

The 1st half-year of 2023

Financial report of Echo Investment S.A. and its Group



 Projekt dla terenu przy Towarowej 22 w Warszawie

ECHO
investment



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Message from CEO

Dear Shareholders, Partners, and Clients,

I am pleased to present to you the financial report of Echo Investment Group for the first half of 2023. This was an important period for the entire Group, in which we focused on the optimal use of our experience and further growth in key sectors of the real estate industry. The noticeable improvement in the condition of the residential market and the growing interest of city-forming, multi-functional “destination” projects are key factors that will determine the Group’s stable position in the coming future.

Clearly defined competences

Many of our activities in the first two quarters of 2023 were related to the transfer of our residential business to Archicom. The process of making the contribution in kind was successfully completed shortly after the balance sheet date of this report. This transfer, in addition to more effective management, reorganizes the structure of the Group so that the division of competences of the entities constituting it is transparent to the capital market and other stakeholders. Our shares in Archicom’s capital currently amount to almost 90 percent, and the contribution itself constitutes a solid foundation for the development of this brand in five, and potentially also in more, agglomerations with significant purchasing power. The target of this transfer is to create a clear division between the residential business with individual clients and the commercial part that is dealing with institutional products.

In the first half of 2023, the Echo Investment Group sold 822 apartments, of which 568 apartments were sold by Archicom. During the first 6 months 612 completed apartments were handed over to customers and more than 2.7 thousand apartments were under construction. Due to the

strong market conditions, we are planning to start another 2.4 thousand apartments. The landbank is strong so on top of the started projects another 8 thousand apartments are in the pipeline. We are also focusing on increasing this number to allow Archicom to be a significant player in the residential market in Poland.

In the institutional rental sector, the Resi4Rent platform maintains a leading position, with a 28 percent share in the Polish market and over 4 thousand ready apartments. By the end of the year the amount of apartment in operation and under construction will amount up to over 9 thousand units. The secured landbank for PRS projects is already above our target of 10 thousand units, and the apartments in operation are fully leased.

New “destination” project on the way

In Warsaw, we have started the construction of the first office building of Towarowa 22. This truly city-forming project will include a park of 2 ha and a mixed-use development consisting of offices, residential and PRS.

After the successes in renting office space in regional cities (including the end of commercialization of the Mid-Point 71 building in Wrocław and React in Łódź), we plan to develop further office projects in Kraków and Wrocław soon. We are also expanding our flexible office concept, which reached its 13th location in spring this year - this time in Fuzja in Łódź, thanks to which the CitySpace network has expanded to 3.8 thousand workstations.

The popularity of Echo Investment’s office projects among investors was confirmed by the sale of the Moje Miejsce II building in Warsaw in the first quarter of this year. This

high-class facility ended up in new hands for an amount of nearly EUR 45 million.

In the retail real estate sector, we strive to optimize the tenant mix of our shopping centres, constantly adapting them to latest trends and post-pandemic customer expectations. The effectiveness of our actions is confirmed by data related to the growing footfall and turnover of Katowice's Libero and Galeria Młociny in Warsaw.

Financial standing

In the first half of 2023, the companies forming the Group issued bonds for institutional investors with a total value of PLN 202 million. We will use these funds to finance business development and roll over debt maturing in the coming years.

At the end of June 2023, our land bank allowed for the construction of approximately 11.6 thousand apartments, among other projects. Maintained high cash reserves (over PLN 662 million) support our development plans, enabling the search and purchase of new attractive plots in the largest Polish cities. At the same time, we strive to deliver further office buildings on regional markets, especially where we see a possible supply gap in terms of modern workspace, and we are looking for further opportunities in the residential living sector.

The net profit attributable to the shareholders of the parent company after the second quarter of 2023 amounted

to PLN 9.1 million, and the total value of assets at the end of Q2 2023 amounted to nearly PLN 5.73 billion.

From this year, in addition to the fundamental strategy of sustainable growth, our activities are guided by the comprehensive ESG policy announced in March. This is an important road map for us in the area of environmental protection, social involvement and responsible management. The strategy defined our decarbonization goals and road to zero-emission buildings, and established our role in sustainable urban development vital to all stakeholders.

I encourage you to review the detailed data contained in the report, along with a description of the shape of individual market segments in which the Echo Investment Group operates and our current development plans.

Kind regards



Nicklas Lindberg

CEO of Echo Investment



CHAPTER 1

Management Report

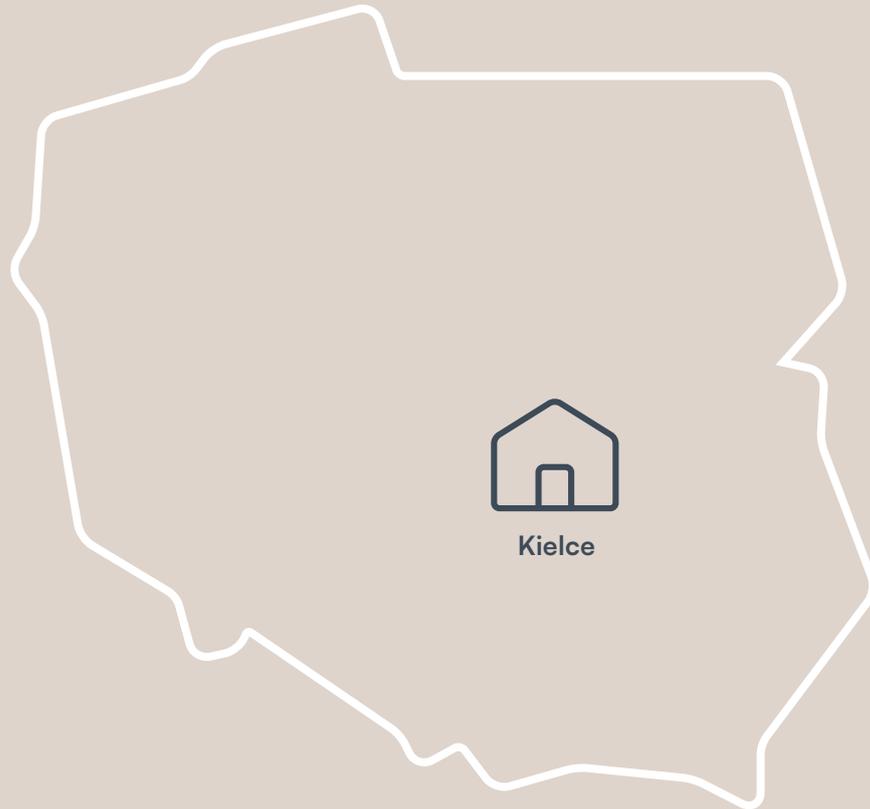


01

General information about the Company and its Group

1996

First listing of Echo Investment's shares on the WSE



The Echo Investment Group's core activity consists of the construction, lease and sale of office and retail buildings, construction and sale of residential buildings as well as trade in real estate.

The parent company - Echo Investment S.A. with its headquarter in Kielce, at al. Solidarności 36 - was registered in Kielce on 30 June 1994 and is entered into the National Court Register under number 0000007025 by the District Court in Kielce, 10th Commercial Division of the National Court Register.

Since 5 March 1996, the Company's shares are quoted at the Warsaw Stock Exchange on the regulated market. They are included into Warsaw Stock Exchange Index WIG, sWIG80 subindex as well as WIG-Real Estate sector index. The main place where the Company runs its business is Poland. The parent entity is Lisala Sp. z o.o., and the parently company of the highest level of the group is Dayton-Invest Kft., which is controlled at the highest

level by Tibor Veres. The Company was established for an indefinite period.

There have been no changes in the name of the reporting entity or other identifying data since the end of the previous reporting period.

Average monthly employment in the Echo Investment Group as at 30 June 2023 amounted to 556 people full-time equivalents.

Whenever this document refers to the Echo Investment Group it means the parent company Echo Investment S.A. with all subsidiaries, including Archicom S.A. and its subsidiaries. The term "Echo Group" means the company Echo Investment S.A. with its subsidiaries, excluding Archicom S.A. and its subsidiaries. The term "Archicom Group" means only the company Archicom S.A. and its subsidiaries.

Management Board

**Nicklas
Lindberg**

President of the
Board, CEO



**Maciej
Drozd**

Vice-President
of the Board,
CFO



**Artur
Langner**

Vice-President
of the Board



**Rafał
Mazurczak**

Member of the Board



**Małgorzata
Turek**

Member of the Board



Supervisory Board

**Noah M.
Steinberg**

Chairman



**Tibor
Veres**

Deputy Chairman



**Margaret
Dezse**

Independent
Supervisory Board
Member
Chair of the Audit
Committee



**Sławomir
Jędrzejczyk**

Independent
Supervisory Board
Member
Deputy Chairman
of the Audit Committee



**Maciej
Dyjas**

Supervisory Board
Member



**Péter
Kocsis**

Supervisory Board
Member



**Bence
Sass**

Supervisory Board
Member



**Nebil
Senman**

Supervisory Board
Member
Audit Committee
Member



02

The Strategy of Profitable Growth

In 2016, the Management Board of Echo Investment prepared and introduced the Strategy of Profitable Growth with the approval of the Supervisory Board. The strategic directions confirmed in 2020 place particular emphasis

on the Group's development in the residential sector and increasing the importance of multifunctional, large destination projects in the pipeline. Echo's strategy is based on the following pillars:

Leadership



Echo Investment Group is the biggest real estate development company in terms of number of projects as well as its total area, operating in Poland. It is active in both sectors of real estate market: residential and commercial. In accordance with the Strategy of

Profitable Growth, Echo Investment is going to be one of the leaders in residential and commercial market, what implies higher dynamics in residential. Big scale of activity allows for optimum use of resources.

Large destination projects



Echo Investment Group's many years of experience in three real estate sectors gives a competitive advantage consisting in the ability to implement large, multifunctional and city-forming projects. Thanks to this, the Group can buy larger areas, with regard to which the unit price

is lower and the competition among buyers is much smaller. Combining the functions provides for faster completion of the project and comprehensive design of the urban space.

Development activity



The focus of the adopted strategy model is on development activities, which include land acquisition, construction, lease, active management to increase the market value and then sale of finished project in optimal time for the possible return ratio, capital management, market expectations and trends. Commercial and

residential properties under construction constitute majority of the group's assets.

Focus on Poland



It is the strongest economy and real estate market in the Central and Eastern Europe. Echo Investment, which has been operating on this market for two decades, knows perfectly its potential, background and principles of functioning. This is why the Company

focuses on running projects in the most important Polish cities, which are at the same time the most attractive and liquid real estate markets: Warsaw, Tricity, Poznań, Katowice, Wrocław, Krakow and Łódź.

Strategic cooperation with reliable partners

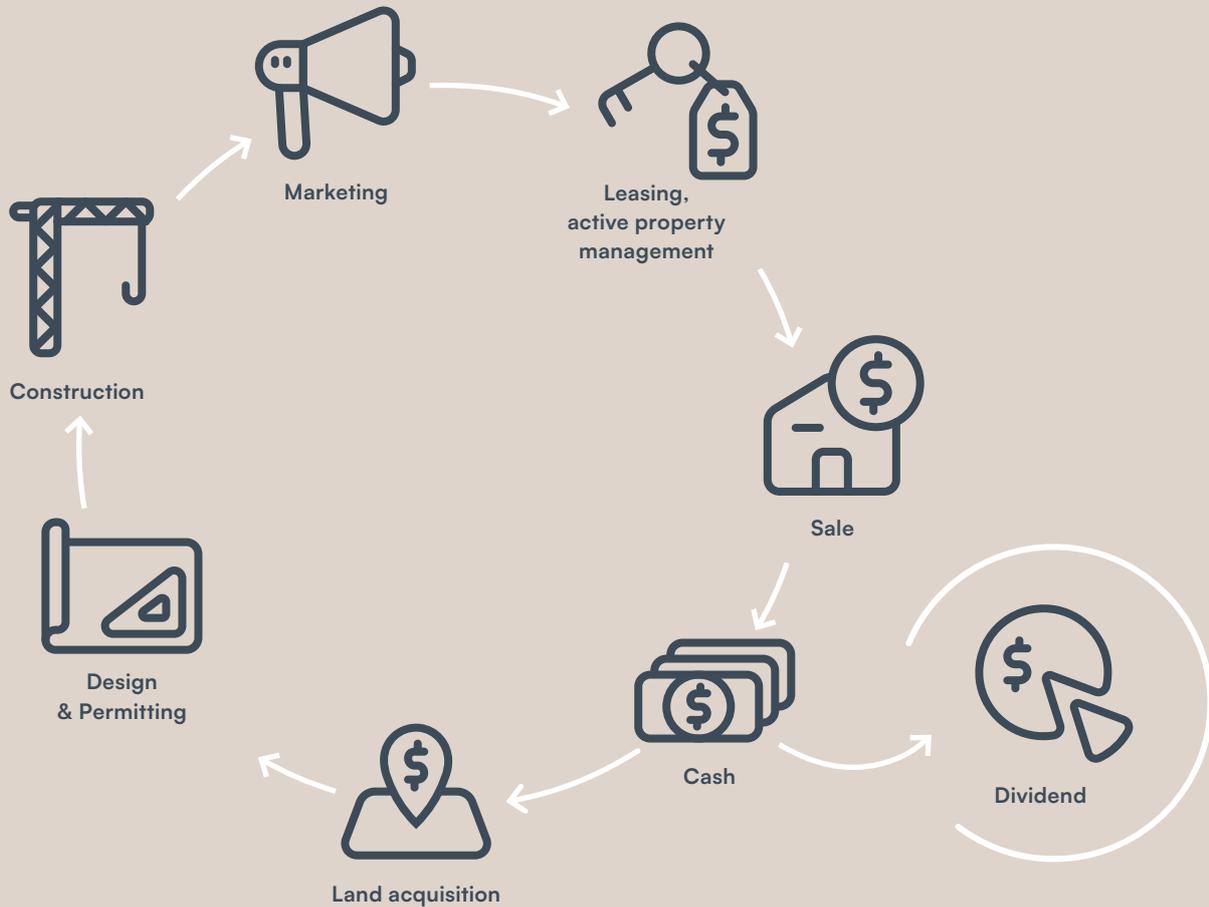


Echo Investment Group values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment Group are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation and limits risks. Echo Investment Group assumes entering into joint-ventures

for projects requiring significant capital expenditures, providing its partners with services such as development, planning, leasing, accounting etc. Partners may also be offered by Echo with priority to acquire ready projects on market conditions. Material agreements between Echo Investment Group and its partners need to be discussed and approved by the Supervisory Board.

03

Business model



Echo Investment Group runs the entire investment process in-house, starting with acquisition of property, through obtaining administrative permits, financing and oversight of construction, to leasing, completion, active property management to increase its value, taking decision of sale and execution of this decision in optimal moment from return, cash management, expectation and market trends. These steps are taken in most cases through the special purpose vehicles (SPV).

The core business of Echo Investment Group falls into the following categories:

1. construction and sale of residential apartments,
2. construction, lease, active property management to increase its value and sale of commercial properties - office and retail buildings,
3. providing services of flexible office space leasing through the company CitySpace,
4. provision of services for other entities, such as Resi-4Rent and Student Depot (general contractor, development manager, leasing, consulting etc.).

04

Selected financial data of the Group

Consolidated financial data of the Group

	[PLN '000]		[EUR '000]	
	as at 30.06.2023	as at 30.06.2022	as at 30.06.2023	as at 30.06.2022
Revenue	456 986	598 140	99 065	128 835
Operating profit	32 056	159 320	6 949	34 316
Gross profit	37 283	103 992	8 082	22 399
Profit attributable to shareholders of the parent company	9 113	61 878	1 976	13 328
Cash flows from operating activities	(152 111)	(52 420)	(32 974)	(11 291)
Cash flows from investment activities	6 065	468 100	1 315	100 825
Cash flows from financing activities	(133 096)	56 385	(28 852)	12 145
Net cash flow	(279 142)	472 065	(60 512)	101 679
Total assets	5 728 875	6 708 798	1 287 301	1 433 320
Equity attributable to equity holders of the parent	1 649 484	1 650 767	370 646	352 683
Long-term liabilities	2 045 057	2 113 266	459 532	451 495
Short-term liabilities	1 873 009	2 748 795	420 873	587 274
Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
Profit (loss) per one ordinary share	0,02	0,15	0,00	0,03
Book value per one share	4,00	4,00	0,90	0,85

Euro exchange rate

In the periods covered by the report, selected financial data were converted using the average exchange rates of the Polish zloty against the EUR, established by the National Bank of Poland.

Exchange rate valid on the last day of the reporting period:

- 4.4503 PLN/EUR as at 30 June 2023,
- 4.6806 PLN/EUR as at 30 June 2022,
- 4.6899 PLN/EUR as at 31 December 2022.

Average exchange rate in the period, calculated as the arithmetic mean of the rates applicable on the last day of each month in a given period:

- 4.6130 PLN/EUR in the period from 1 January 2023 to 30 June 2023,
- 4.6427 PLN/EUR in the period from 1 January 2022 to 30 June 2022,
- 4.6883 PLN/EUR in the period from 1 January 2022 to — 31 December 2022.

05

Group segments

Consolidated statement of financial position
— allocation to segmentsas at 30 June 2023
[PLN '000]

	Total	Residential	Resi4Rent	Commercial properties
Assets				
Non-current assets				
Intangible assets	71 974	69 704	-	2 270
Property, plant and equipment	58 085	12 588	-	45 497
Investment property	1 131 844	35 066	-	1 096 778
Investment property under construction	548 997	-	-	548 997
Investment in associates and joint ventures	507 704	-	198 116	309 588
Long-term financial assets	329 421	-	226 012	103 409
Derivative financial instruments	8 665	3 143	584	4 938
Other assets	1 367	1 367	-	-
Deferred tax asset	95 319	57 746	6	37 567
Land intended for development	21 715	18 008	-	3 707
	2 775 091	197 622	424 718	2 152 751
Current assets				
Inventory	1 691 605	1 600 128	1 984	89 493
Current tax assets	28 001	7 812	-	20 189
Other taxes receivable	46 728	21 728	262	24 738
Trade and other receivables	223 851	141 133	3 122	79 596
Short-term financial assets	20 073	-	-	20 073
Derivative financial instruments	10 092	3 100	577	6 415
Other financial assets *	118 453	95 388	-	23 065
Cash and cash equivalents	662 855	377 055	345	285 455
	2 801 658	2 246 344	6 290	549 024
Assets held for sale	152 126	-	-	152 126
	2 953 784	2 246 344	6 290	701 150
Total assets	5 728 875	2 443 966	431 008	2 853 901

* Głównie środki pieniężne na rachunkach powierniczych wpłacone przez klientów mieszkaniowych

Consolidated statement of financial position — allocation to segments

as at 30 June 2023
[PLN '000]

	Total	Residential	Resi4Rent	Commercial properties
Equity and liabilities				
Equity	1 810 809	569 599	230 578	1 010 632
	1 810 809	569 599	230 578	1 010 632
Long-term liabilities				
Credits, loans, bonds	1 691 229	522 344	153 701	1 015 184
Long-term provisions	5 827	5 207	-	620
Deferred tax liabilities	124 126	62 503	-	61 623
Leasing	153 174	10 911	-	142 263
Other liabilities	70 701	20 000	-	50 701
	2 045 057	620 965	153 701	1 270 391
Short-term liabilities				
Credits, loans, bonds	615 658	248 406	46 334	320 918
Credits, loans, bonds - non-current assets classified as held for sale	19 698	-	-	19 698
Income tax payable	5 830	3 499	-	2 331
Other taxes liabilities	12 285	4 678	1	7 606
Trade payable	129 250	77 742	343	51 165
Dividend payable	10 999	10 999	-	-
Leasing	94 023	52 497	-	41 526
Short-term provisions	27 911	13 179	51	14 681
Other liabilities	262 583	150 097	-	112 486
Liabilities due to customers	693 855	692 305	-	1 550
	1 872 092	1 253 402	46 729	571 961
Liabilities directly associated with non-current assets classified as held for sale	917	-	-	917
	1 873 009	1 253 402	46 729	572 878
Total equity and liabilities	5 728 875	2 443 966	431 008	2 853 901

Consolidated profit and loss account — allocation to segments

for the period of 1 January - 30 June 2023 [PLN '000]

	Total	Residential	Resi4Rent	Commercial properties
Revenues	456 986	342 135	10 717	104 134
Cost of sales	(304 699)	(225 119)	(6 095)	(73 485)
Gross profit	152 287	117 016	4 622	30 649
Profit on investment property	(24 364)	-	-	(24 364)
Administrative costs associated with project implementation	(26 026)	(19 945)	(196)	(5 885)
Selling expenses	(22 143)	(18 484)	(498)	(3 161)
General and administrative expenses	(49 280)	(21 931)	(6 753)	(20 596)
Other operating income	11 844	6 864	2	4 978
Other operating expenses	(10 262)	(6 878)	(2)	(3 382)
Operating profit	32 056	56 642	(2 825)	(21 761)
Financial income	17 749	5 725	5 122	6 902
Financial cost	(96 234)	(31 827)	(4 720)	(59 687)
Profit (loss) on FX derivatives	403	-	-	403
Foreign exchange gains (losses)	47 125	8 022	1 237	37 866
Share of profit (loss) of associates and joint ventures	36 184	-	34 830	1 354
Profit before tax	37 283	38 562	33 644	(34 923)
Income tax	(18 380)	(19 010)	(16 584)	17 214
Net profit (loss)	18 903	19 552	17 060	(17 709)
Equity holders of the parent	9 113	9 750	17 060	(17 697)
Non-controlling interest	9 790	9 802	-	(12)

06

Echo Investment S.A. shareholding structure and shareholders' rights

Shareholders of Echo Investment S.A. as on the balance sheet day [21 September 2023]



Source: <https://www.echo.com.pl/s,48,akcjonariat-i-dywidenda.html>

The share capital of Echo Investment S.A. is divided into 412,690,582 ordinary bearer shares of A, B, C, D, E and F series. All issued shares are equal in terms of its rights and obligations, i.e. they are shares of the same type and incorporate the same rights and obligations.

The Company's share capital, i.e. the nominal value of all the shares, amounts to PLN 20,635 thousand, and it was paid in cash. The nominal value of one share is PLN 0.05. The number of shares equals the number of votes at the General Meeting of Shareholders. The securities issued by Echo Investment S.A. do not provide their owners with

any special controlling powers. Echo Investment S.A. does not have any information on limitations in exercising the voting right or transferring ownership rights by owners of its securities.

The shareholding structure information as on the balance sheet day is based on notifications from shareholders and information on the OFE (Opened Pension Funds) portfolios composition registered to participate in the General Meeting of Shareholders of Company as at 25 July 2023.

Significant changes in the shareholding structure in H1 2023 and as on the balance sheet day.

In H1 2023 there were no significant changes in the shareholding structure. The members of the Management Board and Supervisory Board reported their purchases of the Company's shares. Nicklas Lindberg, President of the Board, CEO purchased 60,750 shares and Péter Kocsis, Supervisory Board Member purchased 16,892 shares.

In addition, the Company was given:

- on 11 April 2023 noticed by Wing International Zrt. about the indirect acquisition of 272,375,784 shares in Echo Investment S.A. from Wing IHC Zrt. As stated in the notification, the transaction was concluded between entities being members of the same capital group,

- on 16 May 2023 informed by PTE Allianz Polska S.A., which manages Allianz Polska OFE, about the liquidation of Drugi Allianz OFE, on the account of Allianz OFE there were 39,781,769 shares, representing 9.64 percent of the share capital of the Company, granting the right to 39,781,769 votes from shares, representing 9.64 percent of the total number of votes at the Company's General Meeting of Shareholders.

After the balance sheet date, in Q3 2023, the Company wasn't informed about the purchase of shares.

WING



About the major shareholder

Wing is a leading real estate developer and investor in Hungary with a significant presence in the regional real estate market. Since its establishment in 1999, the company has developed 1.2 million square meters of real estate in Hungary. Wing is active in all market segments, including office, industrial, retail, hotel and residential development. As one of the largest privately owned real estate companies in Hungary, WING develops world-class landmark buildings that define the cityscape of Budapest. The com-

pany's latest developments include the new headquarters of Magyar Telekom and T-Systems - the country's most modern and largest new office building -, the Danube headquarters of Ericsson and Siemens-evosoft, the BB Hotel Budapest City and the Kassák Residence, Metropolitan Garden and Park West residential projects. Wing also plays a key role in the Central and Eastern European real estate market.

07

Volume of the Company's shares and bonds held by managing and supervising persons

To the best of the Company's knowledge, among the persons in charge of Echo Investment S.A. management or supervisory functions, the shareholders and bondholders of

the Company are Nicklas Lindberg, President of the Management Board, Maciej Drozd Vice-president, CFO, Péter Kocsis and Bence Sass, members of the Supervisory Board.

Volume of shares of Echo Investment S.A. held by members of the Management Board and the Supervisory Board as on the balance sheet day [21 September 2023]

Surname / Position in the company	Number of shares held	Share in the capital and votes at GMS
Nicklas Lindberg President of the Board, CEO	906 372	0,22%
Maciej Drozd Vice-President of the Board, CFO	291 065	0,07%
Péter Kocsis Supervisory Board Member	111 084	0,03%
Bence Sass Supervisory Board Member	50 000	0,01%

In H1 2023, Nicklas Lindberg, President of the Board, CEO purchased 60,750 shares and Péter Kocsis, Supervisory Board Member purchased 16,892 shares.

After the balance sheet date, in Q3 2023, the Company wasn't informed about the purchase of shares.

Volume of bonds of Echo Investment S.A. held by members of the Management Board and the Supervisors Board as on the balance sheet day [21 September 2023]

Surname / Position in the company	Number of bonds held
Maciej Drozd Vice-President of the Board, CFO	50 (kod PLECHPS00290)

To the best of the Company's knowledge, none of the other members of the Management Board or the Supervisory Board is a shareholder or a bondholder of the Company directly or indirectly as at the date of publication of the

report, none of them was a shareholder or bondholder on 30 June 2022 and during 2023, and none of them concluded any transactions for shares or bonds in the Company.

08

Major events in H1 2023

Issue of bonds worth PLN 62 million for institutional investors

On 17 March 2023, Archicom S.A. issued one series of bonds for institutional investors.

The bonds are not secured and is listed on Warsaw Stock Exchange. The money raised will be spent on business development.

Series	M7/2023
Value	PLN 62 mln
Maturity	2 years
Interest	WIBOR 3M + margin 3.5%
Offering agent	mBank

Adoption of EGS strategy for Echo-Archicom Group

On 23 March 2023 the Group announced its ESG Strategy Echo-Archicom 2030. It is a step-by-step road map that lays out how the Group is to decarbonize through zero-emission developments while further increasing the role of greenery in projects and supporting appropriate city development. Both companies also intend to provide their employees with equal career and training opportunities, maximize construction site safety and strengthen its corporate governance.

The Echo-Archicom 2030 sustainable development strategy comprises three parts that correspond to the environment (E), society (S) and corporate governance

PLN 60 million

the value of the bonds issued
by Archicom for institutional
investors

ESG Strategy 2030

Echo-Archicom Group adopted of strategy due on its activities in the field of environmental protection, social involvement and responsible management, and announced goals conform to UN Sustainable Development Goals

(G). All the goals conform to UN Sustainable Development Goals and they are both specific and measurable.

From 2026, only renewable energy is planned to be used by the Group in its offices, in each of its Cityspace locations, in all the buildings it constructs and owns, as well as on all of its construction sites. The strategy of the two companies is for their projects to counteract city sprawl. Both companies have also undertaken to plant trees with twice the ecological value as those that had

to be felled in any given year. In the social sphere, the corporate goals are to ensure equality between men and women in their pay, promotions and in the positions they hold as well as to ensure the safety and the high standard of working conditions on all of its construction sites. For corporate governance, the company has set itself the tasks of raising awareness of business ethics among its employees, improving the understanding of ESG at the Management and the Supervisory Board level and also of reviewing its good practices every year.



 Osiedle Stacja Wola w Warszawie

Present of Towarowa 22 project in Warsaw

In March 2023, Echo Investment, together with its partner AFI Europe, presented a multifunctional development project for the purchased plot at Towarowa street in Warsaw, which was developed by the JEMS Architekci studio. It will be a flagship 'destination' project, a large place-making project that meets the needs of Warsaw and will move the heart of the city over to Wola.

The project divides the former printing works site into eight new quarters, with streets, pedestrian and cycle paths running between them. The concept is to reconstruct Wronia street and the passage between Chłodna and Pańska streets, and in the ground floors to provide func-

tions such as shops, cafés, restaurants and services. The two central quarters of the site with the renovated Dom Słowa Polskiego pavilion will become a public space, a publicly accessible Park Słowa Polskiego, part of which will use the structure of the former halls. Around the park, buildings will be constructed with flats, offices, rental housing and the services needed on a daily basis. The total floor area of the buildings will be about 200,000 sqm. The highest point of the development will be a 150-metre-high office building at the junction of Towarowa and Pańska streets. The remaining development will gently slope down towards the south-east - to Miedziana street, creating a smooth transition between

the metropolitan Daszyńskiego Roundabout and the historic buildings of Wola.

Towarowa 22

6.5-acre investment area located in the heart of Wola in Warsaw, a thriving district of Warsaw. The plot is intended for mixed-use buildings

150 metre

highest point of the development - office building at the junction of Towarowa and Pańska streets

200,000 sqm

total floor area of the buildings



Towarowa 22 w Warszawie, flagowy projekt „destination”



Sale of Moje Miejsce II office building in Warsaw



On 30 March 2023, West 4 Business Hub I, a modern A-class office building with 17,000 sqm GLA, was acquired by Trigea Real Estate Fund company.

The transaction value amounted to nearly EUR 45 million plus VAT and was reduced by the value of rent-free periods, rent reductions, as well as other costs. The amount payable at the closing was further reduced by the value of fit-out works. As a result, the price payable at the closing amounted to EUR 40.3 million plus VAT.

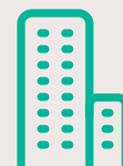
The office building is part of the Moje Miejsce (also known as My Place) project that forms a multifunctional urban quarter combining office buildings, apartments, service outlets and well-designed public spaces. Moje Miejsce II office building offers nearly 17,000 sqm of

leasable space and its tenants include Tchibo, NetWorks, Boehringer Ingelheim or Ekaterra, among others.

The entire Moje Miejsce destination project is already fully operational and completed.

A total of nearly 120 trees were planted within the project and in public areas along the surrounding Dziekońskiego, Beethovena and Aignera Streets. The office part of the project uses energy-efficient and pro-ecological solutions and technologies that support sustainability, which is confirmed by BREEAM certificates.

JEMS Architekci is responsible for the design of the project.



EUR 45 million

the value of the transaction of the Moje Miejsce office building in Warsaw



Biurowiec Moje Miejsce II w Warszawie

Acquisition of a stake of shares in Archicom S.A.

On 18 April 2023, Echo Investment Group acquired a block of Archicom S.A.'s shares representing 8.31 percent of the share capital and carrying 13.32 percent of total votes at the general meeting, through the acquisition of all shares of DKRA sp. z o.o. . The sellers were Archicom S.A. founders - Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki. The transaction was conducted on a basis of an option agreement dated 22 April 2021. The price of the shares amounted to PLN 61 million.

Preliminary understanding concerning a transfer of the residential business of Echo Investment S.A. to Archicom S.A.

On 18 April 2023 r. a preliminary agreement concerning an in-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo was concluded.

Pursuant to the agreement, Echo Investment will acquire new shares of Archicom in exchange for a contribution in kind, which will be issued thereby, subject to the exclusion of the pre-emptive rights of the existing shareholders and offered for subscription by the Company after the Parties and their governing bodies complete all of the actions and obtain all of the consents that are required for the effective execution of the transaction.

The publication of the Management Board Report of Archicom S.A. with the value of transfer of the residential business of Echo Investment S.A. to Archicom S.A., evaluated by an independent expert.

On 26 May 2023, the Management Board of Archicom S.A. signed a report on the in-kind contribution made by Echo Investment to Archicom, covering the organisationally separated residential segment of Echo Investment's business. In the published Management Report, Archicom presented the value of the in-kind contribution estimated by an independent expert at nearly PLN 830 million. The proposed issue price at which Echo Investment will acquire 22,825,700 new issue shares in Archicom was set at PLN 36.34 per share.

In accordance with both standard methodology and in order to ensure full comparability, the valuation of the in-kind contribution and the determination of the issue price were based on valuations prepared by the independent expert using two methods: the income method - discounted cash flows and the market method, based on a comparative analysis including comparable companies listed on the Warsaw Stock Exchange.

Recommendation of the Company's Management Board on payment of dividend

Echo Investment's Management Board has made public its recommendation to allocate an amount equal to the advance dividend paid, i.e. PLN 90.8 million, or PLN 0.22 per share, to dividends from 2022 profit. The final decision was taken by shareholders at the Ordinary General Meeting of Shareholders on 29 June 2023.

Issue of bonds worth PLN 140 million for institutional investors

24 May 2023, Echo Investment issued one series of bonds for institutional investors.

The bonds are not secured and will be listed on Warsaw Stock Exchange. The money raised will be spent on business development and rollover of the company's debt maturing in 2023.

The 21/2023-series bonds public offering was carried out on the basis of the agreement approved Ipopema Securities S.A. registered in Warsaw, under the Company's bond issue program up to PLN 500 million from 2022.

Series	21/2023
Value	PLN 140 mln
Maturity	5 years
Interest	WIBOR 6M + margin 4,5%
Offering agent	Ipopema Securities S.A.

PLN 140 million

the value of the bonds issued by Echo Investment for institutional investors

Establishment and approval of a bond issue program for individual investors

On 4 April 2023, the Management Board of Echo Investment adopted a resolution on the establishment of a public program for the issuance of up to PLN 300 million or its equivalent in euro. The prospectus was approved by the Polish Financial Supervision Authority (KNF) on June 19 2023.

The bonds are offered in a public offering conducted. Detailed terms and conditions of the issue of bonds shall be set out prior to the issue of a given series of bonds. The Company plans to introduce the bonds issued the basis of the prospectus to trading on the Catalyst regulated market operated by the Warsaw Stock Exchange.

Catalyst operated by the Warsaw Stock Exchange. Powszechna Kasa Oszczędności Bank Polski S.A. Branch - Brokerage Office in Warsaw will perform the function of the offering agent and the global coordinator.

PLN 300 million

maximum value of bonds that can be issued in the V established program of bond issue for individual investors



The resolution of the General Meeting of Shareholders of Archicom S.A.

On 23 June 2023, the Management Board of Archicom S.A. made public the contents of the resolution adopted by the Annual General Meeting of Shareholders of the

Company on the allocation of the Company's net profit for the financial year 2022 in the amount of PLN 56 million.

The resolutions of the General Meeting of Shareholders of Echo Investment S.A.

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 29 June 2023. Standard resolutions were passed on the approval of the financial statements and the management report for 2022, the adoption of the Supervisory Board's report on the results for 2022 and on the remuneration, the discharge of all members of the management board and the supervisory board, the reappointment of the Supervisory Board with its unchanged composition for the next term and amendments to the Company's Articles of Association.

Shareholders also passed a resolution on the allocation of the profit generated in 2022. Out of the net profit of PLN 100.2 million, PLN 90.8 million was allocated to be distributed to all shareholders of the Company. The amount of PLN 90.8 million, or PLN 0.22 per share, was paid on 2 February 2023 as dividend advances, therefore, the Company did not pay additional funds from the profit for the financial year 2022.

09

Significant events after the balance sheet day

Issue of PLN 50 million public bonds in total for individual investors

In Q3 2023, Echo Investment registered with Krajowy Depozyt Papierów Wartościowych S.A., introduced to stock exchange trading and started listing two series of bonds in the V established program of bond issue for individual investors of up to PLN 300 million or its equivalent in EUR.

The P-series and P2-series ordinary bearer bonds are listed in the continuous trading system under the abbreviated name "ECHO627 from 1 August 2023 on the Catalyst main market operated by the Warsaw Stock Exchange.

The money raised will be spent on business development and rollover of the company's debt maturing in 2023.

The bonds public offering was carried out on the basis of the prospectus approved by the Polish Financial Supervision Authority on 19 June 2023 and supplements to the prospectus.

Series	P2	P
Value	PLN 15 mln	PLN 35 mln
Maturity	4 years	4 years
Interest	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%
Offering agent	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw

PLN 50 million

total value of two series of bonds issued by Echo Investment for individual investors since the beginning of 2023

The resolution of the Extraordinary General Meeting of Shareholders of Echo Investment S.A.

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 25 July 2023. Resolution was passed on the concerning a finalization of transaction an in-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo was concluded.

The appointment of supervisory persons at Archicom S.A.

On 27 July 2023, the Management Board of Archicom S.A. announced that the Extraordinary General Meeting of Shareholders of the Company decided to appoint Mr Bence Sass and Mr Peter Kocsis to the Supervisory Board of the Company for a joint five-year term of office with the other members of the Supervisory Board.

The resignation of the supervisory person at Archicom S.A.

On 28 July 2023, the Management Board of Archicom S.A. announced that the Company had received a statement from Mr Rafal Mazurczak, signed on 27 July 2023, about his resignation from the position of a member of the Supervisory Board of the Company. No reason for the resignation was stated in the statement sent.

In-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo

On 1 August 2023, Echo Investment S.A. entered into an agreement with Archicom S.A. for the transfer to Archicom S.A. of the in-kind contribution covering Echo Investment Group's separated residential business.

The change will also clarify the structure of the Echo Investment Group, where Archicom Group will be the residential part and Echo Group will focus on growing the commercial and PRS segments, as well as on creating mixed-use 'destination' projects as Warsaw Breveries or Towarowa 22.

The company also entered into an agreement to acquire 22.8 million C1, C2, C3, C4, C5-series ordinary registered shares in the share capital of Archicom S.A., with a total nominal value of PLN 228 million, in exchange for the in-kind contribution. The value of the in-kind contribution, according to the valuation prepared on 31 March 2023,

amounted to nearly PLN 830 million, by means of a private subscription.

The transaction does not involve Echo Investment Group's assets related to the development of apartments for rent (Resi4Rent/PRS).

The assets being contributed to Archicom represent a significant strengthening of the company, both in terms of increasing organisational resources and assets, as well as improving its competitive position and developing its human potential. The transaction will significantly broaden both geographically and product-wise what Archicom's business has been, so far concentrated on the Wrocław market, where it holds a leading position. Following the change, Archicom will also be present in Warsaw, Poznań, Cracow and Łódź. The result will be a nationwide developer with a strong position and high potential for further growth.

89.30%

share of Echo Investment in the share capital of Archicom S.A.

PLN 228 million

the value of shares in the increased share capital of Archicom S.A. acquired by Echo Investment S.A. in return for the contribution in kind amounts

PLN 830 million

the value of in-kind contribution a transfer of the residential business of Echo Investment Group's to Archicom S.A.

Combining of the residential business in Archicom will give the company a nationwide scale with bigger growth potential, synergies and wider market presence. This move is in line with the Echo Investment Group's strategy to create the residential and commercial market leader.

The conditional agreement for the acquisition of a property in the area of Towarowa Street in Warsaw

On 16 August 2023, a subsidiary of the Echo Investment Group, i.e. Projekt Echo 137 Sp. z o.o. (a subsidiary since 1 August 2023, i.e. the date of transfer to Archicom S.A. of the in-kind contribution covering the Echo Investment Group's separated residential business), hereinafter: the Buyer, signed a conditional agreement with the Issuer's related party, i.e. Projekt Towarowa 22 Sp. z o.o, hereinafter: the Seller, the conditional agreement for the sale of the perpetual usufruct right to one of the three properties covered by the preliminary agreement concluded between the parties on 23 February 2022 related to the property located in the area of Towarowa Street in Warsaw in connection with the fulfilment of the conditions precedent specified in the preliminary agreement.

The price for the Property totals: EUR 12,475 thous. net, plus applicable VAT, and PLN 1,958 thous., which will be increased by applicable VAT in due proportion. Towards the price, the Buyer made an advance payment of EUR 6,885 thous. net plus applicable VAT on 8 June 2022 and

an advance payment of EUR 5,590 thousand net plus applicable VAT on the date of the Conditional Sale Agreement. The Buyer also made an advance payment in the amount corresponding to a part of the price expressed in PLN. The total amount of advances paid by the Buyer corresponds to 100 percent of the price for the Property.

The conditional agreement includes assurances and declarations by the parties that are standard in this type of transaction, provides for a price adjustment mechanism, as well as essentially standard contractual clauses regarding the parties' liabilities and securities. The provisions of the conditional agreement do not differ materially from those commonly used in this type of transaction.

The conclusion of the transfer agreement on the condition that the holder does not exercise its pre-emptive right under Article 109 of the Act on Real Estate Management. It is planned to develop a multi-family residential project with services on the Property in question.

Announcement of the convening of the Extraordinary General Meeting of Shareholders of Archicom S.A.

