

2022

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



Pic. Face2Face Business Campus office building in Katowice

ECHO
investment



Pic. Lobby in the Face2Face Business Campus office building in Katowice

Content

Message from CEO	5
------------------	---

Management Report	7
--------------------------	----------

01. General information about the Company and its Group	8
Management Board	9
Supervisory Board	10
02. The Strategy of Profitable Growth	11
03. Business model	13
04. Selected financial data of the Group	14
05. The main figures disclosed in the annual financial statements of Echo Investment S.A. and its Group	15
06. Group segments	21
07. EU taxonomy	24
08. Echo Investment S.A. shareholding structure and shareholders' rights	31
09. Volume of the Company's shares and bonds held by managing and supervising persons	33
10. Major events in 2022	34
11. Significant events after the balance sheet day	46
12. Residential segment for individual clients — market outlook and the Group's business activities	48
13. Residential segment for rent — market outlook and the Group's business activities	54
14. Office segment — market outlook and Group business activities	56
15. Retail segment — market outlook and Group business activities	60
16. How we manage risk	62
17. The impact of the war in Ukraine on the operations and results of the Company and its Group in the future	66
18. Portfolio of properties	67
19. Main investments in 2022 — acquisition of plots	80
20. Factors and unusual events affecting the results in 2022	81
21. Significant factors influencing the development of the Group in coming quarters	83
22. Information on dividend policy and dividend	85
23. Output markets and sources of supplies of materials, goods and services	86
24. Financial liabilities of the Company and its Group	88
25. Sureties and guarantees	93
26. Assessment of financial resources management and investment plan feasibility	95
27. Information on borrowings granted in 2022, including to related entities	101
28. Agreements concluded with an auditor	103
29. Composition of the Group	104
30. Other disclosures required by law	105

Statements of the Management Board	106
---	------------

Contact	108
---------	-----



Pic. Fuzja office and residential complex in Łódź

Message from CEO

Dear Shareholders, Partners and Clients,

It is my pleasure to present to you this financial report of Echo Investment for 2022. During this period, we generated a net profit attributable to the parent company in the amount of PLN 127 million. That was mainly the result of handing over to customers 2,168 apartments for sale and for rent completed by Echo Investment and Archicom, as well as an increase in the value of office and residential for rent projects. Last year was also marked by the sale of seven office buildings worth EUR 318 million which is a very strong confirmation of the quality of our projects. It results in a strong cash position and reduced net debt of the Group, that is crucial for our business' growth.

Residential sector

Last year our Group sold 1,515 and handed over 2,168 apartments to individual clients. During this time we have jointly started construction of 1,613 units. The residential market is currently undergoing changes. Individual investors who buy flats, treating them as a safe capital investment, have become the dominant group of our clients. They appreciate the quality, excellent project locations, as well as the stability and reputation of our Group. That is why we introduce to our offer projects that best meet the expectations of these customers.

Apartments for rent

The demand for apartments for rent is very strong, which confirms our faith in this market segment. The excellent condition of the rental residential market is reflected in the 100% level of commercialization of Resi4Rent buildings. The company currently has 3 thousand ready and fully leased premises, with another 3.6 thousand under construction. The goal of Resi4Rent is to have about 10 thousand premises for rent by the end of 2024 — out of

which over 8 thousand ready and the rest close to completion. Currently, the land for 90% of these apartments is already secured.

Commercial property sector

Last year was marked by the sale of completed and well-leased office buildings in our Group. It is important to underline, that we managed to close transactions for the sale of buildings located on Polish regional markets, and we are in the process of negotiating further transactions, the effects of which we will soon be able to present to you. This is an evidence of the fact, that investment market remains in good shape.

When thinking about the future, we are working on more spectacular projects. Last week, we presented the Towarowa 22 project in Warsaw designed by JEMS Architekci, which we will build together with our partner AFI Europe. A 2 hectares park with the renovated Dom Słowa Polskiego pavilion will create the central point of the project. Around the park, buildings will be constructed with flats, offices, rental housing and the services needed on a daily basis. The total floor area of the buildings will be more than 200,000 sqm. We plan to start construction of the first office building already this year.

We are also happy with the development of CitySpace, our flexible office space operator. The main activities marked by 2022 in this company were the opening of the twelfth location, expansion in Warsaw, decision of entering a new regional market, increasing the standard of customer service and adapting offices in the entire network to the standard supporting ESG issues.

Libero and Galeria Młociny are popular among clients thanks to changes in the tenant mix and implemented marketing campaigns. 2022 was a continuation of growth in both locations. Libero's turnover in 2022 was 39 percent higher than in 2021 while its footfall grew by 35 percent. An equally good situation is observed in Galeria Młociny in Warsaw. Here, the turnover increased by 41 percent and footfall - by 33 percent.

