

# 2023

## Management Board report on operations of Echo Investment S.A. and its Group



 Towarowa 22, Warszawa (office house, pawilon 5)

**ECHO**  
investment

# Content

Message from CEO	3
------------------	---

---

## **Management Report** **6**

01. General information about the Company and its Group	7
Management Board	8
Supervisory Board	9
02. The Strategy of Profitable Growth	10
03. Business model	13
04. Selected financial data of the Group	14
05. The main figures disclosed in the annual financial statements of Echo Investment S.A. and its Group	15
06. Group segments	21
07. Shareholder structure of Echo Investment S.A. and description of shares	24
08. Volume of the Company's shares and bonds held by managing and supervising persons	28
09. Major events in 2023	29
10. Significant events after the balance sheet day	45
11. Residential segment for individual clients — market outlook and the Group's business activities	50
12. Residential segment for rent — market outlook and the Group's business activities	57
13. Office market in Warsaw in 2023	59
14. Retail segment — market outlook and Group business activities	63
15. Portfolio of properties	65
16. Main investments in 2023 — acquisition of plots	79
17. Factors and unusual events affecting the results in 2023	81
18. Significant factors influencing the development of the Group in coming quarters	84
19. Information on dividend policy and dividend	86
20. Output markets and sources of supplies of materials, goods and services	87
21. Financial liabilities of the Company and its Group	89
22. Sureties and guarantees of the Company and its Group	94
23. Assessment of financial resources management and investment plan feasibility	96
24. Information on borrowings granted in 2023, including to related entities	102
25. Agreements concluded with an auditor	104
26. Composition of the Group	105
27. Other disclosures required by law	106
28. How we manage risk	107

---

## **Statements of the Management Board** **111**

Contact	113
---------	-----

---

# Message from CEO

## Dear Shareholders, Partners, and Clients,

I am glad to share with you the Echo Investment Group's financial report for 2023, marking another year where we continued to advance our Strategy for Profitable growth.

This past year, Echo Investment Group achieved a net profit of more than PLN 67 million, attributable to our parent company's shareholders. This success is a result of the handover of 2,122 new apartments and from the positive reevaluation of our Resi4Rent platform. Currently, Resi-4Rent provides over 4,100 rental apartments in Poland's six major cities. Notably, in the final quarter of 2023, we initiated the construction of around 1,000 such units.

In 2024 we will focus on new projects and another 17 of them are planned to be started. Archicom has integrated all expertise and projects related to our residential for sale projects, strengthening our position in the market. Our strong position is further supported by the commercial sector's current state and the growing demand for destination projects.

In line with our strategy to diversify our investment portfolio, we kicked off the first quarter of 2024 by launching a new joint venture in the living sector alongside Signal Capital Partners. This venture aims to create 5,000 beds in private student dormitories across Poland's cities.

The platforms like Resi4Rent and newly established student housing project are an excellent opportunity for us to both increase the use of our own and the market's

landbank, and competences to maximize investors' returns.

## Cityforming projects in the best locations

In 2023, Echo Investment's office buildings saw over 45,000 sq m leased. All our completed office buildings are now fully leased and we are now in intensive talks with investors as we see the market coming back between second half of 2024 and first half of 2025.

Our latest office developments are located in the most attractive cities. In Warsaw, we are constructing the Office House (31,000 sq m), the first development in the multifunctional Towarowa 22 district, while in Wrocław, we have begun the first phase of Swobodna SPOT (ultimately covering 41,000 sq m). Moreover, in the first quarter of 2024 announced the commencement of the WITA mixed-use project in Cracow, which includes over 26,000 sq m of office space.

We see a big interest from tenants in our newly started office buildings as the supply is now very low and they will be ready in 2025 when we predict that the investment market will be recovering. We expand the CitySpace concept of flexible workspaces, now offering almost 4,000 workstations across Poland.

Echo Investment's projects not only play a significant part in urban development but also provide to the evolving needs of the employees, and ESG community. These buildings are also distinguished by their commitment to eco-friendly practices, notably in reducing carbon emissions.

Our retail properties, Galeria Młociny in Warsaw and Libero in Katowice, are nearly fully leased. In 2023, Galeria Młociny enjoyed a 12% y-o-y increase in turnover and a 4% rise in visitor numbers compared to 2022. For Libero, these figures were even more impressive, with turnover and footfall up by 14% and 9% y-o-y, respectively.

### A reliable partner for investors

In 2023, we broadened our presence on the stock market by introducing new bond series, catering to both individual and institutional investors. Over the last year, the Group successfully issued bonds totaling PLN 702 million in value. These acquired funds have strengthened our development plans, supported by a strong cash reserve within the Group, which stood at more than PLN 813 million at 2023's close. The total value of our assets at the end of 2023 is almost PLN 6 billion.

### Advancing in ESG reporting

Our commitment to sustainable growth is well-established, as we align our operations with the industry's best practices for sustainable development. We have also published our fourth ESG report, crafted for the first time to comply with the new CSRD directive and ESRS standards. This forthcoming report will mark our initial disclosure of the Group's scope 3 carbon footprint, encompassing CO2 emissions across our entire value chain.

I invite you to explore our comprehensive financial report for 2023 for more insights.

Kind regards



---

**Nicklas Lindberg**

CEO of Echo Investment

# The Echo Investment Group - a leading player in the real estate sector in Poland

The Echo Investment Group is the only Polish entity with such extensive experience in the largest real estate market in Central and Eastern Europe. It is responsible for the entire investment process related to the execution of development projects. The Group is composed of a total of nearly 200 subsidiaries and co-subsidiary companies, including Archicom, which in 2023 took over all of the Group's competences in the residential business, the Resi4Rent platform that offers a service of apartments on a subscription basis, and CitySpace operating in the flexible office segment. Under the Echo Investment brand, operations are carried out in the office and retail sectors, as well as the development of mixed-use "destinations" projects.

## Development driven by a sustainable growth strategy

The Echo Investment Group's operations contribute to the development of the construction and real estate sector in Poland, the size of which, together with cooperating industries, is estimated to account for at least 10 percent of GDP. Thanks to technological innovations and ecological solutions implemented in the Group's projects, it has a genuine impact on improving the quality of life in Poland and the competitiveness of the national and local economy.

Despite the volatile macroeconomic environment, in 2023. The Group has successfully benefited from the residential market's return to growth, as well as a stable demand for modern offices. Choices of both buyers and tenants shaped by changing lifestyles and work styles - greater mobility, hybrid working and a shift towards solutions that are safe for the environment and people - are positively influencing the demand and valuation of the Group's assets.

With a view to sustainable development and needs of all stakeholders, the Echo Investment Group regularly reports on its ESG targets and activities. Its strategy is to constantly strive for the zero-carbon performance of its projects and to make a fundamental contribution to sound urban development. Buildings excel in terms of pro-environmental solutions, including reducing their carbon footprint, which is one of the main tenets of the Group's ESG strategy.

## 2023 in figures



Echo and Archicom concluded **1,835 preliminary and developer agreements**. The keys to **2,122 apartments** were handed over to clients.



Resi4Rent maintained its position as the largest player in the sector of apartments for rent in Poland, with more than **4,100 completed units in 13 locations**.



A total of **over 45 thous. sqm of space** was leased in Echo Investment's office buildings.



Construction of **47 thous. sqm of office space** in the Office House building in Warsaw and the first phase of Swobodna SPOT in Wrocław has started.



Ultimately, approx. **1.6 thous. apartments and 3.5 hectares of green space** will be included in one of the Group's largest residential developments - the Modern Mokotów project being developed in Warsaw.



The Echo-Archicom Group has announced **the 2030 ESG Strategy**.



**450 pupils** will study at a model public primary school that Echo Investment has financed and developed at Konstruktorska Street in Warsaw



# Management Report

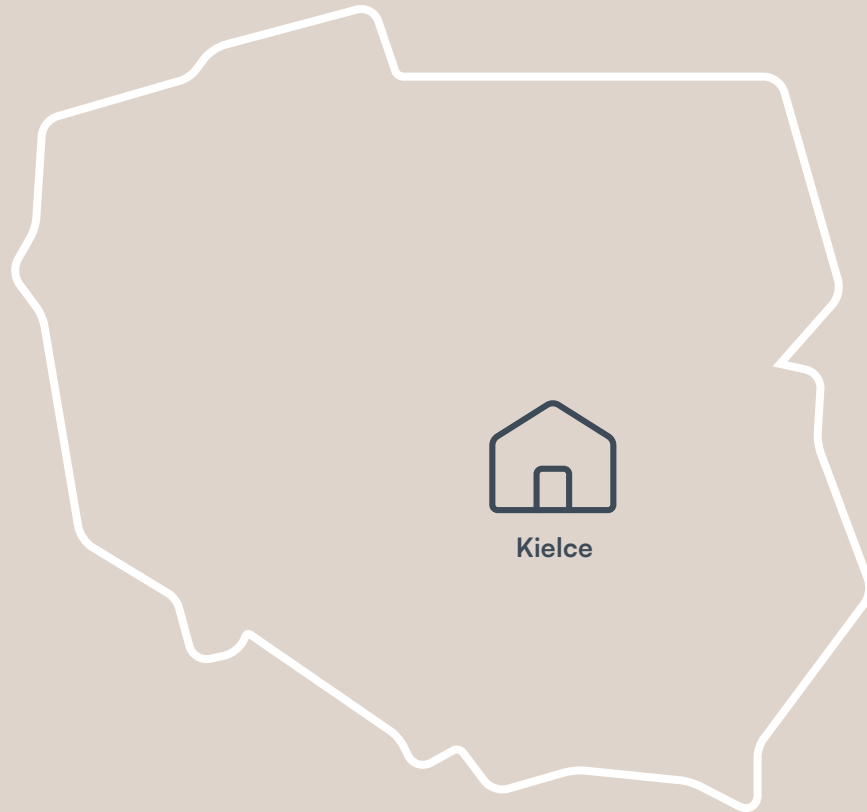


# 01

# General information about the Company and its Group

## 1996

First listing of Echo Investment's shares on the WSE



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

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

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

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

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

Average yearly employment in the Echo Investment Group as at 31 December 2023 amounted to 533 people full-time equivalents.

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

# Management Board

**Nicklas  
Lindberg**

President of the  
Board, CEO



**Maciej  
Drozd**

Vice-President  
of the Board,  
CFO



**Artur  
Langner**

Vice-President  
of the Board



**Rafał  
Mazurczak**

Member of the Board



**Małgorzata  
Turek**

Member of the Board



The professional biographies of the members of the Management Board are described in the Statement on the application of corporate governance principles.



# Supervisory Board

**Noah M.  
Steinberg**

Chairman



**Tibor  
Veres**

Deputy Chairman



**Margaret  
Dezse**

Independent  
Supervisory Board  
Member  
Chair of the Audit  
Committee



**Sławomir  
Jędrzejczyk**

Independent  
Supervisory Board  
Member  
Deputy Chairman  
of the Audit Committee



**Maciej  
Dyjas**

Supervisory Board  
Member



**Péter  
Kocsis**

Supervisory Board  
Member



**Bence  
Sass**

Supervisory Board  
Member



**Nebil  
Senman**

Supervisory Board  
Member  
Audit Committee  
Member



The professional biographies of the members of the Supervisory Board are described in the Statement on the application of corporate governance principles.

# 02

# The Strategy of Profitable Growth

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

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

## Strategia Rentownego Wzrostu



### Leadership

Echo Investment Group is the biggest real estate development company in terms of number of projects as well as its total area, operating in Poland. It is active in both sectors of real estate market: residential and commercial. In accordance with the Strategy of Profitable Growth, Echo Investment is going to be one of the leaders in residential and commercial market, what implies higher dynamics in residential. Big scale of activity allows for optimum use of resources.

### Actions

- Achievement of a leader position in terms of the number of apartments under construction and sold to individual investors and Resi4Rent,
- Purchase a majority stake in the residential developer Archicom in 2021, making the group one of the top five developers selling apartments to individuals in Poland,
- The transfer of the Echo Investment Group's separated residential business to Archicom in August 2023, which will give each company a chance to specialize in its sector of the development industry to maximize the economic benefits of such specialization,
- A significant increase in Archicom's equity in H2 2023 due to the placement of further cash issues of D and E shares, which makes increase in the Company's ability to enter into investment land purchase transactions and the pace at which it can increase its development potential in the residential segment,
- Increasing sales of apartments for individual clients segment: from c.a. 600 apartments sold annually in 2015 to c.a. 1,835 units in 2023,
- Development of Resi4Rent company, which is already the largest private entity in Poland that rents apartments,
- Securing a large landbank, allowing for a further increase of the market share in apartments for sale and rent,
- Entering a new market niche of apartment for rent by developing a company Resi4Rent in cooperation with a reputable financial partner;
- Maintaining the leading position in the office market (in terms of space under construction and preparation, as well as rental),
- Search for new business niches, including in short-term rental (through the development of CitySpace),
- Maintaining the leading position in the retail sector (in terms of relations with tenants and innovative approach),
- Strengthening our competitive advantage by preparation and construction of multifunctional projects that enable us to combine different competencies and implement projects faster.

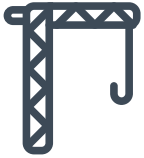


## Large destination projects

Echo Investment Group's many years of experience in three real estate sectors gives a competitive advantage consisting in the ability to implement large, multifunctional and city-forming projects. Thanks to this, the Group can buy larger areas, with regard to which the unit price is lower and the competition among buyers is much smaller. Combining the functions provides for faster completion of the project and comprehensive design of the urban space.

### Actions

- Systematic increase of the land bank for large, multifunctional projects and its share in the entire Group's landbank,
- Successful completion of the first projects combining office, retail, entertainment and residential functions — Warsaw Breweries and Moje Miejsce in Warsaw,
- Construction of Fuzja and Zenit projects in Łódź, which are already very attractive to apartment buyers, tenants or investors buying office buildings,
- Preparation of other multifunctional projects at ul. Towarowa 22 and ul. Wołoska in Warsaw, Wita Stwosza in Kraków, Opińskiego in Poznań, KEN in Warsaw and Kapelanka in Kraków,
- Search for other large areas for multifunctional purposes.



## Development activity

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

### Actions

- Separation of working office and retail assets in 2016 to another company — EPP and sale of all of its shares in 2016-2018,
- Sales of finished office and retail project in optimal time for the possible return ratio, capital management, market expectations and trends — including sales of buildings still remaining under construction or soon after their completion,
- Conducting the sales process of residential projects in such a way that 80 percent of units are sold at the time of completion,
- Provision of development services to external companies for remuneration.



## Focus on Poland

It is the strongest economy and real estate market in the Central and Eastern Europe. Echo Investment, which has been operating on this market for two decades, knows perfectly its potential, background and principles of functioning. This is why the Company focuses on running projects in the most important Polish cities, which are at the same time the most attractive and liquid real estate markets: Warsaw, Tricity, Poznań, Katowice, Wrocław, Krakow and Łódź.

### Actions

- Purchase of real estate for future projects only in the seven largest Polish cities,
- Disposal of non-core projects abroad;
- Disposal of all non-core projects.



## Strategic cooperation with reliable partners

Echo Investment Group values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment Group are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation and limits risks. Echo Investment Group assumes entering into joint-ventures for projects requiring significant capital expenditures, providing its partners with services such as development, planning, leasing, accounting etc. Partners may also be offered by Echo with priority to acquire ready projects on market conditions. Material agreements between Echo Investment Group and its partners need to be discussed and approved by the Supervisory Board.

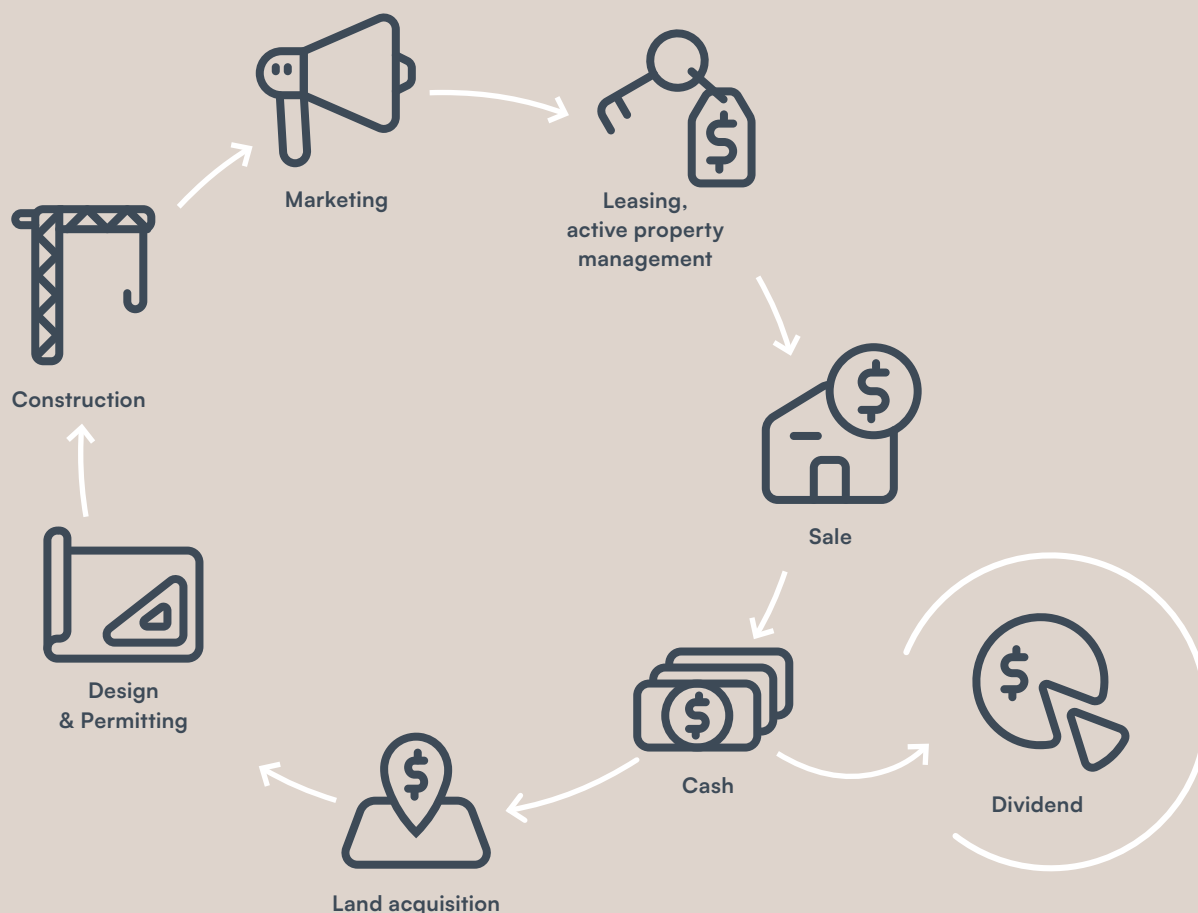
### Actions

- Partnership with reputable investors on large and capital-intensive projects such as Galeria Młociny in Warsaw (EPP), Towarowa 22 in Warsaw (AFI Europe), in which Echo has 30 percent stake and conducts the development and leasing process for remuneration,
- Partnership with a global fund manager PIMCO on the development of Resi4Rent, in which Echo Investment holds 30 percent stake and for which it provides development services for fee.



# 03

## Business model



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

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

1. construction and sale of residential apartments,
2. construction, lease, active property management to increase its value and sale of commercial properties - office and retail buildings,
3. providing services of flexible office space leasing through the company CitySpace,
4. provision of services for other entities, such as Resi4Rent and Student Depot (general contractor, development manager, leasing, consulting etc.),
5. co-controlled of joint venture projects: buildings with apartments for rent Resi4Rent, Galeria Młociny in Warsaw and the “destination” office and residential complex Towarowa 22 in Warsaw.

# 04

# Selected financial data of the Group

## Consolidated financial data of the Group

	[PLN '000]		[EUR '000]	
	as at 31.12.2023	as at 31.12.2022	as at 31.12.2023	as at 31.12.2022
Revenue	1 573 293	1 394 306	347 428	297 401
Operating profit	180 695	275 403	39 903	58 743
Gross profit	178 321	219 001	39 378	46 712
Profit attributable to shareholders of the parent company	67 428	127 150	14 890	27 121
Cash flows from operating activities	(274 784)	9 184	(60 680)	1 959
Cash flows from investment activities	(106 951)	584 836	(23 618)	124 744
Cash flows from financing activities	253 574	(240 703)	55 996	(51 341)
Net cash flow	(128 161)	353 317	(28 302)	75 361
Total assets	5 961 838	6 087 012	1 371 168	1 297 898
Equity attributable to equity holders of the parent	1 690 053	1 643 778	388 697	350 493
Long-term liabilities	2 116 182	1 962 076	486 702	418 362
Short-term liabilities	1 817 567	2 318 624	418 024	494 387
Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
Profit (loss) per one ordinary share	0,16	0,31	0,04	0,07
Book value per one share	4,10	3,98	0,94	0,85

## Euro exchange rate

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

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

- 4.3480 PLN/EUR as at 31 December 2023,
- 4.6899 PLN/EUR as at 31 December 2022.

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

- 4.5284 PLN/EUR in the period from 1 January 2023 to 31 December 2023,
- 4.6883 PLN/EUR in the period from 1 January 2022 to 31 December 2022.

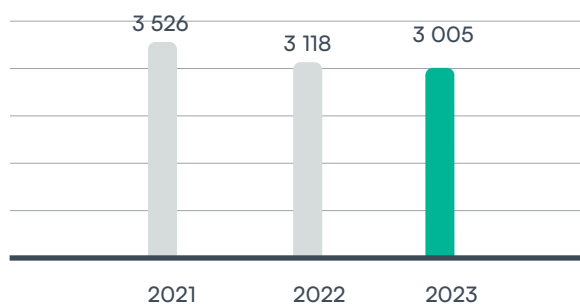
# 05

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

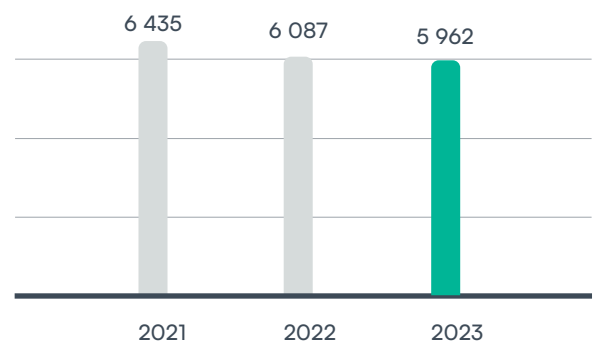
### Assets and liabilities

#### Assets' value [PLN mln]

##### Echo Investment S.A.



##### Echo Investment Group

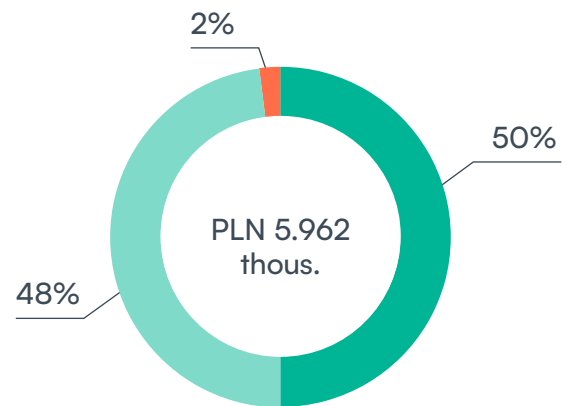


## Assets' structure

Echo Investment S.A.



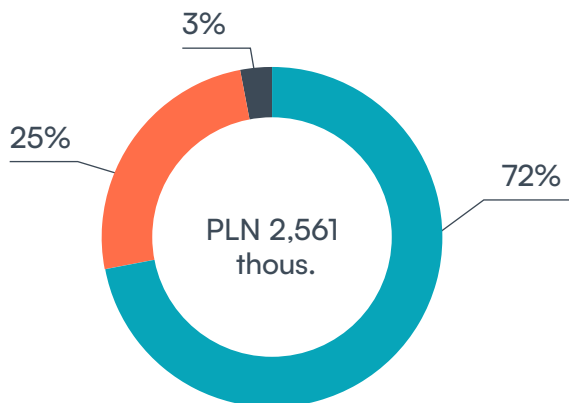
Echo Investment Group



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

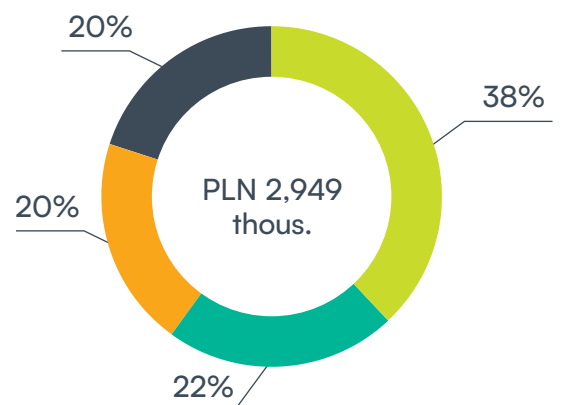
## Non-current assets' structure

Echo Investment S.A.



