Unallocated revenues				33,116
Unallocated expenses				(100,395)
Pre-tax profit/(loss)				12,200
Income tax (tax burden)				(1,152)
Net profit/(loss)				11,048

As at 31 March 2018 (unaudited)	Rental activity	Property development activity	Holding (other) activity	Total activity
Assets and liabilities				
Total assets, including:	1,953,079	1,467,437	51,816	3,472,332
<i>Non-current receivables</i>	12,314	-	-	12,314
<i>Current financial assets</i>	-	15,730	-	15,730
<i>Cash and Cash Equivalents</i>	36,867	229,533	212,722	479,122
Total liabilities, including:	817,596	1,032,919	94,880	1,945,395
<i>Liabilities on account of loans and bonds</i>	644,658	492,844	-	1,137,502
<i>Liabilities on account of acquisition of subsidiary</i>	-	-	77,317	77,317

As at 31 December 2017 (audited)	Rental activity	Property development activity	Holding (other) activity	Total activity
Assets and liabilities				
Total assets, including:	1,892,607	1,262,791	144,251	3,299,649
<i>Non-current receivables</i>	11,684	-	-	11,684
<i>Current financial assets</i>	223	16,692	-	16,915
<i>Cash and Cash Equivalents</i>	47,752	163,283	133,213	344,248
Total liabilities, including:	790,407	966,811	94,055	1,851,273
<i>Liabilities on account of loans and bonds</i>	636,845	444,864	-	1,081,709
<i>Liabilities on account of acquisition of subsidiary</i>	-	-	76,637	76,637

CONSOLIDATED QUARTERLY REPORT

3. INTERIM CONDENSED FINANCIAL STATEMENTS OF LC CORP S.A.

STATEMENT OF FINANCIAL POSITION

(PLN'000)	31 March 2018 (unaudited)	31 December 2017 (audited)
Assets		
A. Fixed assets	1,093,917	1,085,681
1. Intangible assets	390	384
2. Property, plant and equipment	732	730
2.1. Tangible assets	714	712
2.2. Tangible assets under construction	18	18
3. Non-current loans and receivables	172,838	170,612
4. Non-current investments	914,039	909,110
5. Non-current prepayments and accrued income	-	-
6. Deferred tax assets	5,918	4,845
B. Current assets	467,821	384,835
1. Inventory	135,495	126,805
2. Trade and other receivables	24,549	4,950
3. Income tax receivable	-	-
4. Current financial assets	100,347	127,348
5. Cash and cash equivalents	206,364	125,271
6. Current prepayments and accrued income	1,066	461
C. Non-current assets classified as held for sale	-	-
Total assets	1,561,738	1,470,516
Equity and liabilities		
A. Equity	924,193	882,436
1. Share capital	447,558	447,558
2. Called-up share capital not paid	-	-
3. Reserve funds	330,901	330,901
4. Other reserve funds	-	-
5. Other capital	3,068	3,068
6. Retained profit/(Loss carried forward)	142,666	100,909
B. Non-current liabilities	436,815	391,136
1. Non-current financial liabilities	398,821	353,476
2. Non-current liabilities on account of acquisition of subsidiary	37,975	37,641
3. Provisions	19	19
4. Deferred tax liability	-	-
C. Current liabilities	200,730	196,944
1. Current financial liabilities	145,615	142,386
2. Current liabilities on account of acquisition of subsidiary	39,342	38,996
3. Trade and other payables	4,455	4,221
4. Income tax payables	32	-
5. Provisions	370	370
6. Accrued expenses and revenue	10,916	10,971
Total equity and liabilities	1,561,738	1,470,516

CONSOLIDATED QUARTERLY REPORT

STATEMENT OF COMPREHENSIVE INCOME

(PLN'000)	Q1 2018 period from 01/01/2018 to 31/03/2018 (unaudited)	Q1 2017 period from 01/01/2017 to 31/03/2017 (unaudited)
Revenues		
Revenue from sale of services, products and goods	18,059	2,938
Revenue from interest and discounts	4,439	4,005
Revenue from dividend	42,827	23,668
Other financial income	4,929	-
Other operating income	68	81
Total operating income	70,322	30,692
Expenses		
Operating expenses, cost of sold products and goods	(22,147)	(5,598)
Costs of interest and discounts	(6,367)	(5,714)
Other financial expenses	(1,003)	(1,293)
Other operating expenses	(6)	-
Total operating expenses	(29,523)	(12,605)
Pre-tax profit/(loss)	40,799	18,087
Income tax (tax burden)	958	778
Net profit/(loss) on continued operations	41,757	18,865
Discontinued operations		
Profit (loss) on discontinued operations in the financial year	-	-
Net profit/(loss)	41,757	18,865
Other comprehensive income		
Other components of comprehensive income	-	-
Income tax relating to other components of comprehensive income	-	-
Other comprehensive income (net)	-	-
Total comprehensive income	41,757	18,865
	Q1 2018 (unaudited)	Q1 2017 (unaudited)
Net profit (PLN'000)	41,757	18,865
Average weighted number of ordinary shares (in pcs)	447,558,311	447,558,311
Basic net profit per share (in PLN)	0.09	0.04
Diluted net profit per share (in PLN)	0.09	0.04

CONSOLIDATED QUARTERLY REPORT

STATEMENT OF CHANGES IN EQUITY

(PLN'000) (unaudited)	Share Capital	Called-up share capital not paid	Reserve funds	Other reserve funds	Other capital	Retained profit/(Loss carried forward)	Total
As at 1 January 2018	447,558	-	330,901	-	3,068	100,909	882,436
Net profit for the period of 3 months ended 31 March 2018	-	-	-	-	-	41,757	41,757
Other comprehensive income for the period of 3 months ended 31 March 2018	-	-	-	-	-	-	-
Total comprehensive income for the period of 3 months ended 31 March 2018	-	-	-	-	-	41,757	41,757
As at 31 March 2018	447,558	-	331,012	-	3,068	142,666	924,193

(PLN'000) (audited)	Share Capital	Called-up share capital not paid	Reserve funds	Other reserve funds	Other capital	Retained profit/(Loss carried forward)	Total
As at 1 January 2017	447,558	-	331,012	-	3,068	31,218	812,856
Net profit for 2017	-	-	-	-	-	100,909	100,909
Other comprehensive income for 2017	-	-	-	-	-	-	-
Total comprehensive income for 2017	-	-	-	-	-	100,909	100,909
Transfer of reserve funds to supplementary capital	-	-	-	-	-	-	-
Payment of dividend	-	-	(111)	-	-	(31,218)	(31,329)
As at 31 December 2017	447,558	-	330,901	-	3,068	100,909	882,436

CONSOLIDATED QUARTERLY REPORT

(PLN'000) (unaudited)	<i>Share Capital</i>	<i>Called-up share capital not paid</i>	<i>Reserve funds</i>	<i>Other reserve funds</i>	<i>Other capital</i>	<i>Retained profit/(Loss carried forward)</i>	<i>Total</i>
As at 1 January 2017	447,558	-	331,012	-	3,068	31,218	812,856
<i>Net profit for the period of 3 months ended 31 March 2017</i>	-	-	-	-	-	18,865	18,865
<i>Other comprehensive income for the period of 3 months ended 31 March 2017</i>	-	-	-	-	-	-	-
Total comprehensive income for the period of 3 months ended 31 March 2017	-	-	-	-	-	18,865	18,865
As at 31 March 2017	447,558	-	331,012	-	3,068	50,083	831,721

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STATEMENT OF CASH FLOWS

(PLN'000)	Q1 2018 period from 01/01/2018 to 31/03/2018 (unaudited)	Q1 2017 period from 01/01/2017 to 31/03/2017 (unaudited)
A. Cash flows from operating activities		
I. Gross profit/(loss) on continued operations	40,799	18,087
II. Total adjustments	(2,087)	(47,825)
1. Change in tangible assets and intangible assets	(9)	34
2. Change in provisions	-	-
3. Change in inventories	(8,691)	(9,307)
4. Change in receivables	(19,597)	(29,591)
5. Change in current liabilities (net of loans and borrowings)	233	149
6. Change in accruals and deferrals	(660)	(395)
7. Change in financial liabilities	6,871	4,171
8. Change in financial assets resulting from borrowings and notes	24,775	(12,881)
9. Change in financial assets resulting from shares	(4,929)	(5)
10. Income tax	(83)	-
11. Other Adjustments	-	-
III. Net cash flow from operating activities (I±II)	38,709	(29,738)
B. Cash flows from financing activities		
I. Cash	45,000	8
1. Net proceeds from issue of shares and additional contributions to equity	-	-
2. Issue of debt securities	45,000	-
3. Loans	-	8
II. Expenses	(2,616)	(2,986)
1. Acquisition of own (treasury) shares	-	-
2. Redemption of debt securities	-	-
3. Interest	(2,616)	(2,986)
4. Dividends and payments to shareholders	-	-
III. Net cash flows from financing activities (I-II)	42,384	(2,978)
C. Total net cash flow (A.III±B.III)	81,093	(32,716)
D. Balance-sheet change in cash, including:	81,093	(32,716)
– change in the position of cash on account of foreign exchange differences	-	-
E. Cash at beginning of period	125,271	89,694
F. Cash at end of period (F±D)	206,364	56,978
- restricted cash	20	20

CONSOLIDATED QUARTERLY REPORT

OTHER INFORMATION AND NOTES

3.1. General Information about Issuer

LC Corp S.A. (the "Issuer", the "Company") was established by the Notarial Deed dated 3 March 2006. The Company's registered office is situated in Wrocław, Poland, at ul. Powstańców Śląskich 2-4. The Company has been entered into the register of entrepreneurs of the National Court Register maintained by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register, under KRS No. 0000253077.

