

FINANCIAL REPORT OF **ECHO INVESTMENT**

Q3 2020



CONTENT

Message from CEO	4
CHAPTER 1	
MANAGEMENT BOARD REPORT	
01. General information about the Company and its Group	8
The Management Board of Echo Investment S.A	9
The Supervisory Board of Echo Investment S.A.	10
02. Strategy of Echo Investment Group	11
03. Business model	12
04. Ownership structure of Echo Investment S.A. and description of shares	13
05. Volume of the Company's shares and bonds held by managing and supervising persons	14
06. Significant events in Q1-Q3 2020	15
07. Significant events after the balance sheet day	19
08. Residential segment – market outlook and Echo Investment business activities	20
09. Office segment – market outlook and Echo Investment business activities	23
10. Retail segment – market outlook and Echo Investment business activities	25
11. The Groups segments – financial structure	27
12. Portfolio of properties	29
13. Main investments in Q1-Q3 2020 – acquisition of plots	37
14. Factors which influenced the Group's financial results in Q3 2020	38
15. Factors which will influence the results of the Company and its Group in the perspective of at least the following quarter	39
16. Seasonal or cyclical nature of operations	40
17. Information on dividend policy and dividend	41
18. Financial liabilities of the Company and its Group	42
19. Off-balance sheet liabilities	46
20. Influence of the results disclosed in the report for Q3 2020 on fulfillment of result forecasts	51
21. Significant court, arbitration or public administration proceedings	51
22. Significant transactions concluded by the Company or its subsidiaries with entities affiliated on conditions other than market ones	51
23. The impact of the COVID-19 pandemic on the operations of Echo Investment Group	52

CHAPTER 2

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

INFORMATION ON FINANCIAL STATEMENT OF THE ECHO INVESTMENT GROUP

01.	Accounting principles adopted in drawing up the financial report of Echo Investment Group	64
02.	Echo Investment Group	65
03.	Application of new and amended standards and interpretations issued by the IFRS Interpretations Committee	66
04.	Published standards and interpretations which are not effective yet and have not been adopted by the Group	67
05.	Effects of changing the presenting principles - restatement of statements for previous periods	68

CHAPTER 3

CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS OF ECHO INVESTMENT S.A.

INFORMATION ON FINANCIAL STATEMENT OF Echo Investment S.A.

01.	Effects of the change in presentation - restatement of financial statements for previous periods	78
-----	--	----

STATEMENT OF THE MANAGEMENT BOARD

Contact	82
---------	----



DEAR SHAREHOLDERS, PARTNERS AND CLIENTS,

I am pleased to present to you the financial report of Echo Investment for the third quarter of 2020. We have generated over PLN 36 million in net profit, which is the result of handing over 301 apartments to clients, the value increase of office buildings under construction, as well as the apartment rental platform - Resi4Rent.

Due to the changing market conditions, since the beginning of the year, we have devoted a great deal of energy to adapting our offer to clients' expectations in the best possible way, accelerating digital processes, and focused on getting permitting on the strong landbank of Echo Investment's in the coming years.

The strategic directions

Since 2016, Echo Investment has changed its business model to be asset-light and more cost-effective, what benefits in the profitability. We are continuously working on growth of our residential business, strength of our market position, increase of our profitability and the resistance to the changing market conditions. We are convinced that our main competitive advantage is our competence in various sectors of the real estate market: apartments for sale, apartments for rent, offices - including flexible space, retail and entertainment spaces or hotels. Being the only developer in Poland having all these functions within the company allows us to build attracting urban projects where people can live, work and entertain, so called 'destinations'. Today they account for about half of the projects under construction and in preparation. Our intention is to increase this level in coming years.

Taking into account the new reality in which we operate, social trends, and changing client preferences, we focus even more on the residential sector. Apartments for sale and apartments for rent account today for about a quarter of our assets. Due to the high prospects for this sector in Poland and the lower need for external financing of this business, it is our ambition to increase significantly proportion of residential assets in our balance sheet. A lower level of indebtedness of the entire Group will be the positive result of this strategy.

It is worth emphasizing that we intend to keep our business diversified. We will maintain our strong position in the office sector, as well as remain active in the retail sector, which is the most important element that animates and makes our urban "destination" projects more attractive.

We are perfectly prepared to implement this strategy. In recent years, we have focused on the purchase of large plots of land, where complex and perfectly designed attractive parts of the city can be built. We have secured among others four plots from the Tesco group in Warsaw, Kraków, Łódź and Poznań, or the land at ul. Wołoska in Warsaw. In recent quarters, we have devoted a great deal of energy to the preparation of these projects and administrative matters. Since the beginning of the year, we have had applied for environmental permits or development conditions for plots of land on which over 350,000 sqm of apartments or rental space may be built. Simultaneously for approximately 400,000 sqm, we have obtained either building permits, development conditions or a local zoning plan.

Residential sector

Traditionally, the third and fourth quarters are the most intense for the residential department. From the beginning of the year to the end of September, we completed the construction of six projects in Warsaw, Łódź, Poznań and Wrocław. We sold 1,103 apartments, improving the result achieved in the same period last year. We are constantly expanding our offer: in recent months, we have started the construction and sale of apartments in five projects - Fuzja II in Łódź, Stacja Wola II in Warsaw, Bonarka Living and Osiedle KRK II in Kraków, as well as the next phase of the Enter project in Poznań.

We are continuously working on grow of our residential business, strength of our market position, increase of our profitability and the resistance to the changing market conditions. We are convinced that our main competitive advantage is our competence in various sectors of the real estate market: apartments for sale, apartments for rent, offices - including flexible space, retail and entertainment spaces or hotels. Being the only developer in Poland having all these functions within the company allows us to build attracting urban projects where people can live, work and entertain, so called 'destinations'. Today they account for about half of the projects under construction and in preparation. Our intention is to increase this level in coming years.

Taking into account the new reality in which we operate, social trends, and changing client preferences, we focus even more on the residential sector. Apartments for sale and apartments for rent account today for about a quarter of our assets. Due to the high prospects for this sector in Poland and the lower need for external financing of this business, it is our ambition to increase significantly proportion of residential assets in our balance sheet. A lower level of indebtedness of the entire Group will be the positive result of this strategy.

The new projects added more than 930 apartments to the offer. The annual sales target of around 1,650 flats is within reach.

The results of apartments handovers are in line with expectations and confirm that we are on a way to achieve about 1,650 premises handed over to clients. I am reassured of this due to the pace of work in October and November and the commitment of employees.

Resi4Rent

We are consistently developing Resi4Rent - the largest private company offering apartments for rent in Poland. In August, we opened its first building in the Polish capital city: R4R Warszawa Browary. This flagship project includes 450 units that are already successfully rented. Currently, there are over 1,240 apartments for rent in the completed Resi4Rent buildings in Warsaw, Łódź and Wrocław. The strategic goal is to build a platform of 10,000 apartments for rent by 2025.

Offices

We have office buildings under construction with a total rentable area of around 100,000 sqm where a majority of the space is either leased or in advanced negotiations. In recent weeks, the occupancy permit has been granted to the buildings of Face2Face II in Katowice and West 4 Business Hub I in Wrocław. We are also conducting advanced talks concerning the sale of finished and rented office buildings, which should soon turn into contracts.

In summer, we started the construction of two office buildings in Fuzja, Łódź. The office buildings will amount to around 20,000 sqm of rentable area, with their main tenant being Fujitsu. Couple of days ago the project has obtained the construction loan from Bank Pekao. Another important event in the office sector was also obtaining a loan for the construction of the MidPoint71 project in Wrocław that was granted by PKO Bank Polski. Both agreements confirm the attractiveness of our projects and the trust that financial institutions put in us.

We strive to provide our tenants with the greatest possible comfort in using the office buildings. Due to the current epidemiological state, we have implemented additional precautions and increased health and safety standards. It is worth mentioning the Active Pure RCI air filtration system, promoted for example by NASA, which will clean the air in all our new office buildings.

The retail sector

The most important event for our retail projects in the third quarter was the opening of the first Primark store in Poland in Galeria Młociny in Warsaw. It was one of the most anticipated debuts on the Polish market, which definitely strengthened the attractiveness of this project.

On November 7th, the government introduced further restrictions on the activities of the shopping center's tenants. Currently, there are 38 stores and service points operating in Libero in Katowice, which accounts for 26% of all tenants. We are in constant contact with all tenants and our goal, just like after the spring closure, is to conduct efficient store openings when it is possible. Through ingenious marketing campaigns and consistent brand building, we hope to restore the footfall and turnover very fast. Shopping centres are to be opened up on November 28th, and we are taking all possible measurements to ensure all costumers they are safe making their Christmas shopping.

Financial position

The financial situation of Echo Investment is stable. In the three quarters of 2020, we generated over PLN 87 million of consolidated net profit, and at the end of the period, we had cumulated PLN 440 million of cash on our accounts. In addition, in the fourth quarter, we have already issued bonds for institutional investors with a total value of EUR 52.8 million. With such a strong financial situation, we are ready to implement our strategy.

I encourage you to read our financial report for the third quarter of 2020 in detail.

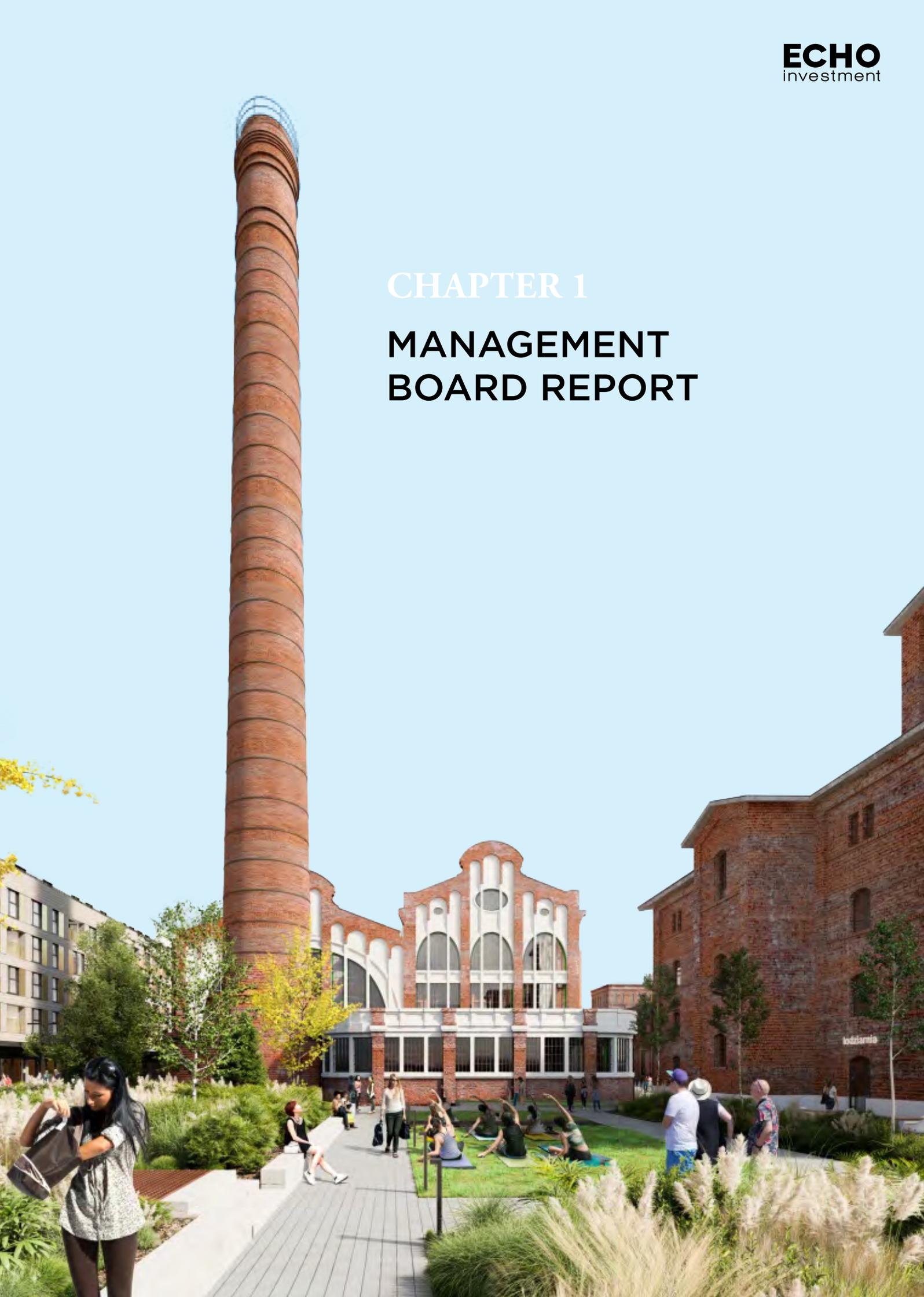
Yours sincerely



Nicklas Lindberg
CEO of Echo Investment

CHAPTER 1

MANAGEMENT BOARD REPORT





Kielce

1996

Incorporation of Echo Investment

Echo Investment Group's core activity consists in 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 office in Kielce, al. Solidarności 36, was registered in Kielce on June 30th, 1994. Echo is a Joint Stock Company entered in the National Court Register under no. 0000007025 by the District Court in Kielce, 10th Economic Division of the National Court Register.

Since 5 March 1996, the Company's shares are listed at the Warsaw Stock Exchange on the regulated market, sector - WIG - Real Estate. The Company was established for an indefinite period of time.

The Management Board of Echo Investment S.A

**Nicklas
Lindberg**
President of the Board,
CEO



**Maciej
Drozd**
Vice-President
of the Board,
CFO



**Artur
Langner**
Vice-President of the Board



**Marcin
Materny**
Member of the Board



**Rafał
Mazurczak**
Member of the Board



**Waldemar
Olbryk**
Member of the Board



**Małgorzata
Turek**
Member of the Board



The Supervisory Board of Echo Investment S.A.

Noah M. Steinberg

Chairman
of the Supervisory Board



Tibor Veres

Vice-Chairman
of the Supervisory Board



Margaret Dezze

Independent
Supervisory Board
Member
Deputy Chair
of the Audit Committee



Sławomir Jędrzejczyk

Independent
Supervisory Board
Member
Vice-Chairman
of the Audit Committee



Maciej Dyjas

Member
of the Supervisory
Board



Péter Kocsis

Member
of the Supervisory
Board



Bence Sass

Member
of the Supervisory
Board



Nebil Senman

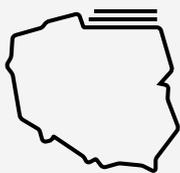
Member
of the Supervisory
Board
Member of the Audit
Committee



In 2016, the Management Board of Echo Investment with the approval of the Supervisory Board developed and implemented “The strategy of profitable growth”. According to its assumptions, Echo Investment will accelerate the capital turnover and therefore generate higher returns for its shareholders. The Company intends to share profit in the form of regular dividends.

STRATEGY OF ECHO INVESTMENT

POLAND



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

LEADERSHIP



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

FOCUS ON DEVELOPMENT



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.

STRATEGIC COOPERATION WITH RELIABLE PARTNERS

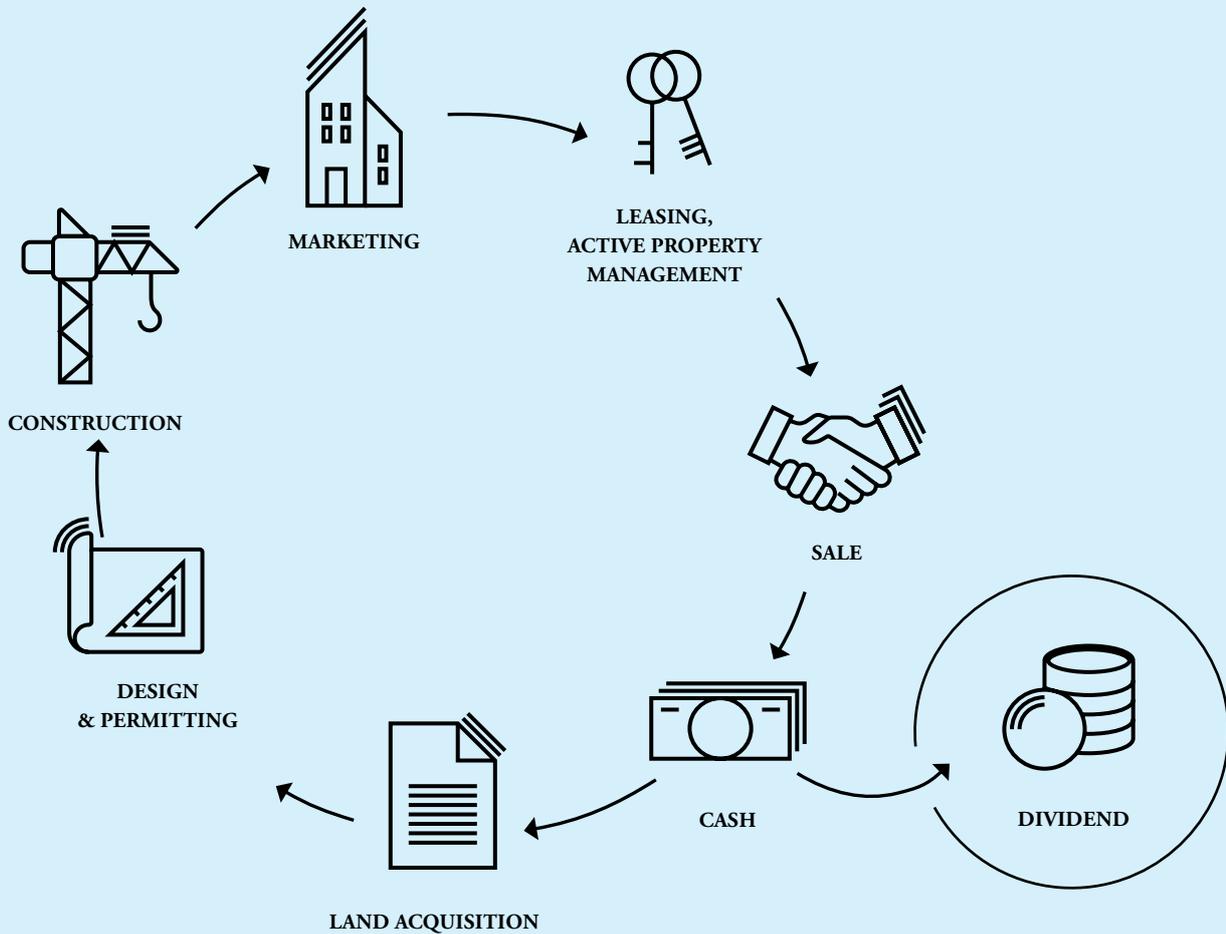


Echo Investment values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation and limits risks. Echo Investment 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 and its partners need to be discussed and approved by the Supervisory Board.

DESTINATION PROJECTS



Many years of experience in three real estate sectors gives Echo Investment a competitive advantage resulting from skills to develop large, multi-functional and destination projects. This is why, the Company can buy larger lands where unit price is lower and competition among purchasers is much lower. Combining functions allows the Company to complete a project earlier and design a complex city space.



