

MANAGEMENT REPORT OF ECHO INVESTMENT S.A. AND ITS GROUP

2016



Contents

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Message from CEO | 4 |
| I. Management report of Echo Investment S.A. and its Group | 6 |
| • Management Board of Echo Investment S.A. | 7 |
| • Supervisory Board of Echo Investment S.A. | 8 |
| 01. General information | 9 |
| 02. Strategy of Echo Investment Group | 10 |
| 03. Business model | 11 |
| 04. The ownership structure and shares description | 12 |
| 05. Significant events of the Company and its Group in 2016 | 13 |
| 06. Events after the day of drawing up these financial statements | 18 |
| 07. Description of markets the Company and its Group operate in | 20 |
| 08. Echo Investment Group achievements in each sectors of the market | 23 |
| 09. Responsibility of Echo Investment Group | 28 |
| 10. Employment and diversity in Echo Investment Group | 29 |
| 11. The main figures disclosed in the annual financial statements of Echo Investment S.A. and its Group | 32 |
| 12. Material risks, threats and indication to the Echo Investment S.A. and its Group business | 36 |
| 13. Portfolio of properties | 38 |
| 14. Income structure | 43 |
| 15. Information on sales markets, supply sources of manufacturing materials, goods and services | 45 |
| 16. Information on concluded agreements significant for the business of Echo Investment S.A. and its Group | 47 |
| 17. Organisational or capital relationships between Echo Investment S.A. and other entities | 49 |
| 18. Main acquisitions of Echo Investment S.A. and its Group in 2016 | 53 |
| 19. Material transactions concluded by the Company or its subsidiary with related parties on terms other than market terms | 54 |
| 20. Information on loan and borrowing agreements | 55 |
| 21. Bonds | 56 |
| 22. Borrowing agreements | 58 |
| 23. Information on sureties and guarantees issued and received in 2016 | 59 |
| 24. Allocation of issue proceeds by Echo Investment S.A. | 63 |
| 25. Differences between the financial results and previously published forecasts | 64 |
| 26. Assessment and justification of the management of financial resources, with particular emphasis on the ability to fulfil the incurred liabilities | 65 |
| 27. Feasibility of investment plans | 69 |
| 28. Assessment of factors and unusual events influencing the financial result of Echo Investment and its Group in 2016 | 70 |
| 29. External and internal factors material for the growth of the business of Echo Investment S.A. and its Group | 72 |
| 30. Changes in basic management principles of the issuer's business and the Group | 73 |

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 31. Agreements concluded between the issuer and managerial staff, providing for a compensation if such persons resign or are dismissed from their position without a valid reason or if they are recalled or dismissed as a result of a merger of the issuer by acquisition | 73 |
| 32. Remuneration of the Management Board | 74 |
| 33. Remuneration of the Supervisory Board | 75 |
| 34. Total number of the issuer's shares held by management and supervisory staff | 76 |
| 35. Agreements that may change the proportion of shares held by the existing shareholders and bondholders | 76 |
| 36. Court, arbitration or public administration proceedings | 77 |
| 37. Information about the employee share ownership plan control system | 77 |
| 38. Agreements concluded with an entity authorised to audit financial statements | 78 |
| II. Statement of the Management Board | 79 |
| III. Statement of the Management Board of Echo Investment S.A on the application of corporate governance rules in 2016 | 81 |
| • Systems of internal control and risk management | 86 |
| • Description of principles regulating the appointment and dismissal of managerial staff and their rights | 88 |
| • Description of rules for amending the issuer's statute or articles of association | 89 |
| • Composition and changes in the management and supervisory board | 90 |



Dear Shareholders, Partners and Clients,

I am sending you Echo Investment's financial report for 2016. It was a time of significant changes in the functioning of the company as well as a considerable acceleration with regard to projects under construction. The presented financial data show that the Group's financial standing is stable and the Group is very well prepared for further expansion of its operations.

Last year we recorded PLN 605 mln of operational profit, most of which comes from the sales of EPP's shares, Q22 and 3 office buildings in regional cities, as well as valuation of our properties. It is also observed, that the residential part of our business contributes to the results more significantly than in 2015, as we delivered 451 apartments to the clients, which is a 13% increase.

With the strategy of profitable growth adopted last year, Echo Investment is well on its new way. The Company has become a pure developer that builds and sells projects when they are fully leased and constitute an optimal investment product, in order to invest the money generated in subsequent projects. The strategy has also changed the structure of the Group's assets. Now, it is properties under construction that constitute the main part of the assets. The aim of the Company is to take the dominant position in each sector we operate in: office, retail and residential. This is how we continue our journey of being one of the biggest players on the Polish real estate market.

Last year we started projects with a combined leasable and sales area of nearly 200,000 sqm i.e. twice as much as in 2015. We completed projects with a combined area of over 160,000 sqm, including our flagship project – the Q22 office building in Warsaw. It was also twice as much as in 2015. Our office leasing department signed leases for almost 100,000 sqm, which constitutes nearly double growth compared to 2015 while the retail team signed leases concerning 79,000 sqm i.e. 30% more compared to the previous year. Nearly all commercial properties under construction have already been contracted by their ultimate buyers – confirming our efficiency and high quality of our projects. Our sales team encouraged clients to buy 925 apartments, which is 56% more compared to the previous year. Those numbers confirm that Echo Investment is on the right way to fulfil the assumptions of the strategy of profitable growth.

More projects involve more work – this is why we have been systematically increasing employment. Echo's team is very stable and its size has not changed much over last few years. New employees help us to develop next projects and contribute the experience they gained at other places. At the same time, we have introduced new, more effective and easier systems of building site and lease monitoring as well as a transparent remuneration system. Last year we also introduced some changes in our construction department, specifically in the area of ordering and supervising over projects. This strengthens the team, optimises its capacity and positively influences risk and cost control, as well as the quality of the product. In order to strengthen our corporate culture we have also launched the Code of Conduct and the Whistleblower Procedure.

Our strategy of profitable growth envisages fast capital rotation and that's why we have been enlarging our land bank. A considerable part of the plots held by the Group was prepared for the launch of projects last year. Although we have

”

THE AIM OF THE COMPANY IS TO TAKE THE DOMINANT POSITION IN EACH SECTOR WE OPERATE IN: OFFICE, RETAIL AND RESIDENTIAL. THIS IS HOW WE CONTINUE OUR JOURNEY OF BEING ONE OF THE BIGGEST PLAYERS ON THE POLISH REAL ESTATE MARKET.

land to serve 2017-2018 and partially 2019 investment program, we are securing the land bank for projects to be developed beyond 2018. In 2016 we purchased properties, which will be used to develop 73,000 sqm of residential and office space. Together with Echo Polska Properties we have acquired a retail and leisure project at 22 Towarowa Street in Warsaw and we are in the process of purchasing another one – Galeria Młociny. We have been systematically finalizing acquisitions of subsequent areas that would enable us to build over 500,000 sqm. These activities secure our investment plan for the next few years.

Our 2016 results were partly generated in line with the business model involving a considerable part of the revenue coming from the lease of commercial properties. 2017 will be the first full reporting period showing the results being generated almost exclusively by our development activities. We believe in the success of the new Echo and this is why we will be regularly sharing our profits with shareholders. I am convinced that it will additionally increase the attractiveness of investment in Echo Investment's shares.

I encourage you to read our 2016 financial report in detail.

Yours sincerely,



Nicklas Lindberg
President of the Management Board



**Management report
of Echo Investment S.A.
and its Group**

**Management Board
of Echo Investment S.A.**



Nicklas Lindberg
President, CEO



Maciej Drozd
Vice-President, CFO



Piotr Gromniak
Vice-President, COO



Artur Langner
Vice-President



Marcin Materny
Member of the Board



Rafał Mazurczak
Member of the Board



Supervisory Board of Echo Investment S.A.



Karim Khairallah
Chairman



Laurent Luccioni
Vice-Chairman



Maciej Dyjas
Member of the Board



Stefan Kawalec
Member of the Board meeting
the criteria of independency



Przemysław Krych
Member of the Board



Nebil Senman
Member of the Board



Sebastian Zilles
Member of the Board

01

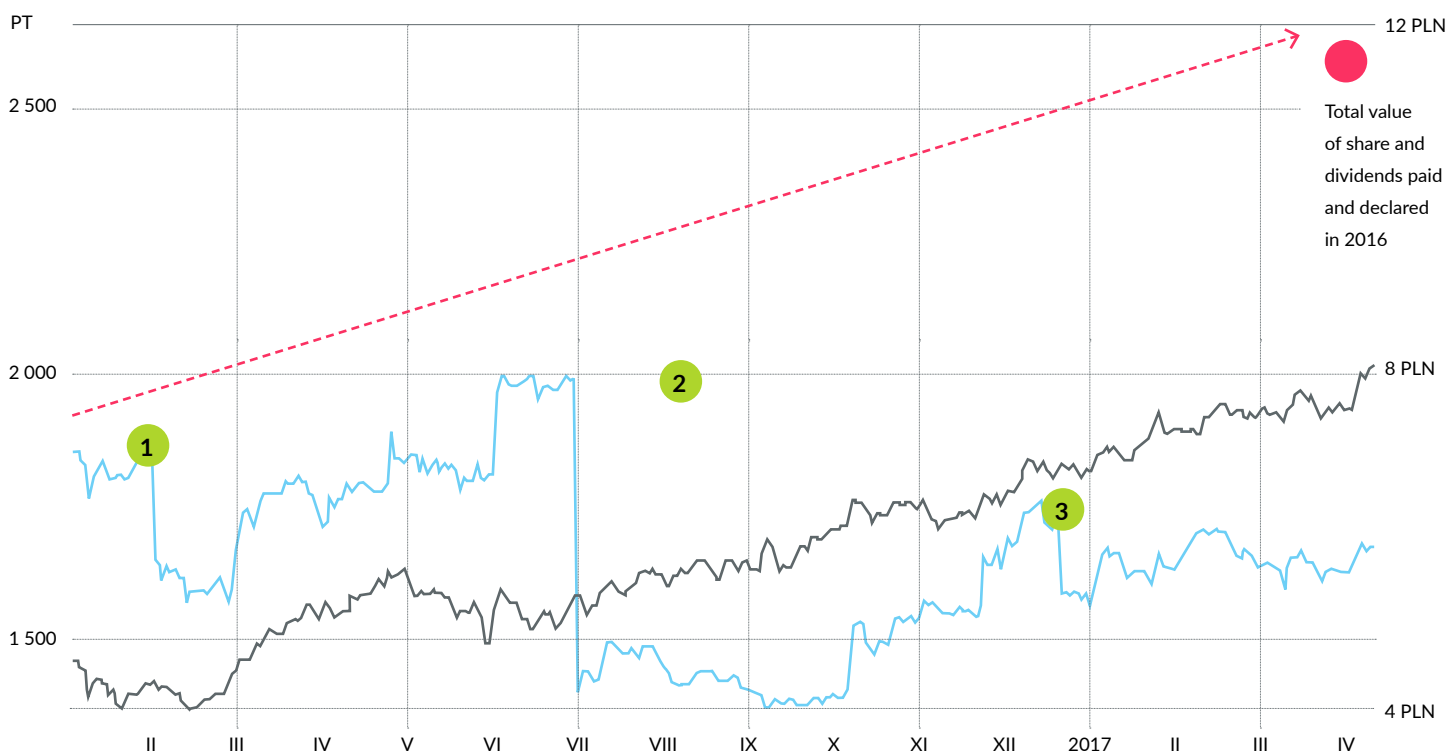
General information

1996

incorporation of Echo Investment
Group

Echo Investment Group has been operating on the real estate market since 1996. The Group's parent company is Echo Investment S.A. Echo Investment S.A. shares have been listed on the Warsaw Stock Exchange since 5 March 1996. Shares available for trading constitute 100% of all shares, i.e. 412,690,582 ordinary bearer shares, each giving one vote at the General Meeting of Shareholders.

ECHO INVESTMENT SHARE PRICE



● – ECHO
● – WIG-REAL
ESTATE

DIDIVEND PAYMENTS

- 1 RECORD DAY
10 February 2016 – 1st tranche of advance dividend for the 2015 profit – PLN 0.72
22 April 2016 – 2nd tranche of advance dividend for the 2015 profit – PLN 0.71
- 2 RECORD DAY
8 July 2016 – Remaining part of the dividend for 2015 profit – PLN 3.84
- 3 RECORD DAY
29 December 2016 – 1st tranche of advance dividend for the 2016 profit – PLN 0.69
Until the end of 2017 – Remaining part of advance dividend for the 2016 profit – PLN 0.16

02

Strategy of Echo Investment Group

In 2016, the Management Board of Echo Investment with the approval of the Supervisory Board developed new strategic directions called "The strategy of profitable growth". According to it, Echo Investment will

accelerate the capital turnover and therefore generate higher returns for its shareholders. The Company intends to share profit in the form of regular dividends.



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 will focus 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, Cracow and Łódź.



LEADERSHIP

Echo Investment is one of the biggest real estate development companies operating in Poland. The Company is active in three sectors: office, retail and residential. In accordance with the strategy of profitable growth, Echo Investment is going to be one of the leaders in each of the three sectors. This is going to translate into optimum use of resources and adequately large scale of activity.



PURE DEVELOPER

The focus of the adopted business model is on development activities, which include land acquisition, construction, lease and sale of finished projects in short period of time after completion.

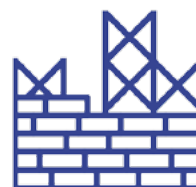
Echo Investment is not going to be the long term owner and manager of finished commercial projects therefore rental income is going to constitute only a minor part of its total income.



COOPERATION WITH THE MAJOR SHAREHOLDER

The strategy of Echo Investment assumes cooperation with the major shareholder and its subsidiaries on market terms. Entities concentrated around PIMCO, Oaktree or Griffin may subcontract development, consulting and other services to Echo Investment. They may also be co-investors in property development projects as well as potential buyers

of newly-built commercial, office or residential investments. Development activities of Echo Investment are complementary to those of other entities in this group. Material agreements between Echo Investment and affiliates of the major shareholders and Griffin Real Estate Group need to be discussed and approved by the Supervisory Board.

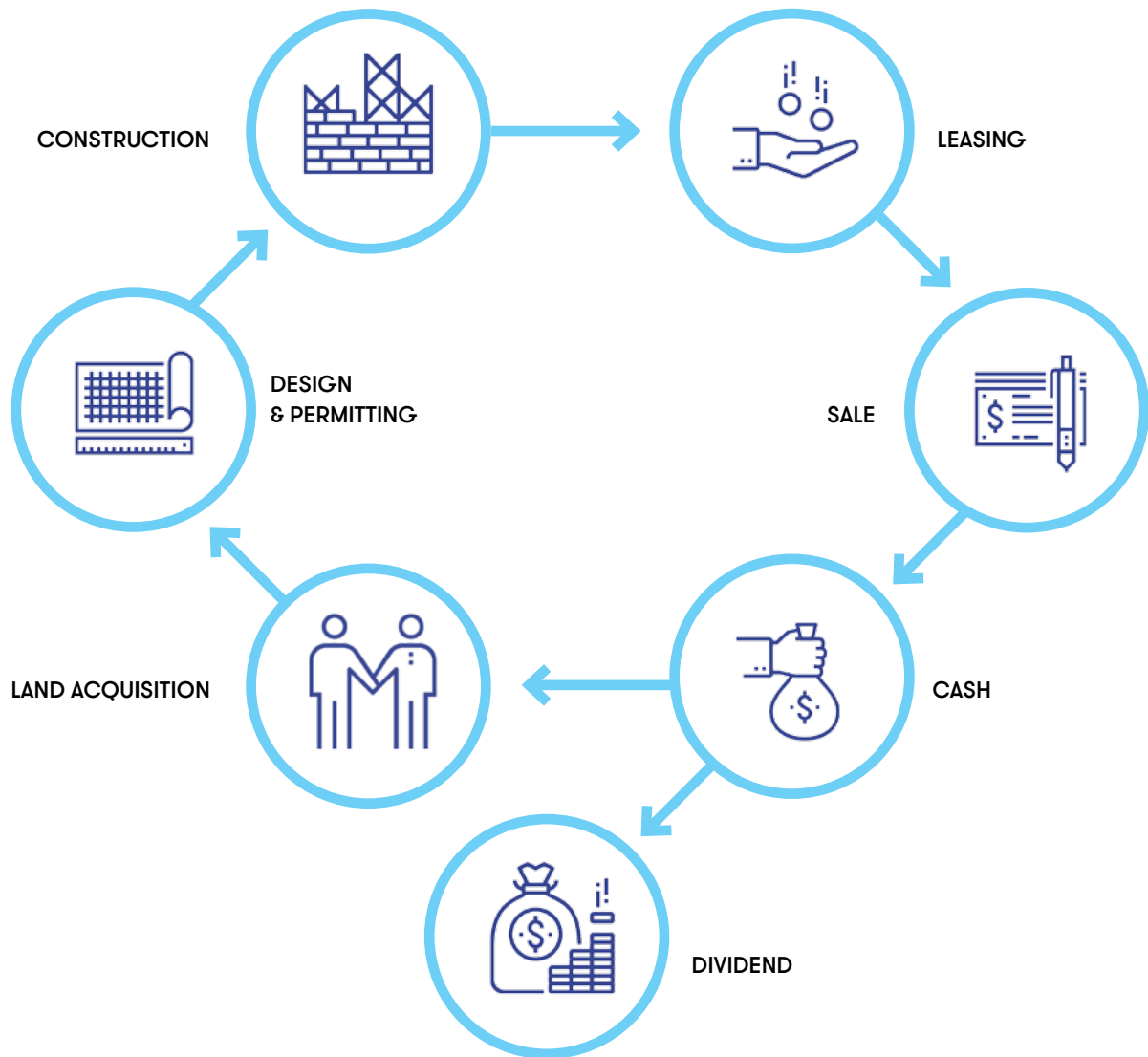


LARGE SCALE PROJECTS

The ambition of Echo Investment is to run major, multi-function and city-forming projects. The Company intends to create "the destinations" – functioning space for agglomeration residents – comfortable for work, living, entertainment and satisfaction of all needs. Projects realized by Echo Investment are supposed to promote city lifestyle and attract people for the entire day.

03

Business model



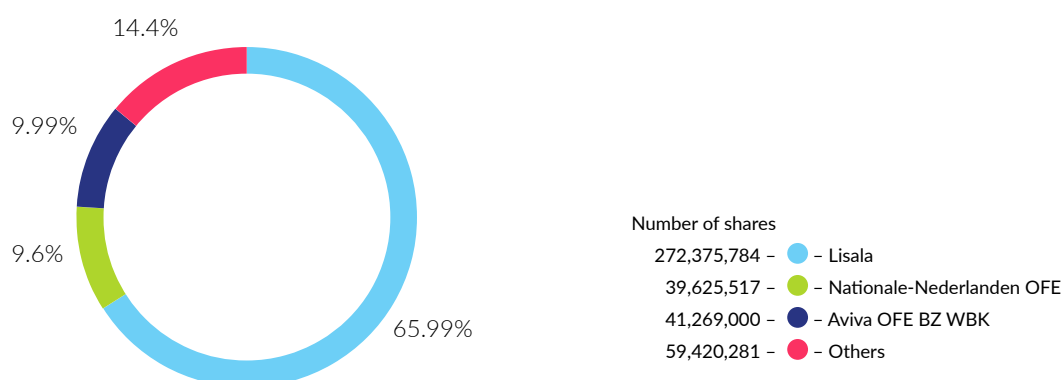
Echo Investment Group runs in-house the entire investment process estate, starting from purchasing property, through obtaining administrative permits, financing and oversight of construction, leasing and sale. These steps are taken in most cases through the special purpose vehicles (SPV). The core business of Echo Investment Group is divided into following segments:

- 1) construction, lease and sale of office buildings,
- 2) construction, lease and sale of retail buildings,
- 3) construction and sale of residential apartments,
- 4) provision of services (general contractor, managing contractor, leasing, consulting etc.).

04

The ownership structure and shares description

SHAREHOLDERS OF ECHO INVESTMENT S.A. HOLDING MORE THAN 5% OF THE SHARE CAPITAL AS AT 31 DECEMBER 2016



SHARES DESCRIPTION

The share capital of Echo Investment SA is divided into 412,690,582 ordinary bearer shares of A, B, C, D, E and F series. None of the shares has limited rights. The Company's share capital i.e. the nominal value of the shares amounts to PLN 20,635 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.

Securities issued by Echo Investment S.A. do not grant any special control powers to their holders.

Echo Investment S.A. does not have any information on restrictions on the right to vote by holders of the Issuer's securities, neither on restrictions on the transfer of ownership of the Company's securities.

SHAREHOLDERS

Lisala Sp. z o.o. is directly controlled by Echo Partners B.V. and indirectly by the following funds: Oaktree Capital Management, Pacific Investment Management Corporation (PIMCO) and Griffin Real Estate.

The above figures result from information about shareholders holding, directly or indirectly via subsidiaries, at least 5% of the overall number of votes at the GM of Echo Investment SA as of 19 December 2016.

In the period between the publication of the last financial report, i.e. 28 November 2016, and the date of this report, the Company did not receive any notifications of a change in the shareholding of significant shareholders.

05

Significant events of the Company and its Group in 2016



5.1 Establishing Echo Polska Properties

In H1, 2016 Echo Investment spun off yielding commercial properties portfolio to a newly established company incorporated under the Dutch law, i.e. Echo Prime Properties B.V. The newly established company was later renamed Echo Polska Properties N.V. (EPP).

On 17 February 2016 Echo Investment transferred to EPP the ownership of all certificates of the following funds: Forum XXIX Funduszu Inwestycyjnego Zamkniętego and Forum XXXIV Funduszu Inwestycyjnego Zamkniętego. Through special-purpose companies, both funds owned the following 16 commercial properties:

- A4 Business Park in Katowice (stages I and II),
- Astra Park in Kielce,
- Malta Office Park in Poznań,
- Oxygen in Szczecin,
- Park Rozwoju in Warsaw (stages I and II),
- West Gate in Wrocław,
- Galeria Amber in Kalisz,
- Galaxy in Szczecin,
- Galeria Echo in Kielce,
- Galeria Olimpia in Bełchatów,
- Outlet Park in Szczecin,
- Pasaż Grunwaldzki in Wrocław,
- Centrum Handlowe Echo in Przemyśl,
- Galeria Sudecka in Jelenia Góra,
- Galeria Veneda in Łomża,
- Centrum Handlowe Echo in Bełchatów.

317 mln €

The total value of re-financing loans granted for EPP portfolio.

In exchange for a contribution in kind in the form of the certificates, Echo Investment acquired 100% of shares in the share capital of EPP with a total nominal value of EUR 211,970,402, which as of the signing date of the agreements amounted to the equivalent of PLN 933,560,044 according to the average exchange rate published by the National Bank of Poland (NBP).

Anticipating sale of EPP share, Echo Investment restructured the debt of the properties in the portfolio. On 16 May 2016 Echo Investment reported on two transactions:

- 1) Four entities that owned office buildings of the portfolio, took out an investment loan of EUR 132 mln, bearing interest at EURIBOR floating interest rate, plus the margin of the financing banks. The loan was granted by a consortium of Berlin Hyp AG with its registered office in Berlin and ING Bank Śląski S.A. with its registered office in Katowice. The funds were used to repay the debt of the borrowing companies arising from the previous loan agreements, as well as their intra-group debt. The final loan repayment date was set as the earlier of the following dates: a day falling not later than 5 years as of the first loan disbursement or 30 June 2021.
- 2) Seven entities that owned retail buildings of the portfolio, took out an investment loan of EUR 185 mln, bearing interest at EURIBOR floating interest rate, plus the margin of the financing bank. The loan was granted by Landesbank Hessen-Thüringen Girozentrale, with its registered office in Frankfurt am Main. The funds were used to repay the debt of the borrowing companies arising from the previous loan agreements, as well as their intra-group debt. The final loan repayment date was set as the day falling 7 years after the agreement date.

In connection with the sale of EPP, this debt was transferred out from Echo Investment's balance sheet.

5.2 Sale of the controlling stake of shares of EPP and withdrawal from property and facility management activities

On 1 March 2016 Echo Investment and EPP concluded an agreement with Redefine Properties Limited with its registered office in Rosebank in South Africa for the sale of a part of the existing shares and subscription of new shares in EPP. Pursuant to the agreement, after the transaction was finalised, Redefine would hold 75% of shares plus one in the total number of shares in EPP while Echo Investment would hold 25% of shares minus one, taking into account the increase of the capital of EPP by new shares. The agreed transaction value of properties of EPP was EUR 1,188,000,000.

The agreement also provided for concluding additional agreements between Echo Investment, Redefine and EPP, including inter alia:

- Shareholders' agreement, regulating issues related to the cooperation between Echo Investment and Redefine, as EPP which would include a provision allowing Redefine to sell shares in EPP to co-investors; however, provided that Redefine's shareholding in EPP would not fall below 45%;
- consulting agreements stipulating among other things that Griffin Real Estate sp. z o.o. would be appointed as the lead consultant of EPP for managing the Company and assets;
- agreements with Echo Investment for managing the development process concerning the extension of the Galaxy shopping centre in Szczecin and Outlet Park in Szczecin;
- agreements for managing EPP's properties by the subsidiary of Echo Investment;
- an agreement concerning the right of first offer ("ROFO") on the basis of which Echo Investment would grant a right to EPP to make the first offer for the purchase of the following 7 properties:
 - Tryton Business House in Gdańsk,
 - A4 Business Park (phase III) in Katowice,
 - O3 Business Campus in Kraków (phases I, II i III),
 - Symetris Business Park (phases I i II) in Łódź,
 - Nobilis Business House in Wrocław,
 - Sagittarius Business House in Wrocław,
 - Galeria Libero in Katowice.

The ROFO agreement also stipulated that EPP would invest, in the form of loans, 25% of the capital already invested in the preparation and development of the ROFO properties, and that in the future it would finance 25% of expenditures necessary to complete them. In connection with involvement in financing of projects covered by the ROFO agreement, EPP will be entitled to a 25% share in profits from these properties.

On 1 June 2016 Echo Investment executed an agreement for the sale of a part of shares and sub-

scription of new EPP NV shares with Redefine. Echo Investment remained the owner of 25 % shares of EPP minus one share and 75 % plus one share went to Redefine. As a result of the operations which led to such a proportion as well as the conclusion of additional agreements (increasing EPP's capital, the payment of preferred dividend to Echo Investment, adjustments, etc) the amount of EUR 385.5 mln was transferred Echo Investment (including repayment of the debt on the properties sold).

Other agreements executed as part of the deal, included the shareholders' agreement, consulting agreements, agreements concerning the right of first offer (ROFO), agreements for managing the development of extensions of Galaxy and Outlet Park, agreements for managing properties by a subsidiary of Echo Investment and other.

Additionally EPP acquired the companies: Echo Investment Property Management – Grupa Echo Sp. z o.o. S.K. and Echo Investment Facility Management – Grupa Echo Sp. z o.o. S.K. Through this transaction, which was completed 1 July 2016, Echo Investment withdrew from facility and property management activities and shifted the focus to property development activities in accordance with the new Company strategy. As at the date of the transaction, the two sold companies employed 65 people.

5.3 Sale of office building portfolio to EPP (ROFO transaction)

Following the ROFO (right of first offer) agreement as of 1 June 2016 between Echo Investment and EPP, on 30 September 2016, a preliminary conditional agreement for the sale of seven office buildings of the total GLA of approx. 112,000 sqm. was signed. Closing of transactions for the sale of particular buildings depends on the following events:

- obtaining occupancy permits,
- signing lease agreements for at least 60% of leasable area,
- signing new loan bank agreements,
- obtaining relevant individual tax rulings,
- obtaining a permit from the Antimonopoly Office.

Final agreements were agreed to be concluded not later than three years after the signing of preliminary sale agreements. The final selling price of every building will be established as a net amount corresponding to the quotient of NOI (annual property rental income less non-deductible expenses) and the agreed yield less the remaining costs of completing design works and the remaining costs of rectifying defects increased by 30%.