As at 31 March 2018, the shares of LC Corp S.A. are in public trading.

The Company has been assigned statistical identification number REGON 020246398, tax identification number NIP: 899-25-62-750.

The Company has been established for an indefinite time. The Company's primary activity includes:

- PKD 64.20.Z Activities of financial holding companies

As at the date hereof, there was no parent undertaking of LC Corp S.A.

The interim condensed financial statements of LC Corp S.A. cover the period of three months ended 31 March 2018. The detailed description of component parts of the financial statements has been presented in item 3.2.

3.2. Rules Adopted for Preparing Quarterly Report

These interim condensed financial statements of LC Corp S.A. comprise:

- statement of financial position as at 31 March 2018 and comparable financial data as at 31 December 2017;
- statement of comprehensive income for the first quarter of 2018, i.e. for the period of 3 months, cumulatively from 1 January 2018 to 31 March 2018, as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2017 to 31 March 2017;
- statement of cash flows for the first quarter of 2018, i.e. for the period of 3 months, cumulatively from 1 January 2018 to 31 March 2018, as well as comparable data for a corresponding period of the previous year, i.e. for the period from 1 January 2017 to 31 March 2017;
- statement of changes in equity as at 31 March 2018 and comparable data as at 31 March 2017 and as at 31 December 2017;
- notes to consolidated financial statements.

Notes to financial statements and other information defined by § 87 of the Regulation of the Minister of Finance dated 19 February 2009 on current and periodic information published by the issuers of securities and the conditions for recognising as equivalent the information required by the law of a non-member state, representing an element of this Consolidated Quarterly Report for Q1 2018, are included in item 4.

The enclosed condensed financial statements of the LC Corp S.A. were prepared in accordance with the International Financial Reporting Standards ("IFRS"), in particular with IAS 34 (concerning the preparation of interim financial statements) and IFRS adopted by the EU.

As at the date of the approval of these financial statements for publication, taking into account the ongoing process of introducing IFRS in the EU and the business activity conducted by the Company, in the scope of the accounting principles adopted by the Company there were no differences between IFRS already in effect and those approved by the EU.

IFRS comprise standards and interpretations accepted by the International Accounting Standard Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

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The interim condensed financial statements of LC Corp S.A. do not contain all information and disclosures required in the annual separate financial statements and they must be read together with the annual financial statements of LC Corp S.A. for the year ended 31 December 2017.

The interim condensed financial statements are presented in thousand zlotys ("PLN"), and all values included in the tables and descriptions, if not indicated otherwise, are given in PLN'000.

The interim condensed financial statements of LC Corp S.A. were prepared on the going concern assumption, i.e. the continuation of the Company's business activity in the foreseeable future. As at the day of the approval of these statements, there were no circumstances identified implying any threats to the continuation of the Company's activity.

These interim condensed financial statements of LC Corp S.A. were approved by the Management Board for publication on 15 May 2018.

The information on the accounting principles adopted by the Issuer was presented in the annual financial statements of LC Corp S.A. for the year ended 31 December 2017, published on 20 March 2018.

The information about new standards and interpretations is included in item 2.3.

3.3. Seasonal or Cyclical Character of Issuer's Operations

The Company's operations are not seasonal by nature, therefore the presented Company's operating results are not subject to significant fluctuations during a year.

3.4. Information about Significant Estimates

The Company's Management Board applied their best knowledge regarding not only the standards and interpretations used, but also the methods and principles of valuation of individual items of the enclosed financial statements. Preparing the financial statements in accordance with IFRS required the Company's Management Board to make some assessments and assumptions, which are reflected in these statements. The actual results may vary from these assessments.

Professional Judgement

In the process of applying the accounting principles (policies) to the issues specified hereinbelow, the professional judgement of the management was, apart from the accounting estimates, of the greatest importance.

Uncertainty of Estimates

The basic assumptions concerning the future have been discussed below as well as other key reasons for doubts occurring at the end of the reporting period and entailing a significant risk of considerable adjustment of the net book value of assets and liabilities in the following reporting period.

Deferred Tax Asset

The Company recognises a deferred tax asset based on the assumption that a tax profit enabling its utilisation should be obtained in the future. Worse tax results obtained in the future could have the effect that this assumption might become groundless.

CONSOLIDATED QUARTERLY REPORTWrite-Downs of Shares Held in Subsidiary Undertakings

At the end of each reporting period, the Management Board verifies if there is any evidence pointing to the impairment of the shares in subsidiary undertakings.

If the verification reveals the existence of such an impairment, the Management Board writes down these assets to their recoverable value. The recoverable value of an asset can be defined as being the higher one of the two values: fair value less costs to sell or value in use.

The value in use is estimated with the DCF method or with the hybrid model: net assets and discounted revenues (discounted dividends). The DCF method is based on discounted cash flows generated by the subsidiary undertakings within the approved investment schedules and proceeds from the sale of flats, taking into consideration the sale price of 1 sq m of usable floor space in accordance with the current market situation and prices. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The recoverable value of shares and the amount of their write-downs were estimated as at 31 March 2018 and may be subject to a change depending on the fluctuations of the market prices of land, sale prices of flats, constructions costs, project completion schedules and discount rate calculations in the future.

The actual results may vary from these estimates, which were calculated on the grounds of the data available as at the reporting date. It is also related to the uncertainty regarding the proper estimation of the market conditions in the following years. Consequently, the amount of write-downs may change in the following accounting periods.

Write-Downs of Borrowings Granted to Subsidiary Undertakings

At the end of each reporting period the Management Board verifies if there is any objective evidence pointing to the impairment of the borrowings granted to subsidiary undertakings.

If objective evidence pointing to impairment losses on account of the granted borrowings exists, the Management Board makes write-downs of such assets.

The amount of write-down on account of impairment losses is equal to the difference between the carrying value of the financial assets and the present value of the estimated future cash flows generated by the subsidiary undertakings within the approved investment schedules and proceeds from the sale of flats, taking into consideration the sale price of 1 sq m of usable floor space in accordance with the current market situation and prices. The discount rate takes account of the weighted average cost of external and own capital (WACC).

The amount of write-downs made with regard to the borrowings was estimated as at 31 March 2018 and may be subject to a change depending on the fluctuations of the market prices of land, sale prices of flats, constructions costs, project completion schedules and discount rate calculations in the future. As at 31 March 2018, there were no write-downs of borrowings.

Classification of Lease Agreements

The Company classifies lease as operational and financial on the basis of the assessment to what extent the risk and profits from ownership of the subject of lease fall to the lessor and to the lessee. This assessment is based on the economic content of each transaction.

Impairment of Assets

As at 31 March 2018, market capitalisation was lower than the net value of the Group's assets. Even though the Management Board of the Parent Undertaking is strongly convinced that this was only a temporary situation triggered by a variety of factors, *inter alia*, the considerable fluctuation of Company's share prices, it took appropriate actions aimed at reviewing the Group's assets to determine whether an additional write-down was required. The Management Board did not find it necessary to recognise any potential additional impairment.

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Uncertainty Associated with Tax Settlements

The regulations concerning the tax on goods and services, corporate tax and burdens associated with social insurance are subject to frequent changes. These frequent changes make no appropriate reference points, inconsistent interpretations and few established precedents that might be applicable. The binding regulations also contain uncertainties, resulting in different opinions regarding the legal interpretation of tax regulations, both among public authorities and between public authorities and companies.

Tax settlements and other areas of activity (for example customs and foreign currency issues) may be subject to inspection by bodies authorised to impose high penalties and fines, and any additional tax liabilities arising from the inspection must be paid together with high interest. Having considered these conditions, the tax risk in Poland is greater than in countries with a more mature tax system.

Consequently, amounts presented and disclosed in financial statements may change in the future as a result of a final decision of a tax audit authority.