● — Interests in joint-ventures and associates  
 ● — Borrowings granted  
 ● — Other

Echo Investment Group

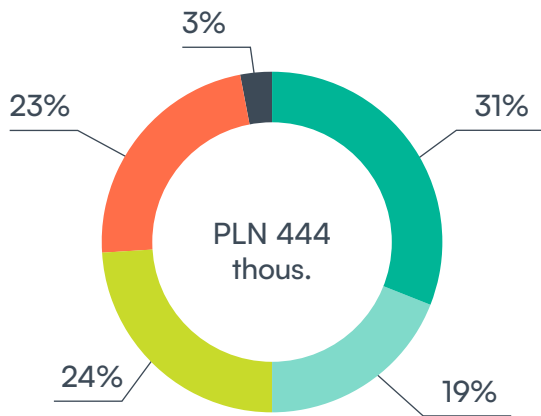


● — Investment properties  
 ● — Investments in associated entities and joint ventures valued the equity method  
 ● — Investment properties under construction



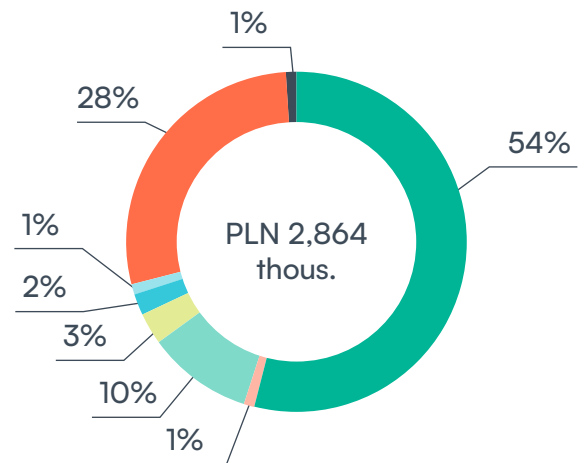
## Current assets' structure

Echo Investment S.A.



- — Inventory
- — Trade and other receivables
- — Cash and cash equivalents
- — Receivables from income tax
- — Loans granted

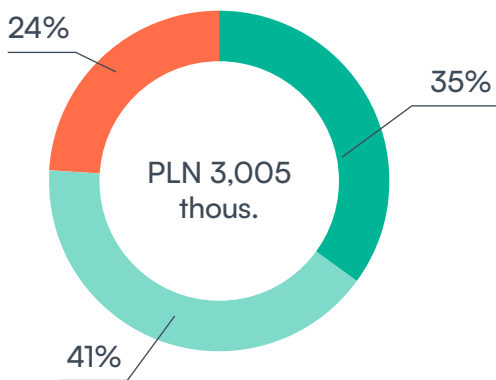
Echo Investment Group



- — Receivables from other taxes
- — Other financial assets
- — Derivative financial instruments
- — Other

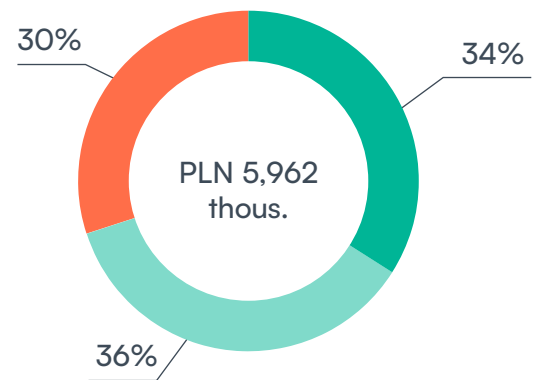
## Equity and liabilities

Echo Investment S.A.



- — Equity
- — Long-term liabilities
- — Short-term liabilities

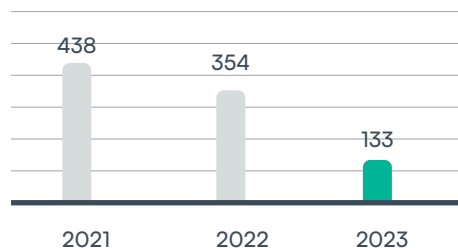
Echo Investment Group



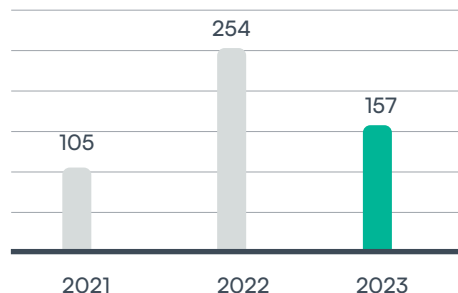
# Profit and loss account

## Echo Investment S.A.

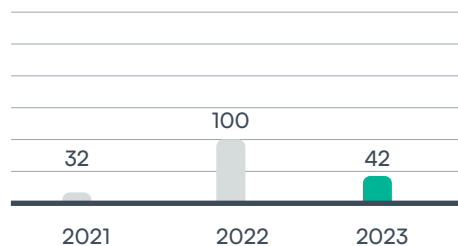
Revenue  
[PLN mln]



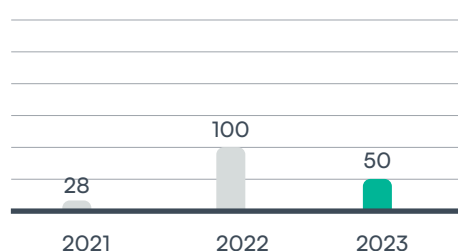
Operating profit  
[PLN mln]



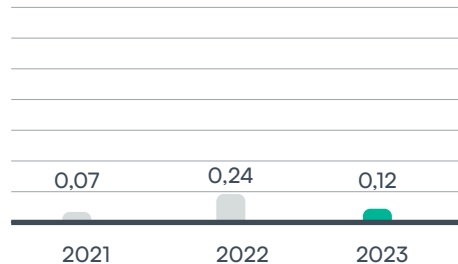
Gross profit  
[PLN mln]



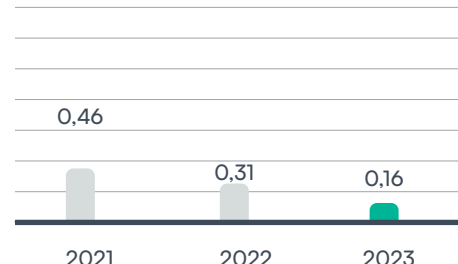
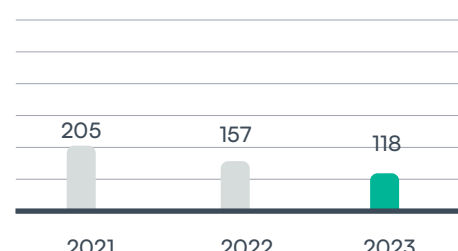
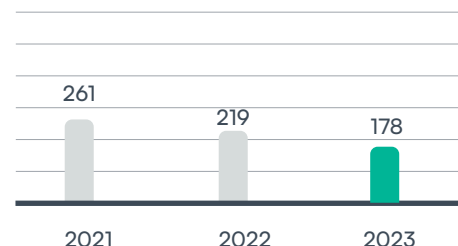
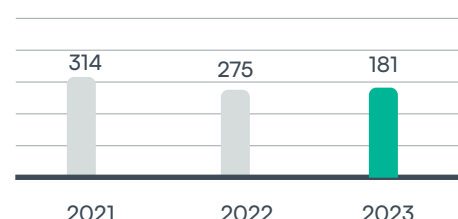
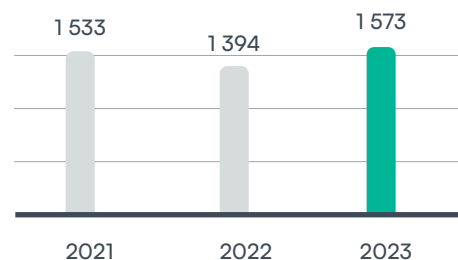
Net profit  
[PLN mln]



Net profit  
per share  
[PLN]



## Echo Investment Group



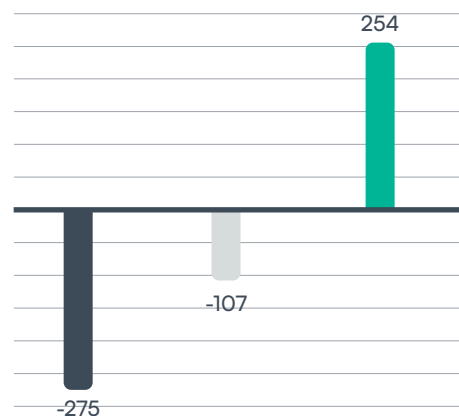
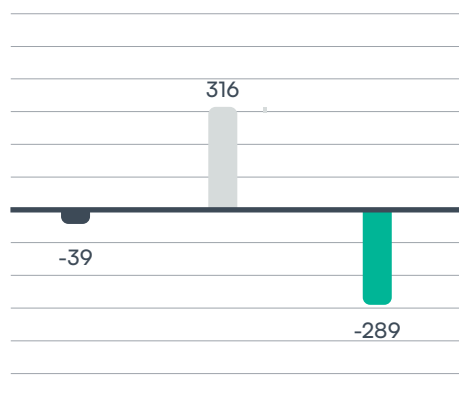
# Cash flow

## Echo Investment S.A.

## Echo Investment Group

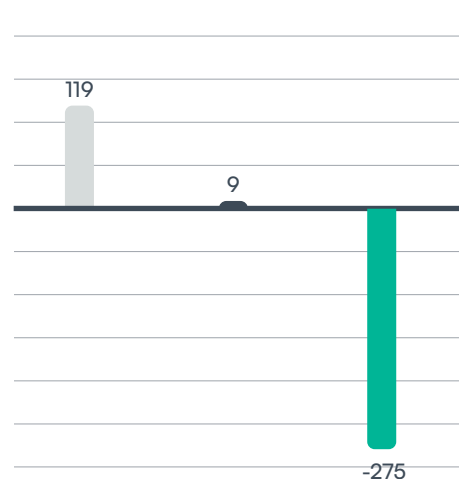
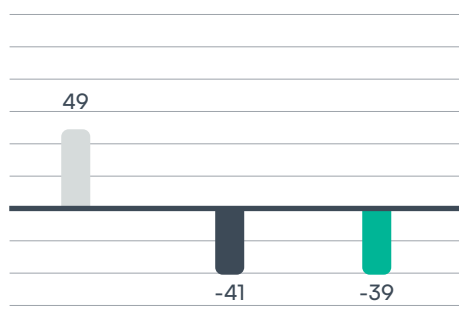
### Cash flow in 2023 [PLN mln]

- – cash flow on operational activity
- – cash flow on investing activity
- – cash flow on financing activity



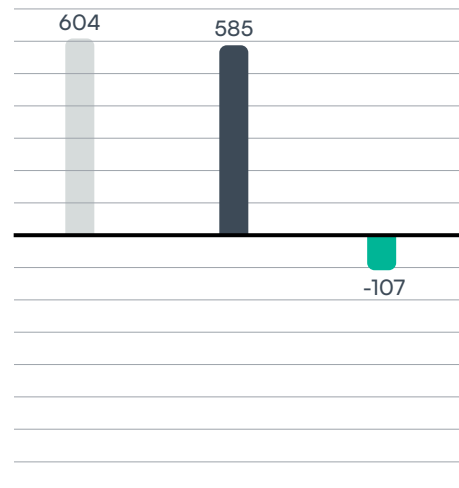
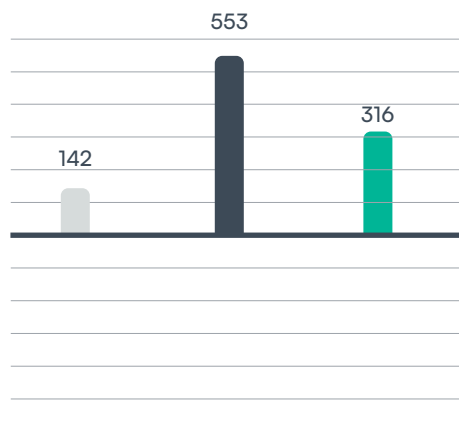
### Cash flow on operating activity [PLN mln]

- – 2021
- – 2022
- – 2023



### Cash flow on investment activity [PLN mln]

- – 2021
- – 2022
- – 2023

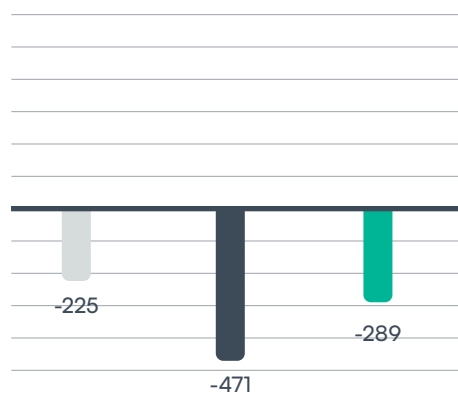


# Cash flow

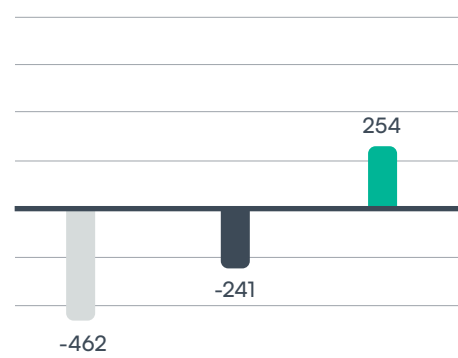
## Cash flow on financing activity [PLN mln]

- 2021
- 2022
- 2023

### Echo Investment S.A.



### Echo Investment Group





## 06

## Group segments

**Consolidated statement of financial position**  
**— allocation to segments**  
**as at 31 December 2023 [PLN '000]**

	Total		Residential		Resi4Rent		Commercial properties	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>								
<b>Non-current assets</b>								
Intangible assets	76 365	71 752	74 142	69 758	-	-	2 223	1 994
Property, plant and equipment	56 489	60 409	32 402	11 880	-	-	24 087	48 529
Investment property	1 144 456	1 094 638	-	32 938	-	-	1 144 456	1 061 700
Investment property under construction	583 506	486 625	-	-	-	-	583 506	486 625
Investment in associates and joint ventures	642 468	478 180	-	-	259 814	169 192	382 654	308 988
Long-term financial assets	267 757	326 675	695	3 476	263 501	220 628	3 561	102 571
Derivative financial instruments	-	26 251	-	8 620	-	1 653	-	15 978
Other assets	1 655	1 549	1 655	1 549	-	-	-	-
Deferred tax asset	112 993	94 494	77 844	53 403	-	22	35 149	41 069
Land intended for development	63 063	21 359	59 356	17 652	-	-	3 707	3 707
	<b>2 948 752</b>	<b>2 661 932</b>	<b>246 094</b>	<b>199 276</b>	<b>523 315</b>	<b>391 495</b>	<b>2 179 343</b>	<b>2 071 161</b>
<b>Current assets</b>								
Inventory	1 553 824	1 592 885	1 461 739	1 505 274	-	656	92 085	86 956
Current tax assets	15 199	14 925	6 155	2 831	34	-	9 010	12 094
Other taxes receivable	80 801	81 762	64 370	40 517	58	239	16 373	41 006
Trade and other receivables	291 400	333 577	171 345	192 479	16 998	8 442	103 057	132 655
Short-term financial assets	38 392	15 327	-	586	-	-	38 392	14 741
Derivative financial instruments	11 065	366	3 565	-	670	-	6 830	366
Other financial assets	59 730	88 914	27 463	55 436	-	-	32 267	33 478
Cash and cash equivalents	813 836	941 997	442 647	271 245	508	237	370 681	670 515
	<b>2 864 247</b>	<b>3 069 753</b>	<b>2 177 284</b>	<b>2 068 368</b>	<b>18 268</b>	<b>9 574</b>	<b>668 695</b>	<b>991 811</b>
<b>Assets held for sale</b>	148 839	355 327	-	-	-	-	148 839	355 327
	<b>3 013 086</b>	<b>3 425 080</b>	<b>2 177 284</b>	<b>2 068 368</b>	<b>18 268</b>	<b>9 574</b>	<b>817 534</b>	<b>1 347 138</b>
<b>Total assets</b>	<b>5 961 838</b>	<b>6 087 012</b>	<b>2 423 378</b>	<b>2 267 644</b>	<b>541 583</b>	<b>401 068</b>	<b>2 996 877</b>	<b>3 418 300</b>

**Consolidated statement of financial position**  
**— allocation to segments**  
**as at 31 December 2023 [PLN '000]**

	Total		Residential		Resi4Rent		Commercial properties	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Equity and liabilities</b>								
<b>Equity</b>	2 028 089	1 806 312	814 998	644 061	283 446	213 517	929 645	948 734
	<b>2 028 089</b>	<b>1 806 312</b>	<b>814 998</b>	<b>644 061</b>	<b>283 446</b>	<b>213 517</b>	<b>929 645</b>	<b>948 734</b>
<b>Long-term liabilities</b>								
Credits, loans, bonds	1 708 807	1 609 032	630 194	340 732	177 256	131 396	901 357	1 136 904
Acquisition of shares	-	-	-	-	-	-	-	-
Derivative financial instruments	331	-	-	-	-	-	331	-
Long-term provisions	9 283	5 356	7 513	5 356	-	-	1 770	-
Deferred tax liabilities	154 154	140 651	75 022	65 431	-	-	79 132	75 220
Leasing	142 037	138 837	20 093	13 610	-	-	121 944	125 228
Other liabilities	101 570	68 200	25 884	30 299	-	-	75 686	37 901
Liabilities under contracts with customers	-	-	-	-	-	-	-	-
	<b>2 116 182</b>	<b>1 962 076</b>	<b>758 706</b>	<b>455 428</b>	<b>177 256</b>	<b>131 396</b>	<b>1 180 220</b>	<b>1 375 253</b>
<b>Short-term liabilities</b>								
Credits, loans, bonds	631 767	667 980	197 701	154 945	63 806	55 484	639 091	457 551
Credits, loans, bonds - non-current assets classified as held for sale	54 122	142 494	-	-	-	-	54 122	142 494
Acquisition of shares	-	51 478	-	51 478	-	-	-	-
Derivative financial instruments	441	-	-	-	-	-	441	-
Income tax payable	4 812	31 174	4 083	7 573	-	-	729	23 601
Other taxes liabilities	12 368	147 176	11 620	25 287	-	-	748	121 889
Trade payable	113 965	142 867	58 676	84 275	116	480	55 173	58 112
Dividend payable	6 986	90 792	6 986	84 214	-	-	-	6 578
Leasing	72 097	96 389	22 636	60 768	-	-	49 461	35 621
Short-term provisions	31 339	51 238	16 318	20 252	-	188	15 021	30 798
Other liabilities	162 409	238 348	78 281	66 512	13 959	4	70 169	171 832
Liabilities due to customers	457 377	613 679	453 373	612 851	3 000	-	1 004	828
	<b>1 816 514</b>	<b>2 273 615</b>	<b>849 674</b>	<b>1 168 156</b>	<b>80 881</b>	<b>56 156</b>	<b>885 959</b>	<b>1 049 304</b>
<b>Liabilities directly associated with non-current assets classified as held for sale</b>	1 053	45 009	-	-	-	-	1 053	45 009
	<b>1 817 567</b>	<b>2 318 624</b>	<b>849 674</b>	<b>1 168 156</b>	<b>80 881</b>	<b>56 156</b>	<b>887 012</b>	<b>1 094 313</b>
<b>Total equity and liabilities</b>	<b>5 961 838</b>	<b>6 087 012</b>	<b>2 423 378</b>	<b>2 267 644</b>	<b>541 583</b>	<b>401 068</b>	<b>2 996 877</b>	<b>3 418 300</b>

**Consolidated profit and loss account**  
**— allocation to segments for the period**  
**of 1 January - 31 December 2023 [PLN ‘000]**

	Total		Residential		Resi4Rent		Commercial properties	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenues	1 573 293	1 394 306	1 293 422	1 109 627	35 409	16 873	244 462	267 806
Cost of sales	(1 085 831)	(901 913)	(890 262)	(732 132)	(15 126)	(9 115)	(180 443)	(160 666)
<b>Gross profit</b>	<b>487 462</b>	<b>492 393</b>	<b>403 160</b>	<b>377 495</b>	<b>20 283</b>	<b>7 758</b>	<b>64 019</b>	<b>107 140</b>
Profit on investment property	(75 920)	(11 427)	-	-	-	-	(75 920)	(11 427)
Administrative costs associated with project implementation	(61 891)	(71 390)	(45 673)	(53 090)	(541)	(581)	(15 677)	(17 719)
Selling expenses	(49 412)	(50 038)	(42 632)	(40 213)	(519)	(1 152)	(6 261)	(8 673)
General and administrative expenses	(105 983)	(84 264)	(47 686)	(35 613)	(17 128)	(11 462)	(41 169)	(37 189)
Other operating income	12 846	18 323	7 430	4 329	13	-	5 403	13 994
Other operating expenses	(26 407)	(18 194)	(14 397)	(5 336)	(6)	-	(12 004)	(12 858)
<b>Operating profit</b>	<b>180 695</b>	<b>275 403</b>	<b>260 202</b>	<b>247 573</b>	<b>2 102</b>	<b>(5 437)</b>	<b>(81 609)</b>	<b>33 268</b>
Financial income	18 750	50 496	12 268	17 708	10 287	6 783	(3 805)	26 005
Financial cost	(187 122)	(154 699)	(61 765)	(52 053)	(9 472)	(8 470)	(115 885)	(94 176)
Profit (loss) on FX derivatives	403	(5 725)	-	(3 207)	-	-	403	(2 518)
Foreign exchange gains (losses)	68 232	(15 151)	9 141	(3 901)	1 680	(346)	57 411	(10 904)
Share of profit (loss) of associates and joint ventures	97 363	68 677	-	-	94 339	69 140	3 024	(463)
<b>Profit before tax</b>	<b>178 321</b>	<b>219 001</b>	<b>219 846</b>	<b>206 120</b>	<b>98 936</b>	<b>61 670</b>	<b>(140 461)</b>	<b>(48 789)</b>
Income tax	(60 458)	(62 455)	(71 661)	(58 780)	(32 249)	(17 587)	43 452	13 913
<b>Net profit (loss)</b>	<b>117 863</b>	<b>156 546</b>	<b>148 185</b>	<b>147 339</b>	<b>66 687</b>	<b>44 083</b>	<b>(97 009)</b>	<b>(34 876)</b>
Equity holders of the parent	67 428	127 150	97 730	117 939	66 687	44 083	(96 989)	(34 872)
Non-controlling interest	50 435	29 396	50 455	29 400	-	-	(20)	(4)

# 07

# Shareholder structure of Echo Investment S.A. and description of shares

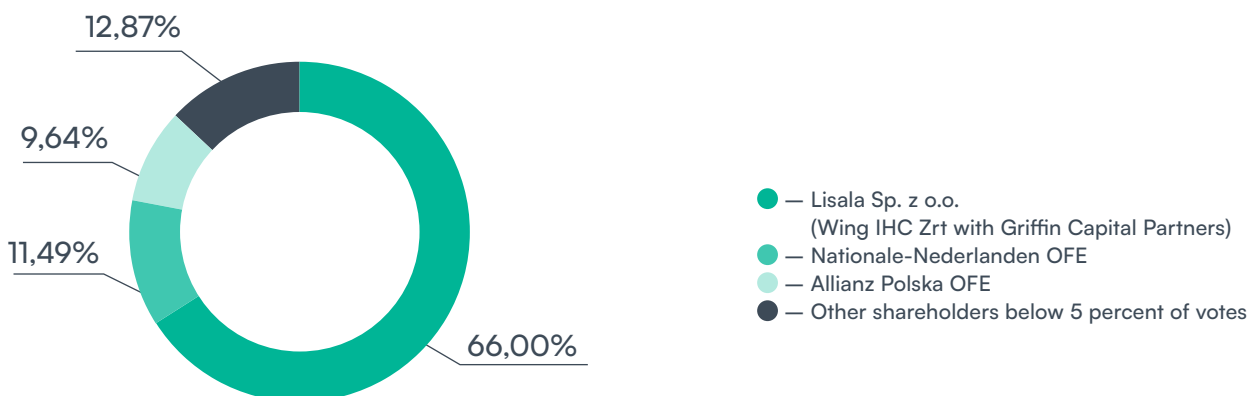
The Company's share capital amounts to PLN 20,634,529.10 and is divided into 412,690,582 shares with a nominal value of PLN 0.05 each. Each share in

the Company carries the right to one vote at the General Meeting. There are no preference shares in the Company.

## Significant Shareholders holding at least 5 percent of the total number of votes at the Company's General Meeting of Shareholders as at the date of signing of this report, i.e. 27 March 2024.