On 21 December 2016 the closing of the transactions of O3 Business Campus I, Tryton Business House and Symetris I took place, after fulfilment of the conditions established in the agreement. The buildings were sold

1 188 mln €

value of the EPP's property portfolio as at the moment of the transaction with Redefine

385,5 mln €

amount of money transferred to Echo Investment due to Redefine transaction

CURRENT DESCRIPTION OF PROPERTIES INCLUDED IN THE ROFO AGREEMENT

| Project | City | GLA | End of construction | Leasing % | Description |
|----------------------------|----------|--------|---------------------|-----------|------------------------------------------------------------------------------------|
| Tryton Business House | Gdańsk | 23 700 | Q1 2016 | 80 | Sold to EPP for EUR 46.7 mln with the option to increase the price to EUR 52.1 mln |
| O3 Business Campus I | Kraków | 19 100 | Q1 2016 | 87 | Sold to EPP for EUR 45.3 mln with the option to increase the price to EUR 49.3 mln |
| O3 Business Campus II | Kraków | 19 100 | Q3 2017 | – | Preliminary sale agreement to EPP |
| O3 Business Campus III | Kraków | 19 100 | Q1 2018 | – | Preliminary sale agreement to EPP |
| Symetris Business Park I | Łódź | 9 400 | Q3 2016 | 87 | Sold to EPP for EUR 20.4 mln with the option to increase the price to EUR 23.2 mln |
| Symetris Business Park II | Łódź | 9 500 | Q3 2017 | 42 | Preliminary sale agreement to EPP |
| A4 Business Park III | Katowice | 12 000 | Q3 2016 | 86 | Preliminary sale agreement to EPP |
| Nobilis Business House | Wrocław | 16 900 | Q4 2016 | 59 | |
| Sagittarius Business House | Wrocław | 24 900 | Q1 2018 | 42 | |
| Galeria Libero | Katowice | 44 700 | Q1 2018 | 41 | |

for total EUR 113.3 mln, but with the additional payments for the arrangement works, the total value of the transaction will reach EUR 124.5 mln.

EPP is a co-investor of all buildings covered by the ROFO agreement and finances 25% of those investment projects; accordingly, it is entitled to 25% of the profit from the sale thereof.

5.4 Listing EPP on two stock exchanges and partial sale of a block of its shares

In connection with the planned listing on the stock exchanges in Luxembourg and Johannesburg, on 12 August 2016 Echo Polska Properties B.V. was transformed into a joint-stock company (naamloze vennootschap) – EPP N.V. EPP was listed on the stock exchange in Luxembourg on 30 August 2016.

Subsequently, as a result of share issue addressed to a limited group of investors, generating EUR 100 mln for EPP, the share of Echo Investment in the share capital and votes at the General Meeting of EPP dropped from 24.98% to 21.93%. Following the share issue, all 586,051,293 EPP shares on 13 September 2016 were admitted to trading on the Johannesburg Stock Exchange.

On 23 August 2016 Echo Investment reported on plans to sell a part of shares in EPP. Echo Prime Assets B.V., a subsidiary of Echo Investment holding EPP shares, concluded two agreements for the sale of shares, i.e. with Lisala sp. z o.o. with its registered office in Warsaw (the main shareholder of Echo Investment) and Leon Kok, a national of South Africa and Chief Financial Officer of Redefine Properties Limited. Pursuant to the agreement,

Lisala would acquire 12,863,228 of EPP shares (representing around 2.5% of the share capital before September 2016 share issuing) while Leon Kok – 25,726,456 shares (around 5% of the share capital before issuing). Lisala was able to transfer rights under the agreement to Echo Partners B.V., a company incorporated under the Dutch law holding 100% of its share capital. Leon Kok represented the managing directors of Redefine.

Conclusion of the final agreement with Redefine's directors took place on November 29th, 2016. Leon Kok transferred his interest and obligations resulting from the preliminary contract to The Big Five International Limited (BFI), and Echo Prime Assets subsequently sold 25,726,456 shares of EPP to BFI. The agreed price of EUR 25.7 mln is to be paid in instalments until August 23rd, 2017. On the day of conclusion of the final agreement the parties also concluded a lock-up agreement concerning 20,581,165 of EPP's shares and a pledge agreement concerning the sold shares in order to secure the payment of the price.

The second preliminary contract was concluded on December 6th, 2016. Earlier, on August 30th, 2016 Lisala sp. z o.o. transferred all its interest and obligations resulting from the preliminary contract concerning the purchase of EPP's shares, to Echo Partners B.V. (a company operating in accordance with the law of Netherlands, which owns 100 % of Lisala). Consequently Echo Prime Assets sold 12,863,228 of EPP's shares to Echo Partners. The sale price of EUR 12.9 mln plus the interest is to be paid until April 1st, 2018. A lock-up agreement, which restricts the option of selling EPP's shares by Echo Partners until the fifth anniversary of the introduction of EPP to public trading, as well as a

JS



LUXEMBOURG
STOCK EXCHANGE

273 mln €

estimated total price of Q22

pledge agreement on shares in order to secure the payment of the price were also concluded on the same day.

Simultaneously Echo Investment negotiated reduction of the period during which it undertook not to sell EPP shares (lock-up) from five years as of the floating of EPP on the stock exchange in Johannesburg to one year as of that event. Upon closing both transactions and issuing new shares, Echo Investment was the holder of 89,917,597 ordinary shares and one preference share of EPP, representing 15.34% of share capital and votes at the General Meeting. After another capital raise in April 2017, the Company's interests in EPP decreased to 12.86%.

5.5 End of construction and sale of Q22 project in Warsaw

Following three years of construction work in June 2016 Echo Investment obtained an occupancy permit for its flagship project – Q22 office skyscraper on al. Jana Pawła II in Warsaw. The building has a leasable area of 53,000 sqm. It is currently 84% leased and its tenants include: Deloitte, Allegro, Linklaters, William Demant, Vestor DM, Citi Handlowy, Savills, White and Case, as well as Echo Polska Properties and Echo Investment itself.

Q22 was recognized in a number of prestigious rankings and competitions; it is the winner of prizes such as: Eurobuild Award for the Best Office Building, Prime Property Prize 2016 in the 'Architecture' and 'Project of the Year' categories and the Best Office Project title in the Europa Property competition.

On 28 October 2016, Echo Investment and a special purpose vehicle established for the construction of the Q22 office building at al. Jana Pawła II in Warsaw signed a preliminary agreement for the sale of this project to Invesco Real Estate. The closing of the final agreement required fulfillment of several conditions precedent such as the repayment of loans mortgaged on the property, fulfilment of the conditions stipulated in the occupancy permit, modifying one of the annexes in the agreed scope of fitout works, execution of certain work related to the technical condition of the building and the receipt of a tax ruling with regard to the VAT on the transaction.

According to the agreement, the price was established as at the date of closing, according to the formula being the sum of:

- a) the quotient of annual net rental income from the property and the Yield of 5.35%,
- b) the current net value of actual rents exceeding those included in net rental income

less,

- c) the product of the amount EUR 700 + VAT (i.e.

PLN 3,030.51 in the average exchange rate of National Bank of Poland of the day the preliminary agreement + VAT), being the finishing cost of one square meter of net office space in the building, and the total area which as at the date of the final agreement is not leased or handed over to tenants.

Echo Investment also was to receive remuneration for fit-out works performed after the date of the final agreement with respect to areas which as at the date of closing were not leased or were leased but the fit-out works have not been completed. The remuneration is EUR 700 + VAT (i.e. PLN 3,030.51 + VAT) for every square meter of such area.

On the date of closing of the transaction, the following agreements were signed:

- 1) a quality assurance agreement regarding construction works in the building – between the Seller (a special purpose vehicle) as the guarantor, Echo Investment as the party accessing debt resulting from the Seller's obligations and the Purchase as the beneficiary;
- 2) a rental guarantee ensuring the minimum level of revenues from vacant premises in the building – between the Purchaser as the beneficiary, the Seller as the guarantor and Echo Investment as the party accessing debt resulting from the Seller's obligations;
- 3) an agreement for finishing works and additional works.

The final agreement was executed on December 16th, 2016 after the fulfilment of conditions precedent. Taking into account the revenue from the fully leased building, the agreed cap rate and all adjustments and additional payments Echo Investment estimates that the total value of the transaction should exceed EUR 270 mln. The initial amount of EUR 230 mln plus VAT was transferred on to the seller's accounts after the closure of the transaction and its remaining part will be paid in 2017. Q22 was 82%-leased on the closing day.

It should be emphasised, that on 22 June 2015 Echo Investment signed a put option and profit share agreement with FTF Columbus, a subsidiary of Michał Sołowow. The purpose of the agreement was to limit investment risk connected with the construction and commercialization of the Q22 building. On the basis of this agreement, Echo Investment was entitled to exercise a put option and sell the building to FTF Columbus within 6 months from the date of obtaining the occupancy permit for the Q22 building at a price covering its costs. If the put option is not exercised, FTF Columbus will have a right to obtain a 75% share of profit from the Q22 sale, determined according to the value of the property as declared by Echo Investment, regardless if it buys the building or not.



FTF Columbus undertook to additionally cause that in the event that Echo Investment is not able to obtain financing for the construction of Q22 from third parties for reasons beyond its control, the Company will be granted a loan in the amount of 60% of the missing financing.

Before the Q22 transaction closing, on 13 December 2016 Echo Investment received a statement of FTF Columbus on the waiver of Columbus' rights to purchase the Q22 property. In connection with this, the remuneration to FTF Columbus was established as a net amount of EUR 82 mln.

5.6 Acquisition of shares in the Towarowa 22 retail project

On 15 September 2016, Echo Investment and EPP concluded conditional agreements for the purchase of 13 land properties within the boundaries of the following streets: Towarowa, Pańska and Miedziana in Warsaw, and a retail and leisure project planned in this area. The seller is a company from Griffin Real Estate Group. The target share of Echo Investment in the transaction and planned enterprise equals 30%, while the remaining 70% will belong to EPP. The property selling price will amount to EUR 77,4 mln; however, it may be increased to EUR 119,4 mln to be paid in instalments upon achievement certain project milestones. The conclusion of the conditional sales agreement and the payment of the basic price depend on the fulfilment of conditions among others: obtaining a relevant anti-monopoly permit, a relevant tax ruling and non-execution by the capital city of Warsaw of its right of pre-emption in respect of the property.

On the fulfilment of all the conditions specified in the contract, the transaction was executed on 23 December, 2016. At this stage of the project Echo Investment paid EUR 35.82 mln and the contribution of EPP amounted to EUR 41.58 mln, consequently the company being the owner of property at 22 Towarowa Street were shares in the split by the ratio of app. 46% and 54%. On the fulfilment of all the conditions of the price increase and the payment of the remaining part of the price, partners will reach the proportion agreed upon earlier i.e. 30% and 70%.

Towarowa 22 is a property with an area of 6.5-ha located in the inner centre of the most dynamically developing part of Warsaw and the largest plot for commercial development in the city centre. The project which is to be built on the plot is at the stage of analysis and planning. According to a preliminary schedule its construction could start in 2018-2019.

5.7 Bond issue

Echo Investment S.A. issued bonds for a total amount of PLN 100 mln on December 1st, 2016 as part

of a Bond Issue Programme with a value of up to PLN 1 bln signed with mBank S.A.

The nominal value and the issue price of one bond was PLN 10,000. The bonds were issued for the period ending on 18 November 2020. The interest on the bonds is based on variable WIBOR 6M rate plus investors' margin. The interest will be paid semi-annually. The bonds will be redeemed on the redemption day at the nominal value of the bonds. In order to optimise liquidity management in the Group a subsidiary of the Issuer, Echo – SPV 7" spółka z ograniczoną odpowiedzialnością with its registered office in Kielce, 36 Solidarności Avenue, KRS 0000070412, acquired 675 bonds issued by the Issuer. The average unit price was PLN 10,000 per bond.

At the same time Echo Investment purchased 2,500 own bonds registered on the Catalyst market under ECHO417 (ISIN PLECHPS00118) series. The legal basis for the purchase of the bonds is the Management's resolution which confirms the purchase of the bonds for their further redemption. The average unit purchase price was PLN 10,130 per bond.

5.8 Introduction of the Code of Conduct and Whistleblower Procedure

As part of risk management and in order to strengthen its corporate culture, on December 14th, 2016, Echo Investment made a decision to introduce the Code of Conduct – a document which defines the company's values and ethical norms required in its relations with employees, shareholders, local administration and communities. The Code of Conducts organizes issues such as relations among employees and superiors or relations with business parties and other interested parties. It also defines the code of conduct in difficult situations such as a conflict of interest, a suspicion of irregularities, a corruption proposal or working with co-operators of bad reputation.

The company has also implemented procedures of irregularity reporting and their examination, which promote ethics in everyday work and provides the reporting persons with a sense of security. They make it possible for employees to report unethical or illegal activities observed, which infringe the law, internal regulations or principles of social co-existence. The system operates with the support of an external company Linia Etyki.

06

Events after the day of drawing up these financial statements

6.1 Establishing the public bond issue programme

On 27 February, 2017 the Management Board of Echo Investment passed a resolution on establishing a bond issue programme worth up to PLN 300 mln or its equivalent in euro.

The company has submitted a prospectus at the Financial Supervision Authority. It is planning to introduce the bonds issued on the regulated Catalyst market. All details concerning the issue, including its schedule, the currency of the issue, the redemption date and the interest rate will be stipulated in the final conditions of a given series of bonds.

6.2 Acquisition of a stake in Galeria Młociny project

On March 9th, 2017 companies from the Echo Investment group and the Echo Polska Properties group signed an agreement concerning a joint purchase of 100% shares in Rosehill Investments, which was the indirect owner of the retail and office project Galeria Młociny that is under construction near Zgrupowania AK „Kampinos” Street in Warsaw. The sellers are: Broomfield Investments, Catfield Investments sp. z o.o., Powell Real Estate International B.V., Taberancle Limited, Taberancle Investments Limited and ElSORIA Trading Limited. The two companies will pay approximately EUR 104,5 mln for the project (including liabilities of the company being the subject of the transaction). The Echo Investment group will have the share of 30% in the transaction, the part of the price attributable to the group is EUR 12 mln and its part of acquired liabilities amounts to EUR 19 mln. The purchase price could be changed as a result of an auditor's verification of the values used by the parties to establish the price. The parties are planning to close the deal by June 1st, 2017 at the latest.

Together with the conclusion of the contract an entity from the Echo Investment's group provided the SPV company which builds Galeria Młociny with a loan of a maximum value of PLN 70 mln for the repayment of its liabilities towards the general contractor.

Furthermore, Echo Investment also concluded a svagreement with Echo Polska Properties, regulating the corporate governance principles in the acquired companies and a developmet agreement which provides Echo Investment with the function of the building site manager and project leasing agent.

Galeria Młociny is a retail and office project with a leasable area of 82,000 sqm, of which 71,000 sqm is retail, entertainment and gastronomy space. The facility is located near the main public transport hub in northern Warsaw, which sees 40 000 daily commuters. Construction of the first phase commenced in October 2016, and is on track for completion in Q2 2019. The development is approximately 55% preleased, and its key tenants include Inditex brands, Van Graaf and H&M.

6.3 Sale of West Gate office building in Wrocław and ROFO agreement with Griffin Premium RE

Echo Investment and its subsidiaries concluded a preliminary contract concerning the sale of the West Link office building in Wrocław with entities from the Griffin Premium RE group with its seat in Netherlands. The buyer is a company affiliated with Griffin Real Estate.

The deal is to be closed subject to the following conditions:

- 1) the receipt of the final, unconditional occupancy permit for the building,
- 2) leasing minimum 60% of the building's area and the signing of a rental guarantee agreement for the period of five years, based on which Echo Investment will guarantee the coverage of rent and service charges for vacant premises as well as rent-free periods, costs of finishing the premises and costs related to temporary rent abatements,
- 3) the first public offering of shares of Griffin Premium on Warsaw Stock Exchange will generate net proceeds of minimum EUR 28 mln for Griffin Premium until June 30th, 2017 (condition fulfilled on 19 April 2017),
- 4) the Buyer receives the anti-trust consent if it is required by law; and
- 5) the Supervisory Board of the Company approves the transaction, which was the approval being granted on March 14th, 2017.

The sales price of the Shares was established as follows: the quotient of NOI (i.e. the difference between the operating income and undeductable operating costs) and 6.873%, which amounted to EUR 36.06 mln on the day of signing of the preliminary contract, plus the estimated working capital and cash amount and minus the debt amount. The price will be subject to standard adjustments after the closure of the transaction.

At the same time the Griffin Premium RE and Echo Investment concluded an investment contract concerning the right of the first offer for office projects developed in Warsaw i.e. the Beethovena project stages I and II and Browary Warszawskie stage J. Following the legal due diligence and provided that its results are considered satisfactory by Griffin Premium RE, Griffin Premium RE will invest 25% of the capital which was already invested and the future capital needed for the completion of the construction process and finalization of the project by the acquisition of bonds. The total estimated value of these bonds is EUR 9.9 mln. In connection with the investment in bonds, an entity controlled by Griffin Premium RE will be entitled to a 25%-share in the projects' profits.

Upon the ROFO agreement, Griffin Premium RE is entitled to submit the first offer to buy 3 office buildings included in the ROFO agreement to Echo Investment.

DESCRIPTION OF PROPERTIES INCLUDED IN THE INVESTMENT CONTRACT

| Project | GLA [sqm] | NOI [EUR mln] | Launche | Completion |
|-----------------------|-----------|---------------|---------|------------|
| Beethovena I | 17 800 | 3,1 | Q4 2017 | Q3 2019 |
| Beethovena II | 17 400 | 2,9 | Q1 2018 | Q4 2019 |
| Browary Warszawskie J | 15 000 | 3,1 | Q2 2017 | Q3 2018 |

6.4 Loan agreement for construction of West Link

Following the signing of a preliminary sales contract concerning the sale of the West Link office building on March 23rd, 2017, Echo Investment signed a loan agreement with the Millenium Bank for the amount of EUR 16.5 mln for its construction. West Link, which should be completed at by early 2018, will have a gross leasable area of over 14,000 sqm.

07

Description of markets the Company and its Group operate in

7.1 Office market

→ WARSAW

According to CBRE analysts, Warsaw office market is on a stable growth path even though it will have to cope with an increase of the vacancy index and a large number of new buildings in the future.

The area of the office market in the capital city exceeded 5 mln sqm last year. In the entire year it gained 417,700 sqm – in prestigious buildings in the city centre such as Q22, Warsaw Spire and The Tides, among others. At the same time there is a great tenant activity. Leases amounting to 757,700 sqm were signed on the market of the capital city in 2016 i.e. much more than the new area delivered. The absorption of space i.e. increasing the demand for modern office space (new companies, extensions and moving from non-classified offices) constituted 270,500 sqm i.e. app. 36% of the entire demand.

In spite of the record supply of offices in the capital city, the vacancy index is quite stable and, according to CBRE's data, it amounted to 14.2% at the end of last year, ending another quarter with a slight decline. However, CBRE assumes that the index will be growing until mid-2018.

There were over 60 office projects under construction in Warsaw at the end of 2016 which combined leasable area of 850,000 sqm. It shows developers' increased activity compared to the end of Q3 2016 when less than 600,000 sqm was under construction. This is a response to a stable demand for office space. Offices with a combined area of 360,600 sqm are to be completed in 2017.

Compared to 2015, which was very good in terms of the number of contracts signed, lease results in 2016 are only 10% lower. Rents for the best office space have been fluctu-

ating around EUR 23 per sqm per month since mid-2016.

Strong competition mostly affects owners of older office buildings in poorer locations. Tenants are eager to change location and they will most probably choose new buildings, which is good news for the development industry. In a longer term we could observe additional demand for office space as a result of companies moving from Great Britain because of Brexit.

↑ REGIONAL CITIES

Strong expansion of companies from the shared service sector (BPO/SSC) resulted in a dynamic development of office markets in regional cities in Poland. According to CBRE,

Perspectives of each market sectors in coming 12 months:

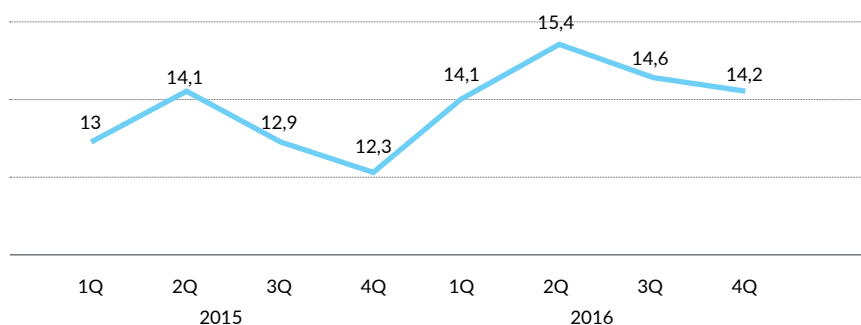
- ↑ – Very optimistic
- ↗ – Optimistic
- – Neutral
- ↘ – Pesimistic
- ↓ – Very pesimistic

the area available on the markets doubled over the last five years.

In 2016 regional cities were very active as suppliers of new offices and in terms of acquisition of tenants. The total modern office area exceeded 3.9 mln sqm in eight largest regional cities (Kraków, Wrocław, Katowice, TriCity, Poznań, Łódź, Szczecin and Lublin). Kraków, Wrocław and TriCity are still the largest markets. The vacancy index in the cities which Echo Investments operates in ranges from 7.2% to 14%.

The demand among tenants is very strong. Last year they leased 586,000 sqm, of which net absorption (new companies, extensions and moving from non-classified offices) amo-

VACANCY INDEX [%]



Source: CBRE



Q22 opening took place in mid 2016, and in October 2016 it was opened to the public.



unted to 385,000 sqm.

Because of developers' strong activity, CBRE's analysts remark that rents in the best locations of regional cities are also under pressure, however, their levels have not

changed since 2015.

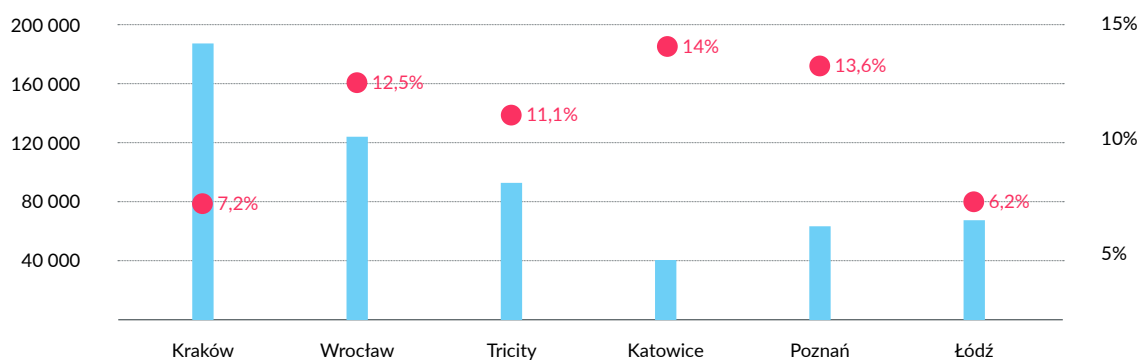
Due to technologies used, sensitivity of processed data and technical security required or employees' expectations, the shared service sector often has very high requirements re-

garding office buildings, so there is practically no difference in the quality of buildings offered in Warsaw and regional cities.

LEASED OFFICE SPACE IN 2016 AND VACANCY INDEX [SQM]

● - Area
● - Vacancy index

Source: CBRE



6.2 Retail market



Last year the market of shopping centres gained 33 projects with a combined leasable area of 425,000 sqm. As many as 15 projects were extensions of older facilities.

About half of currently operating shopping centres are 10 years old or older. Last year a shopping centre in Sosnowiec was closed down, which was the first such case in Poland and it reflects the maturing of the market. Observation of these trends shows that operating on the retail space market requires a lot of knowledge, experience and attention. Fewer projects (22) are to be completed in 2017 compared to 2016, however, they have a similar combined area – 420,000 sqm. The market has decreasing ability to absorb subsequent shopping centres. However, according to CBRE analysts the conurbation with the greatest absorption potential is Warsaw, where the vacancy index is record low, the purchasing power is highest in the country and the number of residents has been systematically growing. The best rent rates range from EUR 90 to 120 per sqm per month.

Thanks to continuously good economic indexes (a low unemployment rate, a forecast GDP growth and the stimulation of the demand by the government), Poland is interesting for international retail chains. In spite of

problems of the Alma delicatessen and the planned withdrawal of Marks and Spencer from the market, new brands emerge in the country. According to CBRE, 21 retail brands entered the Polish market in 2016.

6.3 Residential market



Q4 2016 and the entire last year were record periods for the Polish residential market in terms of sales. In six cities monitored by REAS consultancy (Warsaw, Kraków, Wrocław, Poznań, TriCity and Łódź) 18,100 and 61,500 apartments were respectively sold. Last year's sales increase amounted to 20% compared to historically best year 2015.

Very good sales results incentivise developers to start new projects. 19,000 apartments were marketed in the monitored conurbations in Q4 2016 and over 65,000 in entire year. This was 25% more compared to 2015. However, the fast sales pace resulted in the fact that the offer i.e. the total number of developers' apartments available on the market, excluding the advancement of the construction process, increased 8% y-o-y and less than 3% quarter to quarter, amounting to 52,700 apartments at the end of December. REAS' data indicate at the same time that between the end of 2015 and the end of 2016, the average prices of apartments marketed

increased by 6%, which reflects developers' appetite for increasing prices and the fact that the apartments marketed were mostly addressed to buyers of investment apartments. REAS estimates that app. 30% of last year's transactions was attributable to them.

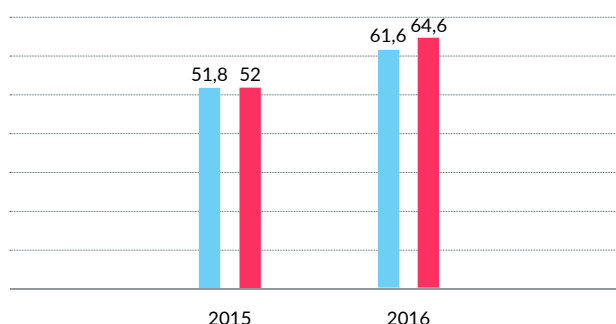
The marketed apartments are purchased quickly, which results in the fact that there are few finished apartments on offer. The vast majority of transactions were concluded when the construction of a given apartment was still at the stage of ground work, which confirms strong trust in developers.

REAS analysts remark that the residential market was affected by factors such a decrease of the pace of economic development, an increase of inflation and work on a new governmental programme which is meant to support the housing industry and might constitute competition with regard to the purchase of an apartment from developers. They expect the cooling of demand in the near future due to the phasing out of the 'Apartment for the Young' purchase support programme, an increase of inflation and interest rates. They indicate that in 2017 the supply will be high, the offer will grow and the demand will decline, which will result in the stabilization of the market.

NUMBER OF APARTMENTS SOLD ON 6 MAJOR RESIDENTIAL MARKETS ['000 UNITS]

- – Apartments sold
- – Apartments entered to the offer

Source: REAS



08

Echo Investment Group achievements in each sectors of the market

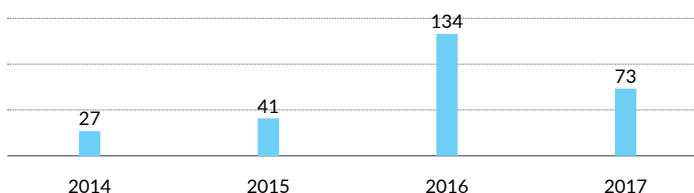
8.1 Office sector

Project completion

The main event last year was the completion of the construction, leasing and the sale of flagship project – the Q22 53,000 sqm skyscraper in the centre of Warsaw.