On 15 July 2016, changes were made to the Tax Ordinance Act in order to take account of the provisions of the General Anti-Avoidance Rule (GAAR). GAAR is to prevent the creation and use of artificial legal structures created in order to avoid the payment of tax in Poland. GAAR defines the avoidance of taxation as an action made above all in order to achieve a tax advantage, contrary – under given circumstances – to the object and purpose of the provisions of the tax act. In accordance with GAAR, such an action does not result in the tax advantage, if the operation was artificial. Any occurrence of (i) unjustified separation of operations, (ii) involvement of intermediary entities despite the lack of economic justification, (iii) elements that null or compensate each other and (iv) other actions having a similar effect to the previously mentioned, may be treated as a premise of artificial operations subject to GAAR. New regulations will require a much greater degree of professional judgement in assessing the tax consequences of individual transactions.

The GAAR clause should be applied to transactions made after its entry into force and transactions that had been carried out before the entry into force of the GAAR clause, but for which benefits were or are still being gained after the date of entry of this clause into force. The implementation of these provisions will enable Polish tax audit authorities to question the legal arrangements and agreements carried out by taxable persons, such as the restructuring and reorganisation of a group.

The Company recognises and measures the assets or liabilities in respect of current and deferred income tax in compliance with the requirements of IAS 12, Income Tax on the basis of the profit (tax loss), tax base, unrelieved tax losses, unused tax exemptions and tax rates, taking into account the uncertainty associated with tax settlements.

The table below presents balance sheet figures of the items that were estimated as at 31 March 2018 and as at 31 December 2017:

	31 March 2018	31 December 2017
Deferred tax asset	5,918	4,845
Deferred tax liability	-	-
Write-downs of shares	(39,288)	(44,217)
Write-downs of borrowings	-	-

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3.5. Information about Write-Downs of Inventory to Net Realisable Value and Reversal of Write-Downs in This Respect

During the period of three months ended 31 March 2018 there were no write-downs of inventory to the net realisable value.

3.6. Information about Impairment Losses in Respect of Financial Assets, Property, Plant and Equipment, Intangible Assets or Other Assets and Reversal of Such Losses

As regards the impairment losses in respect of financial assets, property, plant and equipment, intangible assets, amounts receivable and other assets in the period of 3 months ended 31 March 2018, there were no significant changes compared with the previous year.

Due to the fact that the fair value measurement of the investment property Retro Office House was disclosed in a subsidiary's figures, the Issuer recognised in the figures for the period of 3 months ended 31 March 2018 the reversal (a decrease in value) of the write-down of shares of LC Corp Invest XI Sp. z o.o. in the amount of PLN 4,929,000 gross.

3.7. Information about Creating, Increasing, Utilising and Reversing Provisions

The amounts of provisions and the reconciliation presenting the changes in their position during the year/period are shown in the table below:

	<i>Retirement and disability benefits and bereavement payment</i>	<i>Remedy of construction faults and defects</i>	<i>Disputes and litigation</i>	<i>Total</i>
As at 1 January 2018	19	-	370	389
Created during the financial year	-	-	-	-
Used	-	-	-	-
Reversed	-	-	-	-
As at 31 March 2018 (unaudited)	19	-	370	389
Current as at 31 March 2018	-	-	370	370
Non-current as at 31 March 2018	19	-	-	19
As at 01 January 2017	19	-	370	389
Created during the financial year	-	-	-	-
Used	-	-	-	-
Reversed	-	-	-	-
As at 31 December 2017 (audited)	19	-	370	389
Current as at 31 December 2017	-	-	370	370
Non-current as at 31 December 2017	19	-	-	19

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3.8. Information about Deferred Tax Liabilities and Deferred Tax Assets

Deferred income tax arises from the following items:

	Statement of Financial Position		Statement of comprehensive income for the period ended	
	31 March 2018 (unaudited)	31 December 2017 (audited)	31 March 2018 (unaudited)	31 December 2017 (audited)
Deferred tax liability				
Accrued interest on borrowings and deposits	(1,157)	(463)	(694)	2,539
Difference in the value of tangible assets (tax and balance-sheet depreciation)	(45)	(43)	(2)	4
Participation in profits of a limited partnership	(1,102)	(1,376)	274	(889)
Other	(211)	(185)	(26)	(27)
Gross deferred tax liability	(2,515)	(2,067)		
Deferred tax assets				
Participation in profits of a limited partnership	-	-	-	-
Provisions and prepayments and accrued income	2,156	2,092	64	741
Accrued interest on borrowings and discounts on bonds	3,930	3,220	710	(555)
Write-downs of shares held in subsidiary undertakings	-	-	-	(7,836)
Losses potentially deductible from future taxable income	2,347	1,600	747	200
Other	-	-	-	-
Gross deferred tax assets	8,433	6,912		
Deferred tax expense			1,073	(5,825)
Net deferred tax asset	5,918	4,845		
Net deferred tax liability	-	-		

3.9. Information about Significant Purchase and Sale Transactions Regarding Property, Plant and Equipment

In the period of 3 months ended 31 March 2018, the Company purchased property, plant and equipment having the value of PLN 71,000.

In the period of 3 months ended on 31 March 2018, the Company did not enter into any significant sale transactions regarding property, plant and equipment items.

3.10. Information about Significant Liabilities on Account of the Purchase of Property, Plant and Equipment

As at 31 March 2018, there were no significant liabilities on account of the purchase of property, plant or equipment.

3.11. Information about Significant Settlements on Account of Litigation

In the period of 3 months ended 31 March 2018, there were no significant proceedings before the court or arbitration or public administration authorities with regard to liabilities or receivables of LC Corp S.A., whose value would be relevant for the financial standing of the companies of LC Corp S.A. The subsidiary undertakings of LC Corp S.A. are parties to

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court and public administration proceedings whose value is insignificant for their operations or financial standing. Other proceedings are mostly related to claims of LC Corp S.A.'s subsidiaries lodged against their debtors.

3.12. Disclosure of Correction of Errors of Previous Periods

During the period of 3 months ended 31 March 2018 there were no corrections of errors of the previous periods.

3.13. Information about Changes in Economic Situation and Conditions for Running Business Activity Which Have Considerable Impact on Fair Value of Issuer's Financial Assets and Financial Liabilities, Regardless of Whether Such Assets and Liabilities Are Recognised at Fair Value or at Adjusted Purchase Price (Depreciated Cost)

The description can be found in item 2.15.

3.14. Information about Failure to Repay Loan or Borrowing or Infringement of Material Provisions of Loan or Borrowing Agreement With Regard to Which No Corrective Actions Were Taken by the End of the Reporting Period

None occurred.

3.15. Information on Single or Numerous Transactions Concluded by Issuer or Its Subsidiary Undertaking with Related Entities, If Made on Terms Other Than at Arm's Length

During the period of 3 months ended 31 March 2018 the Issuer did not conclude any transactions with related entities, which were effected on the terms other than at arm's length.

Transactions with related entities for LC Corp S.A. are presented in item 3.16.

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3.16. Transactions of LC Corp S.A. with Related Entities

31 March 2018 (unaudited)

Related undertaking	Sale	Purchases	Trade and other receivables	Trade and other payables	Borrowings and non-current receivables and current financial assets	Financial Liabilities	Financial income (interest, dividends)	Financial expenses (interest, discounts)
Shareholders	-	-	-	-	-	-	-	-
Subsidiary undertakings								
Arkady Wrocławskie S.A.	212	540	374	41	-	9,737	-	127
Sky Tower S.A.	196	-	84	-	-	-	-	-
Warszawa Przyokopowa Sp. z o.o.	317	209	128	(2)	-	41,855	-	467
Kraków Zielony Złocięń Sp. z o.o.	162	-	68	-	-	-	-	-
LC Corp Invest I Sp. z o.o.	17	-	6	-	242,490	-	3,440	-
LC Corp Invest II Sp. z o.o.	15	30	5	10	-	-	-	-
LC Corp Invest III Sp. z o.o.	25	-	9	-	-	-	2,781	-
LC Corp Invest VII Sp. z o.o.	54	-	18	-	18,806	-	10,401	-
LC Corp Invest VIII Sp. z o.o.	155	-	56	-	-	-	-	-
LC Corp Invest IX Sp. z o.o.	57	-	33	-	-	-	-	-
LC Corp Invest X Sp. z o.o.	242	-	121	-	-	-	5,573	-
LC Corp Invest XI Sp. z o.o.	5	-	1	-	-	-	-	-
LC Corp Invest XII Sp. z o.o.	221	-	107	-	-	-	24,290	-
LC Corp Invest XV Sp. z o.o.	14	-	5	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 1 Sp.k	83	-	40	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 2 Sp.k	299	30	198	10	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 3 Sp.k	61	-	21	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 4 Sp.k	192	-	92	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 5 Sp.k	175	-	76	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 6 Sp.k	158	-	70	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 7 Sp.k	51	-	20	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 8 Sp.k	44	-	13	-	-	-	-	-