Shareholder	number of shares	% of capital	number of votes	% of votes
Lisala Sp. z o.o. (Wing IHC Zrt with Griffin Capital Partners)	272 375 784	66.00	272 375 784	66.00
Nationale-Nederlanden OFE	47 413 000	11.49	47 413 000	11.49
Allianz Polska OFE	39 781 769	9.64	39 781 769	9.64
Other shareholders below 5 percent of votes	53 120 029	12.87	53 120 029	12.87

## % of the capital as at 27 March 2024

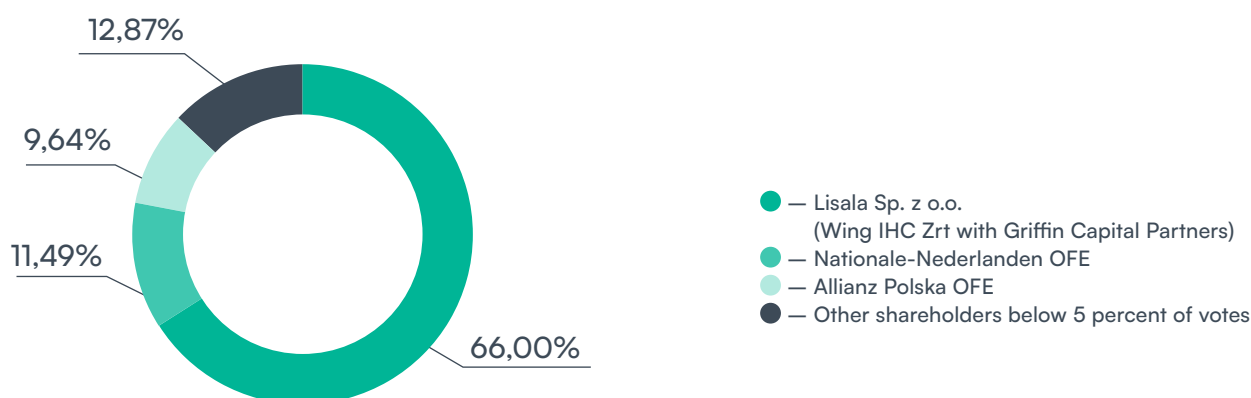




## Significant Shareholders holding at least 5 percent of the total number of votes at the Company's General Meeting of Shareholders as at the date of publication of this report, i.e. 31 December 2023

Shareholder	number of shares	% of capital	number of votes	% of votes
Lisala Sp. z o.o. (Wing IHC Zrt with Griffin Capital Partners)	272 375 784	66.00	272 375 784	66.00
Nationale-Nederlanden OFE	47 413 000	11.49	47 413 000	11.49
Allianz Polska OFE	39 781 769	9.64	39 781 769	9.64
Other shareholders below 5 percent of votes	53 120 029	12.87	53 120 029	12.87

## % of the capital as at 31 December 2023



## Shares held by management and supervisory personnel as at the date of signing of this report, i.e. 27 March 2024

Managing and supervising personnel	number of shares	% of capital	number of votes	% of votes
Nicklas Lindberg — President of the Management Board, CEO	945 772	0.23	945 772	0.23
Maciej Drozd — Vice-President of the Management Board, CFO	291 065	0.07	291 065	0.07
Péter Kocsis — Member of the Supervisory Board	111 084	0.03	111 084	0.03
Bence Sass — Member of the Supervisory Board	50 000	0.01	50 000	0.01

## Shares held by management and supervisory personnel as at 31 December 2023

Managing and supervising personnel	number of shares	% of capital	number of votes	% of votes
Nicklas Lindberg — resident of the Management Board, CEO	945 772	0.23	945 772	0.23
Maciej Drozd — ice-President of the Management Board, CFO	291 065	0.07	291 065	0.07
Péter Kocsis — Member of the Supervisory Board	111 084	0.03	111 084	0.03
Bence Sass — Member of the Supervisory Board	50 000	0.01	50 000	0.01

## Significant changes to the shareholder structure in 2023 and as at the date of signing of this report

In 2023 the Company received:

- a notification from Wing International Zrt. regarding the indirect acquisition of 272,375,784 shares of Echo Investment S.A. from Wing IHC Zrt. As explained in the notification, the transaction involves entities in the same group of companies,
- a notification from PTE Allianz Polska S.A., which manages Allianz Polska OFE, that following the liquidation of Drugi Allianz OFE, 39,781,769 shares representing 9.64 percent of the Company's share capital were recorded in Allianz OFE's account, which gives the right to exercise 39,781,769 votes from shares representing 9.64 percent of the total number of votes at the Company's GSM.

Since the date of publication of the last financial statements, i.e. since 28 November 2023, there has been one change in the shares held by management and supervisory personnel. As a result of a stock exchange transaction, the CEO acquired 39,400 shares in the Company (CR No. 52/2023).

## Information on agreements which may result in future changes in the proportions of shares held by existing Shareholders

The Company is not aware of any agreements that may result in future changes in the proportions of shares held by existing shareholders.

## Own shares

The Company does not currently hold own (treasury) shares.

## Restrictions related to the transfer of ownership of securities and providing special control rights

Securities issued by Echo Investment S.A. do not provide special control rights to their holders. Echo Investment S.A. is not aware of any restrictions on the exercise of voting rights or on the transfer of ownership rights by holders of its securities.

## Quotations of Echo Investment S.A. shares

Shares of Echo Investment S.A. were first floated on the Warsaw Stock Exchange on 5 March 1996. The share price on the first day was PLN 0.43. In the last year, the price of Echo Investment S.A. shares according to closing prices was as follows:

- on the last day of 2022 the price was to PLN 3.02,
- the minimum in 2023 was PLN 3.00 (1st March), the maximum price was PLN 4.41 (11th September),
- at the closing of the last session in 2023, the price amounted to PLN 4.00.

As at 31 December 2023, shares of Echo Investment S.A. were included in the following indices of the Warsaw Stock Exchange:

### WIG

The WIG index is the first exchange index and has been calculated since April 16, 1991. The initial value of WIG index was 1000 points. At present WIG index comprises all companies listed at WSE Main List that meet base eligibility criteria. The WIG index follows the diversification principle, aimed at the limiting the share of a single company and a single exchange sector. It is an income-type index and thus when it is calculated it accounts for both prices of underlying shares and dividend and subscription rights.

### WIG140

The WIG140 index is published from 20 December 2021, based on the value of a portfolio of shares of 140 companies classified in WIG20, mWIG40 and sWIG80 indices. The WIG140 is an income-type index, which means that both prices of the transactions included in it and income from dividends and subscription rights are taken into account in its calculation.

### sWIG80

The sWIG80 index is a continuation of the WIRR index and has been calculated since 31 December 1994 and includes 80 small companies listed at the WSE Main Market. sWIG80 is a price-type index, which means that only prices of the transactions included in the index are taken into account in its calculation and dividend income is not included. The sWIG80 index does not include companies from the WIG20 and mWIG40 indices, as well as foreign companies listed simultaneously at the WSE and other markets with a market value on the ranking day of more than EUR 100 million.

## sWIG80TR

The sWIG80TR index has been calculated since 18 September 2017, based on the value of a portfolio of shares of 80 small companies listed at the WSE Main Market. Unlike sWIG80, sWIG80TR is the income-type index, which means that both prices of its transactions and dividend income are taken into account in its calculation. All other index construction rules are consistent with the sWIG80 index methodology.

## WIG-Poland

The WIG-Poland index (previously WIG-PL) is the first national index calculated by the stock exchange since 22 December 2003. The index comprises only shares of domestic companies listed at the WSE Main Market that meet the base eligibility criteria. The historical values and rules of the index are identical to the WIG index. This means that from 16 April 1991 to 19 December 2003, the values and portfolio structure of both indices were the

same. Currently, both the values and participants of WIG-PL and WIG are different. Like the WIG, the WIG-Poland index is an income-type index and in its calculation both prices of the shares included in it and income from dividends and subscription rights are taken into account.

## WIG-real estate

The WIG-real estate index is a sub-sector index comprising companies participating in the WIG index and also classified in the 'real estate' sector. The sub-index portfolio contains the same holdings as the WIG index portfolio. The index base date is 15 June 2007 and the index value on that date was 6543.82 points. The methodology of the sub-index is the same as that of the WIG index, i.e. that it is an income-type index and both prices of the shares included in it and income from dividends and subscription rights are taken into account in its calculation.

# WING

## About a majority shareholder

WING is a leading property development and investment group in Central Europe. It has significant market shares in the property markets of Germany, Poland and Hungary. WING is the majority owner of Poland's largest property developer, ECHO Investment, which is listed on the Warsaw Stock Exchange, as well as of Bauwert, a leading German residential and commercial property developer. WING is one of the largest property developer and investor companies in Hungary, which is active in all market

segments, including office, industrial, retail, hotel and residential development. In Germany, Poland and Hungary, WING has a total of 5,17 million sqm of floorspace in its development portfolio.

The group is a reliable, long-term partner for leading corporations active in the Central European region. The company's aim is to deliver world-class projects that are good for people and respectful of the environment.

# 08

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

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

Management Board, Maciej Drozd Vice-president, CFO, Péter Kocsis and Bence Sass, members of the Supervisory Board.

### Volume of shares of Echo Investment S.A. held by members of the Management Board and the Supervisory Board as at 31 December 2023

Surname / Position in the company	Number of shares held	Share in the capital and votes at GMS
<b>Nicklas Lindberg</b> President of the Board, CEO	945 772	0,23
<b>Maciej Drozd</b> Vice-President of the Board, CFO	291 065	0,07
<b>Péter Kocsis</b> Supervisory Board Member	111 084	0,03
<b>Bence Sass</b> Supervisory Board Member	50 000	0,01

Since the date of publication of the last financial statements, i.e. 28 November 2023, there has been one change in the shares held by management and supervisory persons. As a result of a stock exchange transaction, the President of the Management Board acquired 39,400 shares in the Company (CR No. 52/2023).

None of members of the Management Board or the Supervisory Board held any bonds of Echo Investment S.A. as on the date of signing the report, i.e. on 27 March 2024.

## Organization

### **Preliminary agreement concerning a transfer of the residential business of Echo Investment S.A. to Archicom S.A.**

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

Pursuant to the agreement, Echo Investment acquired new shares of Archicom in exchange for a contribution

in kind, which issued thereby, subject to the exclusion of the pre-emptive rights of the existing shareholders and offered for subscription by the Company after the Parties and their governing bodies complete all of the actions and obtain all of the consents that were required for the effective execution of the transaction.

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

On 26 May 2023, the Management Board of Archicom S.A. signed a report on the in-kind contribution made by Echo Investment to Archicom, covering the organisationally separated residential segment of Echo Investment's business.

In the published Management Report, Archicom presented the value of the in-kind contribution estimated by an independent expert at nearly PLN 830 million. The

proposed issue price at which Echo Investment acquired 22,825,700 new issue shares in Archicom was set at PLN 36.34 per share.

In accordance with both standard methodology and in order to ensure full comparability, the valuation of the in-kind contribution and the determination of the issue price were based on valuations prepared by the independent expert using two methods: the income method - discount-

ed cash flows and the market method, based on a comparative analysis including comparable companies listed on the Warsaw Stock Exchange.

---

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

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 25 July 2023. It passed a resolution concerning the completion of the transaction

through an in-kind contribution to Archicom S.A., encompassing Echo Investment S.A.'s standalone housing business.

---

## **The appointment of supervisory persons at Archicom S.A.**

On 27 July 2023, the Management Board of Archicom S.A. announced that the Extraordinary General Meeting of Shareholders of the Company decided to appoint

Mr Bence Sass and Mr Peter Kocsis to the Supervisory Board of the Company for a joint five-year term of office with the other members of the Supervisory Board.

---

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

On 28 July 2023, the Management Board of Archicom S.A. announced that the Company had received a statement from Mr Rafal Mazurczak, signed on 27 July 2023,

about his resignation from the position of a member of the Supervisory Board of the Company. No reason for the resignation was stated in the statement sent.

---

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

On 1 August 2023, Echo Investment S.A. entered into an agreement with Archicom S.A. for the transfer to Archicom S.A. of the in-kind contribution covering Echo Investment Group's separated residential business. The change its purpose was to organize the structure of the Echo Investment Group, where Archicom Group will be the residential part and Echo Group will focus on growing the commercial and PRS segments, as well as on creating mixed-use 'destination' projects as Warsaw Breweries or Towarowa 22.

The company also entered into an agreement to acquire 22.8 million C1, C2, C3, C4, C5-series ordinary registered shares in the share capital of Archicom S.A., with a total nominal value of PLN 228 million, in exchange for the in-kind contribution. The value of the in-kind contribution, according to the valuation prepared on 31 March 2023, amounted to nearly PLN 830 million, by means of a private subscription.

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

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

---

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

---

## PLN 830 million

the value of in-kind contribution of the residential business of Echo Investment Group to Archicom

---

## Appointment of Vice President of the Management Board of Archicom S.A.

On 15 September 2023, the Supervisory Board of Archicom S.A. passed a resolution to appoint Ms Agata

Skowrońska-Domańska as Vice President of the Management Board of the current term.



## Issue of bonds by Echo Investment for institutional investors (in PLN)

The bonds are not secured and are listed on the Warsaw Stock Exchange. The money raised was spent on business development and rollover of the company's debt maturing in 2023 and 2024.

The 2I/2023-series bonds public offering was carried out based on the agreement approved Ipopema Securities S.A. registered in Warsaw, under the Company's bond issue program up to PLN 500 million from 2022, increased to PLN 1 billion by an annex of 25 October 2023.

# PLN 140 million

value of the bonds (in PLN) issued by Echo Investment for institutional investors

Series	2I/2023
Data of issued	24.05.2023
Value	PLN 140 mln
Maturity	5 years
Interest	WIBOR 6M + margin 4,5%
Offering agent	Ipopema Securities S.A.

## Issue of bonds by Echo Investment for institutional investors (in EUR)

The bonds are not secured and are listed on the Warsaw Stock Exchange. The money raised was spent on business development and rollover of the company's debt maturing in 2023 and 2024.

Concurrently, in connection with the bond issue process, the Company acquired for redemption bonds of series 1E/2020 with a total nominal value of EUR 31.3 million, registered in the Central Securities Depository (Krajowy Depozyt Papierów Wartościowych) and with ISIN code: PLECHPS00316, maturing on 23 October 2024.

The 3I/2023-series bonds public offering was carried out based on the agreement approved Ipopema Securities S.A. registered in Warsaw, under the Company's bond issue program up to PLN 500 million from 2022, increased to PLN 1 billion by an annex of 25 October 2023.

# EUR 43 million

value of the bonds (in EUR) issued by Echo Investment for institutional investors

Series	3/2023
Data of issued	27.10.2023
Value	EUR 43 mln
Maturity	5 years
Interest	EURIBOR 6M + margin 7,4%
Offering agent	Ipopema Securities S.A.

## Issue of bonds by Archicom S.A. for institutional investors

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

# PLN 272 million

total value of the bonds issued by Archicom for institutional investors under the Company's bond issue program up to PLN 350 million from 2016

Series	M7/2023	M8/2023
Data of issued	17.03.2023	7.11.2023
Value	PLN 62 mln	PLN 210 mln
Maturity	2 years	3 years
Interest	WIBOR 3M + margin 3.5%	WIBOR 3M + margin
Offering agent	mBank	mBank

## Issue of public bonds by Echo Investment for individual investors

The P, P2 and R-series ordinary bearer bonds are registered with Krajowy Depozyt Papierów Wartościowych S.A.

The P-series and P2-series bonds (PLECHPS00373) and the R-series (PLECHPS00381) are listed in the continuous trading system on the Catalyst main market operated by the Warsaw Stock Exchange.

# PLN 100 million

total value of two series of bonds issued by Echo Investment for individual investors in 2023 under the V established program of bond issue for individual investors of up to PLN 300 million or its equivalent in EUR

The money raised will be spent on business development and rollover of the company's debt maturing in 2023 and 2024.

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

Series	P2	P	R
Data of issued	1.08.2023	1.08.2023	15.11.2023
Value	PLN 15 mln	PLN 35 mln	PLN 50 mln
Maturity	4 years	4 years	4 years
Interest	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%
Offering agent	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw	Powszechna Kasa Oszczędności Bank Polski S.A. Branch — the Brokerage Office in Warsaw

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

On 18 April 2023, Echo Investment acquired a block of Archicom S.A.'s shares representing 8.31 percent of the share capital and carrying 13.32 percent of total votes at the general meeting, through the acquisition of all shares of DKRA sp. z o.o. . The sellers were Archicom S.A. found-

ers - Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki. The transaction was conducted on the basis of an option agreement dated 22 April 2021. The price of the shares amounted to PLN 61 million.

## Establishment and approval of a bond issue program for individual investors

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

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

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

# PLN 300 million

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



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

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

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

## Conclusion of a placement agreement, approval of transactions with related parties and commencement of the book-building process in a private placement offering of newly issued D-series and E series shares and sale of existing shares of Archicom S.A.

On 25 September 2023, the Management Board of Echo Investment S.A. entered into agreements with Archicom S.A., DKR Echo Investment Sp. z o.o. and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna - Oddział Biuro Maklerskie in Warsaw, for the placement of the Company's shares in connection with:

- the offering and sale by DKR Echo Investment Sp. z o.o. of up to 6,107,432 ordinary bearer shares of the Company, representing 12.59 % of the Company's share capital and 11.16 % of the total number of votes at the Company's general meeting of shareholders prior to the Company's issue of D-series and E-series shares, and
- the offering of up to 3,892,568 newly issued D-series ordinary bearer shares of the Company or up to 6,107,432 newly issued E-series ordinary registered shares of the Company (D-series shares and E-series shares together as "New Issue Shares"), addressed in both cases to investors acquired by the offering agent (except for E-series shares offered exclusively to Echo or Echo's subsidiaries), through a private placement, and the admission and introduction of the rights to D-series shares (if applicable) and D-series shares to trading on the regulated market operated by the Warsaw Stock Exchange.

Under the Offering, eligible investors could purchase no more than 10,000,000 shares of the Company, i.e. no more than 3,892,568 D-series shares and no more than 6,107,432 shares for sale, while no more than 6,107,432 E-series shares will be offered exclusively to Echo or Echo subsidiaries designated by Echo's Management Board.

The book-building process for D-series shares and shares for sale began immediately after the publication of Ar-

chicom's current report and Echo's current report on the start of the book-building process and were conducted under the accelerated book-building procedure.

In order to participate in the book-building process, each investor must enter into a relevant agreement covering the service of reception and transmission of orders.

The issue of the New Issue Shares shall be carried out with the exclusion of the pre-emptive rights of the Company's existing shareholders. The New Issue Shares and the shares for sale were offered through a private placement, addressed exclusively to selected investors who meet the following criteria: (i) they were qualified investors within the meaning of Article 2(e) of the Prospectus Regulation, as referred to in Article 1(4)(a) of the Prospectus Regulation, or (ii) they were investors who purchase securities with a total value of at least EUR 100,000.

The issue price of -series shares was determined by the Company's Management Board.

Pursuant to the Placement Agreement, the selling price of the shares for sale was equal to the issue price of the New Issue Shares.

Following the completion of the book-building process, the Management Board of Archicom S.A. selected, in consultation with DKR Echo Investment Sp. z o.o., Echo Investment S.A. and Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna - Oddział Biuro Maklerskie, the eligible investors to whom Archicom S.A. made offers to subscribe for the New Issue Shares and purchase the shares for sale, and determined the final number of the New Issue Shares to be offered to each such investor.

## Completion of the subscription of D and E-series shares of Archicom S.A., allotment of D and E-series shares of Archicom S.A. and approval of a transaction with a related party

On October 4, 2023, the Management Board of Echo Investment S.A. informed that the subscription process had been completed and agreements had been concluded with investors to acquire 3,892,568 D-series shares and 6,107,432 E-series shares issued pursuant to Resolution No. 3/IX/2023 of the Extraordinary General Meeting of Archicom S.A. dated 25 September 2023 on increasing the Company's share capital by way of issuing D-series ordinary bearer shares and E-series ordinary registered shares in a private placement, depriving existing shareholders of their entire pre-emptive rights with respect to all D-series and E-series shares, amending the Company's Articles of Association, applying for the admission and introduction of D-series shares or rights to D-series shares and E-series shares to trading on a regulated market operated by the Warsaw Stock Exchange S.A.

In connection with the New Issue Shares being duly subscribed and paid in full, the Company's Management Board on 4 October 2023 adopted a resolution to allot to investors who signed share subscription agreements all D-series Shares and to DKR Echo Investment Sp. z o.o., a subsidiary of Echo, all E-series Shares. The issue price of all D-series and E-series shares ("New Issue Shares") was

the same and amounted to PLN 22.00 for one New Issue Share.

At the same time, the Management Board of Echo announced that the Supervisory Board of Echo, acting in the interest of Echo and with respect to the investment perspective of non-affiliated shareholders, including minority shareholders, has approved the conclusion by the Selling Shareholder, which is a subsidiary of Echo, of a material transaction within the meaning of Art. 90h(1) (1) of the Act dated 29 July 2005 on public offering and terms of introducing financial instruments to organized trading and on public companies, with a related party, within the meaning of Article 90h(1)(2) of the Public Offering Act, i.e. the Company, in the form of the conclusion by the Company with the Selling Shareholder of a share subscription agreement relating to the Selling Shareholder's acquisition of E-series shares. In the opinion of Echo's Management Board, the conclusion of the agreement to subscribe for E-series shares occurred under market conditions and is justified by Echo's interest in respecting the investment perspective of non-affiliated shareholders, including minority shareholders.

---

## Statement of the Management Board of Archicom S.A. on the determination of the amount of the increased share capital

On 4 October 2023, Archicom's Management Board informed that a declaration in the form of a notarial deed had been submitted to determine the amount of the Company's share capital.

As a result of the issue of D-series shares and E-series shares, through a private placement, effectively subscribed for and fully paid in cash contributions were: (i) 3,892,568 D-series shares with a nominal value of PLN

10.00 each, that is, with a total nominal value of PLN 38,925,680, and (ii) 6,107,432 E-series shares with a nominal value of PLN 10.00 each, that is, with a total nominal value of PLN 61,074,320. As a result, the amount of the Company's share capital subscribed for under the subject increase amounts to a total of PLN 100,000,000. Therefore, the Management Board determined the amount of the Company's share capital to be PLN 584,960,430.

## Completion of the subscription of D-series and E-series shares of Archicom S.A.

On 11 October 2023, the Management Board of Archicom S.A. announced information on the completed subscription of 3,892,568 D-series ordinary bearer shares and 6,107,432 E-series ordinary registered shares with a nominal value of PLN 10.00 each. The New Issue Shares were offered in a private placement

The book-building process was performed on 25-26 September 2023, and the process of concluding subscription agreements for D-series and E-series shares was completed on 4 October 2023.

- The date of allotment of securities: the New Issue Shares were allotted on October 4, 2023
- The number of securities covered by the subscription or sale: The subject of the subscription was 3,892,568 D-series shares and 6,107,432 E-series shares with a nominal value of PLN 10.00 each.
- The number of securities for which subscriptions were submitted for the subscription or sale: There were 3,892,568 D-series shares and 6,107,432 E-series shares with a nominal value of PLN 10.00 each acquired in a private placement.
- The number of securities that were allocated as part of the subscription or sale conducted: 3,892,568 D-series shares and 6,107,432 E-series shares with a nominal

value of PLN 10.00 each were allotted in a private placement.

- The price at which securities were subscribed (purchased): D-series shares were subscribed at the same issue price as E-series shares, which amounted to PLN 22.00 per New Issue Share.
- The number of persons who subscribed for securities covered by the subscription or sale in individual tranches: D-series shares were acquired by 31 entities. All E-series shares were acquired by DKR Echo Investment S.A. The private placement was not divided into tranches.
- The number of persons to whom securities were allotted as part of the subscription or sale in individual tranches: As part of the Offering, D-series shares were allotted to 31 investors, and all E-series shares were allotted to DKR Echo Investment sp. z o.o.
- The value of the subscription or sale carried out, understood as the product of the number of securities covered by the offering and the issue price or sale price: The value of the Offering amounted to PLN 220,000,000.

The payment method for the subscribed (purchased) securities: The New Issue Shares were acquired in exchange for cash contributions.

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

On 15 May 2023 the Echo Investment's Management Board has made public its recommendation to allocate an amount equal to the advance dividend paid, i.e. PLN 90.8 million,

or PLN 0.22 per share, to dividends from 2022 profit. The final decision was taken by shareholders at the Ordinary General Meeting of Shareholders on 29 June 2023.

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

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

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

### Resolution on payment of the dividend advance from 2023 profit

On 5 October 2023, the Management Board of Echo Investment S.A., considering that:

- a. the Company's approved separate financial statements for the 2022 financial year showed a net profit of PLN 100,211,857.23,
- b. the Company made a net profit of PLN 102,855,980.55 from the end of the previous financial year to 30 June 2023,

decided to pay the Company's shareholders an advance dividend for the 2023 financial year (hereinafter the Dividend Advance) in the total amount of PLN 90.79 million.