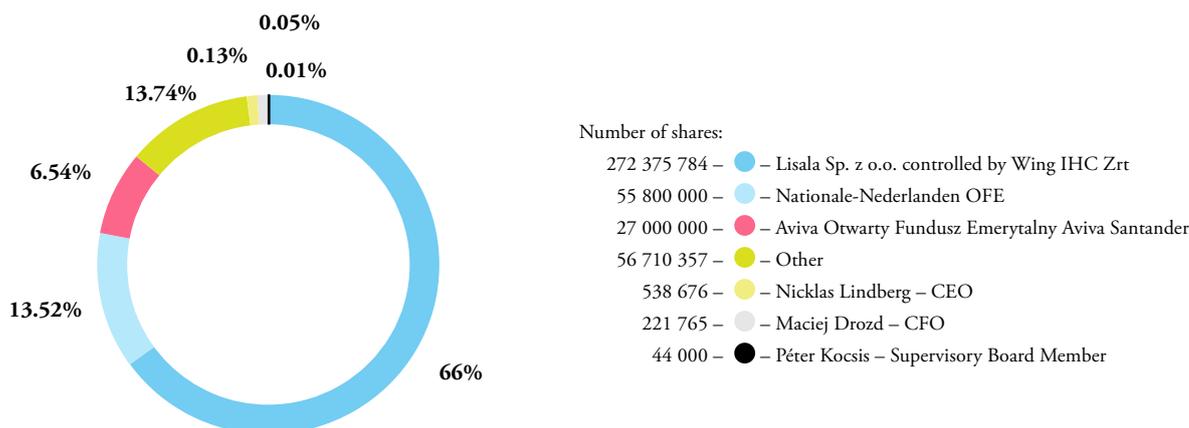
Echo Investment Group runs the entire investment process in-house, starting with acquisition of property, through obtaining administrative permits, financing and oversight of construction, to leasing, completion, active property management to increase its value, taking decision of sale and execution 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, lease, active property management to increase its value and sale of office buildings,
2. construction, lease, active property management to increase its value and sale of retail buildings,
3. construction and sale of residential apartments
4. provision of services (general contractor, managing contractor, leasing, consulting etc.).

Ownership structure of Echo Investment S.A. and description of shares

SHAREHOLDERS OF ECHO INVESTMENT S.A. HOLDING MORE THAN 5% OF THE SHARE CAPITAL



4.1 Description of shares

The share capital of Echo Investment S.A. is divided into 412,690,582 ordinary bearer shares of A, B, C, D, E and F series. None of the shares has limited rights. The Company's share capital, i.e. the nominal value of all the shares, amounts to PLN 20,635, and it was paid in cash. The nominal value of one share is PLN 0.05. The number of shares equals the number of votes at the General Meeting of Shareholders.

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

4.2 Shareholding structure

The major shareholder of Echo Investment S.A. is Lisala Sp. z o.o., controlled by Hungarian Wing IHC Zrt.

The shareholding structure information as it was on September 30th, 2020 and as on the balance sheet day is based on data on shareholders who held minimum 5% of the total number of votes at the Ordinary General Meeting of Echo Investment S.A. of August 13th, 2020 and notification from shareholders.

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

05

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

and Péter Kocsis, member of the Supervisory Board. Péter Kocsis has informed the Company on the purchase of the Company's shares on August 14th, 2020. To the best of the Company's knowledge, previously Péter Kocsis did not hold any shares or bonds of Echo Investment S.A.

VOLUME OF SHARES OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 30.09.2020.

Surname / Position in the company	Number of shares held	Share in the capital and votes at GMS (in case of shares)
Nicklas Lindberg President of the Board, CEO	538 676	0,13%
Maciej Drozd Vice-President of the Board, CFO	221 765	0,05%
Péter Kocsis Supervisory Board Member	44 000	0,01%

VOLUME OF BONDS OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 30.09.2020

Surname / Position in the company	Number of bonds held
Nicklas Lindberg President of the Board, CEO	219 (code ECH0721) 229 (code ECH1022)
Maciej Drozd Vice-President of the Board, CFO	219 (code ECH0522) 369 (code ECH0721) 50 (code ECH0923) 316 (code ECH1022)

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

them was a shareholder or bondholder on September 30th, 2020 and during the three quarters of 2020, and none of them concluded any transactions for shares or bonds in the Company.

6.1 Changes to the Supervisory Board

Following the sale of their 56% stake and thus the complete withdrawal from Echo Investment's share structure of the Pimco and Oaktree Capital Management funds, the following persons resigned from the Supervisory Board, effective from December 13th, 2019: Karim Khairallah, the Chairman of the Supervisory Board; Laurent Luccioni, the Vice-Chairman; and Sebastian A. Zilles, a member of the Supervisory Board. As a result, at the Extraordinary General Meeting of Shareholders held on January 9th, 2020, Noah Steinberg was appointed to the Supervisory Board and assigned as its Chairman, while Tibor Veres became the Vice-Chairman of the Supervisory Board, and Péter Kocsis and Bence Sass became Supervisory Board members for the current term. The new Supervisory Board members have all been appointed from Hungarian company Wing, being the new majority shareholder of Echo Investment.



Due to Mark Abramson resignation from his seat in the Supervisory Board and dismissal of Stefan Kawalec, the Ordinary General Meeting of the Shareholders appointed Margaret Dezse and Sławomir Jędrzejczyk as independent members of the supervisory board on August 13th 2020. The new members of the Supervisory Board also became members of the Audit Committee: Margaret Dezse as chair and Sławomir Jędrzejczyk as vice-chairman.

What is more, the Supervisory Board appointed the Investment Committee that will be responsible for the ongoing evaluation of the activities in the field of purchasing and selling assets, financing plans, the asset sales strategy development and the implementation of investment plans based on the approved annual budget. The Investment Committee consisted of Noah M. Steinberg, Maciej Dyjas, Péter Kocsis, Bence Sass and Nebil Senman.

6.2 Wing's announcement of a tender for an additional 10.04% stake in Echo Investment

Due to Wing indirectly exceeding the threshold of 33% of the shares of Echo Investment and of the votes at the General Meeting of Shareholders, on February 3rd, 2020 the Hungarian company announced a tender offer for an additional 41,444,928 of Echo Investment's shares, entitling it to a further 10.04% of the total number of the votes at the General Meeting of Shareholders, at a price of PLN 4.65 per share. Subscriptions started on February 21st, 2020 and ended on March 18th, 2020. As a result of the tender, Wing increased its stake to 66% and of the votes at the General Meeting of Shareholders of Echo Investment. The tender offer was conducted through brokerage house Santander Biuro Maklerskie.

4,000

The number of apartments that could potentially be built on the plots in Łódź, Kraków and Poznań to be acquired from Tesco

6.3 The preliminary agreement for three plots with first generation shopping centres in Kraków, Poznań and Łódź

On February 28th, 2020, Echo Investment signed preliminary contracts to acquire plots situated on ul. Opieńskiego in Poznań, ul. Widzewska in Łódź and ul. Kapelanka in Kraków. These sites, which belonged to companies owned by Tesco Group, are in excellent locations and fit into Echo Investment's consistent strategy of continuing to expand the residential part of its business. The company is planning to develop mixed use projects on all the plots, which will include 4,000 apartments, retail space and (in Kraków) a building with office functions. The existing shopping

centres will be managed by Echo Investment until construction work begins. Tesco's office space and store in Kraków will operate without disruption until their relocation to a new building to be developed on the plot. The projects in Poznań and Łódź will continue to operate until permits are in place and construction starts. The total area of the acquired plots amounts to 190,000 sqm. The net price will amount to EUR 42.5 million. The transaction should be concluded not later than early 2021, after the fulfilment of certain conditions in the preliminary agreement. This is the latest transaction concluded between Echo Investment and Tesco. At the end of last year, the developer bought the Tesco centre on al. Komisji Edukacji Narodowej in Warsaw's Kabaty district from the retail chain. This property is located next to the Kabaty metro station.

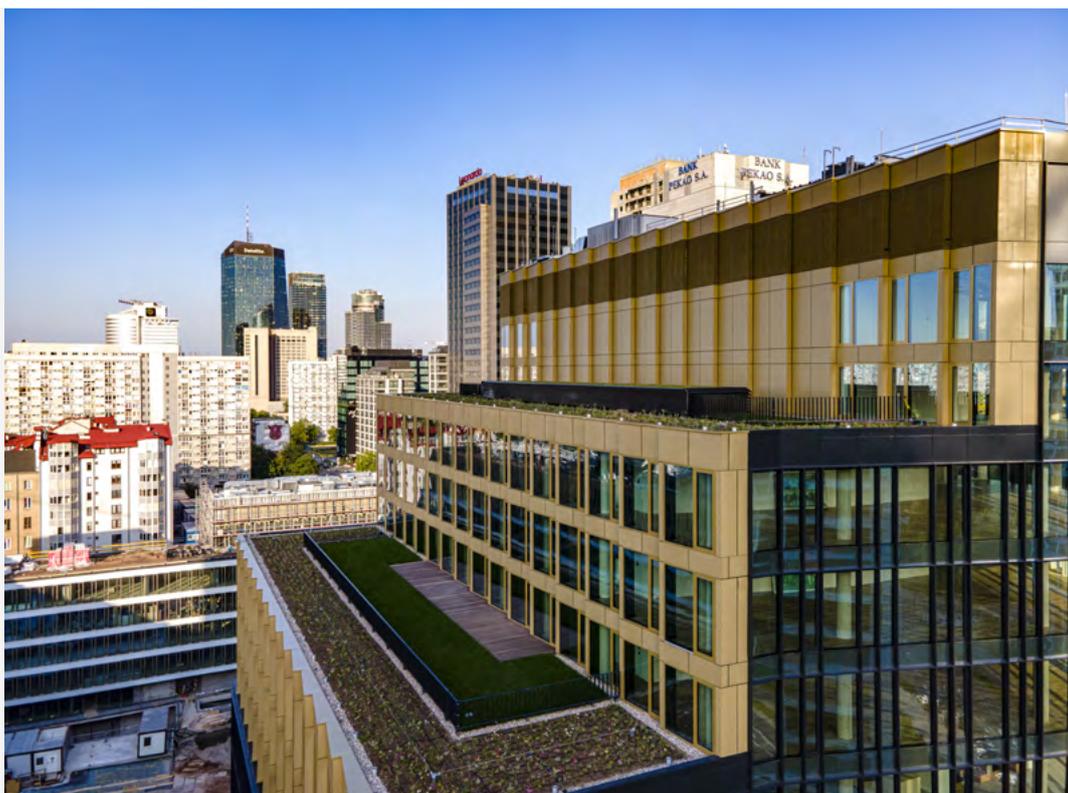
6.4 Obtaining the occupancy permits for two office and one residential buildings in the Warsaw Brewery complex

Echo Investment completed the construction work on the Villa Offices and the Malthouse Offices. On April 15th, 2020 the first building obtained an occupancy permit and WeWork clients, as well as Accenture already work on its premises. The second office building was provided with an occupancy permit on September 1st and its first tenants - law firm Allen & Overy and Grupa Żywiec - are currently working there.

In July the occupancy permit was granted for the building Resi4Rent Warszawa Browary with 450 apartments for rent. In September it was almost entirely handed-over by its ultimate owner - Resi4Rent platform. The fit out works in the first tranche of them (250 apartments) was completed in August and now is almost fully leased. The second tranche (200 units) was fitted-out in October and is now its leasing status is advanced.

The occupancy permit for another building - the Malthouse Apartments (Warsaw Brewery E) was granted in October. The building has 82 high-standard apartments. The first residents will move in this building soon.

The Warsaw Brewery is the first city-forming, mixed-use 'destination' project of Echo Investment. The complex combine residential, office, retail and entertainment functions and is situated on a plot of almost 4.5 ha between ul. Grzybowska, ul. Krochmalna, ul. Wronia and ul. Chłodna. The main construction works are already completed. Now the fit-out works inside buildings are conducted and the public spaces are being arranged. The entire complex will be ready at the turn of 2020 and 2021.



Villahouse Offices building in the Warsaw Brewery complex in Warsaw



6.5 The issue of PLN 150 million of bonds and the purchase of bonds for redemption

Under the company's Bond Issue Programme, which could go up to a maximum value of PLN 1 billion, in cooperation with mBank S.A., on June 2nd 2020 Echo Investment issued bonds worth a total of PLN 150 million to institutional investors. The nominal value and issue price of each bond was PLN 10,000. They were issued for the period ending on May 31st 2024. The interest on the bonds was determined based on the variable WIBOR 6M rate supplemented by the investors' margin. The interest will be paid in semi-annual periods. The bonds are to be redeemed on the redemption date at their par value. The bonds that were issued are not secured and are traded on the alternative trading system operated by the Warsaw Stock Exchange.

At the same time, on June 1st 2020 the company purchased for redemption 1,005 own bonds bearing the ISIN code PLECHPS00258, 9,340 bonds with the code PLECHPS00282 and 349 bonds with the code PLECHPS00308. The unit par value of each bond was PLN 10,000.

6.6 Securing a construction loan for the MidPoint71 office building

On July 22nd 2020, Echo Investment secured a loan for the construction of the MidPoint71 office building, which is under development in Wrocław. PKO Bank Polski granted Echo Investment a EUR 54.4 million construction loan as well as a PLN 7 million VAT loan. Once the construction work is complete, the construction loan is to be converted into an investment loan. The loan is due to mature on June 30th 2026.

MidPoint71, which is being constructed on ul. Powstańców Śląskich in the city, will have 37,000 sqm of office space. Construction work started at the end of 2019, and the first tenants are due to move into the building in the fourth quarter of 2021. One of these will be Pyszne.pl, which will move its Wrocław headquarters to the building, where it will occupy 3,500 sqm. The ground floors of the office building will include services, a restaurant and comfortable common areas. Medusa Group is responsible for the architectural design of the 14-storey building.

Echo Investment has been investing in Wrocław for 15 years, with MidPoint71 being the company's eighth office project in the city, after Aquarius Business House, Nobilis, Sagittarius Business House, West Gate and West Link. In 2020 the first stage of the West 4 Business Hub office complex on ul. Na Ostatnim Groszu was also completed .



MidPoint71
in Wrocław



6.7 The issue of PLN 100 million of bonds for an institutional investor

Echo Investment issued four-year coupon bonds worth PLN 100 million covered by the PKO Parasolowy - FIO Investment Fund. The coupon (or 'bearer') bonds mature on August 5th, 2024. The interest rate is calculated based on the variable six-month WIBOR (Warsaw Interbank Offered Rate) plus a mar-

gin and is to be paid in semi-annual periods. The bonds issued are not secured and are traded under the alternative trading system operated by the Warsaw Stock Exchange.

6.8 The Ordinary General Meeting of Shareholders

The Ordinary General Meeting of the Shareholders of Echo Investment was held on August 13th 2020. It was attended by shareholders entitled to over 86% of the votes. The shareholders unanimously approved the reports of the management board on the activities of Echo Investment S.A. and its Group for 2019, as well as separate and consolidated financial statements. The OGM also decided to allocate the profits for 2019 as follows:

- the net profit generated by the company in the financial year 2019, amounting to PLN 21,412,312.65, was allocated for distribution among all shareholders;
- the profit intended for distribution was increased by the sum of PLN 184,932,978.35 from the Dividend Fund (PLN 206,345,291 in total) and was allocated for distribution among all shareholders;
- the sum of PLN 206,345,291 was included in the dividend, paid on October 21st 2019, as a dividend advance;
- the dividend corresponds to the amount of the dividend advance payment, therefore it was de-

cidated that the company would not pay additional funds from the profit for the financial year 2019.

In subsequent resolutions, the shareholders discharged all members of the management and supervisory boards from their duties, and made changes to the supervisory board, including those relevant to the resignation of Mark Abramson. The OGM recalled Stefan Kawalec from the supervisory board and appointed Margaret Dezse and Sławomir Jędrzejczyk as independent members of the supervisory board.

The OGM also introduced several changes to the company's articles of association. These resulted from, among other reasons, new regulations or were of a reorganizational nature. The significant changes introduced include empowering the supervisory board to adopt annual budgets and business plans for the company and its subsidiaries. The shareholders also adopted a remuneration policy for members of the management and supervisory boards.

6.9 Establishment of a bond issuance program for the issuance denominated in EUR and the first issuance

The Management Board of Echo Investment on September 3rd, 2020 concluded an issue agreement with Bank Polska Kasa Opieki S.A., establishing a program for the issuance of unsecured ordinary bearer bonds up to the total amount of the issued and outstanding bonds of EUR 100 million.

Bonds issued pursuant to the Issuance Program will be offered for purchase without the need to draw up a prospectus or information memorandum. On the issuance date the Bonds will be registered in the depository maintained by Krajowy Depozyt Papi-

erów Wartościowych S.A. and it will be introduced to trading in an alternative trading system operated by Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

Bonds will be issued as unsecured ordinary bearer bonds denominated in EUR and bearing interest at a fixed or variable interest rate, with a maturity not exceeding 5 years. The final parameters of the Bonds will be determined through talks with investors and will be subject to approval of the Company's Management Board.

Significant events after the balance sheet day

07

7.1 Construction loan for office buildings in Fuzja project in Łódź

Echo Investment has gained a loan for the construction of three office buildings included in the multi-functional Fuzja project in Łódź. In accordance with the contract, Bank Pekao will grant Echo Investment nearly EUR 34 million in construction and investment loans, as well as PLN 10 million in VAT loan. The total funding period concludes on January 31, 2026. The loan agreement was signed on November 17th, 2020.

The main tenant of the two office buildings already in development is Fujitsu Poland Global Delivery Center – which is one of the world's largest providers of infrastructure and IT support. The buildings will become a part of the entire urban space of Fuzja. A historical wall is designed to be a part of one of these

buildings. The fragment was a part of the old building of the bleach, mangle and dryer. The buildings have been designed in accordance with the BREEAM certification guidelines and will be constructed and used with respect for the environment, which will be reflected, inter alia, in low energy consumption, low atmospheric emissions, as well as the use of environmentally friendly building and finishing materials.

Bank Pekao has been a partner of Echo Investment for many years. It financed the company's developer projects, including the construction of the Villa Offices and the Malthouse Offices in the Warsaw Brewery complex.



One of the office buildings in Łódź-based Fuzja, where Fujitsu will locate its headquarter.

Residential segment – market outlook and Echo Investment business activities

8.1 The residential market in Poland



In the third quarter of 2020, developers operating in the six largest Polish cities sold 13.3 thousand apartments - 94% more than in the previous quarter, that was marked by the lock-down. According to JLL data, in most markets these sales were made at offer prices higher than in the second quarter. Thanks to apartments put on offer (about 13 thousand units in a quarter), the offer remained on a current level. Contrary to common expectations, prices did not change either.