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LC Corp Invest XV Sp. z o.o. Projekt 9 Sp.k	243	-	119	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 10 Sp.k	212	-	77	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 11 Sp.k	210	-	111	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 12 Sp.k	5	-	1	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Projekt 14 Sp.k	61	-	18	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Finance S.K.A.	5	-	7	-	-	-	-	-
LC Corp Invest XV Sp. z o.o. Investments S.K.A.	14	30	5	10	-	-	-	-
LC Corp Invest XVI Sp. z o.o.	5	-	3	-	-	-	-	-
LC Corp Invest XVII Sp. z o.o.	5	-	12	-	-	-	-	-
LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp.k	124	-	76	-	-	-	-	-
LC Corp Invest XVII Sp. z o.o. Projekt 21 Sp.k	115	-	44	-	-	-	-	-
LC Corp Invest XVII Sp. z o.o. Projekt 22 Sp.k	108	-	43	-	-	-	-	-
LC Corp Invest XVIII Sp. z o.o.	5	-	12	-	-	-	-	-
LC Corp Invest XVIII Sp. z o.o. Real Estate S.K.A.	5	-	12	-	-	-	-	-
LC Corp Invest XIX Sp. z o.o.	50	-	4	-	2,094	-	25	-
LC Corp Invest XX Sp. z o.o.	10,645	-	13,066	-	-	-	-	-
LC Corp Invest XXI Sp. z o.o.	57	-	16	-	9,834	-	118	-
LC Corp Invest XXII Sp. z o.o.	17	-	6	-	-	-	-	-
LC Corp Invest XXIII Sp. z o.o.	6	-	1	-	-	-	-	-
LC Corp Invest XXIV Sp. z o.o.	5	-	1	-	1,819	-	2	-
Undertakings related through shareholders	-	-	-	-	-	-	-	-
Management and Supervisory Board								
Management Board	-	1,886 (*)	-	-	-	-	-	-
Supervisory Board	-	171 (*)	-	-	-	-	-	-

(*) Remuneration paid

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Related undertaking		Sale	Purchases	Trade and other receivables	Trade and other payables	Borrowings and non-current receivables and current financial assets	Financial Liabilities	Financial income (interest, dividends)	Financial expenses (interest, discounts)
Shareholders									
LC Corp B.V (*)	2017	-	-	-	-	-	-	-	-
Leszek Czarnecki	2017	-	-	-	-	-	-	-	-
Subsidiary undertakings									
Arkady Wroclawskie S.A.	2017	887	1,968	381	18	-	9,626	-	1,300
Sky Tower S.A.	2017	762	-	91	-	-	-	-	-
Warszawa Przyokopowa Sp. z o.o.	2017	1,219	827	172	-	-	41,388	20,000	1,843
Kraków Zielony Złocień Sp. z o.o.	2017	10,266	-	42	-	-	-	27,267	-
LC Corp Invest I Sp. z o.o.	2017	56	-	5	-	269,553	-	15,005	-
LC Corp Invest II Sp.z o.o.	2017	68	120	6	10	-	-	-	-
LC Corp Invest III Sp. z o.o.	2017	109	-	9	-	-	-	2,932	-
LC Corp Invest VII Sp.z o.o.	2017	255	-	9	-	18,568	-	4,471	-
LC Corp Invest VIII Sp.z o.o.	2017	522	-	61	-	-	-	-	-
LC Corp Invest IX Sp.z o.o.	2017	92	-	9	-	-	-	-	-
LC Corp Invest X Sp.z o.o	2017	739	-	80	-	-	-	6,399	-
LC Corp Invest XI Sp.z o.o.	2017	14	-	1	-	-	-	-	-
LC Corp Invest XII Sp. z o.o.	2017	679	-	72	-	-	-	36,369	-
LC Corp Invest XV Sp. z o.o.	2017	14	-	1	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 1 Sp.k	2017	363	-	21	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 2 Sp.k	2017	934	120	81	10	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 3 Sp.k	2017	279	-	27	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 4 Sp.k	2017	498	-	43	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 5 Sp.k	2017	639	-	50	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 6 Sp.k	2017	542	-	44	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 7 Sp.k	2017	115	-	9	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 8 Sp.k	2017	112	-	9	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 9 Sp.k	2017	633	-	47	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 10 Sp.k	2017	715	-	95	-	-	-	-	-

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LC Corp Invest XV Sp. z o.o.Projekt 11 Sp.k	2017	2,261	-	87	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 12 Sp.k	2017	14	-	1	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 14 Sp.k	2017	404	44	12	-	-	-	21,164	-	
LC Corp Invest XV Sp. z o.o.Finance S.K.A.	2017	14	-	1	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Investments S.K.A.	2017	68	120	6	10	-	-	-	-	
LC Corp Invest XVI Sp. z o.o.	2017	14	-	1	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.	2017	14	-	6	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 20 Sp.k	2017	522	-	69	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 21 Sp.k	2017	413	-	52	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 22 Sp.k	2017	255	-	38	-	-	-	-	-	
LC Corp Invest XVIII Sp. z o.o.	2017	14	-	6	-	-	-	-	-	
LC Corp Invest XVIII Sp. z o.o. Real Estate S.K.A.	2017	14	-	6	-	-	-	-	-	
LC Corp Invest XIX Sp. z o.o.	2017	12	-	1	-	2,066	-	19	-	
LC Corp Invest XX Sp. z o.o.	2017	4	-	1	-	-	-	-	-	
LC Corp Invest XXI Sp. z o.o.	2017	4	-	1	-	9,703	-	53	-	
LC Corp Invest XXII Sp. z o.o.	2017	3	-	1	-	-	-	-	-	
LC Corp Invest XXIII Sp. z o.o.	2017	3	-	1	-	-	-	-	-	
LC Corp Invest XXIV Sp. z o.o.	2017	3	-	1	-	-	-	-	-	
Undertakings related through shareholders (*)										
LC Corp Sky Tower Sp. z o.o.	2017	5	-	-	-	-	-	-	-	
RB Computer Sp. z o.o.	2017	12	6	-	-	-	-	-	-	
Getin Noble Bank S.A.	2017	-	5	-	-	-	-	912	3,833	
Idea Bank S.A.	2017	-	-	-	-	-	-	-	595	
Idea Leasing S.A.	2017	32	297	-	-	-	-	-	-	
Noble Securities S.A.	2017	-	23	-	-	-	-	-	-	
Idea Fleet S. A.	2017	-	-	-	-	-	-	-	-	
Management and Supervisory Board										
Management Board		-	13,603 (**)	-	-	-	-	-	-	
Supervisory Board		-	230 (**)	-	-	-	-	-	-	

(*) as consequence of the change of the main shareholder in September 2017, entities listed as at 31 December 2017 were not undertakings related to the Company. Transactions shown in the table refer to data until 30 September 2017.

(**) Remuneration paid

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Related undertaking	Sale	Purchases	Trade and other receivables	Trade and other payables	Borrowings and non-current receivables and current financial assets	Financial Liabilities	Financial income (interest, dividends)	Financial expenses (interest, discounts)
Shareholders								
LC Corp B.V (*)	-	-	-	121,200	-	-	-	-
Leszek Czarnecki	-	-	-	-	-	-	-	-
Subsidiary undertakings								
Arkady Wroclawskie S.A.	224	424	388	70	-	29,186	-	295
Sky Tower S.A.	184	-	91	-	-	-	-	-
Warszawa Przyokopowa Sp. z o.o.	284	197	120	23	-	39,992	-	447
Kraków Zielony Złocień Sp. z o.o.	89	-	23	-	-	-	6,867	-
LC Corp Invest I Sp. z o.o.	14	-	5	-	317,686	-	3,662	-
LC Corp Invest II Sp.z o.o.	17	30	6	10	-	-	-	-
LC Corp Invest III Sp. z o.o.	40	-	9	-	9,223	-	18	-
LC Corp Invest VII Sp.z o.o.	55	-	25	-	-	-	3,933	-
LC Corp Invest VIII Sp.z o.o.	118	-	55	-	-	-	-	-
LC Corp Invest IX Sp.z o.o.	23	-	9	-	-	-	-	-
LC Corp Invest X Sp.z o.o	151	-	59	-	-	-	-	-
LC Corp Invest XI Sp.z o.o.	3	-	1	-	-	-	-	-
LC Corp Invest XII Sp. z o.o.	136	-	50	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.	3	-	1	-	-	-	12,869	-
LC Corp Invest XV Sp. z o.o.Projekt 1 Sp.k	104	-	26	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 2 Sp.k	202	30	51	10	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 3 Sp.k	105	-	34	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 4 Sp.k	119	-	42	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 5 Sp.k	166	-	83	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 6 Sp.k	158	-	57	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 7 Sp.k	46	-	9	-	-	-	-	-
LC Corp Invest XV Sp. z o.o.Projekt 8 Sp.k	37	-	22	-	-	-	-	-

