

Dear Sir/Madam,

The past year 2018 was important for the LC Corp Group – as it saw, for the first time, the full 12 months of operations following the changes in the shareholding and new Supervisory Board members being appointed. The changes in the Company's shareholding that occurred in the second part of 2017 – Mr Leszek Czarnecki, the then majority shareholder, ceased to hold the controlling interest and was replaced with pension and investment funds. The current shareholding structure – which comprises mainly pension funds – not only sets the Management Board new tasks, but also creates new challenges. This change has received a positive response from the financial market and allowed the Company to protect itself against the effects of turmoil over the previous shareholder's group, which was experienced in 2018. The new shareholding structure has provided new opportunities and had a beneficial impact on the current operations, in particular as regards the possibilities of raising finance. This was also a period during which the Group implemented a modified operational strategy under which greater emphasis was placed on a foreseeable and stable dividend policy and sale of commercial premises. For the dividend policy, it was necessary to change the organisational structure and approach to the management of the Group – to make it simpler is the major task that the Management Board have to undertake in the current and upcoming years. Furthermore, there was a change in attitudes towards commercial premises, both those being administered and constructed.

The 2018 financial results must be seen very positively: we have managed to achieve targets set earlier and earn a very good profit. This success was possible because we consistently pursued our development strategy, which was centred around two aspects – strengthening our position in the residential housing segment and increasing receipts from the commercial real property segment. And yet again, also 2018 saw the high volume of residential units sales (around 2,000 development agreements signed) – which is evidence that the said strategy was followed successfully. We continue to analyse trends in the real property business on a day-to-day basis and address purchasers' needs, while striving to be flexible in order to give an offer that is tailored to current market expectations. High standards of projects, attractive locations and competitive prices had a direct bearing on the sales performance.

The strategy which is continuously followed by the Group is focused on strengthening its position on the Polish development market gradually. This objective can be attained because of new developments being implemented both by using the Group's holding of land and acquiring new projects. Good performance of

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the Company seen over consecutive years and a solid financial background make it possible to purchase further plots of land and carry out new projects in the largest cities of Poland. The delivery of projects in the biggest Polish urban agglomerations is a key contributing factor behind the Group's better position at a nationwide level and ensures risk diversification. These operations aim to ensure continued project development activity over the period of consecutive several years.

The year 2019 creates new challenges we have to face, such as still high demand, but also new circumstances driven by the situation relating to the market environment – growing land prices and construction costs. According to the Management Board, changes that are taking place will strengthen the position of LC Corp S.A. as a solid and reliable developer with a strong financial background, which is capable of ensuring transactional security. Maintaining a high level of growth will require full compliance with the most relevant standards, which has been a distinguishing feature of the LC Corp Group for many years, therefore we are not afraid of what the future may bring. By putting as much effort as thus far, we hope to secure a strong position in the ranking of top developers operating in Poland. To attain this objective, we need great commitment of the whole Group.

I would like to thank everyone who has contributed to the growth of LC Corp S.A. Shareholders, Supervisory Board Members, our Employees, Management Board Members of the Group's subsidiaries, Principal Contractors, Bond Holders and all Business Partners. Without their involvement, knowledge and professional attitude, achieving that good result would not be possible. It is towards them that we feel deep gratitude for our current position and we hope that we can achieve even better things together.

Dariusz Niedośpiat

President of Management Board of LC Corp S.A.