The ratio of apartments introduced for sale in the third quarter of 2020 to those sold was very different depending on the local market. The largest surplus of units introduced to the market took place in Kraków. The relative balance occurred in the Tricity, Łódź and Poznań. In Warsaw and Wrocław, on the other hand,

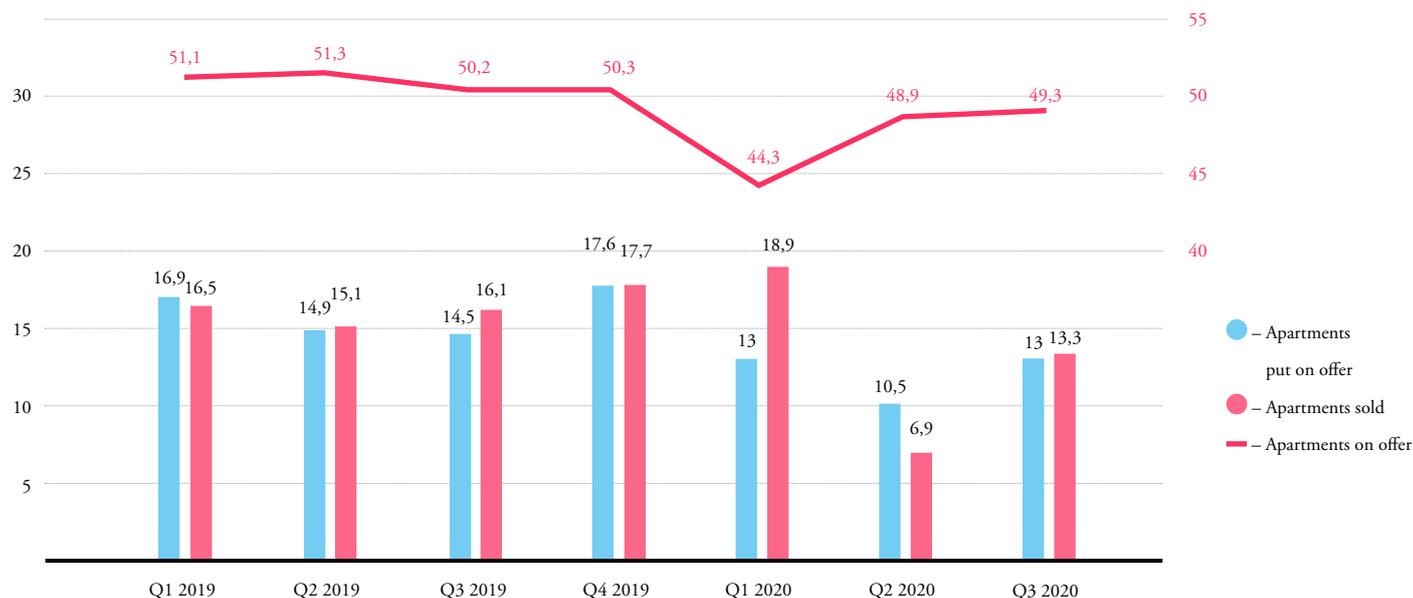
the demand significantly exceeded the supply. The total number of units introduced to the market in the six largest urban centers in Poland amounted to 13 thousand i.e., 23 percent more than in the previous quarter and 11 percent less than in the same period last year.

The apartments are still finding buyers. What is important, a key argument for those who are willing to buy an apartment is a well-established opinion of the Polish residential market as a safe harbor where their accumulated capital can be secured. This is true of both individual and institutional investors. The former have over PLN 300 billion accumulated in banks on term deposits alone and there is no real alternative to secure their depreciation on the capital market.

Perspectives of each market sectors in coming 12 months:

- Very optimistic
- Optimistic
- Neutral
- Pesimistic
- Very pesimistic

RESIDENTIAL UNITS AVAILABLE TO BUY AGAINST THOSE SOLD AND THE SIZE OF THE OFFER IN POLAND [000' UNITS]



Source: JLL

8.2 Echo Investment's performance in the residential sector

From the beginning of the year to the end of September 2020, Echo Investment sold 1103 apartments, an improvement on the sales figure for the same period last year. In the third quarter alone, the company sold 450 apartments. The largest number of transactions were for homes in the Stacja Wola in Warsaw, Osiedle KRK II and Bonarka Living in Kraków, as well as the Stacja 3.0 in Wrocław.

In recent months, the developer started the construction and sale of units in five further projects – Stacja Wola II in Warsaw, Bonarka Living on ul. Puzkarska in Kraków and the second stage of the KRK estate in Krakow, as well as another phase of Enter in Poznań. These new projects increased its offer by over 930 apartments.

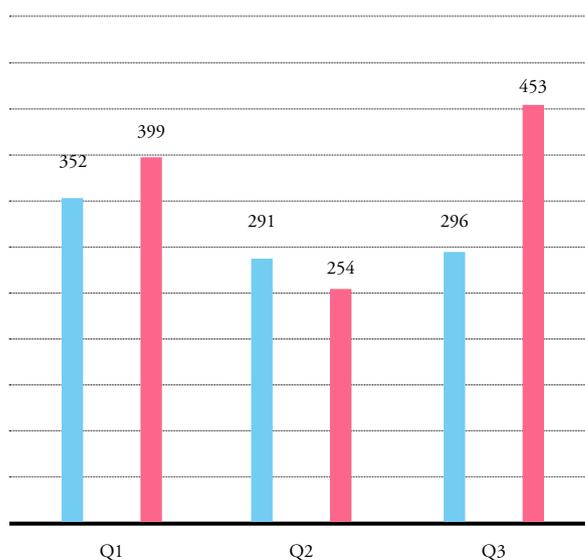
From the beginning of the year to the end of September, Echo Investment completed the construction of six projects in Warsaw, Łódź, Poznań and Wrocław, which resulted in 713 apartments being sold to clients. This translates to more than a 20% increase compared to the result achieved in 9 months of 2019. In September alone, Echo Investment handed over keys to 202 apartments.

The pandemic has had a transformative effect on social habits and the ways space is used, which in turn has influenced the design and construction of apartments. After several weeks of analysing the behaviour and needs of those living in cities, Echo Investment's designers adapted its residential projects under construction to these new conditions and to buyers' changed expectations. These include features to increase security levels, such as a resident identification system that automatically opens the door for them and summons an elevator to take them to their floor – without the need to touch buttons in the common areas. In the design and arrangement of the apartments, Echo Investment's architects also provided greater options for easily adapting the space for home office requirements.

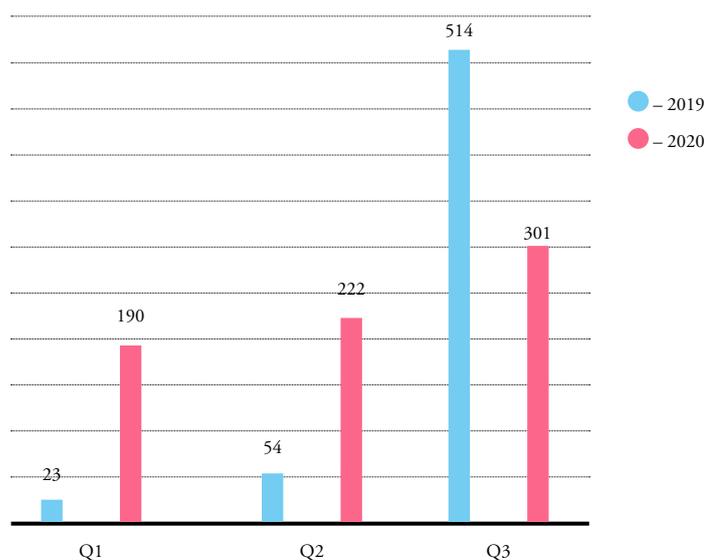
In response to the economic situation, Echo Investment adopted a more cautious approach to starting new projects. Decisions to start construction is now depend on the projects having achieved a higher level of apartment pre-sales than hitherto, which entailed that the work on a number of projects was postponed for several months.

THE SALE AND HANDOVER OF APARTMENTS BY ECHO INVESTMENT IN Q3 2020 [UNITS]

RESIDENTIAL SALES



APARTMENT HANDOVERS



8.3 Echo Investment's performance in the apartments for rent segment

Resi4Rent, the largest private institutional apartment rental platform in Poland, opened its first project in the Polish capital: R4R Warszawa Browary. The renting out of the apartments has begun and keys have been handed over to the first tenants. Eventually, the project comprises 450 apartments.

Resi4Rent was established in 2018. It is a joint venture between Echo Investment, which holds a 30%

stake, and a leading international fund manager, which owns 70%. Echo Investment is the project developer for Resi4Rent and among the services it provides for the platform are identifying and purchasing plots. In total, there are more than 1,250 apartments for rent in completed Resi4Rent buildings in Warsaw, Łódź and Wrocław. The strategic goal is to build a platform of 10,000 apartments for rent by 2025.



Resi4Rent Warszawa Browary – the first completed project of Resi4Rent in Warsaw



9.1 The office market in Poland



During the first nine months of 2020, developers delivered more than 530 thousand sqm on the modern office space market in Poland, of which 305 thousand sqm was delivered to eight major regional markets (Kraków, Wrocław, Tricity, Poznań, Łódź, Katowice, Lublin and Szczecin), according to AXI Immo experts. In Warsaw 231 thousand sqm was put into operation at that time. The new supply together with the moderate demand resulted in currently over 1.2 million sqm of office space immediately available.

At the end of the third quarter of 2020, the total supply in the nine main office markets reached over 11.5 million sqm. According to Colliers International analysts, the regional market with the highest increase in the new supply in the past quarter was Wrocław, where three office projects with a total area of over 48.9 thousand sqm were delivered. The first phase of Echo Investment's West 4 Business Hub was completed.

The vacancy rate in Warsaw amounted to 9.6% (an increase of 1.7 p.p. compared to the second quarter of 2020 and 1.4 p.p. compared to the third quarter of 2019), that translates into approximately 560 thousand sqm. Among regional cities, the lowest vacancy rate was observed in Katowice (7%).

In the third quarter of 2020, the demand for office space in the nine largest markets in the country amounted to nearly 240 thousand sqm. It consists a 52% decrease compared to the third quarter of 2019. The share of renegotiations in the structure of concluded agreements is clearly growing - in Warsaw it amounted to 48% of concluded agreements (the same as new agreements) and in regional cities - as much as 52%. The amount of space offered for sub-lease is also growing dynamically, that at the end of the third quarter of 2020 amounted to approximately 106 thousand sqm in Warsaw and over 100 thousand sqm in regional cities.

Perspectives of each market sectors in coming 12 months:

- Very optimistic
- Optimistic
- Neutral
- Pesimistic
- Very pesimistic

9.2 Echo Investment's performance in the office sector

Echo Investment currently has office buildings under construction with a total leasable area of approx. 120,000 sqm. In recent weeks buildings Face2Face II in Katowice and West 4 Business Hub I in Wrocław were commissioned.

In August, Malthouse Offices – the final and largest office building of Warsaw Brewery received a use permit. The list of its tenants include such companies as Grupa Żywiec and law firm Allen & Overy. Also in August Echo Investment has completed the first phase of West4 Business Hub in Wrocław, where the first tenants are currently moving in.

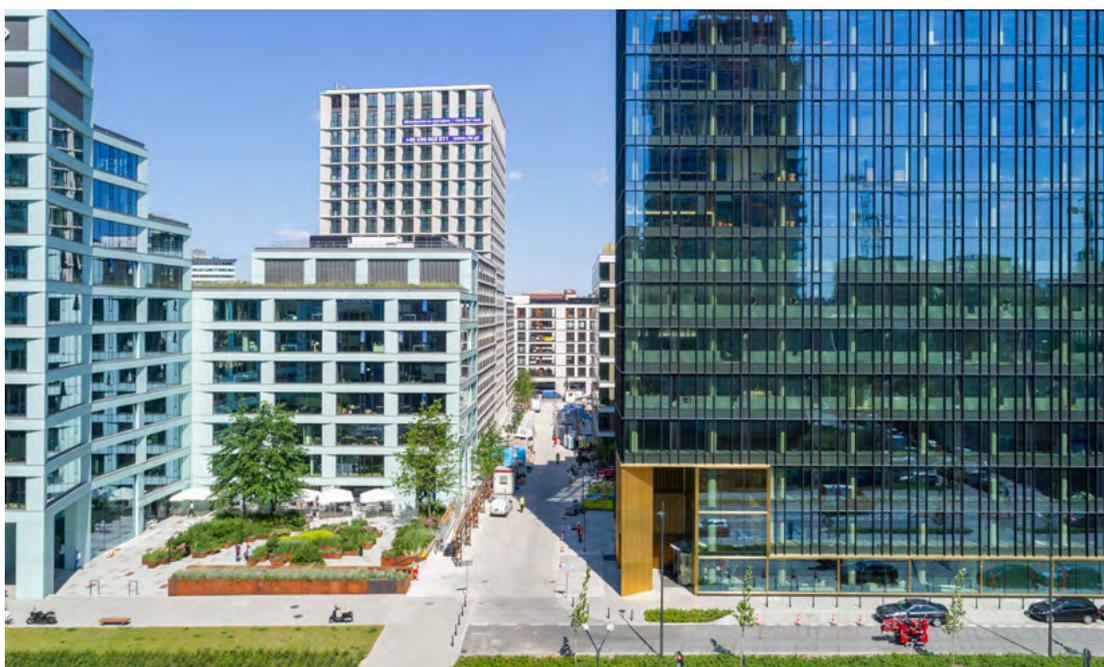
In September, the construction of two office buildings of the Fuzja complex in Łódź began, which will together have a total of approx. 20,000 sqm of leasable space. Fujitsu is to be the main tenant of the new space. Another important event was the finance obtained for MidPoint71 in Wrocław. In July, PKO Bank Polski granted a construction loan of EUR 54.4 million for the project along with a PLN 7 million VAT loan. MidPoint71, which is under development on ul. Powstańców Śląskich, will offer 37,000 sqm of office space.

In response to the pandemic, Echo Investment has implemented additional precautionary measures and enhanced its health and safety standards. In addition to this, Echo Investment's architects and constructors have reviewed their previous design approach in the light of the new hygiene requirements and recommendations. As a result of this research, the company has launched its 'healthy office buildings' programme, which involves a series of new measures to address post-Covid needs in completed and planned buildings. Pilot projects for the most important innovations have taken place in React in Łódź (an air purification system for filtering microorganisms and viruses) and in West 4 Business Hub in Wrocław (an application for moving around the building that optimises the movement of employees and guests and picks out safe routes). Following the successful pilot of the air filtration system, Echo Investment has decided to introduce the same technology in a number of other office buildings.

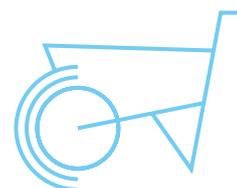
CitySpace, Echo Investment's flexible and serviced offices operator, continues its dynamic growth. The company opened another offices in Warsaw and is expanding its centers in Wrocław and Gdańsk. Currently, CitySpace owns 18,000 sqm of flexible space located in 5 Polish cities.



Detailed information about the loan can be found in point 6.6 on page 17.



The construction works at the Warsaw Brewery complex last already in the fourth quarter of 2020



10.1 The retail real estate market in Poland



In the third quarter of 2020, retail chains and retail facilities were focused on sales rebuilding activities. The activity was effective: footfall and turnover gradually increased. During the first three quarters, over 140 thousand sqm of new retail space appeared on the market, while the delivery of another 120 thousand sqm is announced by the end of the year. As a result, it is estimated that the new supply in 2020 will be only 10% less than in the previous year, that shows that the Covid-19 pandemic did not cause delays in projects at advanced planning or construction phases. The retail market is developing intensively towards the sector of quick and easy shopping - the so-called “convenience”. The vacancy rates analysis in the 8 largest Polish agglomerations shows an increase in the average rate by 0.7 p.p. in August 2020 compared to the end of 2019. This is relatively small, given the unusual situation related to the impact of

the pandemic on the functioning of the retail market. The above data comes from CBRE and Cushman & Wakefield.

According to PRCH data, footfall in shopping centers after the spring lock-down systematically increased, reaching a record 90% of last year’s values in the last week of August. While the September results were still very optimistic, since the beginning of October, along with an increase in the number of new cases in Poland, the number of visits to shopping centers started to decrease and amounted to 74-78% in the weeks 5-11 and 12-18 October. The research shows that customers are slightly more eager to visit medium and small facilities, while in large and very large shopping centers there is a tendency to make quick and planned shopping with a shorter time of staying at a given facility.

Perspectives of each market sectors in coming 12 months:

- Very optimistic
- Optimistic
- Neutral
- Pesimistic
- Very pesimistic



Galeria Młociny, Warsaw

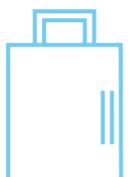
10.2 Echo Investment's performance in the retail sector

When it comes to retail projects, Echo Investment's most significant event in Q3 was the opening of the first Primark boutique in Poland - in Galeria Młociny in Warsaw. This was one of the most anticipated debuts on the Polish market, attracting crowds of shoppers since its opening in mid-August. Bringing the brand to Poland is one of Echo Investment's leasing department's most impressive achievements. The Primark store in Warsaw occupies almost 3,700 sqm of retail space on two floors of Galeria Młociny, which is 30% owned by Echo Investment with the remaining 70% being owned by EPP.

The pandemic regulations introduced at the beginning of March limited the functioning of most tenants for several weeks. Echo Investment's leasing and management departments then faced the challenge of reaching agreements with tenants over the terms on which the centres could return to their normal operations. Despite the difficult nature of these negotiations and the series of controversies that erupted across the market, Echo Investment managed to reach agreements with the tenants of Libero in Katowice and Galeria Młociny in Warsaw in the shortest possible time, and to take measures to restore the full operations of both centres to their pre-pandemic

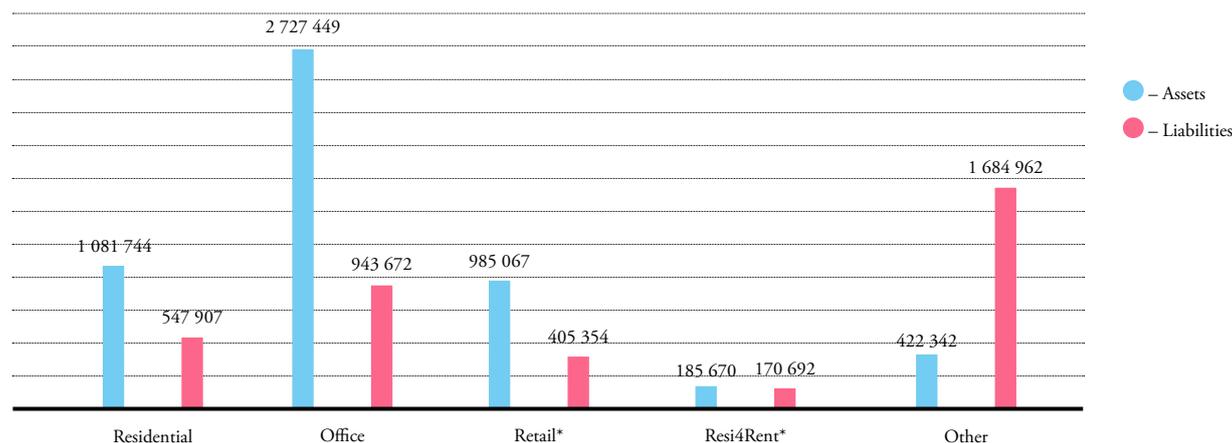
levels as early as possible. Importantly, in the first days of operations following the re-opening of Echo Investment's shopping centres, the turnover they registered was higher than had been anticipated, given the figures in other countries. The conversion rate, i.e. the ratio of visitors to the number of transactions, also hit record highs, thus attesting to the responsible attitude of shoppers, many of whom had visited the centres only in order to make specific purchases.