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LC Corp Invest XV Sp. z o.o.Projekt 9 Sp.k	185	-	73	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 10 Sp.k	207	-	63	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 11 Sp.k	147	-	68	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 12 Sp.k.	3	-	1	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Projekt 14 Sp.k.	100	-	32	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Finance S.K.A.	3	-	1	-	-	-	-	-	
LC Corp Invest XV Sp. z o.o.Investments S.K.A.	17	30	6	10	-	-	-	-	
LC Corp Invest XVI Sp. z o.o.	3	-	1	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.	3	-	17	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 20 Sp.k	129	-	58	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 21 Sp.k	87	-	52	-	-	-	-	-	
LC Corp Invest XVII Sp. z o.o.Projekt 22 Sp.k	19	-	12	-	-	-	-	-	
LC Corp Invest XVIII Sp. z o.o.	3	-	30	-	-	-	-	-	
LC Corp Invest XVIII Sp. z o.o. Real Estate S.K.A.	3	-	1	-	-	-	-	-	
LC Corp Invest XIX Sp. z o.o.	2	-	2	-	-	-	-	-	
Undertakings related through shareholders									
LC Corp Sky Tower Sp. z o.o.	2	-	1	-	-	-	-	-	
RB Computer Sp. z o.o.	-	4	-	-	-	-	-	-	
Getin Noble Bank S.A.	-	2	-	-	-	113,000	423	1,412	
Idea Bank S.A.	-	-	-	-	-	15,000	-	196	
Idea Fleet S. A.	-	73	-	-	-	-	-	-	
Noble Securities S.A.	-	8	-	-	-	-	-	-	
Management and Supervisory Board									
Management Board		714 (**)							
Supervisory Board		30 (**)							

(*) Liability on account of the acquisition of shares before discounting; it refers to the transaction described in item 3.19.5

(**) Remuneration paid

Furthermore, in the period of 3 months ended 31 March 2017, the Company made a capital contribution to its new subsidiary: LC Corp Invest XIX Sp. z o.o. in the amount of PLN 5,000.

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3.17. Information about Change in the Way (Method) of Determining Fair Value for Financial Instruments Measured at Fair Value

None occurred.

3.18. Information about Change in Classification of Financial Assets Resulting From Change in Purpose or Utilisation of Such Assets

None occurred.

3.19. Financial Liabilities**3.19.1 Interest-bearing Loans, Borrowings, Bonds and Investment Notes**

Non-current	Interest rate	Repayment date	31 March 2018 (unaudited)	31 December 2017 (audited)
Bank loan in PLN (a)	Wibor 1M+margin	31 Dec 2018	-	-
Bank loan in PLN (b)	Wibor 1M+margin	31 Dec 2018	-	-
Bond scheme (c)	Wibor 6M+margin	30 Oct 2018	-	-
Bond scheme (d)	Wibor 6M+margin	6 Jun 2019	49,883	49,858
Bond scheme (e)	Wibor 6M+margin	20 Mar 2020	64,819	64,796
Bond scheme (f)	Wibor 6M+margin	10 May 2021	84,769	84,750
Bond scheme (g)	Wibor 6M+margin	10 May 2021	14,977	14,975
Bond scheme (h)	Wibor 6M+margin	6 Oct 2021	24,956	24,953
Bond scheme (i)	Wibor 6M+margin	6 Oct 2021	14,925	14,920
Bond scheme (j)	Wibor 6M+margin	5 Jun 2022	49,605	49,582
Bond scheme (k)	Wibor 6M+margin	28 Feb 2022	44,665	-
Investment notes (m)	IRS 2Y of 08/03/2012+margin	30 Nov 2019	8,367	8,254
Investment notes (n)	Wibor 1M of 07/12/2010+margin	9 Dec 2019	41,855	41,388
			398,821	353,476

Current	Interest rate	Repayment date	31 March 2018 (unaudited)	31 December 2017 (audited)
Bank loan in PLN (a)	Wibor 1M+margin	31 Dec 2018	50,116	50,089
Bank loan in PLN (b)	Wibor 1M+margin	31 Dec 2018	38,106	38,092
Bond scheme (c)	Wibor 6M+margin	30 Apr 2018 / 30 Oct 2018	51,008	50,328
Bond scheme (d)	Wibor 6M+margin	6 Jun 2018	819	164
Bond scheme (e)	Wibor 6M+margin	20 Sep 2018	155	963
Bond scheme (f)	Wibor 6M+margin	10 May 2018	1,731	618
Bond scheme (g)	Wibor 6M+margin	10 May 2018	305	108
Bond scheme (h)	Wibor 6M+margin	6 Apr 2018	635	309
Bond scheme (i)	Wibor 6M+margin	6 Apr 2018	379	183
Bond scheme (j)	Wibor 6M+margin	5 Jun 2018	798	176
Bond scheme (k)	Wibor 6M+margin	28 Aug 2018	195	-
Investment notes (l)	Wibor 1M of 18/01/2011+margin	29 Jun 2018	1,368	1,356
Revolving loan (o)	Wibor 1M+margin	31 Dec 2018	-	-
			145,615	142,386

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- (a) Bank loan taken out in PLN with Getin Noble Bank S.A. pursuant to an agreement concluded on 29 April 2014, disbursed on 30 April 2014.
- (b) Loan in LC Corp S.A. taken out in PLN with Getin Noble Bank S.A. pursuant to the agreement concluded on 18 June 2014, disbursed on 3 September 2015 in LC Corp S.A.
- (c) Coupon bonds – the issue of 31 October 2013, including 500 five-year unsecured coupon bonds, having a par value of PLN 100,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 30 October 2018 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (d) Coupon bonds – the issue of 6 June 2014, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 6 June 2019 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (e) Coupon bonds – the issue of 20 March 2015, including 65,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 65,000,000 under a Bond Issue Agreement with the buyback date set at 20 March 2020 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (f) Coupon bonds – the issue of 10 May 2016, including 85,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 85,000,000 under a Bond Issue Agreement with the buyback date set at 10 May 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 23 December 2016, the assimilation of bonds of these series with bonds issued on 19 August 2016 took place on the “Catalyst” bond market.
- (g) Coupon bonds – the issue of 19 August 2016, including 15,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 15,000,000 under a Bond Issue Agreement with the buyback date set at 10 May 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 23 December 2016, the assimilation of bonds of these series with bonds issued on 10 May 2016 took place on the “Catalyst” bond market.
- (h) Coupon bonds – the issue of 6 October 2016, including 25,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 25,000,000 under a Bond Issue Agreement with the buyback date set at 6 October 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 25 April 2017, the assimilation of bonds of these series with bonds issued on 27 October 2016 took place on the “Catalyst” bond market.
- (i) Coupon bonds – the issue of 27 October 2016, including 15,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 15,000,000 each under a Bond Issue Agreement with the buyback date set at 6 October 2021 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw. On 25 April 2017, the assimilation of bonds of these series with bonds issued on 6 October 2016 took place on the “Catalyst” bond market.
- (j) Coupon bonds – the issue of 5 December 2017, including 50,000 five-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 50,000,000 under a Bond Issue Agreement with the buyback date set at 5 June 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (k) Coupon bonds – the issue of 28 February 2018, including 45,000 four-year unsecured coupon bonds, having a par value of PLN 1,000 each and a total nominal value of PLN 45,000,000 under a Bond Issue Agreement with the buyback date set at 28 February 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.
- (l) Investment notes – the issue of 20 January 2011 of ten investment notes having a par value of PLN 1,000,000 each, taken up by a subsidiary – Arkady Wrocławskie S.A. On 29 May 2013, an amendment was signed to

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reschedule the buyback date of the notes from 28 June 2013 to 30 June 2015. On 29 June 2015, an amendment was signed to reschedule the buyback date of the notes from 30 June 2015 to 29 June 2018.

- (m) Investment notes – the issue of 9 March 2012 of seven investment notes having a par value of PLN 2,000,000 each, taken up by a subsidiary – Arkady Wrocławskie S.A. On 31 January 2014, an amendment was signed to reschedule the buyback date of the notes from 31 January 2014 to 31 January 2017. On 30 January 2017, an amendment was signed to reschedule the buyback date of the notes for 30 November 2017.
- (n) Investment notes – the issue of 9 December 2010 of thirty investment notes having a par value of PLN 1,000,000 each, taken up by a subsidiary – Warszawa Przyokopowa Sp. z o.o. On 9 December 2013, an amendment was signed to reschedule the buyback date of the notes from 9 December 2013 to 9 December 2016. On 28 November 2016, an amendment was signed to reschedule the buyback date of the notes for 9 December 2019.
- (o) Revolving loan – under an agreement concluded between LC Corp S.A. and Getin Noble Bank S.A. on 21 December 2016, a revolving loan of up to PLN 25,000,000 was taken out, and the final repayment date was arranged for 31 December 2018. As at 31 March 2018, the loan balance was PLN 0.00.