Financial position

The value of our assets as at 31 December 2022 amounts to nearly PLN 6.1 billion, including a high level of cash: PLN 942 million. As always, we are focused on maintaining a stable financial position of our Group and follow a prudent financial policy. We enjoy the trust of investors, thanks to which in 2022 our Group issued bonds with a total value of PLN 495 million. During this time, we redeemed bonds worth nearly PLN 590 million.

Sustainable development

We have adopted an ambitious ESG strategy for the entire group, that organizes our priorities and actions in the perspective of 2030. Its main assumptions focus

on limiting the carbon footprint, improving the energy efficiency of buildings, minimizing the projects impact on the environment and biodiversity, as well as strengthening our corporate culture. The document is also a starting point for continuous improvement and raising the bar in our activities related to ESG issues. Simultaneously with the financial report, we also published the Sustainable Development Report of the Echo-Archicom Group, which summarizes our activities in the past year.

I encourage you to read our financial and sustainability reports for 2022 in detail.

Yours sincerely



Nicklas Lindberg

CEO of Echo Investment



Last year was marked by the sale of seven office buildings worth EUR 318 million which is a very strong confirmation of the quality of our projects. It results in a strong cash position and reduced net debt of the Group.

Management Report



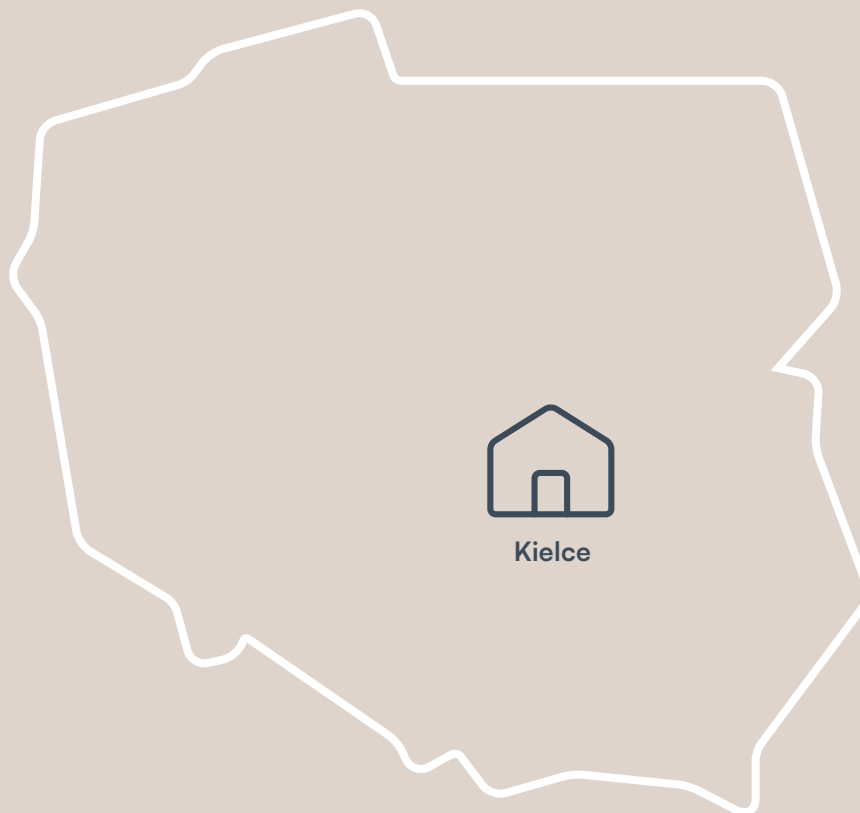
Pic. Lobby in the Midpoint71 office building in Wrocław

01

General information about the Company and its Group

1996

First listing of Echo Investment's shares on the WSE



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

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

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

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

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

Average monthly employment in the Echo Investment Group as at 31 December 2022 amounted to 562 people full-time equivalents.

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

Management Board

**Nicklas
Lindberg**

President of the
Board, CEO



**Maciej
Drozd**

Vice-President
of the Board,
CFO



**Artur
Langner**

Vice-President
of the Board



**Rafał
Mazurczak**

Member of the Board



**Małgorzata
Turek**

Member of the Board



Professional biographies of Board Members are described
in the “Statement on the use of corporate order”

Supervisory Board

**Noah M.
Steinberg**

Chairman



**Tibor
Veres**

Deputy Chairman



**Margaret
Dezse**

Independent
Supervisory Board
Member
Chair of the Audit
Committee



**Sławomir
Jędrzejczyk**

Independent
Supervisory Board
Member
Deputy Chairman
of the Audit Committee



**Maciej
Dyjas**

Supervisory Board
Member



**Péter
Kocsis**

Supervisory Board
Member



**Bence
Sass**

Supervisory Board
Member



**Nebil
Senman**

Supervisory Board
Member
Audit Committee
Member



Professional biographies of members of the Supervisory Board are described in the “Echo Investment Statement on the Corporate Governance Principles 2022.”