The Dividend Advance was paid on 10 November 2023. Shareholders holding shares of the Company on 3 November 2023 were entitled to the Dividend Advance.

The resolution to pay the Dividend Advance was approved by the Issuer's Supervisory Board.

## PLN 90.79 million

total amount of the dividend advance from 2023 profit paid to the Company's shareholders



## Present of Towarowa 22 project in Warsaw

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

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

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

Roundabout and the historic build-ings of Wola.

### Towarowa 22

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

### 200,000 sqm

total floor area of the buildings

### 150 metre

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



Towarowa 22 w Warszawie, flagship ‘destination’ project



## Sale of Moje Miejsce II office building in Warsaw



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

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

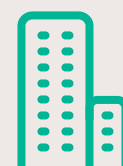
The office building is part of the Moje Miejsce (also known as My Place) project that forms a multifunctional urban quarter combining office buildings, apartments, service outlets and well-designed public spaces. Moje Miejsce II office building offers nearly 17,000 sqm of

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

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

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

JEMS Architekci is responsible for the design of the project.



# EUR 45 million

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



Moje Miejsce II Office in Warsaw

## Agreement for the construction of buildings as part of the “Awipolis” residential estate at Chachaja Street in Wrocław

On 11 July 2023, a subsidiary of Archicom S.A. - Archicom Nieruchomości JN3 Sp. z o.o. entered into an agreement with OPEX S.A., the subject of which is the execution of works involving the comprehensive implementation of an investment project covering the construction of residential buildings L6a, L6b, L7 and L8, together with underground garages, land development and technical infrastructure

at Chachaja Street in Wrocław, as part of the “Awipolis” residential estate phase 4 and “Awipolis” phase 4a.

The remuneration to the contractor due to the execution of the subject matter of the above-mentioned Agreement is PLN 73.31 million net, increased by VAT.

---

## Acquisition of a property in Warsaw

On 13 September 2023, a subsidiary of the Echo Investment Group, i.e. Archicom Warszawa Sp. z o.o., as the buyer, and Ghelamco Postępu Sp. z o.o. with its registered office in Warsaw, a company of the Ghelamco Group, as the seller, entered into an agreement for the sale of real estate located in Warsaw held in perpetual usufruct by the seller.

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

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

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

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

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



---

## Agreement for purchase of a property in the area of Towarowa Street in Warsaw

On 11 October 2023, the Management Board of Archicom S.A. executed a conditional agreement dated 16 August 2023, signing an agreement transferring the right of perpetual usufruct to one of the three properties covered by the preliminary agreement entered into between the parties on 23 February 2022 regarding the property located in the area of Towarowa Street in Warsaw.

The price for the property totals: EUR 12.5 million net, plus applicable VAT, and PLN 2 million, which will be increased by applicable VAT in the relevant part.

A multi-family residential project with services is planned to be developed on the Property in question.

**EUR 12.5 million**

the value of the property purchased by Archicom S.A. at Towarowa 22 Street in Warsaw for a multi-family residential project with services

---

## Agreement for the purchase of a property at Władysława Reymonta Street in Wrocław

On 14 November 2023, Archicom S.A. informed of the finalization of a transaction for the purchase of land at Władysława Reymonta Street in Wrocław for a residential project enriched with a retail and service zone. The uniqueness of the property is highlighted by the so-called waterfront, i.e. its location on the very shoreline of the Odra River.

The transaction was valued at PLN 72 million

**PLN 72 million**

the value of the plot purchased by Archicom S.A. at Władysława Reymonta Street in Wrocław for a multi-family residential project with services

## Agreement for the purchase of a property at Powstańców Śląskich Street in Wrocław

On 22 November 2023, a subsidiary of Archicom S.A. - RPGZ XXXI Sp. z o.o. signed an agreement for the purchase of a property located in Wrocław at Powstańców Śląskich Street intended for a multi-family residential project with services, where 11,800 sqm of usable area can be created.

# PLN 55 million

the value of a plot of land purchased by Archicom S.A. at Powstańców Śląskich Street in Wrocław for a multi-family residential project involving services

---

## Agreement for the purchase of a property at Hasa Street in Łódź

On December 1, 2023, Archicom S.A. revealed the acquisition of a parcel valued at PLN 90 million in the Śródmieście district of Łódź. Situated in close proximity to the modern Łódź Fabryczna station, a pivotal hub within the city's transportation network, the parcel constitutes an essential component of the New Center of Łódź urban revitalization concept. The name of the project is "Flow".

# PLN 90 million

the value of the plot purchased by Archicom S.A. next to the Łódź Fabryczna station for a multi-family residential development with services

---

## Adoption of EGS strategy for Echo-Archicom Group

On 28 March 2023 the Group announced its ESG Strategy Echo-Archicom 2030. It is a step-by-step road map that lays out how the Group is to decarbonize through zero-emission developments while further increasing the role of greenery in projects and supporting appropriate city development. Both companies also intend to provide their employees with equal career and training opportunities, maximize construction site safety and strengthen its corporate governance.

The Echo-Archicom 2030 sustainable development strategy comprises three parts that correspond to the environment (E), society (S) and corporate governance (G). All the goals conform to UN Sustainable Development Goals and they are both specific and measurable.

From 2026, only renewable energy is planned to be used by the Group in its offices, in each of its Cityspace locations, in all the buildings it constructs and owns, as well as on all of its construction sites. The strategy of the two companies is for their projects to counteract city sprawl. Both companies have also undertaken to plant trees with twice the ecological value as those that had to be felled in any given year. In the social sphere, the corporate goals are to ensure equality between men and women in their pay, promotions, and the positions, they hold as well as to ensure the safety and the high standard of working conditions on all of its construction sites. For corporate governance, the company has set itself the tasks of raising awareness of business ethics among its employees, improving the understanding of ESG at the Management and the Supervisory Board level, and also of reviewing its good practices every year.



## ESG Strategy 2030

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

 Stacja Wola Apartments in Warsaw

# 10

# Significant events after the balance sheet day

## Organization

Organization • Bonds and shares • Profit and dividend • Projects • ESG

### Execution of a joint venture agreement with Rank Progress S.A.

On 7 March 2024, documents concerning the establishment of a joint venture by Archicom S.A. and Rank Progress S.A. were signed, as a result of which Archicom Wrocław 2 Sp. z o.o. became the subject of joint ownership of the two aforementioned companies. Archicom's share in the joint venture will be 55 percent and Rank Progress 45 percent.

The JV initiative relates to the construction of a residential project in the area located at Browarna Street in Wrocław. The project involves the contribution of land by Rank Progress to the company, and Archicom will handle the comprehensive development of the project. As part of the three-phase project, it is planned to build a residential estate with more than 45,000 sqm of usable floor space, including nearly 800 apartments.



## Issue of public bonds by Echo Investment for individual investors

The S and S2-series ordinary bearer bonds are registered with Krajowy Depozyt Papierów Wartościowych S.A.

The S-series bonds (PLECHPS00399) and S2 (PLECHPS00399) are listed in the continuous trading system on the Catalyst main market operated by the Warsaw Stock Exchange.

The money raised will be spent on business development and rollover of the company's debt maturing in 2024 and 2025.

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

Series	S	S2
Data of issued	26.02.2024	20.03.2024
Value	PLN 70 mln	PLN 70 mln
Maturity	4 years	4 years
Interest	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%
Offering agent	Consortium: 1) Biuro Maklerskie of PKO Bank Polski 2) Michael / Ström Dom Maklerski Spółka Akcyjna 3) Noble Securities Spółka Akcyjna	Consortium: 1) Biuro Maklerskie of PKO Bank Polski 2) Michael / Ström Dom Maklerski Spółka Akcyjna 3) Noble Securities Spółka Akcyjna

## PLN 140 million

value of series S and S2 of bonds issued by Echo Investment for individual investors in 2024 under the V established program of bond issue for individual investors of up to PLN 300 million or its equivalent in EUR

## Issue of public bonds by Echo Investment for institutional investors (in PLN)

The 4I-series bonds (PLO017000103) are not secured and will be listed to introduction to trading in the alternative trading system operated by the Warsaw Stock Exchange S.A.

The money raised will be spent on rollover part of the company's debt under bonds maturing in 2024 and 2025.

The 4I/2024-series bonds public offering was carried out based on the agreement approved Ipopema Securities S.A. registered in Warsaw, under the Company's bond issue program up to PLN 500 million from 2022, increased to PLN 1 billion by an annex of 25 October 2023.

## PLN 100 million

value of series 4I-series of bonds issued by Echo Investment for individual investors in 2024 under the established program of bond issue for individual investors of up to PLN 1 billion or its equivalent in EUR

Series	4I/2024
Data of issued	27.02.2024
Value	PLN 100 mln
Maturity	5 years
Interest	WIBOR 6M + margin 4.5%
Offering agent	Ipopema Securities S.A.

At the same time, in connection with the process of issuing series 4I bonds, the Company purchased the following bonds for redemption:

Emitent	Series	ISIN code	Maturity date	Nominal value
Echo Investment S.A.	1P/2021	PLO017000053	22.10.2024	PLN 16 mln
Echo Investment S.A.	1/2021	PLO017000046	17.03.2025	PLN 12 mln
Echo Investment S.A.	2/2021	PLO017000061	10.11.2025	PLN 72 mln

All purchased bonds are registered in the National Depository of Securities.

## PLN 100 million

value of bonds redeemed by Echo Investment Group in 2024

## Increase in the maximum value of the Bond Issue Program of Archicom S.A., purchase of own bonds for redemption and issue under the amended Program

On 2 February 2024, the Management Board of Archicom S.A. announced that an amendment to the program agreement dated 17 June 2016 between Archicom S.A. and mBank S.A. had been concluded.

The Bond Issue Program of Archicom S.A. has been increased from PLN 350 million to PLN 500 million of the total maximum amount of issued and outstanding bonds.

On 22 February 2024, Archicom S.A. concluded a transaction of purchase of its own bonds series M6/2022 (ISIN PLO221800090) with a total nominal value of PLN 2.5 million, registered in the National Depository for Securities

S.A. The transaction of purchase of bonds was carried out for the purpose of their redemption, in connection with the intention to issue bonds.

On 1 March 2024, Archicom S.A. issued M9/2024 series coupon bonds with a total nominal value of PLN 168 million. The issue concerns unsecured ordinary bearer bonds with a variable interest rate of WIBOR 3M plus a margin for investors, with a maturity of 3 years and 3 months. The basis for the issue of Bonds is the program agreement of 17 June 2016 concluded between Archicom S.A. as the issuer and mBank S.A. based in Warsaw.

## Profit and dividend

[Organization](#) • [Bonds and shares](#) • **[Profit and dividend](#)** • [Projects](#) • [ESG](#)

### Dividend advance payment

On 27 November 2023, the Management Board of Archicom S.A., in view of the approval by the Ordinary General Meeting of the Company's financial statements for the 2022 financial year, which showed a profit, and in view of the audit of the Company's financial statements for H1 2023 by the auditor, which also showed a profit,

decided to conditionally pay the Company's shareholders an advance towards the expected dividend for the 2023 financial year, in the total amount of PLN 26,908,179.78, i.e. in the amount of PLN 0.46 per share.

The advance payment was made on 19 January 2024.

## Archicom has expanded its land holdings along the Odra River

In January 2024, Archicom announced the completion of its acquisition of additional parcels of land on Reymonta Street in Wrocław. These newly acquired plots are con-

tiguous to those announced in November 2023. The land obtained in this manner will facilitate the development of a residential project comprising over 800 apartments.

## Echo Investment has finalized the construction of the Brain Park office complex.

At the outset of 2024, Echo Investment successfully obtained the occupancy permit for the second phase of its development project in the heart of Krakow. Situated at

the intersection of Pokoju Avenue and Fabryczna Street, the Brain Park has introduced 43,000 sq m of total floor space to the regional market.

## Conclusion of significant agreements on the establishment of a joint venture to construct purpose-built student housing

On 6 March 2024, Echo Investment S.A. entered into a transaction with Signal Alpha 3 R1 S.à r.l. regarding the establishment of a joint venture, under which the parties will develop projects for the construction of student housing in Poland.

Echo Investment S.A. intends to engage up to EUR 31.3 million in the venture. The assumed time frame for the

implementation of the venture will be from 3 to 5 years. The assumed number of beds to be provided as part of the venture will be at least 5,000. The assumed proportions of the venture's financing sources will be (i) 40 percent-50 percent - financing from the parties; (ii) the remaining 60 percent - 50 percent - debt.

# EUR 31.3 million

This is how much Echo Investment S.A. intends to spend in the construction of student housing in Poland

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

## Polish residential for sale market in 2023

In 2023, developers collectively sold nearly 58,000 new apartments across six primary markets, including Warsaw, Kraków, Wrocław, Tricity, Poznań, and Łódź. However, only 43,000 units were made available for sale, marking a decline to the lowest level in over a decade. In the Q4, 14,300 apartments were sold, representing a 13 percent decrease from the preceding quarter. Despite this decline, overall sales in 2023 surged by an impressive 65 percent compared to 2022.

The heightened demand was spurred by various factors, including prospective buyers seeking apartments meeting the criteria of the government program "Safe 2% credit," as well as concerns about potential price hikes and limited availability. Approximately 60,000 loan agreements were signed by buyers, with around 30-40 percent of them pertaining to apartments in the primary market. While the mortgage loan market experienced a recovery in the latter half of the year, a significant portion of buyers still opted to purchase with cash, aiming to safeguard their savings or capitalize on investment opportunities.

### 14,300

quantity of apartments sold in the Q4 across six primary markets, marking a 13% decrease q-on-q.

### 16,000

the overall number of apartments introduced to the market in the Q4 across six main markets.

### 36,200

the total inventory available at the end of 2023 across six primary markets.

2023 marked a notable downturn in supply, hitting its lowest level in a decade. Developers introduced 43,000 new apartments to the market, representing a 12 percent decrease year-on-year. The highest numbers of new apartments were delivered in Warsaw (5,500), Kraków (2,800), and Łódź (2,700). Warsaw and Łódź also boasted the largest inventories by year-end, totaling 9,700 and 6,700 units, respectively. Conversely, Wrocław experienced historically low supply levels, with only 1,300 apartments brought to market in

Perspectives of each market sectors in coming 12 months:

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



the last quarter and a total offering of 4,500 units.

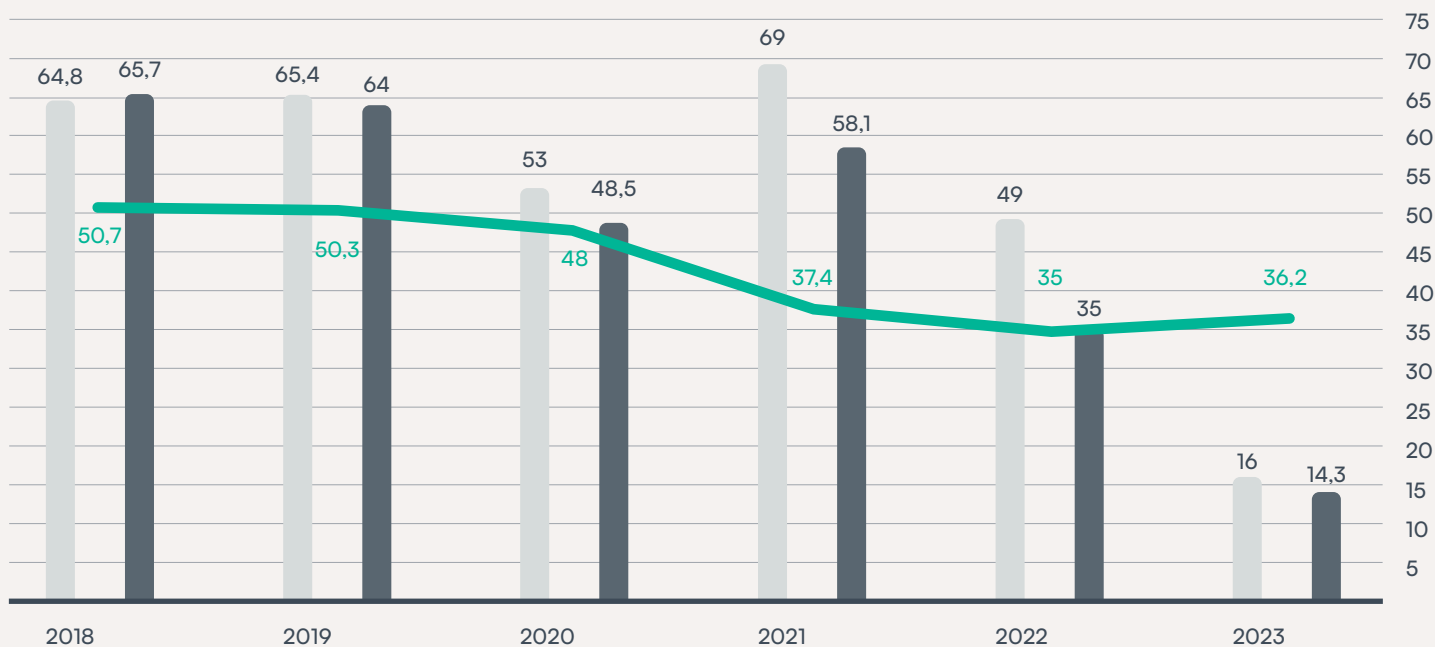
The inadequate increase in new supply failed to match the heightened demand, resulting in a scarcity of available properties, particularly in

the markets of Warsaw, Kraków, and Wrocław. The combined inventory across all six markets amounted to 36,200 apartments.

Furthermore, 2023 witnessed a record double-digit surge in average

apartment prices across all standards, ranging from 14 to 22 percent depending on the market. The average asking price for a new apartment spiked by 20.5 percent year-on-year, outpacing inflation, which stood at 6.2 percent in December.

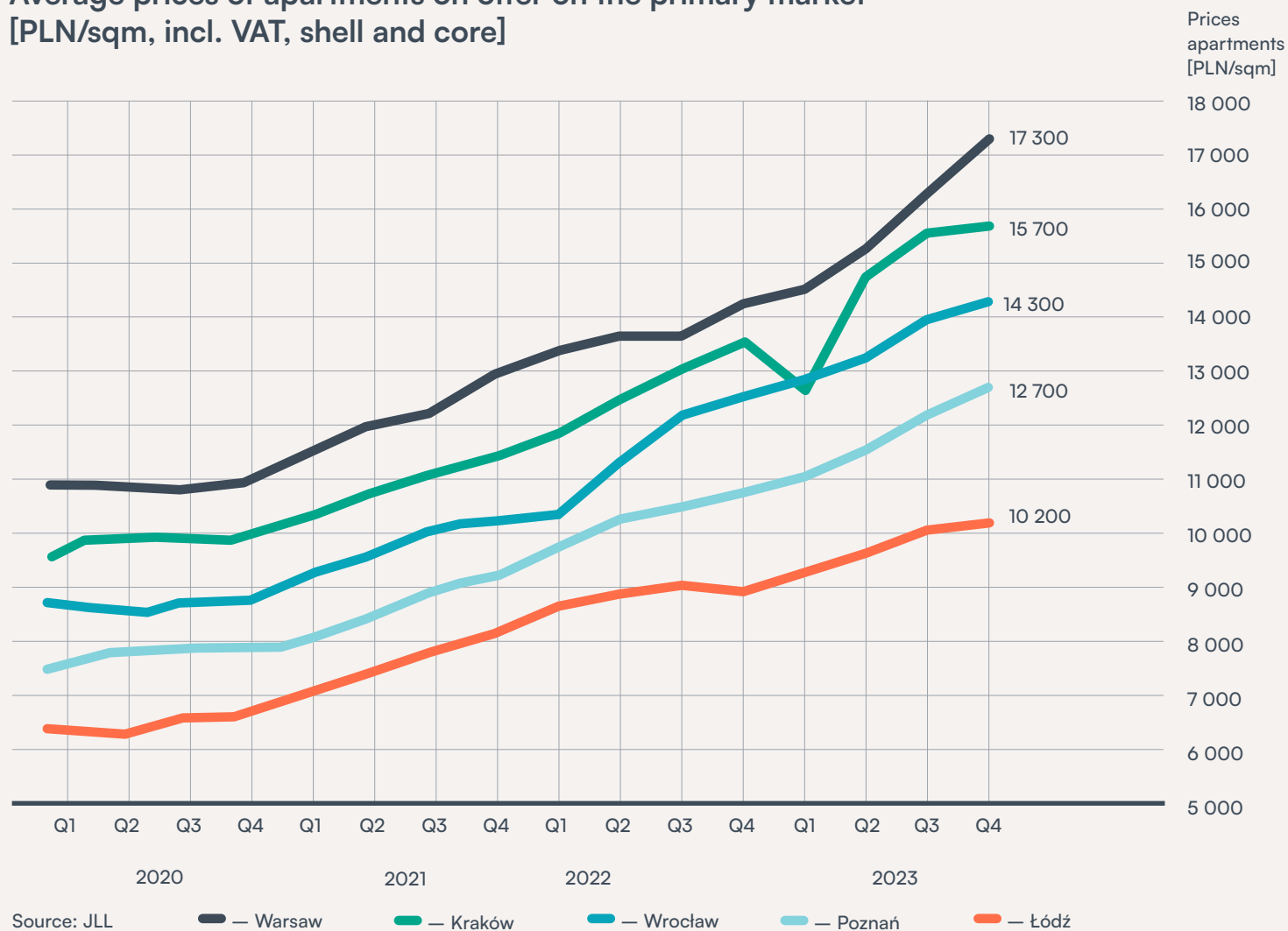
### Apartments sold and launched for sale and the volume of the offer [thousands of units]



Source: JLL

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

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







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

**1,835**

total sold apartments

**3,801**

total number of units whose construction we plan to start in 2024

**4,089**

total number of units under construction

**~ 1,500**

estimated number of units at an early stage preparations or premises to be purchased in 2024

**2,122**

total jointly handed apartments to the customers



From the beginning of 2023, Echo Investment Group sold 1,835 apartments and handed over the keys to 2,122 apartments. The Group also started construction of 2,043 units for sale. Further phases of the Wrocław projects entered the offer: Sady nad Zieloną, Awipolis and Południk 17, one in Warsaw — Modern Mokotów and further phases of the Łódź projects: Fuzja I Zenit.