3.19.2 Information about Issue, Redemption and Repayment of Debt and Equity Securities

On 28 February 2018, 45,000 four-year unsecured coupon bonds having a par value of PLN 1,000 each and a total nominal value of PLN 45,000,000 were issued under a Bond Issue Agreement with the buyback date set at 28 February 2022 concluded with the banks Pekao S.A. having its registered office in Warsaw and mBank S.A. having its registered office in Warsaw.

In the period of 3 months ended 31 March 2018, no bonds were bought out.

In the period of 3 months ended 31 March 2018, no notes were issued or bought out.

After the balance-sheet date, on 19 April 2018, LC Corp S.A. bought out, prior to the buyout date, one investment note issued on 20 January 2011 and taken up by Arkady Wrocławskie S.A.

After the balance-sheet date, on 24 April 2018, LC Corp S.A. bought out, prior to the buyout date, one investment note issued on 9 March 2012 and taken up by Arkady Wrocławskie S.A.

3.19.3 Taking out and Repayment of Bank Loans and Borrowings

In the period of 3 months ended 31 March 2018, no loan was disbursed or repaid.

3.19.4 Collateral

As at 31 March 2018, the repayment of loans was secured mainly by:

- 1) The bank loan agreements signed by LC Corp S.A. with Getin Noble Bank S.A. are secured by:
 - a) with regard to the loan agreement of 14 May 2014 for PLN 50,000,000:
 - joint contractual mortgage of up to PLN 75,000,000.00 on the real property owned by the Issuer and on the real property owned by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV Sp. z o.o. Investments S.K.A.;
 - surety granted by the Issuer's subsidiaries - LC Corp Invest II Sp. z o.o. and LC Corp Invest XV sp. z o.o. Investments S.K.A.;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law.

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- b) with regard to the loan agreement of 18 June 2014 for PLN 40,000,000:
 - joint contractual mortgage of up to PLN 60,000,000.00 on the real property to which the right of perpetual usufruct was granted to LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k.;
 - surety granted by the Issuer's subsidiary - LC Corp Invest XV Sp.z o.o. Projekt 2 Sp.k.;
 - declaration on submission to enforcement pursuant to Article 97 of the Banking Law submitted by the Issuer's subsidiary – LC Corp Invest XV Sp. z o.o. Projekt 2 Sp. k., with a restriction to cancel the enforcement from the mortgaged property.
 - c) with regard to the loan agreement of 21 December 2016 for PLN 25,000,000:
 - a power of attorney relating to all the borrower's accounts maintained with the bank;
 - declaration on borrower's submission towards the bank to enforcement pursuant to Article 777(1)(5) of the Code of Civil Procedure up to PLN 37,500,000.
- 2) The repayment of loans taken out by the subsidiary undertakings of LC Corp S.A. is secured, among other things, by:
- pledge on the shares of Arkady Wrocławskie S.A. held by LC Corp S.A. – up to the amount of EUR 37,500,000;
 - registered pledges on all shares of Sky Tower S.A., together with a financial pledge of up to EUR 90,000,000;
 - registered pledge on all shares of Warszawa Przyokopowa Sp. z o.o. together with a financial pledge;
 - support agreement concluded by the borrower (LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom.), the bank and the Issuer, regarding the loan agreement for the implementation of stage 1 of the Silesia Star project in Katowice, pursuant to which LC Corp S.A., acting as the guarantor, will be obliged, among other things, to provide financial support to the borrower under the circumstances specified in the agreement, declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure up to the amount of EUR 41,333,333.33, four blank promissory notes of LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom., together with promissory note agreements, for which LC Corp S.A. acted as surety until the provision to the Bank of lease contracts with tenants not related to the Issuer, holding at least 20% of leasable area in the Silesia Star building;
 - support agreement concluded by the borrower (LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom.), the bank and the Issuer, regarding the loan agreement for the implementation of stage 2 of the Silesia Star project in Katowice, pursuant to which LC Corp S.A., acting as the guarantor, will be obliged, among other things, to provide financial support to the borrower under the circumstances specified in the agreement up to the amount of EUR 31,000,000.00;
 - contract of surety concluded by the borrower (LC Corp Invest XVII Sp. z o.o. Projekt 20 Sp. kom.), the bank PKO BP S.A. and the Issuer, regarding the loan agreement for the implementation of stage 2 of Silesia Star in Katowice, pursuant to which LC Corp S.A., acting as surety, will be obliged to provide financial support to the borrower under the circumstances specified in the agreement, for potential cost overrun up to the maximum amount of PLN 31,750,000;
 - declaration on submission to enforcement pursuant to Article 777 of the Code of Civil Procedure in conjunction with the support agreement and surety agreement mentioned above.

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3.19.5 Liabilities on Account of Acquisition of Subsidiary

Due to the fact that the payment date of the purchase price of the shares of Sky Tower S.A. (pursuant to the agreement of 6 December 2013) was deferred, the liabilities in that regard are subject to discounting. As at 31 March 2018, the discount amount to be settled was PLN 3,482,000, while as at 31 December 2017, it was PLN 4,163,000.

Discounted liabilities as at 31 March 2018 and as at 31 December 2017 are presented in the table below:

	31 March 2018 (unaudited)	31 December 2017 (audited)
Non-current	37,975	37,641
Current	39,342	38,996
Total	77,317	76,637

3.20. Information Concerning Paid Out (or Declared) Dividend, in Total and Per Share, in Breakdown by Ordinary and Preference Shares

Information is presented in item 2.22.

3.21. Events Subsequent to 31 March 2018, Not Disclosed in These Statements, Which Could Have Material Bearing on Future Financial Results of Issuer

Relevant events that occurred after 31 March 2018 are presented in item 2.23.

3.22. Information on Changes in Contingent Liabilities or Contingent Assets After the End of Last Accounting Year

As of the end of the last accounting year, in LC Corp S.A. there were no changes with regard to contingent liabilities or contingent assets.

3.23. Other Information Deemed by Issuer as Relevant for Assessment of Its Personnel, Assets, Financial and Profit/Loss Standing and Changes Thereof and Information Relevant for Feasibility of Fulfilling Its Obligations

In the discussed reporting period, there were no events relevant for the assessment of the Undertaking's personnel, assets, financial or profit/loss standing or changes thereof or of the feasibility of discharging its obligations.

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4. MANAGEMENT BOARD'S COMMENTS ON ACTIVITY OF ISSUER AND ITS GROUP

4.1. Main Achievements and Failures of LC Corp Group

In Q1 2018, the Group was proceeding as planned with the completion of investment projects, carried out by its subsidiary undertakings.

The tables below present the number of premises pre-sold and delivered in Q1 2018 as compared to corresponding data from the previous year 2017.

The last of the tables below presents the offering scale of the Group as at 31 March 2018 and the estimated number of premises to be made available in 2018. The fourth column of this table presents the number of premises to be made available after 2018 in each city, estimated on the basis of the land bank currently owned by the Group. In addition, continuous monitoring of the market and search for land for the purpose of supplementing the offer to ensure the appropriate level of sales in the following years is being implemented.

pre-sales

City	Q1 2017	Q1 2018	Jan-Mar 2017	Jan-Mar 2018
Warsaw	240	320	240	320
Wrocław	138	76	138	76
Kraków	105	175	105	175
Gdańsk	67	78	67	78
Łódź	3	0	3	0
total	553	649	553	649
		17%		17%

delivery

City	Q1 2017	Q1 2018	Jan-Mar 2017	Jan-Mar 2018
Warsaw	52	198	52	198
Wrocław	36	153	36	153
Kraków	415	83	415	83
Gdańsk	0	267	0	267
Łódź	0	1	0	1
total	503	702	503	702
		40%		40%

offer

City	31/03/2018	to be made available in 2018	to be made available after 2018
Warsaw	630	282	442
Wrocław	325	412	271
Kraków	242	567	1,104
Gdańsk	155	310	1,155
Łódź	5	0	0
Katowice	0	90	592
total	1,357	1,661	3,564

The below item describes the Group's projects – implemented, under construction and at the preparatory stage.

