

Kielce, 17 December 2024

The information on implemented tax strategy of Echo Investment S.A. in 2023

Echo Investment S.A. ("Echo") is one of the largest Polish developers with extensive experience in the three main sectors of the real estate market: residential, retail as well as offices. Starting from 1996 Echo is listed on the Warsaw Stock Exchange.

Echo is a joint-stock company and a corporate income tax payer with its registered office in the Republic of Poland. As for the year 2023, as a part of its core business, Echo carried out construction of residential projects. On the other hand, subsidiaries of Echo belonging to the Echo Investment S.A. Capital Group ("Echo Group") carried out (i) office projects, (ii) service and retail projects as well as (iii) residential projects.

Taking into account the above, as well as the content and requirements specified in Art. 27c section 2 of the Corporate Income Tax Act (Journal of Laws of 2023, item 2805, as amended; "CIT Act"), the Company would like to provide the following information about the tax strategy implemented in 2023:

Echo conducts its business activities in an ethical manner, which is reflected in the Echo Investment Code of Conduct introduced in late 2016 and Echo Investment Sustainable Development Report for 2023 (available on the website www.echo.com.pl). In March 2023, Echo, together with its subsidiary Archicom S.A. adopted the "Echo-Archicom 2030 Sustainable Development Strategy", which is a year-by-year path leading to the decarbonization of both capital groups - Echo Group and Archicom S.A. capital group - the zero-emission nature of the investments they build, further increasing the role of greenery in investments and supporting the proper development of cities.

In its activities, Echo places great emphasis on corporate responsibility, and considers responsible administration and fulfillment of tax obligations to be its duty as part of its business activities.

Echo complies with all of the provisions of Polish law, including all tax regulations. Echo's tax strategy reflects this principle and can be summarized as follows:

1. Echo's tax strategy relies on:
 - a) fulfilling all legal requirements, tax filing and settlement of tax liabilities according to Polish legislation as well as in line with the best knowledge of responsible persons and with their due diligence;
 - b) aiming at the application of available reliefs and incentives in accordance with public policy objectives;
 - c) exercising due care in identifying tax implications of complex business decisions, e.g. acquisitions of other entities;
 - d) compliance with tax risks governance procedures as well as on ensuring Management Board's supervision in matters of such compliance.

2. The Tax Policy introduced in 2021 defines the scope of duties and responsibilities of the Substantive Teams and the Accounting Department for individual stages of tax settlements process. Additionally, as part of Echo's corporate structure, there is a Tax and Transfer Pricing Team, responsible for the substantive supervision of Echo Group's compliance with tax and transfer pricing regulations. Human Resources Department is responsible for tax, social contributions and other public duties settlements related to Echo's employees.

3. Echo's internal corporate structure is designed to ensure that:
 - a) The Management Board has the proper knowledge and understands the importance of ensuring the accuracy of the tax settlements and the means to achieve it.
 - b) There is an ongoing dialogue between the Management Board and those responsible for managing financial and tax issues at Echo in terms of managing the tax risk.
 - c) Echo's business activity positively reflects the importance accuracy of tax settlements and fulfilment of all tax obligations.
4. When engaging in commercial activities Echo takes into account among others Polish tax provisions with regard to sustainable creation of values for Echo's shareholders. Every reorganization must have commercial and economic substance as well as must fully consider an influence on Echo's reputation and core objectives.
5. Given the scale of Echo's business activity and the amount of its tax liabilities, occasionally there may arise some risks related to the interpretation of tax law as a result of its complex nature. Echo proactively identifies, assesses, monitors and manages these risks to ensure that compliance with tax obligations remains in line with company's main objectives and binding tax law. Echo's tax risk management processes are designed to fulfil all tax obligations under the tax law as defined in Article 3 point 2 of Polish Tax Ordinance (consolidated text Journal of Laws from 2023, item 2383 as amended). In case any tax risk is identified, Echo takes measures to mitigate this risk, which is ensured by application of Echo's tax risk management procedures. Where significant uncertainties or complex issues arise in relation to a particular tax risk, Echo obtains the services provided by external tax advisors.
6. Echo's management processes reflect the fiscal procedures implemented at Echo, such as:
 - a) Tax Policy;
 - b) Split Payment Mechanism Procedure;
 - c) Transfer Pricing Policy;
 - d) Procedure of avoiding non-compliance in regards to reporting obligations arising from the Mandatory Disclosure Regime (MDR).
7. Tax settlements issues are managed with the execution of abovementioned procedures and policies as well as through communication with tax authorities. In light of the above, Echo has identified no further need to expand forms of voluntary cooperation with the Polish tax authorities (in principle through the execution of the so-called cooperation agreement).
8. In response to the Article 27c section 2 of the Polish CIT Act, Echo states as follows:
 - a) In 2023 Echo was engaged in related party transactions involving loan agreements, guarantees/sureties agreements and share capital increases the value of which exceeded 5% of total book value of assets as included in the latest approved financial statements of Echo.