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

 Olimpia Port Apartments in Wrocław



## Residential projects launched in 2023

Project / address	Sales area [sqm]	Number of units	Start	Targeted completion
<b>WROCLAW</b>				
Sady nad Zieloną 2 A1, C ul. Blizanowicka	5 100	98	I Q 2023	IV Q 2024
Awipolis etap 4a ul. Władysława Chachaja	10 000	188	II Q 2023	I Q 2025
Awipolis etap 4b ul. Władysława Chachaja	3 200	56	III Q 2023	III Q 2025
Sady nad Zieloną 2B ul. Blizanowicka	6 400	123	IV Q 2023	III Q 2025
Południk 17 ul. Karkonoska	15 000	285	IV Q 2023	II Q 2026
Południk 17 ul. Karkonoska	9 600	187	IV Q 2023	II Q 2026
<b>WARSAW</b>				
Modern Mokotów I ul. Domaniewska	29 900	554	III Q 2023	II Q 2025
Modern Mokotów V ul. Domaniewska	14 500	261	IV Q 2023	III Q 2025
<b>ŁÓDŹ</b>				
Zenit II ul. Widzewska	6 000	120	IV Q 2023	IV Q 2024
Fuzja Lofty G02 ul. Tymienieckiego	9 700	187	IV Q 2023	IV Q 2025
<b>Total</b>	<b>109 400</b>	<b>2 059</b>		

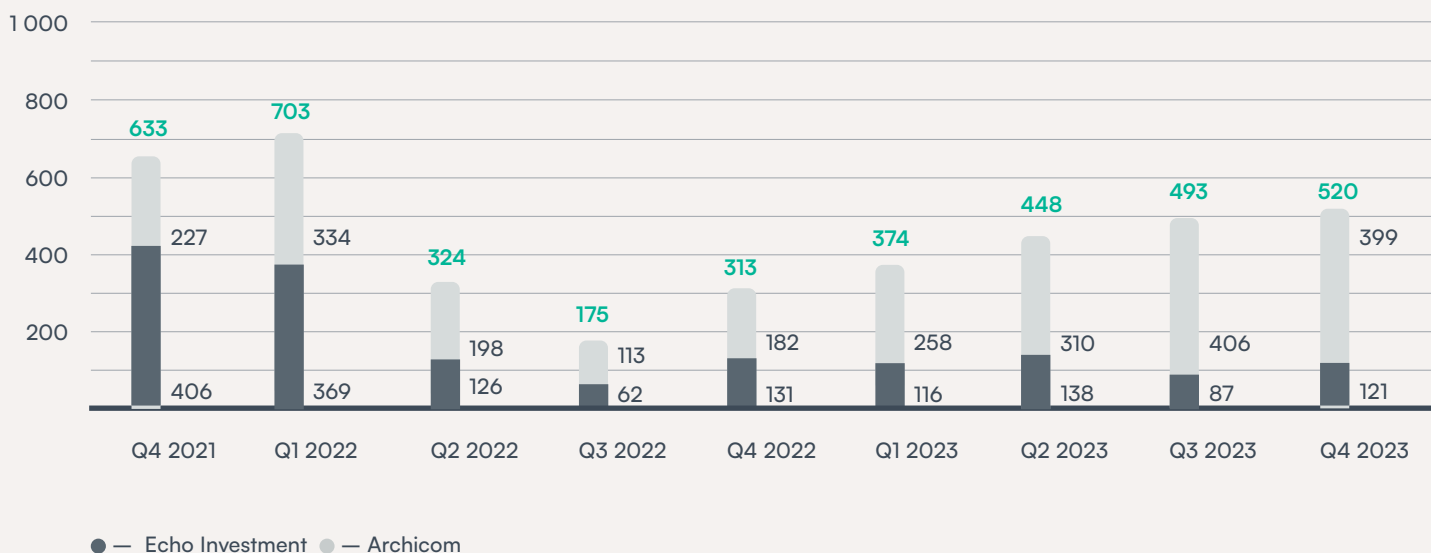
## Residential projects with construction completed in 2023

Project / address	Sales area [sqm]	Number of units	Start	Targeted completion
<b>ŁÓDŹ</b>				
Fuzja III ul. Tymienieckiego	9 100	159	II Q 2021	II Q 2023
Boho ul. Wodna	12 800	239	IV Q 2021	IV Q 2023
<b>WROCLAW</b>				
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	13 800	239	I Q 2021	I Q 2023
Olimpia Port M37, M39 ul. Ameriga Vespucciego	7 800	156	IV Q 2021	II Q 2023
Olimpia Port M24, M25, M26 ul. Ameriga Vespucciego	10 700	181	III Q 2021	III Q 2023
Awipolis etap 3 ul. Władysława Chachaja	6 600	121	IV Q 2021	IV Q 2023
Planty Raclawickie R8 ul. Wichrowa / Raclawicka	5 500	94	IV Q 2021	IV Q 2023
Browary Wrocławskie BP5-6 ul. Jedności Narodowej	9 300	188	I Q 2022	IV Q 2023
<b>KRAKÓW</b>				
Bonarka Living II D ul. Puskarska	8 400	151	I Q 2022	IV Q 2023
Bonarka Living II C ul. Puskarska	9 900	179	I Q 2022	IV Q 2023

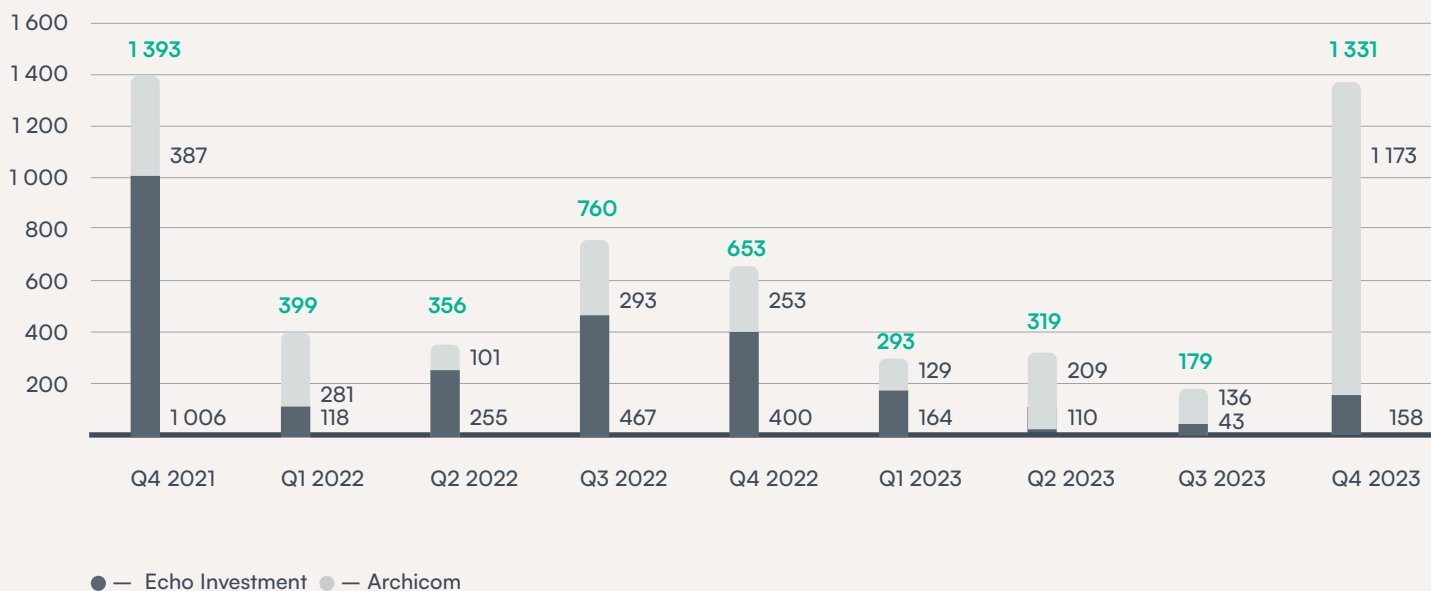
## Residential projects with construction completed in 2023

Project / address	Sales area [sqm]	Number of units	Start	Targeted completion
<b>POZNAŃ</b>				
Wieża Jeżyce I ul. Janickiego	11 600	206	IV Q 2021	IV Q 2023
<b>WARSAW</b>				
Rytm Kabaty al. KEN	17 300	288	I Q 2022	IV Q 2023
<b>Total</b>	<b>113 700</b>	<b>2 042</b>		

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



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



The Company informs that due to the transfer of the residential segment to Archicom on 1 August 2023, the figures presented in the report for Q3 2023, regarding sales and handovers, including as to the periods for the comparable periods, were revised and brought to comparability by reporting the figures for the Q3 2023 from the entire Archicom

residential segment including both Archicom's own assets and those acquired from Echo Investment, and the figures for the remaining periods at the levels that were published jointly for the entire residential segment covering the Echo Investment Group, including the figures from the Archicom Group.

# 12

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

### Polish PRS market in 2023

The huge potential of Poland's institutional rental market is attracting a growing number of investors, who remain undeterred by the high costs associated with project financing. There's a rising demand among tenants for this type of accommodation, largely influenced by societal shifts such as increased professional mobility, delayed family formation, and a generational detachment from property ownership. The limited availability of apartments for sale, particularly in major urban centers, coupled with reduced access to mortgage loans, further fuels the appeal of the Private Rental Sector (PRS) among potential tenants. The projected growth of housing prices is anticipated to be a driving force behind the continued expansion of the PRS sector, suggesting that it's still in its nascent stage.

According to PwC experts, by 2028, the PRS market in Poland is projected to offer over 63,000 premises available for institutional lease.

Between January and September 2023, almost 4.4 thousand premises for rent have been delivered in 17 projects, and at the end of September

there were nearly 11.2 thousand units under construction. This means that the new supply put into use in 2023 was record-breaking in the history of the Polish PRS market. It is worth emphasizing that nearly 80% of the new supply is located in locations outside the city center.

The current economic situation and the changing attitude of the new generation towards long-term commitments create further opportunities for further expansion of the PRS market in Poland. On the other hand - the high costs of financing new investments and constantly growing construction expenses diversified the level of rents in the PRS sector in 2023. According to otodom analysts, the average rental rate in provincial cities in December 2023 was PLN 3,620. The average rental amount in the Tricity and Wrocław was over PLN 3,000, while in Warsaw it was over PLN 5,100.

**22,700\***

existing housing stock in the PRS sector in Poland at the end of December 2023

Perspectives of each market sectors in coming 12 months:

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



\* otodom



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

In 2023, Resi4Rent, an entity offering a service of apartments on a subscription basis, strengthened its position as the market leader of the PRS market. This largest market-rate rental institution in Poland launched 1,109 finished apartments at Żwirki i Wigury Street and Wilanowska Street in Warsaw, and Jaworska Street in Wrocław, increasing its offer to 4,106 finished and rented units in six major cities in Poland.

It has also started construction of 1,833 apartments - at Pohoskiego Street in Warsaw, Nowomiejska Street and Zielony Trójkąt Street in Gdańsk and Bardzka Street in Wrocław. The

start of construction of another 1,718 apartments is planned in 2024.

**1,109**

total number of Resi4Rent units delivered in 2023

**4,106**

total number of units offered by Resi4Rent in 12 locations in six major Polish cities - Gdańsk, Łódź, Poznań, Warsaw, Wrocław and Cracow at the end of 2023

**6,082**

total number of Resi4Rent units under construction and in the design stage at the end of 2023

**>10,000**

the expected number of Resi4Rent subscription apartments by 2026



 Rental apartments Resi4Rent, Taśmowa Street, Warsaw

# Office market in Warsaw in 2023

## Office market in Warsaw in 2023

According to JLL reports, 2023 ended with an exceptionally low supply of new office space in Warsaw. Approximately 61,000 sq m appeared on the market, which is three times lower than in recent years. The situation in 2024 will not be much better, according to forecasts, approximately 94,000 sq m will be delivered to the market, of which 16 percent will constitute a refurbished space. The low supply of new space and high costs of fit-out works resulted in an increased share of renegotiations and extensions of existing contracts in rental transactions (43% of all transactions in 2023, and as much as 49% in the Q4).

The total office resources in Warsaw amounted to 6.23 million sq m, and the largest increase was recorded in the last quarter and amounted to 40,000 sq m.

At the end of 2023, there was 230,000 sq m of office space under construction or reconstruction, which does not promise a quick return to balance. New supply will still be at a level that will not guarantee a market recovery. Developer activity is still low and is mainly concentrated in the central area of the city, where the demand for high-quality, modern of-

fice space does not weaken, despite rising prices. This is related to the increasing awareness of tenants about sustainable construction, as well as changing work models and employee expectations regarding the functions and standard of the office.

The vacancy rate decreased in the central area of the city from 10.4 to 8.5 percent y/y, and in the case of other locations the difference was only 0.5 percentage points. (down to 11.9 percent y/y).

Although the hybrid work model has become popular, employers are trying to encourage employees to return to the offices. Openness to various work scenarios has made companies protect themselves in the event of expansion or reduction of space in lease agreements, which is why flexibility has become one of the key points in negotiations.

### 61,000 sqm

total office space delivered to the market in 2023

Perspectives of each market sectors in coming 12 months:

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

### 6.23 mln sqm

total resources of modern office space in Warsaw

### 230,000 sqm

total office space under construction, the lowest level since 2010

### 748,800 sqm

total demand for office space in Warsaw, of which 256,000 sqm occurred in Q4 this year.

### 10.4 percent

vacancy rate in Warsaw (decrease by 1.2 p.p. y/y)

## ► Office market in regional markets in 2023

By the end of December 2023, the combined office space resources across eight primary regional markets totaled 6,675,300 sq m. Consistently, Kraków (1,807,300 sq m), Wrocław (1,354,000 sq m), and Tricity (1,050,100 sq m) remain the largest office markets in Poland following Warsaw.

Data sourced from the Polish Chamber of Commercial Real Estate indicates that 44,700 square meters of office space were put into use in the regions during Q4 2023. This marked the culmination of 2023 as the final year witnessing such substantial new investments being operationalized.

The exorbitant costs associated with setting up new spaces, coupled with the potential for introducing new provisions into existing lease agreements, spurred tenants to increasingly opt for renegotiations and retention of their current premises. Companies opting for relocation gravitated towards offices of higher caliber, even if it meant downsizing their space. This underscores tenants' dual objectives: cost reduction while acknowledging that a top-notch office environment plays a pivotal role in fostering employee attendance and productivity.

### 44,700 sqm

total area of office buildings put into use in Q4 2023

### 280,700 sqm

total supply of new space in 2023

### 6.675 million sqm

total resources of modern office space in eight main regional markets, the largest markets are invariably Kraków (1.8 million sqm) and Wrocław (1.3 million sqm)

### 284,000 sqm

total office space under construction

### 750,000 sqm

demand for office space in eight major regional markets

### 17.5 percent

vacancy rate (increase by 0.2 percentage points q/q and 2.2 percentage points y/y), which translated into 1.17 million sqm space for rent. The highest vacancy rate was recorded in Katowice (21.5 percent)

Perspectives of each market sectors in coming 12 months:

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

## Main office markets in Poland — key indicators in 2023

City	Existing space ['000 sqm]	New buildings ['000 sqm]	Gross demand ['000 sqm]	Vacancy rates [%]	Monthly rental rates [EUR/sqm]
Warsaw	6 230	40,6	256,0	10,4	18-26* / 11-17**
Kraków	1 807	30,6	80,0	19,8	15-17
Wrocław	1 354	0,0	43,0	18,2	14,5-16
Katowice	749	0,0	16,0	21,5	13,5-14,8
Łódź	637	0,0	15,0	20,3	12-14

Source: JLL

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

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





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

Commercial properties remain a steadfast cornerstone of Echo Investment's business. Throughout 2023, Echo Investment leased a total area exceeding 45,000 square meters across its office buildings. New or extended contracts were signed by notable clients such as Deloitte, Medicover, ASB Poland, Deles Group, Alorica Inc., Bank Pekao S.A., Pekao Direct, and Apptio.

In 2023, Echo Investment Group initiated the sale of Moje Miejsce II in Warsaw, the second office building within the mixed-use 'destination' project. This transaction underscores the enduring interest from both investors and tenants in sustainable projects offering a blend of apartments and offices complemented by services. Concurrently, the largest fit-out project completed by Echo this year was the new headquarters of the Archicom Group in the MidPoint71 building in Wrocław, envisioned by 3XA Architects.

Additionally, the Group commenced construction on another "destination" project - Towarowa 22 in Warsaw, featuring the Office House building (31,100 sqm), and Swobodna SPOT in Wrocław (41,600 sqm) situated at 60 Swobodna Street. The latter project includes two office buildings and a green urban passage connecting them, designed by architects from the Kuryłowicz & Associates studio.

### WiredScore Platinum

the Brain Park office building in Kraków has been awarded a certification affirming its superior digital connectivity, quality of telecommunications solutions, and robust emergency plans, ensuring companies' operational readiness in the face of unforeseen events.

### 45,000 sqm

the total area encompassed by lease agreements signed in 2023.

### 40,000 sqm

the total space finished, prepared and handed over to tenants in 2023

### 10,000 sqm

total space rented in the React building in Łódź in 2023

### 3,500 sqm

extended and new lease agreements in the Face2Face complex in Katowice (Deloitte, Medicover, Klinika Miracki, Bozza Concept'N Design)



 Office House project Swobodna SPOT, Wrocław

### EUR 45 million

the sale of the Moje Miejsce II office building in Warsaw (17,000 sqm)

### 31,100 sqm

available in the Office House under construction, a part of the Towarowa 22 project in Warsaw

### 41,600 sqm


available in the Swobodna SPOT project under construction in Wrocław



## CitySpace's achievements in the the flexible office in 2023

The main activities around which CitySpace's operations were focused in 2023 were the opening of the first flexible office in Łódź, MindPoint office expansion in Wrocław and the adaptation of offices across the network to meet the standard supporting ESG.



 CitySpace at Fuzja office, Łódź

# 13

a number of locations in the CitySpace portfolio in 6 cities: Warsaw, Wrocław, Cracow, Katowice, Gdańsk and Łódź

# 3,411

total number of workplaces currently available in the CitySpace portfolio, including 215 newly opened in MidPoint71 in Wrocław and 301 in Fuzja

# 29,100 sqm

total area of CitySpace flexible office at the end of 2023

# 2,000 sqm

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

# 1,400 sqm

space of the newly opened CitySpace in the MidPoint71 office in Wrocław

# Retail segment — market outlook and Group business activities

## ► Retail real estate market in Poland in 2023

The latter half of 2023 saw an uptick in sales activity within the Polish retail real estate market compared to earlier in the year. Following months of decline, including March and April with a 7.3 percent decrease, the last quarter experienced a resurgence. October witnessed a rise of 2.8 percent.

Consistently, the final quarter of the year emerged as the strongest period for the retail sector. Analysts at Cushman&Wakefield reported an average footfall of 452,000 customers in October, 424,000 in November, and 520,000 in December per retail centre, marking respective increases of 3.7 percent, 1.8 percent, and 0.5 percent y/y.

In October 2023, the average tenant turnover reached PLN 1,070 net per square meter, marking a 5 percent y/y increase, while November saw a rise to PLN 1,130 net (+8 percent y/y). Adjusted for inflation, real turnover dropped by 1.6 percent in October compared to the previous year, but November showed a slight increase of 1.4 percent. Overall, there was an improvement in retail sales indicators, influenced positively by lower

inflation, reduced interest rates, and slower price growth. Despite these factors, 2023 ended with negative sales dynamics.

Average rents for retail spaces in shopping centers, retail parks, and high streets steadily increased throughout the year, with the fourth quarter experiencing the most significant rise, notably a 12.5% year-on-year increase for retail parks, while other segments saw a 7% year-on-year increase. These increments were primarily driven by inflation and structured lease agreements. However, reduced demand for shopping in malls and subsequently lower tenant turnover have increased pressure to decrease rents, particularly for properties with weaker market positions.

Throughout the year, Poland welcomed approximately 30 new brands, marking the most substantial influx in six years. Notable additions included Master Burger, Lush, Woolworth, Hugo, Helly Hansen, Nuumo, Bob Snail, Popeyes, Candy Pop, Solmar, Acium, L'Osteria, Zwieger, Milk Bar, PLNY LALA, Mokida, Herse, and Moschino Jeans.

Perspectives of each market sectors in coming 12 months:

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

### 343 000 sqm

of modern retail space were introduced, with 217,000 sq m added in the Q4 2023

### 16,3 mln sqm

total retail space in Poland

### 38

number of new or modernized retail facilities

### 370 000 sqm

retail space under construction, encompassing 27 new facilities (21 retail parks, 4 shopping malls, and 1 outlet centre) and 9 existing facilities slated for expansion.





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

The strategy implemented to bolster the Libero Katowice and Galeria Młociny shopping centers, focusing on continuous expansion of offerings and robust marketing support, has proven successful. With almost full occupancy, both centers consistently experience rising foot traffic and increasing tenant turnover. Libero,

positioned as a "convenience" shopping destination, has evolved into a "neighbourhood gallery," providing comprehensive amenities and abundant choices.

Throughout 2023, growth persisted in both locations. Libero saw a 14% increase in turnover compared to

2022, accompanied by a 9% rise in foot traffic. Similarly, Galeria Młociny in Warsaw witnessed a 12% uptick in turnover and a 4% increase in foot traffic. These metrics outpaced the market average for both centers.

### Galeria Libero

**+14 percent**

turnover rate y/y

**+9 percent**

footfall rate y/y

### Galeria Młociny

**+12 percent**

turnover rate y/y

**+4 percent**

footfall rate y/y

From a strategic perspective, Echo Investment views retail and service components as integral elements that enhance the appeal of multifunctional "destination" projects like Warsaw Breweries or Fuzja in Łódź.



**20**

the number of lease agreements finalized by the food and beverage team at Echo Investment during the course of 2023 with restaurants, cafes, service outlets, and local shops. Among the tenants joining Echo Investment's projects to enhance their appeal are several notable additions. These include Baken, a novel breakfast concept by the creators of Bułka by Bibułka; Sakana Sushi; Czarnomorka, a Kiev restaurant specializing in fish and seafood; Sartoria Ristorante & Pizzeria; Kids&co kindergarten; Animo European cuisine restaurant; Boathouse, a mid-sea restaurant; Veselka, an entertainment and bar concept within the Resi4Rent project at Warsaw Brewery; and various new retail points within the Resi4Rent residential projects

 Galeria Młociny, Warszawa

15

# Portfolio of properties

## Residential

### Definitions:

Sales level — the item exclusively concerns preliminary contracts

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

costs related to the project. The Company estimates additional costs to equal on average 6 percent of the targeted budget.

## Echo Group's residential projects completed in 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>ŁÓDŹ</b>								
Fuzja III ul. Tymienieckiego	9 100	159	75%	79,1	56,7	72%	II Q 2021	II Q 2023
Boho ul. Wodna	12 800	239	79%	104,6	81,5	95%	IV Q 2021	IV Q 2023
<b>Total</b>	<b>21 900</b>	<b>398</b>	<b>78%</b>	<b>183,8</b>	<b>138,2</b>	<b>85%</b>		

## Archicom Group's residential projects completed in 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>WROCŁAW</b>								
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	13 800	239	99%	184,3	89,7	94%	I Q 2021	I Q 2023
Olimpia Port M37, M39 ul. Ameriga Vespucciego	7 800	156	99%	81,5	48,0	96%	IV Q 2021	II Q 2023
Olimpia Port M24, M25, M26 ul. Ameriga Vespucciego	10 700	181	97%	128,0	66,5	90%	III Q 2021	III Q 2023
Awipolis etap 3 ul. Władysława Chachaja	6 600	121	100%	61,3	42,1	98%	IV Q 2021	IV Q 2023
Planty Raclawickie R8 ul. Wichrowa / Raclawicka	5 500	94	100%	59,3	37,0	96%	IV Q 2021	IV Q 2023

## Archicom Group's residential projects completed in 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>Browary Wrocławskie BP5-6</b> ul. Jedności Narodowej	9 300	188	99%	110,6	64,0	90%	I Q 2022	IV Q 2023
<b>KRAKÓW</b>								
<b>Bonarka Living II D</b> ul. Puzkarska	8 400	151	100%	88,1	63,6	98%	I Q 2022	IV Q 2023
<b>Bonarka Living II C</b> ul. Puzkarska	9 900	179	99%	103,7	77,8	99%	I Q 2022	IV Q 2023
<b>POZNAŃ</b>								
<b>Wieża Jeżyce I</b> ul. Janickiego	11 600	206	100%	110,9	85,6	95%	IV Q 2021	IV Q 2023
<b>WARSZAWA</b>								
<b>Rytm Kabaty</b> al. KEN	17 300	288	89%	290,4	187,3	95%	I Q 2022	IV Q 2023
<b>Total</b>	<b>100 900</b>	<b>1 803</b>	<b>98%</b>	<b>1 218</b>	<b>762</b>	<b>95%</b>		
<b>Total of Echo Group's residential projects completed</b>	<b>113 700</b>	<b>2 042</b>		<b>1 322,7</b>	<b>843,2</b>			

## Echo Group's residential projects under construction as at 31 December 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>ŁÓDŹ</b>								
<b>Fuzja Loft G02</b> ul. Tymienieckiego	9 700	187	2%	117,1	86,9	12%	IV Q 2023	IV Q 2025
<b>Fuzja Loft G01</b> ul. Tymienieckiego	7 600	159	29%	87,2	63,9	43%	IV Q 2022	IV Q 2024
<b>WARSZAWA</b>								
<b>Modern Mokotów I</b> ul. Domaniewska	29 900	554	23%	586,1	332,9	34%	III Q 2023	II Q 2025
<b>Total</b>	<b>47 200</b>	<b>900</b>	<b>20%</b>	<b>790,4</b>	<b>483,7</b>	<b>31%</b>		