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4.1.1 Development Projects – Implemented

Commercial Projects

Name of Project	City	District	Segment	Construction Completion Date	Area (sq m)
Wola Center	Warsaw	Wola	Office and services	Q3 2013	33,339
Arkady Wroclawskie	Wroclaw	Krzyki	Office, retail and services	Q2 2007	38,653
Sky Tower	Wroclaw	Krzyki	Office, retail and services	Q1 2013	52,142
Silesia Star (Building "A")	Katowice	Bogucice Zawodzie	Office and services	Q4 2014	14,963
Silesia Star (Building "B")	Katowice	Bogucice Zawodzie	Office and services	Q3 2016	14,200
Retro Office House	Wroclaw	Stare Miasto	Office and services	Q1 2018	20,916

Housing Projects

Name of Project	City	District	Segment	Construction Completion Date	Number of Apartments and Commercial Premises	Area (sq m)
Przy Promenadzie (stage 1, 2 and 3)	Warsaw	Praga-Południe	Apartments, services	Q4 2010	730	48,160
Przy Promenadzie (stage 4)	Warsaw	Praga-Południe	Apartments, services	Q3 2016	202	9,773
Rezydencja Kaliska	Warsaw	Śródmieście-Ochota	Apartments, services	Q1 2011	101	7,430
Powstańców 33 (stage 1, 2 and 3)	Ząbki near Warsaw		Apartments, services	Q4 2012	114	6,918
				Q3 2014	229	13,141
				Q3 2016	230	13,635
Na Woli (stage 1, 2 and 3)	Warsaw	Wola	Apartments, services	Q4 2014	192	10,008
				Q4 2015	112	5,628
Poborzańska	Warsaw	Targówek	Apartments, services	Q1 2018	157	7,982
				Q2 2016	91	4,189
Mała Praga (stage 1, 2 and 3)	Warsaw	Praga Południe	Apartments, services	Q2 2016	140	7,409
				Q3 2017	217	11,359
				Q1 2018	158	8,124

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Korona Pragi (stage 1)	Warsaw	Praga Południe	Apartments, services	Q4 2017	170	8,988
Krzemowe (stage 1 and 2)	Warsaw	Mokotów	Apartments	Q2 2017	159	8,604
				Q4 2017	244	11,917
Maestro (stage 1, 2 and 3)	Wrocław	Krzyki-Jagodno	Apartments	Q3 2012	176	9,352
				Q3 2013	160	8,829
				Q3 2017	125	7,126
Potokowa (stage 1, 2 and 3)	Wrocław	Maślice	Apartments and houses	Q2 2013	72	2,819
				Q3 2013	42	4,486
				Q2 2014	73	3,621
				Q3 2013	173	9,200
				Q3 2014	179	8,716
Graniczna (stage 1, 2, 3, 4, 5 and 6)	Wrocław	Fabryczna	Apartments	Q4 2015	187	9,688
				Q2 2016	125	6,449
				Q4 2016	168	9,103
				Q3 2017	168	9,119
Nowalia	Wrocław	Klecina	Terraced houses	Q1 2014	44	4,634
Brzeska 5	Wrocław	Krzyki	Apartments, services	Q4 2014	167	7,889
Stabłowicka 77 (stage 1, 2)	Wrocław	Fabryczna	Apartments	Q3 2014	73	4,259
				Q1 2015	60	3,159
Dolina Piastów	Wrocław	Fabryczna	Apartments	Q2 2016	176	9,278
Nowa Tęczowa	Wrocław	Stare Miasto	Apartments, services	Q1 2018	212	10,025
Sołtysowicka	Wrocław	Sołtysowice	Apartments	Q1 2018	165	9,486
				Q4 2011	120	6,624
				Q4 2012	164	8,960
Słoneczne Miasteczko (stage 1, 2, 3, 4 and 5)	Kraków	Bieżanów-Prokocim	Apartments	Q3 2014	42	2,162
				Q4 2015	120	6,498
				Q2 2017	108	5,894
Okulickiego 59	Kraków	Mistrzejowice	Apartments, services	Q4 2012	146	6,701
				Q2 2015	164	8,011
Grzegórzecka (stage 1, 2, 3 and 4)	Kraków	Śródmieście	Apartments, services	Q4 2015	149	7,042
				Q1 2016	85	4,562
				Q1 2017	242	11,928
Centralna Park (stage 1, 2)	Kraków	Czyżyny	Apartments	Q2 2017	150	7,055
				Q1 2018	130	6,190

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5 Dzielnica (stage 1 and 2)	Kraków	Krowodrza	Apartments, services	Q1 2017	190	10,018
				Q3 2017	113	5,681
				Q4 2012	72	3,795
Przy Srebrnej (stage 1, 2, 3 and 4)	Gdańsk	Łostowice	Apartments, services	Q3 2014	28	1,734
				Q4 2014	46	2,104
				Q3 2016	32	1,687
Świętokrzyska Park (stage 1)	Gdańsk	Łostowice	Apartments	Q1 2018	65	2,826
Przy Alejach (stage 1 and 2)	Gdańsk	Zaspa	Apartments	Q2 2016	110	5,521
				Q2 2017	97	5,087
Bastion Wałowa (stage 1)	Gdańsk	Śródmieście	Apartments	Q4 2017	230	12,336
Dębowa Ostoja (1 stage)	Łódź	Bałuty	Terraced houses	Q3 2011	22	4,548
Pustynna 43 (1 stage)	Łódź	Górna	Apartments	Q4 2012	38	2,884

4.1.2 Development projects under Construction

Commercial Projects

Name of Project	City	District	Segment	Construction Commencement Date	Planned Construction Completion Date	Area (sq m)
Wola Retro	Warsaw	Wola	Office and services	Q2 2017	Q2 2019	24,050

Housing Projects

Name of Project	City	District	Segment	Planned Construction Completion Date	Number of Apartments and Commercial Premises	Area (sq m)
Powstańców 33 (stage 4, 5)	Ząbki near Warsaw		Apartments, services	Q2 2018	165	9,974
				Q4 2018	123	6,926
Na Woli (stage 4, 5, 6, 7)	Warsaw	Wola	Apartments, services	Q3 2018	150	7,593
				Q4 2018	147	7,567

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				Q2 2019	147	7,567
				Q2 2020	301	15,610
Mała Praga (stage 4)	Warsaw	Praga Południe	Apartments, services	Q4 2018	235	12,053
Korona Pragi (stage 2, 3)	Warsaw	Praga Południe	Apartments, services	Q3 2018	171	9,010
				Q4 2018	173	9,101
Krzemowe (stage 3)	Warsaw	Mokotów	Apartments	Q1 2019	130	6,626
Między Parkami (stage 1)	Wrocław	Klecina	Apartments	Q1 2019	164	8,597
Słoneczne Miasteczko (stage 6, 7)	Kraków	Bieżanów-Prokocim	Apartments	Q4 2018	108	5,886
				Q1 2019	108	5,858
Centralna Park (stage 3, 4, 5)	Kraków	Czyżyny	Apartments	Q4 2018	264	12,900
				Q4 2019	151	7,459
				Q1 2020	103	5,170
Świętokrzyska Park (stage 2, 3, 4)	Gdańsk	Łostowice	Apartments	Q3 2018	65	2,966
				Q2 2019	65	2,950
				Q3 2019	65	2,969
Wałowa (stage 2)	Gdańsk	Śródmieście	Apartments	Q4 2018	230	12,333

4.1.3 Development Projects in Preparation

Housing Projects

Name of Project	City	District	Segment	Planned Construction Commencement Date	Planned Construction Completion Date	Number of Apartments and Commercial Premises	Area (sq m)
Na Woli (stage 8)	Warsaw	Wola	Apartments	Q4 2018	Q4 2020	177	9,580
Siennicka (stage 1)	Warsaw	Praga - Południe	Apartments, services	Q3 2018	Q1 2020	105	5,336
Między Parkami (stage 2)	Wrocław	Klecina	Apartments	Q3 2018	Q1 2020	115	6,810
Kamienna (stage 1)	Wrocław	Huby	Apartments, services	Q2 2018	Q4 2019	252	13,081
Granitowa	Wrocław	Wojszyce	Apartments	Q3 2018	Q4 2019	66	3,630
Raławicka	Wrocław	Grabiszyn	Apartments	Q4 2018	Q2 2020	231	13,162
Słoneczne Miasteczko	Kraków	Bieżanów-	Apartments,	Q3 2018	Q2 2020	108	5,882

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(stage 8)		Prokocim	services				
Grzegórzecka (stage 5)	Kraków	Śródmieście	Apartments, services	Q3 2018	Q2 2020	252	13,000
Mogilska (stage 1 and 2)	Kraków	Prądnik Czerwony	Apartments	Q3 2018 Q4 2018	Q4 2019 Q2 2020	65 142	3,030 5,891
Świętokrzyska Park (stage 5)	Gdańsk	Łostowice	Apartments	Q3 2018	Q2 2020	54	2,688
Bastion Wałowa (stage 3, 4)	Gdańsk	Śródmieście	Apartments, services	Q3 2018 Q3 2018	Q1 2020 Q1 2020	134 122	7,254 4,097
Ceglana Brama (stage 1)	Katowice		Apartments	Q4 2018	Q3 2020	90	5,605

Furthermore, depending on the rate of sales of the premises in a given project, the initiation of subsequent stages is planned.