On 29 August 2023, the Management Board of Archicom S.A. announced the convening of the Extraordinary General Meeting of Shareholders on 25 September 2023 in order to adopt a resolution to increase the Company's share capital by issuing D-series ordinary bearer shares and E-series ordinary registered shares in a private placement, to deprive existing shareholders of all preemptive rights with respect to all D-series and E-series shares, to amend the Company's Articles of Association, to apply for admission and introduction of D-series shares or rights to D-series shares and E-series shares to trading on a regu-

lated market operated by Giełda Papierów Wartościowych w Warszawie S. A. and to dematerialise D-series shares or rights to D-series shares and E-series shares and to adopt a resolution to amend the Company's Articles of Association and authorise the Management Board to increase the share capital of Archicom S.A. within the limits of the authorised capital, with the possibility for the Management Board to waive the pre-emptive rights of existing shareholders of the Company in whole or in part with the consent of the Supervisory Board.

Acquisition of a property in Warsaw

On 13 September 2023, a subsidiary of the Echo Investment Group, i.e. Archicom Warszawa Sp. z o.o., as the buyer, and Ghelamco Postępu Sp. z o.o. with its registered

office in Warsaw, a company of the Ghelamco Group, as the seller, entered into an agreement for the sale of real

estate located in Warsaw held in perpetual usufruct by the seller.

Pursuant to the agreement, Archicom Warszawa Sp. z o.o. acquired the seller's real estate, including:

- the right of perpetual usufruct to the plot of land with registration number 30, cadastral district 1-08-13, for which the District Court for Warszawa-Mokotów in Warsaw, VII Land and Mortgage Department, maintains the Land and Mortgage Register No. WA2M/00181536/9, located in Warsaw in the area of Postępu Street, and
- the ownership right to the office buildings and structures erected on this land, as well as
- other rights related to the property, including, among other things, rights under lease agreements for areas located on the property.

The provisions of the agreement do not differ from those used in this type of transactions. The agreement contains standard provisions for this type of transaction regarding assurances and declarations of the seller and the buyer and regarding the parties' liability.

The value of the transaction amounted to PLN 55,000 thous. plus VAT.

The conclusion of the agreement is in line with the Archicom Group's investment policy and is aimed at developing the Group's activities on the residential real estate market in Warsaw. The acquisition, together with the right of perpetual usufruct of the land, of the commercial properties located on this land does not in any way affect the Group's plans to reduce its activities in the commercial segment. It is planned to develop a residential project within the property under consideration.

10

Residential segment for individual clients — market outlook and the Group's business activities

Polish residential for sale market in H1 2023

In H1 2023, developers sold a total of almost 27,000 new apartments and only 17,000 units were on offer. A difference of almost 10,000 units means that we are back to the situation we faced in 2021. According to JLL analysts, the second quarter brought a marked increase in the number of apartments sold. In total, in the six main markets, i.e. Warsaw, Cracow, Wrocław, the Tri-City, Poznań and Łódź, 15,500 units were sold, which is 36 percent more than in the previous quarter.

The market was most strongly influenced by what was announced and later quickly enacted as a law introducing a new housing interest subsidy programme to support first-time purchases of apartments, as well as by fears of possible price increases and a reduction in supply. Buyers looking for apartments both for their own needs and for investment purposes therefore accelerated their purchasing decisions. Customers were also influenced by news of falling inflation and the

introduction of the WIRON index as the interest rate base for variable rate loans.

15,500

a total of as many apartments were sold by developers in Q2 in the six main markets, which is 36 percent more q/q.

10,200

a total of this number of apartments entered the offer in Q2 in the six main markets, almost 50 percent more q/q

40,600

a total of this number was on offer at the end of June in the six main markets, down 7 percent q/q

Perspectives of each market sectors in coming 12 months:

- ▲ — Very optimistic
- ▼ — Optimistic
- — Neutral
- ◄ — Pesimistic
- ▼ — Very pesimistic



In all cities, with the exception of Łódź, the sales have clearly outstripped the number of units on offer and, as a result, the offer has decreased. There is still a low number of construction sites which are being started. The very good sales and the new supply not keeping up with them mean that the markets are entering a

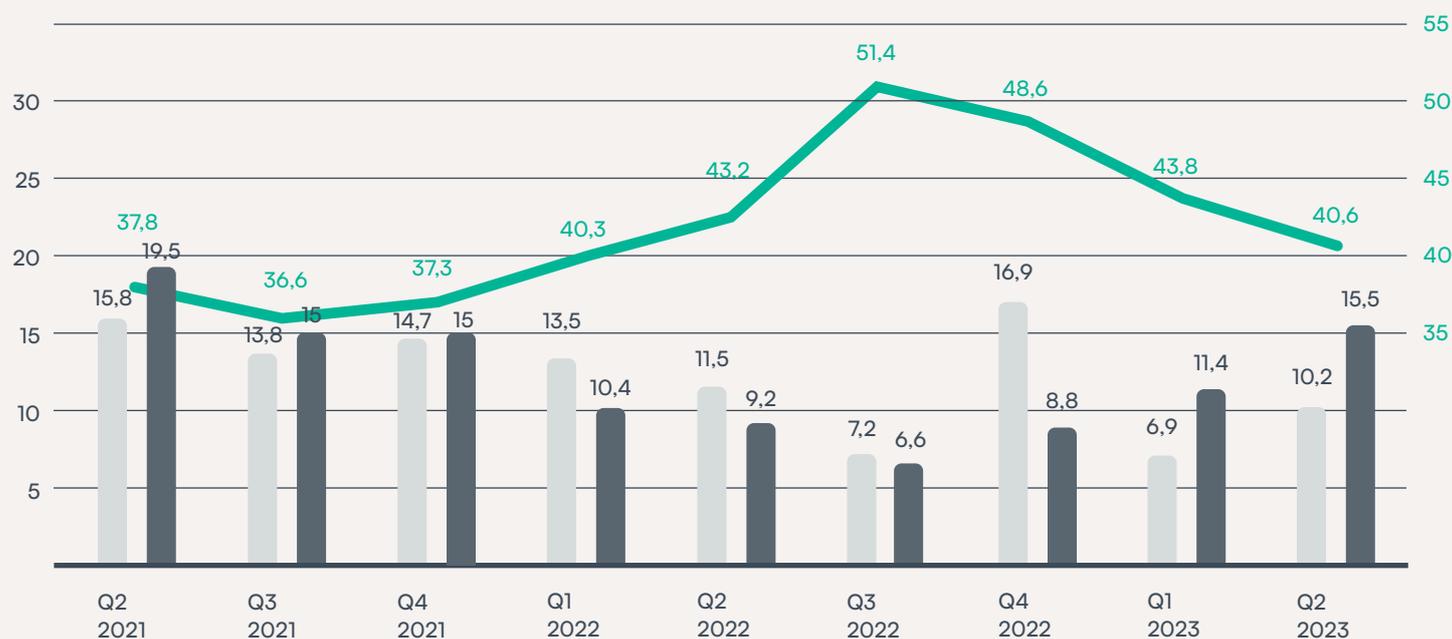
phase of clear excess demand. This imbalance could result in another marked increase in housing prices in the next months.

At the end of June 2023, the average prices of apartments on offer reached all-time highs in each of the large markets. In Wrocław, they exceeded

the limit of PLN 13,000/sqm, and Cracow almost caught up with Warsaw with the average price at the level of as much as PLN 14,700/sqm. Prices in Poznań and Łódź also skyrocketed to PLN 11,500/sqm and PLN 9,600/sqm respectively. The average quarterly price increase in most cities reached 4-5 percent.



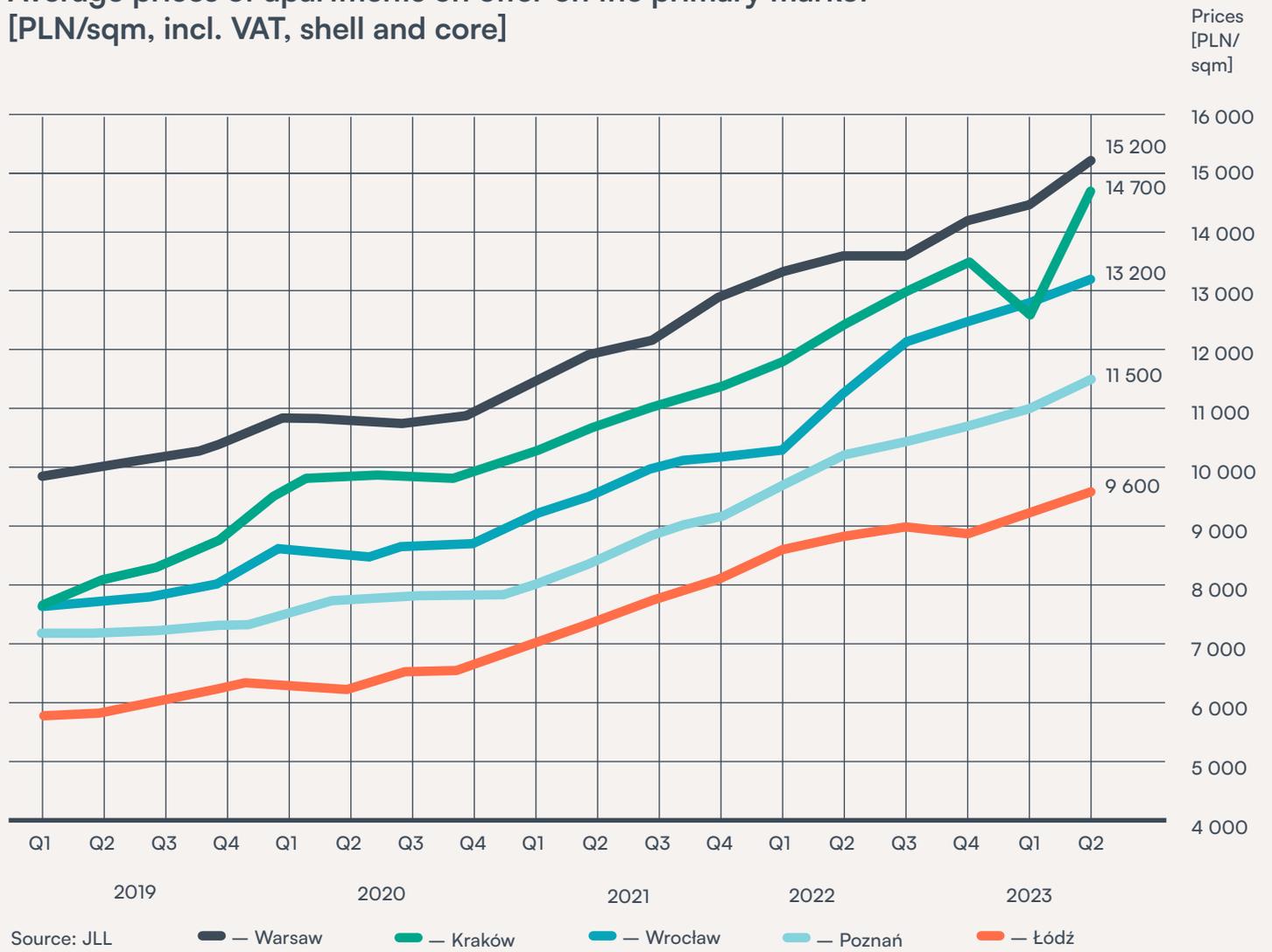
Apartments sold and launched for sale and the volume of the offer [thousands of units]



Source: JLL

● — apartments introduced to offer ● — apartments sold — — number of apartments in offer

Average prices of apartments on offer on the primary market [PLN/sqm, incl. VAT, shell and core]





Echo Investment's achievements in the apartments for sale sector in H1 2023

822

total sold apartments, of which the Echo Investment accounted for 254 apartments, and in Archicom — 568

612

total jointly handed apartments to the customers (274 in Echo Investment and 338 in Archicom)

2,445

total number of units whose construction we plan to start by the end of the year (1 801 in Echo Investment and 641 in Archicom)

2,737

total number of units under construction (1 323 in Echo Investment and 1 414 in Archicom)



In H1 2023, Echo Investment Group sold 822 apartments, of which 488 units were sold in Q2, and handed over the keys to 612 apartments, of which 319 in Q2. The Group also started construction of 286 units for sale. Further phases of the Wrocław projects entered the offer: Sady nad Zieloną with 98 apartments and Awipolis with 188 units.

For the future, the Echo-Archicom Group are preparing projects with a total of nearly 8,000 apartments for sale, thus achieving its goal of holding on to its position as a nationwide leader in the residential sector.



Fuzja w Łodzi

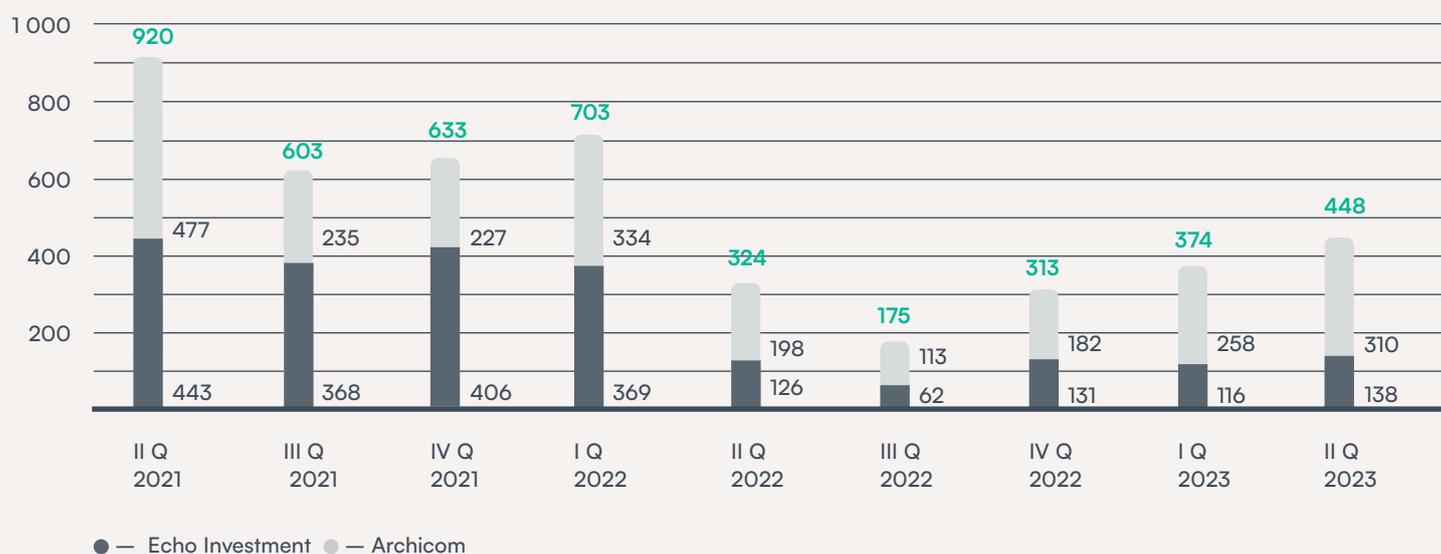
Residential projects launched in H1 2023

Project / address	Sales area [sqm]	Number of units	Start	Targeted completion
WROCLAW				
Awipolis etap 4a ul. Władysława Chachaja	10 000	188	II Q 2023	I Q 2025
Sady nad Zieloną 2 A1, C ul. Blizanowicka	5 100	98	I Q 2023	IV Q 2024
Total	15 100	286		

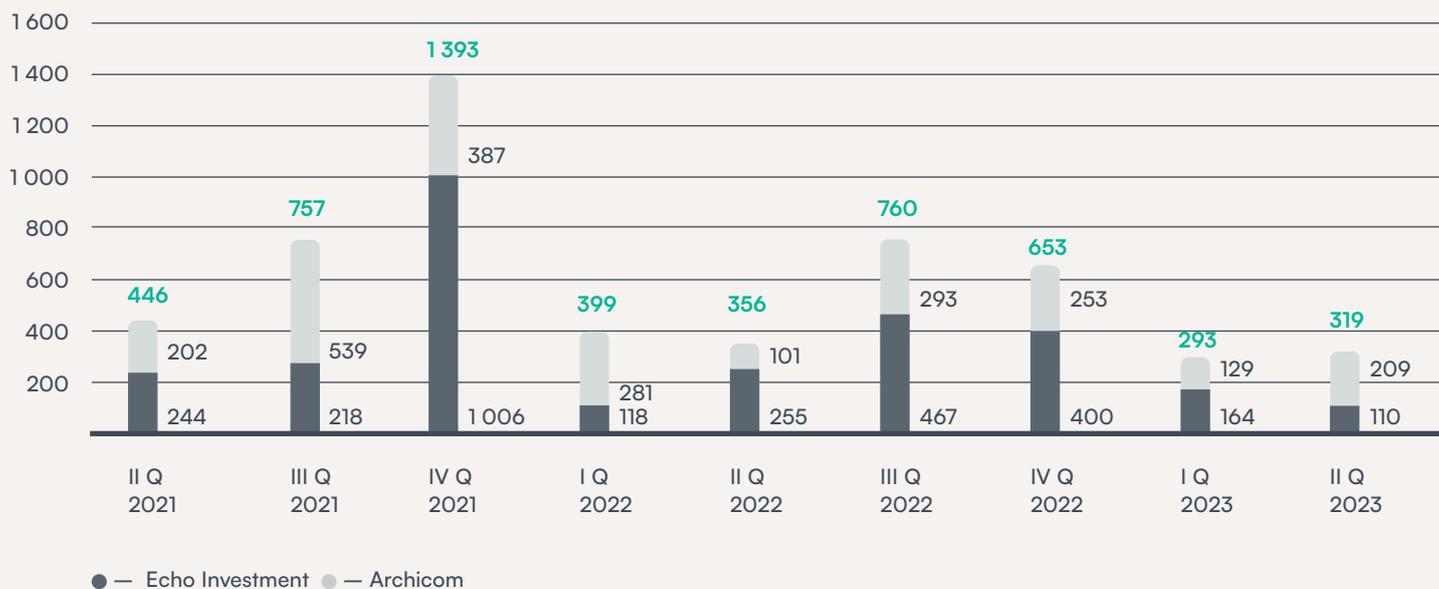
Residential projects with construction completed in H1 2023

Project / address	Sales area [sqm]	Number of units	Start	Targeted completion
ŁÓDŹ				
Fuzja III ul. Tymienieckiego	9 100	159	II Q 2021	II Q 2023
WROCLAW				
Olimpia Port M37, M39 ul. Amierga Vespucciego	7 800	156	IV Q 2021	II Q 2023
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	13 800	239	I Q 2021	I Q 2023
Total	30 700	554		

Apartments sold by the Echo Investment Group in H1 2023 [units]



Apartments booked as a result of the Echo Investment Group in H1 2023 [units]



Residential segment for rent — market outlook and the Group's business activities

▲ Polish PRS market in H1 2023

The pool of apartments offered for rent by companies and funds is growing continuously on the Polish market. The PRS market is well-regulated compared to the dispersed market, and the contracts concluded therein are among the most professional and best safeguarding the interests of tenants and landlords.

According to JLL analysts, projects involving private rented sector (PRS) are very popular, including in Warsaw, Wrocław, Poznań, Cracow, Łódź, the Tri-City and Katowice, and new developments are being leased very quickly, despite rising rents. The huge potential of the Polish PRS market is due to several factors, including the structural shortage of apartments and the growing demand resulting in full occupancy of almost all existing institutional projects. Other factors include the needs of economic migrants or refugees seeking a safe place to live, the development of cities resulting from low levels of urbanisation, the process of singularisation of households, as well as the mobility related to various forms of employment. From an investor's point of view, the expected compression of yields and

further price increases in the coming years provide additional incentives to enter the market.

According to Axi Immo's analysts, the largest PRS market is Warsaw, offering around 5,000 units for rent. It is followed by Wrocław (about 2.25 thousand) and Poznań (about 1.7 thousand). These three cities account for 75 percent of the sector's stock, with the capital city alone accounting for 42 percent. According to the company's estimates, the largest number of new PRS units - in design - is in Warsaw (8.5 thousand). In Łódź, it amounts to 3.3 thousand, and in Cracow - 3 thousand. The markets in the Tri-City and Katowice are also developing, with a total of 2.5 thousand apartments under the PRS formula being developed. Along with the professionalisation of the institutional market, the PRS offer will grow.

The interest of tenants and investors in the PRS market is currently at its highest level ever. Almost all properties earmarked for this purpose are fully leased. This situation is taking place despite rising rents. Poles are more willing to rent from private institutions than from

Perspectives of each market sectors in coming 12 months:

- ▲ — Very optimistic
- ▼ — Optimistic
- — Neutral
- ◄ — Pesimistic
- ▼ — Very pesimistic

an individual landlord. Despite the fact that institutionally rented apartments are slightly more expensive and rents have risen by around 20-30 percent in the last few months, they are willing to pay more for the professional property management.

Despite its dynamic growth in recent years, the Polish PRS is still in its infancy and accounts for only a small percentage of all units available on the domestic rental market. The prospects for its development are very promising - both for investors and potential tenants.

A question mark for the future of institutions renting apartments are the legal changes under way in parliament, which are intended to limit package purchases of apartments.



12,000

the existing stock of PRS apartments in Poland at the end of H1 2023, over the next four years the total stock of PRS units should increase by around 21,000 units



Echo Investment's achievements in the apartments for rent sector in H1 2023

In H1 2023, Resi4Rent, an entity offering a service of apartments on a subscription basis, strengthened its position as the market leader of the PRS market. This largest market-rate rental institution in Poland launched 344 finished apartments at Żwirki i Wigury Street in Warsaw in H1, increasing its offer to 3,342 finished and rented units in total in six major cities in Poland. It has also started construction of 843 apartments in three new locations - at Pohoski Street in Warsaw and Nowomiejska Street in Gdańsk. Thus, Resi4Rent

currently has 4,125 units under construction and another 1,408 with a planned start of construction in 2023.

344

a total number of Resi4Rent units delivered in H1

843

a total number of Resi4Rent units which construction started in H1

3,342

a total number of units on offer from Resi4Rent in 12 locations in six major Polish cities - Gdańsk, Łódź, Poznań, Warsaw, Wrocław and Cracow

5,826

a total number of Resi4Rent units under construction and in design, of which 766 will be delivered by the end of the year



Mieszkania na wynajem
Resi4Rent - Warszawa, ul. Taśmowa

10 000

this is the number of subscription apartments that Resi4Rent will have by 2026

Office segment — market outlook and Group business activities

Office market in Warsaw in H1 2023

According to Colliers analysts, after three years of plenty of completed projects a downturn in development activities has arrived. Since the beginning of 2023, there has been a gap in new supply in Warsaw. It was only in Q2 that three new office projects were delivered, totalling 18,700 sqm, all located in areas outside the city centre i.e. The Park 9 (11,000 sqm), Wał Miedzeszyński 628 (6,000 sqm) and Bohema building F Glicerynownia (1,700 sqm). The largest projects under construction in H1 included The Bridge (47,000 sqm), and The Form (30,800 sqm), which started in Q2, both of which are being developed in the centre of Warsaw.

While there is more space under construction, it is still three times less than in previous years. It is the aftermath of developers' decisions from two to three years ago, the lack of building permits and the difficulty in acquiring attractive plots of land. One further factor which limits the modern space supply is the growing trend of building redevelopments and modernisations. Older office projects are changing functions or being taken out of use during redevelopments and modernisations.

This is resulting in a widening supply gap and an intensifying competition

between tenants for these office buildings that are already available. In the case of new buildings, interested parties have to guarantee contracts long before completion - especially in high-quality office buildings with a profile that supports the implementation of the ESG aspects and confirms environmental sustainability, in prime locations.

Perspectives of each market sectors in coming 12 months:

- ▲ — Very optimistic
- ▼ — Optimistic
- — Neutral
- ◄ — Pesimistic
- ▼ — Very pesimistic

230,000 sqm

total office space under construction, 75 percent of which is in central zones, with planned openings in 2025

325,700 sqm

total demand for office space in Warsaw, of which 167,100 sqm fell in Q2

18,700 sqm

total office space delivered to the capital city market in 3 buildings, all brought into use in Q2

6.25 million sqm

total stock of modern office space in Warsaw

11.4 percent

the vacancy rate (down 0.2 p.p. y/y)

Office market in regional markets in H1 2023

According to JLL analysts, in H1 2023, developers focused on regional markets, which are growing steadily and show more new supply than Warsaw. By the end of June, 116,300 sqm of office space had been delivered in the regions. Most space was leased in Cracow (42,600 sqm), Wrocław (36,600 sqm) and Poznań (32,400 sqm). Among the largest transactions delivered in H1 included: Ocean Office Park B in Cracow (28,600 sqm), Centrum Południe 3 (20,300 sqm) and Brama Oławska (11,700 sqm) in Wrocław and Nowy Rynek E in Poznań (25,100 sqm). Tenants' current interest remains at a fairly high level. The demand is spread proportionally across the regional cities. Tenants attach importance to the ESG issue and the comfort of working from offices for their employees. In H1 about 54 percent of space was leased in office buildings up to five years old (existing and under construction).

116,300 sqm

total office building space completed in 10 buildings, of which 48,100 sqm hit the market in Q2.

6.5 million sqm

total stock of modern office space in eight major regional markets, the largest markets remaining Cracow (1.7 million sqm) and Wrocław (1.3 million sqm)

500,000 sqm

total office space under construction, nearly 5 percent less q/q and over 11 percent less y/y

334,100 sqm

demand for office space in the eight main regional markets, of which 166,000 sqm went to tenants in Q2. Most space was leased in Cracow (38,400 sqm) and Wrocław (36,200 sqm)

16.8 percent

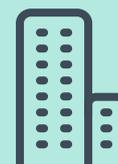
the vacancy rate (up 0.9 p.p. k/k and 1.6 p.p. y/y), which translated into 1.1 million sqm of leasable space. The highest vacancy rate was recorded in Łódź (23.4 percent)

Perspectives of each market sectors in coming 12 months:

- ▲ — Very optimistic
- ▲ — Optimistic
- ▶ — Neutral
- ▶ — Pesimistic
- ▼ — Very pesimistic

Main office markets in Poland — key indicators in H1 2023

City	Existing space ['000 sqm]	New buildings ['000 sqm]	Gross demand ['000 sqm]	Vacancy rates [%]	Monthly rental rates [EUR/sqm]
Warsaw	6 254	18,7	325,7	11,4	18-26* 11-17**
Kraków	1 751	42,6	82,6	18,4	15-17
Wrocław	1 315	32,1	88,1	16,1	14,5-16
Katowice	726	0,0	24,9	20,1	13,5-14,8
Łódź	635	1,9	30,7	23,4	12-14



Source: JLL

* CBD — central business district (limited by the Vistula, Trasa Łazienkowska, Raszyńska and Towarowa streets and WZ route)

** NCL — non-central location (the rest of Warsaw)



Echo Investment's achievements in the office sector in H1 2023

Commercial properties are consistently a strong pillar of Echo Investment's business. The Echo Investment Group started H1 2023 with the sale of Moje Miejsca II in Warsaw, the second office building of the 'destination' mixed-use project. The transaction confirms the unwavering interest of both investors and tenants in sustainable projects offering both apartments and offices combined with services. On the other hand, the largest fit-out project completed by Echo this year was the new headquarters of the Archicom Group in the MidPoint71 building in Wrocław, designed by 3XA Architects. The Group has also

started the construction of another "destination" project - Towarowa 22 in Warsaw, office B (31,100 sqm).

WiredScore Platinum

a certificate for the Brain Park office building in Cracow, which confirms the best digital connectivity, quality of teletechnical solutions and emergency plans ensuring companies' ability to act in case of unforeseen events

42,600 sqm

total space of projects whose construction we plan by the end of 2023

7,843 sqm

total space finished, prepared and handed over to be used by tenants of Echo Investment's buildings, including a new office in MidPoint71 for Archicom



 Biuro Archicom w MidPoint71 we Wrocławiu

EUR 45 million

the transaction value of the sale of the Moje Miejsca II office building in Warsaw (17,000 sqm)

31,100 sqm

space of Towarowa 22 office project in Warsaw whose construction started



CitySpace's achievements in the flexible office in H1 2023



 CitySpace w biurówcu Fuzja w Łodzi

The main activities around which CitySpace's operations were focused in H1 2023 were the preparations for the opening of the first flexible office in Łódź, the decision to expand in Wrocław, the preparation for the launch of a comprehensive customer satisfaction survey and the adaptation of offices across the network to meet the standard supporting ESG.

2,000 sqm

space of CitySpace in the Fuzja project, the first such concept in Łódź, opened in Q2

3,800

a number of workplaces currently available in the CitySpace portfolio, of which 301 are newly prepared desks in Łódź-based Fuzja

13

a number of locations in the CitySpace portfolio at the end of June this year, with a total area of 28,000 sqm, in 6 cities: Warsaw, Wrocław, Cracow, Katowice, Gdańsk and Łódź



13

Retail segment — market outlook and Group business activities

► Retail real estate market in Poland in H1 2023

The Polish retail real estate market has recorded a good start of the year.

According to Cushman&Wakefield analysts, the first half of the year was marked by high footfall. In Q2 2023, it amounted to an average of 428,000 visitors per retail facility. Compared to Q1 of this year, the performance improved by 8.6 percent, and it increased by 3 percent year-on-year. The average turnover of tenants in May 2023 averaged PLN 1,037 net per sqm of space and was 3.8 percent higher compared to May 2022, but after taking into account rising inflation, the actual turnover was 9.2 percent lower year-on-year. The shrinking affluence of the Polish consumer's wallet and worsening sentiment are negatively impacting spending and thus tenant turnover in retail facilities. The structure of spending is also changing - the amount of money spent on goods and services outside the basket of basic goods is decreasing. The year 2023 will see rather negative retail sales dynamics, which may amount to approx. 5 percent.

H1 2023 brought an increase in rents for units in the best shopping centres and retail parks, which was largely the result of indexation of rates by inflation and resulted from provisions in lease agreements. Since the beginning of the year, nine new brands have appeared in Poland - Master Burger and Lush, Woolworth, Hugo, Helly Hansen, Nuumo and Bob Snail. The year 2023 may bring further debuts of brands such as Popeyes, and Fruitissimo.

136,000 sqm

modern retail space delivered, of which 70,000 sqm fell in Q2

16.1 million sqm

total retail space in Poland

21

a number of new or modernised facilities, 9 of which were opened in Q2

Perspectives of each market sectors in coming 12 months:

- ▲ — Very optimistic
- ▼ — Optimistic
- — Neutral
- ◄ — Pesimistic
- ▼ — Very pesimistic

465,000 sqm

retail space under construction, which includes, among others, 37 new facilities (including 30 retail parks) and 6 existing facilities to be extended

300,000 sqm

this is how much of modern retail space will be delivered in 2023



Echo Investment's achievements in the retail real estate segment in H1 2023

The strategy of strengthening the Libero Katowice and Galeria Młociny shopping centers, based on the continuous expansion of the offer and strong marketing support, is successful. Both centers are almost 100 percent occupied and record constant increases in footfall while increasing tenant turnover. Libero, as a "convenience" shopping center, has become a "neighbourhood gallery" - close, comprehensive, offering many possibilities.

H1 2023 was a continuation of growth in both locations. Libero's turnover in

H1 2023 was 19 percent higher than in H1 2022 while its footfall grew by 8 percent. An equally good situation is observed in Galeria Młociny in Warsaw. Here, the turnover increased by 14 percent and footfall - by 9 percent.

Strategically, for Echo Investment, retail and service components are an element which strengthens the attractiveness of multifunctional "destination" projects such as the Warsaw Breweries or Fuzja in Łódź.

+14 percent

turnover rate in Galeria Młociny y/y

+9 percent

footfall rate of Galeria Młociny y/y

+19 percent

turnover rate in Galeria Libero y/y

+8 percent

footfall rate of Galeria Libero y/y

14

number of lease agreements with restaurants, cafes, service outlets and local shops, signed by food&beverage team in H1 (of which 6 in Q2). Among the tenants, which will make Echo Investment's projects more attractive, joined m.in. Baken, a new concept breakfast room Bułka by Bibułka creators, Sakana Sushi, the Kiev restaurant Czarnomorka, specializing in fish and seafood, as well as new points in Resi4Rent residential projects



 Galeria Młociny w Warszawie

14

Portfolio of properties

Residential

Definitions:

Sales level — the item exclusively concerns preliminary contracts

An estimated budget includes the value of land, cost of design, construction and external supervision. It does not include the cost of supply maintenance, interest costs or activated

financial costs, marketing and total personnel costs related to the project. The Company estimates additional costs to equal on average 6 percent of the targeted budget.

All residential properties are presented as inventory in the consolidated statement of financial position.

Echo Group's residential projects completed in H1 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
ŁÓDŹ								
Fuzja III ul. Tymienieckiego	9 100	159	84%	81,1	60,9	83%	II Q 2021	II Q 2023
Total	9 100	159	84%	81	61	83%		

Archicom Group's residential projects completed in H1 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
WROCŁAW								
Olimpia Port M37, M39 ul. Ameriga Vespucciego	7 800	156	86%	81,5	49,7	85%	IV Q 2021	II Q 2023
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	13 800	239	89%	182,4	94,3	90%	I Q 2021	I Q 2023
Total	21 600	395	88%	263,9	144,0	88%		

Total of Echo Group's residential projects completed	30 700	554		345,0	204,9			
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Echo Group's residential projects under construction as at 30 June 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditu- re incurred [%]	Start	Targeted completion
KRAKÓW								
ZAM II ul. Rydlówka	5 500	100	54%	75,6	50,5	38%	IV Q 2022	II Q 2024
Bonarka Living II C ul. Puzkarska	9 900	179	84%	101,8	76,4	77%	I Q 2022	III Q 2023
Bonarka Living II D ul. Puzkarska	8 400	151	79%	87,0	63,3	67%	I Q 2022	IV Q 2023
ŁÓDŹ								
Boho ul. Wodna	12 800	239	59%	105,1	78,3	76%	IV Q 2021	III Q 2023
Fuzja Lofty G01 ul. Tymienieckiego	7 500	160	19%	86,7	64,1	19%	IV Q 2022	IV Q 2024
POZNAŃ								
Wieża Jeżyce I ul. Janickiego	11 600	206	89%	110,9	79,8	76%	IV Q 2021	IV Q 2023
WARSZAWA								
Rytm Kabaty al. KEN	17 300	288	77%	289,5	184,8	73%	I Q 2022	IV Q 2023
Total	73 000	1 323	68%	856,6	597,2	65%		

Archicom Group's residential projects under construction as at 30 June 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
WROCLAW								
Browary Wrocławskie BP5-6 ul. Jedności Narodowej	9 300	188	87%	108,4	63,7	80%	I Q 2022	IV Q 2023
Olimpia Port M24, M25, M26 ul. Ameriga Vespucciego	10 700	181	82%	127,2	68,1	88%	III Q 2021	III Q 2023
Planty Raclawickie R8 ul. Wichrowa / Raclawicka	5 500	94	97%	59,6	38,7	82%	IV Q 2021	IV Q 2023
Planty Raclawickie R9 ul. Wichrowa / Raclawicka	9 500	177	31%	118,3	77,6	45%	III Q 2022	II Q 2024
Awipolis etap 3 ul. Władysława Chachaja	6 600	121	93%	60,6	42,0	94%	IV Q 2021	III Q 2023
Awipolis etap 4a ul. Władysława Chachaja	10 000	188	23%	99,9	71,1	14%	II Q 2023	I Q 2025
Sady nad Zieloną 2 A1, C ul. Blizanowicka	5 100	98	3%	48,5	36,2	37%	I Q 2023	IV Q 2024
Nowa Kępa Mieszczńska KM4 ul. Mieszczńska	8 800	184	74%	120,3	76,8	80%	I Q 2022	I Q 2024
Nowa Kępa Mieszczńska KM5 ul. Mieszczńska	1 800	18	0%	28,6	24,1	25%	III Q 2022	I Q 2025
Nowa Kępa Mieszczńska KM6 ul. Mieszczńska	7 200	165	59%	99,8	70,9	54%	II Q 2022	III Q 2024
Total	74 500	1 414	60%	871,2	569,3	61%		
Total of Echo Investment Group's residential projects under construction	147 500	2 737		1 727,8	1 166,5			

Echo Group's residential projects under preparation as at 30 June 2023

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
KRAKÓW							
Wita Stwosza Resi ul. Wita Stwosza	8 700	184	125,0	75,8	26%	IV Q 2023	II Q 2025
ŁÓDŹ							
Zenit II ul. Widzewska	6 000	120	49,0	32,1	24%	III Q 2023	IV Q 2024
Zenit III ul. Widzewska	8 000	159	64,9	43,2	17%	IV Q 2023	III Q 2025
Zenit IV ul. Widzewska	8 700	173	72,5	48,5	11%	II Q 2024	IV Q 2025
Zenit V ul. Widzewska	9 900	185	86,8	53,9	7%	I Q 2025	III Q 2026
Zenit VI ul. Widzewska	8 500	172	76,7	46,8	7%	III Q 2025	I Q 2027
Zenit VII ul. Widzewska	5 400	108	45,0	31,4	8%	I Q 2024	II Q 2025
Zenit VIII ul. Widzewska	9 300	167	84,0	54,3	7%	I Q 2024	III Q 2025
Zenit IX ul. Widzewska	6 800	117	62,8	40,5	7%	II Q 2025	IV Q 2026
Fuzja Lofty G02 ul. Tymienieckiego	9 700	171	104,5	86,9	8%	III Q 2023	IV Q 2025
POZNAŃ							
Apartamenty Esencja II ul. Grabary	6 000	120	84,7	57,8	17%	IV Q 2023	III Q 2025
Wieża Jeżyce II ul. Janickiego	15 100	262	151,3	101,6	15%	IV Q 2023	III Q 2025
Wieża Jeżyce III ul. Janickiego	13 600	242	143,4	94,9	14%	IV Q 2024	II Q 2026
Wieża Jeżyce IV ul. Janickiego	11 900	179	142,0	92,3	12%	II Q 2024	IV Q 2025
Opieńskiego I ul. Opieńskiego	15 300	211	128,9	92,1	9%	IV Q 2024	III Q 2026
Opieńskiego II ul. Opieńskiego	12 500	212	108,7	75,1	8%	II Q 2025	IV Q 2026
Opieńskiego III ul. Opieńskiego	17 200	271	156,6	103,9	8%	I Q 2026	III Q 2027
Opieńskiego IV ul. Opieńskiego	10 000	167	99,7	60,2	9%	III Q 2026	I Q 2028
WARSZAWA							
Stacja Wola III ul. Ordona	13 300	232	208,4	117,9	25%	IV Q 2023	IV Q 2025
Projekt Mokotów I ul. Domaniewska	29 900	556	542,6	334,5	27%	III Q 2023	II Q 2025
Projekt Mokotów II ul. Domaniewska	15 000	263	279,9	154,7	29%	II Q 2024	I Q 2026
Projekt Mokotów III ul. Domaniewska	15 600	270	299,4	164,9	28%	I Q 2025	IV Q 2026
Projekt Mokotów IV ul. Domaniewska	6 300	123	124,3	67,5	28%	IV Q 2025	II Q 2027
T22 Resi G ul. Towarowa 22	12 600	251	332,6	183,0	28%	I Q 2024	IV Q 2025
Total	275 300	4 915	3 573,8	2 213,7	19%		

Archicom Group's residential projects under preparation as at 30 June 2023

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
WROCLAW							
Planty Raclawickie R10 ul. Wichrowa / Raclawicka	5 500	98	67,9	45,1	15%	IV Q 2023	IV Q 2025
Gwarna ul. Gwarna	4 000	107	58,7	43,0	29%	IV Q 2023	IV Q 2025
Awipolis etap 4b ul. Wladyslawa Chachaja	3 200	56	32,2	23,7	16%	IV Q 2023	II Q 2025
Sady nad Zieloną 2 B ul. Blizanowicka	6 400	123	64,4	46,6	20%	IV Q 2023	III Q 2025
Czarnieckiego - M ul. Stefana Czarnieckiego	4 000	97	53,0	37,3	14%	III Q 2024	IV Q 2026
Czarnieckiego - AH ul. Stefana Czarnieckiego	2 200	58	32,3	23,2	12%	IV Q 2024	II Q 2027
Iwiny - Schuberta ul. Schuberta	4 000	60	35,2	25,4	12%	II kw 2024	IV Q 2025
Iwiny - Radomierzyczna 1 ul. Radomierzyczna	9 500	179	90,1	65,3	19%	I Q 2024	IV Q 2025
Iwiny - Radomierzyczna 2 ul. Radomierzyczna	10 800	202	102,8	74,0	17%	IV Q 2024	II Q 2026
Iwiny - Radomierzyczna 3 ul. Radomierzyczna	10 700	199	102,1	73,9	17%	IV Q 2025	II Q 2027
Meridian K1 ul. Karkonoska	14 700	285	186,6	118,6	16%	I Q 2024	II Q 2026
Meridian K2 ul. Karkonoska	9 500	187	118,8	74,7	17%	IV Q 2023	IV Q 2025
Browary Wroclawskie R1R2 ul. Rychtalska	6 600	129	85,5	57,7	11%	II Q 2024	I Q 2026
Górska 1 ul. Górska	6 900	124	90,9	59,6	16%	I Q 2025	I Q 2027
Górska 2 ul. Górska	11 100	216	142,5	95,8	16%	II Q 2025	II Q 2027
WARSZAWA							
Projekt Mokotów ul. Domaniewska	14 400	257	239,5	171,4	39%	IV Q 2023	III Q 2025
POZNAŃ							
Projekt Poznań I* ul. Janickiego	12 800	275	141,6	106,4	23%	IV Q 2024	III Q 2026
Projekt Poznań II* ul. Janickiego	13 800	286	157,5	115,9	24%	II Q 2024	I Q 2026
KRAKÓW							
Dąbrowskiego D1 D2 ul. Dąbrowskiego	2 700	46	39,5	26,2	15%	I Q 2024	IV Q 2025
Dąbrowskiego D3 ul. Dąbrowskiego	1 400	31	20,2	13,3	17%	I Q 2024	IV Q 2025
Duża Góra ul. Duża Góra	4 700	78	52,3	37,1	11%	I Q 2024	IV Q 2025
Total	158 900	3 093	1 913,7	1 334,3	20%		
Total of Echo Investment Group's residential projects under preparation	434 200	8 008	5 487,5	3 548,0			

* On 28 April 2023, the promised agreement on the sale of the projects from the Echo Investment Group to the Archicom Group

Residential projects for rental platform Resi4Rent

Definitions:

An estimated budget of Resi4Rent projects includes the value of land, cost of design, construction and external supervision, devel-

opment services and financial costs. It does not include the cost of the platform operation, such as marketing.