With the second wave of the pandemic, the government again introduced substantial restrictions on the activity of shopping center tenants from 7 November to 29 November. Currently, 38 stores and service points operate in Libero, that represents 26% of all tenants. Echo Investment has been maintaining a constant contact with all tenants. The agreements with the tenants reached after the first closing of shopping centers, include provisions regulating this situation, that assume no rent payments for the closing period. Together with the tenants, Echo Investment has decided that they will consult on details of returns to normal operations when more precise dates and rules of the second unfreezing of the economy will be known.



Opening of the first Primark store in Poland in Warsaw's Galeria Młociny was one of the most important events for the retail market in 2020

ASSIGNMENT OF ASSETS AND LIABILITIES TO SEGMENTS AS AT 30.09.2020 [PLN '000]



ASSIGNMENT OF ASSETS TO SEGMENTS [‘000 PLN]

	30.09.2020	30.09.2019
Residential	1 081 744	1 171 562
Office	2 727 449	1 824 531
Retail*	985 067	981 704
Resi4Rent*	185 670	325 841
Other	422 342	355 782
Total	5 402 271	4 659 421

ASSIGNMENT OF LIABILITIES TO SEGMENTS [‘000 PLN]

	30.09.2020	30.09.2019
Residential	547 907	692 877
Office	943 672	759 479
Retail*	405 354	339 694
Resi4Rent*	170 692	138 538
Other	1 684 962	1 351 726
Total	3 752 586	3 282 314

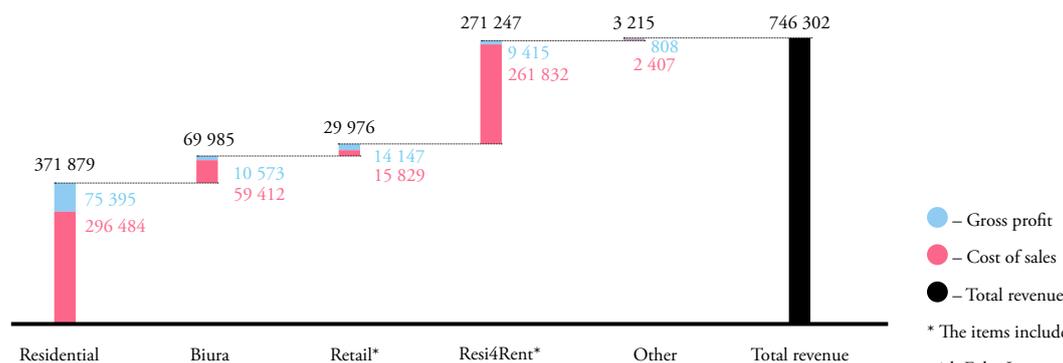
PLN **5,402** million

Total value of assets as at
30.09.2020

PLN **3,753** million

Total value of liabilities as at
30.09.2020

ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS PROFIT TO SEGMENTS FOR THE PERIOD FROM 01.01.2020 TO 30.09.2020 [PLN '000]



PLN **110** million

Gross profit for Q1-Q3 2020

* The items include portion of assets and liabilities in JVs corresponding with Echo Investment Group's share.

ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS PROFIT TO SEGMENTS FOR THE PERIOD FROM 01.01.2020 TO 30.09.2020 [PLN '000]

	Revenues	Cost of sales	Gross profit
Residential	371 879	(296 484)	75 395
Office	69 985	(59 412)	10 573
Retail	29 976	(15 829)	14 147
Resi4Rent	271 247	(261 832)	9 415
Other	3 215	(2 407)	808
Total	746 302	(635 964)	110 338

RESIDENTIAL SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	371 224	(295 063)	76 161
Rents	121	(2)	119
Maintenance of the project in preparation and construction	534	(1 028)	(494)
Costs of projects completed in previous years	-	(391)	(391)
Total	371 879	(296 484)	75 395

OFFICE SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Rents	31 950	(18 839)	13 111
Services (fit-outs)	37 225	(38 096)	(871)
Maintenance of the project in preparation and construction	810	(2 477)	(1 667)
Total	69 985	(59 412)	10 573

RETAIL SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	-	-	-
Rents	28 848	(13 317)	15 531
Services (development)	1 128	(2 505)	(1 377)
Maintenance of the project in preparation and construction	-	(7)	(7)
Total	29 976	(15 829)	14 147

RESI4RENT SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	271 247	(261 832)	9 415
Total	271 247	(261 832)	9 415

OTHER [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	1 575	(1 360)	215
Rents	379	(367)	12
Services	1 261	(680)	581
Total	3 215	(2 407)	808

12.1 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% of the targeted budget.

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

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
Osiedle KRK I Kraków, ul. Zapolskiej	9 800	218	67%	96,6	71,4	50%	Q1 2020	Q3 2021
Osiedle KRK II Kraków, ul. Zapolskiej	9 900	218	35%	95,1	68,3	33%	Q3 2020	Q1 2022
Bonarka Living I Kraków, ul. Puszkarska	8 000	143	34%	67,9	48,3	25%	Q3 2021	Q4 2021
Fuzja I Łódź, ul. Tymienieckiego	14 200	282	67%	105,1	80,5	74%	Q2 2019	Q4 2020
Osiedle Jarzębinowe VII Łódź, ul. Okopowa	6 100	105	92%	36,4	28,4	73%	Q2 2019	Q4 2020
Osiedle Jarzębinowe VIII Łódź, ul. Okopowa	6 100	101	46%	38,8	28,7	28%	Q2 2020	Q4 2021
Apartamenty Esencja Poznań, ul. Grabary	12 500	260	84%	116,8	87,4	75%	Q1 2019	Q4 2021
Nasze Jeżyce I Poznań, ul. Szczepanowskiego	7 500	142	88%	57,8	44,5	61%	Q3 2019	Q1 2021
Nasze Jeżyce II Poznań, ul. Szczepanowskiego	8 200	162	60%	63,9	49,0	42%	Q3 2019	Q2 2021
Osiedle Enter I a Poznań, ul. Naramowice	6 400	118	64%	41,3	30,7	41%	Q1 2020	Q4 2021
Malthouse Apartments (Warsaw Brewery E) Warsaw, ul. Grzybowska	5 700	81	78%	113,4	72,3	88%	Q4 2018	Q4 2020
Osiedle Reset II Warsaw, ul. Taśmowa	12 200	255	99%	119,3	95,9	92%	Q4 2018	Q3 2020
Stacja Wola I Warsaw, ul. Ordona	20 000	387	73%	201,7	141,8	52%	Q4 2019	Q3 2021
Stacja Wola II Warsaw, ul. Ordona	13 700	249	20%	135,4	95,4	28%	Q3 2020	Q2 2022
Stacja 3.0 Wrocław, ul. Mińska	12 000	242	48%	91,1	69,0	80%	Q3 2019	Q4 2020
Total	152 300	2 963		1 380,6	1 011,6			

RESIDENTIAL PROJECTS UNDER PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Bonarka Living II Kraków, ul. Puszkarska	17 900	330	155,6	109,4	18%	Q3 2021	Q2 2023
ZAM I Kraków, ul. Rydlówka	6 300	115	61,7	44,9	29%	Q4 2020	Q2 2022
ZAM II Kraków, ul. Rydlówka	5 400	98	59,4	45,2	22%	Q4 2021	Q2 2023
Fuzja II Łódź, ul. Tymienieckiego	12 400	240	92,3	68,6	12%	Q4 2020	Q2 2022
Fuzja III Łódź, ul. Tymienieckiego	9 000	152	74,3	53,3	10%	Q2 2021	Q4 2022
Wodna 17-19 Łódź, ul. Wodna	12 900	234	84,3	62,7	11%	Q2 2021	Q4 2022
Osiedle Enter I b Poznań, ul. Sielawy	6 000	104	37,6	28,4	14%	Q4 2020	Q4 2021
Osiedle Enter II Poznań, ul. Sielawy	9 400	157	60,6	43,3	12%	Q1 2021	Q4 2022
Osiedle Enter III Poznań, ul. Sielawy	9 600	159	62,2	45,2	11%	Q3 2021	Q2 2023
Apartamenty Esencja II Poznań, ul. Garbary	6 500	130	63,3	49,0	18%	Q3 2021	Q1 2023
Stacja Wola III Warsaw, ul. Ordona	14 900	270	147,8	103,0	27%	Q2 2021	Q1 2023
Kabaty Warsaw, al. KEN	17 500	299	213,2	152,0	28%	Q4 2021	Q3 2023
Total	127 800	2 288	1 112,3	804,9			

12.2 Residential projects for rental platform Resi4Rent

Definitions:

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

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

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT IN OPERATION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Completion	Comments
R4R Wrocław Rychtalska Wrocław, ul. Zakładowa	11 400	302	8,4	76,8	Q3 2019	Project owned by Resi4Rent
R4R Łódź Wodna Łódź, ul. Wodna	7 800	219	4,9	52,4	Q4 2019	Project owned by Resi4Rent
R4R Wrocław Kępa Mieszczańska Wrocław, ul. Dmowskiego	9 300	269	6,8	76,3	Q2 2020	Project owned by Resi4Rent
R4R Warszawa Browary Warsaw, ul. Grzybowska	19 000	450	16,6	187,6	Q3 2020	Preliminary sale agreement from Echo Investment to Resi4Rent
Total	47 500	1 240	36,7	393,1		

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT UNDER CONSTRUCTION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion	Comments
R4R Warszawa Taśmowa Warsaw, ul. Taśmowa	13 000	372	11,1	111,9	Q1 2019	Q1 2021	Project owned by Resi4Rent
R4R Warszawa Woronicza Warsaw, ul. Woronicza	7 900	229	6,2	60,7	Q2 2019	Q4 2020	Project owned by Resi4Rent
R4R Poznań Szczepanowskiego Poznań, ul. Szczepanowskiego	5 000	160	3,8	42,2	Q3 2019	Q3 2021	Project owned by Resi4Rent
R4R Gdańsk Kołobrzeska Gdańsk, ul. Kołobrzeska	10 200	301	8,9	88,7	Q3 2019	Q2 2021	Project owned by Resi4Rent
R4R Warszawa Żwirki Warsaw, ul. Żwirki i Wigury	5 200	161	5,0	52,7	Q3 2020	Q3 2022	Project owned by Resi4Rent
R4R Kraków Puskarska Kraków, ul. Puskarska	5 000	149	3,5	37,0	Q3 2020	Q2 2022	Preliminary plot sale agreement
Total	46 300	1 372	38,5	393,2			

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT IN PREPARATION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Targeted start	Targeted completion	Comments
R4R Kraków 3- Maja Kraków, ul. 3- Maja	12 100	387	9,8	106,1	Q1 2021	Q3 2022	Project owned by Resi4Rent
R4R Warszawa Wilanowska Warsaw, al. Wilanowska	12 400	407	11,5	129,4	Q4 2020	Q4 2022	Project owned by Resi4Rent
R4R Pohońskiego Warszawa Warsaw, ul. Pohońskiego	8 600	304	8,3	90,1	Q2 2021	Q1 2023	Project owned by Resi4Rent
R4R Kraków Jana Pawła Kraków, al. Jana Pawła II	9 400	296	7,2	77,0	Q2 2021	Q2 2023	Project owned by Resi4Rent
R4R Wrocław Jaworska Wrocław, ul. Jaworska	12 900	399	10,4	110,2	Q3 2021	Q2 2023	Preliminary plot sale agreement
Total	55 400	1 793	47,2	512,8			

12.3 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% of capital participation in the project, ROFO partner is entitled to 25% 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% 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).

OFFICE BUILDING IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
Moje Miejsce I Warsaw, ul. Beethovena	18 900	92%	3,4	159,1	97%	30,7	Q2 2019	ROFO agreement with Globalworth Poland
Face 2 Face I Katowice, ul. Grundmanna	20 400	88%	3,7	153,2	88%	56,3	Q4 2019	
West 4 Business Hub I Wrocław, ul. Na Ostatnim Groszu	15 600	43%	2,7	115,7	79%	23,5	Q3 2020	
Malthouse Offices (Warsaw Brewery GH) Warsaw, ul. Grzybowska	29 500	57%	7,2	336,1	75%	268,4	Q3 2020	
Villa Offices (Warsaw Brewery K) Warsaw, ul. Grzybowska	16 600	65%	4,1	181,0	85%	175,8	Q2 2020	
Total	101 000		21,1	945,1		554,7		

OFFICE BUILDINGS UNDER CONSTRUCTION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion	Comments
Solidarności Gdańsk, ul. Nowomiejska	25 400		4,3	189,0	16%		Q4 2019	Q2 2023	
Face 2 Face II Katowice, ul. Grundmanna	26 200	92%	4,6	204,3	76%	50,7	Q4 2018	Q4 2020	
React I Łódź, ul. Piłsudskiego	15 000	23%	2,6	109,2	47%	14,8	Q2 2019	Q3 2021	
Fuzja C, D Łódź, ul. Tymienieckiego	19 900	82%	3,4	148,9	9%	14,0	Q3 2020	Q1 2022	
Moje Miejsce II Warsaw, ul. Beethovena	17 100	21%	3,1	145,8	69%	16,9	Q2 2019	Q4 2020	ROFO agreement with Globalworth Poland.
Wrocław, Midpoint 71 Wrocław, ul. Powstańców Śląskich	36 200	22%	6,7	292,3	27%	73,8	Q4 2019	Q4 2021	
Total	139 800		24,7	1 089,5		170,2			

OFFICE BUILDINGS IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Piotra Skargi Katowice, ul. P. Skargi/Sokolska	26 600	4,6	177,9	8%	Q3 2021	Q1. 2023
Brain Park I and II (Al. Pokoju) Kraków, ul. Fabryczna / Al. Pokoju	44 700	8,4	393,0	20%	Q1 2021	Q12023
Wita Stwosza Kraków, ul. Wita Stwosza	51 500	9,0	443,7	7%	Q3 2022	Q4 2024
React II Łódź, ul. Kilińskiego / al. Piłsudskiego	25 900	4,4	183,8	7%	Q3 2022	Q1 2024
React III Łódź, ul. Kilińskiego / al. Piłsudskiego	13 000	2,2	97,2	6%	Q4 2021	Q2 2023
Fuzja I, J Łódź, ul. Tymienieckiego	10 200	1,7	81,2	7%	Q1 2021	Q4 2022
Swobodna Wrocław, ul. Swobodna	46 000	8,5	382,7	12%	Q2 2022	Q3 2024
West 4 Business Hub II Wrocław, ul. Na Ostatnim Groszu	23 100	4,0	168,6	12%	Q2 2021	Q4 2022
West 4 Business Hub III Wrocław, ul. Na Ostatnim Groszu	33 100	5,7	236,5	12%	Q2 2022	Q2 2024
West 4 Business Hub IV Wrocław, ul. Na Ostatnim Groszu	11 500	2,0	87,1	11%	Q3 2024	Q3 2025
Total	285 600	50,5	2 251,7			

12.4 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

Due to 25% of capital participation in the project, ROFO partner is entitled to 25% 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% 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).

RETAIL PROJECTS IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
Libero Katowice, ul. Kościuszki	44 900	98%	9,3	390,4	100%	178,2	Q4 2018	ROFO agreement with EPP
Galeria Młociny Warsaw, ul. Zgrupowania AK „Kampinos”	84 300	95%	22,4	1 285,5	97%	* 26,9	Q2 2019	30% JV with EPP holding 70%
Total	129 200		31,7	1 675,9		205,1		

* Applies to 30% of shares in the project.

12.5 Land Bank

Legenda:

GLA – (gross leasable area) całkowita powierzchnia wynajmu.

PUM – powierzchnia użytkowa mieszkań.

EARLY STAGE PROJECTS

Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Warsaw, ul. Towarowa	64 900	230 000	Plot for office, residential, retail and service functions. Project own by Echo Investment in 30% and by EPP in 70%
Poznań, ul. Hetmańska	65 300	80 000	Plot for residential, office and retail function
Łódź, ul. Tymienieckiego	19 200	21 600	Plot for office and services
Warsaw, al. KEN	29 700	32 000	Plot for retail, services and entertainment functions
Warsaw, ul. Antoniewska	14 100	10 000	plot for residential function
Kraków, Al. Pokoju	4 000	18 500	Sold in Q4 2020
Total	197 200	392 100	

INVESTMENT PROPERTIES

Property	Plot area [sqm]	Comments
Poznań, Naramowice	77 500	
Katowice, ul. Rzepakowa / Jankego	26 200	Sold in Q4 2020
Radom, Beliny	6 300	Preliminary sale agreement
Warsaw, ul. Konstruktorska	7 200	Plot for educational function
Zabrze, Miarki	8 100	
Total	125 300	

PROPERTIES ACQUIRED BY ECHO INVESTMENT GROUP IN 2020

Date of transaction	Address	Legal form	Area	Capacity
Q1 2020	Kraków, ul. Puszkarska	ownership	25,800 sqm	29,900 sqm of residential and service space
Q2 2020	Warsaw, ul. Żwirki i Wigury	perpetual usufruct	6,000 sqm	5,100 of residential space for rent, the plot was sold to Resi4Rent

In 2020 Echo Investment group has acquired land properties for 35,000 sqm of residential and service space. The total value of this transactions amounted to PLN 39 million. In addition, plots for 305,000 sqm of residential, residential for rent, office and retail space has been secured by preliminary agreements in 2020.

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.



Details of preliminary purchase agreements signed with Tesco Group are presented in item 6.3 on page 15.

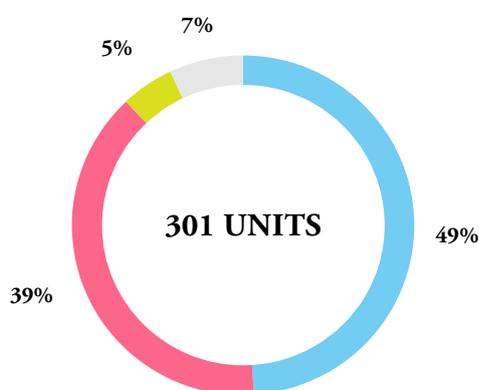
PLN 1,114

Average land price in 1 sqm of leasable or sellable space possible to build on plots acquired in 2020.

Revenue resulting from hand overs of 301 housing units.