## Archicom Group's residential projects under construction as at 31 December 2023

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>KRAKÓW</b>								
<b>Bonarka Living II D**</b> ul. Puzkarska	8 400	151	100%	88,1	63,6	98%	I Q 2022	IV Q 2023
<b>Bonarka Living II C**</b> ul. Puzkarska	9 900	179	99%	103,7	77,8	99%	I Q 2022	IV Q 2023
<b>ZAM II**</b> ul. Rydlówka	5 500	100	89%	77,9	50,5	63%	IV Q 2022	II Q 2024
<b>ŁÓDŹ</b>								
<b>Zenit II**</b> ul. Widzewska	6 000	120	42%	49,6	33,0	31%	IV Q 2023	IV Q 2024
<b>POZNAŃ</b>								
<b>Wieża Jeżyce I**</b> ul. Janickiego	11 600	206	100%	110,9	85,6	95%	IV Q 2021	IV Q 2023
<b>WARSAW</b>								
<b>Rytm Kabaty**</b> al. KEN	17 300	288	89%	290,4	187,3	95%	I Q 2022	IV Q 2023
<b>Modern Mokotów VI</b> ul. Domaniewska	14 500	261	5%	283,8	177,8	39%	IV Q 2023	III Q 2025
<b>WROCŁAW</b>								
<b>Awipolis etap 3</b> ul. Władysława Chachaja	6 600	121	100%	61,3	42,1	98%	IV Q 2021	IV Q 2023
<b>Planty Raclawickie R8</b> ul. Wichrowa / Raclawicka	5 500	94	100%	59,3	37,0	96%	IV Q 2021	IV Q 2023
<b>River Point4</b> ul. Mieszcząńska	8 800	184	97%	123,5	74,3	95%	I Q 2022	I Q 2024
<b>Browary Wrocławskie BP5-6</b> ul. Jedności Narodowej	9 300	188	99%	110,6	64,0	90%	I Q 2022	IV Q 2023
<b>Planty Raclawickie R9</b> ul. Wichrowa / Raclawicka	9 500	177	78%	119,2	76,5	67%	III Q 2022	II Q 2024
<b>River Point5</b> ul. Mieszcząńska	1 800	18	0%	28,6	26,0	27%	III Q 2022	II Q 2025
<b>River Point6</b> ul. Mieszcząńska	7 200	165	90%	103,1	68,7	79%	II Q 2022	III Q 2024
<b>Sady nad Zieloną 2 A1, C</b> ul. Blizanowicka	5 100	98	80%	55,0	37,9	63%	I Q 2023	IV Q 2024
<b>Awipolis etap 4a</b> ul. Władysława Chachaja	10 000	188	87%	106,7	70,9	32%	II Q 2023	I Q 2025
<b>Awipolis etap 4b</b> ul. Władysława Chachaja	3 200	56	36%	35,0	23,6	31%	III Q 2023	III Q 2025
<b>Sady nad Zieloną 2B</b> ul. Blizanowicka	6 400	123	25%	71,1	47,8	21%	IV Q 2023	III Q 2025
<b>Południk 17</b> ul. Karkonoska	15 000	285	0%	189,0	119,8	16%	IV Q 2023	II Q 2026
<b>Południk 17</b> ul. Karkonoska	9 600	187	18%	122,1	74,9	17%	IV Q 2023	II Q 2026
<b>Total</b>	<b>171 200</b>	<b>3 189</b>	<b>67%</b>	<b>2 189</b>	<b>1 439</b>	<b>64%</b>		
<b>Total of Echo Investment Group's residential projects under construction</b>	<b>218 400</b>	<b>4 069</b>		<b>2 979,3</b>	<b>1 922,8</b>			



## Echo Group's residential projects under preparation as at 31 December 2023

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>KRAKÓW</b>							
<b>Wita Stwosza Resi</b> ul. Wita Stwosza	8 700	184	161,5	99,7	20%	II Q 2024	IV Q 2025
<b>Total</b>	<b>8 700</b>	<b>184</b>	<b>161</b>	<b>99,7</b>	<b>20%</b>		

## Archicom Group's residential projects under preparation as at 31 December 2023

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>KRAKÓW</b>							
<b>Dąbrowskiego D1 D2</b> ul. Dąbrowskiego	2 700	47	40,6	26,8	16%	I Q 2024	IV Q 2025
<b>Dąbrowskiego D3</b> ul. Dąbrowskiego	1 400	31	21,3	13,8	17%	I Q 2024	IV Q 2025
<b>Duża Góra</b> ul. Duża Góra	4 700	83	64,1	45,2	9%	II Q 2024	IV Q 2025
<b>ŁÓDŹ</b>							
<b>Zenit III**</b> ul. Widzewska	8 000	159	69,9	46,7	21%	I Q 2024	III Q 2025
<b>Flow (Fab - Gh) I</b> ul. Hasa	7 000	192	83,7	59,7	18%	I Q 2024	IV Q 2025
<b>Zenit IV**</b> ul. Widzewska	8 700	173	75,1	49,7	14%	II Q 2024	IV Q 2025
<b>Flow (Fab - Gh) II</b> ul. Hasa	14 800	311	172,3	122,8	18%	II Q 2024	I Q 2026
<b>Zenit VII**</b> ul. Widzewska	5 500	108	50,4	34,8	7%	IV Q 2024	II Q 2026
<b>Flow (Fab - Gh) IV</b> ul. Hasa	7 100	181	85,1	60,7	18%	IV Q 2024	III Q 2026
<b>Zenit VIII**</b> ul. Widzewska	9 300	167	88,2	57,7	6%	I Q 2025	III Q 2026
<b>Flow (Fab - Gh) III</b> ul. Hasa	9 800	200	110,4	78,8	19%	II Q 2025	I Q 2027
<b>Zenit V**</b> ul. Widzewska	9 900	185	86,8	55,3	7%	I Q 2026	III Q 2027
<b>Zenit IX**</b> ul. Widzewska	6 800	117	66,9	43,6	6%	I Q 2026	III Q 2027
<b>Zenit VI**</b> ul. Widzewska	8 500	172	76,7	47,7	7%	I Q 2026	III Q 2027
<b>Flow (Fab - Gh) V</b> ul. Hasa	20 700	421	244,9	175,1	18%	III Q 2026	II Q 2028
<b>POZNAŃ</b>							
<b>Wieża Jeżyce II**</b> ul. Janickiego	14 500	264	168,0	115,90	15%	I Q 2024	IV Q 2025
<b>Wieża Jeżyce V*</b> ul. Janickiego	12 600	273	153,5	111,10	22%	II Q 2024	IV Q 2025
<b>Apartamenty Esencja II**</b> ul. Grabary	6 000	125	95,5	67,90	15%	III Q 2024	III Q 2026
<b>Wieża Jeżyce VI*</b> ul. Janickiego	13 700	286	167,1	120,90	23%	III Q 2024	III Q 2026
<b>Opieńskiego IV**</b> ul. Opieńskiego	10 000	172	100,1	69,80	7%	II Q 2025	II Q 2027
<b>Wieża Jeżyce IV**</b> ul. Janickiego	11 900	183	148,0	98,10	12%	III kw 2025	III Q 2027
<b>Opieńskiego II**</b> ul. Opieńskiego	12 800	254	134,9	89,90	7%	III Q 2025	III Q 2027
<b>Wieża Jeżyce III**</b> ul. Janickiego	13 600	242	161,6	111,20	13%	III Q 2025	II Q 2027
<b>Opieńskiego III**</b> ul. Opieńskiego	16 200	293	167,2	113,20	8%	I Q 2026	IV Q 2027
<b>Opieńskiego I**</b> ul. Opieńskiego	17 000	237	175,4	122,20	7%	II Q 2026	IV Q 2028

## Archicom Group's residential projects under preparation as at 31 December 2023

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>WARSZAWA</b>							
<b>T22 Resi G**</b> ul. Towarowa 22	12 200	152	334,1	201,0	13%	I Q 2024	I Q 2026
<b>Stacja Wola III**</b> ul. Ordona	13 300	232	226,2	125,8	24%	II Q 2024	III Q 2026
<b>Modern Mokotów III**</b> ul. Domaniewska	14 800	286	297,7	161,6	29%	III Q 2024	I Q 2026
<b>Chłodna**</b> ul. Chłodna 37/39	6 100	59	186,4	119,4	31%	I Q 2025	I Q 2027
<b>Modern Mokotów IV**</b> ul. Domaniewska	15 600	301	323,1	169,9	28%	I Q 2025	III Q 2026
<b>Modern Mokotów V**</b> ul. Domaniewska	6 200	123	134,5	67,5	28%	IV Q 2025	II Q 2027
<b>WROCŁAW</b>							
<b>Planty Raclawickie R10</b> ul. Wichrowa / Raclawicka	5 500	98	67,9	43,5	16%	I Q 2024	IV Q 2025
<b>Gwarna</b> ul. Gwarna	4 000	107	61,9	45,1	31%	II Q 2024	I Q 2026
<b>Browary Wrocławskie R1R2</b> ul. Rychtalska	6 600	129	96,1	57,7	11%	III Q 2024	III Q 2026
<b>Górska 1</b> ul. Górska	17 000	380	239,0	154,9	16%	IV Q 2024	IV Q 2026
<b>Czarnieckiego - M</b> ul. Stefana Czarnieckiego	4 000	97	57,2	39,4	15%	I Q 2026	II Q 2028
<b>Czarnieckiego - AH</b> ul. Stefana Czarnieckiego	2 200	58	34,7	25,0	12%	I Q 2026	III Q 2028
<b>Iwiny - Radomierzyczna 1</b> ul. Radomierzyczna	9 500	179	90,1	65,3	19%	I Q 2026	III Q 2027
<b>Iwiny - Schuberta</b> ul. Schuberta	4 000	60	35,2	25,4	12%	II Q 2026	III Q 2027
<b>Iwiny - Radomierzyczna 2</b> ul. Radomierzyczna	10 800	202	102,8	74,0	17%	IV Q 2026	I Q 2028
<b>Iwiny - Radomierzyczna 3</b> ul. Radomierzyczna	10 700	199	102,1	73,9	17%	III Q 2027	I Q 2029
<b>Total</b>	<b>395 700</b>	<b>7 538</b>	<b>5 196,7</b>	<b>3 388,0</b>	<b>17%</b>		
<b>Total of Echo Investment Group's residential projects under preparation</b>	<b>404 400</b>	<b>7 697</b>	<b>5 358,2</b>	<b>3 543,9</b>			

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

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

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

# Residential projects for rental platform Resi4Rent

## Definitions:

GLA - Gross Lease Area

An estimated budget of Resi4Rent projects includes the cost of external financing, value of land, cost of design, construction and external supervision, development services and

financial costs. It does not include the cost of the platform operation, such as marketing and intra-group financing costs.

## Residential projects of rental platform Resi4Rent in operation as at 31 December 2023

Project / address	GLA [sqm]	Number of units	Targeted annual net rental revenues [PLN mln]	Budget [PLN mln]	Completion
<b>WROCŁAW</b>					
R4R Wrocław Rychtalska ul. Zakładowa	11 400	302	11,6	76,8	III Q 2019
R4R Wrocław Kępa Mieszkańska (River Point) ul. Dmowskiego	9 300	269	10,2	76,3	II Q 2020
R4R Wrocław ul. Jaworska	13 700	391	14,6	135,9	III Q 2023
<b>ŁÓDŹ</b>					
R4R Łódź Wodna ul. Wodna	7 800	219	7,0	52,4	IV Q 2019
<b>WARSZAWA</b>					
R4R Warszawa Browary ul. Grzybowska	19 000	450	26,8	187,6	III Q 2020
R4R Warszawa Suwak ul. Suwak	7 900	227	9,6	60,7	IV Q 2020
R4R Warszawa Taśmowa ul. Taśmowa	13 000	372	14,7	112,1	I Q 2021
R4R Warszawa Woronicza ul. Żwirki i Wigury	5 200	161	7,5	53,2	IV Q 2022
R4R Warszawa II ul. Żwirki i Wigury	11 200	344	15,4	127,3	I Q 2023
R4R Warszawa ul. Wilanowska	11 700	374	16,7	132,6	III Q 2023
<b>GDAŃSK</b>					
R4R Gdańsk Kołobrzaska ul. Kołobrzaska	10 000	302	12,2	88,7	II Q 2021
<b>POZNAŃ</b>					
R4R Poznań Jeżyce ul. Szczepanowskiego	5 000	160	5,3	45,3	III Q 2021
<b>KRAKÓW</b>					
R4R Kraków Bonarka ul. Puzkarska	5 100	149	5,6	40,2	III Q 2022
R4R Kraków Błonia ul. 3 Maja	12 100	386	13,2	102,1	IV Q 2022
<b>Total</b>	<b>142 400</b>	<b>4 106</b>	<b>170,4</b>	<b>1 291,2</b>	

## Residential projects of rental platform Resi4Rent under construction as at 31 December 2023

Project / address	GLA [sqm]	Number of units	Estimated annual rental revenue for stabilized asset [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
<b>WROCŁAW</b>						
R4R Wrocław Park Zachodni ul. Horbaczewskiego	10 200	301	11,7	102,0	II Q 2022	II Q 2024
R4R Wrocław II ul. Jaworska	9 700	290	11,2	111,2	III Q 2022	II Q 2024
R4R Wrocław ul. Grabiszyńska	13 200	369	14,3	165,3	III Q 2022	I Q 2025
R4R Wrocław ul. Bardzka	21 000	622	24,7	253,0	IV Q 2023	I Q 2026
<b>ŁÓDŹ</b>						
R4R Łódź ul. Kilińskiego	10 000	287	9,7	108,8	II Q 2022	I Q 2024
<b>WARSAW</b>						
R4R Warszawa ul. Pohoskiego	7 600	277	11,4	109,9	II Q 2023	I Q 2025
<b>POZNAŃ</b>						
R4R Poznań ul. Brzeńska	13 000	411	14,8	145,3	IV Q 2022	IV Q 2024
<b>KRAKÓW</b>						
R4R Kraków ul. Romanowicza	29 300	873	36,2	345,0	IV Q 2022	I Q 2025
<b>GDAŃSK</b>						
R4R Gdańsk (etap 1 i 2) ul. Nowomiejska	20 400	569	27,5	290,5	II Q 2023	II Q 2025
R4R Gdańsk (etap 1) ul. Zielony Trójkąt	12 300	365	15,3	153,2	IV Q 2023	IV Q 2025
<b>Total</b>	<b>146 700</b>	<b>4 364</b>	<b>176,8</b>	<b>1 784,2</b>		

## Residential projects of rental platform Resi4Rent in preparation as at 31 December 2023

Project / address	GLA [sqm]	Number of units	Estimated annual rental revenue for stabilized asset [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
<b>WARSAW</b>						
<b>R4R Warszawa</b> ul. Opaczewska	13 400	382	17,5	185,3	III Q 2024	III Q 2026
<b>POZNAŃ</b>						
<b>R4R Poznań</b> ul. Dmowskiego	22 200	672	25,2	265,3	I Q 2024	I Q 2026
<b>KRAKÓW</b>						
<b>R4R Kraków</b> ul. Jana Pawła II	8 400	293	11,3	103,0	III Q 2024	II Q 2026
<b>Gdańsk</b>						
<b>R4R Gdańsk (etap 2)</b> ul. Zielony Trójkąt	11 900	371	14,9	143,2	I Q 2024	IV Q 2025
<b>Total</b>	<b>55 900</b>	<b>1 718</b>	<b>68,9</b>	<b>696,8</b>		

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

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

# Office

## Definitions:

GLA — gross leasable area

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

ROFO — (right of first offer)

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

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

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

## Echo Investment Group's office building in operation as at 31 December 2023

Project / address	GLA [sqm] *	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain cumulatively [PLN mln]	Completion	Comments
<b>Brain Park I</b> Kraków, al. Pokoju	29 800	92%	5,7	282,2	90%	37,8	IV Q 2022	Investment property.
<b>React I</b> Łódź, al. Piłsudskiego	15 100	100%	2,6	114,5	98%	13,1	I Q 2022	Investment property.
<b>City Forum — City 2</b> Wrocław, ul. Traugutta	12 700	98%	2,6	95,4	97%	97,0 **	II Q 2020	Archicom's S.A. office building. Asset available for sale.
<b>Total</b>	<b>57 600</b>		<b>10,8</b>	<b>492,0</b>		<b>147,9</b>		

\* exclude storage

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

## Echo Group's office buildings under construction as at 31 December 2023

Project / address	GLA [sqm] *	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion	Comments
<b>Swobodna I</b> Wrocław, ul. Swobodna	16 000	0%	3,2	140,9	19%	0,0	III Q 2023	II Q 2025	
<b>T22 Office B</b> Warszawa, ul. Towarowa	31 400	0%	9,1	461,8	24%	0,0	II Q 2023	I Q 2025	Project owned by Echo Investment (30 percent) and AFI Europe (70 percent).
<b>Brain Park II</b> Kraków, al. Pokoju	13 400	99%	2,6	136,4	79%	1,1	III Q 2022	I Q 2024	
<b>Fuzja 101 &amp; 103</b> Łódź, ul. Tymienieckiego	9 400	0%	1,6	88,4	55%	0,0	I Q 2022	IV Q 2024	
<b>Total</b>	<b>70 200</b>		<b>16,6</b>	<b>827,5</b>		<b>1,1</b>			

\* exclude storage



## Echo Group's office buildings in preparation as at 31 December 2023

Project / address	GLA [sqm]*	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
<b>Wita Stwosza</b> Kraków, ul. Wita Stwosza	26 600	5,5	261,7	22%	II Q 2024	IV Q 2025	
<b>Swobodna II</b> Wrocław, ul. Swobodna	25 600	5,1	222,8	12%	III Q 2024	III Q 2026	
<b>Total</b>	<b>52 200</b>	<b>10,6</b>	<b>484,5</b>				

\* exclude storage

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

# Retail

## Definitions:

GLA — gross leaseable area

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

ROFO — right of first offer

Completion — date of commissioning permit.

Significant part of fit-out works to be done after this date.

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

## Retail projects in operation as at 31 December 2023

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expen- diture incurred [%]	Recognized fair value gain cumu- latively [PLN mln]	Completion	Comments
<b>Galeria Młociny</b> Warszawa, ul. Zgrupowania AK „Kampinos”	84 700	97%	20,9	1 273,7	99,9%	13,4**	II Q 2019	Joint venture with EPP in the proportions of 30:70 percent.
<b>Libero</b> Katowice, ul. Kościuszki	44 900	99%	9,0	404,1	97%	124,5*	IV Q 2018	ROFO agreement with EPP.
<b>Pasaż Opieńskiego</b> Poznań, ul. Opieńskiego	13 500	97%	0,8	n/a	n/a	n/a	n/a	Building to be demol- ished.
<b>Pasaż Kapelanka</b> Kraków, ul. Kapelanka	17 800	97%	1,8	n/a	n/a	n/a	n/a	Building to be demol- ished.
<b>Total</b>	<b>160 900</b>		<b>32,5</b>	<b>404,1</b>		<b>137,9</b>		

\*profit with account changes in Profit Share provision

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

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

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

# Land bank

## Echo Group's early stage projects as at 31 December 2023

Project / address	Plot area [sqm]	Potential of leasing / sales area [sqm]	Comments
Warszawa, ul. Towarowa	40 800	146 894	The project on the plot office and service functions owned in 30% by Echo Investment and in 70% by AFI Europe. Ultimately, the plot for residential will be owned by Echo Investment Group.
Kraków, ul. Kapelanka	56 000	66 810	Plot for office, service and rental apartments.
Warszawa, al. KEN	29 600	26 500	Plot for service and apartments.
Łódź, ul. Tymienieckiego	7 900	9 300	Plot for office, service and residential functions.
Kraków, Wita Stwosza	3 200	3 700	Plot for service and office
Katowice, ul. Piotra Skargi	3 700	14 800	Plot for office, service / rental apartments.
Wrocław, ul. Na Ostatnim Groszu	26 400	31 800	Plot for services and residential
Łódź, al. Piłsudskiego	6 400	22 100	Plot for services and residential
<b>Total</b>	<b>174 000</b>	<b>321 904</b>	

## Archicom Group's early stage projects as at 31 December 2023

Project / address	Plot area [sqm]	Potential of leasing / sales area [sqm]	Comments
Projekt Kraków	7 200	20 100	
Towarowa - Warszawa	12 300	26 400	
Widzewska - Łódź	29 600	33 700	
Postępu - Warszawa	13 800	21 800	
Reymonta - Wrocław	14 000	21 900	
Projekt Wrocław	1 900	11 400	
<b>Total</b>	<b>78 800</b>	<b>135 300</b>	

## Echo Group's other properties as at 31 December 2023

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

## Archicom Group's other properties as at 31 December 2023

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

# 16

## Main investments in 2023 — acquisition of plots

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

**46,000 sqm**

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

In 2023, the Archicom Group concluded the following property purchase transactions:

### **Plot of land at Postępu Street in Warsaw**

Archicom Warszawa Sp. z o.o. entered into a promised agreement for the purchase of perpetual usufruct of a property located in Warsaw in the area of Postępu Street, designated for residential and commercial service development having a potential residential area of 21,800 sqm.

### **Plot of land at Sokolnicza/Zelwerowicza Street in Wrocław**

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

### **Plot of land at Stańczyka Street in Cracow**

Archicom S.A. finalized the purchase of 100 percent of shares in the company under the business name

Mioga Investment Sp. z o.o., which, on 23 March 2023, acquired the right of perpetual usufruct to a property located in Cracow, where 7,000 sqm of a residential area may be developed.

### **Plot of land at Janickiego Street in Poznań**

Archicom Poznań Sp. z o.o. signed a promised agreement to purchase a property located in Poznań, designated for residential and commercial service development, where 26,600 sqm of a residential area can be built.

### **Plot of land at Hasa Street in Łódź**

Archicom Łódź Sp. z o.o. signed an agreement for the purchase of a property located in Łódź at Hasa Street, designated for multi-family residential development with services, where 59,400 sqm of a residential area can be developed.

### **Plot of land at Reymonta Street in Wrocław**

Issogne Sp. z o.o. signed an agreement for the purchase of a property located in Wrocław at Reymonta Street designated for multi-family res-

idential development with services, where 22,160 sqm of a usable area can be built.

### **Plot of land at Powstańców Śląskich Street in Wrocław**

RPGZ XXXI Sp. z o.o. signed an agreement for the purchase of a property located in Wrocław at Powstańców Śląskich Street designated for multi-family residential development with services, where 11,800 sqm of a usable area can be developed.

**24,500 sqm**

— a total potential of residential areas on plots of land secured by Archicom with preliminary agreements.

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

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



# Factors and unusual events affecting the results in 2023

## Echo Investment Group residential project's in 2023

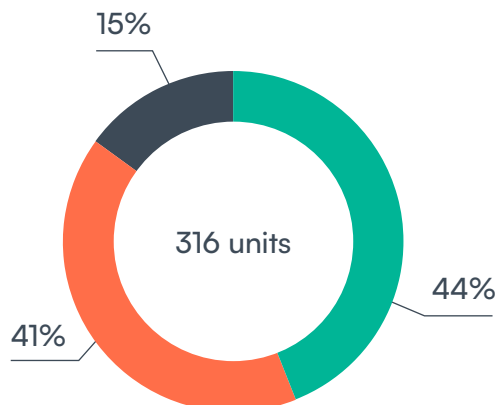
The Company informs that due to the transfer of the residential segment to Archicom on 1 August 2023, the figures presented in the report for 2023, regarding handovers, were revised and brought to comparability by reporting the figures for 2023 from the entire Archicom residential segment including both Archicom's own assets

and those acquired from Echo Investment, and the figures for the remaining periods at the levels that were published jointly for the entire residential segment covering the Echo Investment Group, including the figures from the Archicom Group.

Hand overs of 316 housing and retail units of Echo Group to clients.

## Echo Group residential project's shares in the total number of handovers units in 2023

- — Łódź, Wodna
- — Łódź, Fuzja III
- — Others

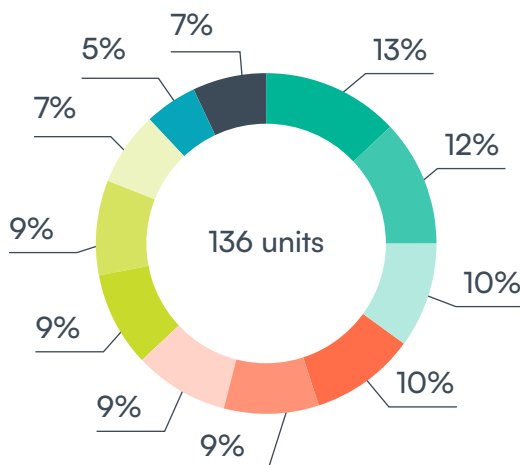




Hand overs of 1,806 housing and retail units of Archicom Group to clients.