After obtaining an occupancy permit in June 2016 Echo Investment conducted fitout works in the areas of individual tenants and commercialize the remaining area. Q22 is currently 87% leased, negotiations concerning the lease of the remaining area are in progress. Deloitte was the first tenant to move into the building in August 2016, occupying 10 floors i.e. 10,000 sqm and it will soon move into the additional area of 4,000 sqm. Other major tenants are: Boston Scientific Corporation (2,000 sqm), the Omni Office supplier of serviced offices (more than 2,000 sqm), the White and Case law office (2,500

OFFICE SPACE COMPLETED AND PLANNED TO COMPLETION ['000 SQM]



Refer to item 5.5 for more information on office properties sales

sqm) and the Savills agency (1,000 sqm).

Q22 is appreciated by the market and the real estate industry. It was considered the 'Office Project of the Year' and awarded the main prize in the 'Architecture' category of the Prime Property Prize competition, the 'Office Project of the Year' award in the CEE Investment and Green Building Awards competition organized by EuropaProperty as well as Eu-

robuid Award for the Best Office Building.

In December 2016 Echo Investment signed the final agreement concerning the sale of Q22 building for over EUR 270 mln with Invesco Real Estate

OFFICE BUILDINGS COMPLETED IN 2016

| Building | GLA (sqm) | % leased | Main tenants | Status |
|---------------------------------|----------------|----------|----------------------------------------------------------------------|-------------------------------------|
| Q22, Warsaw | 53 000 | 87 | Deloitte, Allegro, Linklaters, Boston Scientific, Omnioffice Savills | Sold to Invesco Real Estate |
| Tryton Business House, Gdańsk | 23 700 | 80 | PGS Software, Ciklum, mBank, Kainos Software, Eltel Networks | Sold to EPP |
| O3 Business Campus I, Kraków | 19 100 | 87 | Orlen Oil, Epam, Systems Poland, KPMG, Ecolab Services | Sold to EPP |
| Nobilis Business House, Wrocław | 16 900 | 59 | BNY Mellon | Sale under negotiations |
| A4 Business Park III, Katowice | 12 000 | 86 | Rockwel Automation | Preliminary sales contract with EPP |
| Symetris I, Łódź | 9 400 | 86 | Nordea Bank Polska, Philips Polska | Sold to EPP |
| Total | 134 100 | | | |



Refer to item 5.3 for more information about office project sales

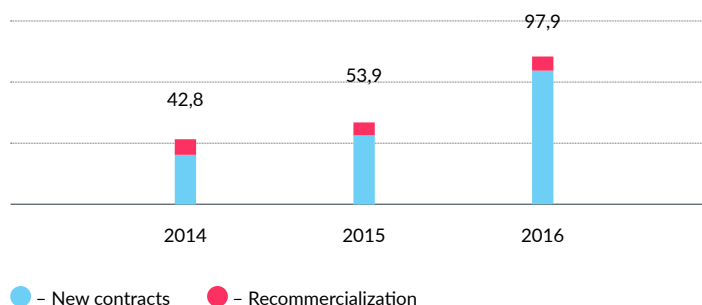
Furthermore, the company completed five office buildings in regional cities, with a total leasable area of 81,100 sqm. In accordance

with assumptions of the new strategy, the vast majority of the buildings have already been sold or are in the process of being sold.

Results of office space lease

Q4 2016 was for Echo Investment historically best quarter in terms of the leases signed. The commercialization team finalized contracts concerning 37,200 sqm of new buildings and 3,900 sqm of recommercialization contracts. In total, last year the company leased 88,000 sqm of new office space and 9,900 sqm in older buildings, which amounts to almost 100,000 sqm.

LEASED OFFICE SPACE ['000 SQM]

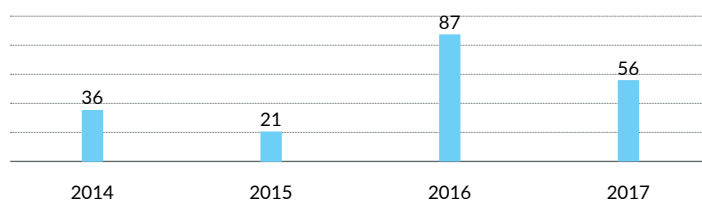


Launched construction projects

Good development prospects of the office market and the number of projects under preparation encourage the Company to start new projects.

In 2016 Echo Investment started the construction of five projects with a leasable area of 86,800 sqm. In accordance with the progress of the construction work, the Company is negotiating with potential tenants. Most contracts are finalized within a short period before or after project completion.

TOTAL LEASABLE AREA OF BUILDINGS LAUNCHED IN 2016 ['000 SQM]



OFFICE BUILDINGS STARTED IN 2016

| Building | GLA (sqm) | Planned completion date | Main tenants | Status |
|-------------------------------------|---------------|-------------------------|----------------|----------------------------------------------------|
| O3 Business Campus II, Kraków | 19 100 | 3Q 2017 | | Preliminary sales contract with EPP |
| O3 Business Campus III, Kraków | 19 100 | 4Q 2017 | | Preliminary sales contract with EPP |
| Symetris II, Łódź | 9 500 | 3Q 2017 | Philips Polska | Preliminary sales contract with EPP |
| Sagittarius Business House, Wrocław | 24 900 | 4Q 2017 | EY | Under negotiations |
| West Link, Wrocław | 14 200 | 1Q 2018 | Nokia Networks | Preliminary sales contract with Griffin Premium RE |
| Total | 86 800 | | | |

8.2 Retail segment

Completed projects

In 2016 the Company completed one investment project in the retail sector – the fourth phase of Outlet Park in Szczecin. The project has an area 3,300 sqm, fully leased by Media Expert, a Befit Clubs fitness club and a Dom Lekarski medical clinic. The construction

started at the beginning of 2016. During the implementation the project was taken over by Echo Polska Properties, and, consequently, Echo Investment finalized development of the project from June 1, 2016 under development contract with EPP.

Lease results

Following selling an entire portfolio of generating-income shopping centres to EPP, Echo Investment provides lease services for the new owner.

Currently, the Company has one project under commercialisation and construction on its own account – Galeria Libero in Katowice, and at the same time the Company conducts preparatory work for the commercialisation of the project at ul. Towarowa 22 in Warsaw, which was acquired in December 2016. At present

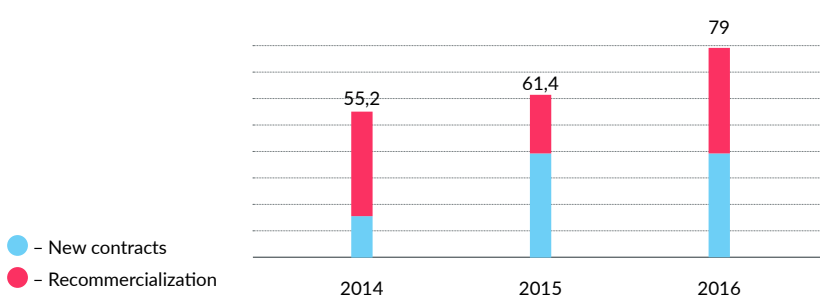
over 50 % of space available in Galeria Libero has been leased and the Company sees great interest of other potential tenants.

Since 9 September 2016 Galeria Libero is a sponsor of a female football team GKS Katowice. Apart from many sports brands, the

building will contain, among others, a pub for football fans Food & Ball run by Arkadiusz Milik, a representative of Poland and a striker in the Ajax Amsterdam Dutch football club.

The completion of the construction of Galeria Libero is planned for early 2018.

RETAIL AREA LEASED
['000 SQM GLA]



Projects launched

Given the maturity of the retail market in Poland, the Company has adopted a selective approach to this sector. Before getting involved in a retail project, the Company

conducts a detailed analysis of the condition of a given local market, the general saturation indicators, the purchasing power and macro-economic indicators. The Company

chooses projects in low-saturated markets, in locations with good prospects.

RETAIL PROJECTS STARTED IN 2016

| Building | GLA (sqm.) | Planned completion date | Main tenants | Status |
|----------------------------|---------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| Outlet Park IV, Szczecin | 3 300 | Completed in 4Q 2016 | Media Expert, Befit Clubs, Dom Lekarski | Sold to EPP |
| Outlet Park III, Szczecin | 3 800 | 4Q 2017 | Kids Play, Martes Sport | Pre-sold to EPP |
| extension Galaxy, Szczecin | 15 100 | 4Q 2017 | Monnari, Smyk, Go Sport, Euro RTV AGD, Reserved | Pre-sold to EPP |
| Galeria Libero, Katowice | 44 700 | 1Q 2018 | Fabryka Formy, Media Markt, Helios, Martes Sport, GynCentrum, Smyk, MK Bowling, Rossmann, iDream Apple Premium Reseller, Sony Center, 4F | ROFO contract with EPP |
| Total | 66 900 | | | |

8.3 Residential segment

Projects launched

In 2016 the Echo Investment group started the construction of 865 apartments with a total useable area of 60,300 sqm. A year earlier the number of projects launched was 10, the total number of apartments in the projects was 1,053 and their sales area amounted to 64,800 sqm.

In Q1 2017 Echo Investment started the construction of 340 apartments in the projects: Browary Warszawskie B and Perspektywa in Poznań. The company is planning to launch and market 10 more projects including 1,277 apartments before the end of the year.

Echo Investment is currently developing 18 housing projects including 2,000 apartments in Warsaw, Kraków, Łódź, Poznań and Wrocław.

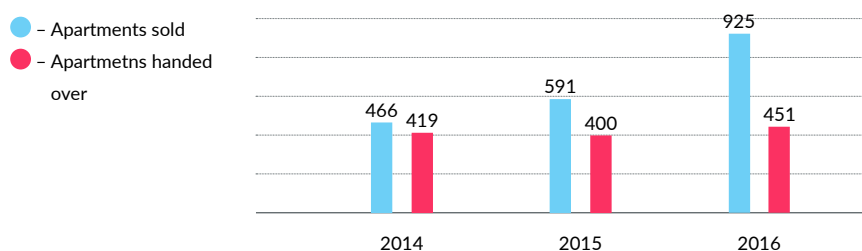
RESIDENTIAL PROJECTS STARTED IN 2016

| Project | Number of apartments | Planned completion date |
|---------------------------------------|----------------------|-------------------------|
| Kraków, Dom pod Wilgą II | 131 | II Q 2018 |
| Kraków, Apartamenty GO (Rakowicka) | 182 | II Q 2018 |
| Łódź, Osiedle Jarzębinowe IV | 74 | IV Q 2018 |
| Poznań, Sowińskiego IV | 89 | III Q 2018 |
| Poznań, Osiedle Perspektywa I (17 MW) | 169 | III Q 2018 |
| Poznań, Osiedle Jaśminowe III | 77 | III Q 2018 |
| Warsaw, Nowy Mokotów IV | 45 | I Q 2018 |
| Warsaw, Browary Warszawskie A | 98 | III Q 2018 |
| Total | 865 | |

Sales

In accordance with the assumptions of the Profitable Growth Strategy, Echo Investment has been extending its scale of operations in the residential sector. In 2016 the company sold a record number of apartments – 925, which constitutes a growth of nearly 60% compared to 2015. A positive trend can also be observed in the number of apartments handed over to clients, and the revenue and profit. In 2016 Echo Investment signed final sales contracts concerning 451 apartments, which constituted 13% growth compared to 2015. A positive trend can also be observed in Q1 2017 results: 259 apartments were sold (76% growth compared to Q1 2016) and 90 apartments were handed over (a growth of nearly 100 %).

NUMBER OF APARTMENTS SOLD AND HANDED OVER TO CLIENTS



Projects completed

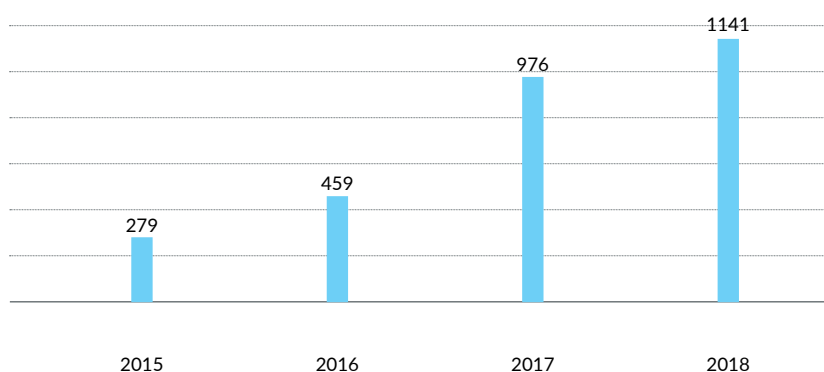
In 2016 Echo Investment group finished the construction of 4 projects including 459 apartments. They have a combined sales area of 29,100 sqm compared to 4 projects completed in 2015, which comprised 279 apartments and had a usable area of 16,300 sqm.

9 projects are planned to be completed in 2017, a total of 976 apartments and a usable sales area of 60,300 sqm.

RESIDENTIAL PROJECTS COMPLETED IN 2016

| Project | Number of apartments |
|--------------------------------|----------------------|
| Kraków, Park Avenue Apartments | 57 |
| Poznań, Sowińskiego I | 124 |
| Poznań, Osiedle Jaśminowe II | 77 |
| Warsaw, Nowy Mokotów II | 201 |
| Total | 459 |

NUMBER OF APARTMENTS IN PROJECTS COMPLETED OR TO BE COMPLETED IN A GIVEN YEAR



09

Responsibility of Echo Investment Group

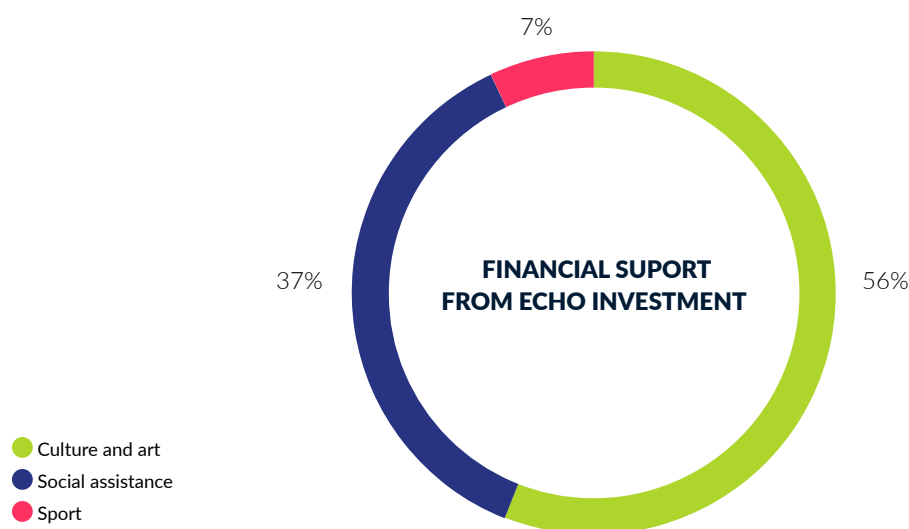
The Echo Investment group takes care of its relations with clients, business partners and contractors as well as other stakeholders. As a socially responsible company it participates in charity campaigns, supports social activities and sponsors events and operations of the organizations which are important for the environments the company is active in.

The support of Echo Investment mostly targets sport, culture and art fields as well

as initiatives which help those in need, particularly in the company's home region i.e. Kielce and its neighborhood. The company tries to make its support for the organizations and goals involving socially sensitive issues long term. Since 2009 it has been helping the Aleksander Kamiński 'Kamyk' complex of educational care facilities by financing the purchase of winter shoes and clothing. Also since 2009 it has been cooperating with the 'Wołosatki' vocal and instrumental sco-

ut band, which has been active in Kielce for over 40 years. Echo Investment also helps the Great Orchestra of Christmas Charity. Since 2000 the company has been auctioning a golden heart to donate the money for medical equipment in Polish hospitals. Since 2014 it has also been supporting Jasiek Meła's 'Beyond Horizons' foundation (through the Poland Business Run foundation), which helps people involved in accidents.

TARGETS OF FINANCIAL SUPPORT FROM ECHO INVESTMENT IN 2016



In partialer, in 2016 Echo Investment was involved in various ways in the activities of such entities as:

- IMKA Foundation,
- Griffin Art Space Foundation,
- European Solidarity Centre in Gdańsk,
- Towarzystwo Przyjaciół Centrum Zdrowia Dziecka,
- GKS Katowice,
- Sport Club „Rozwój” Katowice,
- Korez Theatre.

Selection of entities supported by Echo Investment in 2016



10

Employment and diversity in Echo Investment Group

Authorities of the Company are aware of the significance of diversity in the selection of employees, including key management positions. In its personnel decisions the Company makes every effort to include some elements of diversity, such as gender, qualifications, age and professional experience. According to the Management Board, structure of employment per groups according to seniority as well as variety in terms of employees'

age, strengthen the Company's competitive position on the market.

The Company does not apply the diversity policy with regard to supervisory or management bodies. Knowledge, competence and experience of candidates are taken into consideration in the selection of people who are to serve management and supervisory functions.

EMPLOYMENT STATUS

| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|---------------------|------------------|------------------|------------------|
| Number of employees | 368 (347*) | 364 (346*) | 296** |

* The data do not include employees of Zakład Ogrodniczy Naramowice-Pamiątkowo – a company which is not part of the Group's core operations, because of which the charts below present employee data excluding the company.

** A decline of employment at the end of 2016 was related to the sale of Zakład Ogrodniczy Naramowice-Pamiątkowo as well as property and facility management companies.

GENDER DIVERSITY

| | As at 31.12.2014 | | As at 31.12.2015 | | As at 31.12.2016 | |
|-------------------|------------------|-------|------------------|-------|------------------|-------|
| | Men | Women | Men | Women | Men | Women |
| Supervisory Board | 100% | 0 | 100% | 0 | 100% | 0 |
| Management Board | 100% | 0 | 100% | 0 | 100% | 0 |
| Employees | 50% | 50% | 49% | 51% | 49% | 51% |

SENIORITY DIVERSITY AT ECHO INVESTMENT GROUP

| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|--------------------|------------------|------------------|------------------|
| Total | 347 | 346 | 296 |
| Up to 1 year | 33 | 28 | 48 |
| 1-3 years | 53 | 42 | 39 |
| 3-5 years | 54 | 59 | 37 |
| 5-8 years | 68 | 41 | 43 |
| 8-10 years | 29 | 57 | 44 |
| More than 10 years | 110 | 119 | 85 |
| Average seniority | 8 | 8 | 7 |

AGE DIVERSITY IN THE ECHO GROUP

| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|--------------------|------------------|------------------|------------------|
| Total | 347 | 346 | 296 |
| 18-24 years | 7 | 4 | 5 |
| 24-34 years | 121 | 112 | 100 |
| 34-44 years | 141 | 145 | 121 |
| 44-50 years | 37 | 46 | 38 |
| More than 50 years | 41 | 39 | 32 |
| Average age | 38 | 39 | 38 |

EMPLOYEES' QUALIFICATIONS

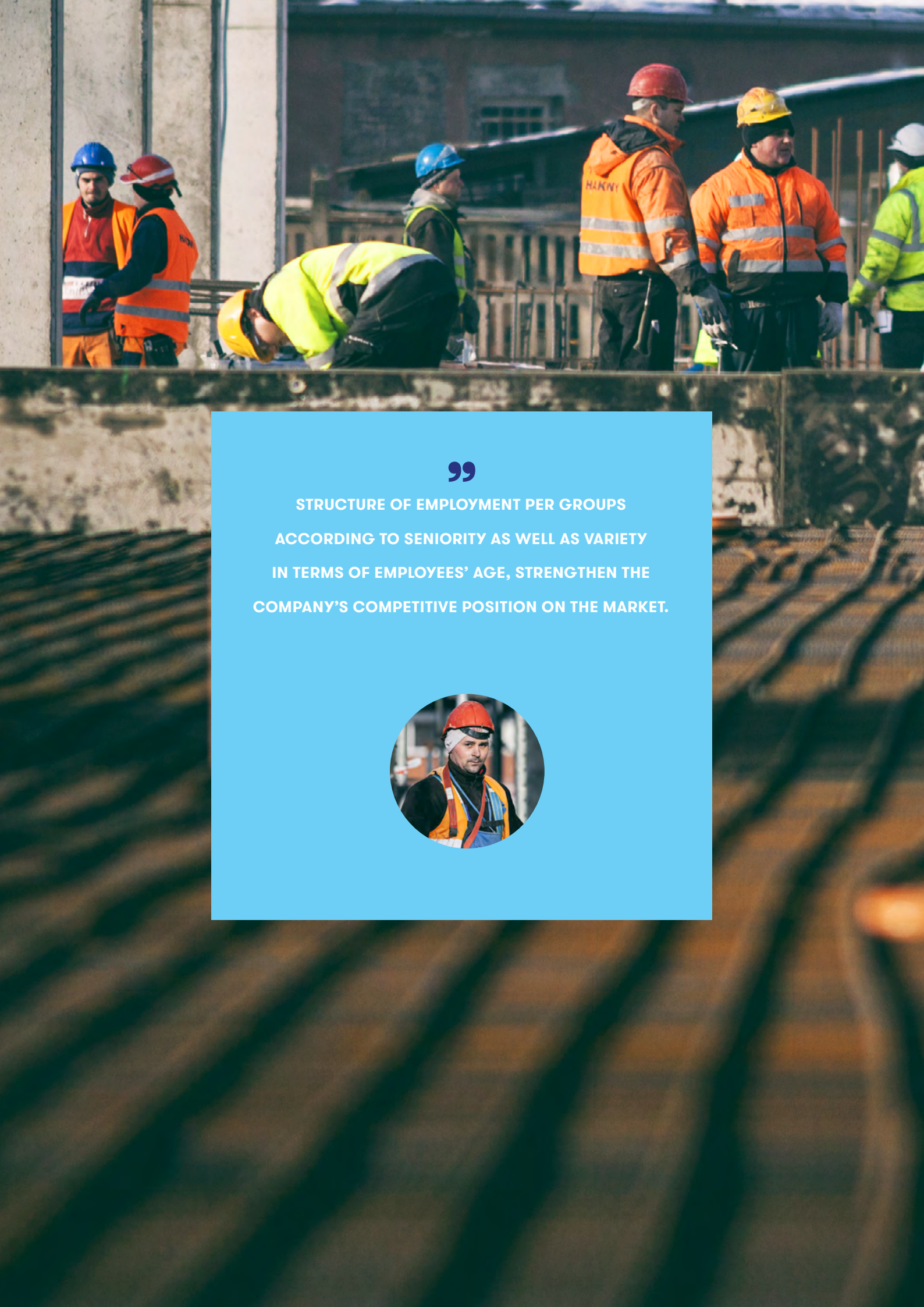
| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|------------------------------------------------------------------------|------------------|------------------|------------------|
| Total | 347 | 346 | 296 |
| Vocational | 1 | 1 | 1 |
| Secondary | 18 | 13 | 10 |
| College | 6 | 5 | 2 |
| University | 322 | 327 | 283 |
| Percentage of employees with university education | 93% | 95% | 96% |
| Percentage of employees being financially supported in language course | 19% | 21% | 29% |

EMPLOYEES' CITIZENSHIP

| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|--------------|------------------|------------------|------------------|
| Polish | 340 | 341 | 291 |
| Other | 7 | 5 | 5 |
| Total | 347 | 346 | 296 |

DISABLED EMPLOYEES

| | As at 31.12.2014 | As at 31.12.2015 | As at 31.12.2016 |
|-------------------------------------|------------------|------------------|------------------|
| No. of employees | 3 | 3 | 5 |
| Share in the total no. of employees | 0.9% | 0.9% | 1.7% |



”

STRUCTURE OF EMPLOYMENT PER GROUPS
ACCORDING TO SENIORITY AS WELL AS VARIETY
IN TERMS OF EMPLOYEES' AGE, STRENGTHEN THE
COMPANY'S COMPETITIVE POSITION ON THE MARKET.



11

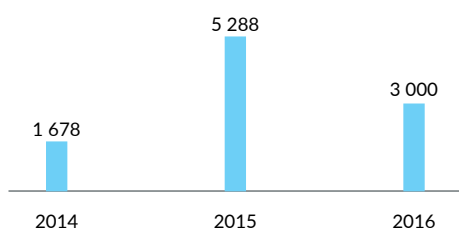
The main figures disclosed in the annual financial statements of Echo Investment S.A. and its Group

ECHO INVESTMENT S.A.

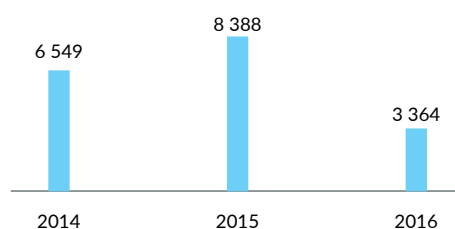
ECHO INVESTMENT GROUP

BALANCE SHEET

ASSETS ['000 PLN]



ASSETS ['000 PLN]



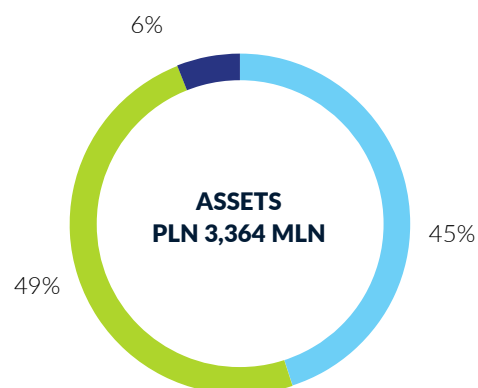
Assets

ASSETS STRUCTURE [%]



- - Non-current assets
- - Current assets
- - Assets held for sale

ASSETS STRUCTURE [%]

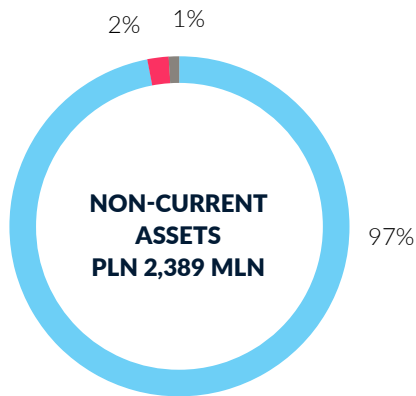


ECHO INVESTMENT S.A.