Residential projects of rental platform Resi4Rent in operation as at 30 June 2023

Project / address	Residential area [sqm]	Number of units	Targeted annual net rental revenues NOI [PLN mln]	Budget [PLN mln]	Completion
WROCŁAW					
R4R Wrocław Rychtalska ul. Zakładowa	11 400	302	10,7	76,8	III Q 2019
R4R Wrocław Kępa Mieszczarska ul. Dmowskiego	9 300	269	8,7	76,3	II Q 2020
ŁÓDŹ					
R4R Łódź Wodna ul. Wodna	7 800	219	6,0	52,4	IV Q 2019
WARSZAWA					
R4R Warszawa Browary ul. Grzybowska	19 000	450	22,7	187,6	III Q 2020
R4R Warszawa Suwak ul. Suwak	7 900	227	7,7	60,7	IV Q 2020
R4R Warszawa Taśmowa ul. Taśmowa	13 000	372	12,6	112,1	I Q 2021
R4R Warszawa Woronicza ul. Żwirki i Wigury	5 200	161	7,2	53,2	IV Q 2022
R4R Warszawa II ul. Żwirki i Wigury	11 200	344	15,4	127,2	I Q 2023
GDAŃSK					
R4R Gdańsk Kołobrzaska ul. Kołobrzaska	10 000	302	10,7	88,7	II Q 2021
POZNAŃ					
R4R Poznań Jeżyce ul. Szczepanowskiego	5 000	160	4,7	45,3	III Q 2021
KRAKÓW					
R4R Kraków Bonarka ul. Puskarska	5 100	149	5,2	40,2	III Q 2022
R4R Kraków Błonia ul. 3 Maja	12 100	387	14,0	102,1	IV Q 2022
Total	117 000	3 342	125,6	1 022,6	

Residential projects of rental platform Resi4Rent under construction as at 30 June 2023

Project / address	Residential area [sqm]	Number of units	Estimated annual rental revenue for stabilized asset [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
WROCŁAW						
R4R Wrocław ul. Jaworska	13 700	391	14,0	135,6	III Q 2021	III Q 2023
R4R Wrocław Park Zachodni ul. Horbaczewskiego	10 100	301	11,7	106,3	II Q 2022	I Q 2024
R4R Wrocław II ul. Jaworska	9 700	290	11,2	109,3	III Q 2022	I Q 2024
R4R Wrocław ul. Grabiszyńska	13 000	358	14,3	164,3	III Q 2022	I Q 2025
ŁÓDŹ						
R4R Łódź ul. Kilińskiego	9 700	283	9,7	106,3	II Q 2022	I Q 2024
WARSZAWA						
R4R Warszawa ul. Wilanowska	12 200	375	16,0	132,4	III Q 2021	III Q 2023
R4R Warszawa ul. Pohoskiego	7 600	279	11,4	110,1	II Q 2023	I Q 2025
POZNAŃ						
R4R Poznań ul. Brzeńska	13 000	411	14,8	150,7	IV Q 2022	IV Q 2024
KRAKÓW						
R4R Kraków ul. Romanowicza	29 300	873	36,2	361,1	IV Q 2022	I Q 2025
GDAŃSK						
R4R Gdańsk (etap 1) ul. Nowomiejska	10 000	277	13,7	142,6	II Q 2023	II Q 2025
R4R Gdańsk (etap 2) ul. Nowomiejska	10 400	287	13,8	148,5	II Q 2023	II Q 2025
Total	138 700	4 125	166,8	1 666,9		

Residential projects of rental platform Resi4Rent in preparation as at 30 June 2023

Project / address	Residential area [sqm]	Number of units	Estimated annual rental revenue for stabilized asset [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
POZNAŃ						
R4R Poznań 4	22 200	672	24,9	266,1	IV Q2023	IV Q 2025
KRAKÓW						
R4R Kraków ul. Jana Pawła II	8 700	293	10,9	97,2	II Q 2024	II Q 2026
GDAŃSK						
R4R Gdańsk 2	24 200	736	29,8	295,8	III Q 2023	IV Q 2025
Total	55 100	1 701	65,6	659,1		

The table “Residential projects of rental platform Resi4Rent in preparation” presents only properties with projects that are owned by the Resi4Rent group or are in the process of being sold from the Echo Investment Group to

Resi4Rent. They do not present investments on plots secured by Resi4Rent (e.g. with a preliminary agreements), even if the preparation of the project is advanced.

Office

Definitions:

GLA — gross leasable area

NOI — net operating income with the assumption of full rental and the average market rent rates

ROFO — (right of first offer)

Due to 25 percent of capital participation in the project, ROFO partner is entitled to 25 percent of profit after sale of project.

Completion — date of commissioning permit.

Significant part of fit-out works to be done after this date. An estimated budget includes the value of land, cost of design, construction and external supervision. It does not include the personnel costs related to the project, cost of marketing, leasing and financing, which are estimated by the Company to equal on average 7 percent the targeted budget. In addition, it

does not include costs reducing sales revenue (price), such as master lease, profit share and costs of projects sale. Fair value includes currency differences on investment loans. The recognised fair value gain is reduced by the profit share obligation and the provision to secure rent-free periods (master lease).

Echo Investment Group's office building in operation as at 30 June 2023

Project / address	GLA [sqm]**	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain cumulatively [PLN mln]	Completion	Comments
React I Łódź al. Piłsudskiego	15 000	100%	2,6	121,6	91%	11,8	I Q 2022	Investment property.
Brain Park I Kraków, al. Pokoju	29 700	74%	5,6	283,5	85%	37,7	IV Q 2022	Investment property.
City Forum — City 2 Wrocław, ul. Traugutta	12 700	98%	2,5	95,5	97%	51,51*	II Q 2020	Archicom's S.A. office building. Asset available for sale.
Total	57 400		10,7	500,5		49,5		

* cumulative fair value due account the valuation before the date of purchase Archicom S.A. Group by Echo Investment Group

** exclude storage

Echo Group's office buildings under construction as at 30 June 2023

Project / address	GLA [sqm]**	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion	Comments
Fuzja 101 & 103 Łódź, ul. Tymienieckiego	9 400	0%	1,6	88,4	39%	0	I Q 2022	IV Q 2024	
Brain Park II Kraków, al. Pokoju	13 000	24%	2,5	126,9	67%	10,0	III Q 2022	IV Q 2023	
T22 Office B Warszawa, ul. Towarowa	31 100	0%	9,1	507,1	28%	0,0	II Q 2023	II Q 2025	Project owned by Echo Investment (30 percent) and AFI Europe (70 percent).
Total	53 500		13,3	722,3		10,0			

** exclude storage

Echo Group's office buildings in preparation as at 30 June 2023

Project / address	GLA [sqm]**	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
Wita Stwosza Kraków, ul. Wita Stwosza	26 600	5,5	264,5	22%	IV Q 2023	III Q 2025	
Swobodna I Wrocław, ul. Swobodna	16 000	3,2	141,5	14%	III Q 2023	II Q 2025	
Swobodna II Wrocław, ul. Swobodna	25 600	5,1	222,8	12%	III Q 2024	III Q 2026	
Total	68 200	13,8	628,8				

** exclude storage

All office buildings under construction and under preparation are presented as 'investment properties under construction' in the condensed interim consolidated statement of financial position.

Retail

Definitions:

GLA — gross leaseable area

NOI — net operating income with the assumption of full rental and the average market rent rates

ROFO — right of first offer

Completion — date of commissioning permit. Significant part of fit-out works to be done after this date.

Due to 25 percent of capital participation in the project, ROFO partner is entitled to 25 percent of profit after sale of project.

Retail projects in operation as at 30 June 2023

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain cumulatively [PLN mln]	Completion	Comments
Libero Katowice, ul. Kościuszki	44 900	98%	9,0	390,4	100%	145,5*	IV Q 2018	ROFO agreement with EPP.
Galeria Młociny Warszawa, ul. Zgrupowania AK „Kampinos”	84 300	95%	20,6	1 273,7	99,9%	10,6**	II Q 2019	Joint venture with EPP in the proportions of 30:70 percent.
Pasaż Opieńskiego Poznań, ul. Opieńskiego	13 500	96%	0,8	n/a	n/a	n/a	n/a	Building to be demolished.
Pasaż Kapelanka Kraków, ul. Kapelanka	17 800	99%	2,0	n/a	n/a	n/a	n/a	Building to be demolished.
Total	160 500		32,3	1 664,1		156,2		

*profit with account changes in Profit Share provision

**profit recognized by the Echo Group (30 percent)

Libero shopping centre is presented as ‘investment property’ in the condensed interim consolidated statement of financial position.

Proportional shares in Galeria Młociny are included in the item ‘investments in associates and joint ventures’.

Land bank

Echo Group's early stage projects as at 30 June 2023

Comments	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Warszawa, ul. Towarowa	40 800	146 894	The project on the plot office and service functions owned in 30% by Echo Investment and in 70% by AFI Europe. Ultimately, the plot for residential will be owned by Echo Investment group.
Kraków, ul. Kapelanka	56 000	75 900	Plot for office, service and rental apartments.
Warszawa, al. KEN	29 600	26 500	Plot for office, service and apartments.
Łódź, ul. Tymienieckiego	7 900	9 600	Plot for office, service and residential functions.
Kraków, Wita Stwosza	3 200	4 600	Plot for service / rental apartments.
Katowice, ul. Piotra Skargi	3 700	26 500	Plot for office, service / rental apartments.
Łódź, ul. Widzewska	29 600	33 700	Plot for residential functions.
Wrocław, ul. Na Ostatnim Groszu	26 400	56 500	Plot for office, service..
Łódź, al. Piłsudskiego	6 400	25 900	Plot for office, service.
Total	174 000	406 094	

Archicom Group's early stage projects as at 30 June 2023

Comments	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Projekt Kraków	3 400	7 000	
Total	3 400	7 000	

Echo Group's other properties as at 30 June 2023

Project / address	Plot area [sqm]	Comments
Poznań, Naramowice	77 500	
Zabrze, ul. Miarki	8 100	
Total	85 600	

Archicom Group's other properties as at 30 June 2023

Project / address	Plot area [sqm]	Comments
Wrocław, ul. Murowana	3 100	Plot for residential function.
Wrocław, Jagodno	3 500	Plot for residential function.
Wrocław, ul. Vespuciego	700	Plot for green areas, with the possibility of building a gastronomic pavilion.
Total	7 300	

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Main investments in H1 2023 — acquisition of plots

In H1 2023, Echo Group didn't entered new the purchase of real estate acquisition transactions.

22,000 sqm

— total residential potential of real estates secured by Echo Investment preliminary agreements.

46,000 sqm

— residential potential of real estates secured by Echo Investment preliminary agreement with a joint venture company (Towarowa 22).

In H1 2023, Archicom Group has entered the purchase of real estate acquisition transactions:

Archicom Nieruchomości 12 Sp. z o.o. entered into a promised agreement with natural persons regarding the purchase of shares in a property located in Wrocław at Sokolnicza/Zelwerowicza Street. Currently, Archicom Nieruchomości 12 Sp. z o.o. holds a 23.96 percent stake in the property.

Archicom S.A. also concluded the purchase of 100 percent of shares in Mioga Investment Sp. z o.o., which on 23 March 2023 acquired the perpetual usufruct right to a property located in Cracow, where approximately 7,000 sqm of residential space can be developed.

Archicom Poznań Sp. z o.o. has also signed a promised agreement for the purchase of a property located in Poznań, intended for residential and commercial developments, on which nearly 26,600 sqm of residential space can be created.

The potential of purchased real properties is estimated based on planning documents and guidelines valid at the date of purchase. Ultimately, the use of each property is determined

at a later stage of project preparation, taking into account current planning documents, arrangements, market potential and finally accepted project concept.



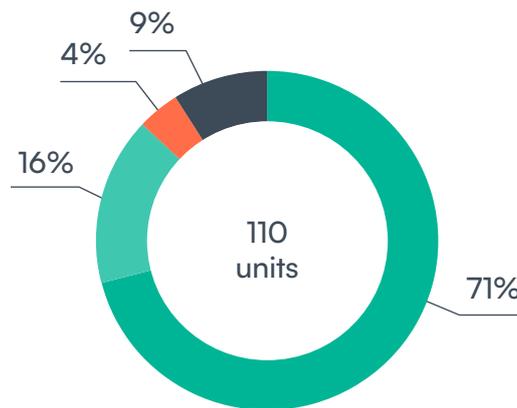
16

Factors and unusual events affecting the results in Q2 2023

Hand overs of 110 housing and retail units of Echo Group to clients.

Echo Group residential project's shares in the total number of final contracts in Q2 2023 [units]

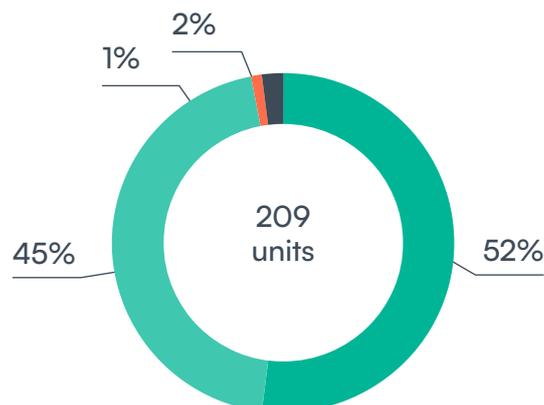
- — Łódź, Fuzja III
- — Łódź, Zenit I
- — Kraków, Osiedle ZAM I
- — Others



Hand overs of 209 housing and retail units of Archicom Group to clients.

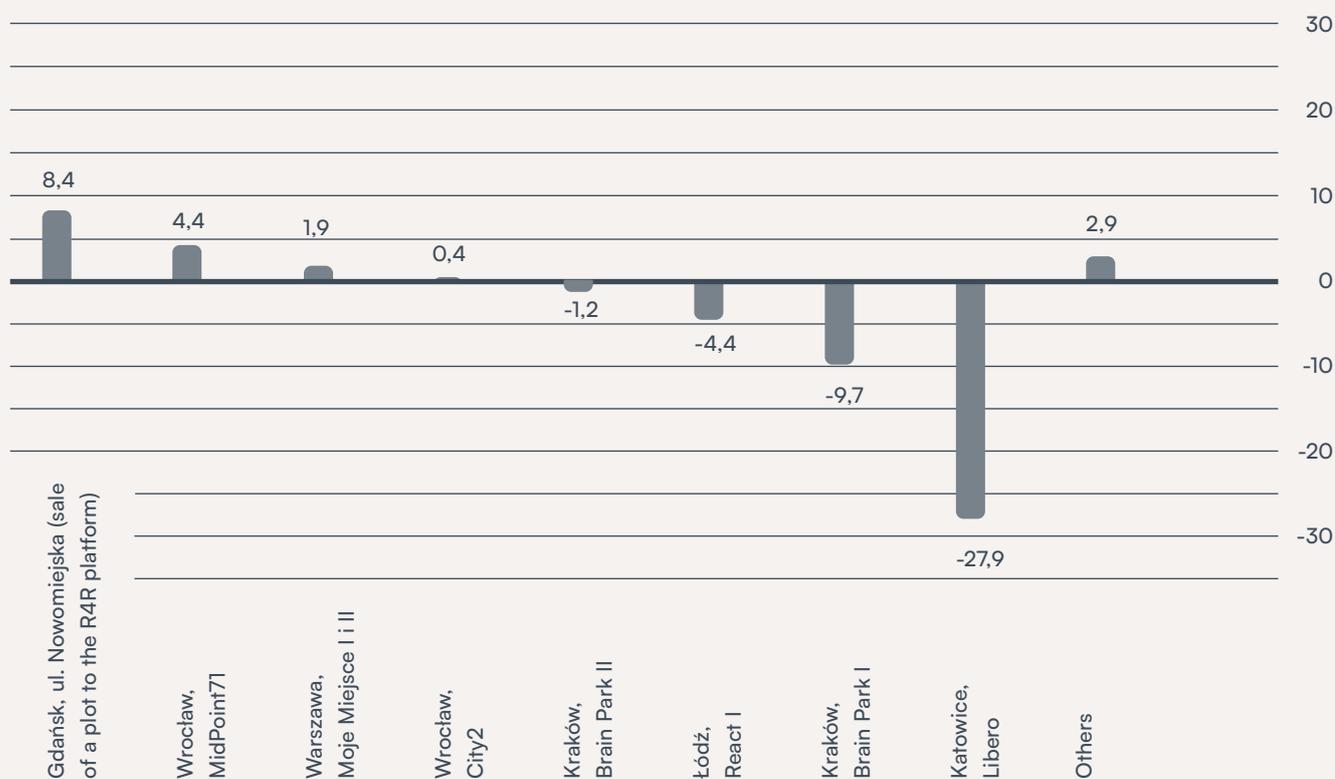
Archicom Group residential project's shares in the total number of final contracts in Q2 2023 [units]

- — Wrocław, Olimpia Port M37, M39
- — Wrocław, Browary Wrocławskie BP3, BP4
- — Wrocław, Olimpia Port M36, M38
- — Others



**Loss on investment property amounting
in Q2 2023 to PLN -25.2 million**

Profit/loss on investment property by assets contracts in Q2 2023 [mln PLN]



In Q2 2023, the decline in the EUR exchange rate had a significant negative impact on the fair value valuations of projects.

Sale of Moje Miejsce II office building in Warsaw.

Valuation of the fair value of projects - React I in Łódź, Brain Park I i II in Kraków, Libero in Katowice (includes a negative change due to the decline in the EUR exchange rate).

Sale of a plot at ul. Nowomiejska in Gdańsk to the R4R platform.

Valuation of co-controlled projects - Galeria Młociny in Warsaw, Towarowa 22 in Warsaw and Resi4Rent (includes a negative change due to the decline in the EUR exchange rate).

Costs of sales and general administration.

Valuation of bonds and loans at amortized cost.

Valuation of loans and cash due to changes in foreign exchange rates.

Valuation and execution of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Significant factors influencing the development of Company and the Group in the perspective of at least the following quarter

Significant factors influencing the development of the Group in coming quarters

Factors of a macroeconomic nature

Positive

- Sustained high inflation supporting increase of demand for apartments from investors (i.e. 14.7 percent, 13 percent and 11.1 percent in April, May and June 2023, compared to the corresponding months of the previous year) (NBP),
- an increase of average monthly salaries in the business sector excluding profit-sharing payments in June 2023 by 11.9 percent compared to March 2022 (GUS),
- a low level of the registered unemployment rate (5.5 percent in January 2023 and 5.1 percent in June 2023, according to the Main Statistic Office) (GUS),
- a structural deficit of apartments and growing value of apartments,
- increase in the role of the premium housing segment,
- huge potential of the PRS market, there is an increase in the number of advertisements, but also an increase in the number of people looking for apartments for rent. In the last two years, average rental amounts have increased by 35 percent,
- announcements of easing lending policy by banks. Adoption of the act introducing the First Apartment program, including Safe Loan 2 percent. and the Housing Account (the program came into force on 1 July 2023).

Negative

- High inflation, in June 11.1 percent (NBP) as a cause of deterioration of financial standing of households that limits purchasing power and lowers consumer sentiment,
- a low consumer confidence index: -38,1 p. p. in January 2023 and -28.2 p.p. in June 2023 (BWUK),
- decrease GDP by 0.1 percent in Q2 y/y adjusted by seasonality (NBP estimates),
- emergence of investment alternatives bringing higher income with a lower level of risk than apartments (treasury bonds). High interest rates on deposits,
- uncertainty about the prices of construction materials, raw materials and energy,
- uncertainty about the development of war in Ukraine and its influence on European economy,
- uncertainty as to the key assumptions of fiscal and monetary policy in Poland. Possibility of further increases in interest rates.

Factors arising directly from the activities of the Company and the Group

Handover of Echo Group's apartments, mainly in the projects:

- Zenit I in Łódź,
- Fuzja II and III in Łódź.

Handover of Archicom Group's apartments, mainly in the projects:

- Browary Wrocławskie,
- Olimpia Port in Wrocław,
- Planty Raławickie in Wrocław,
- Awipolis in Wrocław,
- Bonarka in Cracow.

Sale of completed properties:

- Moje Miejsce II in Warsaw.

Revaluation of the fair value of the properties owned by the Group, which are in the course of leasing and construction:

- Brain Park II in Kraków.

Revaluation of the fair value of the ready properties owned by the Group:

- Libero in Katowice,
- Brain Park I in Kraków,
- React I w Łódź.

Valuation of interests entities accounted for using the equity method:

- Galeria Młociny in Warsaw,
- Towarowa 22 in Warsaw,
- Resi4Rent.

Sale and administrative costs.

Valuation of liabilities on account of bonds and loans, at amortized cost.

Valuation of loans and cash on account of changes in exchange rates of foreign currencies.

Valuation and implementation of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Discounts and interest on credits, bonds and loans.

Resolution was passed on the concerning a finalization of transaction an in-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo was concluded.

Information on dividend policy and dividend

On 26 April 2017 the Management Board of Echo Investment adopted a resolution on the Company's dividend policy. The adopted dividend policy states that the Management Board will be recommending the payment of the dividend up to amount of 70 percent of the consolidated net profit of the Capital Group attributable to shareholders of the parent company. When recommending the dividend payment the Management Board will take into consideration the current and expected condition of the

Company and the Capital Group as well as their development strategy, in particular:

- safe and the most effective management of debt and liquidity in the Group,
- investment plans resulting from the development strategy, purchase of land in particular.

Assumptions of the dividend policy were based on predictions concerning future profits from the Group's property development operations.

Resolution on the payment of an advance dividend from 2022 profit

On 23 December, 2022 the Management Board of Echo Investment S.A. adopted a resolution to pay to shareholders an advance on future dividend for the financial year 2022. The total amount allocated to the advance amounts was PLN 90.8 million, i.e. PLN 0.22 per share. The dividend advance was paid on 2 February 2023 after obtaining the consent of the Supervisory Board. The shareholders holding the Company's shares on 26 January, 2023, i.e. 7 days before the payment date, were entitled to the dividend advance.

General Meeting of Shareholders decision regarding dividends for 2022

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 29 June 2023. Shareholders also passed a resolution on the allocation of the profit generated in 2022. Out of the net profit of PLN 100.2 million, PLN 90.8 million was allocated to be distributed to all shareholders of the Company. The amount of PLN 90.8 million, or PLN 0.22 per share, was paid on 2 February 2023 as dividend advances, therefore, the Company did not pay additional funds from the profit for the financial year 2022.

PLN 0.22

amount of dividend from 2022 profit per share

The dividend policy states that the Management Board recommends the payment of the dividend up to the amount of 70 percent of the consolidated net profit annually.



Financial liabilities of the Company and its Group

Bonds

Company's liabilities due to bonds issued as at 30 June 2023

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
Bonds issued by Echo Investment S.A. for institutional investors [PLN '000]					
1/2020	PLO017000012	mBank S.A.	70 000	31.05.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
2/2021	PLO017000061	mBank S.A.	172 000	10.11.2025	WIBOR 6M + margin 4,4%
11/2022	PLO017000079	lpopema Securities S.A.	180 000	8.12.2027	WIBOR 6M + margin 4,5%
21/2023	PLO017000087	lpopema Securities S.A.	140 000	24.05.2028	WIBOR 6M + margin 4,5%
Total			757 000		
Bonds issued by Archicom S.A. for institutional investors [PLN '000]					
M6/2022	PLO221800090	mBank S.A.	110 000	15.03.2024	WIBOR 3M + margin 3,2%
M7/2023	PLO221800108	mBank S.A.	62 000	17.03.2025	WIBOR 3M + margin 3,5%
Total			172 000		
Bonds issued by Echo Investment S.A. for individual investors [PLN '000]					
I-series	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. and Centralny Dom Maklerski Pekao S.A.	50 000	8.11.2023	WIBOR 6M + margin 3,4%
J and J2-series	PLECHPS00290	J-series: consortium Noble Securities S.A., Michael / Ström DM S.A., DM Banku Ochrony Środowiska S.A. J2-series: DM PKO Banku Polskiego S.A.	33 832	21.09.2023 Bonds repaid on maturity.	WIBOR 6M + margin 3,4%
K-series	PLECHPS00324	DM PKO BP	50 000	10.01.2025	WIBOR 6M + margin 4,0%
L-series	PLECHPS00332	DM PKO BP	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M-series	PLECHPS00340	DM PKO BP	40 000	27.04.2026	WIBOR 6M + margin 4,0%
N-series	PLECHPS00357	DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O-series	PLECHPS00365	DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
Total			288 832		
Bonds issued by Echo Investment S.A. for seller of shares in Archicom S.A. [PLN '000]					
1P/2021	PLO017000053	Michael/Ström DM (agent)	188 000	22.10.2024	fixed interest rate 5%
Total			188 000		
Total bonds issued in PLN			1 405 832		

Bonds issued by Echo Investment S.A. for institutional investors [‘000]

Series	ISIN code	Bank / brokerage house	"Nominal value [EUR]"	"Nominal value [PLN]"	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	178 012	23.10.2024	fixed interest rate 4.5%
Total bonds issued in EUR/PLN			40 000	178 012		

The value of bonds corresponds to undiscounted cash flows, not including the value of interest. The change in business and economic conditions did not have a significant impact on the fair value of the financial liabilities.

All are quoted on the Catalyst market of debt instruments operated by the Warsaw Stock Exchange, on trading platforms operated by the Warsaw Stock Exchange (in the regulated market and ASO formula) and by Bondspot (analogous two markets).

Change of company's bond liabilities in H1 2023

Bonds redeemed by Echo Investment S.A. [PLN ‘000]

Series	ISIN code	Date	Nominal value
1/2019	PLECHPS00308	11.04.2023	96 510
Total			96 510

Bonds redeemed by Archicom S.A. [PLN ‘000]

Series	ISIN code	Date	Nominal value
M4/2019	PLARHCM00073	14.06.2023	60 000
Total			60 000

Bonds issued by Archicom S.A. [PLN ‘000]

Series	ISIN code	Date	Nominal value
M7/2023	PL0221800108	17.03.2023	62 000
Total			62 000

Bonds issued by Echo Investment [PLN ‘000]

Series	ISIN code	Date	Nominal value
2I/2023	PL0017000087	24.05.2023	140 000
Total			140 000

Investment loans

Investment loans of Echo Group as at 30 June 2023

Investment project	Borrower	Bank	Contractual amount of loan ['000]		Outstanding loan amount ['000]		Interest rate	Repayment deadline
			PLN	EUR	PLN	EUR		
Libero, Katowice	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	Santander Bank Polska S.A. BNP Paribas Bank Polska S.A.		67 566		62 499	EURIBOR 3M + margin	22.11.2024
Galeria Młociny, Warszawa*	Berea Sp. z o.o.	Santander Bank Polska S.A. PKO BP S.A. Bank Gospodarstwa Krajowego		56 100		50 661	EURIBOR 3M + margin	30.04.2025
Brain Park I i II, Kraków	Echo Arena Sp. z o.o.	PKO BP S.A. Bank Pekao SA		65 560		31 099	EURIBOR 3M + margin	30.06.2026
			9 000				WIBOR 1M + margin	30.06.2024
Projekt Echo 129	Projekt Echo 129 Sp. z o.o.	Bank Pekao S.A.		60 000		32 057	EURIBOR 3M + margin	30.09.2025
Resi4Rent* - 1st tranche of projects	R4R Łódź Wodna Sp. z o.o. R4R Wrocław Rychtalska Sp. z o.o. R4R Warszawa Browary Sp. z o.o. R4R Wrocław Kępa Sp. z o.o.	ING Bank Śląski S.A.	106 560		103 185		WIBOR 3M + margin	10.12.2026
Resi4Rent* - 2nd tranche of projects	R4R Poznań Szczepanowskiego Sp. z o.o. R4R Warszawa Taśmowa Sp. z o.o. R4R Warszawa Woronicza Sp. z o.o. R4R Gdańsk Kołobrzaska Sp. z o.o.	Santander S.A. Helaba AG	69 000		66 904		WIBOR 3M + margin	27.06.2027
Resi4Rent* - 3rd tranche of projects	R4R Warszawa Wilanowska Sp. z o.o. Pimech Invest Sp. z o.o. M2 Hotel Sp. z o.o. R4R Kraków 3 Maja Sp. z o.o. R4R RE Wave 3 Sp. z o.o.	Bank Pekao S.A. Bank Gospodarstwa Krajowego BNP Paribas Polska	74 402		51 752		WIBOR 1M + margin	21.12.2028
Resi4Rent* - 4th tranche of projects	M2 Biuro sp. z o.o. R4R Wrocław Park Zachodni Sp. z o.o. R4R RE Wave 4 Sp. z o.o./R4R Gdańsk Stocznia Sp. z o.o. R4R Kraków JP11 Sp. z o.o. R4R Łódź Kilińskiego Sp. z o.o.	Santander S.A. Helaba AG	95 456		32 607		WIBOR 1M + margin	15.12.2029
Resi4Rent* - Corporate Credit Facility	R4R Poland sp. z o.o.	European Bank for Reconstruction and Development		15 000		14 720	EURIBOR 3M + margin	1.12.2027
Total			354 418	264 226	254 448	191 036		

* Echo Investment owns 30 percent of shares in SPV - borrowers. and presents 30 percent of credit value.

Investment loans of Archicom S.A. as at 30 June 2023

Investment project	Borrower	Bank	Contractual amount of loan ['000]		Outstanding loan amount ['000]		Interest rate	Repayment deadline
			PLN	EUR	PLN	EUR		
City Forum - City 2	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	78 325	17 600	19 334	4 344	EURIBOR 1M + margin	22.12.2031
Total			78 325	17 600	19 334	4 344		

Investment loans are secured by standard securities such as mortgages, registered and financial pledge agreements, powers of powers of attorney to bank accounts, subordination agreements, statements on

submission to enforcement proceedings, agreements to secure the transfer of claims and rights and claims of a borrower under selected agreements, guarantees on overrun of cost / own contribution, interest coverage.

Credit facilities

Credit facilities of Echo Investment Group as at 30 June 2023 ['000 PLN]

Bank	Contractual amount of loan	Outstanding loan amount	Repayment deadline	Interest rate
PKO BP S.A. *	75 000	62 866	31.10.2023	WIBOR 1M + margin
Alior Bank S.A. **	25 000	25 000	8.09.2023	WIBOR 3M + margin
Santander Bank Polska S.A.***	90 000	60 309	29.02.2024	WIBOR 1M + margin
Total	190 000	148 175		

* The available loan amount as at 30 June 2023 is reduced by the issued guarantees and amounts to PLN 10,8 mln.

** By the annex of 7 September 2023, the loan amount was increased to PLN 30 mln, and the repayment date was extended to 8 September 2025.

*** The available loan amount as at 30 June 2023 is reduced by the issued guarantees and amounts to PLN 3,2 million.

Credit facilities of Archicom Group as at 30 June 2023 ['000 PLN]

Bank	Borrower	Contractual amount of loan	Outstanding loan amount	Repayment deadline	Interest rate
mBank S.A. *	Archicom Sp. z o.o. — Realizacja Inwestycji Sp.k.*	15 000	-	23.09.2024	WIBOR 1M + margin
PKO BP S.A.	Archicom S.A.	80 000	-	9.03.2024	WIBOR 3M + margin
Total		95 000	-		

* Revolving loan for financing construction contracts. The loan is secured with a real estate mortgage, an assignment under construction contracts and a declaration of submission to enforcement

Credit facilities are secured with standard instruments such as authorisation to the bank account or statement on submission to enforcement proceedings.

The loan value corresponds to undiscounted cash flows.

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Sureties and guarantees of the Company and its Group

Surety agreements

Changes in surety agreements issued by Echo Investment Group in H1 2023 [PLN '000]

Change	Issuer	Entity receiving the surety	Beneficiary	Value	Validity	Description
Expiry	Echo Investment S.A.	Pimech Invest Sp. z o.o.	Miasto Stołeczne Warszawa	1 230	30.03.2023	Surety for proper performance of the liabilities arising from the road construction agreement.

Guarantees

Financial guarantees issued by Echo Investment Group as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Archicom S.A.	Javin Investments Sp. z o.o. Sp.k. w likwidacji; Space Investment Strzegomska 3 Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	11 718	25.02.2024	Security for the proper performance of obligations under the contract for the sale of the West Forum IB office building.
Total			11 718		

Performance and other guarantees issued by Echo Investment Group as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Echo Investment S.A.	Nobilis - Projekt Echo 117 Sp. z o.o. Sp.k.	40 000	31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Echo - SPV7 Sp. z o.o.	R4R Warszawa Wilanowska Sp. z o.o.	Bank PKO S.A.	18 465	31.12.2027	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement and payment of interests under loan facility in construction tranche.
Total			58 465		
Total financial, performance and other guarantees			70 183		

Remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board [PLN]

	H1 2023					H1 2022				
	From Echo Investment S.A.		From subsidiaries, joint-ventures and associates	Other benefits	Total	From Echo Investment S.A.		From subsidiaries, joint-ventures and associates	Other benefits	Total
	Basic remuneration	Bonus				Basic remuneration	Bonus			
Nicklas Lindberg	692 065	216 375	1 908 286	21 045	2 837 771	696 012	793 349	1 127 700	544 203	3 161 264
Maciej Drozd	267 546	108 700	889 250	23 445	1 288 941	266 175	422 829	632 222	19 068	1 340 294
Artur Langner	120 000	172 920	603 840	2 968	899 728	120 000	208 373	631 747	2 580	962 700
Rafał Mazurczak	153 000	255 952	753 177	7 171	1 169 300	153 000	260 100	595 855	5 580	1 014 535
Małgorzata Turek	153 000	223 380	671 820	2 968	1 051 168	153 000	252 450	722 550	2 580	1 130 580
Total	1 385 611	977 327	4 826 372	57 597		1 388 187	1 937 101	3 710 074	574 011	
Total in H1					7 246 907					7 609 373

The long-term incentive program of the CEO and CFO



On 21 July 2021, Echo Investment S.A. entered into contracts with Nicklas Lindberg, the CEO of the Company and Maciej Drozd, the CFO specifying the terms of additional incentive compensation in the form of a long-term bonus. Such additional compensation conforms with the Remuneration Policy.

Nicklas Lindberg and Maciej Drozd obtained the right to a long-term bonus. The amount of it will depend on the growth in the Company's goodwill measured by the aggregate amount of dividend and the growth in the share price on the Warsaw Stock Exchange in annual evaluation periods.

The contracts define the rules of determining the amount of the long-term bonus based on the growth in the average six-month price of the Company's shares calculated for one-year periods, increased by the dividend disbursed by the Company above the initial value of a Company share determined at PLN 4.34 per share. The right to the long-term bonus will be acquired in annual periods over the term of the program, i.e., from 1 January 2020 to 31 December 2024, unless a material change in the shareholding structure of the Company occurs earlier. The amount of the long-term bonus depends on the growth in the value of the Company's shares, provided that the

amount of the long-term bonus (the “base value”) does not exceed EUR 10 million for Nicklas Lindberg and EUR 5 million for Maciej Drozd if at the end of the five-year period the growth in the average six-month price of the Company’s shares increased by the dividend disbursed during the term of the program exceeds the amount of the initial quotation of the Company’s shares by PLN 5.80, i.e., if the aggregate amount of the disbursed dividend increased by the average six-month price of the Company’s shares reaches the amount of PLN 10.14 per share. In case of a material change in the shareholding structure of the Company, in lieu of the average six-month price of the Company’s shares, the basis for the calculation of the long-term bonus will be the price received for the Company’s shares calculated on the basis of the price indicated in the transaction resulting in such material change in the shareholding structure.

The duration of the program may be extended by a two years (to a seven-year total), i.e., until 31 December 2026; in such case the maximum amount of the long-term bonus will be 125 percent of the base value if the average six-month price of the Company’s shares increased by the dividend disbursed during the seven-year evaluation period exceeds the base value by PLN 7.25, i.e., the aggregate amount of the disbursed dividend increased by the average six-month price of the Company’s shares reaches the value of PLN 11.59 per share.

The long-term bonus is to be disbursed in the form of the Company’s shares (whether existing or of a new issue) annually, at the end of the evaluation period, and should that be impracticable, it will be disbursed as a lump sum in cash at the end of the five-year term (or the seven-year term, should the former be extended) of the program. In case of a material change in the shareholding structure of the Company, the long-term bonus shall be disbursed as a lump sum upon occurrence of such event.

The Contracts also define the detailed terms of the disbursement of the long-term bonus, as well as addressing a situation where a Management Board member forfeits the right to receive the long-term bonus or a part thereof, in particular in the event of causing damage to the Company or of taking actions that breach the relevant provisions of the law or the Company’s in-house regulations.

Extension of the Long-Term Bonus program

On 15 June 2022, Echo Investment S.A. entered into contracts with Rafał Mazurczak and Małgorzata Turek, members of the company’s management board and Waldemar Olbryk, president of the management board of Archicom S.A., the subsidiary of the Company specifying the terms of additional incentive compensation in the form of a long-term bonus. Such additional compensation conforms with the Remuneration Policy.

Under the contracts, Rafał Mazurczak, Małgorzata Turek and Waldemar Olbryk obtained the right to a long-term bonus. The amount of it will depend on the growth in the Company’s goodwill measured by the aggregate amount of dividend and the growth in the share price on the Warsaw Stock Exchange in annual evaluation periods.

The contracts define the rules of determining the amount of the long-term bonus based on the growth in the average six-month price of the Company’s shares calculated for one-year periods, increased by the dividend disbursed by the Company above the initial value of a Company share determined at PLN 4.07 per share. The right to the long-term bonus will be acquired in annual periods over the term of the program, i.e., from 31 December 2022 to 31 December 2025, unless a material change in the shareholding structure of the Company occurs earlier. The maximum amount of the long-term bonus (the “base value”) does not exceed EUR 1 million for each of the participants if at the end of the four-year period the growth in the average six-month price of the Company’s shares increased by the dividend disbursed during the term of the program exceeds the amount of the initial quotation of the Company’s shares by PLN 5.60, i.e., if the aggregate amount of the disbursed dividend increased by the average six-month price of the Company’s shares reaches the amount of PLN 9.67 per share. In case of a material change in the shareholding structure of the Company, in lieu of the average six-month price of the Company’s shares, the basis for the calculation of the long-term bonus will be the price received for the Company’s shares calculated on the basis of the price indicated in the transaction resulting in such material change in the shareholding structure.

The duration of the program may be extended by a further one year (to a five-year total), i.e., until 31 December 2026; in such case the maximum amount of the long-term bonus will be 112.5 percent of the base value if the average six-month price of the Company’s shares increased by the dividend disbursed during the five-year evaluation period exceeds the base value by PLN 6.3, i.e., the aggregate amount of the disbursed dividend increased by the average six-month price of the Company’s shares reaches the value of PLN 10.37 per share.

The other rules regarding the long-term bonus program for Małgorzata Turek, Rafał Mazurczak and Waldemar Olbryk are the same as in the case of Nicklas Lindberg and Maciej Drozd.

As at 30 June 2023, the Company recognized a provision in the amount of PLN 6,852,189 in its H1 financial statements for a management bonus based on the share price. The change in the amount of the provision in H1 2023 increased the financial result of the Company by PLN 2,522,591 gross. These amounts are not included in the table above.

Agreements concluded between the company and members of the management

In H1 2023 and as at the date of publication of the report, there were no agreements concluded between the Company and executives, providing for compensation in case

of their resignation or dismissal from their position without an important reason, or if their dismissal occurs due to a merger of Echo Investment S.A. or due to an acquisition.