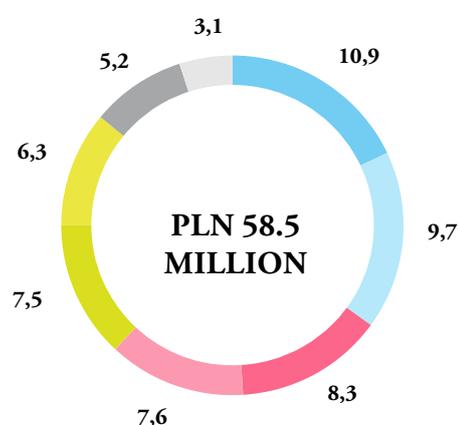
Profit on investment property amounting to PLN 58,5 million.

RESIDENTIAL PROJECTS SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- – Warsaw, Reset II
- – Warsaw, Moje Miejsce
- – Warsaw, Widoki Mokotów
- – Other

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- – Face2Face II, Katowice
- – Biura przy Warzelni (Browary Warszawskie GH), Warsaw
- – MidPoint 71, Wrocław
- – Face2Face I, Katowice
- – Biura przy Willi (Browary Warszawskie K), Warsaw
- – Libero, Katowice
- – Fuzja CD, Łódź
- – Other

Valuation of joint-venture projects: Galeria Młociny in Warsaw, Towarowa 22 in Warsaw and Resi4Rent.

Cash and loans valuation on resulting from of currency exchange fluctuations.

Profit from the transfer of the R4R Warszawa Browary Warszawskie project to Resi4Rent.

Measurement and settlement of FX hedging instruments.

Costs of sales and overheads.

Interest on deposits and borrowings granted.

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

Factors which will influence the results of the Company and its Group in the perspective of at least the following quarter

Revenues from hand overs of apartments, mainly in the projects:

- Moje Miejsce, Reset II, Malthouse Apartments (Warsaw Brewery E) and Widoki Mokotów in Warsaw;
- Fuzja I and Osiedle Jarzębinowe VII in Łódź;
- Apartamenty Esencja in Poznań;
- Ogrody Graua and Stacja 3.0 in Wrocław.

Revaluation and sale of completed properties:

- Villa Offices (Warsaw Brewery K) in Warsaw;
- Malthouse Offices (Warsaw Brewery GH) in Warsaw;
- Moje Miejsce I and II in Warsaw.

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

- Face 2 Face I and II in Katowice;
- React I in Łódź;
- MidPoint 71 in Wrocław;
- Fuzja CD w Łodzi;
- West 4 Business Hub I in Wrocław.

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

- Libero in Katowice.

Valuation of interests entities accounted for using the equity method:

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

Sale and administrative costs.

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

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

Valuation and implementation of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Discounts and interest on credits, bonds and loans.

Seasonal or cyclical nature of operations

16

The Group's activity covers several segments of the real estate market. Accounting revenues from sale of housing developments depends on the commissioned residential buildings and revenue on these operations is generated in every quarter but it varies in terms of stability. Historically majority of apartments was handed over by the Group in the second half of the year, in particular in the fourth quarter. Revenue and results from general investment contractor services, sales of commercial investments and trade in property may be irregular. The Management Board cannot exclude other one-off events which may influence results generated in a given period.

17.1 The dividend policy

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 from the profit in 2018 and subsequent years the Management Board will be recommending the payment of the dividend up to amount of 70% 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.

17.2 Advanced dividend from the 2019 profit

The Management Board of Echo Investment adopted on 11 September 2019 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2019 to its shareholders. The total amount of the advance dividend amounts to PLN 206.3 million, i.e. PLN 0.5 per share. It did not exceed half of the Company's profit generated after the end of the previous financial year, as published in the financial report dated 30 June 2019, increased by a reserve capital created in order to pay dividend or an advance payment towards the dividend and reduced by uncovered losses and value of own shares. The advance dividend was paid on 21 October 2019 to those shareholders who held shares on 14 October 2019, i.e. 7 days before the payment date.

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

The OGM also decided to allocate the profits for 2019 as follows:

- the net profit generated by the company in the financial year 2019, amounting to PLN 21,412,312.65, was allocated for distribution among all shareholders;
- the profit intended for distribution was increased by the sum of PLN 184,932,978.35 from the Dividend Fund (PLN 206,345,291 in total) and was allocated for distribution among all shareholders;
- the sum of PLN 206,345,291 was included in the dividend, paid on October 21st 2019, as a dividend advance;
- the dividend corresponds to the amount of the dividend advance payment, therefore it was decided that the company would not pay additional funds from the profit for the financial year 2019.

0,50 pln

Amount of advanced dividend paid from 2019 profit.

18.1 Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 30.09.2020 [PLN '000]

Bonds for institutional investors

Series	ISIN code	Bank	Nominal value	Maturity	Interest rate
1/2016	PLECHPS00209	mBank S.A.	100 000	18.11.2020	WIBOR 6M + margin 3,0%
1/2017	PLECHPS00225	mBank S.A.	155 000	31.03.2021	WIBOR 6M + margin 2,9%
2/2017	PLECHPS00258	mBank S.A.	139 950	30.11.2021	WIBOR 6M + margin 2,9%
1/2018	PLECHPS00282	mBank S.A.	46 600	25.04.2022	WIBOR 6M + margin 2,9%
1/2019	PLECHPS00308	mBank S.A.	96 510	11.04.2023	WIBOR 6M + margin 4,25%
1/2020	PLO017000012	mBank S.A.	150 000	31.05.2024	WIBOR 6M + margin 4,50%
1P/2020	PLO017000020	PKO TFI Parasolowy	100 000	5.08.2024	WIBOR 6M + margin 4,50%
Total			788 060		

Bonds for individual investors

E-series	PLECHPS00217	DM PKO BP S.A.	100 000	6.07.2021	WIBOR 6M + margin 2,9%
F-series	PLECHPS00233	DM PKO BP S.A.	125 000	11.10.2022	WIBOR 6M + margin 2,9%
G-series	PLECHPS00241	DM PKO BP S.A.	75 000	27.10.2022	WIBOR 6M + margin 2,9%
H-series	PLECHPS00266	DM PKO BP S.A.	50 000	22.05.2022	WIBOR 6M + margin 2,8%
I-series	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. i Centralny Dom Maklerski Pekao S.A.	50 000	08.11.2023	WIBOR 6M + margin 3,4%
J and J2-series	PLECHPS00290	J-series: consortium Noble Securities S.A., Michael / Ström Dom Maklerski S.A., Dom Maklerski Banku Ochrony Środowiska S.A. J2-series: DM PKO Banku Polskiego S.A.	33 832	21.09.2023	WIBOR 6M + margin 3,4%
Total			433 832		
Total bonds			1 121 892		

*Repaid according to redemption date.

Value of the bonds corresponds to undiscounted cash flows without interests. Change of business and economic conditions had no significant effect on the financial obligations' fair value.

Bonds issued by Echo Investment S.A. are not secured. They are all quoted in Alternative Exchange System (ASO) Catalyst: bonds for individual investors on GPW ASO Catalyst platform and for institutional investors - on BondSpot ASO Catalyst.

Under the company's Bond Issue Programme, which could go up to a maximum value of PLN 1 billion, in cooperation with mBank S.A., on June 2nd 2020 Echo Investment issued bonds worth a total of PLN 150 million to institutional investors. The nominal value and issue price of each bonds was PLN 10,000. They were issued for the period ending on May 31st 2024. The interest on the bonds was determined based on the variable WIBOR 6M rate supplemented by the investors' margin. The interest will be paid in

semi-annual periods. The bonds are to be redeemed on the redemption date at their par value. The bonds that were issued are not secured and are traded on the alternative trading system operated by the Warsaw Stock Exchange. At the same time, on June 1st 2020 the company purchased for redemption 1,005 own bonds bearing the ISIN code PLECHPS00258, 9,340 bonds with the code PLECHPS00282 and 349 bonds with the code PLECHPS00308. The unit par value of each bond was PLN 10,000.

Issuance of bonds denominated in EUR

The Management Board of Echo Investment on September 3rd, 2020 concluded an issue agreement with Bank Polska Kasa Opieki S.A., establishing a program for the issuance of unsecured ordinary bearer bonds up to the total amount of the issued and outstanding bonds of EUR 100 million. Bonds issued pursuant to the Issuance Program will be offered for purchase without the need to draw up a prospectus or information memorandum. On the issuance date the Bonds will be registered in the depository maintained by Krajowy Depozyt Papierów Wartościowych S.A. and it will be introduced to trading in an alternative trading system operated by Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.). Bonds will be issued as unsecured ordinary bearer bonds denominated in EUR and bearing interest at a fixed or variable interest rate, with a maturity not exceeding 5 years.

The final parameters of the Bonds will be determined through talks with investors and will be subject to approval of the Company's Management Board.

Euro-denominated bonds help to further stabilize the company's balance sheet structure in terms of the currency structure. A material part of Echo Investment Group's assets are euro-denominated commercial real estate under construction and finished. On the liabilities side, the euro debt is proportionately lower, that distorts the company's performance through exchange fluctuations.

Echo Investment has issued the first tranche of euro-denominated bonds on October 23rd 2020. The total value of the issuance amounted to EUR 40 million and its redemption day falls on October 23rd 2024. The interest rate on the bonds was set based on a fixed interest rate of 4.5% per year. The interest will be paid on a semi-annual basis. On the day of the issue the bonds were allocated to 41 institutional investors.

Private bond issue

On October 31st 2020, Echo Investment has also issued short-term bonds for a private investor in a total value of EUR 12,8 million (the euro-bonds issuance program described above). The redemption date of those bonds falls on October 31st 2021.

18.2 Credit facilities

INVESTMENT LOANS OF ECHO INVESTMENT GROUP AS AT 30.09.2020 ['000]

Investment project	Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
Libero, Katowice	Galeria Libero - Projekt Echo 120 Sp. z. o.o. Sp.K.	Santander Bank Polska S.A. / BNP Paribas Bank Polska S.A.	67 566 EUR	66 890 EUR	Margin + EURIBOR 3M	22.11.2022
Galeria Młociny, Warsaw*	Berea Sp. z o.o.	Santander Bank Polska S.A. / PKO BP S.A. / Bank Gospodarstwa Krajowego	56 100 EUR	56 100 EUR	Margin + EURIBOR 3M	30.04.2025
Moje Miejsce I i II, Warsaw	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. SKA	PKO BP S.A.	50 280 EUR	38 414 EUR	Margin + EURIBOR 3M	30.09.2023
			16 000 PLN	1 376 PLN	Margin + WIBOR 1M	31.03.2021
Villahouse Offices and Malthouse Offices (wWarsaw Brewery K, GH), Warsaw	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	Bank Pekao S.A.	87 386 EUR	51 396 EUR	Margin + EURIBOR 3M	31.12.2027
			17 000 PLN	3 353 PLN	Margin + WIBOR 1M	31.12.2022
West 4 Business Hub I, Wrocław	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	20 630 EUR	12 343 EUR	Margin + EURIBOR 3M	30.06.2023
			4 000 PLN	338 PLN	Margin + WIBOR 1M	30.06.2021
Face 2 Face I i II, Katowice	Face2Face - Stranraer Sp. z o.o. SKA	Bank Pekao S.A.	64 997 EUR	38 463 EUR	Margin + EURIBOR 3M	31.12.2023
			18 000 PLN	1 729 PLN	Margin + WIBOR 1M	31.12.2021
React I, Łódź	React - Dagnall Sp. z o.o. SKA	BNP Paribas Bank Polska S.A.	19 200 EUR	0 EUR	Margin + EURIBOR 3M	01.12.2022
			4 000 PLN	0 PLN	Margin + WIBOR 1M	01.12.2022
Midpoint 71, Wrocław	Midpoint 71 - Cornwall Investments Sp. z o.o. SKA	PKO BP S.A.	54 400 EUR	0 EUR	Margin + EURIBOR 3M	30.06.2026
			7 000 PLN	0 PLN	Margin + WIBOR 1M	30.06.2023
Projekt Echo 129	Projekt Echo 129 Sp. z o.o.	Bank Pekao S.A.	50 000 EUR	48 200 EUR	Margin + EURIBOR 3M	30.09.2021
Resi4Rent* - 1st tranche	SO SPV 101 Sp. z o.o./ SO SPV 103 Sp. z o.o./ R4R Warszawa Browary Sp. z o.o./ R4R Wrocław Kępa Sp. z o.o.	consortium with Bank Pekao S.A. as a leading agent	77 600 PLN	70 500 PLN	Margin + WIBOR 1M	30.06.2026
Resi4Rent* - 2nd tranche	R4R Poznań Szczepanowski Sp. z o.o./ R4R Warszawa Taśmowa Sp. z o.o./ R4R Warszawa Woronicza Sp. z o.o./ R4R Gdańsk Kołobrzaska Sp. z o.o.	Santander S.A. / Helaba AG	**59 490 PLN	20 127 PLN	Margin + WIBOR 1M	27.06.2027
Total			470 559 EUR	311 806 EUR		
			203 090 PLN	97 423 PLN		

* Echo Investment owns 30% of shares in the projects and presents 30% of credit value.

** Upon fulfillment specified conditions the construction loan will be converted into an investment loan of a value of PLN 69 mln.

Investment loans are secured by standard instruments such as mortgages, registered and financial pledge agreements, 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.

18.3 Credit facilities

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 30.09.2020 ['000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
PKO BP S.A.*	75 000	63 536	WIBOR 1M + margin	30.10.2020
Alior Bank S.A.	45 000	45 000	WIBOR 3M + margin	15.03.2021
Santander Bank Polska S.A.**	100 000	73 714	WIBOR 1M + margin	30.11.2020
Total	220 000	183 438		

* The available loan amount as at June 30th, 2020 is decreased by the guarantees issued and amounts to PLN 1.4 million.

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at June 30th, 2020 whole limit for guarantees was available.

Credit facilities are secured by standard instruments, such as authorization to bank account or statement on submission to enforcement proceedings.

The loan value corresponds to undiscounted cash flows.

19.1 Surety agreements

SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2020 [PLN '000]

Issuer	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Bletwood Investments Sp. z o.o.	1 523	until 04.07.2026	Surety for liabilities of Cogl II Poland Limited Sp. z o.o. as a collateral of liabilities resulting from the lease agreement of 6.11.2015. Issued in EUR.
Echo Investment S.A.	HPO AEP Sp. z o.o. Sp.J.	11 317	Until the date of issuance of the occupancy permit for the projects but no later than 7.12.2031.	Surety for liabilities of Echo - Browary Warszawskie Sp. z o.o. Sp.K. and Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. as a collateral of liabilities resulting from the lease agreement of 7.12.2016. Mutual surety issued in EUR.
Echo Investment S.A.	Human Office Polska Sp. z o.o.	100	until 01.08.2022	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from the lease agreement concluded on 2.08.2018.
Echo - Aurus Sp. z o.o.	Human Office Polska Sp. z o.o.	340	until 27.09.2021	Surety for liabilities of Nobilis - City Space GP Sp. z o.o Sp.K. resulting from lease agreement of 27.09.2017.
Echo - Aurus Sp. z o.o.	PKO Leasing S.A.	312	until 06.12.2020	Surety for liabilities of Supersam - City Space - GP Sp. z o.o resulting from leasing agreement of 6.12.2017.
Echo - Aurus Sp. z o.o.	Grenkeleasing Sp. z o.o.	297	until 22.11.2022	Surety for liabilities of Tryton - City Space - GP Sp. z o.o. resulting from leasing agreement of 22.11.2018.
Echo - Aurus Sp. z o.o.	PEAC (Poland) Sp. z o.o.	513	until 05.02.2024	Surety for liabilities of Aquarius - City Space - GP Sp. z o.o. Sp.K. resulting from leasing agreement of 5.02.2019.
Echo - SPV 7 Sp. z o.o. / Echo - Aurus Sp. z o.o.	Warburg - HiH Invest Real Estate GmbH	31 918	until 21.01.2022	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from sale agreement.
Echo - SPV 7 Sp. z o.o. / Echo - Aurus Sp. z o.o.	Warburg - HiH Invest Real Estate GmbH	152 000	until 31.10.2028	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from quality guarantee agreement and agreement on fit-out works.
Total		198 320		

No changes in surety agreements in Q3 2020.

19.2 Guarantees

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2020 [PLN '000]

Issuer	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Skua Sp. z o.o.	27 161	until 31.07.2021	Security of the proper performance of the final sale contract and the master lease contract for the Aquarius Business House II office building in Wrocław. Issued in EUR.
PKO BP S.A.	IREEF – Stryków Propco Sp. z o.o.	542	until 31.07.2021	Guarantee for the obligations of Echo Investment S.A. resulting from the lease contract concluded on 24.10.2016. Issued in EUR.
Echo Investment S.A.	issued for Ventry Investments Sp. z o.o. Sp. k. (currently entitled EPP Office O3 Business Campus Sp. z o.o.)	41 305	until 21.12.2026	Construction guarantee related to the sale of the O3 Business Campus I office building in Kraków. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. The guarantee issued in EUR.
Echo Investment S.A.	issued for Emfold Investments Sp. z o.o. (currently entitled Tryton Business Park Sp. z o.o.)	43 087	until 21.12.2026	Construction guarantee related to the sale of the Tryton office building in Gdańsk. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	issued for Flaxton Investments Sp. z o.o. (currently entitled EPP Office – Symetris Business Park Sp. z o.o.)	18 431	until 21.12.2026	Construction guarantee related to the sale of the Symetris I office building in Łódź. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	A4 Business Park Sp. z o.o.	24 898	until 26.04.2027	Construction guarantee related to the sale of the A4 Business Park III office building in Katowice. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	EPP Office O3 Business Campus Sp. z o.o.	39 383	until 21.12.2027	Construction guarantee related to the sale of the O3 Business Campus II office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Santander Bank Polska S.A., PKO BP S.A., Bank Gospodarstwa Krajowego oraz mBank S.A.	42 099	until the date of conversion of the construction loan into an investment loan	Security for exceeding the costs of the Galeria Młociny project in Warsaw and the obligations of Barea Sp. z o.o. arising from the loan agreement concluded on 17.10.2017. Issued in EUR.
Echo Investment S.A.	Nobilis - Projekt Echo - 117 Sp. z o.o. Sp.K.	40 000	until 31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Echo Investment S.A.	IB 14 FIZAN	80 922	until 24.05.2024	Security for the proper performance of the obligations arising from the contract for the sale of the West Link office building in Wrocław. Issued in EUR. After 24.05.2021 the maximum amount of the liability will be reduced by 80 percent.
Echo Investment S.A.	A 19 Sp. z o.o.	27 161	until 4.07.2038	Guarantee for the obligations of Midpoint 71-Cornwall Investments Sp. z o.o. SKA (Midpoint 71 project) arising from the good neighborly agreement concluded on 4.07.2018. Issued in EUR.
Echo Investment S.A.	issued for Flaxton Investments Sp. z o.o. (currently entitled EPP Office – Symetris Business Park Sp. z o.o.)	17 282	until 15.11.2020	Construction guarantee related to the sale of the office building Symetris II in Łódź. Issued in EUR. The maximum amount of the liability will be successively reduced as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Pekao S.A.	14 147	until 30.09.2021	Guarantee securing exceeding the costs of performing Resi4REnt projects: Łódź Wodna, Wrocław Rychtalska, Warsaw Brewery, Wrocław Kępa.
Echo Investment S.A.	R4R Warszawa Browary Sp. z o.o.	39 224	until 31.07.2021	Guarantee for advance payments paid by R4R companies in accordance with the preliminary contracts for the sale of real estate Warsaw Brewery E in Warsaw.
Echo Investment S.A.	IB 6 FIZAN / GPF 3 FIZAN	103 766	until 31.10.2021	Security for the proper performance of the obligations of Rosehill Investments Sp. z o.o. resulting from the program contract concluded on 31.08.2017. Issued in EUR.
Echo Investment S.A.	PKO BP S.A.	36 000	until 30.06.2023	Security for exceeding the costs of performing the Moje Miejsce office project in Warsaw.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2020 [PLN '000]