## Archicom Group residential project's shares in the total number of handovers units in 2023

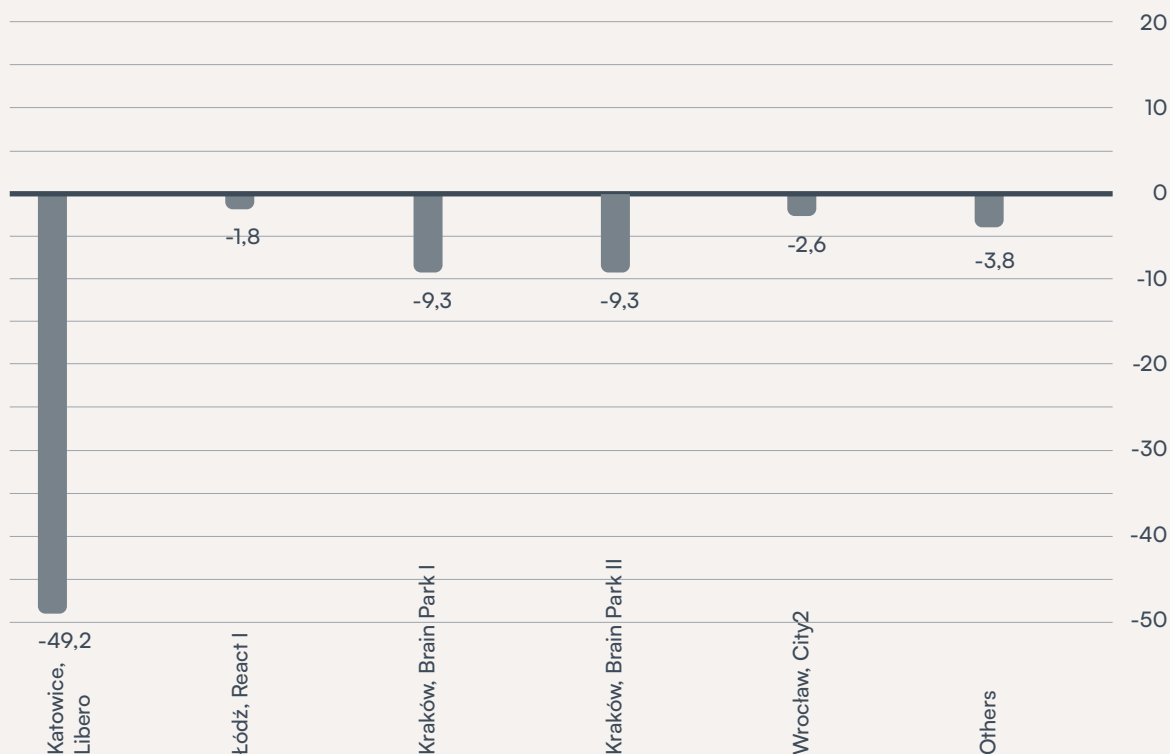
- — Wrocław, Browary Wrocławskie BA2 BA3
- — Warszawa, Kabaty
- — Poznań, Apator I
- — Kraków, Bonarka Living II C
- — Wrocław, Olimpia Port M24, M25, M26
- — Łódź, Zenit I
- — Wrocław, Browary Wrocławskie BP5, BP6
- — Wrocław, Olimpia Port M37, M39
- — Kraków, Bonarka Living II D
- — Wrocław, Awipolis L5
- — Others



## Echo Investment Group property project's in 2023

Loss on investment property amounting to PLN 76 million

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



The main factor influencing the loss on real estate valuations was the change in the euro exchange rate (4,3480 on 31 December 2023 vs. 4,6899 on 31 December 2022).

---

Sale of Moje Miejsce II office building in Warsaw.

---

Valuation of the fair value of projects - React I in Łódź, Brain Park I i II in Kraków, Libero in Katowice and City 2 in Wrocław (includes a negative change due to the decrease in the EUR exchange rate).

---

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

---

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

---

Costs of sales and general administration.

---

Valuation of bonds and loans at amortized cost.

---

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

---

Valuation and execution of hedging financial instruments for foreign currencies.

---

Interest on deposits and loans granted.

# Significant factors influencing the development of the Group in coming quarters

## Factors of a macroeconomic nature

### Positive

- Reference rates, which have remained at 5.75 percent since October 2023, will translate into further interest in mortgage loans (the Monetary Policy Council),
- maintaining a credit check buffer lowered in February 2023 to 2.5 percentage points for temporarily fixed-rate mortgage loans,
- a decline in inflation to 8.0 percent in October, 7.3 percent in November and 6.9 percent in December 2023, compared to the same months a year earlier, which increases the purchasing power of Poles, while at the same time the rate is still high enough to encourage people to seek capital protection opportunities including investing in real estate (the National Bank of Poland),
- an increase of 1.33 percent q/q (PLN 8032.63 vs. PLN 7379.76) in the average monthly salary in the business sector excluding profit bonuses in December 2023, which increases the purchasing power of Poles (the Polish Central Statistical Office). The demand for apartments should continue to grow, as the situation in the real estate market is closely linked to the condition of the labor market. As predicted by the Polish Economic Institute, in 2024 we can expect the growth of salaries to reach 11.7 percent,
- a low level of registered unemployment (5.5 percent in January, 5.1 percent in June, 5 percent in September and 5.1 percent in December 2023) (the Polish Central Statistical Office),
- a structural deficit in apartments and rising apartment values,
- a continuation of the decline in prices of construction materials, down 0.2 percent m/m in December 2023 (Murator Plus),
- an increase in the role of the segment of premium apartments,
- a huge potential of the Polish institutional rental market, there is an increase in the number of advertisements, but also an increase in the number of people looking for apartments for rent. In the last two years, average rental amounts have increased by 35 percent,
- a consumer confidence index improved over 2023 from -38.1 p.p. in January, -28.2 p.p. in June, -20.3 p.p. in September 2023 to -15.2 p.p. in December 2023. In 2023, the value was 14.7 p.p. higher than in 2022.
- an announcement of the government's new "Flat for Start" residential program, which is expected to replace the "2% Safe Mortgage" in 2024, creating a new demand boost.

---

## Negative

- GDP growth by 0.2 percent y/y. The result is worse than forecast - analysts expected a result of 0.5-0.6 percent (NBP),
- emergence of investment alternatives bringing higher income with a lower level of risk than apartments (treasury bonds). High interest rates on deposits,
- possible suspension of the Safe Loan 2 percent program after the funding amount has been exhausted,
- uncertainty about the prices of construction materials, raw materials and energy,
- uncertainty about the development of war in Ukraine and its influence on European economy.

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

---

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

- Fuzja II and III in Lodz,
- Wodna in Lodz.

---

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

- River Point in Wrocław.

---

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

- Swobodna I in Wrocław.

---

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

- Libero in Katowice,
- Brain Park I in Kraków,
- Brain Park II in Kraków,
- React I w Łódź,
- City 2 in Wrocław.

---

### Valuation of interests entities accounted for using the equity method:

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

---

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

---

### Valuation and implementation of hedging financial instruments for foreign currencies.

---

### Interest on deposits and loans granted.

---

### Discounts and interest on credits, bonds and loans.

---

### Sales and general management costs of Echo Investment S.A.

---

### Valuation of other assets and liabilities of the Echo Investment Group.

# Information on dividend policy and dividend

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

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

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

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



## Implementation of the Dividend Policy

### Resolution on payment of the dividend advance from 2023 profit

On 5 October 2023, the Management Board of Echo Investment S.A., considering that:

- the Company's approved separate financial statements for the 2022 financial year showed a net profit of PLN 100,211,857.23,
- the Company made a net profit of PLN 102,855,980.55 from the end of the previous financial year to 30 June 2023, decided to pay the Company's shareholders an advance dividend for the 2023 financial year (hereinafter the Dividend Advance) in the total amount of PLN 90.79 million.

The Dividend Advance was paid on 10 November 2023. Shareholders holding shares of the Company on 3 November 2023 were entitled to the Dividend Advance.

The resolution to pay the Dividend Advance was approved by the Issuer's Supervisory Board.

## PLN 90.79 million

total amount of the dividend advance from 2023 profit paid to the Company's shareholders

# 20

# Output markets and sources of supplies of materials, goods and services

## Output markets

All projects implemented in 2023 by Echo Investment and companies from the Group were located in Poland. In accordance with its strategy, Echo Investment is withdrawing from projects outside the country.

## Contracting parties

The main contracting parties of Echo Investment S.A. and companies from its Capital Group are the entities which the Company and the Group cooperate with on the implementation of development projects (contractors and suppliers). The share of contracting parties is measured by the value of transactions (purchases or orders) to the revenue of the Group.

### Major contractors of Echo Investment Group in 2023

Contractor	Turnover value [PLN mln]
Krakbau S.A.	50,4
Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. o/Polska	33,7
Fabet-Konstrukcje Sp. z o.o.	28,4
Modzelewski & Rodek Sp. z o.o.	23,4
Lisala Sp. z o.o.	18,5
AC Group Sp. z o.o.	16,2
ZBB Firma Budowlana Sp. z o.o. Sp.k.	15,6
M&J Bud Invest PL i Siadul Sp.k.	13,0
Szydlik Budownictwo Sp. z o.o.	12,4
Przedsiębiorstwo Instalacyjne Unimax Sp. z o.o.	11,6

### Major contractors of Archicom S.A. in 2023

Contractor	Turnover value [PLN mln]
Opex S.A.	83,2
AWM Budownictwo S.A.	20,9
Krakbau S.A.	14,0
M&J BUD INVEST Sp. z o.o. MS T. Siadul Sp.k.	11,0

## Clients of the Group

Echo Investment Group's clients vary according to business segments. There was no significant concentration of transaction value in any segment, which could be a risk for the company in case of stopping transactions with a given entity or type of customers.

**Archicom apartments for sale** — their purchasers are usually buyers who intend to purchase for their private use or for investment purposes and to protect their savings.

**Resi4Rent apartments for rent** — individual clients renting apartments for their own private use or companies renting apartments for their employees. The Echo Investment Group is not involved in rental, but holds a 30 percent stake in the Resi4Rent platform.

**Office buildings** — their purchasers include large, international asset management funds, while their tenants are usually large and medium-sized companies, both Polish and with foreign capital.

**CitySpace flexible office space** — this offer is for small companies, often sole traders, experts and professionals. Such offices are also used by medium and large companies as a solution for projects that are either short-term or for transitional periods - e.g. until their target, conventional office space is delivered.

**Shopping centres** — in this case our clients are retail and service chains that rent premises for their outlets. Similarly to office buildings, final buyers of such projects are large, international real estate asset management funds.

**Services** — our companies provide services primarily to affiliated entities (Towarowa 22, Galeria Młociny, Resi4Rent), in less frequent cases to foreign entities (e.g. Student Depot).

## Major customers of Echo Investment Group, including service recipients in 2023

Customers	Turnover value [PLN mln]
TAL Sp. z o.o.	197,4
Westinvest Gesellschaft Für Investmentfonds Mbh Sp. z o.o. o/Polska	44,2
Farkas Grundstücksgesellschaft MBH &CO KG	26,4
EPAM Systems (Poland) Sp. o.o.	7,4
AXO Daniel Bałdyga	7,8
R4R Gdańsk Stocznia Sp. o.o.	8,3
Kramel Partner Sp. z o.o. Sp.k.	8,2
Huramitell Investments Sp. z o. o.	6,8
Alorica Poland Sp. z o.o.	5,0



# Financial liabilities of the Company and its Group

## Bonds

### Company's liabilities due to bonds issued as at 31 December 2023

Series	ISIN code	Bank / brokerage house	Nominal value [PLN '000]	Maturity	Interest rate
<b>Bonds issued by Echo Investment S.A. for institutional investors</b>					
1/2020	PLO017000012	mBank S.A.	70 000	31.05.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
2/2021	PLO017000061	mBank S.A.	172 000	10.11.2025	WIBOR 6M + margin 4,4%
11/2022	PLO017000079	Ipopema Securities S.A.	180 000	8.12.2027	WIBOR 6M + margin 4,5%
21/2023	PLO017000087	Ipopema Securities S.A.	140 000	24.05.2028	WIBOR 6M + margin 4,5%
			<b>Total</b>	<b>757 000</b>	
<b>Bonds issued by Archicom S.A. for institutional investors</b>					
M6/2022	PLO221800090	mBank S.A.	61 200	15.03.2024	WIBOR 3M + margin 3,2%
M7/2023	PLO221800108	mBank S.A.	62 000	17.03.2025	WIBOR 3M + margin 3,5%
M8/2023	PLO221800116	mBank S.A.	210 000	8.02.2027	WIBOR 3M + margin 3,4%
			<b>Total</b>	<b>333 200</b>	
<b>Bonds issued by Echo Investment S.A. for individual investors</b>					
K-series	PLECHPS00324	DM PKO BP	50 000	10.01.2025	WIBOR 6M + margin 4,0%
L-series	PLECHPS00332	DM PKO BP	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M-series	PLECHPS00340	DM PKO BP	40 000	27.04.2026	WIBOR 6M + margin 4,0%
N-series	PLECHPS00357	DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O-series	PLECHPS00365	DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
P/P2-series	PLECHPS00373	DM PKO BP	50 000	28.06.2027	WIBOR 6M + margin 4,0%
R-series	PLECHPS00381	DM PKO BP	50 000	15.11.2027	WIBOR 6M + margin 4,0%
			<b>Total</b>	<b>305 000</b>	
<b>Bonds issued by Echo Investment S.A. for seller of shares in Archicom S.A.</b>					
1P/2021	PLO017000053	Michael/Ström DM (agent)	188 000	22.10.2024	fixed interest rate 5%
			<b>Total</b>	<b>188 000</b>	
			<b>PLN bonds in total</b>	<b>1 583 200</b>	

## Bonds issued by Echo Investment S.A. for institutional investors

Series	ISIN code	Bank / brokerage house	Nominal value [EUR '000]	Nominal value [PLN]	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	8 700		23.10.2024	fixed interest rate 4.5%
3I/2023	PLO017000095	Ipopema Securities S.A.	43 000		27.10.2028	fixed interest rate 7.4%
<b>Total</b>			<b>51 700</b>			

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

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

## Change of company's bond liabilities in 2023

### Bonds redeemed by Echo Investment S.A. (in PLN)

Series	ISIN code	Date	Nominal value [PLN '000]
1/2019	PLECHPS00308	11.04.2023	96 510
Seria J/J2	PLECHPS00290	21.09.2023	33 832
Emisja Serii I	PLECHPS00274	8.11.2023	50 000
<b>Total</b>			<b>180 342</b>

### Bonds redeemed by Archicom S.A. (in PLN)

Series	ISIN code	Date	Nominal value [PLN '000]
M4/2019	PLARHCM00073	14.06.2023	60 000
M6/2022	PLO221800090	26.10.2023	48 800
<b>Total</b>			<b>108 800</b>

### Bonds redeemed by Echo Investment S.A. (in EUR)

Series	ISIN code	Date	Nominal value [EUR '000]
1E/2020	PLECHPS00316	27.10.2023	31 300
<b>Total</b>			<b>31 300</b>

## Bonds issued by Echo Investment (in PLN)

Series	ISIN code	Date	Nominal value [PLN '000]
2I/2023	PLO017000087	24.05.2023	140 000
Seria P/P2	PLECHPS00373	31.07.2023	50 000
Seria R	PLECHPS00381	8.12.2023	50 000
<b>Total</b>			<b>240 000</b>

## Bonds issued by Echo Investment (in EUR)

Series	ISIN code	Date	Nominal value [EUR '000]
Seria 3I/2023	PLO017000095	27.10.2023	43 000
<b>Total</b>			<b>43 000</b>

## Bonds issued by Archicom S.A. (in PLN)

Series	ISIN code	Date	Nominal value [PLN '000]
M7/2023	PLO221800108	17.03.2023	62 000
M8/2023	PLO221800116	7.11.2023	210 000
<b>Total</b>			<b>272 000</b>

# Investment loans

## Investment loans of Echo Group as at 31 December 2023

Projekt inwestycyjny	Podmiot zaciągający kredyt	Bank	Contractual amount of loan ['000]		Outstanding loan amount ['000]		Interest rate	Repay-mentde- adline
			PLN	EUR	PLN	EUR		
<b>Libero, Katowice</b>	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	Santander Bank Polska S.A.   BNP Paribas Bank Polska S.A.		67 566		61 822	EURIBOR 3M + margin	22.11.2024
<b>Galeria Młociny, Warszawa*</b>	Berea Sp. z o.o.	Santander Bank Polska S.A.   PKO BP S.A.   Bank Gospodarstwa Krajowego		56 100		50 107	EURIBOR 3M + margin	30.04.2025
<b>Brain Park I i II, Kraków</b>	Echo Arena Sp. z o.o.	PKO BP S.A.   Bank Pekao S.A.		65 560		46 709	EURIBOR 3M + margin	30.06.2026
			9 000				WIBOR 1M + margin	30.06.2024
<b>Projekt Echo 129</b>	Projekt Echo 129 Sp. z o.o.	Bank Pekao S.A.		60 000		27 657	EURIBOR 3M + margin	30.09.2025
<b>React I, Łódź</b>	React Dagnall Sp. z o.o. - S.K.A.	Bank Pekao SA		13 000		13 000	EURIBOR 3M + margin	24.10.2028
<b>Resi4Rent* - 1st tranche of projects</b>	R4R Łódź Wodna Sp. z o.o.   R4R Wrocław Rychtalska Sp. z o.o.   R4R Warszawa Browary Sp. z o.o.   R4R Wrocław Kępa Sp. z o.o.	ING Bank Śląski S.A.	106 560		104 162		WIBOR 3M + margin	10.12.2026
<b>Resi4Rent* - 2nd tranche of projects</b>	R4R Poznań Szczepanowski Sp. z o.o.   R4R Warszawa Taśmowa Sp. z o.o.   R4R Warszawa Woronicza Sp. z o.o.   R4R Gdańsk Kołobrzeska Sp. z o.o.	Santander Bank Polska S.A.   Helaba AG	69 000		66 214		WIBOR 3M + margin	27.06.2027
<b>Resi4Rent* - 3rd tranche of projects</b>	R4R Warszawa Wilanowska Sp. z o.o.   Pimech Invest Sp. z o.o.   M2 Hotel Sp. z o.o.   R4R Kraków 3 Maja Sp. z o.o.   R4R RE Wave 3 Sp. z o.o.	Bank Pekao S.A.   Bank Gospodarstwa Krajowego   BNP Paribas Bank Polska S.A.	78 223		55 577		WIBOR 1M / 3M + margin	21.12.2028
<b>Resi4Rent* - 4th tranche of projects</b>	M2 Biuro sp. z o.o.   R4R Wrocław Park Zachodni Sp. z o.o.   R4R RE Wave 4 Sp. z o.o./R4R Gdańsk Stocznia Sp. z o.o.   R4R Kraków JP11 Sp. z o.o.   R4R Łódź Kilińskiego Sp. z o.o.	Santander Bank Polska S.A.   Helaba AG	118 301		43 058		WIBOR 1M + margin	15.12.2029
<b>Resi4Rent* - 5th tranche of projects</b>	R4R Wrocław Jaworska II Sp. z o.o.   Hotel Gdańsk Zielony Trójkąt Sp. z o.o.   Hotel Wrocław Grabiszyńska Sp. z o.o.   Hotel Kraków Romanowicza Sp. z o.o.   R4R Poznań Nowe Miasto Sp. z o.o.	Bank Pekao S.A.   Santander Bank Polska S.A.   BNP Paribas Bank Polska S.A.	175 061		4 938		WIBOR 1M + margin	30.12.2030
<b>Resi4Rent* - Corporate Credit Facility</b>	R4R Poland sp. z o.o.	European Bank for Reconstruction and Development		22 500		22 500	EURIBOR 3M + margin	1.12.2027
<b>Total</b>			<b>556 145</b>	<b>284 726</b>	<b>273 950</b>	<b>221 795</b>		

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

## Investment loans of Archicom S.A. as at 31 December 2023

Investment project	Borrower	Bank	Contractual amount of loan [EUR '000]	Outstanding loan amount [EUR '000]	Interest rate	Repayment deadline
City Forum - City 2	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	12 500	12 397	EURIBOR 3M + margin	13.11.2028 no later than 20.12.2028
<b>Total</b>			<b>12 500</b>	<b>12 397</b>		

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

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

## Credit facilities

### Credit facilities of Echo Investment Group as at 31 December 2023

Bank	Contractual amount of loan [PLN '000]	Outstanding loan amount [PLN '000]	Repayment deadline	Interest rate
PKO BP S.A. *	75 000	61 079	31.10.2025	WIBOR 1M + margin
Alior Bank S.A.	30 000	30 000	8.09.2025	WIBOR 3M + margin
Santander Bank Polska S.A.**	90 000	61 370	31.05.2024	WIBOR 1M + margin
<b>Total</b>	<b>195 000</b>	<b>152 448</b>		

\* The available loan amount as at 30 September 2023 is reduced by the issued guarantees and amounts to PLN 6,3 mln.

\*\*The available loan amount as at 30 September 2023 is reduced by the issued guarantees and amounts to PLN 2,9 million.

### Credit facilities of Archicom Group as at 31 December 2023

Bank	Borrower	Contractual amount of loan [PLN '000]	Outstanding loan amount [PLN '000]	Repayment deadline	Interest rate
PKO BP S.A.*	Archicom S.A.	160 000	0	30.04.2026	WIBOR 3M + margin
<b>Total</b>		<b>160 000</b>	<b>0</b>		

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

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

The loan value corresponds to undiscounted cash flows.

# 22

# Sureties and guarantees of the Company and its Group

## Surety agreements

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

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

Due to the expiry of all guarantees issued by the Echo Investment Group in 2023, the Group does not disclose any position as at 31 December 2023.

## Guarantees

### Financial guarantees issued by Echo Investment Group as at 31 December 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Archicom S.A.	Javin Investments Sp. z o.o. Sp.k. w likwidacji; Space Investment Strzegomska 3 Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	11	25.02.2024	Security for the proper performance of obligations under the contract for the sale of the West Forum IB office building.
Echo Investment S.A.	R4R Warszawa Opaczewska S.o. z o.o.	Blue Parking Sp. z o.o.	45 130	20.01.2025	Guarantee for the fulfillment of obligations under the preliminary agreement for the purchase of real estate at ul. Opaczewska.
Echo Investment S.A.	Projekt Echo - 138 Sp. z o.o. Sp.k.	Projekt Echo - 137 Sp. z o.o.	16 272	8.12.2029	Securing the payment of the price increase resulting from the sales agreement for quarter G at Towarowa 22.
<b>Total</b>			<b>61 413</b>		

## Performance and other guarantees issued by Echo Investment Group as at 31 December 2023 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Nobilis - Projekt Echo 117 Sp. z o.o. Sp.k.	Echo Investment S.A.	40 000	31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Echo - SPV7 Sp. z o.o.	R4R Warszawa Wilanowska Sp. z o.o.	Bank PKO S.A.	18 465	31.12.2027	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement and payment of interests under loan facility in construction tranche.
Echo - SPV 7 Sp. z o.o.	R4R Wrocław Jaworska II Sp. z o.o.	PKO Bank Polski S.A. I Oddział Warszawa	97 256	31.12.2033	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement and payment of interest under loan facility in construction tranche. It secures coverage of the costs of budget increases. We guarantee adding equity or granting a loan. Guarantee supported by Pimco.
<b>Total</b>			<b>155 721</b>		
<b>Total financial, performance and other guarantees</b>			<b>217 135</b>		

## Changes in guarantee agreements issued by Echo Investment Group in 2023 [PLN '000]

Change	Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Issue	Echo Investment S.A.	R4R Warszawa Opaczewska S.o. z o.o.	Blue Parking Sp. z o.o.	45 130	20.01.2025	Guarantee for the fulfillment of obligations under the preliminary agreement for the purchase of real estate at ul. Opaczewska.
Issue	Echo - SPV 7 Sp. z o.o.	R4R Wrocław Jaworska II Sp. z o.o.	PKO Bank Polski S.A. I Oddział Warszawa	97 256	31.12.2033	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement and payment of interest under loan facility in construction tranche. It secures coverage of the costs of budget increases. We guarantee adding equity or granting a loan. Guarantee supported by Pimco.
Issue	Echo Investment S.A.	Projekt Echo - 138 Sp. z o.o. Sp.k.	Projekt Echo - 137 Sp. z o.o.	16 272	8.12.2029	Securing the payment of the price increase resulting from the sales agreement for quarter G at Towarowa 22.



# 23

## Assessment of financial resources management and investment plan feasibility

Financial resources management of the parent entity and the Group in 2023 was mainly focused on securing financing for ongoing projects, on maintaining safe liquidity ratios and planned financing structure. According to the Management Board, financial situation of the parent entity

and the Group at the end of 2023 reflects their stable financial condition, which is confirmed by the: high cash balance of the Group (PLN 814 million) and ratios presented below.

### For Echo Investment S.A.

#### Profitability ratio

The increase in operating profit margin and net balance sheet profit is caused by a greater decline in sales revenues compared to the declines in both operating profit and net profit. The decline in revenues is the result of a smaller number of apartments delivered compared to 2022 and low revenues from land sold to subsidiaries compared to the previous year when it was a significant revenue item. The change in the structure of revenues (a larger share of investment and agency services with higher margins than the sale of apartments) also resulted in an increase in the margin despite the decline in profit.

**Operating profit margin**  
(operating profit/revenue)

**Net balance sheet profit margin**  
(net profit/revenue)

**Return on assets ROA**  
(net profit/total assets)

**Return on equity ROE**  
(net profit/equity)

## Profitability ratio

	31.12.2023	31.12.2022
Operating profit margin ratio	119%	72%
Net balance profit margin ratio	38%	28%
Return on assets (ROA)	2%	3%
Return on equity (ROE)	5%	9%

## Turnover ratio

The turnover is determined by the nature of business. Due to the fact that inventories include acquired property rights as well as construction expenditures and costs related to development projects for sale, this cycle will always be long compared to other industries, such as the production of fast moving consumer goods.

The decrease in inventory turnover was caused by a decrease in sales revenues and a simultaneous increase in inventories. There is only one housing project being implemented in the unit, the result of which will be recognized in future years and therefore inventories will increase until then.

### Inventory turnover in days

(inventory \*360 / revenues)

The increase in receivables turnover results from the increase in deposits and other short-term receivables.

### Current receivables turnover in days

(short-term receivables \*360 / revenues)

The short-term liabilities turnover ratio was mainly influenced by the decline in sales revenues.