ECHO INVESTMENT GROUP

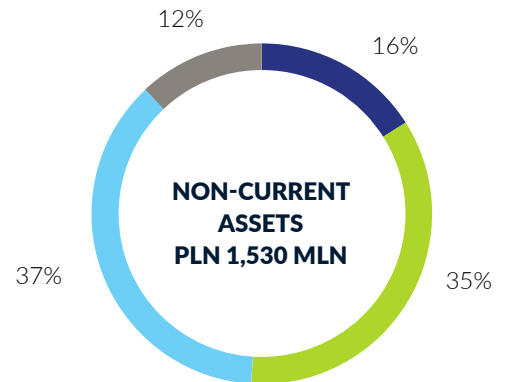
Assets

ASSETS STRUCTURE [%]

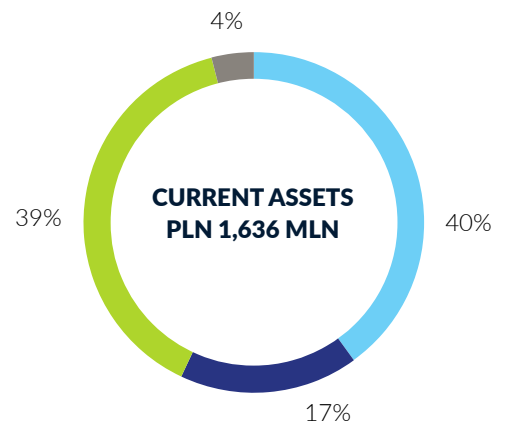


- - Investment in associates and joint ventures
- - Investment property
- - Investment property under construction
- - Deferred income tax
- - Other

ASSETS STRUCTURE [%]

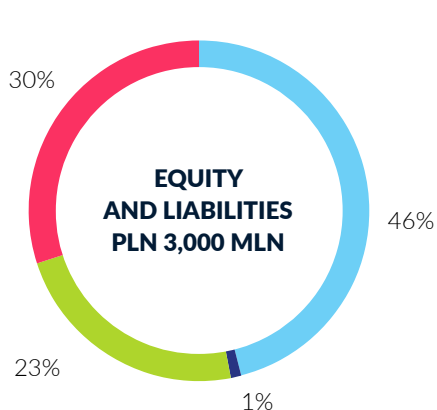


- - Inventory
- - Trade receivables
- - Cash and cash equivalents, without restricted cash
- - Other



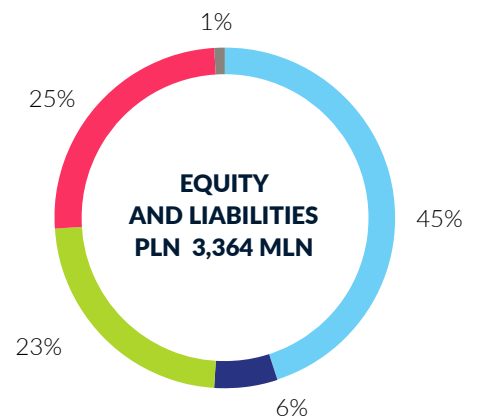
Equity and liabilities

EQUITY AND LIABILITIES STRUCTURE [%]



- - Equity
- - Provisions
- - Non current liabilities
- - Current liabilities
- - Liabilities of assets held for sale

EQUITY AND LIABILITIES STRUCTURE [%]

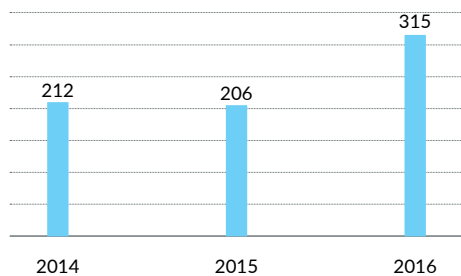


ECHO INVESTMENT S.A.

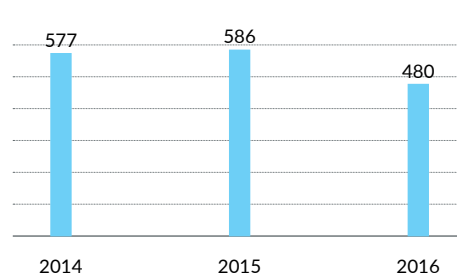
ECHO INVESTMENT GROUP

PROFIT AND LOSS ACCOUNT

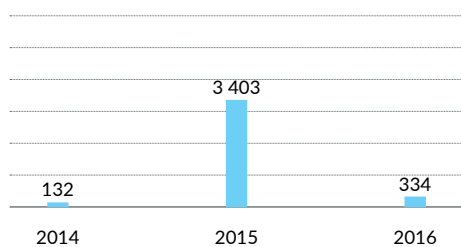
OPERATING INCOME ['000 PLN]



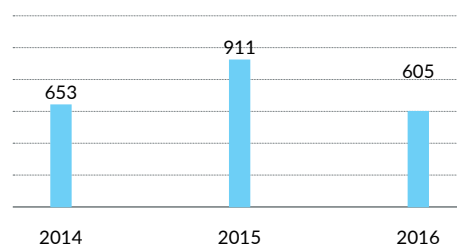
OPERATING INCOME ['000 PLN]



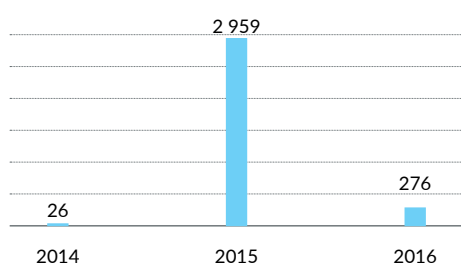
OPERATING PROFIT ['000 PLN]



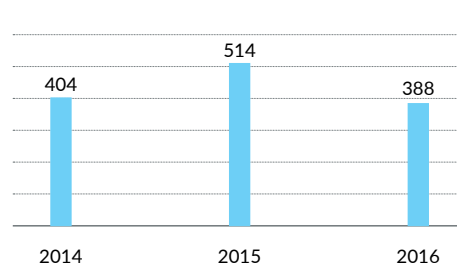
OPERATING PROFIT ['000 PLN]



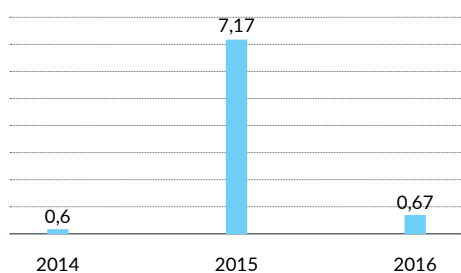
NET PROFIT ['000 PLN]



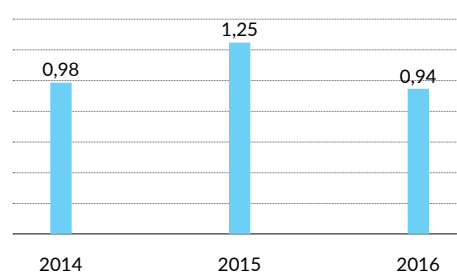
NET PROFIT ['000 PLN]



NET PROFIT PER SHARE [PLN]



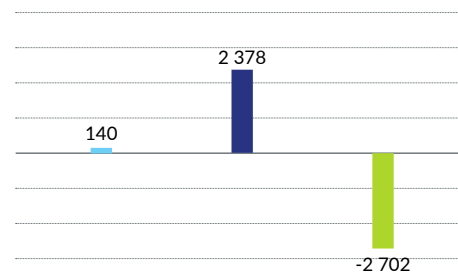
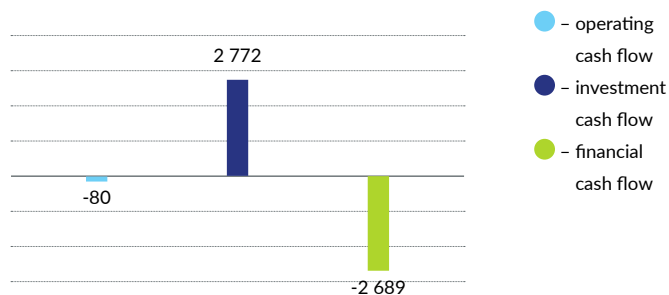
NET PROFIT PER SHARE [PLN]



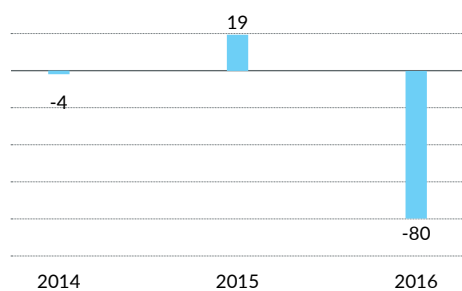
ECHO INVESTMENT S.A.

ECHO INVESTMENT GROUP

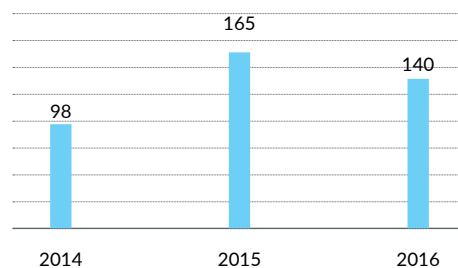
CASH FLOW [MLN PLN]



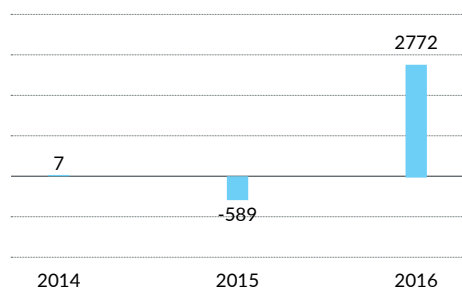
CASH FLOW ON OPERATING ACTIVITY [MLN PLN]



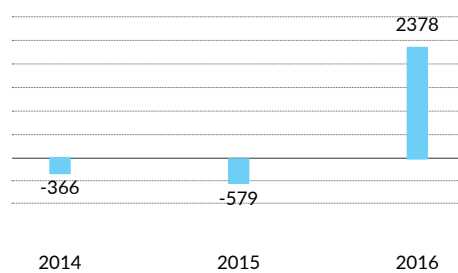
CASH FLOW ON OPERATING ACTIVITY [MLN PLN]



CASH FLOW ON INVESTMENT ACTIVITY [MLN PLN]



CASH FLOW ON INVESTMENT ACTIVITY [MLN PLN]



12

Material risks, threats and indication to the Echo Investment S.A. and its Group business

The risk of competition:

The Echo Investment Group competes against entities investing in real estate (it mostly concerns attractive plots), it also competes against developers (for buyers of apartments and commercial properties) as well as owners of commercial properties (for tenants). Results generated by the group can be affected by the strategies adopted by competitive entities, their financial position and ability with regard to acquiring capital on more convenient basis. Competitors' activities and the execution of a large number of developments in the fields which the Group's companies are focused on, could result in an oversupply of apartments, offices and retail space. This could have an influence on the sales prices and the length of the period needed to close the sales. Echo Investment's competitive advantages include: financial resources and the scale of its operations, vast experience, in-depth familiarity with the Polish market, very good relations with tenants and potential tenants and a strong and stable team of employees.

Risk of changing interest rates:

The Group's business is largely based on loans, on which interest is calculated based on interest rates. For loans and bonds in PLN, the applicable rate is WIBOR and for loans in EUR, the applicable rate is EURIBOR or LIBOR EUR. The interest rate risk is limited by hedging instruments (fixed rates, IRS) available on the market.

Foreign exchange risk:

In the Group, this risk is linked primarily to loans in foreign currencies (mainly in the euro) raised by special purpose vehicles. Payments from tenants and buyers are used to repay

the loans. This relation between funding and the sources of revenue significantly reduces the FX risk (natural hedge). In addition, since variations of exchange rates significantly affect the value of prospective cash flows (purchase of foreign currencies, sale of developments, disbursement of loan tranches), the Group uses the available derivatives, such as forwards or FX options.

The risk related to tenant sourcing:

Echo Investment's strategy regarding commercial projects envisages their possibly fast sale after the completion of the construction process and reaching a suitable level of commercialization. The signing of leases concerning the available space determines commercial success and efficiency of the leasing process as well as the possibility of sale with a profit. The speed and efficiency of the leasing process are affected by external factors which the company has a full or considerable influence upon as well as external factors which are beyond the Company's control. The internal factors include good relations with tenants or potential tenants (the Group maintains continuous relations with app. 600 companies which signed leases in the office buildings and shopping centres developed by the Group), cooperation with agents and brokers and professional tenant service. In these fields the Company is part of a small group of the best prepared, professional and efficient firms. External factors such as the assumed speed of development of retail chains or corporate office tenants as well as the speed of development of the BPO/SSC sector are mostly affected by the economic climate in Poland, the macroeconomic situation and the economic situation all over the world. The factors which are beyond the Company's control yet support its opera-

tions include tenants' greater willingness to locate their seats or shops in new projects, which successfully compete against older office buildings or shopping centres.

The risk related to external contractors:

The risk is related to the quality of work performed and the risk that the contractors may lose their liquidity. The Company, as the investor of a development, commissions external entities. Punctuality and quality of execution are largely the responsibility of these contractors. To a large extent, this risk is eliminated by securities provided for in the agreements for the construction, constant supervision over the construction process by inspectors or specialised external companies present on the construction sites, as well as by internal engineers and Project Managers. When selecting a supplier or subcontractor, in addition to analysing the offer of construction works, the prospective contractor's financial situation and technical capabilities are examined.

The risk of administrative procedures:

This risk involves changes in the laws and indulgence of authorities. Time-consuming administrative procedures at home and abroad determine the execution dates of the Group's projects. This may result in delays. In addition, third parties have significant powers to interfere with administrative procedures, which often leads to delays in the implementation of investments, affecting their profitability. The Group attempts to mitigate this risk by using its experience in administrative procedures and by employing staff specialised in this area.

The liquidity risk:

It could lead to insolvency. The group manages the liquidity risk by maintaining a continuously high level of available funds in the form cash on bank accounts and free of charge limits of credit. The forecast and real cash flow is currently monitored. The risk is also reduced by the revenue from the ongoing sale of apartments, lease of commercial space and financing projects by special purpose loans.

The risk of inconvenient changes on the property market:

The property market is cyclical, that is why the number of projects completed by the Group did and could differ in individual years subject to overall macroeconomic conditions, demographic changes, availability of properties in attractive locations, the demand of tenants, the length and complexity of administrative processes, the demand from potential project buyers, the availability of financing and market prices of existing and new projects. Due to a long period between a decision to build a project and the completion of the project (which mostly results from a long procedure of acquiring all administrative procedures and a long construction period), there is a risk that the market will be saturated when the project is finished and the developer will not be able to sell the project with an expected profit. Thus there is a risk that in the poorer economic climate the Group would not be able to choose appropriate projects which would meet the real demand at the time of market revival. However, the risk is neutralized by dividing project development into a few stages, continuous market monitoring, adjusting the speed and scale of projects to market expectations and in the case of problems with convenient sale of projects, the Company has financial and organizational possibilities to keep a completed project on its balance sheet.

The risk related to acquisition of land:

The efficiency and the scale of the Company's operations depend on the supply of appropriate properties for development, their price level and complexity of their legal

status. The implementation of the adopted strategy and reaching expected results are subject to the ability to search for and buy appropriate properties at competitive prices and financing the purchase on convenient conditions. The possibility of early identification and acquisition of land for development projects of appropriate development intensity in attractive locations depends on the efficiency of the Group's operations on the one hand and on the other hand – on legal aspects of the Group's operations and objective conditions of the market environment such as strong competition on a given land market, a long time needed to change the legal purpose of urban and suburban areas suitable for development, which results from delays in passing local zoning plans or lack thereof, as well as a limited supply of the areas with a suitable infrastructure. The company has its own team which is involved in sourcing appropriate plots, legal analysis, analysis of the potential, administrative processes and it also cooperates with a group of renowned market and legal consultants with regard to the matter.

The factors which indirectly influence the price of land properties include: the demand for apartments and the lease of office and retail space, the macroeconomic situation, the availability of financing, the supply of housing units, commercial and office area of suitable size and changes in buyers' and clients' expectations with regard to the standard, location and furnishing of properties. The Group tries to effectively react to macroeconomic changes by developing projects in a number of stages, adjusting the apartments sold to market expectations, adjusting the speed of project execution to expected demand and conditions on local markets.

An increase of land prices could have a negative influence on competitiveness and profitability of new projects of the Group on the land purchased in the future. It results from the fact that the costs of purchasing land for development projects constitute a significant factor determining the profitability of a given development. On the other hand an increase of land prices could enhance the competitive-

ness of Group's projects developed on plots purchased at lower prices earlier. In order to limit the influence of risk related to an increase of land prices the Group has a land bank and prepared projects with a useable area of app. 360,000 sqm as well as investment plots with a combined area of app. 150-ha with projects that are currently at their concept stages. The possible decline of land value could have an influence on the valuation of the Group's investment properties as well as competitiveness and profitability of some of the Group's projects carried out on plots in the Group's land bank.

The social and economic risk:

It is related to social and macroeconomic factors that affect business operations. They include: inflation, overall economic condition and change of the economic situation, change of the society's real income and the tax policy as well as overall economic situation in the world. Changes of macroeconomic indicators could result in decreasing the planned revenue or increasing the costs of business. It is of particular significance in a situation of a lower GDP growth, deepening of a budget deficit and increasing the unemployment rate, which leads to a decrease of people's real income. The social and economic situation could have an influence on Company's revenue and financial results because the development of new facilities in the residential, office as well as retail and entertainment sectors is subject to factors including: consumers and the funds which they will be able to earmark for expenditure. On the other hand the pro-community policy of the government and its programmes could result in an increase of demand. The risk is limited by design and construction of retail projects which precisely match the local markets and their affluence, continuous monitoring of the office market, adjustment of project schedules to the demand for a given type of space and offering apartments of various standards, which match the demand, the possibilities and absorbcency of a given local market.

13

Portfolio of properties

The Management Board closely monitors the situation on the real estate market and decides to execute specific projects based on the assessment of the present market

situation. All project implementation deadlines are flexible and reasonably adjusted to the actual situation.

12.1 Projects in operation

As at 31 December 2016, the Group's commercial portfolio 3 office buildings. As at 31 December 2015, the commercial portfolio included 10 shopping centres and

7 office buildings for lease. Reduction of the portfolio is a result of implementing the new Group's strategy in 2016.



Refer to item 5.3 for more information about A4 Business Park III sale

PROJECTS FOR RENT

| Project | GLA* [sqm] | NOI** [mln €] | Comments |
|---------------------------------|---------------|---------------|--------------------------------------|
| Katowice, A4 Business Park III | 12 000 | 2,1 | preliminary agreement of sale to EPP |
| Wrocław, Nobilis Business House | 16 900 | 2,9 | under negotiations |
| Warsaw, Babka Tower | 6 200 | 1,2 | under negotiations |
| Total | 35 100 | 6,2 | |

* GLA – gross leasable area, including warehouse and common leased space

** NOI – net operating income, based on full lease

12.2 Projects under construction and in preparation

COMMERCIAL PROJECTS

As at 31 December 2016, there was 5 office and 3 retail development under construction in the Group's portfolio.

As at 31 December 2015, the portfolio of commercial properties under construction consisted of 6 office projects.

OFFICE PROJECTS UNDER CONSTRUCTION

| Project | GLA* [Sqm] | NOI** [mln €] | Start of construction | End of con- struction | Comments |
|-------------------------------------|---------------|------------------|--------------------------|--------------------------|-----------------------------------------------------|
| Łódź, Symetris Business Park II | 9 500 | 1,6 | II Q 2016 | III Q 2017 | preliminary agreement of sale to EPP |
| Kraków, O3 Business Campus II | 19 100 | 3,2 | I Q 2016 | III Q 2017 | preliminary agreement of sale to EPP |
| Kraków, O3 Business Campus III | 19 100 | 3,2 | IV Q 2016 | IV Q 2017 | preliminary agreement of sale to EPP |
| Wrocław, Sagittarius Business House | 24 900 | 4,5 | II Q 2016 | IV Q 2017 | ROFO agreement with EPP |
| Wrocław, West Link | 14 200 | 2,5 | III Q 2016 | I Q 2018 | preliminary agreement of sale to Griffin Premium RE |
| Total | 86 800 | 15,0 | | | |

* GLA (gross leasable area)

** NOI (net operating income)

RETAIL PROJECTS UNDER CONSTRUCTION

| Project | GLA* [Sqm] | NOI** [mln €] | Start of construction | End of con- struction | Comments |
|------------------------------|---------------|------------------|--------------------------|--------------------------|-------------------------|
| Szczecin, Galaxy (rozbudowa) | 15 100 | 3,3 | I Q 2016 | IV Q 2017 | project run for EPP |
| Szczecin, Outlet Park III | 3 800 | 0,6 | IV Q 2016 | IV Q 2017 | project run for EPP |
| Katowice, Galeria Libero | 44 700 | 9,0 | III Q 2016 | I Q 2018 | ROFO agreement with EPP |
| Total | 63 600 | 12,9 | | | |

* GLA (gross leasable area)

** NOI (net operating income)



Refer to item 5.3 for
more information about
ROFO agreement

RETAIL PROJECT IN PREPARATION

| Project | GLA* [Sqm] | NOI** [mln €] | Start of construction | End of construction | Comments |
|---------------------|---------------|------------------|--------------------------|------------------------|----------------------------------------------------|
| Warsaw, Towarowa 22 | 111 100 | 36,4 | II Q 2018*** | IV Q 2020*** | joint-venture with EPP, target shares 30% : 70% |

* GLA (gross leasable area)

** NOI (net operating income)

*** First phase



Refer to item 5.6 for
more information
about Towarowa 22
acquisition

OFFICE PROJECTS IN PREPARATION

| Project | GLA* [Sqm] | NOI** [mln €] | Launch | Completion | Comments |
|-------------------------------|----------------|------------------|-----------|------------|----------------------------------------|
| Katowice, Grundmanna I | 23 000 | 3,8 | IV Q 2017 | IV Q 2019 | |
| Katowice, Grundmanna II | 23 500 | 3,9 | IV Q 2018 | IV Q 2020 | |
| Warsaw, Beethovena I | 17 800 | 3,1 | IV Q 2017 | III Q 2019 | ROFO agreement with Griffin Premium RE |
| Warsaw, Beethovena II | 17 400 | 2,9 | I Q 2018 | IV Q 2019 | ROFO agreement with Griffin Premium RE |
| Warsaw, Browary Warszawskie J | 15 000 | 3,1 | II Q 2017 | III Q 2018 | ROFO agreement with Griffin Premium RE |
| Warsaw, Browary Warszawskie K | 16 200 | 3,4 | I Q 2018 | I Q 2020 | |
| Warsaw, Browary Warszawskie G | 9 200 | 1,8 | I Q 2018 | I Q 2020 | |
| Warsaw, Browary Warszawskie H | 11 900 | 2,5 | I Q 2018 | I Q 2020 | |
| Total | 134 000 | 24,5 | | | |

* GLA (gross leasable area)

** NOI (net operating income)



Refer to item 5.6 for
more information
about Towarowa 22
acquisition

RESIDENTIAL PROJECTS

As at 31 December 2016, there was 16 residential projects under construction in the Group's portfolio. As at 31 December 2015, the portfolio of residential properties under construction consisted of 12 office projects.

RESIDENTIAL PROJECST UNDER CONSTRUCTION

| Project | PUM* [Sqm] | No of units | Revenue [mln] | Start of construction | End of construction |
|-------------------------------------------|----------------|--------------|---------------|--------------------------|------------------------|
| Kraków, Kościuszki Apartments | 5 300 | 70 | 64,5 | IV Q 2015 | IV Q 2017 |
| Kraków, Dom pod Wilgą I | 6 500 | 112 | 51,9 | IV Q 2015 | III Q 2017 |
| Kraków, Dom pod Wilgą II | 8 800 | 131 | 72,3 | III Q 2016 | II Q 2018 |
| Kraków, Apartamenty GO (Rakowicka) | 7 600 | 182 | 65,7 | IV Q 2016 | II Q 2018 |
| Łódź, Osiedle Jarzębinowe III | 6 500 | 109 | 31,9 | IV Q 2015 | III Q 2017 |
| Łódź, Osiedle Jarzębinowe IV | 4 400 | 74 | 21,0 | IV Q 2016 | IV Q 2018 |
| Poznań, Sowińskiego II | 2 600 | 42 | 55,7 | II Q 2015 | II Q 2017 |
| Poznań, Sowińskiego III | 5 000 | 88 | | II Q 2015 | II Q 2017 |
| Poznań, Jackowskiego | 8 100 | 155 | 52,4 | III Q 2015 | III Q 2017 |
| Poznań, Pod Klonami III (Terraced houses) | 1 900 | 14 | 8,6 | IV Q 2015 | II Q 2017 |
| Poznań, Sowińskiego IV | 5 100 | 89 | 36,1 | IV Q 2016 | III Q 2018 |
| Poznań, Osiedle Perspektywa I (17 MW) | 8 200 | 169 | 42,3 | IV Q 2016 | III Q 2018 |
| Poznań, Osiedle Jaśminowe III | 3 800 | 77 | 21,0 | IV Q 2016 | III Q 2018 |
| Warsaw, Nowy Mokotów III | 16 200 | 251 | 129,6 | III Q 2015 | III Q 2017 |
| Warsaw, Nowy Mokotów IV | 3 200 | 45 | 29,6 | II Q 2016 | I Q 2018 |
| Warsaw, Browary Warszawskie A | 5 200 | 98 | 55,0 | IV Q 2016 | III Q 2018 |
| Wrocław, Grota-Roweckiego II | 8 100 | 135 | 41,0 | IV Q 2015 | IV Q 2017 |
| Total | 106 500 | 1 841 | 778,6 | | |

* PUM – residential area

RESIDENTIAL PROJECTS FOR SALE IN PREPARATION

| Project | PUM* [Sqm] | No of units | Revenue [mln] | Start of construction | End of construction |
|-----------------------------------------|----------------|--------------|---------------|-----------------------|---------------------|
| Kraków, Dom pod Wilgą III | 4 600 | 63 | 38,7 | II Q 2017 | I Q 2019 |
| Łódź, Osiedle Jarzębinowe V | 8 600 | 154 | 42,3 | III Q 2017 | II Q 2019 |
| Łódź, Wodna I | 5 300 | 81 | 28,2 | II Q 2017 | I Q 2019 |
| Łódź, Wodna II | 8 400 | 139 | 44,8 | III Q 2017 | III Q 2019 |
| Poznań, Osiedle Jaśminowe IV | 5 100 | 103 | 27,7 | I Q 2018 | IV Q 2019 |
| Poznań, Osiedle Perspektywa II (17 MW) | 4 600 | 94 | 23,5 | IV Q 2017 | II Q 2019 |
| Poznań, Osiedle Perspektywa III (17 MW) | 5 600 | 104 | 28,9 | III Q 2018 | I Q 2020 |
| Poznań, Garbary | 12 300 | 217 | 85,6 | II Q 2018 | IV Q 2019 |
| Warsaw, Beethovena | 12 300 | 241 | 97,8 | I Q 2018 | IV Q 2019 |
| Warsaw, Browary Warszawskie B | 10 600 | 171 | 113,5 | I Q 2017 | IV Q 2018 |
| Warsaw, Browary Warszawskie C | 6 900 | 105 | 70,9 | III Q 2017 | IV Q 2018 |
| Warsaw, Browary Warszawskie E | 5 100 | 103 | 52,0 | I Q 2018 | IV Q 2019 |
| Warsaw, Princess | 4 900 | 90 | 42,9 | III Q 2017 | I Q 2019 |
| Warsaw, Taśmowa I | 14 000 | 248 | 101,5 | III Q 2017 | II Q 2019 |
| Wrocław, Rychtalska I | 11 100 | 232 | 67,7 | II Q 2017 | I Q 2019 |
| Wrocław, Gdańska | 4 000 | 71 | 29,4 | III Q 2017 | I Q 2019 |
| Total | 123 400 | 2 216 | 895,4 | | |

* PUM – residential area

RESIDENTIAL PROJECTS FOR RENT UNDER PREPARATION

| Project | PUM [Sqm] | Liczba mieszkań | Start of construction | End of construction |
|-------------------------------|---------------|-----------------|-----------------------|---------------------|
| Kraków, Rydla | 4 900 | 91 | II Q 2017 | IV Q 2018 |
| Wrocław, Kępa Mieszczańska | 9 300 | 204 | II Q 2017 | IV Q 2018 |
| Wrocław, Rychtalska II | 11 500 | 249 | II Q 2017 | IV Q 2018 |
| Warsaw, Browary Warszawskie D | 17 900 | 451 | III Q 2017 | III Q 2019 |
| Warsaw, Taśmowa II | 7 600 | 144 | I Q 2018 | IV Q 2019 |
| Total | 51 200 | 1 139 | | |

HOUSING PLOTS FOR SALE

| Project | Plot area [Sqm] | Revenue [mln] | Start of construction | End of construction |
|--------------------------|-----------------|---------------|-----------------------|---------------------|
| Kielce, Występa | 134 500 | 15,5 | I Q 2018 | IV Q 2018 |
| Warsaw, Rezydencje Leśne | 52 900 | 26,5 | II Q 2011 | IV Q H 2012 |
| Total | 187 400 | 42,0 | | |