Issuer	Beneficiary	Value	Validity	Description
PKO BP S.A.	LUX Europa III S.a.r.l.	6 450	until 7.05.2021	Security for the liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. arising from the contract of quality guarantee concluded on 27.03.2019.
Echo Investment S.A.	LUX Europa III S.a.r.l.	99 319	until 31.12.2024	Security for the proper performance of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Issued in EUR.
Echo Investment S.A.	LUX Europa III S.a.r.l.	163 550	until 30.06.2030	Security for the proper performance of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. liabilities, arising from the sale agreement of the Gatehouse Office building in the Warsaw Brewery complex. Issued in PLN.
Echo Investment S.A.	LUX Europa III S.a.r.l.	49 795	until 3.03.2027	Security for the proper performance of the liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Issued in EUR.
Echo – Aurus Sp. z o.o.	Echo – Park Rozwoju Sp. z o.o. Sp.K.	801	until 28.02.2027	Guarantee securing the liabilities of Projekt 133 - City Space GP Sp. z o.o. Sp.K. arising from the lease agreement concluded on 4.11.2016. Issued in EUR.
Echo – Aurus Sp. z o.o.	Nobilis – Projekt Echo 117 Sp. z o.o. Sp.K.	818	until 31.10.2027	Guarantee securing the liabilities of Nobilis - City Space GP Sp. z o.o. Sp.K. arising from the lease agreement concluded on 28.02.2017. Issued in EUR.
Echo – Aurus Sp. z o.o.	issued for Ventry Investments Sp. z o.o. Sp. k. (currently entitled EPP Office O3 Business Campus Sp. z o.o.)	1 259	until 09.04.2027	Guarantee securing the liabilities of Projekt 132 - City Space - GP sp.z o.o. sp.K. arising from the lease agreement concluded on 12.10.2016. Issued in EUR.
Echo – Aurus Sp. z o.o.	Sagittarius - Projekt Echo -113 Sp. z o.o. Sp.K.	53	until 31.01.2024	Guarantee for the liabilities of Echo Investment S.A. arising from the lease agreement concluded on 22.06.2018. Issued in EUR.
Echo-SPV 7 Sp. z o.o.	issued for Ventry Investments Sp. z o.o. Sp. k. (currently entitled EPP Office O3 Business Campus Sp. z o.o.)	44	until 28.02.2021	Guarantee for the liabilities of Echo Investment S.A. arising from the lease agreement concluded on 24.11.2017. Issued in EUR.
Echo Investment S.A.	Pekao S.A.	72 332	until the date of conversion of the construction loan into an investment loan	Guarantee securing the costs exceed of the office project in the Warsaw Brewery complex in Warsaw. Issued in EUR.
Echo Investment S.A.	Bank Millennium S.A.	8 045	until the date of conversion of the construction loan into an investment loan	Guarantee of exceeding the costs of performing the West 4 Business Hub office project in Wrocław.
Echo Investment S.A.	Bank Millennium S.A.	4 844	until the date of conversion of the construction loan into an investment loan	Guarantee securing rent proceeds during the performance of the West 4 Business Hub office project in Wrocław. Issued in EUR.
Echo Investment S.A.	issued for Echo Opolska Business Park Sp. z o.o. Sp. k. (currently entitled EPP Development 6 Sp. z o.o.)	1 114	until 30.06.2021	Security for the liabilities of Projekt 132 - City Space - GP Sp.z o.o. Sp.K. arising from the lease agreement concluded on 4.06.2019. Issued in EUR.
Echo Investment S.A.	Pekao S.A.	70 000	until 29.12.2023	Guarantee securing cost overrun, covering interests on minimal level and securing own contribution on Face-2Face office project in Katowice. Issued in PLN.
Echo Investment S.A.	BNP Paribas Bank Polska S.A.	10 499	until 1.12.2022	Security for exceeding the costs of performing the React office project in Łódź.
Echo Investment S.A.	EPP Development 6 Sp. z o.o.	36 517	until 9.08.2028	Construction guarantee related to the sale of the O3 Business Campus III office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2020 [PLN '000]

Issuer	Beneficiary	Value	Validity	Description
PKO BP S.A. (commissioned by Echo Investment S.A.)	Tax Administration Office Director in Kielce	873	until 10.02.2021	Lottery guarantee for Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K.
Echo Investment S.A.	Berea Sp. z o.o.	21	until 22.06.2024	Security for the liabilities of Projekt 142 - City Space - GP Sp.z o.o. Sp.K. arising from the lease agreement concluded on 21.05.2019. Issued in EUR.
Echo Investment S.A.	Berea Sp. z o.o.	110	until 29.09.2024	Security for the liabilities of Projekt 142 - City Space - GP Sp. z o.o. Sp.K. arising from the lease agreement concluded on 21.05.2019. Issued in EUR.
PKO BP S.A. (commissioned by Echo Investment S.A.)	Skua Sp. z o.o.	24	until 17.12.2020	Bank guarantee issued by PKO Bank Polski S.A. at the request of Echo Investment securing the liabilities of Aquarius - City Space - GP Sp. z o.o. Sp.K. under the lease agreement of 5.09.2018.
PKO BP S.A. (commissioned by Echo Investment S.A.)	Horta Sp. z o.o.	594	until 17.12.2020	Bank guarantee issued by PKO Bank Polski S.A. at the request of Echo Investment securing the liabilities of Aquarius - City Space - GP Sp. z o.o. Sp.K. under the lease agreement of 5.09.2018.
Echo Investment S.A.	Tesco (Polska) Sp. z o.o.	not applicable	until 30.06.2025	Echo Investment S.A. corporate guarantee securing performance of obligations of Project 12 - Grupa Echo Sp. z o.o. SKA regarding priority to lease space in the new shopping center, resulting from the preliminary sales contract of real estate concluded on 30.07.2019 between Project 12 - Grupa Echo Sp. z o.o. SKA and Tesco (Pol- ska) Sp. z o.o. Due to business and legal arrangements the warranty has no upper limit potential liability.
Echo Investment S.A.	Topaz Jewel Sp. z o.o.	6 790	until advanced payment, not later than to 31.04.2021	Echo Investment S.A. corporate guarantee securing performance of obligations of Cinema Asset Manager - Grupa Echo Sp. z o.o. SKA of deposit payment for Topaz Jewel Sp. z o.o. in relation to purchase agreement of Tesco property in Kraków (Kapelanka str.).
Echo Investment S.A.	Tryton Business Park Sp. z o.o.	783	until 31.01.2021	Security for the liabilities of Tryton City Space - GP Sp. z o.o. Sp.K. arising from the lease contract concluded on 12.06.2018. Issued in EUR.
Echo Investment S.A.	DH Supersam Katowice Sp. z o.o. Sp.K.	382	until 31.01.2021	Security for the liabilities of Supersam City Space - GP Sp. z o.o. Sp.K. arising from the lease agreement con- cluded on 28.02.2017. Issued in EUR.
Towarzystwo Ubezpieczeń Euler Hermes S.A. (commissioned by Echo Investment S.A.)	PDG MA-SKI Auto Parksystemy Sp. z o.o.	368	until 19.11.2020	Security of the payment for producing and delivery of parklift installation in Fuzja B project in Łódź.
Echo Investment S.A.	Nobilis - Business House sp. z o.o.	590	until 31.10.2027	Guarantee securing liabilities of Nobilis - City Space GP Sp. z o.o. Sp.K. resulting from the annex to leasing agree- ment. Issued in EUR.
Echo - SPV 7 Sp. z o.o.	Santander Bank Polska S.A.,	24 500	until the date of conversion of the construction loan into an invest- ment loan	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement.
Echo Investment S.A.	PKO BP S.A.	39 000	until 31.12.2026	Guarantee securing cost overrun and maintenance of unleased area on Midpoint 71 office project in Wroclaw. Issued in PLN.
Echo Investment S.A.	PKO BP S.A.	19 669	until 31.12.2029	Guarantee securing debt service cover ratio and cover- ing rent-free periods in lease agreements on Midpoint 71 office project in Wroclaw. Issued in EUR.
Towarzystwo Ubezpieczeń Euler Hermes S.A. (commissioned by Echo Investment S.A.)	Womak Delta sp. z o.o.	29	14.07.2021	Rent guarantee - apartment sales office in Wroclaw.
Santander Bank Polska S.A.	PDG MA-SKI Auto Parksystemy Sp. z o.o.	461	until 20.12.2020	Security of the payment for producing and delivery of parklift installation in Apartamenty Esencja project in Poznań.
Total		1 215 042		

CHANGES IN GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN Q3 2020 [PLN '000]

Change	Issuer	Beneficiary	Date of change	Value	Description
Extention	Echo Investment S.A.	Horta Sp. z o.o.	02.07.2020	22 634	Security of the proper performance of the final sale contract of the Aquarius Business House I office building in Wrocław. Issued in EUR.
Extention	Towarzystwo Ubezpieczeń Euler Hermes S.A. (commissioned by Echo Investment S.A.)	PDG MA-SKI Auto Parksystemy Sp. z o.o.	04.08.2020	1 386	Security of the payment for producing and delivery of parklift installation in Reset II project in Warsaw.
Issue	Echo – Aurus Sp. z o.o.	Nobilis – Projekt Echo 117 Sp. z o.o. Sp.K.	14.07.2020	818	Guarantee securing the liabilities of Nobilis - City Space GP Sp. z o.o. Sp.K. arising from the lease agreement concluded on 28.02.2017. Issued in EUR.
Issue	Echo Investment S.A	Nobilis - Business House sp. z o.o.	14.07.2020	590	Guarantee securing liabilities of Nobilis - City Space GP Sp. z o.o. Sp.K. resulting from the annex to leasing agreement. Issued in EUR.
Issue	Echo Investment S.A	PKO BP S.A.	22.07.2020	39 000	Guarantee securing cost overrun and maintenance of unleased area on Midpoint 71 office project in Wrocław. Issued in PLN.
Issue	Echo Investment S.A	PKO BP S.A.	22.07.2020	19 669	Guarantee securing debt service cover ratio and covering rent-free periods in lease agreements on Midpoint 71 office project in Wrocław. Issued in EUR.
Issue	Santander Bank Polska S.A.	PDG MA-SKI Auto Parksystemy Sp. z o.o.	17.09.2020	461	Security of the payment for producing and delivery of parklift installation in Apartamenty Esencja project in Poznań.
Issue	Towarzystwo Ubezpieczeń Euler Hermes S.A. (commissioned by Echo Investment S.A.)	Womak Delta Sp. z o.o.	14.07.2020	29	Rent guarantee - apartment sales office in Wrocław
Extension	PKO BP S.A	IREEF – Stryków Propco Sp. z o.o.	31.07.2020	542	Guarantee for the obligations of Echo Investment S.A. resulting from the lease contract concluded on 24.10.2016. Issued in EUR.
Extension and reduce of value	Rosehill Investments Sp. z o.o.	IB 6 FIZAN / GPF 3 FIZAN	20.10.2020	103 766	Security for the proper performance of the obligations of Rosehill Investments Sp. z o.o. resulting from the program contract concluded on 31.08.2017. Issued in EUR.

Influence of the results disclosed in the report for Q3 2020 on fulfillment of result forecasts

20

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

Significant court, arbitration or public administration proceedings

21

From January 1st, 2020 to September 30th, 2020, there were no proceedings pending in court, arbitration authority or public administration authority concerning liabilities or claims of Echo Investment S.A. or its subsidiary, the value of which constitutes at least 10% of the equity of the Company.

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

22

In Q3 2020, no material transactions were concluded between Echo Investment S.A. and its subsidiaries, and related parties on terms other than market terms.

The impact of the COVID-19 pandemic on the operations of Echo Investment Group

23

The impact of the COVID-19 pandemic on the operations of Echo Investment Group

Activities of Echo Investment S.A. capital group is exposed to a number of macroeconomic and environmental risks associated with the spread of SARS-CoV-2 coronavirus and COVID-19. The restrictions introduced in the second and fourth quarters directly affected the course of business processes and the organization of the Group's work. On March 17th, 2020, the Management Board of Echo Investment S.A. published a current report on the potential impact of the pandemic on the Company's operations, listing potential areas of impact and associated risks. In association with the second wave of pandemic, from November 17th, 2020 the government re-introduced some restrictions, out of which limitation of trade in shopping centres (with the exception of grocery stores, drugstores, pharmacies, pet food stores and services) remains the most important for the company's operations. A detailed description of the risks and information on their management in the Echo Investment Group are presented below.

Securing the functioning of the company

The introduction of restrictions on the functioning of the economy and society in mid-March 2020 resulted in the vast majority of companies and organizations — as far as possible — deciding to reduce their operations or switch to remote working procedures. In the case of Echo Investment, the situation was monitored on an ongoing basis by the management staff and a crisis management team appointed in accordance with internal procedures. The company focused on the following activities:

1. Securing the possibility for employees to work remotely.
2. Securing the continuity of the company's basic functions.
3. Securing the offices and construction sites with additional personal protective equipment.
4. Elaboration and implementation of emergency procedures.
5. Permanent, daily management teleconferences for ongoing risk analysis and decisions.
6. Elaboration and implementation of precautionary procedures after the personnel returns to the offices.

7. Accelerating the plan of digitization of business processes — primarily accounting.

The group also conducted a number of analyzes and studies to learn about the preferences of customers, colleagues, university students (future employees) regarding remote work and the impact of the pandemic on the change in consumer preferences and behavior. This knowledge allows to adjust the offer and marketing activities to the new circumstances.

Since the end of the first lockdown, almost all of the company's functions have operated under a security regime that has been further tightened since September, when the number of cases rose sharply. Almost all teams work in shifts, physical meetings and business trips have been reduced to a minimum. The safety rules such as keeping a distance, using face-masks and disinfecting hands are applicable in all company's offices. A crisis team has been formed, which constantly monitors the stability of the company's operations. In the HR Department, dedicated team monitors employee illnesses, identifies risk, establishes lines of risky contacts and supports infected (or suspected of being infected) employees.

Continuity of work on construction sites

The most important task for the Management Board was to ensure the continuity of work on all construction sites. The company has introduced additional emergency procedures at the construction sites in the event of an illness, and has equipped all the sites with personal protective equipment, antibacterial gels, masks and information materials. The Management Board also conducted daily monitoring of the number of employees on individual construction sites, and in the event of a threat to continuity, it was prepared to introduce additional employees to the construction sites. The state of supplies of materials and the associated risks were monitored, a plan was implemented to secure supplies by anticipatory deliveries directly to the construction site, especially as regards equipment and materials from abroad whose transport to Poland could be threatened or delayed

due to the virus. As a result, all the constructions have maintained undisturbed activity.

In preparation for the second wave of the pandemic, the company has implemented a business continuity plan for all construction sites. The construction teams were divided in two groups working separately in one location. In that way in the event of infection in one team, the continuity of construction is ensured by the other team. Continuity protection on smaller construction sites, where it is not possible to split the team, is provided by teams from other projects or – in some cases - by hired external teams. A strict sanitary regime is maintained at construction sites - limiting meetings, outside construction team briefings, keeping social distance, testing the temperature, limiting the visits of external persons (postmen, couriers) to a separate zone in the construction office, disinfection and introduction of medical devices to filter the air in the most vulnerable places (e.g. meeting rooms).

Due to the expected reduction in demand for construction services in the future, the Management Board also takes steps to reduce the costs of construction services and materials. Negotiations and a number of savings initiatives have been undertaken, as a result of which costs on individual projects may be reduced by up to 10%. The effects of these procedures are already visible when contracting subsequent construction works. There is a noticeable increase in the number of construction companies submitting tenders, which gives the contracting authorities a better negotiating position.

Group's financial liquidity security

The priority for securing the Group at the time of the lockdown and in the face of a potential economic slowdown was to secure financial liquidity. The Management Board has undertaken a number of activities to this end, such as, among others:

- involvement of operating teams in planning the cash flow on a larger scale than before;
- reviewing the budgets of all departments and reducing costs;
- reducing new hires;
- limiting employee benefits and resignation from bonus payments for a significant part of employees;
- minimizing the number of days of outstanding leave to employees;
- exemption and deferment of payment of social insurance (ZUS) contributions;
- deferral of payment of fees for perpetual usufruct of land, based on the so-called anti-crisis shields;
- ongoing and constant analysis of proceeds from the sale of apartments;
- ongoing and constant analysis of the balance of rent receivables in finished office buildings and other receivables;
- analyzing the land bank and commencing the process of selling real estate outside the main area

of the company's strategy (sale of non-core properties on ul. Chłodna and ul. Wronia in Warsaw as well as on ul. Jankego and ul. Rzepakowa in Katowice);

- halting or slowing down the construction of projects at an early stage of construction that do not have secured tenants;
- introducing the requirement of pre-selling apartments before the construction of a housing project begins;
- reducing external costs, in particular for consultancy and marketing services;
- discussions with banks to suspend or reduce project debt handling.

Shopping centres

Due to the nature of the introduced restrictions, the greatest burden of the pandemic was borne by the retail and entertainment property sector, which in the case of Echo Investment Group concerned the Libero shopping centre in Katowice and Galeria Młociny in Warsaw (in which the Group holds 30% of shares). From March 14th, to May 4th, 2020, the operations of most of the tenants of both shopping centers were very limited (only about 11% of the tenants were operating in Libero). Maintaining the work of the remaining tenants required taking additional precautions, securing the protective materials and maintaining the operation of the center (security, cleaning, ongoing operation). Gradual "defrosting" of tenants' activities from the beginning of May was connected with the necessity to renegotiate lease agreements and to reach an agreement with tenants on incurring losses incurred during the lockdown.

As a result of discussions on future rental rates between tenants, landlords and banks, a compromise has been agreed upon, which optimally distributes costs between tenants and landlords, with the longterm aim of restoring turnover and visits to shopping centers to pre-pandemic levels. The agreement sets out the rules for reducing the amount of rent and the payment of service charges to tenants.

Echo Investment strived to reach agreements with the tenants as soon as possible and to return Libero and Galeria Młociny to normal operations in the shortest time possible. Despite difficult negotiation conditions, both centers were among the first to be fully operational on the market. As a result of the pandemic, the composition of tenants changed slightly in terms of several service outlets, whose owners declared bankruptcy. Despite many limitations and security measures, the rate of return of customers to both projects and turnover from June to October was faster than expected. The historically high conversion rate (visitor-to-transactions ratio) proved the responsibility of customers who come to the shopping center for specific purchases.