Remuneration of the Supervisory Board [PLN]

	H1 2023			H1 2022		
	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits
Noah M. Steinberg	120 000	-	-	120 000	-	-
Tibor Veres	42 000	-	-	42 000	-	-
Margaret Dezse	90 000	-	-	90 000	-	-
Maciej Dyjas	30 000	-	-	30 000	-	-
Sławomir Jędrzejczyk	90 000	-	-	90 000	-	-
Péter Kocsis	30 000	-	-	30 000	-	-
Bence Sass	30 000	-	-	30 000	-	-
Nebil Senman	30 000	-	-	30 000	-	-
Total in H1	462 000	-	-	462 000	-	-

Other disclosures required by law

Seasonal or cyclical nature of activities

The Group's activities cover several segments of the real estate market. Accounting for sales of apartments depends on delivery dates of residential buildings, and revenue from this activity occurs basically in every quarter, but with varying intensity. Historically, the Group handed over the greatest number of apartments in the second half of the year, and particularly in the fourth quarter. Revenues and results from services of general execution of projects, sales of finished commercial projects and real estate trading may occur on an irregular basis. The Management Board cannot exclude other one-time events that may affect the results achieved in a given period.

Material court, arbitration or administrative proceedings

From 1 January to 30 June 2023, no proceedings were pending before any court, arbitration authority or public administration authority which involved liabilities or receivables of Echo Investment S.A. or its subsidiary which represent at least 10 percent of the Company's equity.

Agreements concluded between shareholders

The Company has no information on agreements concluded in H1 2023 between shareholders that would be important for its business.

Material transactions concluded by the Company or its subsidiaries with affiliated entities on terms other than market conditions

In H1 2023, there were no material transactions between Echo Investment S.A. and its subsidiaries with affiliated entities on terms other than market conditions.

Impact of H1 2023 results on financial forecasts

Echo Investment S.A. did not publish any forecasts of financial results.

Changes of main management rules

In H1 2023, there are no material changes to the main management rules of the Company and the Group.

Agreements which may result in changes in the ownership structure of shares or bonds

The Company is not aware of any agreements potentially resulting in changes in the proportions of shares held by existing shareholders or bonds held by existing bondholders.

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The impact of the war in Ukraine on the operations and results of the Company and its Group in the future

Echo Investment Group has not yet identified any circumstances that could constitute specific risk factors resulted directly from the invasion of Ukraine by the Russian Federation or the economic sanctions imposed on Russia and Belarus. Echo Investment S.A. and its group of companies do not conduct any activities in the territory of Ukraine, Russia or Belarus.

In the Group management's opinion, these events have an impact on the Group's activity as well as the financial and operating condition, however, this impact is indirect and combined with a number of other macroeconomic and geopolitical factors. The war and its immediate aftermath - sanctions in particular - contributed to instability in the global markets of energy resources and building materials, but the degree of this impact cannot be determined.

The Group monitors the potential impact of the war on operating activities, financial results and development

prospects. In particular, this includes monitoring the availability of workforce, prices and availability of major building materials and fuels. Currently, the risk of labor shortage is assessed as low. After a short period of turmoil, the situation on the building materials and fuels market stabilizes. At present, the Group has not identified specific risks that directly result from the war and significantly affect its operating activities, financial results and development prospects.

Due to the dynamics of the situation in Ukraine, the Group is not able to exclude new risk factors in the future that may affect the business, financial and operating situation. If such risks are revealed, Echo Investment S.A. provides information on new conditions that have a significant impact on the business, financial results or prospects, in a manner prescribed by law and to the extent required.

Significant risk factors and threats to the operations of the Company and its Group

Risk management is an integral part of implementing the Profitable Growth Strategy and ensures achieving the assumed goals of the Echo Investment Group. Risk management procedures applied include risk identification, assessment, management and monitoring. The Management Board of Echo Investment S.A., in collaboration with the Supervisory Board and the Audit Committee, is responsible for overall risk management. The Management Board, supported by directors and managers responsible

for individual departments, oversees the risk management process by creating, implementing and analysing controlling systems and procedures that respond to the identified risks. The process is supported by the Internal Audit Department, which periodically assesses the functioning of the risk management system and internal controls and evaluates the effectiveness of the control procedures that identify significant risks.

Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p>Risks related to strategic goals and assumptions</p> <ul style="list-style-type: none"> • Risk of not achieving strategic goals, • Change of strategic assumptions and goals, • Non-uniform, unrealistic assumptions and strategic goals. 	<ul style="list-style-type: none"> • Experienced management focused on achieving goals. Incentive systems based on cascading of strategic goals to operational goals, • Periodical verification of key strategic goals for validity and their ongoing monitoring through developed procedures at project, portfolio and Group levels, • Monitoring of the markets in which the company operates based on industry reports and its own research and analysis, in particular covering the average level of apartment sales prices and rental rates and transaction prices on commercial markets.
<p>Risk related to land bank</p> <ul style="list-style-type: none"> • Strong competition, • High price expectations, • Limited supply of well-prepared real estate. 	<ul style="list-style-type: none"> • Own land purchase department, • Close cooperation with renowned brokers and agents, • A significant financial potential enabling acquisition of large, multifunctional plots, which attract less competition, • Maintaining a land bank that ensures operations for app. 3-5 years.

Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
Risk of not achieving assumed level of residential sales <ul style="list-style-type: none">• Limiting access to financing for individual clients,• Strong competition on local markets,• The offer of apartments not matched to demand,• Negative price changes on residential market.	<ul style="list-style-type: none">• Business diversification – activities in key segments of the real estate market. The cyclical nature of these markets usually does not run in parallel, and the Group is not dependent on one type of activity. In the current situation, in particular, it is important to emphasize the Group's presence in both segments of apartments for sale and for rent – which situation differs dramatically,• Constant, thorough analysis of local residential markets from the stage before the purchase of a given plot until the end of the sale process,• Constant analysis of the latest trends in the housing market based on industry reports and own analyses of customer preferences,• Ability to flexibly respond to changing customer preferences even during construction (own design department),• Conducting sales of apartments based on own sales teams,• Project implementation in stages,• Many years of experience from several local residential markets.• Implementation of residential projects in the largest cities, where the negative effects of limited access to loans are lower than in developers from smaller cities.
Risk of not securing assumed level of office and retail space lease <ul style="list-style-type: none">• Strong competition on local retail markets,• Limited expansion of retailers,• Limited demand for office space from potential tenants,• A poorly structured office or retail offer,• Increasing tenant expectations in respect to fit-out standard and incentives.	<ul style="list-style-type: none">• Constant analysis of market trends and quick response to changes,• Constant cooperation and maintaining contacts with retail and office tenants or potential tenants (including in particular retail chains or the BPO/SSC sector),• Many years of experience in the implementation and rental of commercial projects on several local markets in Poland,• Own large leasing teams,• Cooperation with all significant brokers and rental agents,• CitySpace company in the Group which provides serviced offices and is a tenant in some buildings completed by Echo Investment, and introduces smaller companies, start-ups or companies from the shared services sector that are just starting their operations in Poland to the buildings,• Furthermore, the serviced offices allow the Company to be more flexible when providing the tenant with the target office space (the option of temporary placement of the tenant in CitySpace offices).
Risks related to sales of office and retail projects <ul style="list-style-type: none">• Strong competition on the market of finished & operating commercial projects,• High requirements of potential investors regarding the product and the seller,• Limited demand for commercial properties,• Risk of a decrease in transaction prices on the commercial real estate market as a result of growing uncertainty and the impact of macroeconomic factors.	<ul style="list-style-type: none">• Own sales team (consisting of industry, legal, tax and financial specialists),• Extensive market experience,• Extensive contacts on global real estate markets,• High quality projects that meet all the criteria required by international institutions investing in real estate assets,• Flexible and innovative approach to contracts with potential buyers,• Good reputation of the company, allowing for the early introduction of projects into the sales phase and securing sales through preliminary agreements, contracts for the right to submit the first offer ('right of first offer', ROFO), or provisions of cooperation agreements for joint venture projects,• Financial resources making it possible to maintain rented and revenue-generating assets on the balance sheet of the Echo Investment group in difficult market conditions.
Risks related to cooperation with contractors and subcontractors <ul style="list-style-type: none">• Risk of the contractor's bankruptcy,• Risk of delays in the work,• Risk of improper quality of the work provided,• Risk of increased prices of materials and workmanship,• Risk of claims and legal disputes with subcontractors.	<ul style="list-style-type: none">• Stable financial situation that makes Echo Investment an attractive and desirable client on the market,• Cooperation with a selected group of renowned contractors subcontractors and suppliers,• Examination of the financial condition and technical capabilities of the contractor or supplier before the final selection of the offer and signing of the contract,• Legal protection applied in concluded contracts for contractor services,• Permanent supervision over construction projects by project managers and directors of Echo Investment construction as well as inspectors or specialist external companies,• Echo Investment's many years of experience and low employee turnover (average seniority of c.a. 7 years),• Own team responsible for cost estimates and constant monitoring of prices and supply of materials and services on the market,• Packaging of orders making it possible to reduce offer prices using the so-called effect of the scale.

Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p>Risk of changes in estimates regarding development projects</p> <ul style="list-style-type: none"> • The scale and long time horizon of development projects and the related volatility of material prices and workmanship, • The cyclical nature of the real estate market and macroeconomic conditions affecting both the revenue and cost side of budget assumptions, • Limited project repeatability. 	<ul style="list-style-type: none"> • Internal teams of specialists for all key stages of the development process, enabling the achievement of an internal synergy effect, • Own department responsible for estimating development costs and monitoring the situation on the construction market on an ongoing basis, • Regular process of reviewing project budgets including risk analysis, • Designing based on functioning precise implementation standards for apartments and offices, allowing maximization of economies of scale and limiting the risks associated with low repeatability of implemented projects, • Mass orders, combined for several investments to ensure access to materials and equipment used massively on multiple investments, • Concluding flat-rate contracts with a fixed price guarantee.
<p>Risk of accidents at work and other hazards</p> <ul style="list-style-type: none"> • Threats to the safety of Echo employees, subcontractors' employees and bystanders, • Insufficient level of knowledge and competence of subcontractors in the field of HSE. 	<ul style="list-style-type: none"> • Own team of specialists in the field of HSE, carrying out, among others periodic inspections, audits and trainings in the field of HSE, • Applying high HS standards in accordance with ISO 45001 (H&S) and ISO 14001 (environment) confirmed by periodic external audits, • Obligation of contractors to comply with the provisions and standards of Echo in the field of HSE.

Financial risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p>The risk of changes in interest rates</p>	<ul style="list-style-type: none"> • Use of hedging instruments (fixed rates, for some loans — IRS) for selected liabilities.
<p>Credit risk</p>	<ul style="list-style-type: none"> • Applying procedures to assess the creditworthiness of customers, tenants and suppliers, • Security deposits and guarantees for tenants, • The Group uses only the services of reputable entities with regard to cash and deposits in financial institutions and banks.
<p>Currency risk</p>	<ul style="list-style-type: none"> • Natural hedging — contracting loans to finance projects in EUR, which is also the main currency for rental and sale of retail real estate in Poland, financing of housing and construction activities in Polish zlotys, which are the main currency of concluded construction contracts and sale of apartments, • Establishing a EUR-denominated bond issue program in order to better adjust the currency structure of liabilities to the currency structure of assets and to carry out the first issues, • Selective use of derivatives (forward, currency options).
<p>The risk of loss of liquidity by the Company or its Group</p> <ul style="list-style-type: none"> • Lack of access to external financing, • Disturbance of balance between receivables and liabilities, • Material cash flows disruption. 	<ul style="list-style-type: none"> • Constant monitoring of forecast and actual short- and long-term cash flows, • Keeping cash level in order to ensure proper liquidity management, • Keeping free credit limits on current accounts, • Fixed income from the sale of apartments, • Financing the implementation of projects with special-purpose credits, • Implementation of the most capital-intensive projects in partnership or cooperation with companies outside Echo Investment group, • Constant monitoring of receivables and liabilities, • Diversification of business into residential, office and retail segments that might go through different phases of the business cycle at different times, • Conducting liquidity stress tests based on various market change scenarios.

Legal and regulatory risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p>The risk related to administrative procedures</p> <ul style="list-style-type: none"> • The risk of legal changes, • Risk related to interpretations of local and country-level regulations, • Risk of delays of authorities and prolonged administrative process, • Risk of delays in administrative processes due to poor project preparation, • Risk of delays in administrative processes due to the participation of third parties. 	<ul style="list-style-type: none"> • Constant monitoring of legal changes in planning and administrative procedures, • Experience in obtaining permits from major cities in Poland, • Hiring experienced specialists in the field of planning and administrative procedures, • Detailed legal and administrative analysis before purchasing the plot, • Precise project preparation in cooperation with experienced external architectural and urban planning studios, • Conducting informational and promotional activities regarding planned projects in order to obtain public acceptance, • Running many projects at the same time spreading the risk.
<p>The risk of introduction of new legal regulations or changes to current regulations</p> <ul style="list-style-type: none"> • Risk of not complying with new regulations in a timely manner, • Change in interpretation of current regulations, • Public nature of the Company and the associated increased legal restrictions, • Increased expenditure related to legal compliance. 	<ul style="list-style-type: none"> • Constant monitoring of legislative work regarding the real estate: construction and related industries affecting the Group's operations, • Continuous analysis of the potential impact of new solutions on the company's operations at the level of the Management Board, • Participation in a social dialogue on ongoing legislative work through advisory, business and industry organizations, • Support of external law firms when specialized knowledge is needed, • Employment of capital markets specialist within the legal team, • Periodic legal compliance assessment audits, • Monitoring of legal solutions applied in developed countries (primarily the European Union and the USA).
<p>Complicated and variable tax system</p> <ul style="list-style-type: none"> • Risk of not complying with new tax regulations & changes in tax regulations, • Not consistent interpretative practice of tax authorities and case-law, • Increased tax burden and cost of ensuring tax compliance. 	<ul style="list-style-type: none"> • Internal tax control — own tax team, • Constant monitoring of the tax conditions of the Capital Group's operations, • Constant cooperation with renowned legal and tax advisors.

Macroeconomic risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p>The risk of adverse changes in the real estate market</p> <ul style="list-style-type: none"> • Cyclical nature of the real estate market, • Risk of withholding external financing. 	<ul style="list-style-type: none"> • Early leasing of the commercial projects and its fast sale after completion, • A financial potential that makes it possible to keep completed retail properties on your own balance sheet if they cannot be sold, • Sales of around 80 percent of flats in a given project at the construction stage, which provides information about the demand on the market early and allows us to respond appropriately to less advanced projects (accelerate, delay, change the size and quality of apartments), • Constant maintenance of a high level of cash and available credit limits, • Implementation of residential projects from payments made by clients, without external financing, • Adjusting the pace and schedule of project implementation to market conditions, • Projects are carried out in stages.
<p>The risk of adverse changes in business climate indicators</p> <ul style="list-style-type: none"> • Poorer economic growth, • Increase of unemployment, • Decrease of consumption, • Increase of inflation. 	<ul style="list-style-type: none"> • Designing projects tailored to financial capabilities and the demand on local markets, • Flexible response to changes in demand by e.g. changing the size or quality of apartments under construction, delay or slowdown of the construction pace, • Constant analysis of the behaviour and needs of consumers and clients.

IT risks

Risk	Method of risk management and competitive advantages of Echo Investment
Cybersecurity <ul style="list-style-type: none">• Risk related to unauthorized access to data from inside and outside the organization that may result in leakage of confidential data.	<ul style="list-style-type: none">• Functioning internal IT security standards,• Requirement of IT solution providers to meet ECHO security standards,• A functioning security system that includes continuous monitoring and detection of threats to IT systems and infrastructure,• Conducting periodic internal information campaigns in the field of cybersecurity and cyclical testing in the field of IT infrastructure and application security.

CHAPTER 2

Condensed interim
consolidated financial
statements of Echo
Investment Group as
of and for the period
ended 30 June 2023





Condensed interim consolidated statement of financial position [PLN '000]

	Note	As at 30.06.2023 (unaudited)	As at 31.12.2022
Assets			
Non-current assets			
Intangible assets		71 974	71 752
Property, plant and equipment	3	58 085	60 409
Investment property	4	1 131 844	1 094 638
Investment property under construction	5	548 997	486 625
Investment in associates and joint ventures	19	507 704	478 180
Long-term financial assets	7	329 421	326 675
Derivative financial instruments		8 665	26 251
Other assets		1 367	1 549
Deferred tax asset	22	95 319	94 494
Lands for development		21 715	21 359
		2 775 091	2 661 932
Current assets			
Inventory	8	1 691 605	1 592 885
Current tax assets		28 001	14 925
Other taxes receivable	9	46 728	81 762
Trade and other receivables	9	223 851	333 577
Short-term financial assets	7	20 073	15 327
Derivative financial instruments		10 092	366
Other financial assets *	10	118 453	88 914
Cash and cash equivalents	10	662 855	941 997
		2 801 658	3 069 753
Fixed assets (disposal group) held for sale	6	152 126	355 327
		2 953 784	3 425 080
Total assets		5 728 875	6 087 012

Condensed interim consolidated statement of financial position [PLN '000]

	Note	As at 30.06.2023 (unaudited)	As at 31.12.2022
Equity and liabilities			
Equity			
Share capital		20 635	20 635
Supplementary capital		1 047 958	1 044 798
Retained earnings		580 107	577 337
Foreign currency translation reserve		784	1 008
Equity attributable to shareholders of the parent company		1 649 484	1 643 778
Non-controlling interest		161 325	162 534
		1 810 809	1 806 312
Long-term liabilities			
Credits, loans, bonds	12	1 691 229	1 609 032
Long-term provisions	11	5 827	5 356
Deferred tax liabilities	22	124 126	140 651
Leasing	13, 21	153 174	138 837
Other liabilities	13	70 701	68 200
		2 045 057	1 962 076
Short-term liabilities			
Credits, loans, bonds	12	615 658	667 980
Credits, loans, bonds - non-current assets classified as held for sale	12	19 698	142 494
Acquisition of shares	13a	-	51 478
Income tax payable		5 830	31 174
Other taxes liabilities	13	12 285	147 176
Trade payable	13	129 250	142 867
Dividend payable	13	10 999	90 792
Leasing	13, 21	94 023	96 389
Short-term provisions	11	27 911	51 238
Other liabilities	13	262 583	293 775
Liabilities due to customers	14	693 855	558 252
		1 872 092	2 273 615
Liabilities directly associated with non-current assets classified as held for sale	6	917	45 009
		1 873 009	2 318 624
Total equity and liabilities		5 728 875	6 087 012
Equity attributable to equity holders of the parent entity [PLN '000]		1 649 484	1 643 778
Number of shares (thousands)		412 691	412 691
Book value per share (PLN)		4,00	3,98

Condensed interim consolidated profit and loss account [PLN '000]

	Note	1.01.2023 - 30.06.2023 (unaudited)	1.01.2022 - 30.06.2022 (unaudited)	1.04.2023 - 30.06.2023 (unaudited)	1.04.2022 - 30.06.2022 (unaudited)
Revenues	14,18	456 986	598 140	246 893	314 504
Cost of sales	18	(304 699)	(385 547)	(165 883)	(199 046)
Gross profit		152 287	212 593	81 010	115 458
Profit on investment property	15	(24 364)	47 438	(25 207)	(13 733)
Administrative costs associated with project implementation		(26 026)	(34 380)	(13 118)	(19 357)
Selling expenses		(22 143)	(22 558)	(11 166)	(11 531)
General and administrative expenses		(49 280)	(42 194)	(24 670)	(16 603)
Other operating income, including:		11 844	10 582	4 131	4 450
Other operating expenses		(10 262)	(12 160)	(4 224)	(7 830)
Operating profit		32 056	159 320	6 756	50 854
Financial income	16	17 749	38 688	9 423	26 102
Financial cost	17	(96 234)	(82 186)	(49 816)	(42 207)
Profit (loss) on FX derivatives		403	(1 890)	279	(1 561)
Foreign exchange gains (losses)		47 125	(22 870)	44 131	(10 173)
Share of profit (loss) of associates and joint ventures	19	36 184	12 930	5 667	8 048
Profit before tax		37 283	103 992	16 440	31 063
Income tax	23	(18 380)	(30 071)	(12 147)	(18 449)
- current tax		(37 084)	(53 418)	(5 128)	(39 514)
- deferred tax	22	18 704	23 347	(7 019)	21 065
Net profit (loss), including:		18 903	73 921	4 293	12 614
Equity holders of the parent		9 113	61 878	(2 420)	10 436
Non-controlling interest		9 790	12 043	6 713	2 178
Equity holders of the parent		9 113	61 878	(2 420)	10 436
Weighted average number of ordinary shares (in '000) without shares held		412 691	412 691	412 691	412 691
Profit (loss) per one ordinary share (in PLN)		0,02	0,15	(0,01)	0,03
Diluted profit (loss) per one ordinary share (PLN)		0,02	0,15	(0,01)	0,03

Consolidated statement of comprehensive income [PLN '000]

	1.01.2023 - 30.06.2023 (unaudited)	1.01.2022 - 30.06.2022 (unaudited)	1.04.2023 - 30.06.2023 (unaudited)	1.04.2022 - 30.06.2022 (unaudited)
Profit for the year	18 903	73 921	4 293	12 614
Components of other comprehensive income that may be reclassified to profit or loss in later periods				
- exchange differences on translation of foreign operations	(224)	71	(212)	25
- the impact of the fair value measurement of the right of use in connection with the discontinuation of the occupation of the property and the reclassification of the right of use to the investment property (including the tax impact)	733		733	-
Other comprehensive income for the year, net of tax	509	71	521	25
Total comprehensive income for the year, including:	19 412	73 992	4 814	12 639
Comprehensive income attributable to shareholders of the parent company	9 622	61 949	(1 899)	10 461
Comprehensive income attributable to non-controlling interest	9 790	12 043	6 713	2 178

Condensed interim statement of changes in consolidated equity [PLN '000]

	Share capital	Supplementary capital	Accumulated retained earnings	Exchanged differences from conversion	Equity attributable to equity holders of the parent	Non-controlling share	Total equity
For the period 1.01.2023 - 31.12.2023							
Opening balance	20 635	1 044 798	577 337	1 008	1 643 778	162 534	1 806 312
Net profit (loss) for the period	-	-	9 113	-	9 113	9 790	18 903
Other comprehensive income	-	-	733	(224)	509	-	509
Total net income for the period	-	-	9 846	(224)	9 622	9 790	19 412
Transactions with non-controlling shareholders	-	-	(3 916)	-	(3 916)	-	(3 916)
Dividend approved for payment	-	-	-	-	-	(10 999)	(10 999)
Dividend paid	-	-	-	-	-	-	-
Transactions with owners	-	-	(3 916)	-	(3 916)	(10 999)	(14 915)
Distribution of previous years' profit/loss	-	3 160	(3 160)	-	-	-	-
Closing balance	20 635	1 047 958	580 107	784	1 649 484	161 325	1 810 809
For the period 1.01.2022 - 31.12.2022							
Opening balance	20 635	1 158 524	499 517	934	1 679 610	183 927	1 863 537
Net profit (loss) for the period	-	-	61 878	-	61 878	12 043	73 921
Other comprehensive income	-	-	-	71	71	-	71
Total net income for the period	-	-	61 878	71	61 949	12 043	73 992
Taking control over subsidiaries	-	-	-	-	-	-	-
Dividend approved for payment	-	(90 792)	-	-	(90 792)	-	(90 792)
Transactions with owners	-	(90 792)	-	-	(90 792)	-	(90 792)
Distribution of previous years' profit/loss	-	13 842	(13 842)	-	-	-	-
Closing balance	20 635	1 081 574	547 553	1 005	1 650 767	195 970	1 846 737

Condensed interim standalone cash flows statement [PLN '000]

	1.01.2023 - 30.06.2023 (unaudited)	1.01.2022 - 30.06.2022 (unaudited)
A. Operating cash flow – indirect method		
I. Profit before tax	37 283	103 992
II. Total adjustments		
Share in (profit) net losses of entities accounted for using the equity method	(36 184)	(12 930)
Depreciation of fixed assets and intangible assets	7 311	7 646
Profit (loss) on currency exchange rate	(48 555)	17 855
Interest and profit sharing (dividends)	80 517	48 391
Profit on investment property	24 365	(47 438)
Profit / (loss) from the investment activity	749	112
Change in provision	(23 338)	83 021
(Profit) loss on realization of financial instruments	(403)	136
	4 462	96 793
III. Changes in working capital		
Change in inventories	(97 952)	13 675
Change in receivables	127 770	(134 530)
Change in short-term liabilities, except for loans and borrowings	(118 635)	18 265
Change in cash on escrow account	(29 540)	(118 762)
	(118 357)	(221 352)
IV. Net cash generated from operating activities (I+/-II+/-III)		
	(76 612)	(20 567)
Income tax paid	(75 499)	(31 853)
V. Cash flow from operating activities		
	(152 111)	(52 420)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	126	60
Disposal of investments in property	114 233	784 870
From borrowings	-	29 120
Cash and cash equivalents in acquired entities	562	-
Withdrawal of contributions to joint ventures	-	32 548
	114 921	846 598
II. Outflow		
Purchase of intangible assets and tangible fixed assets	(1 591)	(4 706)
Investment in property	(102 852)	(262 289)
For borrowings	(4 413)	(2 850)
Increasing capital in joint ventures	-	(108 653)
	(108 856)	(378 498)
III. Net cash flow from investing activities (I+II)		
	6 065	468 100

Condensed interim standalone cash flows statement [PLN '000]

	1.01.2023 - 30.06.2023 (unaudited)	1.01.2022 - 30.06.2022 (unaudited)
C. Cash flow from financing activities		
I. Inflows		
Loans and borrowings	27 888	82 113
Issue of debt securities	201 402	249 277
Other financial inflows	-	370
	229 290	331 760
II. Outflows		
Dividends and other payments to owners	(90 792)	-
Repayment of loans and borrowings	(10 621)	(47 100)
Redemption of debt securities	(156 510)	(159 910)
Payments of leasing liabilities	(21 754)	(17 401)
Interest paid	(82 709)	(50 964)
	(362 386)	(275 375)
III. Net cash flow from financing activities (I+II)	(133 096)	56 385
D. Total net cash flows (A.V +/- B.III +/- C.III)	(279 142)	472 065
E. Change in cash in the consolidated statement of financial position, including:	(279 142)	472 065
- change in cash due to exchange rate differences	-	-
F. Cash and cash equivalents at the beginning of the period	941 997	588 680
G. Cash and cash equivalents at the end of the period (D+F)	662 855	1 060 745

Explanatory note



NOTE 1

Off-balance sheet liabilities [PLN '000]

	30.06.2023	31.12.2022
Contingent liabilities for other parties:		
- due to guarantees and sureties granted	70 183	71 932
- due to court proceedings	18 099	17 627
Total	88 282	89 559

Changes in surety agreements issued by Echo Investment Group in H1 2023 [PLN '000]

Change	Issuer	Entity receiving the surety	Beneficiary	Value	Validity	Description
Expiry	Echo Investment S.A.	Pimech Invest Sp. z o.o.	Miasto Stołeczne Warszawa	1 230	30.03.2023	Surety for proper performance of the liabilities arising from the road construction agreement.

List of mortgages on Echo Investment Group's inventories

Company	Real estate	Assets value [PLN ,000]	Mortgage value		For	Comment
			[EUR '000]	[PLN ,000]		
Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp. k.	Katowice, ul. Kościuszki	566 789	50 675	33 000	Santander Bank Polska S.A.	due to the financing of the Libero shopping center in Katowice
				9 000		
			50 675	20 850	BNP Paribas Bank Polska S.A.	
				9 000		
Echo - Arena Sp. z o.o.	Kraków, Al. Pokoju / ul. Fabryczna	373 895	131 120	119 100	Bank PKO BP S.A. oraz Pekao S.A.	due to the financing of the Brain Park I and II in Cracow
				18 000		
Fianar Investments Sp. z o.o.	Kraków, ul. Kapelanka	138 218	31 005		Topaz Jewel Sp. z o.o.	security of pecuniary receivable debts in connection with the real estate purchase transaction in Cracow at Kapelanka street
			5 704		Pearl Jewel Sp. z o.o.	security of pecuniary receivable debts due the real estate purchase transaction in Poznań and Łódź
			5 070			
Archicom Nieruchomości 14 Sp. z o.o.	Wrocław / City Forum 2	152 126	35 200	8 000	Bank Pekao S.A.	due to the financing of the City Forum 2 project
				24 000		
Projekt 140 — Grupa Echo Sp. z o.o. Sp.k.	Katowice, ul. Skargi	11 000	120 000*		Bank Pekao S.A.	due to the credit concluded by PE 129 Sp. z o.o.
GRO Nieruchomości Sp. z o.o.	Kraków, ul. Żelazna / ul. Kątowna	14 325				
Projekt 139 - Grupa Echo Sp. z o.o. Sp.k.	Wrocław, ul. Swobodna	44 000				
Villea Investments Sp. z o.o.	Kraków, ul. Wita Stwosza	49 972				
Total		1 350 325				

* The mortgage of this value applies to both investment properties and inventories as a whole, these amounts should not be considered individually.

List of mortgages on the inventories of Echo Investment Group's inventories

Company	Real estate	Assets value [PLN ,000]	Mortgage value		For	Comment
			[EUR '000]	[PLN ,000]		
Archicom Nieruchomości 9 Sp. z o.o.	Wrocław, ul. Góralska (etap 2)	9 148		3 000	mBank S.A.	due to the financing of ongoing operations of Archicom Sp. z o.o. Realizacja Inwestycji Sp.k.
Archicom Nieruchomości JN1 Sp. z o.o.	Wrocław, Browary Wrocławskiej (bud. BA2, BA3), al. Jedności Narodowej	63 288		120 000	Bank PKO BP S.A.	due to the bank overdraft facility granted to Archicom S.A.
Archicom Residential Sp. z o.o.	Wrocław, Kępa Mieszczkańska (bud. KM4), ul. Dmowskiego	41 522				
Projekt Echo - 143 Sp. z o.o.	Warszawa, al. KEN	88 035	120 000*		Bank Pekao S.A.	due to the loan concluded by PE 129 Sp. z o.o.
Total		201 993				

* The mortgage of this value applies to both investment properties and inventories as a whole, these amounts should not be considered individually.

NOTE 3

Changes in PP&E — by types [PLN '000]

1.01.2023 - 30.06.2023	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other PP&E	Right-of-use asset	Total PP&E
Gross value of PP&E at the beginning of the period after corrections	200	8 240	6 196	2 183	16 756	63 063	96 638
- purchase	-	273	412	-	220	3 034	3 939
- leasing MSSF 16	-	-	-	-	-	9 790	9 790
- sale	-	(1 450)	(95)	(71)	(28)	(11 068)	(12 712)
- liquidation	-	-	-	(342)	-	-	(342)
- other	-	7	(11)	(1)	(251)	-	(256)
Gross PP&E at the end of the period	200	7 070	6 502	1 769	16 697	64 819	97 057
Accumulated depreciation at the beginning of the period	(11)	(1 641)	(4 947)	(1 651)	(8 968)	(19 011)	(36 229)
- depreciation	-	(140)	(309)	(28)	(1 081)	-	(1 558)
- leasing MSSF 16 - depreciation	-	-	-	-	-	(4 891)	(4 891)
- leasing MSSF 16 - claiming the lease agreement	-	-	-	-	-	159	159
- correction due to sale	-	387	65	186	17	2 892	3 547
Accumulated depreciation at the end of the period	(11)	(1 394)	(5 191)	(1 493)	(10 032)	(20 851)	(38 972)
Net value of PP&E at the end of the period	189	5 676	1 311	276	6 665	43 968	58 085

Changes in PP&E — by types [PLN '000]

1.01.2022 - 31.12.2022	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other PP&E	Right-of-use asset	Total PP&E
Gross value of PP&E at the beginning of the period after corrections	200	6 410	7 376	2 157	15 463	60 953	92 559
- purchase	-	2 236	637	58	3 883	-	6 814
- leasing MSSF 16	-	-	-	-	-	5 545	5 545
- sale	-	-	(164)	(32)	(417)	-	(613)
- liquidation	-	(406)	(1 653)	-	(2 173)	-	(4 232)
- other	-	-	-	-	-	(3 435)	(3 435)
Gross PP&E at the end of the period	200	8 240	6 196	2 183	16 756	63 063	96 638
Accumulated depreciation at the beginning of the period	(10)	(1 053)	(5 391)	(1 955)	(6 863)	(13 026)	(28 298)
- depreciation	(1)	(649)	(1 133)	(64)	(2 481)	-	(4 328)
- liquidation	-	61	1 435	-	465	-	1 961
- leasing MSSF 16 - depreciation	-	-	-	-	-	(9 109)	(9 109)
- leasing MSSF 16 - claiming the lease agreement	-	-	-	-	-	3 124	3 124
- correction due to sale	-	-	142	368	(89)	-	421
Accumulated depreciation at the end of the period	(11)	(1 641)	(4 947)	(1 651)	(8 968)	(19 011)	(36 229)
Net value of PP&E at the end of the period	189	6 599	1 249	532	7 788	44 052	60 409

NOTE 4

Changes in investment property [PLN '000]

	Offices	Centers	Land	Right-of-use asset	Total
Value at 1.01.2022	114 584	666 930	12 214	49 848	843 576
- purchase	-	-	-	44 808	44 808
- expenditure on investments	11 599	3 877	1	-	15 478
#NAZWA?	9 032	(44 826)	499	(18 169)	(53 464)
- taking from investment properties	364 713	-	-	7 629	372 342
- taking to assets held for sale	(126 702)	-	(1 400)	-	(128 102)
Value at 31.12.2022	373 226	625 981	11 314	84 116	1 094 638
- purchase	-	-	-	28 432	28 432
- expenditure on investments	38 344	338	-	-	38 682
- revaluation of property - profit/loss on fair value measurement (Note 15)	(13 530)	(28 841)	-	3 091	(39 280)
- taking from investment properties	-	-	-	9 372	9 372
Value at 30.06.2023	398 040	597 478	11 314	125 012	1 131 844

The Group measures investment properties at fair value at the end of each reporting period. Measurements of investment properties were carried out by the internal analysis department with the exception of two property valued by an external valuation expert in the amount of PLN 10,869 thousand.

The value of the property state as of 30 June 2023 consists mainly of the following properties: the Libero shopping center in Katowice, the React I office building in Łódź, and the Brain Park I office building in Cracow. At the same time, the value of investment properties includes the value of perpetual usufruct of land, which as of 30 June 2023 amounts to PLN 114,735 thousand (as of 31 December 2022 amounts to PLN 84 116 thousand).

In the reporting period, in connection with the change of the registered office of Archicom S.A., the leased office space occupied by the Company, previously presented in property, plant and equipment, to investment property. Along with the reclassification, in accordance with the Group's accounting policy, the fair value of the property was estimated and the impact of the estimate was recognised in other comprehensive income in accordance with para. 62 of IAS 40.

In the fair value hierarchy for investment properties, the Group assigned level 3, except for two investment properties assigned to level 2 in the amount of PLN 10,869 thousand. For details, see the Section O6 "Material estimates and judgments of the Management Board of the Group".

NOTE 5

Changes in investment property under construction [PLN '000]

	Offices	Centers	Land	Right-of-use asset	Total
Value at 1.01.2022	617 191	109 953	-	14 517	741 663
- purchase	-	-	-	3 753	3 753
- expenditure on investments	178 690	23 917	-	-	202 607
- changes in real estate valuation - profit/loss from valuation to fair value	25 087	-	-	(54)	25 033
- taking to inventories	(25 311)	(87 750)	-	-	(113 061)
- movement to fixed assets	(1 028)	-	-	-	(1 028)
- movement to investment properties	(364 713)	-	-	(7 629)	(372 342)
Value at 31.12.2022	429 916	46 120	-	10 587	486 625
- purchase	-	-	-	619	619
- expenditure on investments	53 900	8 218	-	-	62 118
- changes in property valuation - gain/loss on fair value measurement (Note 15)	(497)	-	-	133	(364)
Value at 30.06.2023	483 319	54 338	-	11 340	548 997

The Group measures investment properties under construction that meet the criteria to be measured at fair value, in accordance with the Group's accounting policy, at fair value at the end of each reporting period. Investment properties under construction were valued by the internal analysis department.

The expenditures incurred for completing the investments concerned investment projects located in Cracow, Katowice, Łódź and Wrocław.

The Group revalued the fair value of the Brain Park I office building in Cracow in the amount of PLN (-) 364 thousand.

In the statements as at 30 June 2023, the Group presented investment properties under construction with a total value of PLN 548,997 thousand. The closing balance of the reporting period consisted primarily of the office

buildings Brain Park in Krakow phase II, React II in Łódź, office buildings West4 Business Hub II i III in Wrocław, office buildings Swobodna in Wrocław, office building Falcon in Katowicach.. The value of investment properties under construction included the right of perpetual usufruct of land in the amount of PLN 11 340 thousand (31 December in the amount of PLN 10 587 thousand).

The value of liabilities for the purchase, construction, adaptation and improvement of investment properties under construction as at 30 June 2023 amounted to PLN 21, 533 thousand (31 December 2022 amounted to PLN 26,025 thousand).

In the fair value hierarchy for investment properties under construction, the Group has assigned level 3. Details are presented in the chapter 03 Material estimates and judgments of the Management Board of the Group.

NOTE 6

Change in assets held for sale [PLN '000]

	Offices	Centers	Land	Right-of-use asset	Total
Value at 1.01.2022	1 315 058	-	63 879	2 514	1 381 451
- investment properties taking	126 702	-	1 400	-	128 102
- revaluation of property - profit/loss on fair value measurement (Note 21)	40 894	-	16 200	(1)	57 093
- expenditure on investments	45 989	-	1 084	-	47 073
- sale	(1 182 687)	-	(81 163)	(2 183)	(1 266 033)
- movement from other assets	7 641	-	-	-	7 641
Value at 31.12.2022	353 597	-	1 400	330	355 327
- revaluation of property - profit/loss on fair value measurement (Note 21)	3 508	-	-	-	3 508
- expenditure on investments	4 336	-	-	-	4 336
- sale	(209 316)	-	(1 400)	(330)	(211 046)
Value at 30.06.2023	152 126	-	-	-	152 126

The Group values investment properties representing assets held for sale at fair value at the end of each reporting period. Valuations of assets held for sale were performed by the internal analysis department.

The decrease in assets held for sale results from the sale of:

- the office building Moje Miejsce II in Warsaw with a value of PLN 173,714 thous. and,
- the land property at Nowomiejska Street in Gdańsk with a value of PLN 35,932 thous.
- the investment property in Gajków with a value of PLN 1,400 thous.

Details regarding property sales transactions in H1 2023 are described in note 20.

In the statements as at 30 June 2023, the Group presented assets held for sale with a total value of PLN 152,126 thous. The closing balance of the reporting period included the office building City 2 in Wrocław.

In the current reporting period, additional expenditures were incurred on fit-out works for tenants of the investment property at Traugutta Street (the City 2 building) in the amount of PLN 4,226 thous. and the asset was revalued to fair value, decreasing the value of the item by PLN 238 thous. The sale of the project is still actively carried out and, in the opinion of the Management Board, its finalisation is highly probable within 12 months from the balance sheet date, a change in the sale plan is unlikely and the asset is available for immediate sale and offered at a price reasonable in relation to fair value, therefore the criteria required by IFRS5 are met and the classification in this balance sheet item is justified.

The investment property in Gajków with a fair value of PLN 1,400 thous. was sold for a price corresponding to its fair value and carrying value.

In the fair value hierarchy for investment properties classified as held for sale, the Group has assigned a level 3. Details are presented in chapter 03 "Material estimates and judgements of the Group's Management Board".

Liabilities associated to assets held for sale [PLN '000]

	30.06.2023	31.12.2022
Leasing liabilities (Note 21)	-	329
Received deposits (Note 13)	917	2 722
Received advances (Note 14)	-	41 835
Other (Note 13)	-	123
Total	917	45 009

In the consolidated statements of financial position, the item "obligations relating to assets held for sale" pre-

sents obligations relating to the office building City2 in Wrocław.

NOTE 7

Financial assets [PLN '000]

	30.06.2023	31.12.2022
Long-term loans granted (with interests)	325 570	319 236
Short-term loans granted (with interests)	20 073	15 327
Long-term sureties	3 850	7 352
Long-term prepayments	1	87
Assets at the end of the period	349 494	342 002
- long-term	329 421	326 675
- short-term	20 073	15 327

Loans were granted to legal entities in zlotys, with an interest rate of WIBOR + a margin or a fixed interest rate, and in euros - with a fixed interest rate. As at the balance sheet date, loans totalling PLN 327,742 thous. (after translating into zlotys) were granted to entities accounted for using the equity method: Galeria Młociny, Towarowa 22 and Resi4Rent, to be repaid between 2024 and 2031. The carrying amount of loans granted to other entities amounts to PLN 17,901 thous., to be repaid between 2023 and 2024.

The maximum credit risk associated with the loans is equal to their carrying value, but the Management Board takes into account that the borrowers are special purpose

vehicles operating a real estate project, which is a source of potential recoveries. The Group's Management Board actively monitors debtors and assesses their ability to meet their loan commitments. In particular, this is done for loans granted to related parties, through which the Group is able to assess and identify loans where there is a significant increase in the credit risk. The Group's Management Board has not identified any such loans. The Management Board has also assessed the loans in terms of creating an allowance for expected credit losses and has assessed such an allowance as immaterial. The estimated fair value of the loans granted is approximately equal to their carrying value.