13.3 Land bank

INVESTMENT PLOTS – PROJECTS AT CONCEPT STAGE

| Location | Space [Sqm] | Comments |
|-------------------------------------|------------------|-------------------------------|
| Katowice, Jankego | 26 200 | |
| Kielce, Zagnańska | 6 900 | preliminary agreement of sale |
| Lublin | 4 700 | |
| Łódź, Okopowa | 12 500 | |
| Poznań, Hetmańska | 65 300 | |
| Poznań, Naramowice, Czarnucha | 323 900 | |
| Poznań, Pamiątkowo | 870 000 | |
| Radom | 6 300 | |
| Szczecin, Struga | 25 800 | |
| Warsaw Taśmowa | 16 100 | |
| Warsaw, Grzybowska | 5 200 | |
| Warsaw, Woronicza, Park Rozwoju III | 9 500 | |
| Zabrze | 8 100 | |
| Total | 1 380 500 | |

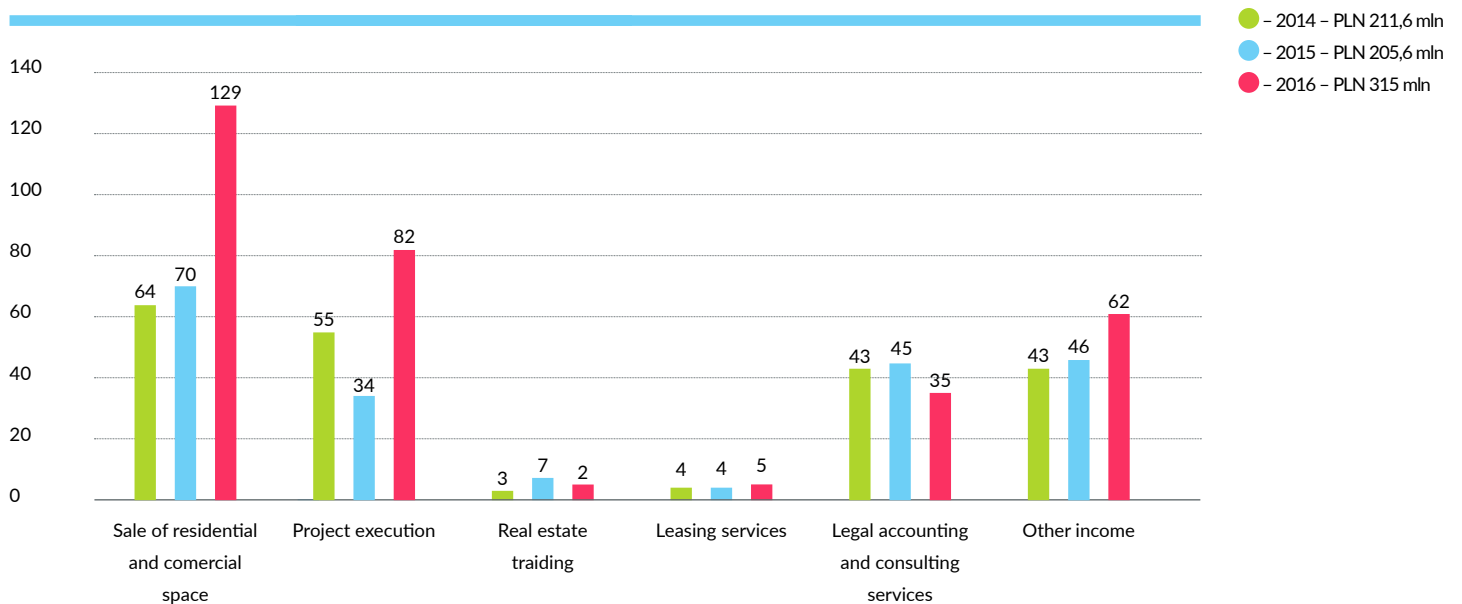
PLOTS FOR SALE

| Project | Space [Sqm] | Comments |
|---------------------------|----------------|--------------------|
| Budapest Mundo, (Hungary) | 67 700 | |
| Słupsk | 65 700 | |
| Kiev, Dehtiarivska | 43 300 | Sold on 30.03.2017 |
| Brasov Korona, (Rumunia) | 49 700 | |
| Koszalin | 39 300 | |
| Total | 265 700 | |

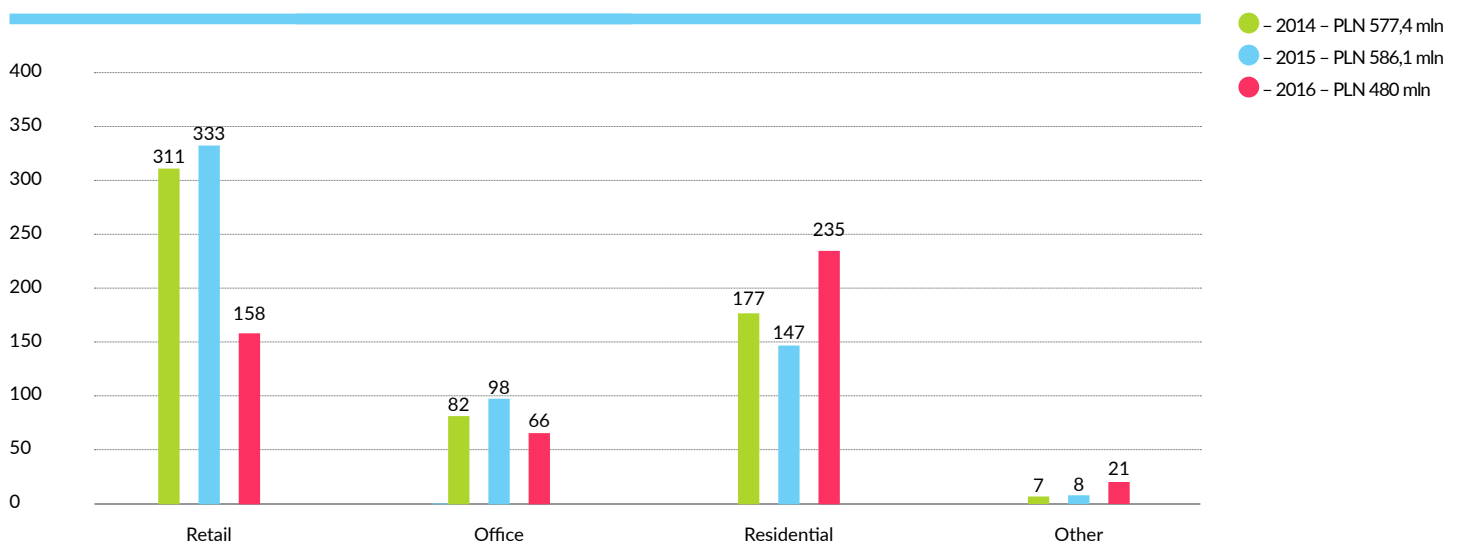


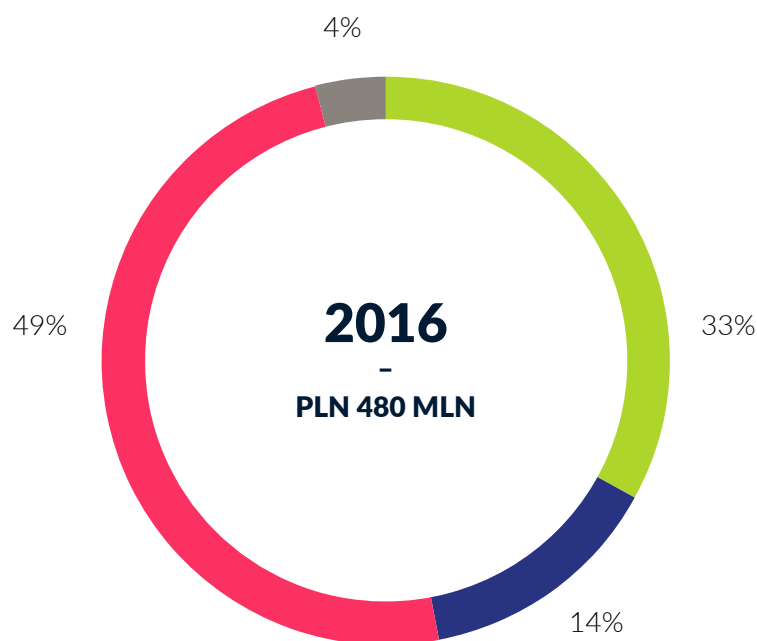
Income structure

STRUCTURE OF THE ECHO INVESTMENT'S NET INCOME FROM SALES
[PLN '000,000]



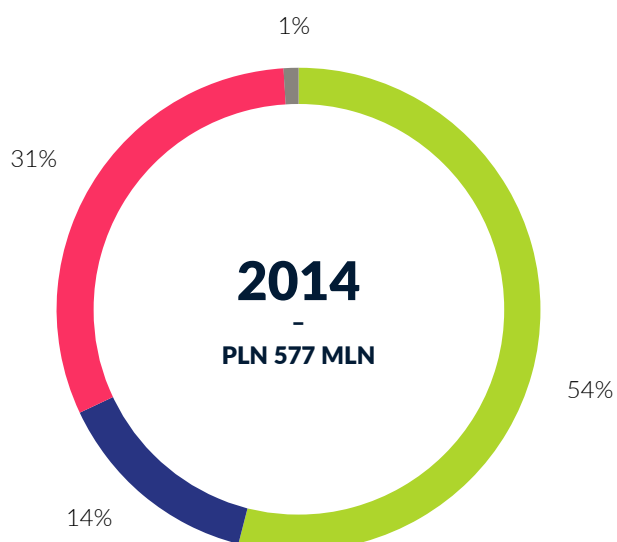
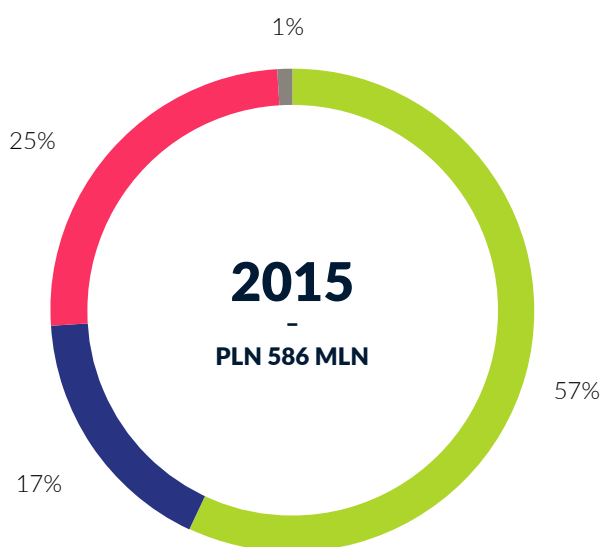
STRUCTURE OF THE ECHO INVESTMENT'S NET INCOME FROM SALES
[PLN '000,000]



**STRUCTURE OF THE COMPANY'S NET
INCOME FROM SALES**

- Retail
- Office
- Residential
- Other

A change in 2015 and 2016 proportions results from a change of Echo Investment's strategy in 2016 and focusing on development operations. From 1 June, 2016 the data do not include the revenue and profits generated by the Group from the lease of the portfolio of completed office and retail projects sold to EPP.



15

Information on sales markets, supply sources of manufacturing materials, goods and services

15.1 Echo Investment S.A.

Sales markets

In 2016, all projects implemented by the Company were located in the Polish market only.

Sources of supply

In terms of Echo Investment S.A.'s purchase of services, the main share, measured by the share of purchases in total sales revenue, was attributable to entities with whom the Company works together as part of specific property developments. In 2016, no trade turnover with any counterparty exceeded 10% of the Company's revenue.

Customers

The customers of Echo Investment S.A. include entities to whom property development management services are provided. In 2016, trade turnover with one counterparty exceeded 10% of the Company's net sales revenue: Q22 – Projekt Echo – 128 Sp. z o.o. Sp.K.

MAJOR CUSTOMERS OF ECHO INVESTMENT S.A. IN 2016

| Company | Value of transaction | |
|------------------------------------------------|----------------------|----------------------------------|
| | [PLN '000] | % of the Group net sales revenue |
| Q22 – Projekt Echo – 128 Sp. z o.o. Sp.K. | 32,6 | 10,3 |
| Echo – Nowy Mokotów Sp. z o.o. Sp.K. | 28,6 | 9,1 |
| Symetris – Projekt Echo – 131 Sp. z o.o. Sp.K. | 27,8 | 8,8 |
| Projekt Echo – 135 Sp. z o.o. Sp.K. | 25,6 | 8,1 |
| Echo – Kasztanowa Aleja Sp. z o.o. Sp.K. | 21,7 | 6,9 |

15.2 Echo Investment Groupe

In 2016 all projects implemented by the Echo Investment Group were located on the Polish market.

Contractors

In terms of purchasing services and goods made by the entities from the Group, the dominant share, measured as purchases to the total sales revenue, is held those entities which the Group cooperates with in the execution of specific development projects or in the purchase of real

estate. In 2016 the turnover with any of the suppliers did not exceed 10% of the Group's net sales revenue. None of the companies listed below is related to the Group in terms of capital.

MAJOR CONTRACTORS OF ECHO INVESTMENT GROUP IN 2016

| Company | Value of transaction [PLN '000] | % of the Group net sales revenue |
|-------------------------------------|------------------------------------|----------------------------------|
| Drewno Vox Active Sp. z o.o. Sp. K. | 40,0 | 8,3% |
| Erbud S.A. | 38,2 | 8,0% |
| Mostostal Warszawa S.A. | 35,8 | 7,5% |
| Porr Polska Construction S.A. | 27,2 | 5,7% |

Clients

The largest clients of the Group in 2016 were contracting parties that purchased office projects: Q22 in Warsaw, Symetris I in Łódź, O3 Business Park I in Kraków and Tryton in Gdańsk. The above entities, except for IREEF-Strykow Propco Sp. z o.o., are part of the Echo Polska Properties Group. The income from these transactions has been included in the profit and loss account under

investment property gain / loss.

The turnover with individual tenants of commercial space and the entities to which project execution services were provided did not exceed the amount representing 5% of the income.

MAJOR CUSTOMERS OF ECHO INVESTMENT GROUP IN 2016

| Company | Value of transaction [PLN '000] | % of the Group net sales revenue |
|---------------------------------------|------------------------------------|----------------------------------|
| Ireef-Strykow Propco Sp. z o.o. | 1 023,6 | 213,2% |
| Emfold Investments Sp. z o.o. Sp. K. | 211,0 | 43,9% |
| Ventry Investments Sp. z o.o. Sp. K. | 201,6 | 42,0% |
| Flaxton Investments Sp. z o.o. Sp. K. | 94,9 | 19,8% |

16

Information on concluded agreements significant for the business of Echo Investment S.A. and its Group

16.1 Concluded agreements significant for the business of Echo Investment S.A. and its Group

- 17 February 2016 – transferred to Echo Prime Properties the ownership of all certificates of the following funds:
 - Forum XXIX Funduszu Inwestycyjnego Zamkniętego, RFI no 536,
 - Forum XXXIV Funduszu Inwestycyjnego Zamkniętego, RFI no 586.
- 1 March 2016 – an agreement for the sale of a part of the existing shares and subscription of new shares in Echo Polska Properties (EPP) to Redefine Properties Limited.
- 13 May 2016 – restructuring of the EPP property portfolio's debt
- 1 June 2016 – annexure of the agreement with Redefine Properties and concluding the agreement
- 1 July 2016 – sale of the property and facility management subsidiaries
- 15 September 2016 – preliminary purchase agreement of stake in Towarowa 22 project
- 30 September 2016 – preliminary sale agreement of properties to EPP
- 28 October 2016 – preliminary sale agreement of Q22 building
- 29 November 2016 and 6 December 2016 – sale of part of EPP shares
- 16 December 2016 – final agreement of Q22 sale
- 21 December 2017 – final sale agreement of 3 office properties to EPP
- 23 December 2016 – final purchase agreement of shares in Towarowa 22

- 9 March 2017 – preliminary purchase agreement of stake in Galeria Młociny
- 9 March 2017 – preliminary sale agreement of West Link office building and ROFO agreement with Griffin Premium RE.



Material agreements concluded in 2016 are featured in paragraph 5



Material agreements concluded after the balance sheet day are featured in paragraph 6

16.2 Agreements concluded between the shareholders

The Company was not aware of any agreements concluded in 2016 between the shareholders which would be important for its business.

16.3 Insurance agreement

INSURANCE AGREEMENT OF ECHO INVESTMENT S.A.

| Insured object | Insurer | Sum Insurer [PLN '000] |
|-------------------------------------------|----------------------------|------------------------|
| Property insurance policies | TU Compensa S.A. | 34 752 |
| Third-party liability insurance | TU Compensa S.A., PZU S.A. | 5 111 |
| Construction/all-risks insurance policies | TU Compensa S.A. | 218 514 |
| Total | | 258 377 |

INSURANCE AGREEMENT OF ECHO INVESTMENT GROUP

| Insured object | Insurer | Sum Insurer [PLN '000] |
|-------------------------------------------|------------------------------------|------------------------|
| Property insurance policies | TU Compensa S.A. | 130 007 |
| Third-party liability insurance | TU Compensa S.A., Generali, Hestia | 60 844 |
| Construction/all-risks insurance policies | TU Compensa S.A., Generali | 795 854 |
| Total | | 986 705 |

16.4 Partnership and JV cooperation agreements

Acquisition of shares in the retail project Towarowa 22 in cooperation with Echo Polska Properties

On 23 December 2016, Echo Investment and EPP concluded agreement for the purchase of 13 land properties within the boundaries of the following streets: Towarowa, Pańska and Miedziana in Warsaw, and a retail and leisure project planned in this area.



Refer to item 5.6 for more information about Towarowa 22 acquisition

17

Organisational or capital relationships between Echo Investment S.A. and other entities

The main entity in the Group structure is Echo Investment S.A., which owns other entities in the group, and supervises, co-implements and raises funds for the implementation of construction developments. The companies which form the Group have been established or purchased in order to perform specific

investment tasks and do not conduct any business activities other than those which follow from the process of implementing a particular project and which are related to providing lease services regarding assets linked to completed projects or other services.

As at 31 December 2016, the Group was composed of 140 fully consolidated subsidiaries and 3 co-subsiary consolidated under the equity method.

SUBSIDIARIES

| No | Name of the company | Registered office | % of capital held | Parent entity |
|----|-------------------------------------------------------------|-------------------|-------------------|--------------------------------|
| 1 | Symetris – Projekt Echo – 131 Sp. z o.o. Sp. k. | Warsaw | 100% | Gosford Investments Sp. z o.o. |
| 2 | "Taśmowa – Projekt Echo – 116 Sp. z o.o." S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 3 | "Avatar – Projekt Echo – 119 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 4 | Cornwall Investments Sp. z o.o. Sp. k. | Warsaw | 100% | Echo Investment S.A. |
| 5 | Cornwall Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 6 | Doxent Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 7 | "Duże Naramowice – Projekt Echo – 111 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 8 | "Echo – Browary Warszawskie Sp. z o.o." Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 9 | "Echo – Browary Warszawskie" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 10 | "Echo Innovations – Projekt Echo – 99 Sp. z o.o." Sp. K. | Kielce | 100% | Echo Investment S.A. |
| 11 | Elissea Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 12 | Fianar Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 13 | "Galeria Katowice – Projekt Echo 120 Sp. z o.o." S.k.a. | Kielce | 100% | Fianar Investments Sp. z o.o. |
| 14 | Gosford Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 15 | GP Development sarl | Luksemburg | 100% | Barconsel Holdings Ltd |
| 16 | "Kielce – Projekt Echo 129 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 17 | "Metropolis – Projekt Echo 121 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 18 | "Park Postępu – Projekt Echo – 130 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 19 | "Projekt Beethovena – Projekt Echo – 122 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 20 | Selmer Investments Sp. z o.o. Sp. k. | Warsaw | 100% | Echo Investment S.A. |
| 21 | Selmer Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 22 | Echo – Project – Management Ingatlanhasznosito Kft. | Budapest | 100% | Echo Investment S.A. |
| 23 | Echo Investment Hungary Ingatlanhasznosito Kft. | Budapest | 100% | Echo Investment S.A. |

SUBSIDIARIES

| No | Name of the company | Registered office | % of capital held | Parent entity |
|----|-----------------------------------------------------------|-------------------|-------------------|---------------------------|
| 24 | Echo Investment Project 1 S.R.L. | Brasov | 100% | "Echo – Aurus" Sp. z o.o. |
| 25 | Echo Investment Project Management S.R.L. | Brasov | 100% | Echo Investment S.A. |
| 26 | Echo Investment Ukraine LLC | Kiev | 100% | Echo Investment S.A. |
| 27 | EI Option S.A. w likwidacji | Kraków | 100% | Echo Investment S.A. |
| 28 | EI Project Cypr – 1 Ltd | Nikozja | 100% | Echo Investment S.A. |
| 29 | Elmira Investments Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 30 | "Princess Investment" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 31 | Projekt 1 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 32 | Projekt Echo – 100 Sp z o.o. | Kielce | 100% | Echo Investment S.A. |
| 33 | Park Rozwoju III – Projekt Echo – 112 Sp. z o.o. – Sp. k. | Kielce | 100% | Perth Sp. z o.o. |
| 34 | "53 – "Grupa Echo Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 35 | Babka Tower – "Projekt Echo – 93" Sp. z o.o. Sp.k. | Kielce | 100% | Perth Sp. z o.o. |
| 36 | Barconsel Holdings Ltd | Nikozja | 100% | "Echo – SPV 7" Sp. z o.o. |
| 37 | "Bełchatów – Grupa Echo Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 38 | Budivelnyuy Soyuz Monolit LLC | Kiev | 100% | Yevrobudgarant LLC |
| 39 | Dellia Investments – Projekt Echo – 115 sp. z o.o. Sp.k. | Kielce | 100% | Pudsey Sp z o.o. |
| 40 | Echo – Advisory Services Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 41 | "Echo – Arena" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 42 | "Echo – Aurus" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 43 | Echo – Babka Tower Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 44 | Echo – Babka Tower Sp. z o.o. – Sp. k. | Kielce | 100% | Gelann Sp. z o.o. |
| 45 | "Echo – Galaxy" Sp. z o.o. S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 46 | "Echo – Galaxy" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 47 | Kasztanowa Aleja – "Grupa Echo" Sp. z o.o. Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 48 | "Echo – Klimt House Sp. z o.o." Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 49 | "Echo – Klimt House" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 50 | Echo – Nowy Mokotów Sp. z o.o. – Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 51 | Echo – Nowy Mokotów Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 52 | Echo – Opolska Business Park Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 53 | Echo – Opolska Business Park Sp. z o.o. – Sp. k. | Warsaw | 100% | Perth Sp. z o.o. |
| 54 | "Echo – Pod Klonami Sp. z o.o." Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 55 | "Echo – Pod Klonami" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 56 | „Echo – Property Poznań 1” Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 57 | „Echo – SPV 7” Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 58 | „Echo Investment ACC – „Grupa Echo Sp. z o.o.” Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 59 | Galeria Nova – „Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 60 | „Galeria Tarnów – Grupa Echo Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 61 | „Grupa Echo" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 62 | „Malta Office Park – Projekt Echo – 96 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 63 | Mena Investments Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |

SUBSIDIARIES

| No | Name of the company | Registered office | % of capital held | Parent entity |
|-----|-------------------------------------------------|-------------------|-------------------|----------------------------------|
| 64 | Nobilis – Projekt Echo – 117 Sp. z o.o. Sp. k. | Kielce | 100% | Elmira Investments Sp. z o.o. |
| 65 | „Oxygen – Projekt Echo – 95 Sp. z o.o.” S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 66 | PHS – Projekt CS Sp. z o.o. – Sp.k. | Warsaw | 100% | Perth Sp. z o.o. |
| 67 | "PPR – Projekt Echo – 77 Sp. z o.o." S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 68 | Projekt 132 – City Space – GP Sp. z o.o. Sp. k. | Kielce | 100% | City Space Management Sp. z o.o. |
| 69 | Projekt 133 – City Space – GP Sp. z o.o. Sp. k. | Kielce | 100% | City Space Management Sp. z o.o. |
| 70 | Projekt 137 – City Space – GP Sp. z o.o. Sp. k. | Kielce | 100% | City Space Management Sp. z o.o. |
| 71 | Projekt – Pamiątkowo Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 72 | Projekt 12 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 73 | Projekt 13 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 74 | Projekt 14 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | 60 FIZ Forum |
| 75 | Projekt 15 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 76 | Projekt 16 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 77 | Projekt 17 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 78 | Projekt 18 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 79 | Projekt 19 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 80 | Projekt 20 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 81 | Projekt 21 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 82 | Projekt 22 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 83 | "Projekt 5 – Grupa Echo Sp. z o.o." S.k.a. | Szczecin | 100% | 60 FIZ Forum |
| 84 | Projekt CS Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 85 | Projekt Echo – 104 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 86 | Projekt Echo – 108 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 87 | Projekt Echo – 111 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 88 | Projekt Echo – 112 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 89 | Projekt Echo – 113 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 90 | Projekt Echo – 114 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 91 | Projekt Echo – 115 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 92 | Projekt Echo – 116 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 93 | Projekt Echo – 117 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 94 | Projekt Echo – 119 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 95 | Projekt Echo – 120 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 96 | Projekt Echo – 121 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 97 | Projekt Echo – 122 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 98 | Projekt Echo – 123 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 99 | Projekt Echo – 127 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 100 | Projekt Echo – 128 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 101 | Projekt Echo – 129 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 102 | Projekt Echo – 130 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 103 | Projekt Echo – 131 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |

SUBSIDIARIES

| No | Name of the company | Registered office | % of capital held | Parent entity |
|-----|-----------------------------------------------------------|-------------------|-------------------|--------------------------------|
| 104 | Projekt Echo – 132 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 105 | Projekt Echo – 135 Sp. z o.o. – Sp. k. | Kielce | 100% | Perth Sp. z o.o. |
| 106 | Projekt Echo – 135 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 107 | Projekt Echo – 136 Sp. z o.o. – Sp. k. | Kielce | 100% | Echo Investment S.A. |
| 108 | Projekt Echo – 136 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 109 | Projekt Echo – 137 Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 110 | "Projekt Echo – 77" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 111 | "Projekt Echo – 93" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 112 | "Projekt Echo – 95" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 113 | "Projekt Echo – 96" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 114 | „Projekt Echo – 99" Sp. z o.o. | Kielce | 100% | Echo Investment S.A. |
| 115 | Projekt K-6 – "Grupa Echo" Sp. z o.o. – S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 116 | Projekt Naramowice – Projekt Echo – 100 Sp. z o.o. S.k.a. | Kielce | 100% | Echo Investment S.A. |
| 117 | Projekt Saska Sp. z o.o. | Kielce | 95% | Echo Investment S.A. |
| 118 | Pure Systems Sp. z o.o. | Kraków | 100% | Echo Investment S.A. |
| 119 | Q22 – Projekt Echo – 128 Sp. z o.o. – Sp. k. | Kielce | 100% | Potton Sp z o.o. |
| 120 | Sagittarius – Projekt Echo – 113 sp. z o.o. Sp. k. | Kielce | 100% | Doxent Investments Sp. z o.o. |
| 121 | Tryton – Projekt Echo – 127 Sp. z o.o. – Sp. k. | Warsaw | 100% | Perth Sp. z o.o. |
| 122 | Villea Investments Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 123 | West Gate II – Projekt Echo – 114 Sp. z o.o. Sp.k. | Kielce | 100% | Elissea Investments Sp. z o.o. |
| 124 | Yevrobudgarant LLC | Kiev | 100% | El Project Cypr – 1 Ltd |
| 125 | City Space – GP Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 126 | City Space – SPV 1 Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 127 | City Space – SPV 2 Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 128 | City Space – SPV 3 Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 129 | City Space Management Sp. z o.o. | Warsaw | 100% | Echo Investment S.A. |
| 130 | Echo Prime Assets BV | Amsterdam | 100% | Echo Investment S.A. |
| 131 | Gleann Sp. z o.o. | Warsaw | 100% | 60 FIZ Forum |
| 132 | Perth Sp. z o.o. | Warsaw | 100% | 60 FIZ Forum |
| 133 | Potton Sp. z o.o. | Warsaw | 100% | 60 FIZ Forum |
| 134 | Pudsey Sp. z o.o. | Warsaw | 100% | 60 FIZ Forum |
| 135 | Seaford Sp. z o.o. | Warsaw | 100% | 60 FIZ Forum |
| 136 | Shanklin Sp. z o.o. | Warsaw | 100% | Echo Prime Assets BV |
| 137 | Stranraer Sp. z o.o. | Warsaw | 100% | Echo Prime Assets BV |
| 138 | Strood Sp. z o.o. | Warsaw | 100% | Echo Prime Assets BV |
| 139 | Swanage Sp. z o.o. | Warsaw | 100% | Echo Prime Assets BV |
| 140 | Dagnall Sp. z o.o. | Warsaw | 100% | Echo Prime Assets BV |

All certificates issued by 60 FIZ Forum are in possession of the companies of the Echo Investment Group.