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

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

The Strategy of Profitable Growth



Leadership

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

Actions

- Achievement of a leader position in terms of the number of apartments under construction and sold to individual investors and Resi4Rent,
- Purchase a majority stake in the residential developer Archicom in 2021, making the group one of the top five developers selling apartments to individuals in Poland,
- Increase of market share in apartments for individual clients segment: from c.a. 600 apartments sold annually until 2015 to c.a. 1,515 units in 2022,
- Development of Resi4Rent company, which is already the largest entity in Poland that rents apartments,
- Securing a large landbank, allowing for a further increase of the market share in apartments for sale and rent,
- Entering a new market niche of apartment for rent by developing a company Resi4Rent in cooperation with a reputable financial partner;
- Maintaining the leading position in the office market (in terms of space under construction and preparation, as well as rental),
- Search for new business niches, including in short-term rental (through the development of CitySpace),
- Maintaining the leading position in the retail sector (in terms of relations with tenants and innovative approach),
- Strengthening our competitive advantage by preparation and construction of multifunctional projects that enable us to combine different competencies and implement projects faster.

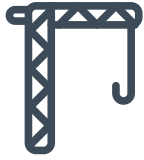


Large destination projects

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

Actions

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



Development activity

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

Actions

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



Focus on Poland

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

Actions

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



Strategic cooperation with reliable partners

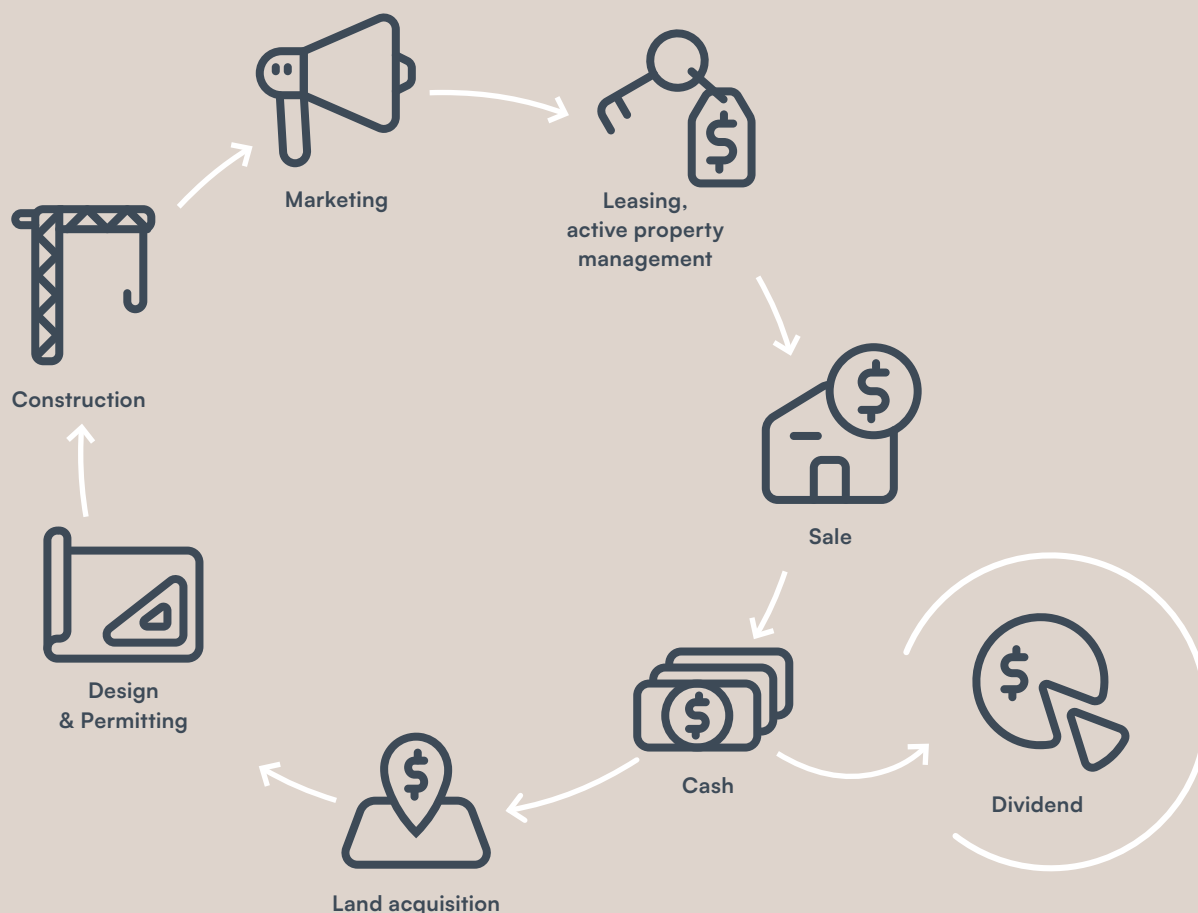
Echo Investment values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation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