Inventory [PLN '000]

	30.06.2023	31.12.2022
Semi-finished products and work-in-progress	1 567 159	1 512 267
— asset on perpetual usufruct	52 366	57 102
Finished products	102 538	58 865
Goods	1 224	1 146
Lands for development	20 684	20 607
Total Inventory	1 691 605	1 592 885

The “finished products” item includes mainly residential and commercial premises sold under final contracts.

The “semi-finished products and work in progress” item includes mainly real estate owned by the Group and expenditure on housing projects in preparation and implementation (eg. design services, construction works, etc. provided by external companies). Additionally, this item shows the right to use land (perpetual usufruct). The remaining value of the item relates to the expenditure incurred on the services of finishing the premises (fit-out). Due to the specific nature of the business, the purchased land, prepared for development, is presented as work in progress, and the newly purchased land as land.

The ‘goods’ item includes land earmarked for sale.

Inventories are valued according to the cost of production or purchase, but not higher than the obtainable net sales value. This value is obtained according to the current market prices obtained from the development market. The reversal of an inventory write-down occurs either in connection with the sale of an inventory or in connection with an increase in the net selling price. The amounts of write-offs of the value of inventories recognized as an expense in the period and the amounts of the reversal of write-downs of values decreasing the value of inventories recognized as income in the period are presented in the profit and loss account under “cost of sale”.

The Group’s Management Board reviewed the projects as at the balance sheet date and analyzed their operat-

ing cycle. In 2022 the Management Board has identified projects that go beyond the Group’s standard operating cycle and decided to present them in the consolidated statement of financial position as long-term assets, under the heading “Land for development”. In H1 2023, the Group’s Management Board did not identify any projects that go beyond the standard operating cycle.

In accordance with IAS 23, the Group activates the portion of financial costs directly related to the acquisition and production of assets presented as inventories. The amount of financial expenses determined using the effective interest rate reduced by the income from the temporary placement of cash (i.e. the interest on bank deposits, except for deposits resulting from blockades of accounts or letters of credit) in the case of targeted financing contracted for a given construction project. In the case of leasing, interest costs on the leasing obligation related to a specific project are capitalized in the project cost (targeted financing). In the case of general financing, the overall financing costs subject to capitalization are determined by applying the capitalization rate to the expenditure incurred for a given asset.

The capitalised amount of borrowing costs for inventories amounted to PLN 8,488 thous. in H1 2023 (a capitalisation rate of 5.3 percent), while in H1 2022 it amounted to - PLN 3,919 thous. (a capitalisation rate of 1.88 percent).

The value of inventories as at 30 June 2023 amounts to PLN 1,691 605 thous., including PLN 704,553 thous. to be sold within 12 months.

Inventories — impact on profit/loss [PLN ‘000]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Amount of inventories recognised as an expense in the period	(231 292)	(301 814)
Impairment losses on inventories recognised in the period as cost	(14)	(750)
Reversal of impairment losses which decreases the value of inventories recognised in the period as income	92	457

Inventory write-downs and reversals relate to residential projects and are intended to write down the value to the level of the realisable price.

The value of inventory recognised as revenue/expense in the period is included in the profit and loss account in the line “cost of sales”.

The change in the inventory write-down up to 30 June 2023 amounted to PLN 78 thous. (30 June 2022 (-) PLN 293 thous.).

The reversal of impairment losses in H1 2023 mainly related to residential projects located in Poznań and Warsaw due to completed sales.

NOTE 9

Short-term receivables [PLN '000]

	30.06.2023	31.12.2022
Trade receivables		
- up to 12 months	58 766	70 364
Total trade receivables	58 766	70 364
Asset on perpetual usufruct	1 049	117
Accruals - insurance	4 704	2 687
Advances - other	6 074	4 798
Real estate tax	3 872	-
Other receivables	6 018	10 510
Total non-financial assets	21 717	18 112
Receivables due to sale of subsidiaries	-	57 520
Receivables due to sales of Browary GH	-	21 295
Deposits paid	7 181	3 614
Advances for other deliveries	23 732	45 063
Advances for the purchase of land	112 455	117 609
Total financial assets	143 368	245 101
Receivables due to VAT tax	45 340	80 079
Receivables due to other taxes	1 388	1 683
Total receivables due to taxes	46 728	81 762
Total net short-term receivables	270 579	415 339
- impairment losses on receivables - trade receivables	12 466	12 482
Total gross-short-term receivables	283 045	427 821

Receivables on account of deliveries and services result from provided development services, fit-out services, rental of commercial and residential space, and other.

The amount of advance payments for the purchase of land is related to the planned housing project Towarowa 22.

The Group reviews its counterparties' standing and ability to pay on an ongoing basis. There is no significant

concentration of risk in relation to any of the Echo Investment Group's clients.

The maximum value of credit risk related to trade receivables does not significantly differ from the carrying amount. The estimated fair value of trade receivables is the current value of future expected discounted cash flows and does not deviate significantly from the balance sheet value of these receivables.

NOTE 10

Cash and its equivalents [PLN '000]

	30.06.2023	31.12.2022
Cash in hand and at bank	662 855	941 997
Total cash	662 855	941 997

The Group keeps surplus cash in the following banks: PKO BP S.A., Pekao S.A., Alior Bank Polska S.A. mBank S.A. and Bank Millennium S.A.

The maximum credit risk of cash is equal to its carrying amount.

In addition, the Group has procedures that allow to assess the creditworthiness of clients and tenants and, in case of tenants, security measures in the form of deposits and guarantees are also used.

There is no significant concentration of risk in relation to any of Echo Investment Group's clients. In the case of cash and deposits in financial institutions and banks, as well as deposits of residential clients in escrow accounts presented as other financial assets, the Group transacts business with well recognized entities. With regard to the categories mentioned, there is a concentration risk due to the fact that approximately 60 percent of the funds are held with PKO BP S.A.

Other financial assets [PLN '000]

	30.06.2023	31.12.2022
Restricted cash:		
- proceeds from residential customers on escrow accounts released by the bank in the course of the progress of investment	95 388	55 427
- securing the refund of security deposit	11 665	22 294
- securing the repayment of interest and principal instalments	11 400	11 193
Total other monetary assets	118 453	88 914

NOTE 11

Change in provisions [PLN '000]

	30.06.2023	31.12.2022
Opening balance		
- provisions on expected costs of general administrative	12 876	7 573
- provision for estimated penalties	13 738	15 182
- provision for estimated costs of warranty repairs, etc.	7 994	8 137
- provision for court cases	8 324	9 092
- provision for other cost	13 662	19 927
	56 594	59 911
Increases due to		
- provisions on expected costs of general administrative	2 138	14 220
- provision for estimated penalties	4 217	127
- provision for estimated costs of warranty repairs, etc.	4 571	3 577
- provision for court cases	552	3 438
- provision for other cost	-	38 185
	11 478	59 547
Utilization due to		
- incurred costs of general administrative	(10 463)	(8 917)
- incurred penalties	(6 019)	(1 571)
- incurred of warranty repairs, renovations, etc.	(4 070)	(3 720)
- provision for court cases	(675)	(4 206)
- provision for other cost	(13 107)	(44 450)
	(34 334)	(62 864)
Closing balance		
- provisions on expected costs of general administrative	4 551	12 876
- provision for estimated penalties	11 936	13 738
- provision for estimated costs of warranty repairs, etc.	8 495	7 994
- provision for court cases	8 201	8 324
- provision for other cost	555	13 662
	33 738	56 594
including:		
- long-term provisions	5 827	5 356
- short-term provisions	27 911	51 238

Realisation dates for provisions for penalties, warranty costs and litigation are difficult to estimate, with a high probability of realisation within 12 months of the balance sheet date.

The provision for penalties includes the value of penalties that may be charged to the Group under its contracts, with a probability of being charged greater than 50 per cent.

The provision for anticipated warranty repair costs includes the value of repairs or compensation relating to premises and projects sold.

The amounts of the provisions have been estimated based on the best knowledge of the Group's Management Board and on experience.

Credit, loans and bonds [PLN '000]

	30.06.2023	31.12.2022
Loans and borrowings	711 579	722 880
Credits, loans, - non-current assets classified as held for sale	19 698	126 429
Debt securities	1 580 191	1 539 109
Debt securities - non-current assets classified as held for sale	-	15 382
Profit share liabilities	15 116	15 706
Total liabilities due to loans, borrowings and bonds	2 326 584	2 419 506
- of which long-term portion	1 691 229	1 609 032
- of which short-term portion	635 355	810 474

“In the consolidated statements of financial position, the item loans, borrowings and bonds financing properties held for sale presents obligations (bank loans, bonds, loans, profit share) related to projects held for sale and presented in the line assets held for sale. These obligations will not be transferred to the buyer of the assets but will be repaid by the Echo Investment Group from the proceeds arising from the sale of assets, whereas they are not shown as “obligations relating to assets held for sale””.

As at the balance sheet date, this item includes the obligations financing the City2 project in Wrocław.”

“In the item loans and borrowings, the Group presents its special-purpose loans and used credit lines in current accounts. Loan agreements for project financing are secured primarily by real estate mortgages, assignments of receivables from concluded lease agreements, construction contracts, policies, and registered and financial pledges on shares, accounts and a collection of property and rights of subsidiaries. The interest rate on loans denominated in euro is based on the EURIBOR rate plus a margin.

Current and working lines of credit (with a value of PLN 148,175 thous.) are secured by declarations of submission to enforcement and powers of attorney to bank accounts. The interest rate on the loans is based on the WIBOR rate plus the bank’s margin.

According to the best information and figures of the Management Boards of the Group companies, during the financial year, as at the balance sheet date and up to the date of signing the financial statements, there was no breach of the terms of the loan agreements and the agreed levels of collateral.

In the item debt securities, the Group presents issued bonds. The interest rate on the bonds is based on WIBOR

plus a margin. The Group has also issued bonds in zlotys based on a fixed rate as well as bonds in euros which have a fixed interest rate.

The fair value of loans and advances payable does not differ materially from their carrying value. For listed bonds, their fair value was determined on the basis of listed prices at the balance sheet date, while for unlisted bonds their fair value was determined using the income method based on cash flows discounted at the current market interest rate. The discount rate (averaged over all valuations) amounted in H1 2023 to 10.46 percent. Fair value measurements for listed bonds were classified as Level 1 and for unlisted bonds as Level 2 in the fair value hierarchy of the accounting standards.

For details on loans and bonds, please refer to section O1 of the Management Board Report Financial Liabilities of the Company and its Group.

The profit share is a share in the profit of the minority investor. It is the result of agreements entered into whereby the investor is obliged to pay the capital representing a share in the investment. The capital is contributed to the project entities in the form of a loan or an issue of participation bonds. When the project is sold, the capital is returned to the investor together with the profit share due (calculated as a sales price - costs). Profit share obligations are estimated for projects valued using the income method in proportion to the released result on the property. Hence, the first profit share obligation is created with the first valuation of the project at fair value.

The profit-sharing obligations were divided according to their maturity from the balance sheet date, i.e.: long-term, amounting to: PLN 14,276 thous. (PLN 14,820 thous. as at 31 December 2022) and short-term, amounting to: PLN 840 thous. (PLN 886 thous. as at 31 December 2022).

Below is a summary of the fair and carrying amounts of debt securities:

Debt financial instruments [PLN '000]

	30.06.2023	31.12.2022
Carrying value	2 175 594	1 526 072
Fair value	2 174 168	1 597 555

NOTE 13

Trade and other liabilities [PLN '000]

	30.06.2023	31.12.2022
Trade payables maturing:		
- up to 12 months	129 250	142 867
Total	129 250	142 867
Leasing liabilities		
Long-term	153 174	138 837
Short-term	94 023	96 389
Liabilities related to assets held for sale (note 6)	-	329
Total	247 197	235 555
Other liabilities:		
Liabilities due to purchases of land	-	49 951
Security deposits from contractors and deposits received	98 974	92 518
Security deposits from contractors, tenants and advances received - liabilities related to assets held for sale (note 6)	-	2 722
Payments on escrow account from clients purchasing apartments	95 388	55 427
Liabilities to secure income for rent-free or reduced-rent periods (master lease)	46 117	51 899
Liabilities under contracts with customers regarding fit-out works	32 687	46 760
Liabilities under contracts with customers regarding investment projects	21 491	16 494
Accruals - expenditure on real estate projects to be incurred in connection with concluded contracts	13 199	19 832
Accruals - bonuses for the Management Board and employees	15 601	21 906
Accruals - other	3 625	3 084
Other liabilities	6 203	3196
Other liabilities - liabilities related to assets held for sale (note 6)	-	123
Total, including:	333 287	363 912
Liabilities relating to assets held for sale	917	2 845
Dividend liabilities		
Dividend liabilities	10 999	90 792
Total	10 999	90 792
Liabilities due to VAT	3 019	143 519
Liabilities due to other taxes	9 266	3 657
Total	12 285	147 176
Total trade and others liabilities	733 018	980 302

The fair value of trade and other obligations is not materially different from their carrying amount.

The dividend obligation at 31 December 2022 related to Echo Investment S.A. in the amount of PLN 90,792 thous. and was paid on 2 February 2023. The dividend obliga-

tion as at 30 June 2023 related to Archicom S.A. in the amount of PLN 10,999 thous.

The value of revenue security obligations for rent-free or reduced-rent periods (master lease) is estimated on the basis of the property rental plan by the office leasing

department. This plan is updated each quarter and adjusted to current market conditions both as regards rental periods and rental rates.

As at 30 June 2023, revenue security obligations for rent-free or reduced-rent periods (master lease) related to projects: Face2Face, Moje Miejsce I, MidPoint, West 4 HUB I, Fuzja CD, Browary GH, J (in 2022 Face2Face, Sagittarius, Moje Miejsce I, MidPoint, West 4 HUB I, Fuzja CDJ, Browary GH, J). The Group provides a security of revenues

for rent-free periods (master lease) up to a maximum of 2031 (in 2022 up to a maximum of 2031).

The revenue security obligations for rent-free or reduced-rent periods (master lease) were divided according to their maturity from the balance sheet date, i.e. long-term in the amount of PLN 23,444 thous. (PLN 26,946 thous. as at 31 December 2022), short-term in the amount of PLN 22,673 thous. (PLN 24,952 thous. as at 31 December 2022).

NOTE 13A

Liability for the purchase of shares

In execution of the preliminary agreement for the sale of shares and interests of 17 February 2021, on 22 April 2021 Echo Investment S.A. entered into a final agreement with Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki, the founders of the Archicom Group, for the sale of all shares of DKR Investment Sp. z o.o. (now DKR Echo Investment Sp. z o.o.) and all shares of DKR Invest S.A. (now DKR Echo Invest S.A.). As a result, it indirectly acquired a block of 16,945,487 Archicom S.A. shares, which represented a total of approximately 66.01 percent of the share capital and entitled to 21,039,375 votes at the general meeting, representing approximately 65.99 percent of the total votes. Archicom S.A. is a public company whose shares are listed on the Warsaw Stock Exchange.

In addition, in connection with the sale of the controlling stake in Archicom S.A., Echo Investment and Partners DKRA Sp. z o.o. (Dorota Jarodzka-Śródka and Rafał Jarodzki) have entered into an option agreement pursuant to which Echo Investment will be entitled to acquire until 18 April 2023, or designate an entity to acquire, all of the shares in the share capital of DKRA Sp. z o.o., which holds 8.31 percent of the shares in Archicom S.A., on substantially the same terms and conditions as the indirect acquisition of 66 percent of the shares in Archicom S.A. in the transaction of 22 April 2021. The consideration for such acquisition will be increased by the amount of interest accrued from 15 March 2021 to the date of exercise of the option agreement, calculated at an annual interest rate of 6 percent. In the event that Echo Investment S.A. does not exercise the right indicated in the call option, the shareholders of DKRA Sp. z o.o. will have the option to sell their shares in the share capital of that company to Echo Investment.

On this basis, 8.31 percent of the shares were recognised in the consolidated financial statements as shares acquired as part of the purchase price allocation and a liability to pay for these shares in the amount of the dis-

counted redemption price was recognised in the consolidated financial statements under "Acquisition of shares", and the valuation effect was presented in the consolidated profit and loss account. The value at the date of initial recognition amounted to PLN 53,450 thous. (the nominal value).

On 18 April 2023, acting on the basis of the option agreement of 22 April 2021, Echo Investment S.A. exercised its right to purchase and acquired from Ms Dorota Jarodzka-Śródka and Mr Rafał Jarodzki all shares in the share capital of DKRA sp. z o.o. of Wrocław, which holds 2,132,964 shares in the share capital of Archicom S. A. of Wrocław, constituting in total 8.31 percent of the share capital of Archicom, entitling to a total of 4,246,578 votes at the Archicom general meeting, i.e. approximately 13.32 percent of total votes at the Archicom general meeting. The total amount of liabilities in respect of the acquisition of Archicom S.A. shares as at the date of exercise of the option amounted to PLN 60,702 thous.

The above transaction had an impact in the consolidated statement of financial position on the total settlement (reduction) of liabilities due to the purchase of shares and a reduction of equity attributable to the shareholders of the parent company, in the item "retained earnings" in the amount of PLN 3 916 thous. Liabilities from the acquisition of shares were settled by Echo Investment S.A.'s payment for subrogation of the loan granted to DKRA Sp. z o.o. by Ms Dorota Jarodzka-Śródka and Mr Rafał Jarodzki and offset against Archicom S.A.'s receivables from Ms Dorota Jarodzka-Śródka and Mr Rafał Jarodzki on the sale of shares in Archicom Polska S.A.

The fair values of the acquired assets and liabilities are presented in the table below:

Acquired assets		
Fixed assets		
Investments in other entities		53 985
		53 985
Assets		
Receivables due to other taxes 7		7
Cash and cash equivalents		563
		570
Total assets	A	54 555
Acquired liabilities		
Long-term liabilities		
Loans		54 147
		54 147
Current liabilities		
Liabilities due to other taxes		1 367
		1 367
Total liabilities	B	55 514
Net asset value	C = A-B	(959)
The release of deferred tax assets in connection with the settlement of the liability due to the acquisition of shares (call/put options)	D	(1 182)
The value of shares acquired by Echo Investment S.A. in DKRA Sp. z o.o.	E	56
Accrued interest on the liability due to the acquisition of shares	F	6 067
Dividends paid to DKRA Sp. z o.o. from 21 April 2021 to 18 April 2023.	G	(7 786)
Acquisition result	H=C+D-E+F+G	(3 916)

NOTE 14

Revenues [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Revenue from Contracts with Customers		
Sale and lease of residential space	341 948	445 287
Sale to the Resi4Rent	10 717	7 901
Services in office space	20 469	19 087
Services in retail space	414	383
Other sale	2 831	27 820
Revenue from Contracts with Customers	376 379	500 478
Lease (MSSF16)		
Lease of residential space	187	131
Lease of office space	43 903	62 480
Lease of retail space)	36 094	34 534
Lease of other space	423	517
Asset on leasing IFRS 16	80 607	97 662
Revenue total	456 986	598 140

Przychody [tys. PLN]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Sale	341 948	445 287
Lease	187	131
Apartments	342 135	445 418
Lease	43 903	62 480
Fit-out services	20 469	19 087
Office	64 372	81 567
Lease	36 094	34 534
Development services	414	383
Retail	36 508	34 917
Sale	10 717	7 901
Resi4Rent	10 717	7 901
Sale	1 255	19 678
Lease	423	517
Services	1 576	8 142
Other	3 254	28 337

Deferred income resulting from residential sales agreements [PLN '000]

Project	Targeted completion	Targeted total value	Total value of deferred revenue related to concluded agreements	Received advance payments / deferred income (long and short-term) *	Deposit on apartments (long and short-term other liabilities (note 18) **
Residential project					
Osiedle ZAM I, Kraków	completed	64 857	1 115	43	0
Osiedle ZAM II, Kraków	II Q 2024	75 595	75 595	243	12 641
Osiedle Bonarka Living II C, Kraków	III Q 2023	101 809	101 809	56 400	6 867
Osiedle Bonarka Living II D, Kraków	IV Q 2023	86 990	86 990	43 314	5 475
Nowa Dzielnica, Łódź	completed	30 254	941	0	0
Fuzja I, Łódź	completed	108 654	2 236	244	0
Fuzja II, Łódź	completed	101 608	8 310	1 306	0
Fuzja III, Łódź	completed	82 597	43 618	20 119	5 686
Fuzja Lofty I, Łódź	IV Q 2024	21 007	21 007	445	2 664
Zenit I, Łódź	completed	64 992	11 168	684	5 512
Boho, Łódź	III Q 2023	105 084	105 084	29 079	3 857
Osiedle Enter IA, Poznań	completed	42 190	340	7	0
Osiedle Enter IB, Poznań	completed	39 084	268	51	0
Osiedle Enter II, Poznań	completed	62 212	613	0	786
Osiedle Enter III, Poznań	completed	66 207	2 226	148	16
Apartamenty Esencja, Poznań	completed	117 182	1 625	301	0
Wieża Jeżyce I, Poznań	IV Q 2023	110 870	110 870	54 883	19 295
Browary Warszawskie Etap E, Warszawa	completed	116 987	8 877	0	0
Moje Miejsce, Warszawa	completed	132 337	68	0	0
Stacja Wola I, Warszawa	completed	205 177	72	0	0
Stacja Wola II, Warszawa	completed	145 761	2 022	0	225
Rytm Apartamenty na Kabatach, Warszawa	IV Q 2023	289 451	289 451	156 704	24 450
Awicenny L1, L2, Wrocław	completed	66 710	323	323	0
Awicenny L3, L4, Wrocław	completed	79 986	573	573	0
Sady nad Zieloną A, Wrocław	completed	35 302	216	216	0
Browary Wrocławskie BP1, BP2, Wrocław	completed	63 591	459	459	0
Browary Wrocławskie BL1, BL2, BP3, BP4, Wrocław	completed	164 718	1 135	1 135	0
Browary Wrocławskie BA2, BA3, Wrocław	completed	183 484	29 838	29 458	380
Forma, Wrocław	completed	90 774	398	398	0
Olimpia Port M1-M4, Wrocław	completed	71 923	305	305	0
Olimpia Port M21, M22, M23, Wrocław	completed	72 638	168	168	0
Olimpia Port M24,M25,M26, Wrocław	completed	128 063	70 921	66 921	4 000
Olimpia Port M28, M29, M30, M30, M31, M32, M33, Wrocław	completed	142 270	67	67	0
Olimpia Port M34, M35, M36, M38, Wrocław	completed	76 911	710	710	0
Olimpia Port M37,M39, Wrocław	completed	81 871	6 752	6 749	3
Olimpia Port S16a, S16b, S17, Wrocław	completed	54 184	12	12	0
River Point KM3, Wrocław	completed	72 786	303	303	0
Awicenny L5, Wrocław	III Q 2023	60 569	60 569	42 800	478
Planty Raclawickie R8, Wrocław	III Q 2023	59 440	59 440	43 566	443
Browary Wrocławskie BP5,BP6, Wrocław	IV Q 2023	109 107	109 107	56 856	271

Deferred income resulting from residential sales agreements [PLN '000]

Project	Targeted completion	Targeted total value	Total value of deferred revenue related to concluded agreements	Received advance payments / deferred income (long and short-term) *	Deposit on apartments (long and short-term other liabilities (note 18) **
River Point KM4, Wrocław	I Q 2024	119 015	119 015	50 336	1 147
Planty Raławickie R9, Wrocław	II Q 2024	118 235	118 235	9 978	200
River Point KM6, Wrocław	III Q 2024	97 531	97 531	11 147	961
Awipolis etap 4a, Wrocław	I Q 2025	99 872	99 872	0	12
Total Residential project		4 219 885	1 650 254	686 451	95 369
Other projects					
Others		7 424	7 424	7 404	19
Total other projects		7 424	7 424	7 404	19
Total residential and others projects		4 227 309	1 657 678	693 855	95 388

* Advance payments released from escrow accounts

** Advance payments (gross) to be released from escrow accounts

NOTE 15

Net profit on investment property [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Profit on investment property	10 492	168
- costs of securing rental income (master lease)	(3 423)	(10 920)
Revaluation of real estate (profit/loss on fair value measurement), including:	(34 857)	47 270
- settlement of rental income over time	2 184	3 158
- changes in the valuation of investment properties (Note 4)	(40 185)	11 890
- changes in the valuation of investment properties under construction (Note 5)	(364)	(701)
- changes in the valuation of assets held for sale (note 6)	3 508	32 923
Net profit (loss) on investment property	(24 364)	47 438

In H1 2023, the Group sold the office building Moje Miejsce II in Warsaw and a land property at Nowomiejska Street in Gdańsk. The transactions are described in note 20.

The item of profit (loss) on sale of investment properties presents, among other things, the costs of securing rental income (master lease), which mainly relate to the projects

Sagittarius Business House, MidPoint 71, West4 Business Hub I in Wrocław, Moje Miejsce I in Warsaw, Face2Face in Katowice and Fuzja CD in Łódź.

The item of revaluation of real estate mainly presents valuations of the office projects Brain Park I and II in Cracow, React in Łódź and City2 in Wrocław.

NOTE 16

Financial income [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Income from borrowings interest with amortized cost	15 305	8 683
Income from derivatives	2 402	15 938
Discount income	-	12 708
Income from interest	-	1 214
Other financial income	42	145
Total financial income	17 749	38 688

NOTE 17

Financial costs [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
Interest expense from bonds with amortized cost	(25 267)	(19 271)
Interest expense from credit with amortized cost	(63 713)	(62 844)
Profit share costs	578	2 426
Costs due to interest of leasing	(5 931)	(2 456)
Discount costs	(1 497)	-
Other financial costs	(404)	(42)
Total Financial costs	(96 234)	(82 187)

In accordance with IAS 23, the Group activates this part of financing costs that are directly related to the acquisition and construction of assets. For general financing, capitalisable financing costs are determined by applying a weighted average of all borrowing costs in relation to the expenditures incurred on the asset.

The capitalised amount of general borrowing costs was PLN 9,506 thous. in H1 2023 at a capitalisation rate of 2.2 percent (including: for inventories: PLN 8,488 thous.,

for investment properties under construction: PLN 1,018 thous.). In H1 2022, it amounted to PLN 5,622 thous. at a capitalisation rate of 1.88 percent (including: for inventories: PLN 3,918 thous., for investment properties under construction: PLN 1,704 thous.).

The item profit-sharing costs presents costs that relate to the office building Moje Miejsce stage I in Warsaw and the Libero shopping centre in Katowice.

NOTE 18

The strategic steering committee of the Group, which includes the Management Board, analyzes the activity throughout the type of product / service and distinguishes 3 segments: apartments, apartments for rent and commercial properties.

Revenues of all segments of the Group's operations are recognized when the obligation to perform the service

is fulfilled, except for revenues from the lease of space, which are recognized in a given period.

Revenues from any of the Group's clients did not exceed 10 percent of the sales revenues generated by the Group in the 6-month period ended on 30 June 2023.

Both in H1 2023 and in H1 2022, the Group generated sales revenues only in Poland.

Selected balance sheet items at 30 June 2023 - by segments

	Total	Residential	Resi4Rent	Commercial properties
Investment property	1 131 844	35 066	-	1 096 778
Investment property under construction	548 997	-	-	548 997
Investment in associates and joint ventures	507 704	-	198 116	309 588
Deferred tax asset	95 319	57 746	6	37 567
Inventory	1 691 605	1 600 128	1 984	89 493
Cash and cash equivalents	662 855	377 055	345	285 455
Non-current assets (or disposal groups) held for sale	152 126	-	-	152 126
Other reportable segment assets	938 425	373 971	230 557	333 897
Total reportable segment assets	5 728 875	2 443 965	431 008	2 853 902
Credits, loans, bonds - Long-term liabilities	1 691 229	522 344	153 701	1 015 184
Credits, loans, bonds - Short-term liabilities	615 658	248 406	46 334	320 918
Credits, loans, bonds - non-current assets classified as held for sale Short-term liabilities	19 698	-	-	19 698
Incentive program	6 852	-	-	6 852
Other liabilities	262 583	150 097	-	112 486
Liabilities due to customers	693 855	692 305	-	1 550
Liabilities directly associated with non-current assets classified as held for sale	917	-	-	917
Other reportable segment liabilities	627 274	261 214	395	365 664
Total reportable segment liabilities	3 918 066	1 874 367	200 430	1 843 269

Selected items of the profit and loss account for 1 January - 30 June 2023 - by segments

	Total	Residential	Resi4Rent	Commercial properties
Revenues	456 986	342 135	10 717	104 133
Revenue from Contracts with Customers	376 379	341 947	10 717	23 715
Rental income	80 607	187	-	80 420
Cost of sales	(304 699)	(225 119)	(6 095)	(73 485)
Gross profit	152 287	117 016	4 622	30 648
Profit on investment property	10 492	-	-	10 492
Revaluation of real estate (profit/loss on fair value measurement)	(34 857)	-	-	(34 857)
Revaluation of receivable	(4 592)	(3 291)	-	(1 300)
Amortisation	(7 311)	(3 416)	(442)	(3 452)
Income from borrowings interest with amortized cost	15 305	5 813	5 155	4 337
interest expense from credit with amortized cost	(25 267)	(4 214)	(665)	(20 388)
interest expense from bonds with amortized cost	(63 713)	(25 155)	(4 055)	(34 502)
Share of profit (loss) of associates and joint ventures	36 184	-	34 830	1 354
Profit before tax	37 283	38 563	33 644	(34 923)

Joint-ventures

The value of investments in associates and joint ventures accounted for using the equity method is presented in the table below:

	30.06.2023	31.12.2022
Rosehill Investments Sp. z o.o., Berea Sp. z o.o. (Galeria Młociny)	208 057	205 274
Projekt Echo 138 Sp. z o.o. Sp.k. (Towarowa 22)	101 531	103 715
R4R Poland Sp. z o.o. (Resi4Rent)	198 116	169 192
Total	507 704	478 180

Rosehill Investments Sp. z o.o., Berea Sp. z o.o. (Galeria Młociny)

On 31 May 2017 the Echo Investment Group together with the EPP Group concluded a purchase agreement concerning a property located in Warsaw at ul. Zgrupowania AK „Kampinos”. Under the concluded transaction the companies purchased shares in Rosehill Investments Sp. z o.o., which is the owner of Galeria Młociny project by way of holding 100 percent shares in Berea Sp. z o.o. The property value was established as EUR 104.5 mln. As at the day of the acquisition and the balance date i.e. on 30 June 2023 the Echo Investment Group held 30 percent shares in the project company being the owner of the property and the remaining 70 percent was held by the EPP Group. The share of the Group in Berea Sp. z o.o. presented in the financial report is estimated according to the equity method. Pursuant to the articles of association, all strategic financial and operational decisions (including in particular: purchase of a significant asset, conclusion of a lease agreement, etc.) require the unanimous consent of both shareholders.

In 2022, the Echo Investment Group together with the EPP N.V. made a proportional capital increase in Rosehill Investments Sp z o.o. in the total amount of EUR 76.3

million (EPP N.V. - EUR 53.4 million, Echo Group - EUR 22.9 million).

A summary of financial information in the joint venture is presented below. The carrying value of the investment as at 30 June 2023 amounted to PLN 208,057 thousand. At the same time, since the beginning of the project, the Echo Group granted to Rosehill Investments Sp. z o.o. and Berea Sp. z o.o. loans with a total value of PLN 84,559 thousand.

In 2019, the company analyzed the impairment of net investment value based on the equity method in a jointly controlled company Rosehill Investments Sp. z o.o (projekt Młociny). In the first half of 2019, due to Galeria Młociny opening, the company updated the fair value of the project in the net assets of the jointly controlled entity. The company estimated that the recoverable amount of the net investment as at the balance sheet date is lower than the value of the shares in net assets as at that day. As at 30 June 2023, the company recognized an impairment loss of PLN 13,091 thousand.

Financial data of the joint venture - Galeria Młociny
Selected data from the statement of comprehensive income
[PLN '000]

	30.06.2023	31.12.2022
Fixed assets — investment property	1 716 926	1 811 708
Non-current assets - other financial assets	36 257	-
Current assets	11 024	10 002
Cash	46 802	63 049
Total assets	1 811 008	1 884 759
Long-term liabilities	1 147 155	1 212 748
Financial liabilities (without trade liabilities)	986 049	1 049 091
Other long-term liabilities	161 106	163 657
Short-term liabilities	43 483	60 918
Financial liabilities (without trade liabilities)	32 653	50 753
Other short-term liabilities	10 831	10 165
Total liabilities	1 190 638	1 273 666
Equity	620 370	611 094
Share of the Echo Investment S.A.	30,00%	30,00%
Share of the Echo Investment Group in net assets	186 111	183 328
Goodwill	35 037	35 037
Impairment write-off	(13 091)	(13 091)
The carrying amount of an investment accounted for using the equity method	208 057	205 274

Financial data of the joint venture - Galeria Młociny
Selected data from the statement of comprehensive income
[PLN '000]

	1.01.2023 - 30.06.2023	1.01.2022 - 30.06.2022
Operating income	61 420	57 726
Operating costs	(26 019)	(19 679)
Depreciation	-	-
Revenue/cost - revaluation of property	(4 084)	9 879
Costs of general administrative	(1 260)	(1 183)
Costs of sales	(186)	(644)
Other income / operating costs	679	(36)
Other income / operating costs	(25 501)	(22 612)
Financial income and cost, including:	(24 056)	(28 820)
Gross profit (loss)	5 050	23 451
Income tax	4 227	(8 612)
Net profit (loss)	9 277	14 839
Total comprehensive income	9 277	14 839
Share of the Echo Investment Group (%)	30,00%	30,00%
Share of the Echo Investment Group in the net profit/loss of the joint venture	2 783	4 452
Share of the Group in comprehensive income resulting from joint-venture	2 783	4 452

Projekt Echo 138 Sp. z o.o. Sp.k. (Towarowa 22)

On 15 September 2016, the Echo Investment Group and the EPP Group N.V. entered into a conditional purchase agreement relating to a property located in Warsaw at 22 Towarowa Street on which a joint investment project will be carried out. The final purchase agreement was concluded on 23 December 2016. The sale price of the property was agreed at EUR 77.4 million where Echo Investment paid EUR 35.82 million and EPP's contribution amounted to EUR 41.58 million.

On 8 June 2022, the following transactions took place regarding the property:

- EPP Group N.V. increased the capital in the joint venture by EUR 36 million and then sold all its shares to a new investor, i.e. AFI Europe N.V. (a company fully owned by AFI Properties Ltd, which is a public company registered in Israel and listed on the Tel Aviv Stock Exchange),
- Echo Investment and AFI Europe N.V. have proportionally withdrawn their contributions to the joint venture: Echo Investment in the amount of EUR 7.1 million and AFI Europe N.V. - in the amount of EUR 16.6 million,
- Echo Investment signed a preliminary purchase agreement for a part of the property located at 22 Towarowa Street (“a part of the joint venture”), which is intended for the construction of apartments, and made a down

payment for this plot of land in the amount of EUR 23.7 million, which represents 50 percent of the value of the plot.

Following the completion of the above transactions and as at the balance sheet date of 30 June 2023, the Echo Group holds a 30 percent stake and AFI Europe N.V. 70 percent of the shares in the joint venture.

Based on the articles of association, all strategic financial and operational decisions (including, in particular, purchasing a material asset, entering into a lease agreement, etc.) require the unanimous approval of both shareholders. Echo Investment S.A. and AFI Europe N.V. are only liable for their proportionate part of the purchase price. The participation of this joint venture in the consolidated financial statements of the Echo Investment Group is accounted for using the equity method. The carrying amount of the investment as at 31 December 2022 was PLN 101,531 thousand. At the same time, since the beginning of the investment, the Echo Group has provided Projekt Echo 138 Sp. z o.o. Sp.k. and Projekt Echo 138 Sp. z o.o. loans with a total value of PLN 18,730 thousand.

Below there is a summary of the financial information in the joint venture.

Financial data of the joint venture - Towarowa 22 Selected data from the financial situation [PLN '000]

	30.06.2023	31.12.2022
Fixed assets — investment property	592 661	585 224
Other fixed assets	8 101	6 824
Cash	3 997	6 752
Current assets	22 495	9 527
Total assets	627 255	608 327
Long-term liabilities	144 195	133 668
Financial liabilities (without trade liabilities)	140 397	129 703
Other long-term liabilities	3 798	3 965
Short-term liabilities	140 745	127 580
Financial liabilities (without trade liabilities)	6 100	5 955
Other short-term liabilities	134 645	121 626
Total liabilities	284 941	261 249
Equity	342 315	347 079
Share of the Echo Investment S.A.	30,00%	30,00%
Elimination of mutual transactions between unit and the Group (przychodów, kosztów, zysków ze sprzedaży w wysokości 30 percent)	(1 163)	(409)
Echo Investment Group's share in net assets = carrying amount of the investment valued using the equity method	101 531	103 715

Financial data of the joint venture - Towarowa 22

Selected data from the statement of comprehensive income [PLN '000]

	1.01.2023 - 30.06.2023	1.01.2022 - 30.06.2022
Operating income	916	1 013
Operating costs, including:	(2 125)	(11 878)
Depreciation	-	(2 012)
Costs of general administrative	(41)	(122)
Other income / operating costs	(186)	(19 433)
Financial income and costs, including:	(4 964)	(3 700)
Financial interest expense	(2 405)	(746)
Gross profit (loss)	(6 400)	(34 120)
Income tax	1 636	4 895
Net profit (loss)	(4 764)	(29 225)
Total comprehensive income	(4 764)	(29 225)
Share of the Echo Investment Group (%)	30,00%	30,00%
Share of the Group in comprehensive income resulting from joint-venture (46.2 percent until 8 June 2022, 30 percent from 9 June 2022)	(1 429)	(8 768)
Share of the Echo Investment Group in the total income from the joint venture	(1 429)	(8 768)

R4R Poland Sp. z o.o. (Resi4Rent)

On 20 July 2018 Echo Investment S.A. acquired 30 percent of shares and votes in a joint investment venture R4R Poland Sp. z o.o. The remaining 70 percent of shares and votes was acquired by R4R S.a.r.l. Pursuant to the articles of association, all strategic financial and operational decisions (including in particular: purchase of a significant asset, conclusion of a lease agreement, etc.) require the unanimous consent of both share-holders.

Pursuant to the agreement, the joint-venture operates as a platform of apartments for rent in Poland. As part of the project, buildings with apartments for rent were built - primarily in four locations in Warsaw, Łódź and Wrocław. Under the agreement, Echo Investment S.A. provides planning, design and investment implementation services while R4R Poland Sp. z o.o. is responsible for the operational management of the platform.

By fulfilling its commitment to co-finance the project, Echo Investment S.A. provided capital to R4R Poland Sp. z o.o. acquiring new shares in the increased share capital:

- PLN 41,354,269 in 2018,
- PLN 9,434,700 in 2019,
- PLN 3,474,000 in 2020,
- PLN 13,149,000 in 2021,
- PLN 1,350,000 in 2022.

At the same time, Echo Investment granted loans to R4R Poland Sp. z o.o.:

- PLN 77,250,728 in 2019,
- PLN 35,546,700 in 2020,
- PLN 74,511,000 in 2021,
- PLN 7,650,000 in 2022.

In 2018- I half 2023, new subsidiaries of R4R Poland Sp. z o.o. were created in order to develop projects located among others in Warsaw (Grzybowska, Taśmowa, Woronicza, Wilanowska, Opaczewska), Gdańsk (Koło-brzeska, Zielony Trójkąt), Kraków (3 Maja, Jana Pawła II, Puskarska, Romanowicza, Zabłocie, Młyńska), Poznań (Szczepanowskiego, Nowe Miasto, ul. Dmowskiego), Łódź (Wodna, Kilińskiego) and Wrocław (Grabiszewska, Jaworska, Rychtalska, Kępa, Park Zachodni, Bardzka).

The share of the Echo Investment Group in the consolidated financial statements is recognised by using the equity method. A summary of financial information in the joint venture is provided below.

The carrying value of the investment as at 30 June 2023 amounted PLN 198,116 thousand.

Financial data of the joint venture - Resi4Rent

Selected data from the financial situation [PLN '000]

	30.06.2023	31.12.2022
Fixed assets — investment property	1 726 107	1 546 604
Fixed assets — investment properties under construction	854 661	666 874
Other fixed assets	37 988	59 376
Cash	146 454	122 753
Current assets	53 227	51 766
Total assets	2 818 437	2 447 373
Long-term liabilities	2 042 016	1 734 836
Financial liabilities (without trade liabilities)	1 838 945	1 559 123
Other long-term liabilities	203 071	175 712
Short-term liabilities	73 020	116 165
Financial liabilities (without trade liabilities)	11 169	14 425
Other short-term liabilities	61 851	101 739
Total liabilities	2 115 036	1 851 000
Equity	703 401	596 372
Share of the Echo Investment S.A. (%)	30,00%	30,00%
Elimination of mutual transactions between unit and the Group (revenues, costs, sales profits in the amount of 30 percent)	(12 904)	(9 720)
Echo Investment Group's share in net assets = carrying amount of the investment valued using the equity method	198 116	169 192

Financial data of the joint venture - Resi4Rent

Selected data from the statement of comprehensive income [PLN '000]

	1.01.2023 - 30.06.2023	1.01.2022 - 30.06.2022
Operating income	56 919	36 866
Revenue - revaluation of property	151 450	19 100
Administrative costs related to project	(16 934)	(9 203)
Costs of general administrative, including:	(10 646)	(8 869)
Depreciation	(255)	(2)
Other income / operating costs	3 828	664
Financial income and costs, including:	(49 865)	32 503
Financial interest expense	(27 293)	(23 802)
Gross profit (loss)	134 752	71 061
Income tax	(27 723)	(13 553)
Net profit (loss)	107 029	57 508
Total comprehensive income	107 029	57 508
Share of the Echo Investment Group (%)	30,00%	30,00%
Elimination of mutual transactions between unit and the Group (revenues, costs, sales profits in the amount of 30 percent)	2 721	-
Share of the Echo Investment Group in the net profit/loss of the joint venture	34 830	17 252
Share of the Echo Investment Group in total income from the joint venture	34 830	17 252

Moje Miejsce II office building in Warsaw

A subsidiary of Echo Investment S.A. - Beethoven Project Echo 122 Sp. z o.o. S.K.A. - entered into an agreement with TAL Poland Sp. z o.o. for the sale of the office building Moje Miejsce II in Warsaw on 30 March 2023.