18

Main acquisitions of Echo Investment S.A. and its Group in 2016

PLN 66 mln

Value of plots acquired in 2016

In 2016 Echo Investment purchased properties with buildable area of 73.000 sqm. The company spent a total of PLN 66 mln on the purchase of the plots.

ACQUIRED PROPERTIES:

- a plot with an area of 6.900 sqm on Lotnicza Street in Wrocław, where the West Link with GLA of 14,200 sqm is to be built,
- perpetual usufruct of plots with a combined area of 23.800 sqm on Żelazna, Chorzowska and Grundmanna Streets, where an office complex with a leasable area of 47.000 sqm is planned,
- perpetual usufruct of plots with a combined area of 6.600 sqm near Garbary Street in Poznań, where a residential project with a useable area of app. 12.300 sqm is planned.

Furthermore, on July 26th, 2016 Echo Investment purchased 100% shares in five companies comprising the enterprise under the name of Compass Offices. The project is related to Echo Investment's entry onto the market of short-term office lease. Compass Offices with the support of Echo Investment will be developing the adopted business model in new locations – mostly buildings completed by Echo Investment. The total cost of the transaction exceeded EUR 1 mln (the price of the purchase of shares and subrogation of loans)

In relation to the ownership change, Compass Offices changed its brand into CitySpace. The company currently

offers serviced offices for rent in the Rondo 1, Plac Unii and Park Rozwoju buildings in Warsaw, as well as in O3 Business Campus in Kraków. In 2017 it is to introduce the service in another locations in regional cities

According to the strategy, Echo Investment Group will not invest outside Poland.

TRANSACTIONS CLOSED AFTER 31 DECEMBER 2016

Since 31 December 2016 Echo Investment Group has concluded two transactions of plot acquisition for office projects:

- plots with a combined area of 5.100 sqm on al. Piłsudskiego in Łódź, where an office project with a leasing area of 14.000 sqm is planned.
- perpetual usufruct of plot with an area of 8.600 sqm on Nowomiejska Street in Gdańsk, where an office complex with a leasing area of app. 37.000 sqm is planned.

The Company has secured plots for its operations in 2017 and 2018 and it is working on securing land for projects to be constructed in 2019 and subsequent years. The company is currently negotiating the purchase of land which would make it possible to build a useable and sales area of app. 500,000 sqm – mostly housing units and offices. The company expects that the negotiations will result signed contracts over the next few months.

19

Material transactions concluded by the Company or its subsidiary with related parties on terms other than market terms

In 2016, no material transactions were concluded between Echo Investment S.A. and its subsidiaries, and related parties on terms other than market terms.

20

Information on loan and borrowing agreements

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 31 DECEMBER 2016 ['000]

| Bank | Registered office | Contractual amount of loan/borrowing | Outstanding loan/borrowing amount | Interest rate | Repayment deadline | Security |
|------------------|-------------------|--------------------------------------|-----------------------------------|-------------------|--------------------|-----------------------------------------------------------------------------------|
| PKO BP S.A. | Warsaw | 75 000 PLN | – | WIBOR 1M + margin | 19.08.17 | Authorisation to bank account, statement on submission to enforcement proceedings |
| Alior Bank S.A.* | Warsaw | 50 000 PLN | – | WIBOR 3M + margin | 30.01.17 | Authorisation to bank account, statement on submission to enforcement proceedings |
| BZ WBK S.A. ** | Wrocław | 75 000 PLN | – | WIBOR 1M + margin | 30.07.18 | Authorisation to bank account, statement on submission to enforcement proceedings |
| Total | | 200 000 PLN | – | | | |

* On 30 January 2017 the Company signed annexe no. 5 with Alior Bank, which extends the availability of the credit until 30 January 2018.

** As at 31 December 2016 the available credit line is PLN 10.2 mln. The remaining amount of the credit line is blocked as collateral of the guarantee provided by BZ WBK in connection with the sale of the Q22 project.

The loan value corresponds to non-discounted cash flows.

CREDIT FACILITIES OF ECHO INVESTMENT GROUP AS AT 31 DECEMBER 2016 ['000]

| Borrower | Bank | Registered office | Contractual amount of loan/borrowing | Outstanding loan/borrowing amount | Interest rate | Repayment deadline | Security |
|--------------------------------------------------|---------------------------|-------------------|--------------------------------------|-----------------------------------|---------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nobilis - Projekt Echo - 117 Sp. z o. o. Sp. K. | Mbank S.A. | Warsaw | 20000 EUR | 10 300 EUR | Margin + EURIBOR 3M | 31.12.2022 | Mortgages, laying out registered and financial pledges, authorisation to bank account, subordination agreement, statement on submission to enforcement proceedings, agreement on transferring on rights and claims security on selected agreements |
| Symetris - Projekt Echo - 131 Sp. z o. o. Sp. K. | Bank BGŻ BNP Paribas S.A. | Warsaw | 10450 EUR | 0 | Margin + EURIBOR 3M | 30.06.2019 | Mortgages, laying out registered and financial pledges, subordination agreement, statement on submission to enforcement proceedings, agreement on transferring on rights and claims security on selected agreements |
| | | | 3000 PLN | 0 | Margin + WIBOR 3M | 30.06.2019 | |

21

Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED, AS AT 31 DECEMBER 2016 [PLN '000]

| Financial instrument | Nominal value | Interest rate | Maturity | Guarantees / securities | Quotation market |
|---------------------------------|----------------|-------------------|----------|-------------------------|------------------|
| Non-public bond (mBank S.A.) | 175 000* | WIBOR 6M + margin | 28.04.17 | – | Catalyst |
| Non-public bond (mBank S.A.) | 230 000 | WIBOR 6M + margin | 23.04.18 | – | Catalyst |
| Non-public bond (mBank S.A.) | 80 000 | WIBOR 6M + margin | 19.06.18 | – | Catalyst |
| Non-public bond (mBank S.A.) | 100 000 | WIBOR 6M + margin | 19.02.19 | – | Catalyst |
| Non-public bond (mBank S.A.) | 70 500 | WIBOR 6M + margin | 15.05.19 | – | Catalyst |
| Non-public bond (mBank S.A.) | 100 000 | WIBOR 6M + margin | 18.11.20 | – | Catalyst |
| Non-public bond total | 755 500 | | | | |
| Public bond DM PKO BP, series C | 75 000 | WIBOR 6M + margin | 04.03.18 | – | Catalyst |
| Public bond DM PKO BP, series D | 50 000 | WIBOR 6M + margin | 20.04.18 | – | Catalyst |
| Public bond total | 125 000 | | | | |
| Obligacje Total | 880 500 | | | | |

*Of this bond issue, on 1 December 2016, the Company redeemed 2500 bonds of a total amount of PLN 25 mln. (KDPW resolution no 182/17 on 21 March 2017)

NON-PUBLIC ISSUES

On 15 April 2004 the Company signed an agency agreement and a dealer agreement with mBank S.A. (former BRE Bank S.A.) on the establishment of a program of issuing short-, medium- and long-term bonds denominated in Polish zlotys, with a maximum total nominal value of bonds issued under the programme of up to PLN 1 bln. Under these agreements mBank S.A. undertook to organize and carry out a comprehensive servicing of bonds issued by the Company under the Bond Programme. These agreements, together with subsequent annexes, were concluded for an indefinite period of time and provide for multiple bond issues made by the Company in a non-public manner. The maximum total nominal value of all the bonds possible to issue is PLN 1 bln. Bonds offered under the Bond

Programme are issued as unsecured bearer securities. Bond interest rates can be fixed or variable. Bonds will not entitle their holders to any non-cash benefits. The final terms and conditions of the issue are determined before the issue in the course of the Bond Programme.

The funds acquired from the issue of bonds is supplementary to the bank's credit limits and allows the Company to finance planned projects and the development of existing real estate activity areas in Poland.

As at 31 December 2016, the nominal value of the securities issued under the Bond Issue Programme and amounted to PLN 755.5 mln.

PUBLIC ISSUES

On 18 March 2014 the Management Board of Echo Investment S.A. passed a resolution on the establishment of a program of issuing up to 2,000,000 ordinary bearer bonds with a nominal value of PLN 100 each and a total nominal value of up to PLN 200,000,000. On 24 June 2014 the Polish Financial Supervision Authority approved the Prospectus prepared in connection with the public offer and the intention to apply for the admission of Echo Investment S.A. bonds with a total nominal value of up to PLN 200,000,000 issued under the bond issue program-

me to trading on the regulated Catalyst market operated by the Warsaw Stock Exchange. On 5 September 2014, the Polish Financial Supervision Authority approved annex 1 to the Base Prospectus.

The Company carried out four issues under the public bond issue programme of 2014 with a total nominal value of PLN 200 mln. As at 31 December 2016, Echo Investment S.A. slows liability related to issued public bonds with a total nominal value of PLN 125 mln.

22

Borrowing agreements

LONG-TERM BORROWINGS GRANTED [PLN '000]

| | 1.01.2016– 31.12.2016 | 1.01.2015– 31.12.2015 |
|------------------|--------------------------|--------------------------|
| In subsidiaries | – | – |
| In other parties | 9 479 | 21 |
| Total | 9 479 | 21 |

LONG-TERM BORROWINGS, WITHOUT INTEREST, AS AT 31.12.2016 [PLN '000]

| Contractor | Amount | Interest | Repayment date |
|-----------------------------------------------------------|--------------|-------------------|----------------|
| Outlet Park – Projekt Echo – 126 Spółka Sp. z o.o. Sp. K. | 9 400 | WIBOR 3M + margin | 31 maja 2023 |
| Total | 9 400 | | |

The maximum value of credit risk related to loans equals their book value. The loans granted are not secured. The loans granted are not overdue and the value of the loans has not been lost.

23

Information on sureties and guarantees issued and received in 2016

SURETY AGREEMENTS AS AT 31 DECEMBER 2016

| Issuer | For | Value [PLN '000] | Validity | Description |
|----------------------|---------------------------------|------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Echo Investment S.A. | Bletwood Investments Sp. z o.o. | 1 488 | Entire validity period of the lease and three months following its termination date | Surety bond for liabilities of Cogil II Poland Limited Sp. z o.o. as a collateral of the liabilities resulting from the lease concluded on 06.11.2015. Issued in EUR. |
| Echo Investment S.A. | HPO AEP Sp. z o.o. Sp. J. | 11 060 | Until acquisition of an occupancy permit for the projects but no later than 07.12.2031. | Surety bond for liabilities of Echo – Browary Warszawskie Sp. z o.o. Sp.K. and Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp. K. j as a collateral of liabilities resulting from the lease concluded on 07.12.2016. Mutual surety issued in EUR. |

As at 31 December 2016, the value of valid sureties received by the Company and the Group is as follows:

- under the lease agreements: PLN 0, EUR 1,24 mln, USD 0,
- under the construction agreements: PLN 0, EUR 2,5 mln, USD 0.

AMENDMENTS TO SURETY AGREEMENTS GRANTED BY ECHO INVESTMENT S.A. AND ITS GROUP AS AT 31 DECEMBER 2016

| Change | Issuer | For | Date expiry / issue | Value [PLN '000] | Description |
|---------------|----------------------|---------------------------------|---------------------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expiry | Echo Investment S.A. | Bank Polska Kasa Opieki S.A. | 31.05.2016 | 42 751 EUR and 40 200 PLN | Surety bond for liabilities of Galeria Sudecka - "Projekt Echo - 43" Sp. z o.o. – Sp. K. resulting from a loan agreement of 19.12.2013, a framework agreement of 19.04.2011 and contract no. 2013/127/DDF of 17.09.2013. |
| Issue | Echo Investment S.A. | Bletwood Investments Sp. z o.o. | 26.07.2016 | 336 EUR | Surety bond for liabilities of Cogil II Poland Limited Sp. z o.o. (Issuer's subsidiary) resulting from a lease of 6.11.2015. |
| Issue | Echo Investment S.A. | HPO AEP Sp. z o.o. Sp. J. | 7.12.2016 | 2 500 000 EUR | Surety bond for liabilities of Echo – Browary Warszawskie Sp. z o.o. Sp. K. and Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp. K (Issuer's subsidiaries) resulting from a lease of 7.11.2016. |

**GUARANTEE AGREEMENTS
AS AT 31 DECEMBER 2016**

| Guarantor | For | Value [PLN '000] | Validity | Description |
|----------------------------------------------------------------------------------------|-----------------------------------------|------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Echo Investment S.A. | Horta Sp. z o.o. | 22 120 | until 02.07.2020 | Performance bond concerning execution of the final sales agreement concerning the Acquarius Business House I office building in Wrocław. Issued in EUR. |
| Echo Investment S.A. | Skua Sp. z o.o. | 39 816 | until 30.07.2021 | Performance bond concerning the execution of the final sales agreement concerning the Acquarius Business House II office building in Wrocław. Issued in EUR. |
| Echo Investment S.A. / BZ WBK S.A. | Skarb Państwa | 40 163 | until 22.05.2017 | Surety bond concerning liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp. K. |
| Echo Investment S.A. | mBank S.A. | 15 674 | until fulfillment of suitable financial indexes, no longer than 31.03.2021 | Surety bond for liabilities of Nobilis - Projekt Echo - 117 Sp. z o.o. Sp. K. resulting from loan agreement of 16.06.2016. Issued in EUR. |
| Echo Investment S.A. | mBank S.A. | 5 489 | until project completion, no longer than 31.03.2018 | Surety bond for construction cost overrun concerning the Nobilis office building in Wrocław |
| Echo Investment S.A. | BGŻ BNP Paribas S.A. | 13 030 | until project completion date | Surety bond for cost overrun and liabilities resulting from debt service in the period of construction of the Symetris I and II office building in Łódź. Issued in EUR. |
| Echo Investment S.A. | Nokia Solutions and Networks Sp. z o.o. | 8 788 | until 30.06.2018 | Surety bond for liabilities resulting from lease of 29.08.2016. Issued in EUR. |
| Q22 – Projekt Echo – 128 Sp. z o.o. Sp.k. / Echo Investment S.A. | IREEF – Stryków Propco Sp. z o.o. | 420 000 | until 15.12.2019 | Construction work quality guarantee related to Q22 in Warsaw. |
| Q22 – Projekt Echo – 128 Sp. z o.o. -Sp.k. / Echo Investment S.A. / BZ WBK S.A. | IREEF – Stryków Propco Sp. z o.o. | 58 877 | until 15.12.2021 | Rent guarantee related to the sale of Q22 office building in Warsaw. The collateral of rent guarantee is a bank guarantee issued by BZ WBK S.A. for Echo Investment S.A. The guarantee is issued in EUR. |
| Echo Investment S.A. | IREEF – Stryków Propco Sp. z o.o. | 152 808 | until 15.12.2018 | Surety bond concerning failure to execute liabilities of Q22 - Projekt Echo - 128 Sp. z o.o. Sp. k. resulting from the sales contract concerning Q22 in Warsaw of 16.12.2016. Issued in EUR. |
| Echo – Opolska Business Park Sp. z o.o. – Sp. K. / Echo Investment S.A. | Ventry Investments Sp. z o.o. Sp.k. | 29 121 | until 20.12.2019 | Rent guarantee related to the sale of O3 Business Campus I in Kraków. The collateral of rent guarantee is a corporate guarantee issued by Echo Investment S.A. Partly issued in EUR. |
| Tryton – Projekt Echo – 127 Sp. z o.o. – Sp. K. / Echo Investment S.A. | Emfold Investments Sp. z o.o. Sp. K. | 44 349 | until 20.12.2019 | Rent guarantee related to the sale of the Tryton office building in Gdańsk. The collateral of rent guarantee is a corporate guarantee issued by Echo Investment S.A. Partly issued in EUR. |
| Symetris – Projekt Echo – 131 Sp. z o.o. Sp. K. / Echo Investment S.A. | Flaxton Investments Sp. z o.o. Sp. K. | 18 596 | until 20.12.2019 | Rent guarantee related to the sale of the Symetris office building in Łódź. The collateral of rent guarantee is a corporate guarantee issued by Echo Investment S.A. Partly issued in EUR. |
| PZU S.A. / Echo Investment S.A. | FTF Columbus S.A. | 24 600 | until 26.02.2017 | Surety bond concerning agreement concluded on 22.06.2015 |

As at 31 December 2016, the value of valid guarantees received by the Company and the Group is as follows:

- under the lease agreements: PLN 2,18 mln, EUR 738,86 thousand, USD 0,
- under the construction agreements: PLN 49,80 mln, EUR 1,09 mln, USD 0.

AMENDMENTS TO GUARANTEE AGREEMENTS GRANTED BY ECHO INVESTMENT S.A. AND ITS GROUP AS AT 31 DECEMBER 2016

| Change | Guarantor | For | Date expiry / issue | Value [PLN '000] | Description |
|----------------------------------------|---------------------------------------|------------------------------------------|---------------------|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Expiry | Echo Investment S.A. | BGŻ BNP Paribas S.A. | 30.01.2016. | 11 200 PLN | Surety bond for construction cost overrun regarding the West Gate office building in Wrocław by the borrower: Echo - West Gate Sp. z o.o. Sp. K. |
| Expiry | Echo Investment S.A. | BGŻ BNP Paribas S.A. | 31.01.2016. | 2 943 EUR | Surety bond for construction cost overrun regarding the A4 Business Park III office building in Katowice by the borrower: A4 - Business Park - "Iris Capital" Sp. z o.o. - Sp. K. |
| Issue | Echo Investment S.A. / PZU S.A. | FTF Columbus S.A. | 26.02.2016 | 180 000 PLN | Performance bond concerning contracts of 27.01.2016 for Q22 - Projekt Echo - 128 Sp. z o.o. - Sp. K. (Issuer's subsidiary) |
| Expiry | Echo Investment S.A. / PZU S.A. | FTF Columbus S.A. | 26.02.2016 | 180 000 PLN | Performance bond concerning execution of the contract of 22.06.2015 by Echo Investment S.A. |
| Annex to guarantee of 6.07.2015 | Echo Investment S.A. / PZU S.A. | FTF Columbus S.A. | 26.02.2016 | Change of the amount to 24 600 PLN | Performance bond concerning the execution of the contract of 22.06.2015 r. by Echo Investment S.A. A change of the amount guarantee and validity period for 26.02.2017 |
| Expiry | Echo Investment S.A. | BZ WBK S.A. | 31.03.2016 | 6 405 EUR | Surety bond for cost overrun, debt service liabilities and support of the organization of the construction process regarding Park Rozwoju I in Warsaw for the borrower: „Echo - Park Rozwoju” Sp. z o.o. Sp. K. |
| Expiry | Echo Investment S.A. / PKO BP S.A. | Orbis S.A. | 17.05.2016 | 2 155 PLN | Performance bond regarding all liabilities resulting from general contractor agreement of 4.09.2008. |
| Expiry | Echo Investment S.A. | Bank Polska Kasa Opieki S.A. | 31.05.2016 | 13 148 PLN | Surety of liabilities of Galeria Sudecka - "Projekt Echo - 43" Sp. z o.o. Sp. K. concerning construction cost overrun at Galeria Sudecka in Jelenia Góra and the coverage of missing own funds. |
| Issue | Echo Investment S.A. / BZ WBK S.A. | Skarb Państwa | 23.05.2016 | 40 163 PLN | Surety bond for failure to execute liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp. K. |
| Issue | Echo Investment S.A. | mBank S.A. | 16.06.2016 | 3 543 EUR | Surety bond for liabilities of Nobilis - Projekt Echo - 117 Sp. z o.o. Sp. K. (Issuer's subsidiary) resulting from a loan agreement of 16.06.2016. |
| Issue | Echo Investment S.A. | mBank S.A. | 16.06.2016 | 5 488 PLN | Surety bond for construction cost overrun at the Nobilis office building in Wrocław by Nobilis - Projekt Echo - 117 Sp. z o.o. Sp. K. (Issuer's subsidiary) |
| Issue | Echo Investment S.A. | Rondo 1 UG (haftungsbeschränkt) & Co. KG | 29.07.2016 | 438 EUR | Surety bond for liabilities of Cogil Poland Limited Sp. z o.o. (Issuer's subsidiary) resulting from the lease concluded on 24.05.2015. |
| Issue | Echo Investment S.A. | BGŻ BNP Paribas S.A. | 18.08.2016 | 2 945 EUR | Surety bond for construction cost overrun at the Symetris I and II office complex and the coverage of liabilities resulting from the service of debt of Symetris - Projekt Echo - 131 Sp. z o.o. Sp. K. (Issuer's subsidiary) |
| Issue | Echo Investment S.A. | Nokia Solutions and Networks Sp. z o.o. | 29.08.2016 | 1 986 EUR | Surety bond for liabilities resulting from the lease concluded on 29.08.2016. |
| Expire | Echo Investment S.A. | BZ WBK S.A. oraz PKO BP | 16.12.2016 | 60 000 EUR | Surety bond for cost overrun, coverage of missing own funds, liabilities resulting from debt service and hedge contracts, support in the organization of the construction process in the course of construction of Q22 office project by Q22 - Projekt Echo - 128 Sp. z o.o. - Sp. K. (Issuer's subsidiary). |

| | | | | | |
|---------------|--------------------------------------------------------------------------------------------------------------|------------------------------------------|------------|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issue | Q22 – Projekt Echo – 128 Sp. z o.o. Sp. K. (Issuer's subsidiary) / Echo Investment S.A. / BZ WBK S.A. | IREEF – Stryków Propco Sp. z o. o. | 16.12.2016 | 13 311 EUR | Rent guarantee related to the sale of the Q22 office building in Warsaw. The collateral is a bank guarantee issued by BZ WBK S.A. for Echo Investment S.A. up to EUR 13,310,837 valid until 15.12.2017. |
| Issue | Echo Investment S.A. as joint debtor | IREEF – Stryków Propco Sp. z o. o. | 16.12.2016 | 34 541 EUR | Surety bond for Q22 - Projekt Echo - 128 Sp. z o.o. Sp. K. (Issuer's subsidiary) regarding liabilities resulting from the sales contract concerning Q22 office building in Warsaw which was concluded on 16.12.2016. Responsibility of Echo Investment S.A. expires on 15.12.2018. |
| Issue | Q22 – Projekt Echo – 128 Sp. z o.o. Sp. K. (Issuer's subsidiary) and Echo Investment S.A. as joint guarantor | IREEF – Stryków Propco Sp. z o. o. | 16.12.2016 | 420 000 PLN | Construction work quality guarantee concerning Q22 office building in Warsaw. The guarantee expires 15.12. 2019. |
| Expire | Echo Investment S.A. | HSBC Bank plc | 21.12.2016 | 27 106 PLN | Surety bond for construction cost overrun at the Q3 Business Campus I office building in Kraków by Echo - Opolska Business Park Sp. z o.o. Sp. K. (Issuer's subsidiary) |
| Expire | Echo Investment S.A. | HSBC Bank plc | 21.12.2016 | 34 974 PLN | Surety bond for construction cost overrun at the Tryton office building in Gdańsk by Tryton - Projekt Echo - 127 Sp. z o.o. Sp. K. (Issuer's subsidiary) |
| Issue | Echo – Opolska Business Park Sp. z o.o. Sp. K. (Issuer's subsidiary) / Echo Investment S.A. | Ventry Investments Sp. z o.o. Sp. K. | 21.12.2016 | 6 140 EUR and 1 996 PLN | Rent guarantee related to the sale of the Q3 Business Campus I office building in Kraków. Valid until 20.12.2019. The collateral is a corporate guarantee issued by Echo Investment up to corresponding amounts with the validity period until 20.12.2019. |
| Issue | Tryton – Projekt Echo – 127 Sp. z o.o. Sp. K. (Issuer's subsidiary) / Echo Investment S.A. | Emfold Investments Sp. z o.o. Sp. K. | 21.12.2016 | 9 318 EUR and 3 125 PLN | Rent guarantee related to the sale of the Tryton office building in Gdańsk. Valid until 20.12.2019. The collateral is a corporate guarantee issued by Echo Investment up to corresponding amounts with the validity period until 20.12.2019. |
| Issue | Symetris – Projekt Echo – 131 Sp. z o.o. Sp. K. (Issuer's subsidiary) / Echo Investment S.A. | Flaxton Investments Sp. z o.o. Sp. K. | 21.12.2016 | 3 612 EUR and 2 616 PLN | Rent guarantee related to the sale of the Symetris I office building in Łódź. Valid until 20.12.2019. The collateral is a corporate guarantee issued by Echo Investment up to corresponding amounts with the validity period until 20.12.2019. |
| Expire | Echo Investment S.A. / PZU S.A. | FTF Columbus S.A. | 31.12.2016 | 180 000 EUR | Performance bond for the contracts of 27.01.2016 concluded by Q22 - Projekt Echo - 128 Sp. zo.o. Sp. K. (Issuer's subsidiary) |
| Expire | Echo Investment S.A. | Rondo 1 UG (haftungsbeschränkt) & Co. KG | 31.12.2016 | 438 EUR | Surety bond for liabilities of Cogi Poland Limited Sp. z o.o. (subsidiary of the Issuer) resulting from lease of 24.05.2015. |



Allocation of issue proceeds by Echo Investment S.A.

Echo Investment S.A. issued coupon bonds at a total amount of PLN 100 mln on December 1st, 2016 as part of a Bond Issue Programme with a value of up to PLN 1 bln signed with mBank S.A.

The nominal value and the issue price of one bond was PLN 10,000. The bonds were issued for the period ending on November 18th, 2020. The interest on the bonds is based on variable WIBOR 6M rate plus investors' margin. The interest will be paid semi-annually. The bonds will be redeemed on the redemption day at the nominal value of the bonds. In order to optimise liquidity management in the Group a subsidiary of the Issuer, Echo – SPV 7” spółka z ograniczoną odpowiedzialnością with its registered office in Kielce, 36 Solidarności Avenue, KRS 0000070412, acquired 675 bonds issued by the Issuer. The average unit price was PLN 10,000 per bond.

At the same time Echo Investment purchased 2,500 own bonds registered on the Catalyst market under ECH0417

(ISIN PLECHPS00118) series. The legal basis for the purchase of the bonds is the Management's resolution which confirms the purchase of the bonds for their further redemption. The average unit purchase price was PLN 10.130 per bond.

In the opinion of the Management Board of Echo Investment S.A., during the validity period of issued bonds, the general liabilities of the Company will be maintained on a safe level, while debt service ratios will ensure that the Company is capable to settle its liabilities following from the issued bonds.

The funds from the current issue will be used for expenditures related to investment processes on the real property market as part of the Echo Investment Group's development strategy, as well as an instrument of current liquidity management.

25

Differences between the financial results and previously published forecasts

Echo Investment S.A. did not publish any forecasts of financial results for 2016.

26

Assessment and justification of the management of financial resources, with particular emphasis on the ability to fulfil the incurred liabilities

26.1 For Echo Investment S.A.

The management of the Company's financial resources focused mainly on obtaining funding for the projects and maintaining safe levels of liquidity and the planned funding structure. In the opinion of the Management Board, the Company's economic and financial situation at the end of December 2016 testifies to a strong financial standing, which is confirmed by the following ratios.