Actions

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

03

Business model



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

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

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

04

Selected financial data of the Group

Consolidated financial data of the Group

	[PLN '000]		[EUR '000]	
	as at 31.12.2022	as at 31.12.2021	as at 31.12.2022	as at 31.12.2021
Revenue	1 394 306	1 532 665	297 401	334 826
Operating profit	275 403	309 309	58 743	67 572
Gross profit	219 001	261 892	46 712	57 213
Profit attributable to shareholders of the parent company	127 150	188 922	27 121	41 272
Cash flows from operating activities	9 184	119 167	1 959	26 033
Cash flows from investment activities	584 836	604 012	124 744	131 952
Cash flows from financing activities	(240 703)	(461 596)	(51 341)	(100 840)
Net cash flow	353 317	261 583	75 361	57 145
Total assets	6 087 012	6 434 880	1 297 898	1 399 069
Equity attributable to equity holders of the parent	1 643 778	1 679 610	350 493	365 180
Long-term liabilities	1 962 076	2 078 844	418 362	451 982
Short-term liabilities	2 318 624	2 492 499	494 387	541 918
Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
Profit (loss) per one ordinary share	0,31	0,46	0,07	0,10
Book value per one share	3,98	4,07	0,85	0,88

Euro exchange rate

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

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

- 4.6899 PLN/EUR as at 31 December 2022,
- 4.5994 PLN/EUR as at 31 December 2021.

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

- 4.6883 PLN/EUR in the period from 1 January 2022 to 31 December 2022,
- 4.5775 PLN/EUR in the period from 1 January 2021 to 31 December 2021.

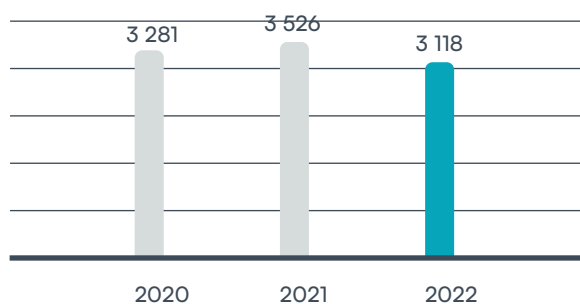
05

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

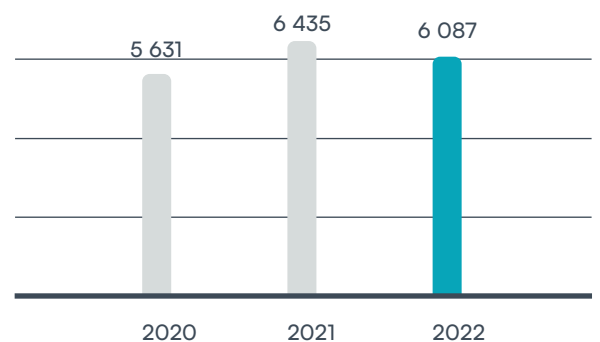
Assets and liabilities

Assets' value [PLN mln]

Echo Investment S.A.



Echo Investment Group

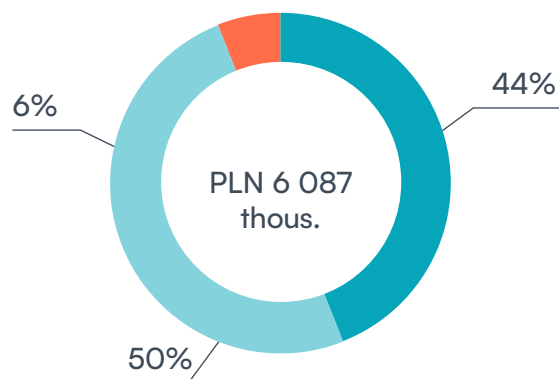


Assets' structure

Echo Investment S.A.



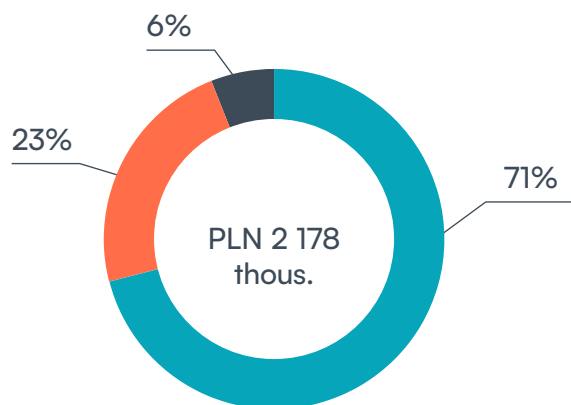
Echo Investment Group



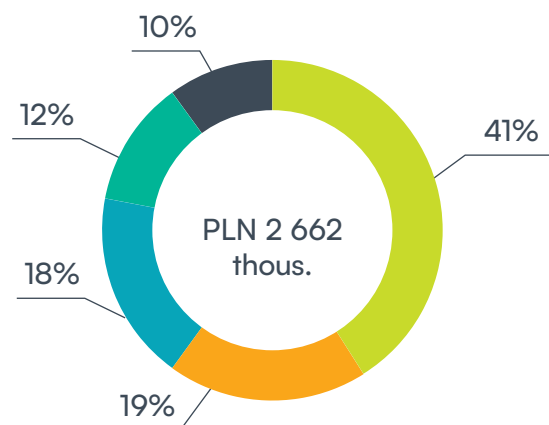
— Non-current assets — Current assets — Assets held for sale

Non-current assets' structure

Echo Investment S.A.