With the second wave of the pandemic, the government re-introduced significant restrictions on the

activity of tenants of shopping centers from November 7th to November 29th, although they are slightly lighter than before (compared to the previous lockdown, bookstores, most service points can operate their business). Currently in Libero 38 shops and service units is working, which account for 26% of all tenants. Echo Investment is in constant contact with all tenants. Rules regulating this situation have already been developed in the agreements signed with tenants after the first closing of shopping centers. They assume rental reductions for the closing period. Together with the tenants, Echo Investment has made a decision that the talks about the details of returning to normal operations will start when more precise dates and rules for the second unfreezing of the economy will be known.

In order to minimize the shopping center's operating costs, steps have been taken to defer or write off certain payments (e.g. for perpetual usufruct or property tax, capital and interest instalments of loans) and operating costs have been optimized. In addition, from November 7th, further savings initiatives were introduced in Libero. They concern, among others turning off unnecessary lighting and devices that consume large amounts of energy, reducing the number of security, maintenance and service personnel, turning off heating in unused parts or minimizing its wear.

Residential for sale and apartments for rent sectors

Although regulations related to the pandemic did not limit the operation of sales offices, notaries and authorities, in practice, the sale of apartments was almost completely stopped during the second half of March. Clients returned to the analysis of the housing market and submitting their inquiries in the second week of April. Due to the already advanced work related to the digitalization of sales processes, Echo Investment's salesmen were prepared for remote customer service: they could present their offers at online meetings and with the help of virtual reality tools, negotiate contract provisions in the CRM system or present the progress of construction work through cameras. The introduction of the pandemic state accelerated the implementation of further elements of on-line service: a system for signing binding booking agreements or initial customer service using artificial intelligence.

Taking into account new trends and customers' needs, Echo Investment's designers and vendors have introduced new solutions and facilities to their projects, which support sales. Depending on the project, these include applications allowing for contact-free entry into apartments (from the housing estate gate, in front of the main door and the elevator), the services of architects (who help arrange an apartment in such a way that office space can be

made easily accessible), special marking and training materials, washbasins or disinfectants in common areas (e.g. at playgrounds). Balconies, terraces, loggias and gardens have also become more important for customers.

Since June, the number of inquiries and meetings with potential customers has remained at a level similar to before the pandemic. However, customers are still more cautious when making purchasing decisions. There is a noticeable increase in the number of transactions for investment purposes, with no or little credit, which involves the desire to protect the capital after a series of interest rate cuts. Ready apartments and apartments with near commissioning dates are bought more willingly. Clients pay more attention to security of transactions, which works in favour of large and capital-stable entities such as Echo Investment. The most sensitive group are clients buying their first apartment, who depend on obtaining a credit, with relatively low income and low own contribution. Because of the uncertainty about macroeconomic developments and, therefore, about their personal financial situation, these clients prefer suspending transactions. The housing sector is also strongly affected by the tightening of banks' lending policies.

As a consequence of the economic downturn, greater caution and Echo Investment's conservative policy of starting new projects on the condition of achieving pre-sale, the company reduced this year's sales target to 1,600 apartments. Despite the restoration of restrictions in the economy in the fall, the sale of apartments in Echo Investment and the number of inquiries remains at a satisfactory level. However, if a large number of cases persist and further restrictions are introduced, it may translate into a reduction in customer mobility and the willingness to make transactions, and, consequently, to achieve an annual sales result lower than assumed. Due to the continuity of work on construction sites, the annual target for the handover of flats remains unchanged. To ensure business continuity, the sales and home handover teams have also been divided into two groups that do not meet physically.

Restrictions related to the pandemic did not have a significant impact on the operation of the Resi4Rent residential platform, in which Echo Investment has a 30% stake. Although in the first weeks of the restrictions introduced, the process of renting projects was almost completely stopped, very quickly the interest of potential clients returned to normal. In line with the Management Board expectation, Resi4Rent benefits from the pandemic situation. Due to the increased uncertainty in the economy and higher requirements for taking out mortgage loans, a large number of potential apartment buyers postpone the purchase decision and take advantage of institutional apartment rental.

Office sector

The most important task in the office sector was maintaining negotiations on leasing space in projects built by the company and continuing the sales processes of the finished buildings. The rental department is observing an elongation of decisions on the part of tenants, which is connected to the uncertainty about the future work system and the impact of remote working on companies. However, the potential tenants do not withdraw from negotiations. In the sales processes, the Group lowered its expectations concerning yields on future sales transactions and suspended the sale of some buildings.

In order to meet the expectations of customers, new standards have been introduced to prevent the spread of the virus in office buildings. From the beginning of the epidemiological threat, the team of Echo Investment experts has set the task of better securing employees of organizations that have located their offices in the buildings of Echo Investment. A number of solutions responding to post-covid

needs have been compiled into the “healthy office” program. Special air purification systems, dedicated application, tilt windows, the use of easy-to-clean finishing materials are just some of the points of the program. In addition to the solutions introduced at the stage of implementation and planning of the investment, Echo Investment focused on securing the already operating office buildings. The “five for safety” program is a guarantee that these office buildings are ready to receive employees returning to the offices. Echo Investment focused on key installations of building security: ventilation and air conditioning. Clean and healthy air for the new office buildings of Echo Investment will be provided to tenants using the RCI ActivePure technology.

Having analyzed the pandemic situation, the Management Board of Echo Investment Group estimates that there are no circumstances that would indicate a threat to the continuation of the Company’s and the Group’s operations.

CHAPTER 2

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS



CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION [PLN '000]

	30.09.2020 (non-audited)	31.12.2019	30.09.2019 restated (non-audited)
ASSETS			
Non-current assets			
Intangible assets	3 444	3 741	3 144
Property, plant and equipment	23 573	25 762	18 520
Investment property	1 106 580	941 983	838 376
Investment property under construction	925 095	1 517 866	1 184 903
Investment in associates and joint ventures	248 025	254 142	262 990
Long-term financial assets	154 210	115 862	158 536
Deferred tax asset	52 786	53 903	54 688
	2 513 713	2 913 259	2 521 157
Current assets			
Inventory	921 386	1 052 327	1 199 730
Current tax assets	5 784	1 484	519
Other taxes receivable	67 198	59 006	45 799
Trade and other receivables	107 281	144 844	119 508
Short-term financial assets	50 099	64 465	21 222
Derivative financial instruments	-	2 669	-
Other financial assets *	93 440	57 157	100 839
Cash and cash equivalents	439 786	492 295	515 833
	1 684 974	1 874 247	2 003 450
Assets held for sale	1 203 584	22 923	19 017
Total assets	5 402 271	4 810 429	4 543 624

* Mainly cash on escrow accounts from residential clients.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION [PLN '000]

	30.09.2020 (non-audited)	31.12.2019	30.09.2019 restated (non-audited)
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent	1 649 810	1 562 365	1 377 229
Share capital	20 635	20 635	20 635
Supplementary capital	1 280 664	1 259 252	1 259 252
Retained earnings	347 619	281 739	96 469
Foreign currency translation reserve	892	739	873
Non-controlling interest	(125)	(122)	(121)
	1 649 685	1 562 243	1 377 108
Provisions			
Long-term provisions	47 545	35 931	44 917
Short-term provisions	42 850	89 428	117 184
Deferred tax liabilities	186 444	152 733	107 231
	276 839	278 092	269 332
Long-term liabilities			
Credits, loans, bonds	2 012 551	1 602 126	1 479 874
Leasing	100 230	117 889	117 476
Other liabilities	22 470	16 018	14 648
Liabilities due to customers	71 242	45 754	108 357
	2 206 493	1 781 787	1 720 355
Short-term liabilities			
Credits, loans, bonds	575 452	367 545	57 493
Income tax payable	1 680	5 035	14 504
Other taxes liabilities	17 432	16 126	39 509
Trade payable	180 665	238 011	173 428
Dividend payable	-	-	206 345
Leasing	57 387	67 076	53 850
Other liabilities	158 280	87 362	110 566
Liabilities due to customers	278 358	407 152	521 134
	1 269 254	1 188 307	1 176 829
Total equity and liabilities	5 402 271	4 810 429	4 543 624
Book value	1 649 810	1 562 365	1 377 229
Number of shares	412 690 582	412 690 582	412 690 582
Book value per one share (in PLN)	4,00	3,79	3,34

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT [PLN '000]

	1.01.2020 – 30.09.2020 (non-audited)	1.01.2019 – 30.09.2019 restated (non-audited)	01.07.2020 – 30.09.2020 (non-audited)	01.07.2019 – 30.09.2019 restated (non-audited)
Revenues	746 302	381 622	341 953	250 821
Cost of sales	(635 964)	(295 923)	(290 599)	(202 684)
Gross profit	110 338	85 699	51 354	48 137
Profit on investment property	218 753	218 072	58 527	87 268
Administrative costs associated with project implementation	(23 817)	(17 779)	(6 558)	(7 449)
Selling expenses	(22 260)	(15 433)	(7 014)	(6 823)
General and administrative expenses	(45 848)	(70 662)	(15 220)	(21 097)
Other operating income	5 272	29 383	(35)	5 047
Other operating expenses	(20 736)	(36 454)	(7 293)	(17 052)
Operating profit	221 702	192 826	73 761	88 031
Financial income	8 265	13 072	1 516	1 609
Financial cost	(39 326)	(41 135)	(14 989)	(11 554)
Profit (loss) on FX derivatives	(19 550)	899	(8 194)	(196)
Foreign exchange gains (losses)	(38 945)	(4 864)	(18 975)	(8 722)
Share of profit (loss) of associates and joint ventures	(7 015)	(394)	15 918	1 606
Profit before tax	125 131	160 404	49 037	70 774
Income tax	(37 842)	(43 408)	(12 839)	(21 677)
- current tax	(2 460)	(47 208)	(2 963)	(16 286)
- deferred tax	(35 382)	3 800	(9 876)	(5 391)
Net profit (loss), including:	87 289	116 996	36 198	49 097
Equity holders of the parent	87 292	117 003	36 199	49 099
Non-controlling interest	(3)	(7)	(1)	(2)
Equity holders of the parent	87 292	117 003	36 199	49 099
Weighted average number of ordinary shares (in '000) without shares held	412 691	412 691	412 691	412 691
Profit (loss) per one ordinary share (in PLN)	0,21	0,28		
Diluted profit (loss) per one ordinary share (PLN)	0,21	0,28		

CONDENSED INTERIM CONSOLIDATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME [PLN '000]

	1.01.2020 – 30.09.2020	1.01.2019 – 30.09.2019	01.07.2020 – 30.09.2020	01.07.2019 – 30.09.2019
Profit for the year	87 289	116 996	36 198	49 097
Components of other comprehensive income that may be reclassified to profit or loss in later periods				
Exchange differences on translation of foreign operations	153	(7 600)	28	107
Other comprehensive income for the year, net of tax	153	(7 600)	28	107
Total comprehensive income for the year, including:	87 442	109 396	36 226	49 204
Comprehensive income attributable to shareholders of the parent company	87 445	109 403	36 227	49 206
Comprehensive income attributable to non-controlling interest	(3)	(7)	(1)	(2)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY [PLN '000]

	Share capital	Supplementa- ry capital	Accumulated retained earnings	Currency translation differences	Equity attributable to equity holders of the parent	Capital of non-con- trolling interests	Equity total
For the period 01.01.2020 - 30.09.2020							
Opening balance	20 635	1 259 252	281 739	739	1 562 365	(122)	1 562 243
Distribution of profit from previous years	-	21 412	(21 412)	-	-	-	-
Other comprehensive income	-	-	-	153	153	-	153
Net profit (loss) for the period	-	-	87 292	-	87 292	(3)	87 289
Closing balance	20 635	1 280 664	347 619	892	1 649 810	(125)	1 649 685
For the period 01.01.2019 - 30.09.2019							
Opening balance	20 635	1 420 922	45 543	8 473	1 495 573	(114)	1 495 459
Impact of implementation MSSF 16 on 1st January 2019			(21 402)		(21 402)		(21 402)
Opening balance, with restated figures	20 635	1 420 922	24 141	8 473	1 474 171	(114)	1 474 057
Distribution of profit from previous years	-	44 675	(44 675)	-	-	-	-
Dividend approved for payment	-	(206 345)	-	-	(206 345)	-	(206 345)
Other comprehensive income	-	-	-	(7 600)	(7 600)	-	(7 600)
Net profit (loss) for the period	-	-	117 003	-	117 003	(7)	116 996
Closing balance	20 635	1 259 252	96 469	873	1 377 229	(121)	1 377 108

CONSOLIDATED CASH FLOW STATEMENT [PLN '000]

	1.01.2020 - 30.09.2020	1.01.2019 - 30.09.2019
A. Operating cash flow – indirect method		
I. Profit (loss) before tax	125 131	160 404
II. Total adjustments		
Share in net (profit) loss of associates and joint ventures	7 015	395
Depreciation of PP&E	2 781	7 155
Foreign exchange (gains) losses	57 151	(5 264)
- result on Echo Prime Assets BV liquidation	-	(7 210)
Interest and profit sharing (dividends)	43 830	24 966
(Profit) loss on revaluation of assets and liabilities	(252 393)	(244 924)
(Profit) loss on revaluation of assets and liabilities	2 716	-
	(138 900)	(217 672)
III. Changes in working capital		
Change in provisions	(34 964)	16 351
Change in inventories	88 530	(329 196)
Change in receivables	22 410	134 217
Change in short-term liabilities, except for loans and borrowings	(85 884)	211 290
Change in restricted cash	(36 283)	(46 121)
	(46 191)	(13 459)
IV. Net cash generated from operating activities (I+II+III)		
	(59 960)	(70 728)
Income tax paid	(10 115)	(38 700)
V. Net cash generated from operating activities		
	(70 075)	(109 428)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	4	879
Sale of investments in property	32 148	579 669
From borrowings and financial investments	421	8 174
Sale of investments	9 251	-
	41 824	588 722
II. Outflows		
Purchase of intangible assets and tangible fixed assets	(3 395)	(7 400)
Investment in property	(511 416)	(404 048)
On loans and financial investments	(12 470)	(55 137)
Purchase of investments	(5 944)	-
	(533 225)	(466 585)
III. Net cash flow from investing activities (I+II)		
	(491 401)	122 137

CONSOLIDATED CASH FLOW STATEMENT CONT. [PLN '000]

	1.01.2020 - 30.09.2020	1.01.2019 – 30.09.2019
C. Cash flow from financing activities		
I. Inflows		
Loans and borrowings	528 480	218 085
Issue of debt securities	250 000	133 832
Other financial inflows	-	899
	778 480	352 816
II. Outflows		
Repayment of loans and borrowings	(49 239)	(84 543)
Redemption of debt securities	(150 272)	(170 500)
Due to FX derivatives	(2 716)	-
Payment of liabilities due to leasing agreements	(7 648)	-
Interest paid	(59 638)	(34 181)
	(269 513)	(289 224)
III. Net cash flow from financing activities (I+II)	508 967	63 592
D. Total net cash flows (A.III+B.III+C.III)	(52 509)	76 301
E. Change in the balance of cash in consolidated statement of financial position, including:	(52 509)	76 301
F. Cash and cash equivalents at the beginning of the period	492 295	439 532
G. Cash and cash equivalents at the end of the period (D+F)	439 786	515 833

OFF-BALANCE SHEET ITEMS [PLN '000]

	30.09.2020	31.12.2019	30.09.2019
Off-balance sheet liabilities	1 462 195	1 389 812	1 845 634
Total	1 462 195	1 389 812	1 845 634

**INFORMATION ON
FINANCIAL STATEMENT
OF THE ECHO
INVESTMENT GROUP**



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

The consolidated statements of the Echo Investment S.A. present financial data for the 9-month period ending on September 30th, 2020 and comparative data for the 9-month period ending on September 30th, 2019.

The Group's financial statement in this financial statements is presented in thousand of Polish zloty (PLN), if not indicated differently. The consolidated statement was prepared according to the historical cost method, excluding investment properties and financial instruments that were measured by their fair value.

As at September 30th, 2020 the Capital Group consisted of 142 entities consolidated according to the full method, and 23 entities consolidated according to the equity method.

DECLARATION OF CONFORMITY

The statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), as adopted by the European Commission.

ASSUMPTION OF CONTINUITY IN OPERATIONS

The consolidated financial statements of the Echo Investment Group for the first half of 2020 have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity.

APPROVAL OF FINANCIAL STATEMENTS

This consolidated financial statement was approved for publication by the Management Board on November 24th, 2020.

Echo Investment S.A. plays the most important role in the structure of the Group, which it supervises, co-executes and provides financial resources for the implementation of development projects. The vast majority of companies being part of the Group were established or purchased in order to execute specific investment tasks, including those resulting from the

construction process of a specific development project.

As at September 30th, 2020 the Capital Group included 142 subsidiaries consolidated according to the full method and 23 jointly controlled companies consolidated according to the equity method.

Changes in the structure of the capital group in Q1-Q3 2020

INCREASE OF THE GROUP

Entity	Action	Date	Share capital
Projekt Echo - 141 Sp. z o.o.	Registration by the District Court in Kielce	27.01.2020	5 000 PLN
Projekt Echo - 142 Sp. z o.o.	Registration by the District Court in Kielce	28.01.2020	5 000 PLN
Projekt Echo - 143 Sp. z o.o.	Registration by the District Court in Kielce	24.01.2020	5 000 PLN
Projekt Echo - 144 Sp. z o.o.	Registration by the District Court in Kielce	28.01.2020	5 000 PLN
Projekt Echo - 145 Sp. z o.o.	Registration by the District Court in Kielce	23.01.2020	5 000 PLN

DECREASE OF THE GROUP

Entity	Action	Date	Share capital
Projekt - Pamiątkowo Sp. z o.o.	Sale of shares by Echo - SPV 7 Sp. z o.o. to Common Investment S.A.	5.05.2020	50 000 PLN
Projekt Echo 132 Sp. z o.o.	Sale of shares by Echo Investment S.A. to Common Investment S.A.	5.05.2020	3 910 000 PLN
Forum 60 Fundusz Inwestycyjny Zamknięty	Liquidation	1.06.2020	20 000 PLN

OTHER CHANGES

Entity	Action	Date
Projekt Echo - 120 Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	28.01.2020
Projekt Echo - 115 Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	28.01.2020
Projekt Echo - 113 Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	25.02.2020
Projekt Echo - 131 Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	28.02.2020
Echo - Opolska Business Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	09.03.2020
Projekt Echo - 122 Sp. z o.o.	Registration of the capital increase by Echo Investment S.A.	13.03.2020

Application of new and amended standards and interpretations issued by the IFRS Interpretations Committee

03

The following standards and changes in standards became effective on 1 January 2020:

Amendments to References to the Conceptual Framework in IFRS Standards

(issued on 29 March 2018)

The standard is effective for financial years beginning on or after 1 January 2020.