PROFITABILITY RATIOS

Decrease of profitability ratios compare to previous year comes from the dividends from subsidiaries received in 2015 by the Company. On the other hand, decrease of assets and equity in 2016 comes from change of the Company's strategy resulting in the dividend payment to the shareholders. Profitability ratios for 2016 are less spectacular

than in 2015, but still remain on very high levels.

- Operating profit margin (operating profit/sales revenue),
- Balance sheet net profit margin (net profit/revenue),
- Return on assets, ROA (net profit/total assets),
- Return on equity, ROE (net profit/equity).

PROFITABILITY RATIOS

| | 31.12.2016 | 31.12.2015 |
|---------------------------------|------------|------------|
| Operating profit margin | 106,0% | 1 652,6% |
| Balance sheet net profit margin | 87,4% | 1 436,9% |
| Return on assets, ROA | 9,2% | 55,9% |
| Return on equity, ROE | 19,9% | 81,4% |

TURNOVER RATIOS

The Group's turnover ratios depend on the specific nature of its business, which features a long cycle of implementing projects compared to other industries. Since the Group's inventories include the acquired ownership titles, perpetual usufruct titles, construction expenditures and costs of developments for sale, it must be emphasised that this cycle will always be longer compared to other industries, such as the FMCG industry.

- Inventory turnover days (inventories * 360 / revenue): the ratio extended due to lower income and higher inventory (finished apartments).
- Short-term receivables turnover in days (short-term receivables* 360 / revenue): increase of this ratio is due to increase of receivables (postponed payments for Q22 and EPP shares).
- Short-term trade payables turnover (short-term trade payables * 360 / revenue): the growth in this ratio is due to an increase in short-term liabilities (dividend declared) and decrease of sales revenues compare to previous year.

TURNOVER RATIOS

| | 31.12.2016 | 31.12.2015 |
|-----------------------------------------|------------|------------|
| Inventory turnover days | 398 | 533 |
| Short-term receivables turnover in days | 251 | 595 |
| Short-term trade payables turnover | 85 | 45 |

LIQUIDITY RATIOS

| | 31.12.2016 | 31.12.2015 |
|---------------|------------|------------|
| Current ratio | 0,67 | 0,81 |
| Quick ratio | 0,29 | 0,45 |
| Cash ratio | 0,05 | 0,04 |

LIQUIDITY RATIOS

Current ratio (current assets/short-term liabilities): The ratio decreased as a result of an increase in short-term liabilities (mainly from the resolution on dividend payment in 2017).

Quick ratio ((current assets - inventory)/short-term liabilities): The decrease of this ratio results from an increase in short-term liabilities described above.

Cash ratio (cash/short-term liabilities): The increase of this ratio results from higher increase of cash position than increase of short-term liabilities. The Company holds high amounts of overdraft facilities to quickly access cash, which completely eliminates the risk that it might lose liquidity.

Those ratio are maintained within an ideal

range, in other words the group has good standing and there is no liquidity risk.

DEBT RATIOS

| | 31.12.2016 | 31.12.2015 |
|------------------------------------|------------|------------|
| Equity to assets ratio | 46% | 69% |
| Equity to non-current assets ratio | 58% | 79% |
| Overall indebtedness ratio | 53% | 30% |
| Debt to equity ratio | 115% | 44% |

DEBT RATIOS

Equity to assets ratio (equity/total assets): The ratio increased because of decreasing of equity (dividend payment) to the decrease of assets (sale of assets to EPP)

Equity to non-current assets ratio (equity/non-current assets): The ratio decreased because of equity decrease faster than assets.

Overall indebtedness ratio (total liabilities/total assets): The ratio increased because of previously described decrease of assets. Keeping the ratio on secure levels proves a very good financial condition of the Company.

Debt to equity ratio (total liabilities/equity): The ratio increased compared to the previous

year because total assets decrease, due to the dividend.

26.2 For Echo Investment Group

PROFITABILITY RATIOS

Operating profit margin (operating profit/revenue): small decrease of the margin comes mainly from decrease of operational profit, influenced by higher than in the previous year sales costs and administrative costs, and also lower profit on investment properties.

Net profit margin (net profit/revenue): remains stable compare to 2015, what signs the Company keep margin at stable level.

Return on assets ROA (net profit/total assets): the ratio increased by slower decrease of net profit than decrease of assets.

Return on equity ROE (net profit/equity): the ratio increased by slower decrease of net profit than decrease of equity (due to dividend payment).

PROFITABILITY RATIOS

| | 31.12.2016 | 31.12.2015 |
|---------------------------------|------------|------------|
| Operating profit margin | 126% | 155% |
| Balance sheet net profit margin | 81% | 88% |
| Return on assets, ROA | 12% | 6% |
| Return on equity, ROE | 25% | 14% |

TURNOVER RATIOS

The Group's turnover ratios depend on the specific nature of its business, which features a long cycle of implementing projects compared to other industries. Since the Group's inventories include the acquired ownership titles, perpetual usufruct titles, construction expenditures and costs of developments for sale, it must be emphasised that this cycle will always be longer compared to other industries, such as the FMCG industry.

- Inventory turnover days (inventories * 360 / revenue): the ratio extended due to lower income and higher inventory (finished apartments).
- Short-term receivables turnover in days (short-term receivables * 360 / revenue): increase of this ratio is due to increase of receivables (postponed payments for Q22 and EPP shares).
- Short-term trade payables turnover (short-term trade payables * 360 / revenue):

t-term trade payables * 360 / revenue): the growth in this ratio is due to an increase in short-term liabilities (dividend declared) and decrease of sales revenues compare to previous year.

TURNOVER RATIOS

| | 31.12.2016 | 31.12.2015 |
|-----------------------------------------|------------|------------|
| Inventory turnover days | 492 | 366 |
| Short-term receivables turnover in days | 219 | 57 |
| Short-term trade payables turnover | 183 | 92 |

LIQUIDITY RATIOS

- Current ratio (current assets/short-term liabilities): The ratio decreased as a result of an increase in short-term liabilities (mainly from the resolution on dividend payment in 2017).
- Quick ratio ((current assets - inventory)/ short-term liabilities): The decrease of this ratio results from an increase in short-term liabilities described above.

- Cash ratio (cash/short-term liabilities): The increase of this ratio results from higher increase of cash position than increase of short-term liabilities. The Company holds high amounts of overdraft facilities to quickly access cash, which completely eliminates the risk that it might lose liquidity.

Growth in this ratio is due to an increase in short-term liabilities (dividend declared) and decrease of sales revenues compare to previous year.

LIQUIDITY RATIOS

| | 31.12.2016 | 31.12.2015 |
|---------------|------------|------------|
| Current ratio | 1,89 | 2,35 |
| Quick ratio | 1,13 | 1,49 |
| Cash ratio | 0,77 | 1,32 |

DEBT RATIOS

- Equity to assets ratio (equity/total assets): this ratio remaining stable, what demonstrate the changes on equity is similar to changes of total assets.
- Equity to non-current assets (equity / non-current assets) (non-current assets held for sale were added): a slight decrease in this ratio reflects the faster decrease in non-current assets (sale of EPP) over changes of equity (dividend payment).
- Total debt ratio (total liabilities / total assets): the ratio slightly lower as compared to 2015, what demonstrates faster decrease of liabilities than the balance sum (sale of standing assets to EPP).
- Debt to equity (total liabilities / equity): a decrease in this ratio is attributable to an decrease in liabilities (credits and borrowings) compare to decrease of equity

DEBT RATIOS

| | 31.12.2016 | 31.12.2015 |
|-------------------------------------|------------|------------|
| Equity to assets ratio | 45% | 44% |
| Equity to non-current assets | 100% | 233% |
| Total debt ratio | 49% | 53% |
| Debt to equity | 108% | 122% |

Debt is at safe levels and covenants under loan agreements are fulfilled. The comparison of these two groups of ratios proves the Group's financial security.

27

Feasibility of investment plans

The Company is fully capable of funding the current investment projects. It uses its own funds, bank loans and funds from the issue of bonds.

Developments for lease (shopping centres, shopping and entertainment centres and offices) are usually financed through construction loans obtained by special purpose vehicles established to carry out the developments. Residential developments are financed from the Company's own funds and indirectly by the bonds.

New properties for prospective developments are acquired using the Company's own funds or general purpose loans (overdraft facilities, working capital facilities and bonds) raised by the Company.

28

Assessment of factors and unusual events influencing the financial result of Echo Investment and its Group in 2016



Separation and sale of standing assets is described on paragraph 5

24.1. Non-regular factors which influenced the Company's and Group's financial results in 2016:

A change of the strategy and the model of operations had the greatest influence on the Company's financial results in 2016. Echo Investment created an SPV company under the name of Echo Polska Properties N.V., it transferred the ownership of nearly entire commercial real estate portfolio and subsequently sold the majori-

ty of its shares. As a result of the transaction, among other things, Echo Investment paid PLN 2.46 bln to its shareholders in 2016 in the form of the dividend from its profit generated in 2015 and as an advance dividend payment related to its 2016 profit.

24.2. Regular factors which influenced the Company's and Group's financial results in 2016:

ECHO INVESTMENT S.A.

Revenue resulting from final contracts concerning the sale of housing units, mostly in the projects:

- Park Sowińskiego I in Poznań,
- Osiedle Jaśminowe II in Poznań,
- Park Avenue Apartments in Kraków,
- Nowy Mokotów II in Warsaw,
- Hortus Apartments in Kraków,
- Osiedle Jarzębinowe II in Łódź,
- Las Młociński in Warsaw (plots),
- Grota-Roweckiego I in Wrocław.

The sale of assets redundant from the point of view of the strategy:

- a plot with an area of 4,400 sqm in Częstochowa.

Contracts related to the construction of projects:

- project management,
- project preparation.

Contracts with subsidiaries:

- concerning financial, legal, secretarial, marketing, re-commercialization, management supervision and trademark service, lease of computer equipment,
- agency: in the sale of apartments, in the sale of projects and in the lease of commercial space,
- financial agency,
- payment services,
- collateralization,
- marketing services.

Costs of sales and overheads.

ECHO INVESTMENT GROUP

Closing the sale of the office buildings: O3 Business Campus I in Kraków, Tryton Business House in Gdańsk and Symetris Business Park in Łódź.

The sale of the Q22 office building in Warsaw and the settlement of the option agreement with FTF Columbus.

Revenue resulting from final contracts concerning the sale of housing units, mostly in the projects:

- Osiedle Jaśminowe II in Poznań,
- Nowy Mokotów II in Warsaw.
- Projects runned directly by Echo Investment S.A.

The sale of assets redundant from the point of view of the company's strategy:

- 'Zakład Ogrodniczy Naramowice – Pamiątkowo Sp. z o.o.' S.k.a. including plots with an area of app. 535 ha,
- 'Projekt Echo – 133 Sp. z o.o.' with its seat in Pamiątkowo, which owned a plot with an area of app. 105-ha in Lublin and indemnity claims against the city of Lublin on account of acquisition of plots for public roads from this company,
- Perpetual usufruct of a plot with an area of 1.7-ha and the former building of the Cracovia hotel in Kraków.

Quarterly revaluation of fair value of assets – including first valuation of office buildings Nobilis in Wrocław and A4 Business Park III in Katowice.

Costs of sales and overheads.

Regular factors which influenced the Company's and Group's financial results in 2016:

ECHO INVESTMENT S.A.

Valuation of liabilities related to of bonds and loans in accordance with amortised cost principle.

Cash valuation on resulting from of currency exchange fluctuations.

Inventory revaluation adjustments.

Interest on earned deposits, bonds purchased and loans granted.

Discounts and interest paid on credits, bonds and loans.

Dividend payments and entering profits from limited partnerships in the books.

ECHO INVESTMENT GROUP

Valuation of liabilities related to bonds and loans in accordance with amortised cost principle.

Cash valuation resulting from currency exchange fluctuations.

Inventory revaluation adjustments.

Interest on earned deposits, bonds purchased and loans granted.

Discounts and interest on credits, bonds and loans.

Dividend payments and entering profits from limited partnerships in the books.

29

External and internal factors material for the growth of the business of Echo Investment S.A. and its Group

EXTERNAL FACTORS:

Positive:

- ever increasing investment activity of Polish and foreign businesses (BPO sector in particular) and the resulting demand for services provided by the Group companies
- the ratio of office space per 1,000 residents remaining lower than in Western Europe
- deficit of residential areas
- continued economic growth in Poland
- good condition of the Polish financial sector
- increase in retail sales dynamics.

Negative:

- unclear legal status of many properties due to the absence of precise land development plans in cities and gminas
- time-consuming court and administrative procedures with regard to clarifying legal status and acquiring rights to property
- variation of foreign exchange rates (EUR and USD)
- variation of interest rates
- uncertainty as to the key assumptions of fiscal and monetary policy in Poland (draft amendments to tax laws).



Read more about office, retail and residential market in paragraph 7

INTERNAL FACTORS:

Positive:

- clearly defined development strategy
- strong position of the Group on the property development market and high credibility confirmed by the presence of Echo Investment S.A. on the Stock Exchange and the obtained Property Developer Certificate
- partnership in the area of loans, investment of surplus and transactions on FX derivatives (forwards) and interest rates (IRS) with banks with a stable financial situation
- successful partnership with stable and renowned partners described in sections 2 and 3 of the report
- organisational structure with identified departments corresponding to business segments (departments for shopping centres, offices and hotels, and apartments) responsible for generating profit (revenue and costs) in their segment and for running whole projects, i.e. from purchasing plots of land to lease or sale
- stable legal status (no court proceedings threatening the Company)
- experienced staff, including BREEAM certification specialists
- large area of land held and intended for investments.

Negative:

- specific nature of business involving dependence on complicated and time-consuming administrative procedures (among other things, obtaining building or usage permits, waiting for modification of a local zoning plan, etc.)
- high demand for current funds, in particular in connection with a high number of ongoing projects.

30

Changes in basic management principles of the issuer's business and the Group

In 2016, there were no material changes in the basic management principles of the Company and the Group.

31

Agreements concluded between the issuer and managerial staff, providing for a compensation if such persons resign or are dismissed from their position without a valid reason or if they are recalled or dismissed as a result of a merger of the issuer by acquisition

In 2016 and as at 31 December 2016, there were no agreements between the Company and its managerial staff providing for such compensation.

32

Remuneration of the Management Board

REMUNERATION OF THE MANAGEMENT BOARD
[PLN IF NOT INDICATED]

| | 2016 | | 2015 | |
|------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------|
| | from Echo Investment S.A. Basic remuneration | Bonus for holding functions or providing services to other companies of the Group | from Echo Investment S.A. | for holding functions or providing services to other companies of the Group |
| Nicklas Lindberg (appointed on 18.04.2016) | 768 742 | 658 890 | 369 714 EUR | – |
| Maciej Drozd (appointed on 16.07.2015) | 1 097 595 | 440 780 | 401 338 | 734 000 |
| Piotr Gromniak | 618 000 | 829 000 | 135 000 | 1 399 000 |
| Artur Langner | 546 000 | 766 000 | 120 000 | 1 238 000 |
| Rafał Mazurczak (appointed on 15.09.2016) | 60 000 | – | 365 500 | – |
| Marcin Materny (appointed on 15.09.2016) | 60 000 | – | 115 500 | – |
| Waldemar Lesiak (resigned on 30.05.2016) | 314 491 | 382 000 | 969 244 | 1 238 000 |

The managing officers of Echo Investment S.A. in 2015. received additional bonuses in the total amount of PLN 5.561.000.



BONUS SYSTEM

Nicklas Lindberg's management contract of 18 April 2016 provides for performance-based bonuses:

- standard performance-based bonus, paid for 2016 in the amount specified above,
- additional performance-based bonus described below.

The amount of the additional performance-based bonus depends on the increase of the share price of Echo Investment S.A. above the base value that is determined at the level of PLN 7.5 minus the

amount of the dividend per share received by Lisala Sp. z o.o. The contract provides for bonus amount depending on the increase of the share price above the base level.

The contract was signed for 5 years and the remuneration is payable at the end of the term of the contract.

In addition, should the contract be terminated earlier by mutual agreement of the parties, Mr Lin-

dborg is entitled to receive a partial bonus of 1/5 of the entire amount due to him per each year of his work. Estimation of Nicklas Lindberg's incentive program value for accounting purposes on 31 December 2016 amounts to PLN 3,888,193.

Bonuses of the remaining Management Board Members depends on the targets specified for each Board Member individually by the Supervisory Board.

33

Remuneration of the Supervisory Board

REMUNERATION OF THE SUPERVISORY BOARD [PLN]

| | from Echo Investment S.A. | 2016 for holding functions or providing services to other companies of the Group | from Echo Investment S.A. | 2015 for holding functions or providing services to other companies of the Group |
|----------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------------------------------------|
| Karim Khairallah (appointed on 10.06.2015) | – | – | – | – |
| Maciej Dyjas (appointed on 10.06.2015) | 60 000 | – | 19 000 | – |
| Stefan Kawalec (appointed on 10.06.2015) | 180 000 | – | 31 000 | – |
| Przemysław Krych (appointed on 10.06.2015) | 60 000 | – | 19 000 | – |
| Laurent Luccioni (appointed on 10.06.2015) | – | – | – | – |
| Nebil Senman (appointed on 10.06.2015) | 60 000 | – | 19 000 | – |
| Sebastian Zilles (appointed on 27.10.2015.) | – | – | – | – |
| George Graham (acting from 10.06.2015 to 27.10.2015) | – | – | – | – |
| Wojciech Ciesielski (dismissed on 10.06.2015) | – | – | – | – |
| Andrzej Majcher (dismissed on 10.06.2015) | – | – | 32 000 | – |
| Mariusz Waniotka (dismissed on 10.06.2015) | – | – | 32 000 | – |
| Robert Oskard (dismissed on 10.06.2015) | – | – | 19 000 | – |
| Karol Żbikowski (dismissed on 10.06.2015) | – | – | 19 000 | – |

34

Total number of the issuer's shares held by management and supervisory staff

No Management Board or Supervisory Board member informs, or in 2016, informed about the acquisition or sale any shares of Echo Investment S.A. No Management Board or Supervisory Board member holds or, in 2016 and 2015, held any shares of Echo Investment S.A.

35

Agreements that may change the proportion of shares held by the existing shareholders and bondholders

The Company is not aware of any agreements potentially resulting in changes in the proportion of shares held by existing shareholders.

36

Court, arbitration or public administration proceedings

Between 1 January and 31 December 2016, there were no proceedings pending before court, a competent arbitration authority or a public administration authority concerning liabilities or claims of Echo Investment S.A. or its subsidiary the value, of which equaled at least 10% of the Company's equity.

37

Information about the employee share ownership plan control system

The Company does not operate an employee share scheme.

38

Agreements concluded with an entity authorised to audit financial statements

Pursuant to §13 section 1 letter b) of the Company's Statute, the Supervisory Board of the Company chose the company entitled to audit its financial reports on July 13th, 2016 in accordance with the professional norms and regulations. It will be Ernst & Young Audyt Polska Sp. z o. o. Sp. K with its registered office at Rondo ONZ Street

in Warsaw, entered in the list of certifying accountants under no. 130. The Supervisory Board empowered the Management Board to conclude a contract with EY Audyt Polska with regard to the audit of the Company's separate financial reports and consolidated financial reports of the Company's Group in the years 2016-2017.

ERNST & YOUNG AUDYT POLSKA SP. Z O.O. SP. K. NET REMUNERATION PAID OR DUE

| Subject | Amount (PLN) |
|---------------------------------------------------------------------------------|--------------|
| Audit and review of the separate and consolidated financial statements for 2015 | 581 000 |
| Audit and review of the separate and consolidated financial statements for 2016 | 415 000 |
| Other services – including letter of attestation | 234 500 |



Nicklas Lindberg

President of the Management Board



Maciej Drozd

Vice-President of the Management Board



Piotr Gromniak

Vice-President of the Management Board



Artur Langner

Vice-President of the Management Board



Marcin Materny

Member of the Management Board



Rafał Mazurczak

Member of the Management Board



Anna

Gabryszewska-Wybraniec

Chief Accountant

Kielce, 25 April 2017



Statement of the Management Board



The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the annual separate financial statements for 2016 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 S.A. and its financial result. The management report of Echo Investment S.A. presents a true view of development, accomplishments and situation of Echo Investment S.A., including a description of fundamental risks and threats.

The Management Board of Echo Investment S.A. declares that the entity authorised to audit financial statements, auditing the annual financial statements for 2016, was selected in accordance with the laws. This entity and the statutory auditors conducting the audit fulfilled the conditions required to express an unbiased and independent opinion on the audited annual financial statements, pursuant to the applicable laws and professional standards.

Nicklas Lindberg

President of the Management
Board

Maciej Drozd

Vice-President of the Management
Board

Piotr Gromniak

Vice-President of the Management
Board

Artur Langner

Vice-President of the Management
Board

Marcin Materny

Member of the Management Board

Rafał Mazurczak

Member of the Management Board

Kielce, 25 April 2017



Statement of the Management Board of Echo Investment S.A on the application of corporate governance rules in 2016

In 2016, Echo Investment S.A. was subject to the rules of corporate governance specified in the document "Best Practice for WSE Listed Companies 2016", adopted by the Supervisory Board of the WSE on 13 October 2015.

The text of the abovementioned rules is available on the website of Warsaw Stock Exchange: www.corp-gov.gpw.pl. The website www.corp-gov.gpw.pl is the official website of Warsaw Stock Exchange devoted to cor-

porate governance rules applicable to companies listed on the Main Market of WSE and on the NewConnect market.

THE EXTENT TO WHICH THE COMPANY ABANDONED THE RULES OF CORPORATE GOVERNANCE AND EXPLANATION FOR NOT APPLYING THEM

In 2016 The Company Echo Investment S.A. does not apply the following corporate governance rules, as included in the document "Code of Best Practice for WSE Listed Companies 2016":

DISCLOSURE POLICY, COMMUNICATION WITH INVESTORS

| Exception | Explanation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I.Z.1. The company operates a corporate website where it publishes the following information, in a clear manner and in a separate section, in addition to the information required under the Law: (...) | The company does not apply this principle, as it does not pursue the diversity policy as described in I.Z.1.15. with regard to its employees. Knowledge, competence and experience of specific candidates play the key role in the choice of employees performing managing and supervisory roles. The company authorities are aware that diversity plays a crucial role in the choice of persons in the company's governing bodies and key managers and the Company makes every possible attempt at following the diversity policy when taking personnel decisions, including gender, education, age and professional experience. |
| I.Z.1.15. Information about the company's diversity policy applicable to the company's governing bodies and key managers; the description should include the following elements of the diversity policy: gender, education, age, professional experience, and specify the objectives of the diversity policy and its implementation in the reporting period; if the company has not drafted and implemented a diversity policy, it should publish the justification of its decision on the website. | |
| I.Z.1. The company operates a corporate website where it publishes the following information, in a clear manner and in a separate section, in addition to the information required under the Law: (...) | The Company does not apply this principle, although it considers it to be a good corporate practice. In the case of all matters submitted by the Management, the Company publishes the justification of the draft resolutions of the General Shareholders' Meeting. In the case of draft resolutions submitted by the shareholders, the publication depends on whether the shareholders have submitted the required justification or not. |
| I.Z.1.17. Justification of draft resolutions of the General Shareholders' Meeting with regard to issues and provisions which are relevant to or may raise doubts among the shareholders, within a timeframe enabling the participants of the General Shareholders' Meeting to review them and pass the resolution with adequate understanding; | |
| I.Z.1. The company operates a corporate website where it publishes the following information, in a clear manner and in a separate section, in addition to information required under the Law: (...) | The Company does not apply this principle, as it does not record the General Shareholders' Meeting. In compliance with the principle IV.Z.2. of Best Practice of WSE 2016, the company broadcasts the General Shareholders' Meeting to the public in real time if the shareholders' structure permits. |
| I.Z.1.20. An audio or video recording of the General Shareholders' Meeting. | |

MANAGEMENT BOARD AND SUPERVISORY BOARD

| Exception | Explanation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| II.Z.3. In compliance with the principle II.Z.4. , at least two members of the Supervisory Board should be considered to be independent (Annex II to the European Commission Recommendation of February 15 , 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board applies to the independence criteria of the Supervisory Board members. Irrespective of the provisions specified in item 1(b) of the aforementioned Annex, a person who is either an employee of the company or its subsidiary or an affiliated company, or has entered into a similar relationship with any of them, cannot be considered to be independent. In addition, a member of the Supervisory Board cannot be considered to be independent if he or she is in an actual or significant relationship with any shareholder who holds at least 5% of the total vote in the company.) | The Company does not apply this principle. However, the Company authorities aim at ensuring that the above mentioned principle is applied, which is reflected in the appointment of Stefan Kawalec as an independent Member of the Supervisory Board. At the same time, the Company is of an opinion that the current members of the Supervisory Board enable the company to implement its strategy properly and effectively and sufficiently secure the interests of all Shareholders and other groups associated with the Company. The General Shareholders' Meeting selects the members of the Supervisory Board from the people with appropriate education, professional and life experience, who have high moral standards and who can allocate sufficient time to their role in the Supervisory Board and discharge their duties effectively. As far as the Board is concerned, the above mentioned criteria are sufficient to guarantee that the Board members will work effectively for the good of the Supervisory Board, and, consequently, for the good of all the shareholders. |
| II.Z.6. The Supervisory Board should identify any relationships or circumstances which may affect a Supervisory Board member's fulfilment of the criteria for independence. An assessment of the Supervisory Board members' fulfilment of the criteria for independence should be presented by the Supervisory Board in compliance with the principle II.Z.10.2. (ordinary general meeting) | The Management requests the Supervisory Board to carry out an appropriate procedure on the fulfilment of the criteria for independence. |
| II.Z.7. Annex I to the Commission Recommendation (as specified in principle II.Z.4) applies to the duties and operations of the committees of the Supervisory Board. If the functions of the audit committee are performed by the Supervisory Board, the foregoing should apply accordingly. | The Management requests the Supervisory Board to carry out an appropriate procedure on the fulfilment of the criteria for independence. |

INTERNAL SYSTEMS AND FUNCTIONS

| Exception | Explanation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| III.Z.2. In compliance with principle III.Z.3, persons responsible for risk management, internal audit and compliance should report directly to the President or any other member of the Management Board and should be allowed to report directly to the Supervisory Board or the Audit Committee. | The Company does not apply this principle. On account of its size and the scope of its activities, the Company has not established any organisational units within its structure exclusively responsible for risk management, internal audit and compliance. |
| III.Z.3. The independence principles as specified in generally accepted international standards of the professional internal audit practice apply to the person in charge of the internal audit and any other persons responsible for such tasks. | |

INTERNAL SYSTEMS AND FUNCTIONS

| Exception | Explanation |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| III.Z.4. The person responsible for the internal audit (if appointed within the company) and the Management Board should report to the Supervisory Board at least once a year on their assessment of the effectiveness of the systems and functions specified in principle III.Z.1 (internal control systems, risk management, compliance and internal audit), and submit a relevant report. | The Company does not apply this principle. Since the publication of the financial report in 2015, the Company auditor has been reviewing the procedures of internal audit, internal control, compatibility monitoring and risk control, which are in effect in the company during the annual report review. On March 21, 2016 the auditor's opinion on annual report of 2015 was supplemented with a letter including the conclusions and recommendations for the Management and the Supervisory Board on the audit and internal control, compatibility monitoring and risk control and the establishment of appropriate organisational units. |