Echo Investment Group

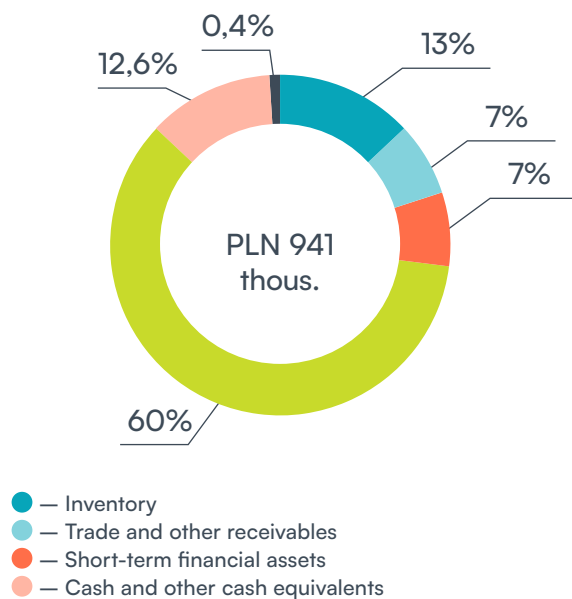


— Interests in joint-ventures and associates
 — Long-term financial assets
 — Investment properties
 — Investment properties under construction

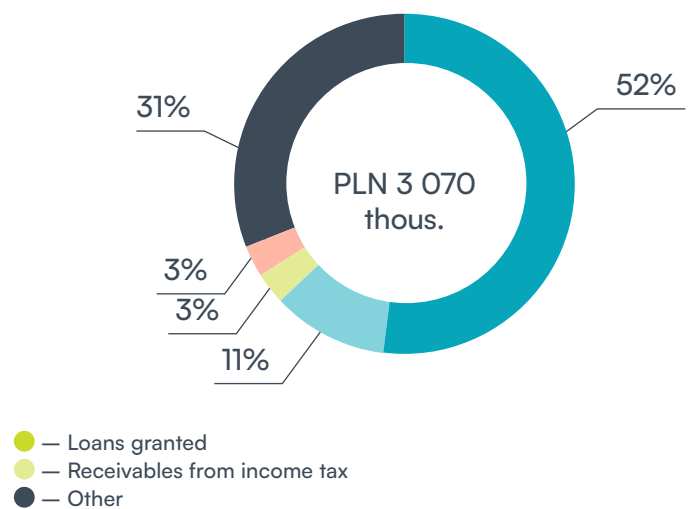
— Borrowings granted
 — Other

Current assets' structure

Echo Investment S.A.

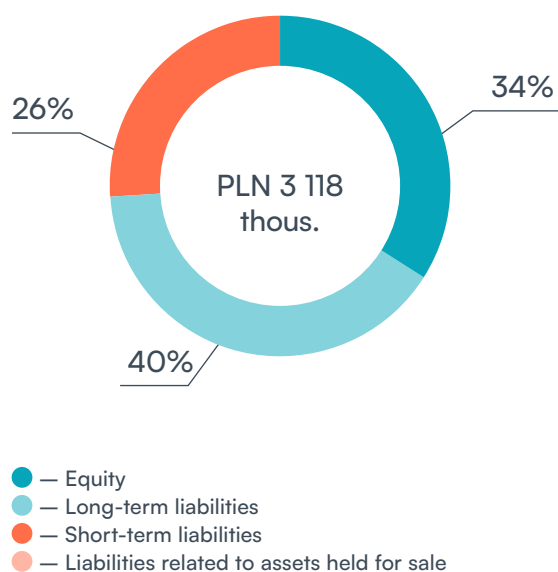


Echo Investment Group

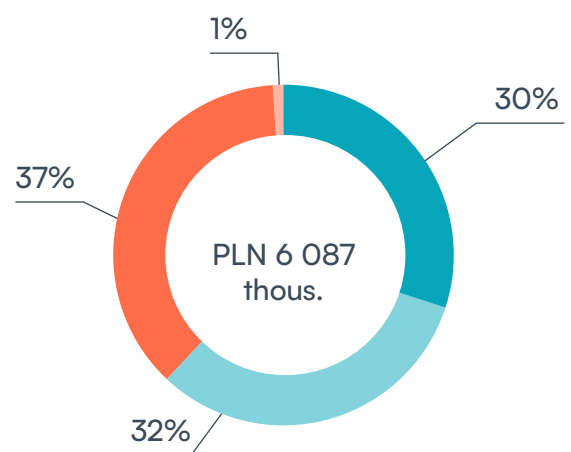


Equity and liabilities

Echo Investment S.A.