Amendments to IFRS 3 Business Combinations

(issued on 22 October 2018)

Not yet endorsed by EU at the date of approval of these financial statements. The standard is effective for financial years beginning on or after 1 January 2020.

Amendments to IAS 1 and IAS 8: Definition of Material

(issued on 31 October 2018)

Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform

(issued on 26 September 2019)

All amendments introduced were analysed by the Group. The Management Board state, that the amendments have no material impact on financial position of the Group, effect of activity or the scope of information presented in the quarterly interim consolidated financial statement.

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

04

IFRS 14 Regulatory Deferral Accounts

(issued on 30 January 2014)

The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard. Not yet endorsed by EU at the date of approval of these financial statements. The standard is effective for financial years beginning on or after 1 January 2016.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

(issued on 11 September 2014)

The endorsement process of these Amendments has been postponed by EU. The effective date was deferred indefinitely by IASB.

IFRS 17 Insurance Contracts

(issued on 18 May 2017)

Not yet endorsed by EU at the date of approval of these financial statements. The standard is effective for financial years beginning on or after 1 January 2021.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

(issued on 23 January 2020)

Not yet endorsed by EU at the date of approval of these financial statements. The standard is effective for financial years beginning on or after 1 January 2022.

Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Amendments resulting from IFRS review 2018-2020

Effective for financial years beginning on or after 1 January 2022.

Amendments to IFRS 'Leases' – Covid-19-Related Rent Concessions

Effective for financial years beginning on or after 1 June 2020 or later. Allowed to apply earlier. Not yet endorsed by EU at the date of approval of these financial statements.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 19

(issued on 25 June 2020)

Effective for financial years beginning on or after 1 January 2021. Not yet endorsed by EU at the date of approval of these financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 i IFRS 16: Interest Rate Benchmark Reform — Phase 2

(issued on 27 August 2020)

Effective for financial years beginning on or after 1 January 2021. Not yet endorsed by EU at the date of approval of these financial statements.

The effective dates are provided by the International Accounting Standards Board. Effective dates in the European Union may differ from the effective dates provided in standards and are published when the standards are endorsed by the European Union.

Effects of changing the presenting principles - restatement of statements for previous periods

05

In accordance with the Group's accounting policy, the provision to secure income for rent-free periods (masterlease) is recognized at the time of sale of investment projects, when an investment property or an investment property under construction is not fully leased and the Group guarantees a buyer to secure rent-free periods under a defined level of net operating income (NOI). The provision for securing income for rent-free periods is also recognized on investment properties under construction that are measured at fair value. The Group adjusted the amount of the provision for securing income for rent-free periods as at September 30th, 2019 by reducing the value of the provision for securing income for rent-free periods by PLN 115,797 thousand, simulta-

neously reducing the fair value of investment properties and investment properties under construction on those projects for which as at a valuation day, the Group did not have any signed sales or preliminary agreements guaranteeing that rent incomings for rent-free periods are secured.

The adjustment described above does not affect the Group's results for Q1-Q3 2019, as well as the Group's equity as at June 30th, 2019.

The most significant changes in comparative data as at September 30th, 2019:

CONSOLIDATED STATEMENT OF FINANCIAL SITUATION [PLN '000]

	30.09.2019 published	30.09.2019 restated	Change
ASSETS			
Investment property	848 243	838 376	(9 867)
Investment property under construction	1 290 833	1 184 903	(105 930)
Total assets	4 659 421	4 543 624	(115 797)
EQUITY AND LIABILITIES			
Provisions			
Long-term provisions	152 368	44 917	(107 451)
Short-term provisions	125 530	117 184	(8 346)
Total equity and liabilities	4 659 421	4 543 624	(115 797)

The Management Board of the Group voluntarily decided to change the presentation of financial costs and financial revenues related to amortised costs of interests on granted borrowing, received loans and issued bonds. After analysis, the Management Board decided that financial revenues related to amortised cost on received loans and issued bonds in the

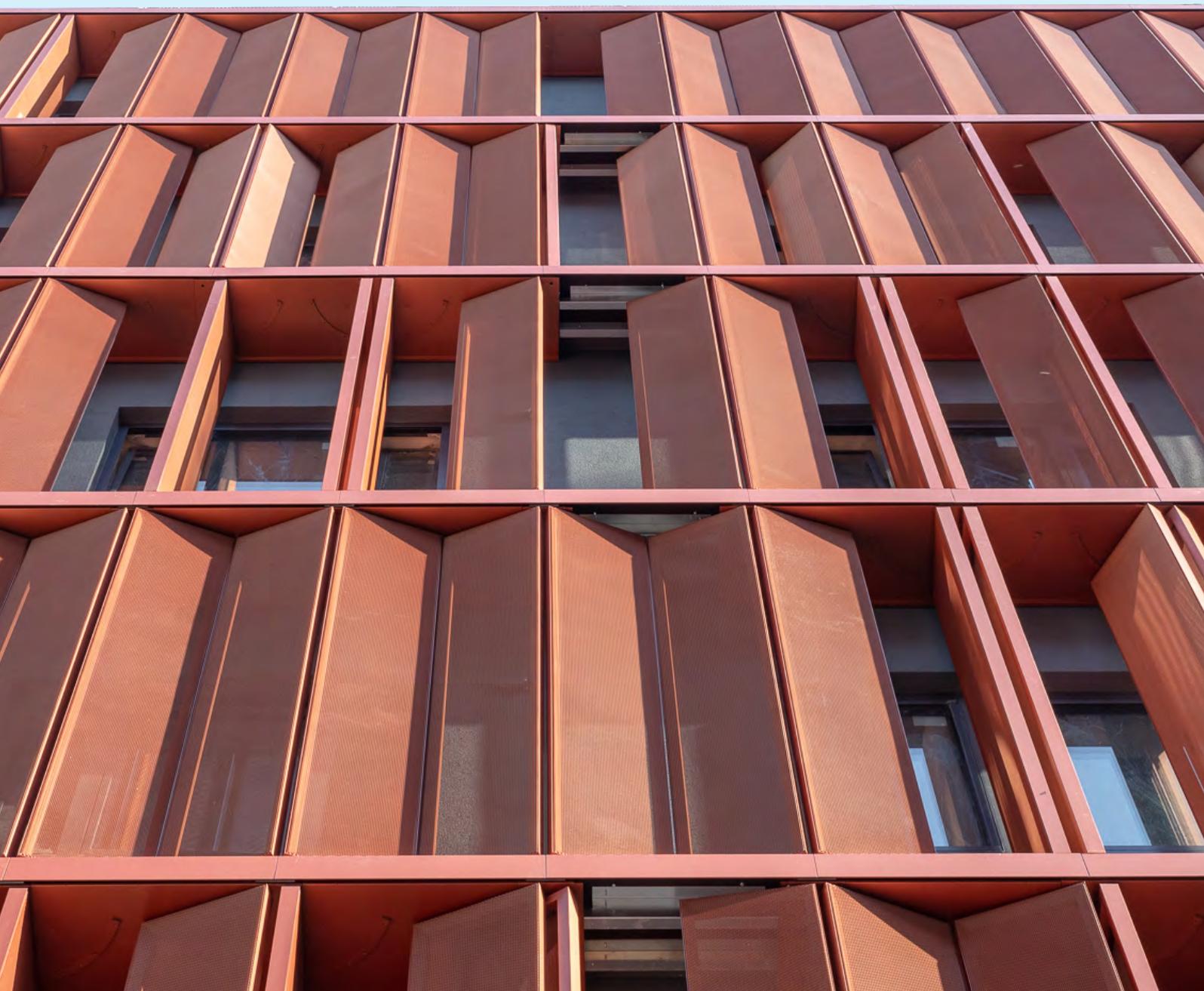
amount of PLN 6,610 thousand should be presented as financial costs, and financial costs in the amount of PLN 1,528 thousand – as financial revenues. As a result, the Company made an appropriate change in the presentation of the profit and loss account in the comparable period (1.01.2019 – 30.09.2019). The changes are presented below:

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT
[PLN '000]

	01.01.2019 - 30.09.2019 published	01.01.2019 - 30.09.2019 restated	Change
Financial income	21 210	13 072	(8 138)
Financial cost	(49 273)	(41 135)	8 138

CHAPTER 3

CONDENSED INTERIM STANDALONE FINANCIAL STATEMENTS OF ECHO INVESTMENT S.A.



CONDENSED INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION [PLN '000]

	30.09.2020 (non-audited)	31.12.2019	30.09.2019 (non-audited)
ASSETS			
Non-current assets			
Intangible assets	3 427	3 614	3 110
Property, plant and equipment	18 251	21 766	14 716
Investment property	2 212	2 212	2 212
Investments in subsidiaries, jointly controlled entities and associates	1 018 836	1 021 440	866 517
Long-term financial assets	487 296	487 387	788 621
Loans granted	327 585	281 264	343 796
	1 857 607	1 817 683	2 018 972
Current assets			
Inventory	240 703	212 191	242 219
Income tax receivables	-	-	58
Other taxes receivable	4 174	-	1 114
Trade and other receivables	158 221	121 507	107 616
Loans granted	737 628	533 608	332 604
Other financial assets*	42 651	17 720	11 635
Cash and cash equivalents	183 219	232 147	90 740
	1 366 596	1 117 173	785 986
Total assets	3 224 203	2 934 856	2 804 958

* Mainly cash on escrow accounts from residential clients.

CONDENSED INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION CONT.
[PLN '000]

	30.09.2020 (non-audited)	31.12.2019	30.09.2019 (non-audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	20 635	20 635	20 635
Supplementary capital	1 054 295	1 054 295	1 054 295
Dividend fund	186 051	164 639	164 639
Net profit	65 304	21 412	39 539
	1 326 285	1 260 981	1 279 108
Provisions			
Short-term provisions	15 060	15 507	11 442
Deferred tax provisions	11 252	4 639	5 212
	26 312	20 146	16 654
Long-term liabilities			
Loans, borrowings and bonds	835 903	1 063 866	1 037 924
- including from subsidiaries	-	127 007	-
Deposits and advanced payments received	1 260	1 492	733
Leasing liabilities	11 537	12 645	10 686
Other liabilities	2 004	-	-
	850 704	1 078 003	1 049 343
Short-term liabilities			
Loans, borrowings and bonds	794 707	362 212	52 583
- including from subsidiaries:	220 047	-	-
Current income tax payable	130	3 215	58
Other taxes liabilities	10 640	12 100	2 086
Trade payable	28 663	53 402	27 556
Deposits and advanced payments received	127 752	104 940	131 630
Leasing liabilities	11 663	13 274	9 696
Other liabilities	47 347	26 583	236 244
	1 020 902	575 726	459 853
Total equity and liabilities	3 224 203	2 934 856	2 804 958

INTERIM STANDALONE PROFIT AND LOSS ACCOUNT
[PLN '000]

	1.01.2020- 30.09.2020	1.01.2019- 30.09.2019	1.07.2020- 30.09.2020	1.07.2019- 30.09.2019
Revenues	183 839	192 343	28 476	95 728
Cost of sales	(143 066)	(124 146)	(17 690)	(69 832)
Gross profit	40 773	68 197	10 786	25 896
Administrative costs associated with project implementation	(5 993)	(4 133)	(1 518)	(2 358)
Selling expenses	(17 654)	(12 994)	(5 576)	(5 762)
General and administrative expenses	(44 900)	(66 326)	(13 793)	(20 360)
Other operating income	145 093	106 885	39 612	20 666
- including interests from borrowings and bonds	35 064	45 159	11 053	21 562
Other operating expenses	(2 275)	(538)	(430)	(24)
Operating profit	115 044	91 091	29 081	18 058
Financial income	12 138	1 124	1 605	(3 378)
Financial cost	(50 332)	(47 458)	(18 891)	(9 185)
Profit before tax	76 850	44 757	11 795	5 495
Income tax	(11 546)	(5 218)	(2 995)	(2 962)
Net profit	65 304	39 539	8 800	2 533
Net profit	65 304	39 539		
Weighted average number of ordinary shares	412 690 582	412 690 582		
Profit per one ordinary share (in PLN)	0,16	0,10		
Diluted weighted average number of ordinary shares	412 690 582	412 690 582		
Diluted profit per one ordinary share (PLN)	0,16	0,10		

**INTERIM STANDALONE STATEMENT OF FINANCIAL RESULT
AND COMPREHENSIVE INCOME [PLN '000]**

	1.01.2020- 30.09.2020	1.01.2019- 31.12.2019	1.01.2019- 30.09.2019
Net profit	65 304	21 412	39 539
Other comprehensive income for the year	-	-	
Other comprehensive income for the year, net of tax	-	-	
Total comprehensive income	65 304	21 412	39 539

CONDENSED INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY
[PLN '000]

	Share capital	Supplementary capital	Dividend fund	Profit (loss) from previous years	Current years' profit	Total equity
As of January 1st, 2020	20 635	1 054 295	164 639	21 412	-	1 260 981
Changes in the period:						
Profit for the period	-	-	21 412	(21 412)	-	-
Total changes	-	-	-	-	65 304	65 304
As of September 30th, 2020	-	-	21 412	(21 412)	65 304	65 304
	20 635	1 054 295	186 051	-	65 304	1 326 285
As of January 1st, 2019	20 635	1 054 295	326 309	44 675	-	1 445 914
Changes in the period:						
Distribution of previous years' profit/loss	-	-	44 675	(44 675)	-	-
Dividend paid	-	-	(206 345)	-	-	(206 345)
Profit for the period	-	-	-	-	39 539	39 539
Total changes	-	-	(161 670)	(44 675)	39 539	(166 806)
As of September 30th, 2019	20 635	1 054 295	164 639	-	39 539	1 279 108

INTERIM STANDALONE CASH FLOW STATEMENT [PLN '000]

	1.01.2020- 30.09.2020	1.01.2019- 30.09.2019
Operating cash flow – indirect method		
I. Profit before tax	76 850	44 757
II. Adjustments	(90 497)	(63 012)
Depreciation	6 789	6 085
Foreign exchange gains / (losses)	(1 032)	(3 842)
Interest and profit sharing (dividends)	(102 245)	(59 728)
Profit / (loss) on revaluation of assets and liabilities	5 994	(3 556)
Profit (loss) on sale of fixed assets and investment properties	(3)	(1 971)
III. Changes in working capital	(10 703)	34 484
Change in provisions	(447)	(5 875)
Change in inventory	(28 331)	(40 774)
Change in receivables	30 325	16 759
Change in short-term liabilities, except for loans and borrowings	12 681	68 620
Change in other financial assets	(24 931)	(4 246)
IV. Net cash generated from operating activities (I+/-II +/- III)	(24 350)	16 229
V. Income tax paid	(8 019)	(2 695)
VI. Net cash generated from operating activities (IV+/-V)	(32 369)	13 534
Cash flows from investing activities		
I. Inflows	151 954	209 059
Disposal of intangible assets and tangible fixed assets	3	626
From financial assets, including	151 951	208 433
a) in subsidiaries	151 951	208 433
- disposal of financial assets	12 451	564
- dividends and profit sharing	50 469	22 879
- repayment of loans granted	66 193	142 626
- interest	19 086	2 440
- redemption of certificates	3 752	28 400
- other inflows from financial assets	-	11 524
II. Outflows	(311 056)	(316 488)
Purchase of intangible assets and tangible fixed assets	(1 453)	(2 747)
Inwestycje w nieruchomości	-	(1)
On financial assets, including:	(308 146)	(313 245)
a) in subsidiaries	(308 146)	(313 245)
- acquisition of financial assets	(5 943)	(1 007)
- borrowings granted	(302 203)	(312 238)
Other investment outflows	(1 457)	(495)
III. Net cash flow from investment activities	(159 102)	(107 429)
Net cash flow from financing activities (I – II)		
I. Inflows	365 367	293 768
Loans and borrowings	115 367	159 936
Issue of debt securities	250 000	133 832
II. Outflows	(222 824)	(291 110)
Repayment of loans and borrowings	(65 647)	(80 000)
Redemption of debt securities	(106 940)	(170 500)
Payment of leasing liabilities	(6 765)	(3 965)
Interests	(42 691)	(34 326)
Other investment outflows	(781)	(2 319)
III. Net cash flow from financing activities	142 543	2 658

INTERIM STANDALONE CASH FLOW STATEMENT [PLN '000]

1.01.2020-
30.09.2020

1.01.2019-
30.09.2019

Total net cash flows

Balance sheet change in cash, including:

- change in cash due to foreign exchange gains/losses

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

OFF-BALANCE SHEET ITEMS [PLN '000]

	30.09.2020	31.12.2019	30.09.2019
Off-balance sheet liabilities	1 989 645	1 942 475	2 576 670
Total	1 989 645	1 942 475	2 576 670

INFORMATION ON FINANCIAL STATEMENT OF ECHO INVESTMENT S.A.



Effects of the change in presentation - restatement of financial statements for previous periods

01

The Management Board of the Company voluntarily decided to change the presentation of costs related to interest on loans received, previously presented under “other operating expenses”.

After analysis, the Management Board decided that these are the costs of acquired external financing, therefore they should be presented as financial costs. As a result, the Company made an appropriate

change in the presentation of the profit and loss account by transferring these costs to the item “financial costs”.

EFFECT OF CHANGES ON THE PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30.09.2019 [PLN ‘000]

Related entity	Period ended 30.09.2019	Change of presentation	Period ended 30.09.2019 (restated)
Other operating revenues	107 619	(734)	106 885
Other operational costs	(1 759)	1 221	(538)
Operating profit	90 604	487	91 091
Financial income	1 082	42	1 124
Financial costs	(46 929)	(529)	(47 458)
Gross profit	44 757	-	44 757

The document is signed with qualified electronic signature

Nicklas Lindberg
President of the Board, CEO

Maciej Drozd
Vice-President of the Board, CFO

Artur Langner
Vice-President of the Board

Marcin Materny
Member of the Board

Rafał Mazurczak
Member of the Board

Waldemar Olbryk
Member of the Board

Małgorzata Turek
Member of the Board

Anna Gabryszewska-Wybraniec
Chief Accountant

Kielce, November 24th, 2020

STATEMENT OF THE MANAGEMENT BOARD



The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the interim financial report for three quarters of 2020 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 and the financial results of Echo Investment S.A. and its Group. The management report of Echo Investment S.A. and its Group presents a real view of development, accomplishments and situation of Echo Investment S.A. and its Group, including a description of fundamental risks and threats.

The document is signed with qualified electronic signature

Nicklas Lindberg
President of the Board, CEO

Maciej Drozd
Vice-President of the Board, CFO

Artur Langner
Vice-President of the Board

Marcin Materny
Member of the Board

Rafał Mazurczak
Member of the Board

Waldemar Olbryk
Member of the Board

Małgorzata Turek
Member of the Board

Kielce, November 24th, 2020

CONTACT

Echo Investment S.A.
Warsaw office
Q22 building
al. Jana Pawła II 22
00-133 Warsaw

ECHO
investment



Design and execution: Damian Chomański | be.net/chomatowski