The transaction value of EUR 44,235 thous., plus VAT, was reduced by the value of rent-free periods, rent reductions, as well as other costs, resulting in an amount of EUR 41,968 thous., plus VAT. The amount to be paid at the Closing was reduced by, among other things, the value of works related to the arrangement of unleased premises in the Building. The value of these works will be released in parts to the Seller after leasing and carrying out the arrangement works for the benefit of new tenants. As a result, the price to be paid at the Closing was approximately EUR 40,270 thous. plus VAT.

As part of the transaction, the Parties also entered into a Building Quality Guarantee Agreement and a Rent Guarantee Agreement. The basic provisions of the Quality Guarantee Agreement provide for the granting of a quality guarantee to the Buyer for the Building and the structures located on the Property. The basic provisions of the Rent Guarantee Agreement provide for a guarantee to be granted to the Buyer by the Seller to cover rent payments and service charges for individual parts of the Building that have not been leased to third parties as at the date of signing the Agreement and those that have been leased, but in relation to which no additional grounds (such as handing over to tenants) have been fulfilled.

The difference between the sale price and the historical expenditures amounted to PLN 24,027 thous.

Land property in Gdańsk at Nowomiejska Street

A subsidiary of Echo Investment S.A. - Project 16 - Grupa Echo Sp. z o.o. S.K.A. - entered into agreements on 13 April 2023 with R4R Gdańsk Stocznia Sp. z o.o., with its registered office in Warsaw, and on 19 April 2023 with R4R SPV10 Sp. z o.o., with its registered office in Warsaw, for the sale of the undeveloped properties in Gdańsk, at Nowomiejska Street. The total value of the transaction amounted to PLN 40,206 thous. plus VAT.

After taking into account any costs related to the transaction, the Group recognised a result from the sale of the land property in H1 2023 in the amount of PLN 8,392 thous.

NOTE 21

Leasing

	Perpetual usufruct right				Other agreements		Total
	Inven- tory	Investment properties	Investment properties under construction	Assets held for sale	Fixed assets	Investment properties	
Asset on right of use							
As at 1 January 2023	57 102	13 085	10 588	329	44 052	71 031	196 187
Depreciation	(503)	-	-	-	(4 891)	-	(5 394)
Fair value measurement	-	1	-	-	1 471	2 801	4 273
Increases	2 487	2 783	751	-	3 567	35 311	44 899
Reductions	(6 720)	-	-	(329)	(231)	-	(7 280)
As at 30 June 2023	52 366	15 869	11 339	-	43 968	109 143	232 685

	Perpetual usufruct right				Other agreements		Total
	Inven- tory	Investment properties	Investment properties under con- struction	Assets held for sale	Fixed assets	Investment properties	
Lease liabilities							
As at 1 January 2023	54 704	12 925	10 460	329	57 837	99 930	236 185
Interest expense	1 556	472	381	-	1 879	2 042	6 330
Repayment of liabilities	(3 337)	(200)	(384)	-	(7 914)	(11 028)	(22 863)
Increases	1 617	1 960	609	-	13 269	40 307	57 762
Reductions	(8 382)	(375)	(262)	(329)	(19 928)	(941)	(30 217)
As at 30 June 2023	46 158	14 782	10 804	-	45 143	130 310	247 197

	Perpetual usufruct right				Other agreements		Total
	Inven- tory	Investment properties	Investment properties under con- struction	Assets held for sale	Fixed assets	Investment properties	
Lease liabilities							
short-term	46 158	4 714	768	-	20 474	21 909	94 023
long term	-	10 068	10 036	-	24 669	108 401	153 174

NOTE 22

Change in deferred income tax assets (+) and deferred tax provisions (-) [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 31.12.2022
Deferred tax at the beginning of the period		
measurement of financial instruments	(1 795)	(902)
valuation of investment property	(70 262)	(113 230)
shares in joint ventures *	(27 307)	(13 091)
tax loss	42 643	50 039
liabilities due to loans and bonds (measurement, FX differences, etc.)	8 571	4 136
liabilities due to borrowings (measurement, FX differences, etc.)	10 687	(2 114)
loans receivable (interest, valuation, exchange rate differences, etc.)	(33 993)	(14 455)
liabilities related to investment projects (master lease)	3 790	1 361
activated costs on projects during construction	20 963	9 921
costs due to created reserves	26 542	12 623
IFRS 16	6 668	6 364
difference between the book value and tax value of inventory	(13 463)	(13 750)
difference between the book value and tax value of prepayments for premises	(7 606)	(12 388)
Difference between the book value and tax value of the other assets	(12 649)	(12 850)
Liabilities and provisions for employee benefits	1 163	375
other	(108)	(941)
	(46 156)	(98 901)
Change in the period		
measurement of financial instruments	1 795	(893)
valuation of investment property	13 785	42 968
shares in joint ventures *	(2 887)	(14 217)
tax loss	10 820	(7 396)
liabilities due to loans and bonds (measurement, FX differences, etc.)	(7 769)	4 434
liabilities due to borrowings (measurement, FX differences, etc.)	6 187	12 276
loans receivable (interest, valuation, exchange rate differences, etc.)	(3 103)	(19 013)
liabilities related to investment projects (master lease)	(1 259)	2 429
activated costs on projects during construction	(1 143)	11 042
costs due to created reserves	(6 133)	13 918
IFRS 16	(692)	304
difference between the book value and tax value of inventory	38 905	287
difference between the book value and tax value of prepayments for premises	(28 371)	4 782
Difference between the book value and tax value of the other assets	(37)	201
Liabilities and provisions for employee benefits	(318)	788
other	(2 432)	836
	17 348	52 745
Total deferred income tax at the end of the period		
measurement of financial instruments	-	(1 795)
valuation of investment property	(56 477)	(70 262)
shares in joint ventures *	(30 195)	(27 307)
tax loss	53 462	42 643
liabilities due to loans and bonds (measurement, FX differences, etc.)	801	8 571
liabilities due to borrowings (measurement, FX differences, etc.)	16 874	10 687
loans receivable (interest, valuation, exchange rate differences, etc.)	(37 096)	(33 993)

Change in deferred income tax assets (+) and deferred tax provisions (-) [PLN '000]

	1.01.2023- 30.06.2023	1.01.2022- 31.12.2022
liabilities related to investment projects (master lease)	2 531	3 790
activated costs on projects during construction	19 819	20 963
costs due to created reserves	20 413	26 542
IFRS 16	5 975	6 668
difference between the book value and tax value of inventory	25 442	(13 463)
difference between the book value and tax value of prepayments for premises	(35 977)	(7 606)
Difference between the book value and tax value of the other assets	(12 686)	(12 649)
Liabilities and provisions for employee benefits	845	1 163
other	(2 540)	(108)
	(28 809)	(46 156)
including:		
Deferred tax assets	95 319	94 494
change during the year	824	20 479
Deferred tax provision	124 126	140 651
change during the year	(16 525)	(32 266)

* Estimated tax burden related to expected changes in the Group's structure resulting from the difference between the tax and balance sheet value of interests in joint ventures.

NOTE 23**Income tax - effective tax rate [PLN '000]**

	1.01.2023- 30.06.2023	1.01.2022- 30.06.2022
1. Profit before tax (gross profit)	37 283	103 992
2. Income tax calculated according to the parent company tax rate	7 084	19 759
3. Differences:		
Tax effect of non-taxable income	(118)	(1 248)
Tax effect of income from change in provisions and non-taxable liabilities	(521)	3 002
Allowances for expected credit losses - receivables solution	(846)	(432)
Tax effect of non-deductible costs	805	(10 631)
The tax effect of financial costs that are permanently not tax deductible	686	(1 741)
Financial services above the ebitda limit	9 200	8 125
Utilization of previously unrecognized tax losses	(716)	(722)
Tax losses for which deferred income tax has not been recognized	2 684	15 923
Income tax for the preceding years	461	145
Tax losses from previous years for which deferred income tax was recognized	(1 078)	(3 060)
Interim result of partnerships	415	1 599
Provision for the sale of real estate	979	(980)
Unrecognized asset for deferred tax in previous years	(655)	332
Differences total	11 296	10 312
Charge on the financial result due to income tax, including	18 380	30 071
- current tax	(37 084)	(53 418)
- deferred tax	18 704	23 347

NOTE 24

Transactions with related entities [PLN '000]

	30.06.2023	31.12.2022
Results of transactions with owners		
Receivables from loans granted	13 357	10 900
Trade liabilities	1	1 901
Incurred costs	10 817	18 541
Recognized revenue - interests	628	1 133
Results of transactions with related entities		
Trade receivables	1 449	1 541
Recognized revenue	1 135	5 528
Results of transactions with members of the Management Board		
Recognized revenue	19	1 023
Advances received	273	891
Results of transactions with jointly controlled entities		
Receivables from loans granted	327 742	320 084
Trade receivables	6 193	9 087
Liabilities	477	483
Incurred costs	288	374
Recognized revenue	10 040	6 266
Recognized revenue - sales of lands, real estates	9 371	18 579
Recognized revenue - interests	7 555	13 188
Advance payments for the purchase of land	112 455	109 779

The Members of the Management Board of Echo Investment S.A. and the President of the Management Board of its subsidiary Archicom S.A. are entitled to additional incentive remuneration in the form of a Long-Term Bonus. As at 30 June 2023, the Group recognised a provision in the financial statements in the amount of PLN 6 852 thousand for bonuses for the Management Board

based on the share price. The impact on the company's profit or loss due to changes in the amount of this provision in the first half of 2023 amounted to PLN 2 522 thousand gross to decrease profit or loss. Details are set out in the section 1 'Remuneration of the Management Board and Supervisory Board'.

Change in allowances for expected credit losses - receivables [PLN '000]

	30.06.2023	31.12.2022
As at the beginning of the period	1 434	482
Increases due to		
- creation of a write-off	(15)	952
Balance of allowances at the end of the period	1 419	1 434

Information on financial statement of the Group



01

Accounting principles adopted in drawing up the financial report of the Group

The condensed consolidated financial statements of the Echo Investment Capital Group present consolidated financial data for the 6-month period ended 30 June 2023 and for the 6-month period ended 30 June 2022.

All financial data in the Group's consolidated financial statements are presented in thousands of zlotys (PLN), unless otherwise stated. The financial statements have been prepared according to the historical cost principle, except for investment properties and financial instruments measured at fair value.

As at 30 June 2023 the Capital Group included 162 subsidiaries consolidated according to the full method and 37 jointly controlled companies consolidated according to the equity method.

Declaration of conformity and the basis of preparation

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) which are applicable to the preparation of interim financial statements (IAS 34).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, so they should be read in combination with the Group's consoli-

dated financial statements for the year ended on December 31, 2022.

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those used in the most recent annual financial statements and have been applied consistently for all periods presented in the consolidated financial statements, except for the application of new and revised standards and interpretations, the impact of which is described in Section "New standards and interpretations that are effective as of 1 January 2023".

Assumption of continuity in operations

The consolidated financial statements of the Echo Investment Capital Group for H1 2023 have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued Group activity.

Approval of financial statements

These consolidated financial statements were approved for publication by the Management Board on 20 September 2023.

02

Echo Investment Group

Composition of the Group

As at 30 June 2023 the Capital Group included 162 subsidiaries consolidated according to the full method and 37 jointly controlled companies consolidated according to the equity method.

The most important role in the Group's structure belongs to Echo Investment S.A., which supervises, co-delivers and provides funds for carrying out ongoing developer projects. Most of the Group's companies have been established or acquired for the purpose of carrying out specific project-based tasks, including those arising from the process of execution of specific projects.

Echo Investment S.A. indirectly - through DKR Echo Investment Sp. z o.o. and DKR Echo Invest S.A. - is a major shareholder of Archicom S.A., in which it held 79.79 percent of shares entitling it to 83.72 percent of votes at

the General Meeting of Shareholders as at 30 June 2023. Echo Investment S.A. consolidates all companies of the Archicom S.A. group according to the full method.

The Echo Investment Group also includes Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. k., which acts as an accounting and clearing centre for most of the Group's companies.

The Group also holds minority interests in a number of joint ventures - mostly in companies owning finished, under construction or planned projects with apartments for rent Resi4Rent, the shopping centre Galeria Młociny in Warsaw or the planned multifunctional project Towarowa 22 in Warsaw.

Changes in the structure of the Group in H1 2023

Increase of the Group

Entity	Action	Data	Share capital [PLN]
Mioga Investment Sp. z o.o.	Purchase of shares in the company by Archicom S.A.	14.03.2023	5 000
Archicom Warszawa Sp. z o.o.	Registration in the Register of Entrepreneurs	24.03.2023	10 000
DKRA Echo sp. z o.o.	Purchase of shares in the company by Echo Investment S.A. (thus the acquisition of a block of shares in Archicom S.A. constituting 8.31 percent of the share capital)	18.04.2023	50 000
Archicom Advisory Services Sp. z o.o.	Registration in the Register of Entrepreneurs	15.06.2023	10 000

Decrease of the Group

Entity	Action	Date	Share capital [PLN]
Belchatów — Grupa Echo Sp. z o.o. S.K.A. w likwidacji	Deletion from the Register of Entrepreneurs	31.03.2023	85 230
Oxygen — Grupa Echo Sp. z o.o. S.K.A. w likwidacji	Deletion from the Register of Entrepreneurs	8.03.2023	96 200
Projekt CS Sp. z o.o. w likwidacji	Deletion from the Register of Entrepreneurs	2.02.2023	5 000
Projekt Echo 104 Sp. z o.o. w likwidacji	Deletion from the Register of Entrepreneurs	28.02.2023	50 000
Projekt Echo 93 Sp. z o.o. w likwidacji	Deletion from the Register of Entrepreneurs	23.02.2023	50 000

03

Material estimates and judgments of the Management Board of the Group

The preparation of the financial statements requires the Management Board of the Company to adopt certain assumptions and make estimates and judgments that affect the figures disclosed in the financial statements. Assumptions and estimates are based on the best knowledge of current and future events and activities, however, actual results may differ from those anticipated. Estimates and related assumptions are subject to ongoing verification. Change in accounting estimates is recognized in the peri-

od in which they were changed — if it concerns only this period, or in the current and future period — if the changes concern both the current and future period.

The main fields in which the Management Board's estimates have a material impact on the financial statements and key sources of uncertainty as at the balance sheet date are:

Investment properties under construction / Investment properties / Assets held for sale

Investment real estate includes facilities leased to clients by companies which are part of the Group. The fair value of investment real estate is classified at level 2 and 3 in the fair value hierarchy. There were no transfers between the levels.

The Group most often measures properties at fair value during construction and / or commercialisation. The property valuation is based on the income method using the discounted cash flow technique, which takes into account future proceeds from rent (including rent guarantees), the sale of real estate and other expenditure to be incurred. The yield used to determine residual values recognized in cash flows result from the Management Board's estimates based on preliminary agreements for the sale of real

estate, letters of intent, external valuations of appraisers or their familiarity with the market. The rates used also take into account the risk, and the level of risk is assessed individually for each property subject to its status.

The fair value of real estate properties which are almost 100 percent commercialised and generate a fixed income is determined by the unit according to the income method, using simple capitalization technique as the quotient of the project's net operating income (NOI) and the yield, or using the value resulting from external valuation, a preliminary contract for the sale of real estate, a letter of intent or a purchase offer, provided they exist.

The impact of individual ratios on the fair value of real estate at 30 June 2023 is presented below:

Segment	Number of objects	Value [PLN '000]	Valuation type	NOI [mln PLN]	Yield %	Discount rate %	Sensitivity (gross change in PLN '000)			
Retail	1	566 789	income method	40,1	7,00%	7,50%	Yield [p.p]			
							NOI [%]			
							-0,25 p.p.	0 p.p.	+ 0,25 p.p.	
							-1%	15 472	-5 403	-24 836
							0,0%	21 086	0	-19 629
							1%	26 699	5 403	-14 423
Offices	4	647 012	income method	58,9	6,75% - 7,50%	7,25% - 8,00%	Yield [p.p]			
							NOI [%]			
							-0,25 p.p.	0 p.p.	+ 0,25 p.p.	
							-1%	23 547	-8 088	-37 484
							0,0%	31 955	0	-29 695
							1%	40 363	8 088	-21 905
Offices		10 869	comparative method							
Retail - Right-of-use asset		3 201								
Offices - Right-of-use asset		18 650								
Offices - City Space		98 866								
Other real estate		487 580	due to production cost							
Total		1 832 967								

The impact of individual indicators on the fair value of real estate on 31 December 2022 is presented below.

Segment	Number of objects	Value [PLN '000]	Valuation type	NOI [mln PLN]	Yield %	Discount rate %	Sensitivity (gross change in PLN '000)			
Retail	1	595 400	income method	42,2	7,00%	7,50%	Yield [p.p]			
							NOI [%]			
							-0,25 p.p.	0 p.p.	+ 0,25 p.p.	
							-1%	16 178	-5 593	-25 860
							0,0%	21 990	0	-20 471
							1%	27 803	5 593	-15 082
Offices	5	756 676	income method	75,9	6,75% - 7,50%	7,25% - 8,00%	Yield [p.p]			
							NOI [%]			
							-0,25 p.p.	0 p.p.	+ 0,25 p.p.	
							-1%	29 624	-10 407	-47 619
							0,0%	40 438	0	-37 590
							1%	51 252	10 407	-27 562
Offices		12 269	comparative method							
Retail - Right-of-use asset		3 101								
Offices - Right-of-use asset		7 629								
Offices - City Space		71 032								
Other real estate		490 485	due to production cost							
Total		1 936 590								

Investment property under construction

According to the valuations prepared by the Group, the value of investment properties under construction as at 30 June 2023 amounted to PLN 548,997 thousand. It consisted of real estate measured at fair value (PLN 96,928 thousand) and other properties (PLN 452,069 thousand) valued at the purchase value that best reflects the fair value of the asset at the balance sheet date valued

at the purchase amount, which best reflects the fair value of the asset as at the balance sheet date.

The table below presents an analysis of investment properties under construction carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Investment property under construction — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value - total
30.06.2023				
Office	-	-	96 928	96 928
Total	-	-	96 928	96 928

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties under construction measured at fair value are as follows:

Investment property under construction — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2023				
Office	96 928	income method	7,25%	6,75%
Total	96 928			

According to the valuations prepared by the Group, the value of investment properties under construction as at 31 December 2022 amounted to PLN 486,625 thousand. PLN and consisted of real estate valued at fair value (PLN 65,344 thousand) and other real estate (PLN 421,281 thousand) valued at the purchase amount, which best reflects the fair value of the asset as at the balance sheet date.

The table below presents an analysis of investment properties under construction carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Investment properties under construction — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value — total
31.12.2022				
Office	-	-	65 344	65 344
Total	-	-	65 344	65 344

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties under construction measured at fair value are as follows:

Investment property under construction — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2022				
Office	65 344	income method	7,25%	6,75%
Total	65 344			

Investment property

As at 30 June 2023, the value of investment properties was PLN 1,131,844 thousand. It consisted of real estate measured at fair value (PLN 1,096,333 thousand) and other properties (PLN 35,511 thousand) measured at cost due to the inability to determine a reliable fair value.

The table below presents an analysis of investment properties carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Investment property — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value — total
30.06.2023				
Retail	-	-	569 990	569 990
Office	-	10 869	416 608	427 477
Office — City Space	-	-	98 866	98 866
Total	-	10 869	1 085 464	1 096 333

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties measured using the income method are as follows:

Investment property — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2023				
Retail	569 990	income method	7,50%	7,00%
Office	416 608	income method	7,25% - 8,00%	6,75% - 7,50%
Office — City Space	98 866	income method	8,97%	-
Office	10 869	comparative method	-	-
Total	1 096 333			

According to the valuations prepared by the Group, the value of investment properties as at 31 December 2022 amounted to PLN 1,094,638 thousand. It consisted of properties measured at fair value (PLN 1,061,255 thousand) and other properties (PLN 33,383 thousand) measured at cost due to the inability to determine a reliable fair value.

The table below presents an analysis of investment properties carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Investment property — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value — total
31.12.2022				
Retail	-	-	598 500	598 500
Office	-	10 869	380 855	391 724
Office — City Space	-	-	71 032	71 032
Total	-	10 869	1 050 386	1 061 255

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties measured at fair value are as follows:

Investment property — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2022				
Retail	598 500	income method	7,50%	7,00%
Office	380 855	income method	7,25% - 8,00%	6,75% - 7,50%
Office — City Space	71 032	income method	9,16%	-
Office	10 869	comparative method	-	-
Total	1 061 255			

Assets held for sale

The value of assets held for sale as at 30 June 2023 amounted to PLN 152,126 thousand. It consisted of real estate valued at fair value (PLN 152,126 thousand).

The table below presents an analysis of assets held for sale carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Assets held for sale — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value - total
30.06.2023				
Office	-	-	152 126	152 126
Total	-	-	152 126	152 126

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for assets held for sale measured using the income method are as follows:

Assets held for sale — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2023				
Office	152 126	income method	7,25%	6,75%
Total	152 126			

The value of assets held for sale as at 31 December 2022 amounted to PLN 355,327 thousand. It consisted of real estate valued at fair value (PLN 319,506 thousand) and real estate valued at the value of expenditure (PLN 35,821 thousand), valued at the purchase amount that best reflects the fair value of the asset as of the balance sheet date (applies to a land property on Nowomiejska Street in Gdańsk).

The table below presents an analysis of assets held for sale carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

Assets held for sale — fair value hierarchy levels

	Level 1*	Level 2**	Level 3***	Fair value — total
31.12.2022				
Office	-	1 400	318 106	319 506
Total	-	1 400	318 106	319 506

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties for sale measured using the income method are as follows:

Assets held for sale — valuation techniques

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2022				
Office	318 106	income method	7,25% - 7,65%	6,75% - 7,15%
Office	1 400	comparative method	-	-
Razem	319 506			

Revenue security for rent-free periods (Master Lease)

When selling investment projects, it happens that buildings are not fully commercialized at the time of sale. The price is calculated based on the expected NOI of the project, with the Group signing a contract to secure rent-free periods (master lease). The security of rental income (master lease) is estimated on the basis of information obtained from the leasing team of office projects, approved by the Board Member responsible for this business segment, regarding:

- terms of signed lease agreements,
- assumptions for unleased space, such as, expected dates of handing over the space, estimates of rental rates and rental vacations.

On this basis, the following is calculated: - for vacancies: the rent that would be paid by a potential future tenant, - for signed contracts: rent holidays (if any).

The estimate is made from the balance sheet date for the period provided by the security of rental proceeds. In each calculated month:

- if a vacancy is anticipated on an area in a given month, the cost of securing rental proceeds is the full rent that is anticipated on that area,
- if a given area is anticipated to be vacant and the tenant has a rent holiday, the cost of securing rental proceeds relating to that area in a given month is equal to the value of the rent holiday,
- if in a given month the tenant's rent holiday is expected to end, the cost of securing rental proceeds is equal to zero.

Both the basic rent and service charges are calculated in this way, except that there is no rent holiday on service charges. The total of these values discounted as of the balance sheet date is the value of the obligations for securing rent-free periods (master lease). The obligations for securing rent-free periods (master lease) is calculated for projects sold.

As of 30 June 2023, the value of master lease obligations amounted to PLN 46,115 thousand for revenue security for rent-free or rent-reduced periods (master lease)

As at June 30, 2023, the value of the obligations for securing revenues for rent-free periods or periods with reduced rent (master lease) amounted to PLN 46,117 thous.

As at 31 December 2022, the value of the obligations to secure revenues for rent-free or reduced-rent periods (master lease) amounted to PLN 51,899 thous.

Fit-out works

As of 30 June 2023, the value of liabilities due to contracts with clients regarding finishing works amounted to PLN 32,687 thousand.

As of 31 December 2022, the value of liabilities due to contracts with clients regarding finishing works amounted to PLN 46,760 thousand.

Profit share from the sale of properties

A profit share is a share in the profit of a minority investor. It is the result of agreements entered into whereby the investor is obliged to pay the capital representing a share in the investment. The capital is contributed to the project entities in the form of a loan or an issue of participation bonds. When the project is sold, the capital is returned to the investor together with the profit share due to the investor (calculated as sales price - costs). Profit-sharing obligations are recognised for projects valued using the income method in proportion to the profit released on the property. Hence, the first profit-sharing obligation is recognised with the first valuation of the project at fair value.

As at 30 June 2023, the value of the profit-sharing obligations amounted to PLN 15,116 thous.

As at 31 December 2022, the value of profit share obligations amounted to PLN 15,706 thous.

Inventory

When estimating the amount of the write-down on inventories held by the Group as at the balance sheet date, information is analyzed according to the current market prices obtained from the development market, regarding the expected sale prices and current market trends, as well as information resulting from the preliminary sales agreements concluded by the Group.

Assumptions used in the calculation of the writedown are mainly based on valid market prices of real estate in a given market segment. In the case of land included in the item of inventories, the value of write-downs results from the suitability of the given land for the needs of the current and future operations of the Group estimated by the Management.

Data regarding write-downs updating the value of inventories to the net value possible to obtain and reversing write-downs on this account are presented in note 8.

Financial instruments valued according to fair value

The Group uses its judgment when selecting valuation methods and makes assumptions based on market conditions existing at each balance sheet date. In particular, concluded forward contracts and concluded option agreements are valued on the basis of valuations provided by banks, are based on the discounted cash flow method using observable data such as exchange rates, interest rates (WIBOR, EURIBOR).

As the interest rates on financial instruments are linked to the development of the WIBOR and EURIBOR rates, the Group's Management Board estimates that their fair value is approximately equal to their book value, including accrued interest.

As at 30 June 2023, the Group did not change the valuation principles for financial instruments, there were no changes in the classification or movements between levels of the fair value hierarchy. There is no difference between the carrying value and the fair value of financial instruments.

Asset from deferred income tax

The Group recognizes deferred tax asset based on the assumption that tax profit will be achieved in the future and it will be possible to use it. This assumption would be unjustified if the tax results deteriorated in the future.

The Management Board verifies the estimates adopted for the probability of the recovery of deferred tax assets based on changes in the factors considered in determining them, new information and past experience.

Goodwill impairment test

The Group tested goodwill for impairment as at 31 December 2022 (relating to the joint venture - Galeria Młociny). As at 30 June 2023, the Group's Management Board re-examined the assumptions used in the test performed at the end of 2022 and found no need to change these assumptions. Consequently, the Management Board's estimate of the goodwill write-downs made did not change.

Trademark impairment test

The Group performed an impairment test on the Archicom trademark as at 31 December 2022, as described in the 2022 annual consolidated financial statements. This test did not indicate any impairment of this asset. As at 30 June 2023, the Group's Management Board reviewed the assumptions used in the 2022 year-end test and found no need to change these assumptions. Consequently, the Management Board did not identify any indication of impairment of the Archicom trademark.

Expected credit losses

As at 30 June 2023, the Group has not changed its accounting policy or methodology for determining expected credit losses on trade receivables, loans and guarantees

granted and cash. In the opinion of the Management Board, the assumed default rates and default rates presented in the Echo Investment Group's annual consolidated financial statements for 2022 have not materially changed in H1 2023 and, as a result, have been applied to calculate the allowance for expected credit losses as at 30 June 2023. As a result, the estimate of expected credit losses has not materially changed compared to the figures in the Echo Group's annual consolidated financial statements for 2022.

Long-term incentive program

The Group has a long-term incentive program that meets the definition of a program based on IFRS 2 "Share-based payment", to which the members of the Management Board and the CEO of the subsidiary Archicom S.A. are covered. As the Group expects to settle the program in the form of cash, the amount of the obligation and the cost were recognised in the period within general and administrative expenses, respectively. The valuation of the program is based on the "Monte Carlo" model and variables such as the share price, the period to the end of the program or the expected share price at the end of the program.

04

New standards and interpretations that are effective as of 1 January 2023

The following standards and amendments to standards became effective on 1 January 2023:

Amendments to IFRS 4 “Insurance contracts” titled “Extension of the temporary exemption from the application of IFRS 9”

(approved in the EU on 16 December 2020)

The expiry date of the temporary exemption from IFRS 9 has been extended from 1 January 2021 to annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 “Presentation of financial statements” - Disclosures about accounting policies applied

Effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” - Disclosures on accounting policies applied

Effective for annual periods beginning on or after 1 January 2023.

IFRS 17 “Insurance contracts”, as amended by IFRS 17

Effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 12 Income taxes

(issued on 7 May 2021)

Not adopted by the EU up to the date of approval of these financial statements - applicable for annual periods beginning on 1 January 2023.

The above amendments did not have a material impact on the Group’s H1 2023 consolidated financial statements.

05

Published standards and interpretations which are not effective yet and have not been adopted by the Group

In approving these financial statements, the following amendments to existing standards have been issued by the IASB and endorsed for use in the EU, which are effective at a later date:

Amendments to IAS 1 “Presentation of financial statements” - Classification of liabilities as shortterm or long-term

It is effective for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 “Leasing” - lease liabilities in sale and leaseback transactions

It is effective for annual periods beginning on or after 1 January 2024.

New standards and amendments to existing standards issued by the IASB but not yet endorsed for use in the EU

The IFRS as approved by the EU do not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the following new standards and amendments to standards, which as at 31 December 2022 have not yet been approved for use in the EU (the following effective dates refer to the full version of the standards):

IFRS 14 “Deferred balances from regulated activities”

Effective for annual periods beginning on or after 1 January 2016. The European Commission has decided not to initiate the approval process of this interim standard for use in the EU until the final version of IFRS 14 is issued.

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Undertaking undertaking and subsequent changes

The effective date of the amendments has been postponed until the completion of research work on the equity method.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures: Supplier Financing Arrangements”

(published on 25 May 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2024.

According to the Group’s estimates, the above-mentioned new standards and changes to the existing standards would not have a significant impact on the financial statements, if they had been applied by the Group as at the balance sheet date.

Amendments to IAS 12 “Income Taxes: International Tax Reform - Pillar Two Model Rules”

(published on 23 May 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”

(published on 15 August 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2025.

Hedge accounting of the portfolio of financial assets and liabilities, the principles of which have not been approved for use in the EU, still remain outside the regulations approved by the EU.

06

Significant events after the balance sheet day

Issue of PLN 50 million public bonds in total for individual investors

In Q3 2023, Echo Investment registered with Krajowy Depozyt Papierów Wartościowych S.A., introduced to stock exchange trading and started listing two series of bonds in the V established program of bond issue for individual investors of up to PLN 300 million or its equivalent in EUR.

The P-series and P2-series ordinary bearer bonds are listed in the continuous trading system under the abbreviated name "ECHO627 from 1 August 2023 on the Catalyst main market operated by the Warsaw Stock Exchange.

The money raised will be spent on business development and rollover of the company's debt maturing in 2023.

The bonds public offering was carried out on the basis of the prospectus approved by the Polish Financial Supervision Authority on 19 June 2023 and supplements to the prospectus.

Series	P2	P
Value	PLN 15 mln	PLN 35 mln
Maturity	4 years	4 years
Interest	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%
Offering agent	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw

PLN 50 million

total value of two series of bonds issued by Echo Investment for individual investors since the beginning of 2023

The resolution of the Extraordinary General Meeting of Shareholders of Echo Investment S.A.

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 25 July 2023. Resolution was passed on the concerning a finalization of transaction an in-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo was concluded.

The appointment of supervisory persons at Archicom S.A.

On 27 July 2023, the Management Board of Archicom S.A. announced that the Extraordinary General Meeting of Shareholders of the Company decided to appoint Mr Bence Sass and Mr Peter Kocsis to the Supervisory Board of the Company for a joint five-year term of office with the other members of the Supervisory Board.

The resignation of the supervisory person at Archicom S.A.

On 28 July 2023, the Management Board of Archicom S.A. announced that the Company had received a statement from Mr Rafal Mazurczak, signed on 27 July 2023, about his resignation from the position of a member of the Supervisory Board of the Company. No reason for the resignation was stated in the statement sent.

In-kind contribution by Echo to Archicom of the organisationally separated residential business of Echo

On 1 August 2023, Echo Investment S.A. entered into an agreement with Archicom S.A. for the transfer to Archicom S.A. of the in-kind contribution covering Echo Investment Group's separated residential business.

The change will also clarify the structure of the Echo Investment Group, where Archicom Group will be the residential part and Echo Group will focus on growing the commercial and PRS segments, as well as on creating mixed-use 'destination' projects as Warsaw Breveries or Towarowa 22.

The company also entered into an agreement to acquire 22.8 million C1, C2, C3, C4, C5-series ordinary registered shares in the share capital of Archicom S.A., with a total nominal value of PLN 228 million, in exchange for the in-kind contribution. The value of the in-kind contribution, according to the valuation prepared on 31 March 2023,

amounted to nearly PLN 830 million, by means of a private subscription.

The transaction does not involve Echo Investment Group's assets related to the development of apartments for rent (Resi4Rent/PRS).

The assets being contributed to Archicom represent a significant strengthening of the company, both in terms of increasing organisational resources and assets, as well as improving its competitive position and developing its human potential. The transaction will significantly broaden both geographically and product-wise what Archicom's business has been, so far concentrated on the Wrocław market, where it holds a leading position. Following the change, Archicom will also be present in Warsaw, Poznań, Cracow and Łódź. The result will be a nationwide developer with a strong position and high potential for further growth.

89.30%

share of Echo Investment in the share capital of Archicom S.A.

PLN 228 million

the value of shares in the increased share capital of Archicom S.A. acquired by Echo Investment S.A. in return for the contribution in kind amounts

PLN 830 million

the value of in-kind contribution a transfer of the residential business of Echo Investment Group's to Archicom S.A.

Combining of the residential business in Archicom will give the company a nationwide scale with bigger growth potential, synergies and wider market presence. This move is in line with the Echo Investment Group's strategy to create the residential and commercial market leader.

The conditional agreement for the acquisition of a property in the area of Towarowa Street in Warsaw

On 16 August 2023, a subsidiary of the Echo Investment Group, i.e. Projekt Echo 137 Sp. z o.o. (a subsidiary since 1 August 2023, i.e. the date of transfer to Archicom S.A. of the in-kind contribution covering the Echo Investment Group's separated residential business), hereinafter: the Buyer, signed a conditional agreement with the Issuer's related party, i.e. Projekt Towarowa 22 Sp. z o.o, hereinafter: the Seller, the conditional agreement for the sale of the perpetual usufruct right to one of the three properties covered by the preliminary agreement concluded between the parties on 23 February 2022 related to the property located in the area of Towarowa Street in Warsaw in connection with the fulfilment of the conditions precedent specified in the preliminary agreement.

The price for the Property totals: EUR 12,475 thous. net, plus applicable VAT, and PLN 1,958 thous., which will be increased by applicable VAT in due proportion. Towards the price, the Buyer made an advance payment of EUR 6,885 thous. net plus applicable VAT on 8 June 2022 and

an advance payment of EUR 5,590 thousand net plus applicable VAT on the date of the Conditional Sale Agreement. The Buyer also made an advance payment in the amount corresponding to a part of the price expressed in PLN. The total amount of advances paid by the Buyer corresponds to 100 percent of the price for the Property.

The conditional agreement includes assurances and declarations by the parties that are standard in this type of transaction, provides for a price adjustment mechanism, as well as essentially standard contractual clauses regarding the parties' liabilities and securities. The provisions of the conditional agreement do not differ materially from those commonly used in this type of transaction.

The conclusion of the transfer agreement on the condition that the holder does not exercise its pre-emptive right under Article 109 of the Act on Real Estate Management. It is planned to develop a multi-family residential project with services on the Property in question.

Announcement of the convening of the Extraordinary General Meeting of Shareholders of Archicom S.A.

On 29 August 2023, the Management Board of Archicom S.A. announced the convening of the Extraordinary General Meeting of Shareholders on 25 September 2023 in order to adopt a resolution to increase the Company's share capital by issuing D-series ordinary bearer shares and E-series ordinary registered shares in a private placement, to deprive existing shareholders of all preemptive rights with respect to all D-series and E-series shares, to amend the Company's Articles of Association, to apply for admission and introduction of D-series shares or rights to D-series shares and E-series shares to trading on a regu-

lated market operated by Giełda Papierów Wartościowych w Warszawie S. A. and to dematerialise D-series shares or rights to D-series shares and E-series shares and to adopt a resolution to amend the Company's Articles of Association and authorise the Management Board to increase the share capital of Archicom S.A. within the limits of the authorised capital, with the possibility for the Management Board to waive the pre-emptive rights of existing shareholders of the Company in whole or in part with the consent of the Supervisory Board.

Acquisition of a property in Warsaw

On 13 September 2023, a subsidiary of the Echo Investment Group, i.e. Archicom Warszawa Sp. z o.o., as the buyer, and Ghelamco Postępu Sp. z o.o. with its registered

office in Warsaw, a company of the Ghelamco Group, as the seller, entered into an agreement for the sale of real

estate located in Warsaw held in perpetual usufruct by the seller.

Pursuant to the agreement, Archicom Warszawa Sp. z o.o. acquired the seller's real estate, including:

- the right of perpetual usufruct to the plot of land with registration number 30, cadastral district 1-08-13, for which the District Court for Warszawa-Mokotów in Warsaw, VII Land and Mortgage Department, maintains the Land and Mortgage Register No. WA2M/00181536/9, located in Warsaw in the area of Postępu Street, and
- the ownership right to the office buildings and structures erected on this land, as well as
- other rights related to the property, including, among other things, rights under lease agreements for areas located on the property.

The provisions of the agreement do not differ from those used in this type of transactions. The agreement contains standard provisions for this type of transaction regarding assurances and declarations of the seller and the buyer and regarding the parties' liability.

The value of the transaction amounted to PLN 55,000 thous. plus VAT.

The conclusion of the agreement is in line with the Archicom Group's investment policy and is aimed at developing the Group's activities on the residential real estate market in Warsaw. The acquisition, together with the right of perpetual usufruct of the land, of the commercial properties located on this land does not in any way affect the Group's plans to reduce its activities in the commercial segment. It is planned to develop a residential project within the property under consideration.