### Current liabilities cycle in days

(current trade liabilities \*360 / revenues)

## Turnover ratio

	31.12.2023	31.12.2022
Inventory turnover in days	375	122
Current receivables turnover in days	234	74
Current trade liabilities turnover in days	99	20

## Liquidity ratio

In 2023, liquidity ratios decreased compared to the previous year. The main impact on the decline in current and quick liquidity ratios is the decline in the level of current assets, namely the repayment of a large part of the loans granted. The parent company has active credit limits and most of the liabilities are intra-group liabilities, which does not raise the risk of loss of liquidity.

### Current ratio

(current assets / current liabilities)

### Quick ratio

(current assets - inventories / current liabilities)

### Cash ratio

(cash / short-term liabilities)

## Liquidity ratio

	31.12.2023	31.12.2022
Current ratio	0,62	1,19
Quick ratio	0,42	1,04
Cash ratio	0,14	0,15

## Debt ratios

The level of the ratios of assets covered by fixed capital, total debt and debt to equity in 2023 are at the same level as in the previous year. This was influenced by almost identical levels of declines in equity, total assets and liabilities. However, the ratio of coverage of fixed assets with equity decreased. This was influenced by an increase in capital in several companies and newly granted loans.

### Equity to assets ratio

(equity / total assets)

### Equity to fixed assets ratio

(equity / fixed assets including assets held for sale)

### General debt ratio

(total liabilities / total assets)

### Equity debt ratio

(total liabilities / equity)

## Debt ratios

	31.12.2023	31.12.2022
Equity coverage ratio	34%	34%
Fixed asset coverage ratio	40%	49%
Total debt ratio	65%	65%
Debt to equity ratio	190%	189%

# For Echo Investment Group

## Profitability ratio

The level of the operating profit margin decreased compared to the level in 2022. This is due to a decrease in operating profit with a simultaneous increase in sales revenues. This is primarily the result of the transfer of apartments in less profitable locations than in the previous year (in which projects such as Osiedle Krk and Stacja Wola were transferred) and a higher negative change in the fair value of investment properties (decrease in the euro exchange rate). The balance sheet profit margin ratio also results from the previously described decrease in operating profit as well as an increase in financial costs (higher interest rates) with a simultaneous increase in sales revenues.

The rate of return on assets (ROA) decreased mainly due to a decline in net profit while the value of assets remained almost unchanged.

The decrease in the return on equity (ROE) is caused by a decrease in net profit with a simultaneous increase in equity (dividend payment lower than the profit generated for the year).

### Operating profit margin

(operating profit/revenue)

### Net balance sheet profit margin

(net profit/revenue)

### Return on assets ROA

(net profit/total assets)

### Return on equity ROE

(net profit/equity)

## Profitability ratio

	31.12.2023	31.12.2022
Operating profit margin ratio	11%	20%
Net balance profit margin ratio	7%	11%
Return on assets (ROA)	2%	3%
Return on equity (ROE)	6%	9%

## Turnover ratio

The Group's turnover ratios are determined by the nature of its business, which involves a longer project cycle compared to other industries. Due to the fact that the Group's inventories include acquired property rights, perpetual usufruct rights and construction expenditures and costs relating to development projects for sale, it should be noted that this cycle will always be longer compared to other industries, such as the production of FMCG.

### Inventory turnover in days

(inventory \*360 / revenues)

The decrease in the ratio results from the almost unchanged level of inventories in relation to the increase in sales revenues (a slightly higher number of apartments delivered)

### Current receivables turnover in days

(short-term receivables \*360 / revenues)

The decrease in this ratio results from a decrease in receivables (repayment of receivables from Brewery GH and disposal of subsidiaries) with a simultaneous increase in sales revenues.

### Current liabilities cycle in days

(current trade liabilities \*360 / revenues)

The decrease in the ratio is caused by a significant decrease in short-term liabilities (master lease paid and subsequent installments for land purchases) with a simultaneous increase in sales revenues.

## Turnover ratio

	31.12.2023	31.12.2022
Inventory turnover in days	356	411
Current receivables turnover in days	89	111
Current trade liabilities turnover in days	63	98

## Liquidity ratio

In 2023, the liquidity ratios increased and remain at good levels, demonstrating the Group's stable liquidity position.

The increase in the ratios results from a slight decrease in current assets (mainly cash and receivables) with a simultaneous significant reduction in the level of short-term liabilities (master lease paid and subsequent installments for land purchases).

### Current ratio

(current assets / current liabilities)

### Quick ratio

(current assets - inventories / current liabilities)

### Cash ratio

(cash / short-term liabilities)

## Liquidity ratio

	31.12.2023	31.12.2022
Current ratio	1,60	1,38
Quick ratio	0,73	0,66
Cash ratio	0,49	0,46

## Debt ratios

### Equity coverage ratio

(equity / total assets)

The increase in the ratio is caused by an increase in the level of equity (lower dividend payment than the profit generated for the year) with a relatively slight decrease in assets.

### Fixed asset coverage ratio

(equity / fixed assets including assets held for sale)

The increase in this indicator results from the increase in equity capital with an increase in the level of fixed assets (construction expenditure on investments and an increase in the value of the share in the R4R company)

### Total debt ratio

(total liabilities / total assets)

The decrease in the ratio is mainly due to a decrease in the level of liabilities (master lease paid, subsequent installments for land purchases and settled payments from escrow accounts in connection with the transfer of apartments).

### Debt to equity ratio

(total liabilities / equity)

The decrease in this ratio results from a decrease in debt and a simultaneous increase in the value of equity capital.

### Net debt ratio

(bank debt - cash)/(assets - cash)

The increase in the ratio results from an increase in the level of bank liabilities (new issue of bonds and taking out investment loans for Brain Park and React real estate)

## Debt ratios

	31.12.2023	31.12.2022
Equity coverage ratio	34%	30%
Fixed asset coverage ratio	69%	68%
Total debt ratio	63%	66%
Debt to equity ratio	184%	224%
Net debt ratio	36%	29%

## 24

# Information on borrowings granted in 2023, including to related entities

## Echo Group's basic data on major borrowings without interests and revaluation writeoffs as at 31 December 2023

Lender	Borrower	Amount [mln PLN]	Interest	Maturity
Echo - SPV 7 Sp. z o.o.	Echo - Arena Sp. z o.o.	148,0	WIBOR 3M + margin 3,2%	1.07.2026
Projekt Echo - 129 Sp. z o.o.	Echo Investment S.A.	120,3	EURIBOR 3M + margin 4,8%	30.09.2025
Echo Investment S.A.	Projekt Echo — 143 Sp. z o.o.	93,5	WIBOR 3M + margin 3,2%	31.12.2024
Echo Investment S.A.	R4R Poland Sp. z o.o.	80,6	margin 6%	31.03.2031
Face2Face — Stranraer Sp. z o. o. S.K.A.	Fianar Investments Sp. z o.o.	78,3	WIBOR 3M + margin 3%	31.12.2024
Duże Naramowice — Projekt Echo 111 Sp.z o.o. S.K.A.	Echo - Arena Sp. z o.o.	75,8	WIBOR 3M + margin 3%	1.07.2026
Pudsey Sp. z o.o.	Swanage Sp. z o.o.	70,5	WIBOR 3M + margin 3%	31.12.2025
Echo — Aurus Sp. z o.o.	Fianar Investments Sp. z o.o.	69,5	WIBOR 3M + margin 3,2%	31.12.2025
Echo Investment S.A.	Villea Investments Sp. z o.o.	63,0	WIBOR 3M + margin 3,2%	31.12.2025
Echo Investment S.A.	R4R Poland Sp. z o.o.	61,5	margin 6%	31.03.2029
Echo Investment S.A.	Strood Sp. z o.o.	59,0	WIBOR 3M + margin 3,2%	31.12.2025
Echo - SPV 7 Sp. z o.o.	Projekt 139 - Grupa Echo Sp. z o.o. S.K.A.	58,0	WIBOR 3M + margin 3,2%	30.09.2025
Echo — Aurus Sp. z o.o.	React — Dagnall Sp. z o.o. S.K.A.	57,1	EURIBOR 3M + margin 2,7%	31.03.2029
Echo Investment S.A.	DKR Echo Investment Sp. z o.o.	53,5	WIBOR 3M + margin 3,2%	13.04.2026
Echo Investment S.A.	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	49,0	WIBOR 3M + margin 3,2%	10.10.2026
Echo Investment S.A.	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	48,5	WIBOR 3M + margin 3,2%	10.10.2026
Echo Investment S.A.	R4R Poland Sp. z o.o.	45,1	margin 6%	31.03.2030
Face2Face — Stranraer Sp. z o. o. S.K.A.	Fianar Investments Sp. z o.o.	43,5	EURIBOR 3M + margin 2,7%	31.12.2024
Midpoint 71 — Cornwall Investments Sp. z o.o. S.K.A.	Strood Sp. z o.o.	40,3	WIBOR 3M + margin 3%	31.12.2025
Midpoint 71 — Cornwall Investments Sp. z o.o. S.K.A.	Archicom Senja 2 Sp. z o.o.	37,3	WIBOR 3M + margin 3%	30.09.2024
Projekt Naramowice — Grupa Echo Sp. z o.o. S.K.A.	Fianar Investments Sp. z o.o.	36,0	WIBOR 3M + margin 3%	31.12.2025



## Echo Group's basic data on major borrowings without interests and revaluation writeoffs as at 31 December 2023

Lender	Borrower	Amount [mln PLN]	Interest	Maturity
Echo Investment S.A.	R4R Poland Sp. z o.o.	35,2	margin 6%	30.09.2026
Pudsey Sp. z o.o.	React — Dagnall Sp. z o.o. S.K.A.	32,8	EURIBOR 3M + margin 2,7%	31.03.2029

## Archicom Group's basic data on major borrowings without interests and revaluation writeoffs as at 31 December 2023

Lender	Borrower	Amount [mln PLN]	Interest	Maturity
Archicom S.A.	Archicom Nieruchomości 14 Sp. z o.o.	114,6	WIBOR 3M + margin 3,5%	31.03.2029
Archicom S.A.	Archicom Łódź Sp. z o.o.	110,7	WIBOR 3M + margin 3,5%	31.12.2027
Archicom S.A.	Archicom Lofty Platinum 1 Sp. z o.o.	81,1	WIBOR 3M + margin 3,5%	31.12.2025
Archicom S.A.	RPGZ XXXI Sp. z o.o.	64,0	WIBOR 3M + margin 3,5%	31.12.2027
MidPoint 71 — Cornwall Investments Sp. z o.o. S.K.A.	Archicom Senja 2 Sp. z o.o.	37,3	WIBOR 3M + margin 3,0%	30.09.2024
Echo — Aurus Sp. z o.o.	Archicom Perth Sp. z o.o.	20,5	WIBOR 3M + margin 3,2%	30.09.2024
Echo — SPV 7 Sp. z o.o.	ZAM — Projekt Echo 127 Sp.k.	17,9	WIBOR 3M + margin 3,2%	30.09.2024

# 25

## Agreements concluded with an auditor

The Supervisory Board of Echo Investment S.A., upon the recommendation of the Audit Committee, has selected Pricewaterhousecoopers Polska Sp. z o.o. Audyt Sp.k. based in Warsaw, ul. Polna 11, registered as number 144 in the list of expert auditors to audit separate financial reports of Echo Investment and consolidated financial reports of the Echo Investment Capital Group for the years 2022-2023. The agreement was concluded by the Management Board, based on the Supervisory Board's authorisation.

The Management Board of Echo Investment S.A. informs that the selection of the auditing company conducting the audit of the annual financial statements was made in accordance with the Polish regulations, including on the basis of the applicable policy and procedure for selection of the auditing company [adopted by the Audit Committee on 23 March 2018].

The auditing company and the members of the team conducting the audit met the conditions for preparing

an unbiased and independent report on the audit of the annual financial statements in accordance with the applicable regulations, professional standards and professional ethics.

Echo Investment S.A. complies with the existing regulations related to rotation of the auditing company and the key statutory auditor, as well as prevailing mandate periods. Echo Investment S.A. has a policy with respect to the selection of the auditing company and a policy with respect to providing services to the issuer by the auditing company, any entity related to the auditing company or a member of its network of additional non-auditing services, including services which are conditionally excluded from the ban on such services by the auditing company. The auditing company selection policy and procedure and the non-auditing services purchase policy are available on the Company's website under Investor relations / Strategy and corporate governance and were adopted by resolutions of the Audit Committee of 15 September 2022 and 2 February 2023, respectively.

### The net remuneration due to the auditor entitled to audit financial reports of the company and the group

Title	Contractual amount [PLN]
Review of the standalone and consolidated financial statements for the 1st half-year 2023	150 000
Additional audit of the standalone financial statement for the 1st half-year 2023	105 000
Audit of the standalone and consolidated financial statements for 2023	840 000
Audit statements of remuneration for 2023	30 000
Audit statements of remuneration for 2023 of Archicom S.A.	30 000
Review of the interim consolidated financial statements and audit of the interim standalone condensed financial statements of Archicom S.A.	205 000
Audit of the annual consolidated and standalone financial statements of Archicom S.A.	710 000
<b>Total</b>	<b>2 070 000</b>

# 26

## Composition of the Group

As at 31 December 2023 the Capital Group included 164 subsidiaries consolidated according to the full method and 39 jointly controlled companies consolidated according to the equity method.

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

Echo Investment S.A. directly and indirectly - through three entities 100 percent subsidiaries, companies: DKR Echo Investment Sp. z o.o., DKR Echo Invest S.A. and DKRA Echo Sp. z o.o. - is a major shareholder of Archicom S.A., in which it held 74.04 percent of shares entitling it to 76.53 percent of votes at the General Meeting of Shareholders as at 31 December 2023. Echo Investment S.A. consolidates all companies of the Archicom S.A. group according to the full method.

As at the date of publication of the financial statements, i.e. 28 March 2027, Echo Investment S.A. directly and

indirectly - through companies: DKR Echo Investment Sp. z o.o. - is a major shareholder of Archicom S.A., in which it held 74.04 percent of shares entitling it to 76.53 percent of votes at the General Meeting of Shareholders as at 30 September 2023. Echo Investment S.A. consolidates all companies of the Archicom S.A. group according to the full method.

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

The Group also holds minority interests in a number of joint ventures - mostly in companies owning finished, under construction or planned projects with apartments for rent Resi4Rent, the shopping centre Galeria Młociny in Warsaw or the planned multifunctional project Towarowa 22 in Warsaw. Detailed information on the composition of the Group and changes in 2023 can be found in the Consolidated Financial Statements of the Echo Investment Group for 2023 in chapter 3 "Echo Investment Group",

# Other disclosures required by law

## Seasonal or cyclical nature of activities

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

## Material court, arbitration or administrative proceedings

From 1 January to 31 December 2023, no proceedings were pending before any court, arbitration authority or public administration authority which involved liabilities or receivables of Echo Investment S.A. or its subsidiary which represent at least 10% of the Company's equity.

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

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

## Agreements concluded between shareholders

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

## Impact of 2023 results on published financial forecasts

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

## Changes of main management rules

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

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

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

## Remuneration of the Management Board and Supervisory Board

Detailed information on the remuneration of the Management Board and Supervisory Board is described in the consolidated financial statements of Echo Investment S.A. in chapter 3, point 11 "Remuneration of the Management Board and Supervisory Board".

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

Risk management is an integral part of implementing the Profitable Growth Strategy and ensures achieving the assumed goals of the Echo Investment Group. Risk management procedures applied include risk identification, assessment, management and monitoring. The Management Board, supported by directors and managers responsible for individual departments, oversees the

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

### Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p><b>Risks related to strategic goals and assumptions</b></p> <ul style="list-style-type: none"> <li>• Risk of not achieving strategic goals,</li> <li>• Change of strategic assumptions and goals,</li> <li>• Non-uniform, unrealistic assumptions and strategic goals.</li> </ul>	<ul style="list-style-type: none"> <li>• Experienced management focused on achieving goals. Incentive systems based on cascading of strategic goals to operational goals,</li> <li>• Periodical verification of key strategic goals for validity and their ongoing monitoring through developed procedures at project, portfolio and Group levels,</li> <li>• Monitoring of the markets in which the company operates based on industry reports and its own research and analysis, in particular covering the average level of apartment sales prices and rental rates and transaction prices on commercial markets.</li> </ul>
<p><b>Risk related to land bank</b></p> <ul style="list-style-type: none"> <li>• Strong competition,</li> <li>• High price expectations,</li> <li>• Limited supply of well-prepared real estate.</li> </ul>	<ul style="list-style-type: none"> <li>• Own land purchase department,</li> <li>• Close cooperation with renowned brokers and agents,</li> <li>• A significant financial potential enabling acquisition of large, multifunctional plots, which attract less competition,</li> <li>• Maintaining a land bank that ensures operations for app. 3-5 years.</li> </ul>
<p><b>Risk of not achieving assumed level of residential sales</b></p> <ul style="list-style-type: none"> <li>• Limiting access to financing for individual clients,</li> <li>• Strong competition on local markets,</li> <li>• The offer of apartments not matched to demand,</li> <li>• Negative price changes on residential market.</li> </ul>	<ul style="list-style-type: none"> <li>• Business diversification - activities in key segments of the real estate market. The cyclical nature of these markets usually does not run in parallel, and the Group is not dependent on one type of activity. In the current situation, in particular, it is important to emphasize the Group's presence in both segments of apartments for sale and for rent - which situation differs dramatically,</li> <li>• Constant, thorough analysis of local residential markets from the stage before the purchase of a given plot until the end of the sale process,</li> <li>• Constant analysis of the latest trends in the housing market based on industry reports and own analyses of customer preferences,</li> <li>• Ability to flexibly respond to changing customer preferences even during construction (own design department),</li> <li>• Conducting sales of apartments based on own sales teams,</li> <li>• Project implementation in stages,</li> <li>• Many years of experience from several local residential markets.</li> <li>• Implementation of residential projects in the largest cities, where the negative effects of limited access to loans are lower than in developers from smaller cities.</li> </ul>

## Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
<p><b>Risk of not securing assumed level of office and retail space lease</b></p> <ul style="list-style-type: none"> <li>• Strong competition on local retail markets,</li> <li>• Limited expansion of retailers,</li> <li>• Limited demand for office space from potential tenants,</li> <li>• A poorly structured office or retail offer,</li> <li>• Increasing tenant expectations in respect to fit-out standard and incentives.</li> </ul>	<ul style="list-style-type: none"> <li>• Constant analysis of market trends and quick response to changes,</li> <li>• Constant cooperation and maintaining contacts with retail and office tenants or potential tenants (including in particular retail chains or the BPO/SSC sector),</li> <li>• Many years of experience in the implementation and rental of commercial projects on several local markets in Poland,</li> <li>• Own large leasing teams,</li> <li>• Cooperation with all significant brokers and rental agents,</li> <li>• CitySpace company in the Group which provides serviced offices and is a tenant in some buildings completed by Echo Investment, and introduces smaller companies, start-ups or companies from the shared services sector that are just starting their operations in Poland to the buildings,</li> <li>• Furthermore, the serviced offices allow the Company to be more flexible when providing the tenant with the target office space (the option of temporary placement of the tenant in CitySpace offices).</li> </ul>
<p><b>Risks related to sales of office and retail projects</b></p> <ul style="list-style-type: none"> <li>• Strong competition on the market of finished &amp; operating commercial projects,</li> <li>• High requirements of potential investors regarding the product and the seller,</li> <li>• Limited demand for commercial properties,</li> <li>• Risk of a decrease in transaction prices on the commercial real estate market as a result of growing uncertainty and the impact of macroeconomic factors.</li> </ul>	<ul style="list-style-type: none"> <li>• Own sales team (consisting of industry, legal, tax and financial specialists),</li> <li>• Extensive market experience,</li> <li>• Extensive contacts on global real estate markets,</li> <li>• High quality projects that meet all the criteria required by international institutions investing in real estate assets,</li> <li>• Flexible and innovative approach to contracts with potential buyers,</li> <li>• Good reputation of the company, allowing for the early introduction of projects into the sales phase and securing sales through preliminary agreements, contracts for the right to submit the first offer ('right of first offer', ROFO), or provisions of cooperation agreements for joint venture projects,</li> <li>• Financial resources making it possible to maintain rented and revenue-generating assets on the balance sheet of the Echo Investment group in difficult market conditions.</li> </ul>
<p><b>Risks related to cooperation with contractors and subcontractors</b></p> <ul style="list-style-type: none"> <li>• Risk of the contractor's bankruptcy,</li> <li>• Risk of delays in the work,</li> <li>• Risk of improper quality of the work provided,</li> <li>• Risk of increased prices of materials and workmanship,</li> <li>• Risk of claims and legal disputes with subcontractors.</li> </ul>	<ul style="list-style-type: none"> <li>• Stable financial situation that makes Echo Investment an attractive and desirable client on the market,</li> <li>• Cooperation with a selected group of renowned contractors subcontractors and suppliers,</li> <li>• Examination of the financial condition and technical capabilities of the contractor or supplier before the final selection of the offer and signing of the contract,</li> <li>• Legal protection applied in concluded contracts for contractor services,</li> <li>• Permanent supervision over construction projects by project managers and directors of Echo Investment construction as well as inspectors or specialist external companies,</li> <li>• Echo Investment's many years of experience and low employee turnover,</li> <li>• Own team responsible for cost estimates and constant monitoring of prices and supply of materials and services on the market,</li> <li>• Packaging of orders making it possible to reduce offer prices using the so-called effect of the scale.</li> </ul>
<p><b>Risk of changes in estimates regarding development projects</b></p> <ul style="list-style-type: none"> <li>• The scale and long time horizon of development projects and the related volatility of material prices and workmanship,</li> <li>• The cyclical nature of the real estate market and macroeconomic conditions affecting both the revenue and cost side of budget assumptions,</li> <li>• Limited project repeatability.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal teams of specialists for all key stages of the development process, enabling the achievement of an internal synergy effect,</li> <li>• Own department responsible for estimating development costs and monitoring the situation on the construction market on an ongoing basis,</li> <li>• Regular process of reviewing project budgets including risk analysis,</li> <li>• Designing based on functioning precise implementation standards for apartments and offices, allowing maximization of economies of scale and limiting the risks associated with low repeatability of implemented projects,</li> <li>• Mass orders, combined for several investments to ensure access to materials and equipment used massively on multiple investments,</li> <li>• Concluding flat-rate contracts with a fixed price guarantee.</li> </ul>
<p><b>Risk of accidents at work and other hazards</b></p> <ul style="list-style-type: none"> <li>• Threats to the safety of Echo employees, subcontractors' employees and bystanders,</li> <li>• Insufficient level of knowledge and competence of subcontractors in the field of HSE.</li> </ul>	<ul style="list-style-type: none"> <li>• Own team of specialists in the field of HSE, carrying out, among others periodic inspections, audits and trainings in the field of HSE,</li> <li>• Applying high HS standards in accordance with ISO 45001 (H&amp;S) and ISO 14001 (environment) confirmed by periodic external audits,</li> <li>• Obligation of contractors to comply with the provisions and standards of Echo in the field of HSE.</li> </ul>

## Financial risks

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

## Legal and regulatory risks

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



## Legal and regulatory risks

---

### Complicated and variable tax system

- Risk of not complying with new tax regulations & changes in tax regulations.
  - Not consistent interpretative practice of tax authorities and case-law.
  - Increased tax burden and cost of ensuring tax compliance.
- Internal tax control — own tax team,
  - Constant monitoring of the tax conditions of the Capital Group's operations,
  - Constant cooperation with renowned legal and tax advisors.
- 

## Macroeconomic risks

---

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

---

## IT risks

---

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

---

# Statements of the Management Board



## Statement of the Management Board

The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the Annual Financial Statements of Echo Investment S.A. and its Group in 2023 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment Group and its financial result.

The management report on operations of the Echo Investment S.A. and its Group provides a true view of the development and achievements and standing, including the description of major threats and risks.

## Non-financial information statement

The Management Board of Echo Investment S.A. declares that in accordance with the Accounting Act, the Echo Investment Group and the parent company - Echo Investment S.A. publish a separate non-financial report for 2023 at the same time as the annual financial statements. The report is available on the Echo Investment website [en.echo.com.pl](http://en.echo.com.pl) in the 'investor relations — sustainability' tab and 'ESG' tab.

**Nicklas Lindberg**

President of the Board, CEO

**Maciej Drozd**

Vice-President of the Board, CFO

**Artur Langner**

Vice-President of the Board

**Rafał Mazurczak**

Member of the Board

**Małgorzata Turek**

Member of the Board



The document is signed with qualified electronic signature

Kielce, 27 March, 2024

# Contact

Layout and execution:  
Damian Chomański  
[be.net/chomatowski](http://be.net/chomatowski)

Echo Investment

Warsaw office, Villa Offices

ul. Grzybowska 60, 00-844 Warsaw



**ECHO**  
investment