GENERAL SHAREHOLDERS' MEETING AND RELATIONS WITH THE SHAREHOLDERS

| Exception | Explanation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IV.Z.2. If justified by the shareholder structure, the company should broadcast the general meeting to the public in real time. | The Company does not apply this principle, as it is not justified by the shareholder structure. As soon as the general meeting closes, the Company publishes a current report which includes the content of the adopted resolutions and gives access to the course of the general meeting to the shareholders. |
| IV.Z.3. Media representatives should be allowed in General Shareholders' Meetings. | The Company does not apply this principle. Only authorised persons and servicing personnel participate in General Shareholders' Meetings. The Company does not find it necessary to introduce an additional responsibility for the shareholders to invite the media representatives to the General Shareholders' Meeting. The regulations under the current legislation are sufficient as far as the duty to provide clear and transparent information on the matters discussed at the General Shareholders' Meeting is concerned. The Company immediately responds to any queries on the General Shareholders' Meeting made by the media representatives. |
| IV.Z.11. Members of the Management Board and the Supervisory Board should participate in the General Shareholders' Meeting to deal with any queries made during the meeting and provide knowledgeable answers. | The Company does not apply this principle. The Company will make every possible attempt at applying this principle; nevertheless the company cannot guarantee that the Supervisory Board members will participate in every General Shareholders' Meeting. |
| IV.Z.16. The dividend record date and the dividend payment date should be set so as to ensure that the period between them is no longer than 15 working days. A period longer than 15 days requires justification. | The Company does not apply this principle. The Company will pay any dividends on a date required by the provisions of the Commercial Code, with focus on the liquidity. |
| IV.Z.18. A resolution of the General Shareholders' Meeting to split the nominal value of shares should not set the new nominal value of the shares below PLN 0.50, which might result in a very low unit market value of the shares, and might consequently pose a threat to the correct and reliable valuation of the company listed on the Stock Exchange. | The Company does not apply this principle. The current nominal value of the Company shares amounts to PLN 0.05 and is higher than the minimum nominal value of one share specified by the Commercial Code. |

CONFLICT OF INTEREST, RELATED PARTY TRANSACTIONS

| Exception | Explanation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>V.Z.5. Before the company concludes a significant agreement with a shareholder who holds at least 5% of the total vote in the company or with a related party; the Management Board should request the Supervisory Board's approval of the transaction. Before giving its approval, the Supervisory Board should evaluate the impact of the transaction on the interest of the company. The above-stated does not apply to typical transactions and transactions at arm's-length conducted as part of the company's operations between the company and any other companies belonging to its Group.</p> <p>If the decision concerning the company's significant agreement with a related party is taken by the General Shareholders' Meeting, the company should give all shareholders access to the information necessary to assess the impact of the transaction on the interest of the company before the decision is made.</p> | <p>The Company does not apply this principle. The Company Management claims that the regulations under the current Law, together with the Company Articles of Association and Rules and Regulations of the Supervisory Board, on the transactions/agreements concluded with related companies are sufficient. All transactions concluded by the Company are under the scrutiny of the Supervisory Board as part of quantitative thresholds specified in paragraph 13 law 1 item d) and e) in the Company Articles of Association. The aforementioned quantitative thresholds (amounting to 10% or 20% of the equity capital of the Company) are also applicable in transactions with related parties.</p> |
| <p>V.Z.6. The company should specify in its internal regulations the criteria and circumstances under which a conflict of interest may arise in the company, as well as the rules of conduct applied if a conflict of interest has arisen or may arise. The company's internal regulations should include ways to prevent, identify and resolve conflicts of interest, as well as rules of excluding members of the Management Board or the Supervisory Board from the participation in the review of the matters subject to the conflict of interest which has arisen or may arise, among other things.</p> | <p>The Company does not apply this principle. In 2016 the Company Management adopted and implemented the Code of Conduct, which regulates the conflict of interest and principles of conduct when the conflict arises, among others, as well as the procedure on reporting and processing any irregularities. The Company Management claims that the aforementioned regulations and procedures have had positive impact on the corporate culture and risk management.</p> |

REMUNERATION

| Exception | Explanation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>VI.Z.4. In the report on company's operations, the company should include information on the remuneration policy including at least the following items:</p> <ol style="list-style-type: none"> 1) general information about the company's remuneration system; 2) information about the conditions and amount of remuneration of each member of the Management Board broken down into fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowance and other amounts due on termination of employment, or any other contract, or a similar legal relationship, separately for the company and each member of its Group; 3) information about non-financial remuneration components due to each Management Board member and key manager; 4) significant amendments to the remuneration policy in the last financial year or information on their lack; 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular a long-term increase in the value for the shareholders and the company's stability; | <p>The Company does not apply this principle. Currently, the Company does not pursue any particular remuneration policy, but it has started analytic work on the adopted principles of remuneration of its employees and intends to implement clear policy in this respect in the future. Information on the remuneration of members of the Management and Supervisory Boards of the Company is available in the Management Report on the Company Operations in 2016.</p> |

Systems of internal control and risk management

Description of main characteristics of internal control systems and of risk management systems

The Company's Management Board is responsible for the internal control system and its effectiveness in the process of preparing financial statements and periodic reports published according to the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information to be submitted by issuers of securities and conditions for considering as equivalent information required under the law of a non-member state (J.L. No. 33, item 259).

The effectiveness and correct operation of the internal control system and of the risk management system is ensured by:

- defined and transparent organisational structure
- skills, know-how and experience of people involved in the internal control process
- supervision by the management over the system and regular evaluation of the Company's business
- verification of financial statements by an independent statutory auditor.

Mutual connections and interdependence of internal control elements in several areas, such as:

- operating activity
- financial activity
- reporting process (including the preparation of financial statements)
- analysis of costs and expenditures related to projects, costs and general administrative expenses and sale, and costs and expenditures related to the use of leasable area
- risk management, ensure an effective internal control system and support the management of the whole Group.
- To make this process more optimal and effective, the Company has introduced a certain degree of automation in the inter-

nal control process:

- decision limits (approval of costs, expenditures, payments, selection of counterparties, posting of costs)
- supervision over employee quotas, independent of people assigning quotas
- configuration of accounts (enabling manual postings on automatic accounts, transparent and easy process of transferring information for reporting)
- automation of payments (generating a payment plan from the accounting system for electronic banking systems)
- eKOD system (electronic Document Circulation Sheet) facilitating the circulation of cost invoices, approval of expenditures and costs and initial posting.

Detailed characteristics of the issuer's business as regards systems of internal control and risk management applicable to the process of preparation of financial statements and consolidated financial statements

Main characteristics of the internal control and of the risk management system in relation to the process of preparing separate and consolidated financial statements:

- transparent organisational structure
- qualified staff
- direct supervision by the management
- expert verification of statements.

The people responsible for preparing financial statements, as part of the Company's financial and management reporting, are a highly qualified team of specialists of the Finance Department, which is managed directly by the Finance Director and, indirectly, by the Company's Management Board. In the Finance Department, this process involves mainly staff from the Accounting Division, assisted by employees from the Budgeting and Analysis Division and Funding Division, and the whole

process is supervised by mid-level management staff of the Finance Department.

Economic events in the course of the year are recorded by the Records Team of the Accounting Division. As part of internal control, the correctness of economic records is monitored by the Reporting Team from the Accounting Division, who have certificates of the Minister of Finance to provide services involving the keeping of accounting books (so called independent accountants). After completing all pre-defined processes of closing the books, the Team prepares financial statements. The process of monitoring the correctness of posting costs also involves employees from the Department of Budgeting and Analysis.

Measurements recognised in the statements are prepared and submitted to the Reporting Division by the employees of the Department of Budgeting and Analysis. This Department has knowledge in the area of financial accounting (some of the staff are independent accountants), management accounting and financial analyses (some of the staff are adequately trained in audit and internal control). They also monitor the correct posting of these measurements.

The whole process of preparing statements is supervised by managers from the Accounting Division and the Department of Budgeting and Analysis. The reconciliation of settlements with banks is the responsibility of the Payments and Insurance Team. Thanks to a broad internal control system, which involves staff from individual teams, and supervision by managers from the Finance Department, any errors are adjusted on an ongoing basis in the Company's accounting books according to the adopted accounting policy.

Before presented to an independent auditor, the prepared financial statements are checked by the Company's Chief Accountant. Ac-

cording to the applicable laws, the Company reviews or audits its financial statements using a renowned and highly qualified independent statutory auditor. During the audit by an independent statutory auditor, employees from the Divisions of the Finance Department participating in the process of preparing the statements provide explanations.

Description of other use of internal control system and of risk management system in the company, taking account of significance of the financial and accounting system

The controlling process in the Company, whose basic and key element is the internal control, is based on a system of budgets. On an annual basis, the Company updates short-term, mid-term and long-term plans, and prepares very detailed budgets for the following year with regard to:

- construction projects
- expenditures, general administrative and sales expenses.

Based on the budgets, cash flow forecasts, which are necessary in the risk management process, are updated. The budgeting process is based on the Company's existing formalised rules and is closely supervised by the Finance Director. The process involves the Company's mid-level and senior management staff responsible for specific budget areas. Responsibility for the preparation and presentation rests with the Finance Branch and, with regard to costs of operation, the employees of the Property Management Division. They are also responsible for monitoring the incurred expenditures and reporting on the performance of budgets. The budget of construction projects is the responsibility of Project Managers, who are assisted by the Budgeting

and Analysis Division staff. The budget of utility projects is the responsibility of financial analysts from the Management Division, and the budget of costs and general administrative and sale expenses is the responsibility of the Budgeting and Analysis Division. This division is also responsible for preparing financial and cash flow forecasts and for verifying them. The budget prepared for the following year on an annual basis is approved by the Company's Management Board.

The Company's financial and accounting system is the source of data for the whole reporting system of the Company, i.e.:

- for the process of preparing financial statements
- periodic reports
- management reporting system.

The whole reporting system uses the Company's financial and management accounting based on the accounting policy adopted in the Company (International Financial Reporting Standards). Thanks to this, management reporting is not detached from the prepared financial statements and takes account of the format and the level of detail of data presented in these statements. The process of preparing financial statements is described in the section before. The periodic and management reporting process is a continuation of the budgeting process described before. Once the accounting books have been closed, reports are prepared on the actual performance compared to budgets and forecasts. In relation to closed reporting periods, the Group's financial results are analysed in detail and compared to the budget assumptions and forecasts made in the month preceding the analysed reporting period.

The key element in this process is the monitoring of the deviation of actual performance from the plan, and explaining the reasons for

such a deviation. Monitoring deviations and learning their reasons helps optimise the Group's operations and minimise potential risks. Initially, monthly performance reports are analysed in detail by mid-level and senior management staff from individual organisational units of the Accounting Division and the Budgeting and Forecasts Team. Given the specific nature of the industry, the analyses are multi-faceted: not only individual groups of costs are analysed but also specific investment projects, segments or result items are reviewed separately. Based on these reports, the Company's Management Board analyses current financial results and compares them with the adopted budgets in the course of the year.

Risk management in the company

Effective internal control (along with the existing reporting system) is the basic step in identifying risks and managing changes. In addition to the reporting system, effective risk management also involves a risk analysis. Therefore, the Company's key measure aimed at reducing its risk exposure is the correct assessment of prospective investments (Budgeting and Analysis Division) and the monitoring of current investments (Project Managers). To this end, investment models and decision-making procedures are employed, whose observance is closely monitored by the Company's Finance Director and the Management Board. In addition, all requests and potential changes in the budgets of investment projects are entered by the Budgeting and Analysis Division into result forecast models and a cash flow forecast so that an issue can be examined globally, and to eliminate risks related to projects, liquidity, foreign exchange rates, etc. Global management and risk monitoring as well as internal control in all areas that are important for the organisation largely eliminates most risks to which the Company is exposed.

Description of principles regulating the appointment and dismissal of managerial staff and their rights

In the Company, these rules are regulated by the Commercial Companies Code, Rules and Regulations of the Management Board and Echo Investment S.A.'s Statute.

The Management Board or its Members are appointed, dismissed and suspended by the Supervisory Board, which also appoints the President and the Vice-President of the Management Board.

The term of office of the first Management Board is two years, the term of office of subsequent Management Boards is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of

the financial statements for the last year of the Management Board's term of office. The Management Board or its individual Members may be dismissed by the Supervisory Board before the expiry of their term of office, especially following a justified written motion of shareholders who represent at least 1/3 of the share capital, or if the Management Board's fulfilment of duties for the last closed financial year is not acknowledged by the Ordinary General Shareholders' Meeting.

Rights of managerial staff

Powers of managers are regulated by the Statute of Echo Investment SA and by the Commercial Companies Code.

The managers represent the Company before officials, institutions, third parties, courts as

well as public authorities. Declarations of intent on behalf of the Company must be made jointly by two members of the Management Board or one member of the Management Board acting jointly with a proxy. Liabilities exceeding 20% of the Company's equity may be incurred by persons who make declarations of intent on behalf of the Company, following a written consent of the Supervisory Board. The Management Board runs all current affairs of the Company which are not reserved for the General Shareholders' Meeting and the Supervisory Board.

Decisions on the issue and redemption of shares are governed by the regulations of the Commercial Companies Code.

Description of rules for amending the issuer's statute or articles of association

The rules for amending the Company's Statute or Articles of Association are governed by the Commercial Companies Code.

Amendments to the Statute require a resolution of the General Shareholders' Meeting of Echo Investment S.A. and an entry into the National Court Register (KRS). The Management Board reports the amendment to the Statute to the respective register court within three months of the date of the resolution of the General Meeting.

Together with the entry of an amendment to the Statute, the amendment to the Company's corporate data reported to the register court is entered into the National Court Register. The General Shareholders' Meeting authorises the Supervisory Board of Echo Investment S.A. to specify a complete text of the amended Statute or to introduce other editorial amendments, as specified by the resolution of the Meeting.

Composition and changes in the management and supervisory board

COMPANY'S MANAGEMENT BOARD – COMPOSITION AS OF 31 DECEMBER 2016

- Nicklas Lindberg – President of the Management Board
- Maciej Drozd – Vice-President of the Management Board
- Piotr Gromniak – Vice-President of the Management Board
- Artur Langner – Vice-President of the Management Board
- Marcin Materny – Member of the Management Board
- Rafał Mazurczak – Member of the Management Board.

COMPANY'S MANAGEMENT BOARD – AS OF 1 JANUARY 2016

- Piotr Gromniak – President of the Management Board
- Maciej Drozd – Vice-President of the Management Board
- Artur Langner – Vice-President of the Management Board
- Waldemar Lesiak – Vice-President of the Management Board.

Company's Management Board – rules of operation in 2016

The Management Board of Echo Investment SA operates based on the Commercial Companies Code Act (J.L. of 2000, No. 94, item 1037, as amended), the Company's Statute, the Rules and Regulations of the Management Board of Echo Investment SA approved by way of Resolution of the Company's Supervisory Board of 14 May 2005, and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Management Board may consist of one or more persons. The Management Board or its Members are appointed, dismissed and suspended by the Supervisory Board, which also appoints the President and the Vice-President of the Management Board.

The term of office of the first Management Board is two years, the term of office of subsequent Management Boards is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of the financial statements for the last year of the Management Board's term of office. Management Board Members may be re-appointed. The Management Board or individual members may be dismissed before the expiry of the term of office by the Supervisory Board, in particular at a written request of shareholders representing at least 1/3 of the Company's share capital, or if the General Shareholders' Meeting fails to acknowledge the fulfilment of obligations by the Management Board in the closed business year.

Only those individuals who are not the Company's shareholders may be appointed to the Management Board.

The Management Board represents the Company before officials, institutions, third parties, courts as well as public authorities. An appointed Proxy may act on behalf of the Company to the same effect. Declarations of intent on behalf of the Company must be made jointly by two members of the Management Board or one member of the Management Board acting jointly with an appointed proxy. Management Board Members may only fulfil their duties in person.

The operation of the Management Board is described in detail in the Work Regulations of the Management Board, which is adopted by the Management Board and approved by the Supervisory Board. In the event of a tied vote when adopting resolutions by the Management Board, the President of the Management Board shall have the casting vote.

The Management Board runs all current affairs of the Company, subject to restrictions specified by the Commercial Companies Code and this Statute. The purchase and sale of real property, perpetual usufruct title or a share in real property or a share in perpetual usufruct title by the Company lies within the responsibilities of the Management Board, subject to § 13, section 1, letters d) and e) of the Statute. When exercising the rights of the General Meeting in subsidiaries, the Company's Management Board is obliged to obtain a prior consent from the Company's Supervisory Board, even if the incurred liability or the exercise of a right by a subsidiary exceeds the limits specified in § 13, section 1, letters d) and e) of the Statute, under which a consent from the Supervisory Board is required for the Company to incur liabilities exceeding 20% of its equity.

When deciding on the Company's issues, the Management Board is particularly obliged to act within the limits of reasonable economic risks, following an in-depth analysis and consideration of all available information, studies and opinions which, in the opinion of the Management Board, should be taken into consideration in the Company's interest.

In addition, the Management Board submits motions regarding issues to be discussed by the General Meeting to the Company's Supervisory Board for approval. Information on the produced opinions is announced to the public by the Company immediately after such information is received from the Company's Supervisory Board. When contacting the media, members of the Management Board may only provide generally available information about the Company. All statements for the media regarding financial forecasts and the strategy of the Company or of the Management Board may only be made by the President or the Vice-President of the Management Board. With regard to other

issues, all members of the Management Board or other authorised persons are allowed to contact the media.

The Management Board meets at least once a month, and the meetings are presided over by the President of the Management Board and, in his/her absence, by the Vice-President of the Management Board and, in the absence of the President and the Vice-President of the Management Board, the meetings are presided over by the longest-serving Management Board member of Echo Investment S.A. The meetings of the Management Board are held at the Company's office, unless all members of the Management Board agree to hold a meeting in a different location. A meeting of the Management Board may be held, if all members of the Management Board have been informed about the meeting, and at least two members of the Management Board are present.

The meetings of the Management Board are convened by the President of the Management Board or by any other member of the Management Board who sees fit to do so.

Every member of the Management Board must be informed about the date and agenda of the meeting at least 2 days prior to the planned meeting. The notification may be delivered by phone, through the Office of the Company's Management Board, by e-mail, by fax or in writing.

The meetings of the Management Board may be held even when they have not been formally convened, if all members of the Management Board are present and no present member objects to the meeting being held or to specific items on the agenda.

The Management Board may pass its resolutions in writing or using means of telecommunication, subject that, in such a case, the Management Board is presided over by the member requesting the adoption of a given resolution. This procedure is not allowed when at least one member of the Company's Management Board objects.

The Management Board makes decisions by way of resolutions. Resolutions of the Management Board are adopted by an absolute majority of votes. In the event of a tied vote when adopting resolutions by the Management Board, the President of the Management Board shall have the casting vote and, in the absence of the President of the Management Board, the Vice-President of the Management Board shall have the ca-

sting vote. In the absence of the President and the Vice-President of the Management Board, the longest-serving member of the Company's Management Board shall have the casting vote.

When required, minutes are taken from the meetings of the Management Board. Resolutions of the Management Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. In addition, the minutes must include the date and place of the meeting of the Management Board, names of the present Management Board members and the number of votes cast on individual resolutions. The minutes must be signed by all Management Board members attending the meeting. Any dissenting opinions of the attendees must be enclosed to the minutes. The minutes are kept at the Office of the Company's Management Board.

In 2016, the Company's Management Board, when defining strategic objectives and current tasks, considered the best interest of the Company, its shareholders, partners, customers, employees and creditors, and observed the law.

To ensure transparency and effectiveness of the management system, the Management Board followed the rule of professional conduct within the limits of reasonable economic risk, taking account of the wide range of the available information, analyses and opinions.

The remunerations of the Management Board Members were defined by the Supervisory Board, based on the responsibilities and skills of individual Management Board Members, and took account for the Company's financial results, and a reasonable relation was maintained to remunerations of Management Boards in similar companies on Polish real property market.

Company's Supervisory Board – composition as of 1 January 2016 and 31 December 2016

SUPERVISORY BOARD OF ECHO INVESTMENT S.A.

- Karim Khairallah – Chairman
- Laurent Luccioni – Vice-Chairman
- Maciej Dyjas – Member of the Board
- Stefan Kawalec – Member of the Board meeting the criteria of independency
- Przemysław Krych – Member of the Board
- Nebil Senman – Member of the Board
- Sebastian Zilles – Member of the Board.

COMPANY'S SUPERVISORY BOARD – RULES OF OPERATION IN 2016

The Supervisory Board of Echo Investment SA operates based on the Commercial Companies Code Act (J.L. of 2000, No. 94, item 1037, as amended), the Company's Statute, the Rules and Regulations of the Supervisory Board of Echo Investment SA of 26 June 2003, and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Supervisory Board is composed of at least 5 (five) members who are appointed (and dismissed) by the General Meeting for a period of three years; members of the Supervisory Board are appointed for a joint term of office, which does not preclude an earlier dismissal of every member of the Supervisory Board. Supervisory Board Members may be re-appointed. A resolution of the General Meeting each time specifies the number and the members of the Supervisory Board. If the General Meeting does not specify the function of a given member of the Supervisory Board when appoint such a member, the Supervisory Board appoints the Chairman of the Supervisory Board from among its members and the Vice-Chairman in a secret ballot. Members of the Supervisory Board fulfil their duties only in person.

Members of the Supervisory Board delegated to constant and individual supervision may not, without the Company's consent, be involved in competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member in a body of a capital company, or participate in another competitive legal person as a member of its bodies. This prohibition also includes participation in a competitive capital company in which a Supervisory Board member holds at least 10% of interests or shares, or has the right to appoint at least one management board member.

Members of the Supervisory Board may be dismissed at any time by the General Shareholders' Meeting.

A Supervisory Board member may resign his/her post before the expiry of the term of office for which he/she was appointed by submitting a statement to that effect to the Chairman of the Supervisory Board. If the Chairman of the Supervisory Board resigns his/her post, the statement to that effect is submitted to the Vice-Chairman. A Member of the Supervisory Board should not resign during the term of office, if such a resignation could prevent the Supervisory Board from operating, and especially if it could pre-

vent the adoption of an important resolution. The mandate of a Supervisory Board member expires, at the latest, on the day of the General Meeting which approves the Company's financial statements for the last full financial year in which the Supervisory Board member held his/her post (final year of the member's term of office). The mandate also expires upon death or dismissal of a Supervisory Board member. If, as a result of expiry of mandates of Supervisory Board members, the Supervisory Board is composed of fewer than 3 members, the Supervisory Board is unable to pass legally binding resolutions, and the Chairman of the Supervisory Board, or, in the absence of the Chairman, the Vice-Chairman, requests the Company's Management Board to promptly convene an Extraordinary General Meeting and to include the appointment of Supervisory Board members in the agenda of the General Meeting.

A member of the Supervisory Board should be primarily concerned about the Company's interest.

When contacting the media, members of the Supervisory Board may only provide generally available information about the Company. Any statements for the media regarding the Company or the Supervisory Board may only be made by the Chairman of the Supervisory Board and, in his/her absence, by the Vice-Chairman of the Supervisory Board.

The responsibilities of the Supervisory Board include supervision over the Company's business and other actions, as stipulated by the Commercial Companies Code and other acts. The Supervisory Board adopts resolutions or gives opinions on issues within its scope of responsibilities, according to the Company's Statute and under the procedure stipulated by the provisions of the Statute or other laws. In particular, the Supervisory Board is authorised to:

- examine the Company's financial statements for the last financial year
- examine the Company's Management Report and suggestions of the Management Board regarding the distribution of profit and the coverage of loss
- submit a written report on the above actions to the General Meeting
- express opinions on motions submitted by the Management Board directed to the General Meeting, and express opinion and pass resolutions on other issues submitted by the Company's Management Board
- appoint, dismiss and suspend the Company's Management Board or its individual members

- appoint a statutory auditor to audit the Company's financial statements with whom the Management Board concludes an agreement
- approve the Management Board's conclusion of the agreement with a sub-issuer referred to in Article 433 § 3 of the Commercial Companies Code
- approve the contracting of liabilities and disposing of the rights to the extent within the current business of the Company – if their value exceeds 20 % of the Company's equity. If it is uncertain whether a given issue has been included in the current business of the Company, the Supervisory Board is entitled to make a relevant interpretation in this respect, at the request of the Management Board. The interpretation shall be binding for the Management Board. Issues related to trade in real estate are within the scope of the Company's current business.
- approve the contracting of liabilities and disposing of the rights that go beyond the current business of the Company – if their value exceeds 10% of the Company's equity.

The meetings of the Supervisory Board are held as necessary but at least three times per financial year. The meetings of the Supervisory Board are convened by the Chairman or the Vice-Chairman and are held in the Company's office or in a location indicated by the Chairman or the Vice-Chairman. The meetings of the Supervisory Board are convened upon the initiative of the Chairman of the Board or at a written request of the Management Board or a member of the Supervisory Board.

The meetings of the Supervisory Board convened at the request of the Management Board or a member of the Supervisory Board must be held within two weeks from the date of submitting the request.

The meetings are presided over by the Chairman and, in his/her absence, by the Vice-Chairman of the Supervisory Board. If neither the Chairman nor the Vice-Chairman of the Supervisory Board is present at the meeting, the meeting is presided over by the Board member appointed by the present attendees. The Chairman or the Vice-Chairman of the Supervisory Board notifies the remaining Members about the meetings and invites them by phone, by fax or in writing in due advance so that the invitation reaches the members 7 (seven) days before the planned date of the meeting at the latest. In emergencies, this period may be shorter.

The Supervisory Board may hold a meeting without being formally convened, if all of its members are present, and no member objects to the meeting being held and to including specific items in the agenda. The meetings of the Supervisory Board may be attended by other persons invited by the Chairman of the Supervisory Board, including Members of the Management Board, but they do not have the right to vote.

The members of the Supervisory Board make decisions related to the exercise of supervisory and control rights by way of resolutions. All Members of the Supervisory Board must be invited to the meeting and at least 50% of the Members must be present at the meeting or otherwise the resolutions of the Supervisory Board are null and void. The Supervisory Board may pass resolutions in writing or using telecommunication, subject that resolutions passed in such a way may not involve the appointment of the Chairman and the Vice-Chairman of the Supervisory Board, the appointment of a Member of the Management Board as well as the dismissal and suspension of these individuals. In such a case, for the resolutions to be valid, the Supervisory Board members must be notified in advance about the draft resolutions.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes. In case of a tied vote when adopting resolutions by the Supervisory Board, the Chairman of the Supervisory Board shall have the casting vote.

The meetings of the Supervisory Board are minuted. Resolutions of the Supervisory Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. In addition, the minutes must include the date and place of the meeting of the Supervisory Board, names of the present Supervisory Board members and the number of votes cast on individual resolutions. The minutes must be signed by all Supervisory Board members attending the meeting. Any dissenting opinions of the attendees must be enclosed to the minutes. The minutes are kept at the Office of the Company's Management Board.

To fulfil their duties, the Supervisory Board has the right to control the full scale of the Company's operations, in particular:

- request the Management Board to provide documents and other materials on the Company's operations
- verify the Company's files and documentation

- demand explanations and reports from the Management Board and from the employees
- revise the status of the company's assets.

The Supervisory Board has the right to submit motions to the General Meeting regarding all issues within its scope of tasks and responsibilities. The Supervisory Board fulfils its duties by acting jointly; it may, however, delegate individual members to independent

and specific supervisory functions by way of a resolution. The Supervisory Board may appoint committees for specific matters.

The secretarial services to the Supervisory Board are provided by the office of Company's the Management Board. The secretarial services include: preparing invitations to the meetings of the Supervisory Board and sending them to the members of the Supervisory Board according to these rules and regula-

tions, organising the premises where the meeting of the Supervisory Board is to be held, preparing minutes from the meeting, providing services during the meeting and archiving the Supervisory Board's documentation.

The Supervisory Boards fulfilled the tasks of the Audit Committee.



Nicklas Lindberg

President of the Management Board



Maciej Drozd

Vice-President of the Management Board



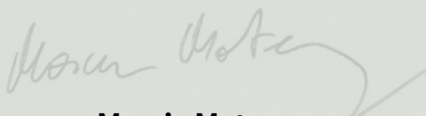
Piotr Gromniak

Vice-President of the Management Board



Artur Langner

Vice-President of the Management Board



Marcin Materny

Member of the Management Board



Rafał Mazurczak

Member of the Management Board

Kielce, 25 April 2017