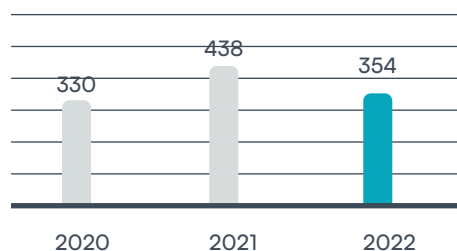
Echo Investment Group



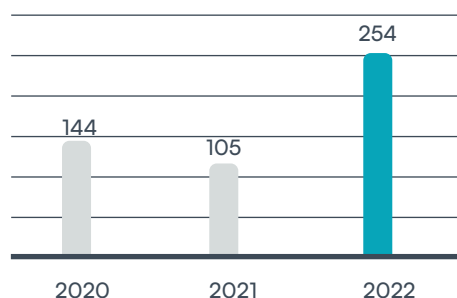
Profit and loss account

Echo Investment S.A.

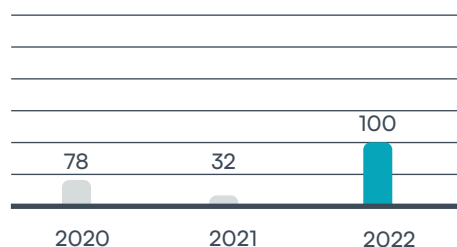
Revenue
[PLN mln]



Operating profit
[PLN mln]



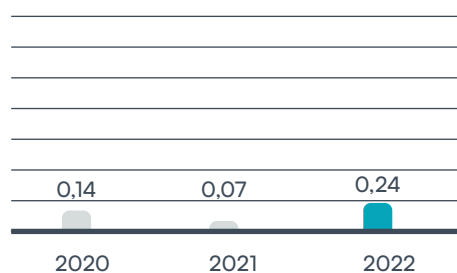
Gross profit
[PLN mln]



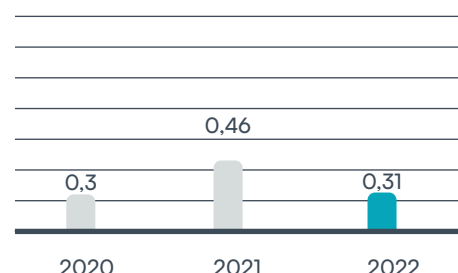
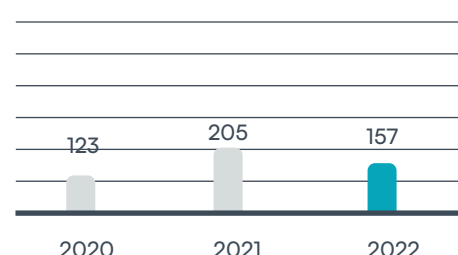
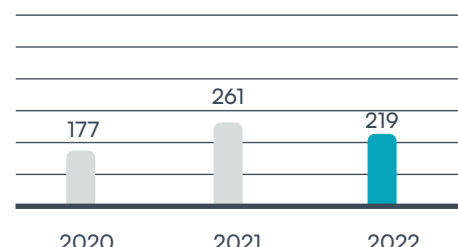
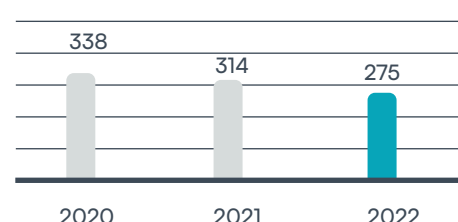
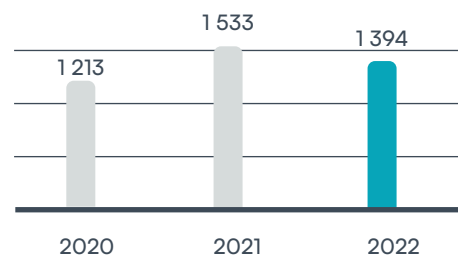
Net profit
[PLN mln]



Net profit per
share [PLN]



Echo Investment Group

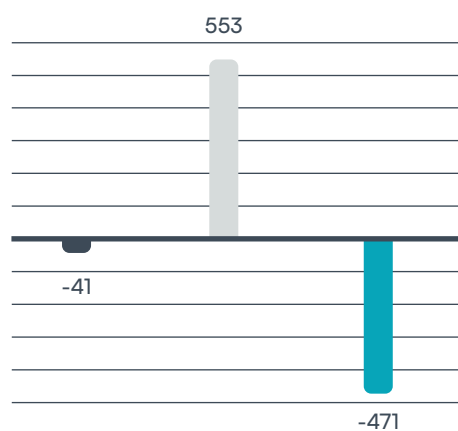


Cash flow

Cash flow in 2022 [PLN mln]

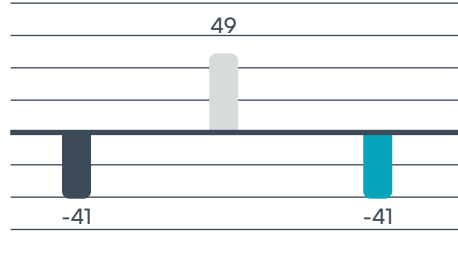
- cash flow on operational activity
- cash flow on investing activity
- cash flow on financing activity

Echo Investment S.A.