CHAPTER 3

Condensed interim
standalone financial
statements of Echo
Investment S.A. as
of and for the period
ended 30 June 2023





Condensed interim standalone statement of financial position [PLN '000]

	Note	30.06.2023 (unaudited)	31.12.2022
Assets			
Non-current assets			
Intangible assets		6 704	4 807
Property, plant and equipment	1	40 828	41 952
Investment property		445	445
Investments in subsidiaries, jointly controlled	2	1 787 637	1 551 065
Long-term financial assets	3	1 367	12 409
Loans granted	4	730 855	502 672
Derivative financial instruments	5	8 665	26 251
Lease receivables	6	33 967	38 546
		2 610 468	2 178 147
Current assets			
Inventory	7	114 987	119 441
Current tax assets		4 454	2 154
Other taxes receivable	8	2 231	1 183
Trade and other receivables	8	37 548	69 182
Short-term financial assets	3	-	64 157
Loans granted	4	190 211	567 908
Other financial assets*	5	8 549	-
Cash and cash equivalents		107 588	116 073
		465 568	940 098
Total assets		3 076 036	3 118 245

Condensed interim standalone statement of financial position [PLN '000]

	Note	30.06.2023 (unaudited)	31.12.2022
Equity and liabilities			
Share capital		20 635	20 635
Supplementary capital		704 295	704 295
Dividend fund		346 381	296 169
Profit / (loss) from previous years		-	(50 000)
Net profit		102 856	100 212
		1 174 167	1 071 311
Long-term liabilities			
Loans, borrowings and bonds	9	1 246 261	1 161 537
including from subsidiaries		28 448	57 576
Deffered income tax provison	10	5 868	12 396
Deposits and advances received	9	3 304	2 737
Lease liabilities	9	62 079	65 353
Other liabilities	9	6 998	4 558
		1 324 510	1 246 581
Short-term liabilities			
Loans, borrowings and bonds	9	504 251	606 851
- including from subsidiaries		143 088	150 913
Income tax payable	11	-	5
Other taxes liabilities	11	3 437	1 831
Trade payable	11	15 597	20 137
Deposits and advances received	11	8 087	9 788
Lease liabilities	11	26 425	30 793
Short-term provision	12	10 811	11 928
Other liabilities	11	8 751	119 020
		577 359	800 353
Total equity and liabilities		3 076 036	3 118 245

Condensed interim standalone profit and loss account [PLN '000]

	Nota	1.01.2023- 30.06.2023 (unaudited)	1.01.2022- 30.06.2022 (unaudited)	1.04.2023- 30.06.2023 (data not to review)	1.04.2022- 30.06.2022 (data not to review)
Revenue	14	61 931	114 810	28 644	62 634
Cost of sales		(39 322)	(59 530)	(27 054)	(29 518)
Gross profit		22 609	55 280	1 590	33 116
				-	-
Administrative costs associated with project implementation		(9 694)	(10 845)	(6 353)	(6 929)
Selling expenses		(8 829)	(9 313)	(4 292)	(5 663)
General and administrative expenses		(41 305)	(30 960)	(21 258)	(10 871)
Other operating income	15	180 741	189 678	84 760	72 689
- including interests and amortised costs (SCN) from borrowings and bond		29 533	45 996	16 342	45 979
Other operating expenses		(865)	(9 365)	(61)	(7 183)
Operating profit		142 657	184 475	54 386	75 159
				-	-
Financial income	16	31 416	10 541	26 173	10 541
Financial cost	16	(78 192)	(81 643)	(33 643)	(47 100)
Profit before tax		95 881	113 373	46 916	38 601
				-	-
Income tax	17	6 975	3 250	778	(976)
Net profit		102 856	116 623	47 655	37 625
Net profit		102 856	116 623		
Weighted average number of ordinary shares		412 690 582	412 690 582		
Profit per one ordinary share (PLN)		0,25	0,24		
Diluted weighted average number of ordinary shares		412 690 582	412 690 582		
Diluted profit per one ordinary share (PLN)		0,25	0,24		

Condensed interim standalone statement of financial result and other comprehensive income [PLN '000]

	Note	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Net profit		102 856	116 623
Other comprehensive income		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income		102 856	116 623
Total earnings per common share		0,25	0,24

Condensed interim standalone statement of changes in equity [PLN '000]

	Note	Share capital	Supplementary capital	Dividend fund	Dividend advance payment	Profit for the current year	Own equity attributable to shareholders - total
As at 1 January 2023		20 635	704 295	296 169	(50 000)	100 212	1 071 311
Changes during the period:							
Distribution of the result from previous years		-	-	9 420		(9 420)	-
Dividend paid*		-	-	40 792	50 000	(90 792)	-
Dividend approved for payment		-	-	-			-
Net profit for the period		-	-	-		102 856	102 856
Total changes		-	-	50 212	50 000	2 644	102 856
As at 30 June 2023		20 635	704 295	346 381	-	102 856	1 174 167
As at 1 January 2022							
		20 635	704 295	413 912		13 842	1 152 684
Changes during the period:							
Distribution of the result from previous years		-	-	13 842		(13 842)	-
Dividend paid		-	-	(90 793)		-	(90 793)
Dividend approved for payment		-	-	-		-	-
Net profit for the period		-	-	-		116 623	116 623
Changes in total		-	-	(76 951)		102 781	25 830
As at 31 December 2022		20 635	704 295	336 961		116 623	1 178 514

* In accordance with the resolution of the Annual General Meeting of Shareholders, Echo Investment S.A. paid a dividend to shareholders in the amount of PLN 90,791,928.04, which amounted to PLN 0.22 per share. The dividend was paid on 2 February 2023.

Condensed interim standalone cash flow statement [PLN '000]

Note	1.01.2023 - 30.06.2023	1.01.2022 - 30.06.2022
Operating cash flow — indirect method		
I. Profit before tax	95 881	113 373
II. Adjustments	(111 606)	(111 199)
Depreciation	4 747	4 739
Foreign exchange gains / (losses)	(14 961)	4 295
Interest and profit sharing (dividends)	(97 469)	(126 232)
Profit / (loss) on revaluation of assets and liabilities	(4 796)	15 698
Profit (loss) on sale of fixed assets and investment properties	(116)	(1)
Profit / (loss) on realization of financial instruments	989	(9 698)
III. Changes in working capital	(4 073)	(29 932)
Change in provisions	(797)	3 036
Change in inventory	9 075	15 207
Change in receivables	11 766	(25 135)
Change in short-term liabilities, except for loans and borrowings	(24 116)	(25 215)
Change in restricted cash	-	2 175
IV. Net cash generated from operating activities (I +/- II +/- III)	(19 797)	(27 758)
V. Income tax paid	(1 858)	(5 668)
VI. Net cash generated from operating activities (IV+/-V)	(21 655)	(33 426)
Cash flows from investing activities		
I. Inflows	835 243	386 420
Disposal of intangible assets and PP&E	119	2
From financial assets, including:	835 124	386 418
a) in affiliated entities	835 124	386 418
disposal of financial assets	43 480	-
dividends and profit sharing	160 370	129 000
repayment of loans granted	627 905	241 506
interest	3 369	15 020
redemption of certificates	-	892
II. Outflows	(663 646)	(245 899)
Purchase of intangible assets and PP&E	(2 647)	(4 561)
On financial assets, including:	(392 442)	(123 949)
a) in affiliated entities	(392 442)	(123 949)
acquisition of financial assets	-	(5)
loans granted	(392 442)	(123 944)
Other investment outflows	(268 557)	(117 389)
Net cash flow from investment activities	171 597	140 521
Net cash flow from financing activities (I — II)		
I. Inflows	150 256	140 000
Loans and borrowings	1 685	-
Issue of debt securities	140 000	140 000
Other investment inflows	8 571	-

Condensed interim standalone cash flow statement [PLN '000]

	Note	1.01.2023 - 30.06.2023	1.01.2022 - 30.06.2022
II. Outflows		(308 681)	(284 915)
Dividends and other payments to equity holders		(90 792)	-
Repayment of loans and borrowings		(33 897)	(149 987)
Redemption of debt securities		(96 510)	(81 410)
Payments of liabilities under lease contracts		(5 985)	(6 694)
Interests		(80 335)	(43 702)
Other investment outflows		(1 162)	(3 122)
Net cash flow from financing activities		(158 425)	(144 915)
Total net cash flows		(8 485)	(37 820)
Balance sheet change in cash, including:		(8 485)	(37 820)
Cash and cash equivalents at the beginning of the period		116 073	74 239
Cash and cash equivalents at the end of the period		107 588	36 419

Explanatory notes



Explanatory notes to the statement of financial position

NOTE 1A

The Company did not make any impairment losses on property, plant and equipment in the periods covered by these financial statements.

The Company has no collateral established on fixed assets.

Property, plant and equipment [PLN '000]

	30.06.2023	31.12.2022
PP&E, including:	40 828	41 952
land	88	88
buildings, premises, civil and water engineering structures	32 880	32 917
plant and machinery	421	22
means of transport	5 837	7 102
other PP&E	1 602	1 823
PP&E under construction	-	-
Advances on PP&E under construction	-	-
Total property, plant and equipment	40 828	41 952

NOTE 1B

Changes in property, plant and equipment - by types [PLN '000]

For the period 1.01.2023 — 30.06.2023	Own land	Buildings and structures	Technical equipment	Means of transport	Other PP&E	Total PP&E
Gross value of PP&E at the beginning of the period	100	46 239	1 947	12 498	5 349	66 133
Increases	-	2 712	412	12	-	3 136
- due to purchase	-	-	412	-	-	412
- due to lease	-	2 712	-	12	-	2 724
Decreases	-	-	(5)	(312)	-	(317)
- due to sale	-	-	(5)	(312)	-	(317)
Gross PP&E at the end of the period	100	48 951	2 354	12 198	5 349	68 952
Accumulated depreciation at the beginning of the period	(12)	(13 322)	(1 925)	(5 396)	(3 526)	(24 181)
Depreciation for the period	-	(2 749)	(8)	(965)	(221)	(3 943)
- due to depreciation	-	(246)	(13)	-	(221)	(480)
- due to sale	-	-	5	312	-	317
- due to lease	-	(2 503)	-	(1 277)	-	(3 780)
Accumulated depreciation at the end of the period	(12)	(16 071)	(1 933)	(6 361)	(3 747)	(28 124)
Net value of fixed assets at the end of the period	88	32 880	421	5 837	1 602	40 828
Including asset on usufruct	-	28 016	-	5 837	-	33 853

There are no contractual obligations incurred in connection with the purchase of tangible fixed assets.

Changes in property, plant and equipment - by types [PLN '000]

For the period 1.01.2022 — 31.12.2022	Own land	Buildings and structures	Technical equipment	Means of transport	Other PP&E	Total PP&E
Gross value of PP&E at the beginning of the period	100	43 209	3 433	12 693	4 105	63 540
Increases	-	3 091	12	3 259	1 982	8 344
- due to purchase	-	2 186	12	4	1 982	4 184
- due to lease	-	905	-	3 255	-	4 160
Decreases	-	(61)	(1 498)	(3 454)	(738)	(5 751)
- due to liquidation	-	(61)	(1 485)	-	(461)	(2 007)
- due to lease	-	-	-	(2 929)	-	(2 929)
- due to sale	-	-	(13)	(525)	(277)	(815)
Gross PP&E at the end of the period	100	46 239	1 947	12 498	5 349	66 133
Accumulated depreciation at the beginning of the period	(10)	(8 297)	(3 346)	(6 120)	(3 267)	(21 040)
Depreciation for the period	(2)	(5 025)	1 421	(2 249)	(259)	(6 114)
- due to depreciation	(2)	(365)	(27)	(3)	(996)	(1 393)
- due to sale	-	-	13	523	272	808
- due to lease	-	(4 721)	-	(2 769)	-	(7 490)
- due to liquidation	-	61	1 435	-	465	1 961
Decreases	-	-	-	2 973	-	2 973
- due to lease	-	-	-	2 973	-	2 973
Accumulated depreciation at the end of the period	(12)	(13 322)	(1 925)	(5 396)	(3 526)	(24 181)
Net value of fixed assets at the end of the period	88	32 917	22	7 102	1 823	41 952
Including asset on usufruct	-	30 184	-	5 412	-	35 596

NOTE 2A

Interests and shares [PLN '000]

	30.06.2023	31.12.2022
Investments in subsidiaries and joint ventures		
in subsidiaries	1 559 174	1 322 602
in joint ventures	228 463	228 463
Total interests and shares	1 787 637	1 551 065

In accordance with IAS 36, in assessing if there is any indication that the assets related to the Archicom Group may be impaired, the Management Board analysed the premise that the carrying amount of the net assets of the reporting entity is higher than their market capitalisation.

Due to the non-existence of the premises, as at June 30, 2023, the Company did not test Archicom for impairment (indirectly through DKR and DKRA).

NOTE 2B

Changes in interests and shares [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Opening balance, including:	1 551 065	1 487 983
shares and interests	1 551 065	1 487 983
Increases	293 547	115 063
due to purchase of interests	57	16
due to capital increase	293 490	115 047
Decreases	(56 975)	(51 981)
due to sale of interests	-	(1 251)
due to capital decrease	(32 620)	(47 000)
due to liquidation of entity	-	(2 894)
due to write—down on assets	(24 355)	(836)
Closing balance, including:	1 787 637	1 551 065
shares and interests	1 880 568	1 619 641
due to write-down of assets	(92 931)	(68 576)

Changes in interests and shares — by companies

Change	Company	Value [PLN '000]
Acquisition of shares	DKRA Sp. z o.o.	57
Capital increase	Projekt Echo 116 Sp. z o.o.	430
	Projekt Echo 141 Sp. z o.o.	90
	Projekt Echo 136 Sp. z o.o.	650
	Projekt Echo 135 Sp. z o.o.	120
	Seaford Sp. z o.o.	150
	Grupa Echo Sp. z o.o.	1 650
	City Space Management Sp. z o.o.	19 150
	Echo - Property Poznań 1 Sp. z o.o.	2 750
	Gosford Investments Sp. z o.o.	4 500
	Galeria Nova - Grupa Echo Sp. z o.o. S.K.A.	65 000
	Projekt Echo 139 Sp. z o.o.	2 000
	Perth Sp. z o.o.	97 000
	Projekt Echo 137 Sp. z o.o.	100 000
Write-downs on interests	Projekt Echo - 135 Sp. z o.o.	120
	Seaford Sp. z o.o.	150
	Grupa Echo Sp. z o.o.	1 650
	City Space Management Sp. z o.o.	19 150
	Projekt Echo 141 Sp. z o.o.	90
	Projekt Echo 116 Sp. z o.o.	430
	Echo - Property Poznań 1 Sp. z o.o.	2 488
	PHS - Grupa Echo Sp. z o.o. Sp.k.	123
	Projekt Echo 108 Sp. z o.o.	48
	Projekt Echo 121 Sp. z o.o.	17
	Projekt Echo 144 Sp. z o.o.	13
	Projekt Echo 145 Sp. z o.o.	13
	Selmer Investments Sp. z o.o.	18

Changes in interests and shares — by companies

Change	Company	Value [PLN '000]
	Malta Office Park - Grupa Echo Sp. z o.o. S.K.A.	26
	Galeria Tarnów - Grupa Echo Sp. z o.o. S.K.A.	19
Contribution reduction	Projekt Echo 136 Sp.k.	32 620

NOTE 3

Long-term and short-term financial assets [PLN '000]

	30.06.2023	31.12.2022
advances received	1 367	1 549
In subsidiaries	-	64 157
bonds	-	64 157
- short-term	-	64 157
receivables for purchase and sale of shares	-	10 860
Total long and short-term financial assets	1 367	76 566

On June 29 2023, Projekt Beethoven - Projekt Echo 122 Sp. z o. o. S.K.A. repaid the liability under bonds to Echo Investment S.A.

NOTE 4A

Long-term loans granted [PLN '000]

	30.06.2023	31.12.2022
In subsidiaries	420 518	198 099
In joint-ventures	310 337	303 985
In other entities	-	588
Total long-term loans granted	730 855	502 672

Short-term loans granted [PLN '000]

	30.06.2023	31.12.2022
In subsidiaries	190 211	567 908
Total short-term loans granted	190 211	567 908

The loans meet the SPPI test and are maintained in accordance with a business model whose objective is to hold financial assets to collect contractual cash flows in accordance with IFRS 9 and therefore are not measured at fair value but at amortized cost.

The valuation does not differ significantly from the fair value valuation.

The maximum value of credit risk related to loans is equal to their carrying amount.

The loans granted are not secured, they are not overdue, there was no significant loss of their value.

The loan was granted to related entities with good financial standing. In the opinion of the Management Board,

credit risk towards related entities is minimized through ongoing control of operating activities and assessment of investment projects of these companies. In the opinion of the Management Board, due to the ability to monitor the activities of subsidiaries and periodically confirm the profitability of their projects, the Company is able to assess and identify loans for which the credit risk has increased significantly. The Management Board of the Company did not identify such loans. The Management Board assessed the loans in terms of creating a write-down for expected credit losses based on the assessment of the credibility of the Echo Investment Capital Group. In accordance with the requirements of IFRS 9, an allowance for expected credit losses was created; as at 30 June 2023 in the amount of PLN 2,514 thousand PLN and as at 31 December 2022 in the amount of PLN 2,943 thousand PLN.

Long-term loans granted - currency structure [PLN '000]

	30.06.2023	31.12.2022
In Polish currency (PLN)	690 998	453 120
In other currencies (recalculated into PLN)	39 857	49 552
Total long-term loans granted	730 855	502 672

Short-term loans granted - currency structure [PLN '000]

	30.06.2023	31.12.2022
In Polish currency (PLN)	164 843	425 826
In other currencies (recalculated into PLN)	25 368	142 082
Total short-term loans granted	190 211	567 908

Key figures on long-term borrowings without interest as at 30 June 2023 [PLN '000]

Contractor's name	Amount	Interest	Repayment date
Galeria Libero Sp. z o.o Sp.k.	97 507	Wibor 3M + margin	10.10.2026
R4R Poland Sp. z o.o.	61 518	fixed rate	31.03.2029
R4R Poland Sp. z o.o.	49 584	fixed rate	31.03.2030
R4R Poland Sp. z o.o.	48 705	fixed rate	31.03.2031
Berea Sp. z o.o.	36 760	fixed rate	31.12.2025
R4R Poland Sp. z o.o.	35 151	fixed rate	30.09.2026
Rosehill Investments Sp. z o.o.	25 703	Euribor 3M + margin	31.12.2025
Berea Sp. z o.o.	7 869	Euribor 3M + margin	31.12.2025
Taśmowa - Projekt Echo 116 Sp. z o.o. S.K.A.*	15 410	Wibor 3M + margin	25.05.2025
DKRA Sp. z o.o.	535	Wibor 3M + margin	22.04.2026
Projekt Echo 123 Sp. z o.o.*	7 501	Wibor 3M + margin	30.09.2026
Strood Sp. z o.o.	45 361	Wibor 3M + margin	31.12.2025
Potton Sp. z o.o.*	50 264	Wibor 3M + margin	30.06.2026
Finar Investments Sp. z o.o.*	29 090	Wibor 3M + margin	30.06.2025
DKRA Echo Sp. z o.o.*	53 450	Wibor 3M + margin	13.04.2026
Projekt Echo 143 Sp. z o.o.*	93 186	Wibor 3M + margin	31.12.2024
Loans without interest and write-offs	657 594		
interest	73 261		
write-offs			
Total loans with interest and write-offs	730 855		

* Loans granted in 2023

The loans granted are presented in line with the actual ones repayment date.

Key figures on long-term borrowings without interest as at 31 December 2022 [PLN '000]

Contractor's name	Amount	Interest	Repayment date
Galeria Libero Sp. z o.o Sp.k.	97 507	Wibor 3M + margin	10.10.2026
R4R Poland Sp. z o.o.	61 518	fixed rate	31.03.2029
Echo - Arena Sp. z o.o.	24 091	Wibor 3M + margin	7.01.2026
R4R Poland Sp. z o.o.	49 584	fixed rate	31.03.2030
R4R Poland Sp. z o.o.	48 705	fixed rate	31.03.2031
Berea Sp. z o.o.	36 760	fixed rate	31.12.2025
R4R Poland Sp. z o.o.	35 151	fixed rate	30.09.2026
Rosehill Investments Sp. z o.o.	25 703	Euribor 3M + margin	31.12.2025
Berea Sp. z o.o.	7 869	Euribor 3M + margin	31.12.2025
ZAM - Projekt Echo 127 Sp. z o.o. Sp.k.	4 950	Wibor 3M + margin	30.06.2024
DKRA Sp. z o.o.	535	fixed rate	22.04.2026
Projekt Echo 137 Sp. z o.o.	9 754	Euribor 3M + margin	30.06.2024
Taśmowa - Projekt Echo 116 Sp. z o.o. S.K.A.	44 105	Wibor 3M + margin	31.12.2024
Loans without interest and write-offs	446 232		
interest	57 794		
write-offs	(1 354)		
Total loans with interest and write-offs	502 672		

Basic data on major short-term borrowings, without interest, as at 30 June 2023 [PLN '000]

Contractor's name	Amount	Interest	Repayment date
City Space Management Sp. z o.o.*	500	Wibor 3M + margin	31.12.2023
Villea Investments Sp. z o.o.	73 830	Wibor 3M + margin	31.12.2023
DKR Echo Investment Sp. z o.o.	25 633	Euribor 3M + margin	30.09.2023
GRO Nieruchomości Sp. z o.o.	24 899	Wibor 3M + margin	31.12.2023
Elektrownia Sp. z o.o.*	29 844	Wibor 3M + margin	30.06.2024
ZAM - Projekt Echo 127 Sp. z o.o. Sp.k.	10 360	Wibor 3M + margin	30.06.2024
Galaxy - Grupa Echo Sp. z o.o. S.K.A.	8 366	Wibor 3M + margin	31.12.2023
Rondo 1 City Space - GP Sp. z o.o. Sp.k.	4 051	Wibor 3M + margin	31.12.2023
Echo - Opolska Business Park Sp. z o.o.	90	Wibor 3M + margin	31.12.2023
Projekt 5 - Grupa Echo Sp. z o.o. S.K.A.	676	Wibor 3M + margin	31.12.2023
Projekt Echo 128 Sp. z o.o.	115	Wibor 3M + margin	31.12.2023
Projekt Echo 112 Sp. z o.o.	112	Wibor 3M + margin	31.12.2023
Projekt Echo 113 Sp. z o.o.	82	Wibor 3M + margin	31.12.2023
Projekt Echo 131 Sp. z o.o.	65	Wibor 3M + margin	31.12.2023
Pure Systems Sp. z o.o.	55	Wibor 3M + margin	31.12.2023
Borrowings without interests and write-offs	178 678		
interests	27 494		
write-offs	(15 961)		
Total borrowings with interest and write-offs	190 211		

* Loans granted in 2023

Loans granted are presented in accordance with the actual ones repayment date.

Basic data on major short-term borrowings, without interest, as at 31 December 2022 [PLN '000]

Contractor's name	Amount	Interest	Repayment date
Fianar Investments Sp. z o.o.	146 244	Wibor 3M + margin	31.12.2023
Strood Sp. z o.o.	136 459	Euribor 3M + margin	31.12.2023
Projekt 12 - Grupa Echo Sp. z o.o. Sp.k.	82 650	Wibor 3M + margin	31.12.2023
Villea Investments Sp. z o.o.	72 780	Wibor 3M + margin	31.12.2023
Projekt Echo 137 Sp. z o.o.	7 274	Wibor 3M + margin	31.12.2023
Perth Sp. z o.o.	4 356	Wibor 3M + margin	31.12.2023
DKR Echo Investment Sp. z o.o.	25 633	Wibor 3M + margin	30.09.2023
GRO Nieruchomości Sp. z o.o.	24 367	Wibor 3M + margin	31.12.2023
Elektrownia Sp. z o.o.	271	Wibor 3M + margin	31.12.2023
Strood Sp. z o.o.	9 890	Wibor 3M + margin	31.12.2023
Galaxy - Grupa Echo Sp. z o.o. S.K.A.	8 366	Wibor 3M + margin	31.12.2023
Rondo 1 City Space - GP Sp. z o.o. Sp.k.	4 051	Wibor 3M + margin	31.12.2023
Echo - Opolska Business Park Sp. z o.o.	90	Wibor 3M + margin	31.12.2023
Projekt 5 - Grupa Echo Sp. z o.o. S.K.A.	668	Wibor 3M + margin	31.12.2023
Projekt Echo 128 Sp. z o.o.	115	Wibor 3M + margin	31.12.2023
Projekt Echo 112 Sp. z o.o.	112	Wibor 3M + margin	31.12.2023
Projekt Echo 113 Sp. z o.o.	82	Wibor 3M + margin	31.12.2023
Projekt Echo 131 Sp. z o.o.	65	Wibor 3M + margin	31.12.2023
Pure Systems Sp. z o.o.	55	Wibor 3M + margin	31.12.2023
Borrowings without interests and write-offs	523 528		
interests	66 204		
write-offs	(21 824)		
Total borrowings with interest and write-offs	567 908		

NOTE 5

Derivative financial instruments [PLN '000]

	30.06.2023	31.12.2022
Interest Rate Swap	17 214	26 251
Total	17 214	26 251

The Company classifies derivative financial instruments as level 2 in the fair value hierarchy defined by accounting standards. The valuation technique for interest rate swaps

is based on the discounted cash flow method with the use of observable data such as interest rates (WIBOR, EURIBOR) and interest rate curves.

Key data on long-term derivative financial instruments as at 30 June 2023 [PLN '000]

	Nominal value	Amount	Interest	Date of conclusion	Redemption date
IRS - 39624	150 000	8 549	0,590%	24.08.2020	31.05.2024
IRS - 39827	100 000	8 665	0,535%	16.09.2020	5.08.2024

Key data on long-term derivative financial instruments as at 31 December 2022 [PLN '000]

	Nominal value	Amount	Interest	Date of conclusion	Redemption date
IRS - 39624	150 000	13 939	0,590%	24.08.2020	31.05.2024
IRS - 39827	100 000	12 312	0,535%	16.09.2020	5.08.2024

NOTE 6

Leasing receivables [PLN '000]

	30.06.2023	31.12.2022
up to 1 year	3 144	3 666
1 to 3 years	8 332	8 837
3 to 5 years	9 268	8 909
over 5 years	16 367	17 134
Total	37 111	38 546

The company estimated an expected credit loss (ECL) copy, due to the intangible amount of the amount, it decided not to enter it into the registers.

NOTE 7A

Inventory [PLN '000]

	30.06.2023	31.12.2022
Semi-finished products and work-in-progress	111 187	115 828
land usufruct asset	14 995	18 956
Finished products	3 800	3 613
Goods	-	-
Inventory in total	114 987	119 441

NOTE 7B

Inventory — impact on results [PLN '000]

	30.06.2023	31.12.2022
Inventory write-offs recognised as cost in the period	-	(750)
Reversed write-downs on inventory recognised as revenue in the period	32	-
Movement in write-down on inventory	32	(750)

NOTE 8

Short-term trade receivables, taxes and other [PLN '000]

	30.06.2023	31.12.2022
a) receivables from subsidiaries	24 452	56 493
trade, with maturity:	22 064	40 778
- up to 12 months	22 064	40 778
- over 12 months	-	-
other:	2 388	15 715
- due to profit from limited partnerships	2 355	15 715
b) write-downs on receivables from related parties	13 096	12 689
trade, with maturity:	795	2 717
- up to 12 months	795	2 717
- over 12 months	-	-
other:	10 228	4 896
- security deposits paid	1 498	1 548
- lease receivables	3 144	-
- bid bonds paid	5 586	3 348
- advances for deliveries	2 073	5 076
Trade receivables and other in total	37 548	69 182
Tax receivables	6 685	3 337
Taxes receivables in total	6 685	3 337
Total net short-term trade receivables, taxes and other	44 233	72 519
total write-downs for expected credit losses of receivables	(3 178)	(3 189)
Total gross short-term trade receivables, taxes and other receivables	47 411	75 708

The maximum value of the credit risk associated with trade receivables does not differ materially from the carrying amount. The estimated fair value of trade receivables is the present value of future expected discounted cash flows and does not differ materially from the carrying amount of these receivables.

Receivables from related companies are not secured. In relation to affiliated companies, the credit risk, in the opinion of the Management Board, is minimised through the ongoing control of operations and the evaluation of investment projects of these companies. In the Management Board's opinion, by being able to monitor the operations of the subsidiaries and periodically confirming the profitability of their projects, the Company is able to evaluate the receivables for which the credit risk has significantly increased. The Company's Management

Board has not identified any such receivables, even with respect to receivables over 30 days past due, based on the evaluation of the subsidiaries' investment projects.

Trade receivables from other entities result from office and residential leases and providing investment development services and all other services. The Company monitors the condition and the payment capacity of its counterparties on an ongoing basis. There is no significant concentration of risk in relation to any of the Company's clients outside the Echo Investment Group. As at 30 June 2023, the Company estimated the value of the impairment allowance for trade receivables using a provision matrix developed on the basis of historical data relating to counterparties' payments of receivables.

NOTE 9A

Long-term liabilities without income tax provision [PLN '000]

	30.06.2023	31.12.2022
Due to subsidiaries		
credits and loans	28 448	57 576
	28 448	57 576
Due to other entities		
lease	62 079	65 353
security deposits and advances received	3 304	2 737
due to debt security issue	1 217 814	1 103 961
bonuses for management	6 998	4 558
	1 290 195	1 176 609
Total long-term liabilities	1 318 643	1 234 185
Interest rates used to discount expected lease cash flows:	from 1,77% to 12,05%	from 2,10% to 7,95%

Credits, loans and short-term bonds [PLN '000]

	30.06.2023	31.12.2022
Due to subsidiaries		
credits and loans	143 088	150 913
	143 088	150 913
Due to other entities		
- credits and loans	148 176	155 399
-due to debt security issue	212 987	300 539
	361 163	455 938
Total credits, loans and short-term bonds	504 251	606 851

According to the best information and data of the Company, there were no breaches of terms of loan agreements and established security levels during the financial year and until the date of signing of the financial statement.

NOTE 9B

Long-term liabilities without income tax provision with remaining maturities from the balance sheet date [PLN '000]

	30.06.2023	31.12.2022
1-3 years	973 055	893 763
3-5 years	319 117	312 162
Over 5 years	26 470	28 260
Total long-term liabilities	1 318 642	1 234 185
Interest rates used to discount expected cash flows:	from 1,77% to 12,05%	from 2,10% to 7,95%

Long-term liabilities in nominal value were presented by the Company in note 11E and 11F.

NOTE 9C

Long-term liabilities without provision for income tax - currency structure [PLN '000]

	30.06.2023	31.12.2022
In Polish currency (PLN)	1 055 550	953 056
In other currencies (recalculated into PLN)	263 092	281 129
Total long-term liabilities	1 318 642	1 234 185

Short-term loans, borrowings and bonds - currency structure [PLN '000]

	30.06.2023	31.12.2022
In the Polish currency (PLN)	361 163	455 938
In other currencies (recalculated into PLN)	143 088	150 913
Total short-term loans, borrowings and bonds	504 251	606 851

Basic data on short-term borrowings as at 30 June 2023 [PLN '000]

Contractor's name	Value	Interest rate	Repayment deadline
Projekt Echo 129 Sp.z o.o.	143 113	EURIBOR 3M + margin	30.09.2023
Borrowings without interests and write-offs	143 113		
Interests	(25)		
Total borrowings with interest and write-offs	143 088		

Basic data on short-term borrowings as at 31 December 2022 [PLN '000]

Contractor's name	Value	Interest rate	Repayment deadline
Projekt Echo 129 Sp.z o.o.	143 113	EURIBOR 3M + margin	30.09.2023
Borrowings without interests and write-offs	143 113		
Interests	7 800		
Total borrowings with interest and write-offs	150 913		

NOTE 9D

Long-term liabilities - change due to leasing [PLN '000]

	30.06.2023	31.12.2022
Opening balance	65 353	70 778
Changes in the period	(3 274)	(5 425)
new purchases	2 711	4 159
payment	(5 985)	(9 584)
Closing balance	62 079	65 353

NOTE 9E

Echo Investment S.A. credit facilities as at 30 June 2023 [PLN '000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline	Other
PKO BP S.A. *	75 000	62 867	Wibor 1M + margin	31.10.2023	
Alior Bank S.A.	25 000	25 000	Wibor 3M + margin	8.09.2023	
Santander Bank Polska S.A.* **	100 000	60 309	Wibor 1M + margin	29.02.2024	
Total	200 000	148 176			

* The available loan amount as at 30 June 2023 is reduced by the guarantees issued and amounts to PLN 10.8 million.

** The available loan amount as at 30 June 2023 is reduced by the guarantees issued and amounts to PLN 3.2 million.

Echo Investment S.A. credit facilities as at 31 December 2022 [PLN '000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline	Other
PKO BP S.A. *	75 000	62 931	Wibor 1M + margin	31.10.2023	
Alior Bank S.A.	25 000	25 000	Wibor 3M + margin	10.07.2023	
Santander Bank Polska S.A.* **	100 000	67 468	Wibor 1M + margin	28.02.2023	
Total	200 000	155 399			

* The available loan amount as at 31 December 2022 is reduced by the guarantees issued and amounts to PLN 2 million.

** The available loan amount as at 31 December 2022 is reduced by the guarantees issued and amounts to PLN 27.2 million.

The value of the loan corresponds to the nominal amount of the credit line used.

Company's liabilities due to bonds issued as at 30 June 2023

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
Bonds issued by Echo Investment S.A. for institutional investors [PLN '000]					
1/2020	PLO017000012	mBank S.A.	70 000	31.05.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
2/2021	PLO017000061	mBank S.A.	172 000	10.11.2025	WIBOR 6M + margin 4,4%
11/2022	PLO017000079	Ipopema Securities S.A.	180 000	8.12.2027	WIBOR 6M + margin 4,5%
21/2023	PLO017000087	Ipopema Securities S.A.	140 000	24.05.2028	WIBOR 6M + margin 4,5%
Total			757 000		
Bonds issued by Echo Investment S.A. for individual investors [PLN '000]					
I-series	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. and Centralny Dom Maklerski Pekao S.A.	50 000	8.11.2023	WIBOR 6M + margin 3,4%
K-series	PLECHPS00324	DM PKO BP	50 000	10.01.2025	WIBOR 6M + margin 4,0%
L-series	PLECHPS00332	DM PKO BP	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M-series	PLECHPS00340	DM PKO BP	40 000	27.04.2026	WIBOR 6M + margin 4,0%
N-series	PLECHPS00357	DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O-series	PLECHPS00365	DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
SerialP/2021	PLO017000053	Michael / Ström DM S.A. as agent	188 000	22.10.2024	fixed interest rate 5%
J and J2-series	PLECHPS00290	J-series: consortium Noble Securities S.A., Michael / Strom DM S.A., DM Banku Ochrony Środowiska S.A. J2-series: DM PKO Banku Polskiego S.A.	33 832	21.09.2023 Bonds paid off within repayment.	WIBOR 6M + margin 3,4%
Total			476 832		
Total bonds issued in PLN			1 233 832		

Bonds issued by Echo Investment S.A. for institutional investors

Series	ISIN code	Bank / brokerage house	Nominal value [EUR '000]	Nominal value [PLN '000]	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	183 508	23.10.2024	fixed interest rate 4.5%
Bonds in EUR/PLN			40 000	183 508		

The change in business and economic conditions did not have a significant impact on the fair value of financial liabilities. Fair value measurements for quoted bonds were

classified as level 1 and for unquoted bonds as level 2 in the fair value hierarchy defined by the accounting standards.

Company's liabilities due to bonds issued as at 31 December 2022 [PLN '000]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
Bonds issued for institutional investors					
1/2019	PLECHPS00308	mBank S.A.	96 510	11.04.2023	WIBOR 6M + margin 4,25%
2/2021	PLO017000061	mBank S.A.	172 000	10.11.2025	Wibor 6M + margin 4,4%
1/2020	PLO017000012	mBank S.A.	70 000	31.05.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
11/2022	PLO017000079	IPOPEMA	180 000	8.12.2027	WIBOR 6M + margin 4,5%
Total			713 510		
Bonds issued for individual investors					
N - series	PLECHPS00357	Agent : DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O - series	PLECHPS00365	Agent : DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
I - series	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. i Centralny Dom Maklerski Pekao S.A.	50 000	8.11.2023	WIBOR 6M + margin 3,4%
K - series	PLECHPS00324	DM PKO BP S.A.	50 000	10.01.2025	WIBOR 6M + margin 4,0%
L - series	PLECHPS00332	DM PKO BP S.A.	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M - series	PLECHPS00340	DM PKO BP S.A.	40 000	7.04.2026	WIBOR 6M + margin 4,0%
1P/2021 - series	PLO017000053	Michael / Ström DM S.A. jako agent	188 000	22.10.2024	fixed interest rate 5%
J and J2 - series	PLECHPS00290	J-series: consortium:Noble Securities S.A., Michael / Ström DM S.A., DM Banku Ochrony Środowiska S.A J2-series: DM PKO Banku Polskiego S.A	33 832	21.09.2023	WIBOR 6M + margin 3,4%
Total			476 832		
Total bonds issued in PLN			1 190 342		

Bonds issued by Echo Investment S.A. for institutional investors

Series	ISIN code	Bank / brokerage house	Nominal value [EUR '000]	Nominal value [PLN '000]	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	183 508	23.10.2024	fixed interest rate 4.5%
Bonds in EUR/PLN			40 000	183 508		

Debt financial instruments [PLN '000]

	30.06.2023	31.12.2022
Carrying value	2 028 844	1 377 938
Fair value	2 024 736	1 450 714

NOTE 10

Movement in deferred tax assets/provision [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -31.12.2022
Deferred tax asset/provision at the beginning of the period	(12 396)	(16 677)
financial instruments	(2 161)	(2 271)
investment property	513	513
receivables and liabilities due to borrowings	(22 501)	(14 170)
liabilities due to loan and bonds	1 868	(1 559)
tax loss	3 420	2 344
inventory	4 625	1 713
interests and shares	1 636	1 636
leasing	1 448	1 995
other	(1 244)	(6 878)
Increases	12 668	13 159
financial instruments	-	110
receivables and liabilities due to borrowings	3 212	-
liabilities due to loan and bonds	-	3 427
tax loss	9 456	1 076
inventory	-	2 912
other	-	5 634
Decreases	(6 140)	(8 878)
financial instruments	(1 110)	-
receivables and liabilities due to borrowings	-	(8 331)
liabilities due to loan and bonds	(1 087)	-
inventory	(456)	-
leasing	(132)	(547)
other	(3 355)	-
Deferred tax asset/provision at the end of the period	(5 868)	(12 396)
financial instruments	(3 271)	(2 161)
investment property	513	513
receivables and liabilities due to borrowings	(19 289)	(22 501)
liabilities due to loan and bonds	781	1 868
tax loss	12 876	3 420
inventory	4 169	4 625
interests and shares	1 636	1 636
leasing	1 316	1 448
other	(4 599)	(1 244)

There is no tax loss in the Company for the years 2019-2022, for which no asset was created. The right to reduce

the tax due to the tax loss expires in 2027. The Company plans to settle the tax loss in 2024 and 2025.

NOTE 11A

Short-term trade liabilities, taxes, security deposits received, advances received and other - without provisions [PLN '000]

	30.06.2023	31.12.2022
Trade, due to subsidiaries, with maturity:	474	9 033
up to 12 months	474	9 033
over 12 months	-	-
Trade, due to other entities, with maturity:	15 123	11 104
up to 12 months	15 123	11 104
over 12 months	-	-
Total short-term trade liabilities	15 597	20 137
Advances received (liability related to contract)	4 915	5 854
Security deposits received	3 172	3 934
Total security deposits and advances received	8 087	9 788
Due to other taxes	3 437	1 831
Due to current portion of income tax	-	5
Total liabilities due to taxes	3 437	1 836
PWUG liability	12 653	17 506
Car leasing liability	2 788	2 880
Real estate lease liability	10 984	10 407
Total lease liabilities	26 425	30 792
Other liabilities	8 751	119 020
payroll	(52)	5
derivative financial instruments	-	14 876
other (due to)	8 804	104 139
dividend	-	90 792
cash on escrow account	-	-
Other, including:	8 804	13 347
bonuses for management and employees	4 651	8 022
Total other short-term liabilities	8 751	119 020
Total short-term trade liabilities, taxes, received deposits, received advances and other	62 297	181 574
Interest rates used to discount expected cash flows for leasing:	from 1,77% to 12,05%	from 1,77% to 12,05%

Fair value of trade and other liabilities does not differ materially from their carrying value.

On 18 April 2023, acting on the basis of the option agreement of 22 April 2021, Echo Investment S.A. exercised its right to purchase and acquired from Ms Dorota Jarodz-

ka-Śródka and Mr Rafał Jarodzki all shares in the share capital of DKRA Sp. z o.o. with its registered office in Wrocław, which holds 2,132,964 shares in the share capital of Archicom S. A. with its registered office in Wrocław, constituting in total 8.31 percent of the share capital of Archicom, entitling to a total of 4,246,578 votes at the

general meeting of Archicom, constituting in total approximately 13.32 percent of the total number of votes at the general meeting of Archicom.

The above transaction had an impact in the standalone statement of financial position on the total settlement

(reduction) of the financial instrument liability valued at 15 million due to the option held, which is presented in the Condensed Interim Profit and Loss Account under the line Other Financial Income.

NOTE 11B

Short-term liabilities - change related to lease [PLN '000]

	30.06.2023	31.12.2022
Opening balance	30 793	62 598
Changes in the period	(4 368)	(31 805)
new purchases	-	-
financing costs	-	5 518
payment	(892)	(5 229)
projekt completion/sale	(3 476)	(32 094)
Closing balance	26 425	30 793

NOTE 12

Movement in short-term provisions — by types [PLN ‘000]

	30.06.2023	31.12.2022
Opening balance		
provisions for guarantees	2 389	482
provisions for repairs	848	749
court proceedings	2 376	310
other provisions	6 315	6 315
	11 928	7 856
Increases		
provisions for guarantees	157	1 907
provisions for repairs	499	99
court proceedings	433	2 066
	1 089	4 072
Release due to		
other provisions	(1 815)	-
provisions for guarantees	(391)	-
	(2 206)	-
Closing balance		
provisions for repairs	1 347	848
provisions for guarantees	2 155	2 389
court proceedings	2 809	2 376
other provisions	4 500	6 315
	10 811	11 928

NOTE 13

Off-balance sheet items [PLN '000]

	30.06.2023	31.12.2022
Contingent receivables	-	-
Contingent liabilities		
To related entities	2 060 866	2 756 279
due to guarantees and sureties granted	2 060 866	2 756 279
To other entities	-	-
due to guarantees and sureties granted	-	-
	2 060 866	2 756 279
Other		
due to court proceedings against Echo Investment	6 826	6 846
	6 826	6 846
Total	2 067 692	2 763 125

Financial guarantee contracts are recognised as financial liabilities when a guarantee is issued. The liability is initially recognised at fair value.

In accordance with the requirements of IFRS 9, the provision for expected credit losses has been recognised at 30 June 2023 in the amount of PLN 2,155 thous. and at 31 December 2022 - in the amount of PLN 2,389 thous.