In Q1 2018, intensive preparatory works were also undertaken to enable the Group's companies to start subsequent projects and to find attractive locations for new investments, in both commercial and residential property segments.

The Group is also trying to obtain external financing for its projects. Negotiations with the banks concerning the loan agreements for respective projects are in progress.

4.2. Description of Factors and Events, Particularly Non-typical Ones, Which Have Significant Impact on Achieved Financial Results

No special or uncommon events occurred, which could affect the produced financial results.

4.3. Management Board's Opinion Regarding Feasibility of Meeting Earlier Published Financial Forecasts for Given Year, in View of Results Presented in This Quarterly Report as Compared to Forecast Results

The Issuer did not publish any financial forecasts for the year 2018.

4.4. Ownership Structure of Issuer's Qualifying Holding

As at 31 March 2018 the share capital of LC Corp S.A. amounted to PLN 447,558,311 and was divided into 447,558,311 ordinary bearer shares carrying one vote at the General Meeting, with a par value of PLN 1.00 each. This was also valid as at 15 May 2018.

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Ownership Structure of Qualifying Holding as at Date of Submitting Financial Statements for Q1 2018, According to Information Obtained by Issuer:

Shareholders Possessing, Directly or Indirectly, More Than 5% of Total Vote at General Meeting of LC Corp S.A. as at Date of Submitting Financial Statements for Q1 2018:

Shareholder	Number of shares	Number of votes	Share in Share Capital (%)	Share (%) in total vote at general meeting
Otwarty Fundusz Emerytalny PZU "Złota Jesień"	67,908,000	67,908,000	15.17%	15.17%
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne through Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny	63,226,784	63,226,784	14.13%	14.13%
ALTUS Towarzystwo Funduszy Inwestycyjnych S.A.	59,829,016	59,829,016	13.37%	13.37%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	45,750,000	45,750,000	10.22%	10.22%
Aegon Otwarty Fundusz Emerytalny	26,543,080	26,543,080	5.93%	5.93%

Shareholders Possessing, Directly or Indirectly, More Than 5% of Total Vote at General Meeting of LC Corp S.A. as at Date of Submitting Annual Financial Statements for 2018:

Shareholder	Number of shares	Number of votes	Share in Share Capital (%)	Share (%) in total vote at general meeting
Otwarty Fundusz Emerytalny PZU "Złota Jesień"	67,908,000	67,908,000	15.17%	15.17%
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne through Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny	63,226,784	63,226,784	14.13%	14.13%
ALTUS Towarzystwo Funduszy Inwestycyjnych S.A.	59,829,016	59,829,016	13.37%	13.37%
AVIVA Otwarty Fundusz Emerytalny AVIVA BZ WBK	45,700,000	45,700,000	10.22%	10.22%
Aegon Otwarty Fundusz Emerytalny ⁽¹⁾	26,543,080	26,543,080	5.93%	5.93%

- 1) On 1 September 2017, Aegon Powszechne Towarzystwo Emerytalne assumed the responsibility for the management of Nordea Otwarty Fundusz Emerytalny and on 17/11/2017 it assumed all the rights and obligations of Nordea OFE.

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4.5. Changes in Issuer's Shares or Options Held by Management and Supervisory staff of Issuer as at 15 May 2018, in Period Following Submission of Previous Quarterly Report (Including Changes in Ownership)

Full name	Function in the body	Holding of the Issuer's shares as at 20/03/2018	Increase	Decrease	Holding of the Issuer's shares as at 15/05/2018
Supervisory staff					
Michał Hulbój	Chairman of Supervisory Board	-	-	-	-
Michał Kowalczewski	Vice Chairman of Supervisory Board	-	-	-	-
Paweł Małyska	Member of Supervisory Board	-	-	-	-
Jacek Osowski	Member of Supervisory Board	-	-	-	-
Krzysztof Kaczmarczyk	Member of Supervisory Board	-	-	-	-
John Banka	Member of Supervisory Board	-	-	-	-
Grzegorz Grabowicz	Member of Supervisory Board	-	-	-	-
Management staff					
Dariusz Niedośpiał	President of Management Board	158,791	-	-	158,791
Jakub Malski	First Vice President of Management Board	9,830	-	-	n/a
Tomasz Wróbel	Member of Management Board	-	-	-	-
Mirosław Kujawski	Member of Management Board	-	-	-	-
Małgorzata Danek	Member of Management Board	15,000	-	-	15,000
Radosław Stefurak	Member of Management Board	11,280	-	-	11,280

(1) On 31/01/2018 Jakub Malski was dismissed from the Management Board, with the dismissal being effective as of 09/02/2018.

4.6. Information about Proceedings Before Courts, Relevant Arbitration Authority or Public Administration Authority

As at 31 March 2018, no proceedings were initiated before the court or public administration authority, with regard to liabilities or receivables of LC Corp S.A. and its subsidiaries, whose individual or aggregate value would represent at least 10% of the equity of LC Corp S.A.

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4.7. Information on Single or Numerous Transactions Concluded by Issuer or Its Subsidiary Undertaking with Related Entities (If Made on Terms Other Than at Arm's Length)

In the discussed reporting period neither the Issuer nor its subsidiary undertakings concluded with a related entity any transactions, which were effected on the terms other than at arm's length.

4.8. Information about Loan or Borrowing Surety or Guarantee Granted by Issuer or Its Subsidiary Undertaking

In the discussed reporting period neither the Issuer nor its subsidiary undertakings granted any loan or borrowing surety or guarantee.

4.9. Other Information Deemed by Group as Relevant for Assessment of Its Personnel, Assets, Financial and Profit/Loss Standing and Changes Thereof and Information Relevant for Feasibility of Fulfilling Its Obligations

In the discussed reporting period, there were no events relevant for the assessment of the Group's personnel, assets, financial or profit/loss standing or changes thereof or of the feasibility of discharging its obligations.

4.10. Factors Which in Issuer's Opinion May Affect Its Performance at Least in Perspective of Following Quarter

The results achieved by LC Corp Group will be highly influenced by the macroeconomic situation, in particular with regard to availability of mortgage loans for potential clients. These factors are strong determinants of the demand for new apartments and the structure and price thereof.

The LC Corp Group recognises the revenue from the sale of residential and commercial premises only when, in principle, all risks and benefits related to given premises have been transferred to the client and revenue can be measured in a reasonable manner. As a consequence, in the next quarter the results on sale will depend on the value of premises transferred to the client in line with the above description.

The operating performance of the Group will be also influenced by the level of revenue generated from the rental of commercial space in Arkady Wrocławskie, Sky Tower, Wola Center, Silesia Star and Retro Office House, which is linked with the EUR exchange rate. The EUR exchange rate will also affect the valuation of foreign currency loans and investment property Arkady Wrocławskie, Sky Tower, Wola Center, Silesia Star (stage 1 and 2) and Retro Office House.

In the long term, in the opinion of the Management Board, the following will also influence the Group's performance:

- implementation of the strategy of acquiring land for residential buildings and carrying out investments on the land to ensure the appropriate offering scale of the Group, adequate to the demand on the market,
- implementation of the strategy of increase of the share of commercial property in the portfolio of LC Corp Group,
- enacted statutory prohibition on Sunday trading,
- opening of a larger, competitive shopping centre in the immediate vicinity of Arkady Wrocławskie,
- shaping of interest rates.

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At the end of each reporting period, the Group/Company makes an assessment of the depreciation of the development projects under construction described in item 2.5. Development projects shown as Inventory and Land classified as non-current assets represent a significant part of the assets of the Group and therefore the change in estimates of their value in future periods may have a significant effect on the results of the Group/Company.

In addition, for some time the Company has been observing and feeling the pressure on the increase in the costs of general contracting and increase in the offer prices of building lots, which in the long term can translate into a decrease of margin in the entire industry.

In the longer term, the results achieved by the Group/Company may be influenced by the introduction of upcoming legislative changes: relating to the right of perpetual usufruct and the introduction of the so-called Building Code, if this entails the increase in the cost of implementing the projects.

President of Management Board
Dariusz Niedośpiał

Member of Management Board
Miroslaw Kujawski

Member of Management Board
Tomasz Wróbel

Member of Management Board
Małgorzata Danek

Member of Management Board
Radosław Stefurak

Wrocław, 15 May 2018