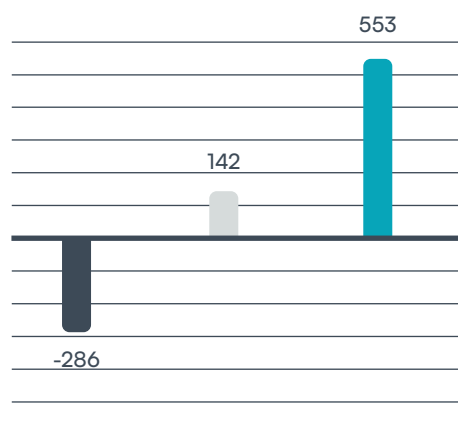
Cash flow on operating activity [PLN mln]

- 2020
- 2021
- 2022

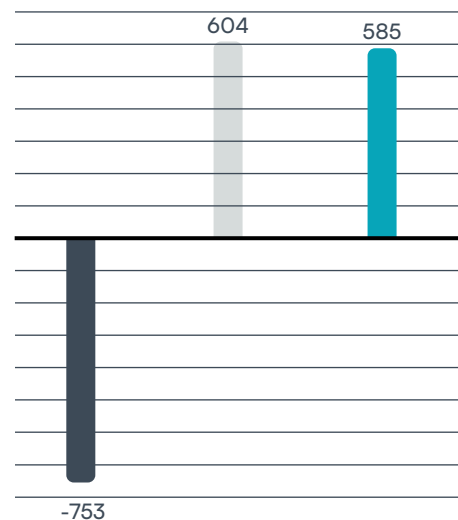
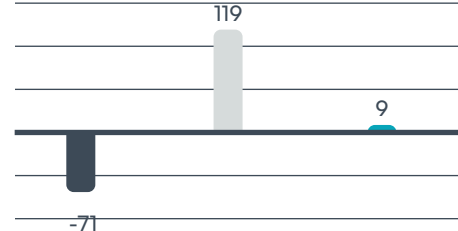
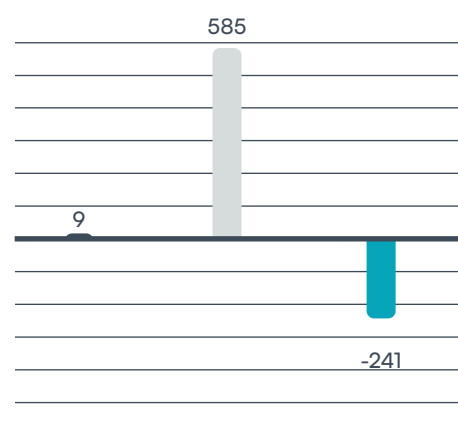


Cash flow on investment activity [PLN mln]

- 2020
- 2021
- 2022



Echo Investment Group

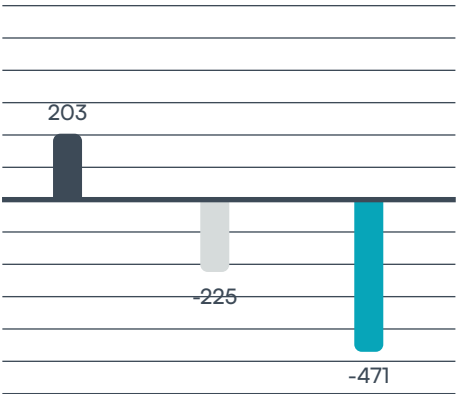


Cash flow

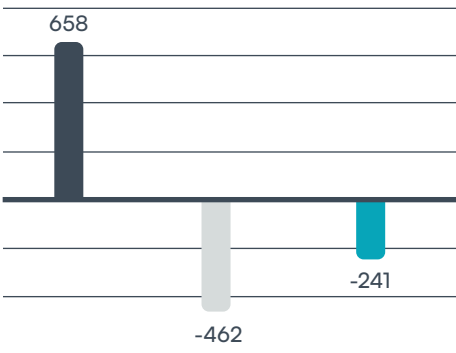
Cash flow
on financing
activity
[PLN mln]

- 2020
- 2021
- 2022

Echo Investment S.A.