Sureties and guarantees granted by Echo Investment S.A.

Financial surety agreements issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Issuer	Entity receiving the surety	Beneficiary	Value	Validity	Description
Echo Investment S.A.	City Space - GP Sp. z o.o.	Bletwood Investments Sp. z o.o.	2 698	22.11.2029	Surety for liabilities, as a collateral of liabilities resulting from the lease agreement of 6.11.2015. Surety issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	HPO AEP Sp. z o.o. Sp. j.	11 702	7.12.2031	Surety for liabilities of the entity, as a collateral of liabilities resulting from the good neighbourhood agreement of 7.12.2016. Mutual surety issued in EUR.
Total sureties			14 399		

Changes in surety agreements issued by Echo Investment S.A. in H1 2023 [PLN '000]

Issuer	Entity receiving the surety	Beneficiary	Value	Validity	Description	Tytułem
Expiry	Echo Investment S.A.	Pimech Invest Sp. z o.o.	Miasto Stołeczne Warszawa	1 230	30.03.2023	Surety for proper performance of the liabilities arising from the road construction agreement.
Expiry	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	PKO BP S.A.	162 534	31.03.2023	Surety for particular liabilities as a collateral of claims resulting from residential project and mortgage separation of real estate. Surety issued in EUR.

Financial guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Bank Pekao S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	APAK Grundstücks-gesellschaft mbH & Co. KG	617	31.07.2023	Proper performance of the terms of the lease agreement, which in particular includes the payment of rent, service charges, claims for contractual penalties, payment of a guarantee deposit, possible interest. Guarantee issued in EUR.
Santander Bank Polska S.A. Centrum trade, finance i kredytów, Ze-spół obsługi gwarancji	Elektrownia RE Sp. z o.o.	Miasto Łódź	796	18.10.2023	Payment guarantee concerning the principles of implementing a road investment consisting in the construction of a 3KDD road designed on the section from ul. Tymienieckiego to Milionowa in Łódź.
Santander Bank Polska S.A. Centrum trade, finance i kredytów, Ze-spół obsługi gwarancji	Elektrownia RE Sp. z o.o.	Miasto Łódź	695	18.10.2023	Payment guarantee concerning the principles of implementing a road investment consisting in the construction of a 3KDD road designed on the section from ul. Tymienieckiego to Milionowa in Łódź.
Santander Bank Polska S.A. Centrum trade, finance i kredytów, Ze-spół obsługi gwarancji	Echo Investment S.A.	Miasto Stołeczne Warszawa	25 000	30.10.2023	Guarantee securing obligation to performance of the accompanying investment under the special housing act - building a primary school and transferring it to the City of Warsaw.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 Sp. z o.o.	52 295	21.11.2023	Security for the proper performance of obligations arising under the sale agreement of Moje Miejsce I office building. Guarantee issued in EUR.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	Fujitsu Technology Solutions Sp. z o.o.	24 786	1.12.2023	Security for the proper performance of obligations Projekt Echo 130 Sp.z o.o. as a landlord due to contractual penalties under the lease agreement of 31.01.2020. Guarantee issued in EUR.
PKO Bank Polski S.A.	Aquarius City Space GP Sp. z o.o. Sp.k.	Aquarius SR Sp. z o.o.	29	31.12.2023	Bank guarantee securing the liabilities under the lease agreement of 5.09.2018.
PKO Bank Polski S.A.	Aquarius City Space GP Sp. z o.o. Sp.k.	Aquarius SR Sp. z o.o.	680	31.12.2023	Bank guarantee issued securing the liabilities under the lease agreement of 5.09.2018.
Echo Investment S.A.	City Space Management Sp. z o.o.	Barcarrota Sp. z o.o.	883	31.12.2023	Bank guarantee securing the liabilities under the lease agreement.
Echo Investment S.A.	City Space Management Sp. z o.o.	Tryton Business Park Sp. z o.o.	1 304	31.12.2023	Security for the liabilities arising from the lease contract concluded on 12.06.2018. Issued in EUR.
Echo Investment S.A.	City Space Management Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	566	27.02.2024	Corporate guarantee securing the payment of rent and service fees regarding the lease agreement of 17 September 2021 Fuzja J.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	APAK Grundstücks-gesellschaft mbH & Co. KG	5 917	11.03.2024	Security for the proper performance of obligations arising under rental guarantee related to the retail space in the Villa Offices (building K), being a part of the Warsaw Brewery complex. Guarantee issued in EUR.
Echo Investment S.A.	City Space Management Sp. z o.o.	Huramitell Investments Sp. z o.o.	822	30.04.2024	Security for liabilities resulting from the lease agreement concluded on 30.09.2020. Guarantee issued in EUR.

Financial guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Grupa Echo Sp. z o.o.	IB 14 FIZAN	16 734	24.05.2024	Security for the proper performance of the obligations arising from the contract for the sale of the West Link office building in Wrocław. Guarantee issued in EUR.
Echo Investment S.A.	City Space Management Sp. z o.o.	Midpoint 71 Sp. z o.o.	1 025	25.05.2024	Corporate guarantee securing the City Space Management lease agreement. Guarantee issued in EUR.
Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.	Project Towarowa 22 Sp. z o.o.	Veolia Energia Warszawa S.A.	3 500	27.05.2024	Securing liabilities resulting from the lease agreement of the Heat Pipeline Transfer Agreement, Warszawa, ul. Towarowa 22.
Echo Investment S.A.	Echo-Arena sp. z o.o.	PKO Bank Polski S.A.	46 806	20.12.2024	Guarantee to ensure that the debt service ratio is maintained. Guarantee issued in EUR.
Echo Investment S.A.	Opolska Business Park Sp. z o.o. Sp.k.	EPP Office O3 Business Campus Sp. z o.o.	0	11.02.2025	Corporate guarantee securing the rent guarantee and coverage of service charges related to the sale of O3 Business Campus III in Cracow. Rent guarantee partly issued in EUR.
Echo Investment S.A.	Opolska Business Park Sp. z o.o. Sp.k.	EPP Office O3 Business Campus Sp. z o.o.	0	11.02.2025	Corporate guarantee securing the rent guarantee and coverage of service charges related to the sale of O3 Business Campus III in Cracow. Rent guarantee partly issued in EUR.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücksgesellschaft mbH & Co. KG	983	30.06.2025	Corporate guarantee securing the rent guarantee related to the sale of Fuzja CDJ in Lodz (retail part). Guarantee issued in EUR.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	170	4.08.2026	Security for the proper performance of obligations arising under rental guarantee related to the office space in the My Place II office building. Issued in EUR and PLN. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	1 118	4.08.2026	Security for the proper performance of obligations arising under rental guarantee related to the office space in the My Place II office building. Issued in EUR and PLN. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 sp. z o.o.	907	21.11.2026	Security for the proper performance of obligations arising under rental guarantee and coverage of service charges related to sale of Moje Miejsce I office building. Rent guarantee issued in EUR.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 sp. z o.o.	3 856	21.11.2026	Security for the proper performance of obligations arising under fit-out agreement related to sale of Moje Miejsce I office building. Guarantee issued in EUR.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 sp. z o.o.	45	21.11.2026	Security for the proper performance of obligations arising under rental guarantee and coverage of service charges related to sale of Moje Miejsce I office building.

Financial guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. Oddział w Polsce	8 425	30.11.2026	Security for the proper performance of obligations arising under the sale agreement of the building "Villa Schiele", being part of the Warsaw Brewery complex. Guarantee issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	LUX Europa III S.à r.l.	51 487	3.03.2027	Security for the proper performance of the liabilities arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Guarantee issued in EUR.
Echo Investment S.A.	Nobilis City Space GP Sp. z o.o. Sp.k.	Nobilis - Business House sp. z o.o.	610	31.10.2027	Guarantee securing liabilities resulting from the annex to leasing agreement. Issued in EUR.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. S.K.A.	Barcarrota Sp. z o.o.	33 120	31.12.2027	Security for the proper performance of obligations arising under the sale agreement of the building West 4 Business Hub I. Guarantee issued in EUR.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. S.K.A.	Barcarrota Sp. z o.o.	12 091	20.01.2028	Security for the proper performance of obligations arising under fit-out works agreement re. West 4 Business Hub I. Guarantee issued in EUR.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. S.K.A.	Barcarrota Sp. z o.o.	6 012	20.01.2028	Security for the proper performance of obligations arising under rental guarantee related to the office space and coverage of service charges in the West 4 Business Hub I. Rent guarantee issued in EUR.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. S.K.A.	Barcarrota Sp. z o.o.	823	20.01.2028	Security for the proper performance of obligations arising under rental guarantee related to the office space and coverage of service charges in the West 4 Business Hub I.
Echo Investment S.A.	Face2Face - Stranraer Sp. z o.o. S.K.A.	Huramitell Investments Sp. z o.o.	104 588	23.02.2029	Security for the proper performance of obligations arising under the sale agreement of Face2Face office buildings. Issued in EUR.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	37 433	30.04.2029	Security for the proper performance of obligations arising under the sale agreement of the My Place II office building. Issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	LUX Europa III S.à r.l.		30.06.2029	Security for the proper performance of liabilities arising from the sale agreement of the Gatehouse Office building in the Warsaw Brewery complex. Rental guarantee issued in EUR.
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	SER Poland Sp. z o.o.	7 632	30.09.2029	Corporate guarantee securing the rent guarantee and coverage of service charges related to the sale of Midpoint 71 in Wrocław. The maximum amount of liability will be gradually reduced along with the decrease in the amount of liability secured by the guarantee. Rent guarantee issued in EUR.

Financial guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	SER Poland Sp. z o.o.	721	30.09.2029	Corporate guarantee securing the rent guarantee related to the sale of Midpoint 71 in Wrocław. Issued in EUR and PLN. The maximum amount of liability will be successively reduced as the amount of liability secured by the guarantee decreases.
Echo Investment S.A.	Face2Face - Stranraer Sp. z o.o. S.K.A.	Huramittel Investments Sp. z o.o.	10 811	23.02.2030	Security for the proper performance of obligations arising under rental guarantee related to sale of Face2Face office buildings. Issued in EUR. The maximum amount of the liability reduces during given calendar year, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Face2Face - Stranraer Sp. z o.o. S.K.A.	Huramittel Investments Sp. z o.o.	536	23.02.2030	Security for the proper performance of obligations arising under rental guarantee related to sale of Face2Face office buildings. Issued in EUR. The maximum amount of the liability reduces during given calendar year, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	902	30.06.2031	Corporate guarantee securing the rent guarantee and coverage of service charges related to the sale of Fuzja CDJ in Lodz (office part). Rent guarantee issued in EUR.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	481	30.06.2031	Corporate guarantee securing the rent guarantee related to the sale of Fuzja CDJ in Lodz (office part). Guarantee issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds MbH Sp. z o.o. Oddział w Polsce	0	5.11.2031	Security for the proper performance of obligations arising under rental guarantee and coverage of service charges related to the office space in the Malthouse Offices (building GH), being a part of the Warsaw Brewery complex. Rent guarantee issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds MbH Sp. z o.o. Oddział w Polsce	3 606	5.11.2031	Security for the proper performance of obligations arising under: (i) fit-out works agreement re. Malthouse Offices (building GH), being a part of the Warsaw Brewery complex, and (ii) rental guarantee related to the retail space in the Malthouse Offices (building GH), being a part of the Warsaw Brewery complex. Issued in EUR. Guarantee issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds MbH Sp. z o.o. Oddział w Polsce	0	5.11.2031	Security for the proper performance of obligations arising under rental guarantee and coverage of service charges related to the office space in the Malthouse Offices (building GH), being a part of the Warsaw Brewery complex. Rent guarantee issued in EUR.
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	SER Poland Sp. z o.o.	1 123	21.12.2033	Unconditionally and irrevocably guarantees of full, due and punctual performance of all payment obligations under the lease agreement. Guarantee issued in EUR.
Echo Investment S.A.	Park Rozwoju III - Grupa Echo Sp. z o.o. Sp.k.	Kaufland Polska Mar-kety Sp. z o.o. Sp.k.	2 500	29.03.2036	Conditional guarantee of the payment of the contractual penalty resulting from the lease agreement for premises at Pasaż Opieńskiego shopping centre in Poznań.

Financial guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Fianar Investments Sp. z o.o.	Kaufland Polska Markety Sp. z o.o. Sp.j.	2 500	2.11.2036	Conditional guarantee of the payment of the contractual penalty resulting from the lease agreement for premises at Kapelanka shopping centre in Cracow.
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	A 19 Sp. z o.o.	28 084	4.07.2038	Guarantee for the obligations arising from the good neighborly agreement concluded on 4.07.2018 with Midpoint 71 project. Guarantee issued in EUR.
Total			503 016		

Performance and other guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Symetris - Grupa Echo Sp. o.o. Sp.k.	EPP Office - Symetris Business Park Sp. o.o.	17 870	31.08.2023	Construction guarantee related to the sale of the office building Symetris II in Łódź. Guarantee issued in EUR.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	30 182	31.12.2023	Security for the proper performance arising from the sale contract of the Fuzja CDJ buildings being part of the Fuzja complex. Guarantee issued in EUR.
Echo Investment S.A.	Echo-Arena sp. z o.o.	PKO Bank Polski S.A.	49 598	20.12.2024	Securing the coverage of project cost overruns.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	LUX Europa III S.à r.l.	102 693	31.12.2024	Security for the proper performance arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Guarantee issued in EUR.
Generali Towarzystwo Ubezpieczeń S.A.	Echo Investment S.A.	Miasto stołeczne Warszawa	2 925	31.12.2025	Guarantee of proper performance of the 2KDD road contract.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. Oddział w Polsce	182 005	5.08.2026	Security for the proper performance of obligations arising under the sale agreement of the Malthouse Offices (building GH) being part of the Warsaw Brewery complex. Guarantee issued in EUR.
Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 Sp. z o.o.	6 232	6.10.2026	Securing the proper performance of obligations arising from the quality guarantee agreement, related to the sale of Moje Miejsce I office building.
Echo Investment S.A.	Echo Investment S.A.	Nobilis - Business House sp. z o.o.	40 000	31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Echo Investment S.A.	Opolska Business Park Sp. z o.o. Sp.k.	EPP Office O3 Business Campus Sp. z o.o.	42 708	21.12.2026	Corporate guarantee regarding monetary obligations arising from the construction guarantee. Guarantee issued in EUR.
Echo Investment S.A.	Symetris - Grupa Echo Sp. o.o. Sp.k.	EPP Office - Symetris Business Park Sp. o.o.	19 057	21.12.2026	Corporate guarantee regarding monetary obligations arising from the construction guarantee. Guarantee issued in EUR.
Echo Investment S.A.	Projekt Echo 135 Sp. z o.o.	A4 Business Park Sp. z o.o.	25 743	26.04.2027	Construction guarantee related to the sale of the A4 Business Park III office building in Katowice. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Opolska Business Park Sp. z o.o. Sp.k.	EPP Office O3 Business Campus Sp. z o.o.	40 721	21.12.2027	Construction guarantee related to the sale of the O3 Business Campus II office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Opolska Business Park Sp. z o.o. Sp.k.	EPP Office O3 Business Campus III Sp. z o.o.	37 757	9.08.2028	Construction guarantee related to the sale of the O3 Business Campus III office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	SER Poland Sp. z o.o.	97 228	31.03.2030	Corporate guarantee securing the sale agreement of Midpoint 71 in Wrocław. Issued in EUR.

Performance and other guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Portfel2 PH5 Sp. z o.o.	124 643	28.05.2030	Security for the proper performance of obligations arising from the quality guarantee agreement, related to sale of Moje Miejsce I office building.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	LUX Europa III S.à r.l.	163 550	30.06.2030	Security for the proper performance liabilities arising from the quality guarantee agreement related to sale agreement of the Gatehouse Office building in the Warsaw Brewery complex.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. Oddział w Polsce	200 486	5.08.2031	Security for the proper performance of obligations arising under quality guarantee agreement regarding to the Malthouse Offices (building GH), being part of the Warsaw Brewery complex.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. Oddział w Polsce	9 159	30.11.2031	Security for the proper performance of obligations arising under quality guarantee agreement regarding to the sale of Schiele Willa building, being part of the Warsaw Brewery complex.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. S.K.A.	Barcarrota Sp. z o.o.	82 498	20.01.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding building West 4 Business Hub I.
Echo Investment S.A.	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.k.	APAK Grundstücks-gesellschaft mbH & Co. KG	96 611	11.03.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding to the Villa Offices (building K), being part of the Warsaw Brewery complex.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	90 353	30.03.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding to My Place II office building. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	33 225	30.06.2032	Security for the proper performance of obligations arising under fit-out agreement related to sale of Fuzja CDJ office buildings. Guarantee issued in EUR. .
Echo Investment S.A.	Midpoint 71 - Cornwall Investments Sp. z o.o. S.K.A.	SER Poland Sp. z o.o.	179 242	30.09.2032	Corporate guarantee securing the quality guarantee related to the sale of Midpoint 71 in Wrocław.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	103 221	30.06.2033	Security for the proper performance of obligations arising under quality guarantee agreement related to sale of Fuzja CD office buildings.
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	FARKAS Grundstücks-gesellschaft mbH & Co. KG	9 717	30.06.2033	Security for the proper performance of obligations arising under quality guarantee agreement related to sale of Fuzja J office building.

Performance and other guarantees issued by Echo Investment S.A. as at 30 June 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Face2Face - Stranraer Sp. z o.o. S.K.A.	Huramitell Investments Sp. z o.o.	302 747	22.10.2033	Security for the proper performance of obligations arising under quality guarantee agreement related to sale of Face2Face office buildings. Issued in PLN. The maximum amount of the liability reduces as follows: from 22 December 2025, the Total Limit will be reduced to PLN 201,409,247.00; from 22 December 2026, the Total Limit will be reduced to PLN 123,224,353.00; from 22 December 2028, the Total Limit will be reduced to PLN 98,760,259.00; from 22 December 2030, the Total Limit will be reduced to PLN 78,663,658.00
Total			2 090 172		
Total financial, performance and other guarantees			2 593 188		

Changes in guarantee agreements issued by Echo Investment S.A. in H1 2023 [PLN '000]

Change	Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Expiry	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	PKO Bank Polski S.A.	7 957	31.03.2023	Securing the coverage of additional amounts resulting from the rental holidays of approved lease agreements to ensure the required DSCR. Guarantee issued in EUR.
Expiry	Echo Investment S.A.	Projekt 16 - Grupa Echo Sp. z o.o. S.K.A.	Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. Oddział w Polsce	26 000	31.03.2023	Conditional guarantee securing the reimbursement of the advance payment made by a company from the Student Depot group under the preliminary purchase agreement of real estate in Gdańsk from the Echo Investment group.
Expiry	Echo Investment S.A.	Projekt 16 - Grupa Echo Sp. z o.o. S.K.A.	R4R Gdańsk Stocznia Sp. z o.o.	26 000	13.04.2023	Conditional guarantee securing the reimbursement of the advance paid by the buyer under the preliminary real estate sale agreement.
Expiry	Santander Bank Polska S.A. Centrum trade, finance i kredytów, Zespół obsługi gwarancji	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	Miasto Katowice	758	10.05.2023	gwarancja poprzednia do tej umowy wygasta 25.01.2022
Expiry	PPKO BP S.A.	Sagittarius - Grupa Echo Sp. o.o. Sp.k.	HIH Invest Real Estate iGMBH	665	31.05.2023	Security of the liabilities arising from the rental guarantee contract. Guarantee issued in EUR.
Extension	PKO Bank Polski S.A.	City Space Management Sp. z o.o.	Aquarius SR Sp. z o.o.	29	31.12.2023	Bank guarantee securing the liabilities under the lease agreement of 5.09.2018.
Extension	PKO Bank Polski S.A.	City Space Management Sp. z o.o.	Aquarius SR Sp. z o.o.	680	31.12.2023	Bank guarantee issued securing the liabilities under the lease agreement of 5.09.2018.
Extension	PKO Bank Polski S.A.	City Space Management Sp. z o.o.	Aquarius SR Sp. z o.o.	29	31.12.2023	Bank guarantee securing the liabilities under the lease agreement of 5.09.2018.
Extension	PKO Bank Polski S.A.	City Space Management Sp. z o.o.	Aquarius SR Sp. z o.o.	680	31.12.2023	Bank guarantee issued securing the liabilities under the lease agreement of 5.09.2018.
Extension	Echo Investment S.A.	City Space Management Sp. z o.o.	Huramitell Investments Sp. z o.o.	822	30.04.2024	"Security for liabilities resulting from the lease agreement concluded on 30.09.2020. Guarantee issued in EUR."
Issue	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A	Project Towarowa 22 Sp. z o.o.	Veolia Energia Warszawa S.A.	3 500	27.05.2024	Securing liabilities resulting from the lease agreement of the Heat Pipeline Transfer Agreement, Warszawa, ul. Towarowa 22.
Issue	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	170	4.08.2026	Security for the proper performance of obligations arising under rental guarantee related to the office space in the My Place II office building. Issued in EUR and PLN. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Issue	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	1 118	4.08.2026	Security for the proper performance of obligations arising under rental guarantee related to the office space in the My Place II office building. Issued in EUR and PLN. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.

Changes in guarantee agreements issued by Echo Investment S.A. in H1 2023 [PLN '000]

Change	Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Issue	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	37 433	30.04.2029	Security for the proper performance of obligations arising under the sale agreement of the My Place II office building. Issued in EUR.
Issue	Echo Investment S.A.	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	Tal Poland Sp. z o.o.	90 353	30.03.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding to My Place II office building. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.

Explanatory notes to profit and loss account

NOTE 14

Operating income material structure - types of activity [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
REVENUES DUE TO CONTRACTS WITH CLIENTS	57 916	105 158
Sale of residential and commercial space	1 837	20 789
including from related entities	-	-
from joint-ventures	-	-
from key personnel	-	-
Development services	34 369	40 965
including from related entities	23 139	40 965
from subsidiaries	11 234	29 935
from joint-ventures	11 905	11 030
Sale of plots of land	41	-
including from related entities	-	-
from joint-ventures	-	-
from subsidiaries	-	-
Legal, accounting, consulting and IT services	1 156	940
including from related entities	1 130	940
from subsidiaries	1 130	940
from joint-ventures	23	-
Financial, marketing, security services and other revenue	20 514	42 464
including from related entities	18 656	33 778
from subsidiaries	18 188	32 894
from joint-ventures	468	878
from key personnel	-	6
REVENUES DUE TO LEASE CONTRACTS	4 014	9 652
Lease services	4 014	9 652
including from related entities	409	322
from subsidiaries	409	322
from joint-ventures	-	-
Total operating income	61 931	114 810
including from related entities	43 334	76 005
from subsidiaries	30 961	64 091
from joint-ventures	12 396	11 908
from key personnel	-	6

The Company did not enter into contracts with affiliated entities on terms and conditions other than at arm's length. Contracts relating to significant transactions with the affiliated entities executed in 2023 are presented by the Company in the additional notes.

NOTE 14A

Operating income - subleasing [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Lease services	3 400	2 783
Total	3 400	2 783

NOTE 14B

Operating revenue - territorial structure [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Domestic	61 931	114 810
including from related entities	43 334	76 005
Abroad	-	-
including from related entities	-	-
Total net revenue from sale of products	61 931	114 810
including from related entities	43 334	76 005

Revenue related to development services as at 30 June 2023 [PLN '000]

Project	Targeted completion	Total value deferred revenue related to liabilities resulting from concluded agreements	The total value of revenues to be recognized in the future related to the concluded obligations to perform the contract	Received advanced payments
Nowa Dzielnica, Łódź	completed	30 254	941	-
Apartamenty Esencja, Poznań	completed	117 182	1 625	301
Total		147 437	2 567	301

The total value of revenues to be recognised in the future related to performance obligations under contracts for the sale of residential and commercial space resulting from contracts signed as at the balance sheet date of 30 June 2023 amounts to PLN 2,567 thous., of which the Company has received advances of PLN 301 thous. up to

the balance sheet date. The revenues will be recognised when the properties are handed over to buyers, upon completion of construction and obtaining the necessary administrative decisions, which occurs on average after a period of approximately 1 to 3 months after completion of construction.

Revenue related to development services as at 31 December 2022 [PLN '000]

Project	Targeted completion	Total value deferred revenue related to liabilities resulting from concluded agreements	The total value of revenues to be recognized in the future related to the concluded obligations to perform the contract	Received advanced payments
Osiedle Bonarka Living I, Kraków	completed	69 371	-	-
Osiedle Jarzębinowe VIII, Łódź	completed	40 729	-	-
Nowa Dzielnica, Łódź	completed	30 249	941	-
Grota - Roweckiego 111 etap III, Wrocław	completed	16 215	-	-
Nasze Jeżyce, Poznań	completed	57 997	66	-
Nasze Jeżyce II, Poznań	completed	64 554	25	-
Apartamenty Esencja, Poznań	completed	116 937	2 558	-
Ogrody Graua, Wrocław	completed	44 750	35	-
other projects		11	11	5
Total		440 812	3 635	5

NOTE 15A

Other operating revenue [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Released provisions	1 117	-
for expected costs	1 117	-
Other, including:	94	1
contractual penalties and compensation	21	-
profit from sale of debt	48	1
revenue from sale of non-financial non-current assets	25	-
Interest on borrowings and bonds	29 533	45 996
from related entities, including:	29 533	45 996
from subsidiaries	29 533	39 843
from joint-ventures	-	6 153
Depreciation	1 780	-
on loans and bonds	1 780	-
Other interests	1 207	23
from other entities	1 207	23
Total	33 731	46 020

NOTE 15B

Other operating income from dividends and profit shares [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
From related entities including	147 010	143 658
from subsidiaries	147 010	143 658
From other entities	-	-
Total	147 010	143 658

NOTE 16A

Financial income from interest [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Other interest		
from other entities	-	8
	-	8
Total	-	8

NOTE 16B

Other financial income [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Foreign exchange gains	16 948	-
Profit on IRS use	8 571	1 128
Revaluation of financial derivatives	5 840	8 571
Other	57	834
Total	31 416	10 533

NOTE 16C

Financial costs of interest [PLN' 000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Interests and depreciation of loans, borrowings and bonds		
- for related entities	6 295	6 369
- for subsidiaries	6 295	6 369
- for other entities	64 812	66 132
	71 106	72 501
Other interest		
for other entities	16	3
	16	3
On lease		
for other entities	3 782	1 294
	3 782	1 294
Total financial costs on interests	74 905	73 798

The amount of borrowing costs capitalised to the value of inventories is PLN 0 as at 31 December 2023 and amounted to PLN 0 as at 31 December 2022 (the capitalisation rate is 1.25 percent).

NOTE 16D

Other financial costs [PLN '000]

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Foreign exchange losses	-	3 115
executed	-	1 522
non-executed	-	1 593
Loss on disposal	-	485
interests	-	485
Other, including	3 287	4 156
commissions	2 891	4 156
other	396	-
Depreciation of investments	-	89
- shares	-	89
Total	3 287	7 845

NOTE 17**Income tax - effective tax rate [PLN '000]**

	1.01.2023 -30.06.2023	1.01.2022 -30.06.2022
Profit before tax	95 881	113 373
Income tax according to the national rates 19%	18 217	21 541
Dividends received	(22 039)	(24 510)
Distribution of profit from limited partnerships (Sp.K.)	(5 893)	(2 785)
Company's tax burden relative to the result of limited partnerships (subsidiaries)	(1 078)	-
Representation costs and other non-deductible costs during the year	5 422	5 878
Provision for expected cost	(212)	577
Measurement of interests of a subsidiary representing a permanent difference	62	17
Write-downs on loans granted due to which deferred tax was not recognised	(888)	968
Adjustment from previous years recognized in the result (current year)	(565)	(4 942)
Movements in the measurement of other items	-	6
Charges on the financial result due to income tax	(6 975)	(3 250)

Information on financial instruments [PLN '000]

Type of instrument	Note	Classification according to IFRS 9	Balance value	
			at 30.06.2023	at 31.12.2022
Financial assets				
Long-term and short-term financial assets			-	64 157
Bonds	3	amortized cost	-	64 157
Borrowings and receivables			998 250	1 178 872
Long-term borrowings	4	amortized cost	730 855	502 672
Short-term borrowings	4	amortized cost	190 211	567 908
Trade payables	8	amortized cost	22 859	43 495
Leasing	6,8	amortized cost	37 111	38 546
Loans granted	7	fair value	17 214	26 251
Cash and other monetary assets			116 137	116 073
Cash and cash equivalents		amortized cost	107 588	116 073
Financial liabilities				
Other financial liabilities			1 854 614	1 899 547
Liabilities due to issue of debt securities	9	amortized cost	1 430 801	1 404 500
Trade liabilities	11	amortized cost	15 597	20 137
Borrowings	9	amortized cost	171 536	208 489
Loans	9		148 176	155 399
Leasing	9	amortized cost	88 504	96 146
Loans granted	9	fair value	-	14 876

IFRS 9, which replaced IAS 39, defines three categories of financial assets, depending on the business model in terms of asset management and the characteristics of cash flows resulting from the agreement:

- assets measured after initial recognition at amortized cost — if financial assets are held according to the business model, the purpose of which is to maintain financial assets to obtain cash flows arising from the agreement and the contractual terms relating to those financial assets give rise to cash flows that are only repayment of the principal and the interest,
- assets measured after initial recognition at fair value through other comprehensive income — if financial assets are held according to the business model, the purpose of which is both to maintain financial assets to obtain contractual cash flows and to sell financial assets and the contractual terms relating to those financial assets give rise to cash flows, which are only repayment of the principal and the interest,
- assets measured at fair value through the profit and loss account - all other financial assets. The fair values of financial instruments do not differ significantly from their carrying amounts.

Due to the fact that the interest rate on financial instruments is related to the WIBOR and EURIBOR rates, the Company's Management Board estimates that their fair value is approximately equal to the book value, taking into account accrued interest.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in relation to the IBOR reform.

In response to the expected reform of benchmark interest rates (the IBOR reform), the International Accounting Standards Board has published the second part of the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments address accounting issues that will arise when financial instruments based on IBOR will be changed to the new interest rates. The amendments with effect from 1 January 2021 introduced a number of guidelines and exemptions, in particular a practical simplification for modifications to contracts required by the reform, which will be recognised by updating the effective interest rate, an exemption from the obligation to terminate hedge accounting, a temporary exemption from the need to identify a risk component, and the obligation to include

additional disclosures. The aforementioned changes were reviewed by the Company's Management Board and do not have a material impact on the Company's financial position, results of operations or the scope of information presented in these half-year condensed financial statements. The interest rates on which the financial instruments are based are still published and comply with the BMR Regulation. The Company has not decided to early adopt any standard, interpretation or amendment that has been published but is not yet effective.

The National Working Group for benchmark reform (NGR), set up by the Polish Financial Supervision Authority, is working on the implementation of a new RFR-type reference index, WIRON (Warsaw Interest Rate Overnight), which will replace WIBOR and WIBID. The Roadmap published by the NGR explains that the change is being made in accordance with the BMR Regulation as part

of the IBOR reform. The reform is planned to be completed by the end of 2024, with the implementation by market participants of a new range of financial products using the WIRON index planned for 2023 and 2024. The method of replacing the existing rates with WIRON will be regulated in the Regulation of the Minister of Finance planned for 2023, which will specify the replacement dates and the corrective spread.

The assumptions of the Roadmap also indicate that the WIBOR and WIBID reference rates will be discontinued from the beginning of 2025.

The Management Board is monitoring the introduced changes and, as at the date of the separate financial statements, is not in a position to clearly determine the impact of the reform.

The structure of financial instruments bearing interest at a variable interest rate [PLN '000]

	at 30.06.2023	at 31.12.2022
Floating interest instruments		
Financial assets	758 174	984 816
Financial liabilities	1 750 513	1 768 388
Total net	(992 339)	(783 572)

Information on financial statement of the Company



01

Principles adopted in financial report of the Company

Declaration of conformity

The condensed standalone financial statement of Echo Investment S.A. presenting financial data for H1 2023, covering the period from 1 January 2023 to 30 June 2023 have been drawn up in accordance with MSR 34 “Interim Financial Reporting” endorsed for use in the European Union. In order to fully understand the financial position and performance of the Company, as the parent company of the Echo Investment Group, these financial statements should be read in conjunction with the annual consolidated financial statements for the financial year ended on 31 December 2022. These consolidated financial statements are available on the Company’s website, at www.echo.com.pl.

The condensed standalone financial statement of Echo Investment S.A. presents financial data for the 6-month period ending on 30 June 2023 and comparative data for the 12-month period ending on 31 December 2022 and for the 6-month period ending on 30 June 2022.

This financial statement was prepared with the historical cost principle with the exception of investment property, which was measured at fair value. The reporting currency in the financial statements and the functional currency of Echo Investment S.A. is Polish zloty (PLN). Unless indicated otherwise, all financial data in the Company’s financial statements has been presented in thousand zlotys (PLN).

Assumption of continuity in operations

The statements have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity. The net working capital (current assets less current liabilities) for Echo Investment S.A. as at 30 June 2023 amounts to a negative level of PLN 110 million. However, the Company’s Management Board does not see a threat to the continuation of its business, as the Company’s stability should be considered taking into account the situation in the Echo Investment Group, i.e. together with its subsidiaries, through which a significant part of the business is carried out, and also taking into consideration the possible distribution of profits from the subsidiaries to Echo Investment S.A.

Approval of financial statements

The Company drew up the Separate Financial Statement for the half year ended 30 June 2023, which was approved for publication on 20 September 2023. The Management Board of the Company has used its best judgment regarding the application of standards and interpretations, as well as the methods and principles of measurement of individual items of separate financial statements.

02

Significant contracts concluded with related entities

Significant contracts concluded with related entities

According to the Echo Investment S.A. Group's strategy for building shopping centres, office buildings and selected residential buildings through a separate subsidiary, a

large portion of Echo Investment's transactions is concluded with related parties.

Material agreements concluded with related entities and performed in 2023 [‘000 PLN]

Subject of the contract - liability of Echo Investment S.A.	Contractor — investor	Transaction value
Development Support Agreement	Hotel Wrocław Grabiszyńska Sp. z o.o.	1 560
Investment project management	Duże Naramowice - Projekt Echo 111 Sp. z o.o. S.K.A.	1 039
Investment project management	Echo - Arena Sp. z o.o.	2 473
Investment project management	Echo - Arena Sp. z o.o.	1 751
Management in the phase of preparation and implementation of investments	5th Inwestycje 8 Sp. z o.o.	1 135
Strategic cooperation	Archicom S.A.	4 903
Investment project management	Elektrownia RE Sp. z o.o.	2 168
Development Support Agreement	Project Towarowa 22 Sp. z o.o.	2 289
Investment project management	Projekt Echo 139 Sp. z o.o.	1 590
Sales brokerage	Projekt Beethovena - Projekt Echo 122 Sp. z o.o. S.K.A.	5 336
Investment project management	12 - Projekt Echo 127 Sp. z o.o. S.K.A.	1 883
Property management services	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	1 042
Development Support Agreement	R4R RE Wave 4 Sp. z o.o.	1 882

The transactions with related parties detailed in the financial statements refer to subsidiaries.

Transaction with related entities as at 30 June 2023 ['000 PLN]

Related entity	Sales	Purchase	Receivables	Write-downs	Liabilities
Subsidiaries	30 961	13 694	630 139	15 961	28 922
commercial	30 961	13 694	19 410	-	474
loans	-	-	610 729	15 961	28 448
bonds	-	-	-	-	-
advance payments	-	-	-	-	-
Joint-ventures	12 396	54	312 991	1 853	-
commercial	12 396	54	2 654	1 853	-
loans	-	-	310 337	-	-
Owners	-	9 272	-	-	-
commercial	-	9 272	-	-	-
The company's management	-	-	-	-	6 852
commercial	-	-	-	-	-
incentive program	-	-	-	-	6 852
Total	43 357	23 019	943 130	17 814	35 774

As at 30 June 2023, the impairment loss on assets resulting from transactions with related parties amounted to PLN 17,814 thous. PLN.

Transaction with related entities as at 31 December 2022 ['000 PLN]

Related entity	Sales	Purchase	Receivables	Write-downs	Liabilities
Subsidiaries	281 698	22 194	863 062	27 638	72 452
commercial	281 698	22 194	32 898	175	-
loans	-	-	766 007	27 429	57 576
bonds	-	-	64 157	34	-
advance payments	-	-	-	-	-
option provision for stock based bonus	-	-	-	-	14 876
Joint-ventures	26 510	2	311 865	2 322	-
commercial	26 510	2	7 880	2 322	-
loans	-	-	303 985	-	-
Owners	-	18 540	-	-	-
commercial	-	18 540	-	-	-
The company's management	-	-	-	-	4 330
commercial	-	-	-	-	-
incentive program	-	-	-	-	4 330
Total	308 208	40 736	1 174 927	29 960	76 782

03

Methods of determining the financial result

Methods for determining the financial result as at 30 June 2023 are not changed compared to the last audited

financial report as of 31 December 2022, are described in parts 3 and 4 of the Company's financial statements.

04

Estimates of the Company's management board

Estimates of the Company's management board as at 30 June 2023 are not changed compared to the last audited financial report as of 31 December 2022, are described in parts 3 and 5 of the Company's financial statements.

05

New standards and interpretations that are effective as of 1 January 2023

The following standards and amendments to standards became effective on 1 January 2023:

Amendments to IFRS 4 “Insurance contracts” titled “Extension of the temporary exemption from the application of IFRS 9”

(approved in the EU on 16 December 2020)

The expiry date of the temporary exemption from IFRS 9 has been extended from 1 January 2021 to annual periods beginning on or after 1 January 2023.

Amendments to IAS 1 “Presentation of financial statements” - Disclosures about accounting policies applied

Effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors” - Disclosures on accounting policies applied

Effective for annual periods beginning on or after 1 January 2023.

IFRS 17 “Insurance contracts”, as amended by IFRS 17

Effective for annual periods beginning on or after 1 January 2023. The Company grants performance bonds which are within the scope of IFRS 17. The Management Board conducted an analysis and assessed that the changes do not have a significant impact on the Company’s interim financial statements.

Amendments to IAS 12 Income taxes

(issued on 7 May 2021)

Not adopted by the EU up to the date of approval of these financial statements - applicable for annual periods beginning on 1 January 2023.

The above amendments did not have a material impact on the Company’s H1 2023 standalone financial statements.

06

Published standards and interpretations which are not effective yet and have not been adopted by the Company

In approving these financial statements, the following amendments to existing standards have been issued by the IASB and endorsed for use in the EU, which are effective at a later date:

Amendments to IAS 1 “Presentation of financial statements” - Classification of liabilities as shortterm or long-term

It is effective for annual periods beginning on or after 1 January 2024.

Amendments to IFRS 16 “Leasing” - lease liabilities in sale and leaseback transactions

It is effective for annual periods beginning on or after 1 January 2024.

New standards and amendments to existing standards issued by the IASB but not yet endorsed for use in the EU

The IFRS as approved by the EU do not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the following new standards and amendments to standards, which as at 31 December 2022 have not yet been approved for use in the EU (the following effective dates refer to the full version of the standards):

IFRS 14 “Deferred balances from regulated activities”

Effective for annual periods beginning on or after 1 January 2016. The European Commission has decided not to initiate the approval process of this interim standard for use in the EU until the final version of IFRS 14 is issued.

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Undertaking undertaking and subsequent changes

The effective date of the amendments has been postponed until the completion of research work on the equity method.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures: Supplier Financing Arrangements”

(published on 25 May 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2024.

The Company provides performance guarantees that may be in scope of IFRS 17. The Management Board is in the process of analysing and assessing potential changes in how these guarantees will be considered in the standalone financial statements.

Amendments to IAS 12 “Income Taxes: International Tax Reform - Pillar Two Model Rules”

(published on 23 May 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2023.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”

(published on 15 August 2023)

As at the date of approval of these financial statements not approved by the EU - effective for annual periods beginning on or after 1 January 2025.

The Company is in the process of analysing how the introduction of the other standards and interpretations will affect the standalone financial statements and the Company’s accounting policies.

07

Significant events after the balance sheet day

Significant for Echo Investment S.A. events after the balance sheet day are described in the consolidated financial statements in section “Significant events after the balance sheet day”.

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Rafał Mazurczak

Member of the Board

Małgorzata Turek

Member of the Board

Anna Gabryszewska-Wybraniec

Chief Accountant



The document is signed with qualified electronic signature

Kielce, 20 September 2023

CHAPTER 4

Statement of the Management Board



The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the interim financial statements of Echo Investment S.A. and its Group for H1 2023 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment Group and its financial result.

The management report on operations of the Echo Investment S.A. and its Group provides a true view of the development and achievements and standing, including the description of major threats and risks.

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Rafał Mazurczak

Member of the Board

Małgorzata Turek

Member of the Board

Kielce, 20 September 2023



The document is signed with qualified electronic signature



Contact

Layout and execution:
Damian Chomański
be.net/chomatowski

Echo Investment

Warsaw office, Villa Offices

ul. Grzybowska 60, 00-844 Warsaw



ECHO
investment