The Company declares that this document provides information on transactions with related parties which: i) individual value exceeded 5% of total book value of assets as included in the latest approved financial statements of Echo, and ii) total value calculated for the transactions of the same type exceeded 5% of total book value of assets as included in the latest approved financial statements of Echo.

- b) In 2023 Echo carried out restructuring transactions that could affect the amount of its tax liabilities or the tax liabilities of related parties within the meaning of Article 11a Section 1 Point 4 of the Polish CIT Act, such as:
 - separation of the Company's development activities within the residential projects/ segment, as well as services related to the residential projects/ segment provided by the Company to companies within the Echo Group, in the form of an organized part of the

enterprise (ZCP") as of February 1, 2023. ZCP was then transferred to Archicom in the form of a contribution in-kind in exchange for shares issued to the Company by Archicom. The contribution in-kind was made on August 1, 2023 and the increase in the share capital as a result of this contribution was registered in Q3 2023,

- merger of subsidiaries DKR Echo Investment sp. z o.o. (acquiring company) with the companies DKR Echo Invest S.A. and DKRA Echo sp. z o. o. (acquired companies). The company is a 100% direct shareholder of all companies participating in the merger. The merger was entered into the court register in Q4 2023,
- acquisition of shares in the capital company DKRA sp. z o. o. - Q2 2023,
- Echo's participation in the book-building process (ABB) as part of a private subscription offer of newly issued shares by Archicom (series D and E) covered by Echo and DKR Investment sp. z o. o. - Q3 2023,
- the acquisition of shares in a capital company, disposals of shares in capital companies, disposal of rights and obligations in partnerships, decrease in contributions in a partnership, increase in share capital in subsidiary capital companies, liquidation of subsidiary partnerships and companies.

- c) In 2023 Echo applied (independently or in the form of a so-called joint application) for the issuance of individual tax rulings referred to in Art. 14b of the Tax Ordinance regarding:
- (i) corporate income tax – 2 applications;
 - (ii) tax on goods and services – 3 applications;
 - (iii) tax on civil law transactions – 1 application.

The company complied with all interpretations obtained.

In 2023, the Company did not apply for general tax interpretations.

- d) In 2023, the Company provided the Head of the National Tax Administration (KAS) with one (1) information on tax schemes (MDR-1), referred to in Article 86a § 1 point 10 of the Tax Ordinance. The submitted information concerned corporate income tax and goods and services tax. Moreover, in connection with the cancellation of the state of epidemic threat of COVID-19 on July 1, 2023, the Company submitted MDR-3 information forms in 2023, the deadline for submission of which was suspended until the 30th day following the date of cancellation of the state of epidemic and the state of epidemic threat related to COVID-19.
- e) In 2023, the Company did not apply for binding VAT rate information referred to in Article 42a of the VAT Act.
- f) In 2023, the Company did not apply for binding excise duty information referred to in Article 7d section 1 of the Act of December 6, 2008 on excise duty.
- g) In 2023 Echo did not make any tax settlements in states and territories applying harmful tax competition as set forth in regulations issued on the basis of Article 11j section 2 of the Polish CIT Act, Article 23v section 2 Personal Income Tax Act and in the announcement of the Minister of Finance from 28 February 2023 regarding the announcement of a list of states and territories indicated in the European Union's list of jurisdictions uncooperative in tax matters adopted by the European Union Council, which were not indicated in a list of states and territories applying harmful tax competition issued on the basis of Personal Income Tax Act provisions and Corporate Income

Tax Act provisions, as well as the day of adoption of this list by the European Union Council (Official Gazette of the Republic of Poland "Monitor Polski" of 2023, item 236).

Echo reviews its tax strategy on an ongoing basis taking into account all legislative and regulatory amendments.

The Company declares that for the purpose of providing information on the implementation of the tax strategy, no confidential information that could involve commercial, industrial, professional or process secrecy was disclosed.