Echo Investment Group



Consolidated statement of financial position — allocation to segments as at 31 December 2022 [PLN ‘000]

	Total		Residential		PRS		Commercial properties	
	2022	2021	2022	2021	2022	2021	2022	2021
Assets								
Non-current assets								
Intangible assets	71 752	70 529	69 758	68 150	-	-	1 994	2 379
Property, plant and equipment	60 409	64 261	11 880	12 102	-	-	48 529	52 159
Investment property	1 094 638	843 576	32 938	32 485	-	-	1 061 700	811 091
Investment property under construction	486 625	741 663	-	1 893	-	-	486 625	739 770
Investment in associates and joint ventures	478 180	336 737	-	-	169 192	102 981	308 988	233 756
Long-term financial assets	326 675	366 360	3 476	35 180	220 628	202 761	102 571	128 419
Derivative financial instruments	26 251	-	8 620	-	1 653	-	15 978	-
Other assets	1 549	1 854	1 549	1 854	-	-	-	-
Deferred tax asset	94 494	74 015	53 403	43 807	22	14	41 069	30 193
Lands for development	21 359	19 454	17 652	15 747	-	-	3 707	3 707
	2 661 932	2 518 450	199 276	211 220	391 495	305 757	2 071 161	2 001 474
Current assets								
Inventory	1 592 885	1 602 078	1 505 274	1 575 598	656	419	86 956	26 060
Current tax assets	14 925	13 104	2 831	3 685	-	-	12 094	9 419
Other taxes receivable	81 762	64 908	40 517	27 060	239	407	41 006	37 440
Trade and other receivables	333 577	120 163	192 479	26 208	8 442	5 599	132 655	88 356
Short-term financial assets	15 327	41 920	586	-	-	-	14 741	41 920
Derivative financial instruments	366	18 922	-	4 135	-	741	366	14 046
Other financial assets *	88 914	85 205	55 436	44 776	-	-	33 478	40 429
Cash and cash equivalents	941 997	588 680	271 245	238 865	237	394	670 515	349 421
	3 069 753	2 534 979	2 068 368	1 920 328	9 574	7 559	991 811	607 091
Assets held for sale								
	355 327	1 381 451	-	-	-	16 977	355 327	1 364 475
	3 425 080	3 916 430	2 068 368	1 920 328	9 574	24 536	1 347 138	1 971 566
Total assets	6 087 012	6 434 880	2 267 644	2 131 548	401 068	330 293	3 418 300	3 973 040

* Mainly cash on escrow accounts paid by residential clients

Consolidated statement of financial position

— allocation to segments as at 31 December 2022 [PLN ‘000]

	Total		Residential		PRS		Commercial properties	
	2022	2021	2022	2021	2022	2021	2022	2021
Equity and liabilities								
Equity	1 806 312	1 863 537	644 061	662 002	213 517	169 435	948 734	1 032 101
	1 806 312	1 863 537	644 061	662 002	213 517	169 435	948 734	1 032 101
Long-term liabilities								
Credits, loans, bonds	1 609 032	1 626 984	340 732	340 918	131 396	109 232	1 136 904	1 176 834
Acquisition of shares	-	50 895	-	50 895	-	-	-	-
Long-term provisions	5 356	6 499	5 356	5 694	-	-	-	805
Deferred tax liabilities	140 651	172 917	65 431	53 335	-	-	75 220	119 583
Leasing	138 837	117 127	13 610	14 739	-	-	125 228	102 388
Other liabilities	68 200	104 422	30 299	49 426	-	-	37 901	54 996
Liabilities due to customers	-	-	-	-	-	-	-	-
	1 962 076	2 078 844	455 428	515 006	131 396	109 232	1 375 253	1 454 606
Short-term liabilities								
Credits, loans, bonds	667 980	652 574	154 945	122 813	55 484	30 763	457 551	498 998
Credits, loans, bonds - non-current assets classified as held for sale	142 494	614 520	-	-	-	-	142 494	614 520
Acquisition of shares	51 478	-	51 478	-	-	-	-	-
Derivative financial instruments	-	1 188	-	-	-	-	-	1 188
Income tax payable	31 174	6 319	7 573	5 048	-	-	23 601	1 271
Other taxes liabilities	147 176	15 260	25 287	6 104	-	-	121 889	9 156
Trade payable	142 867	186 793	84 275	83 837	480	706	58 112	102 250
Dividend payable	90 792	-	84 214	-	-	-	6 578	-
Leasing	96 389	105 355	60 768	79 246	-	-	35 621	26 108
Short-term provisions	51 238	53 412	20 252	25 554	188	216	30 798	27 642
Other liabilities	293 775	216 701	121 939	65 809	4	385	171 832	150 506
Liabilities due to customers	558 252	572 315	557 424	566 128	-	-	828	6 187
	2 273 615	2 424 436	1 168 156	954 540	56 156	32 069	1 049 304	1 437 826
Liabilities directly associated with non-current assets classified as held for sale	45 009	68 063	-	-	-	19 556	45 009	48 507
	2 318 624	2 492 499	1 168 156	954 540	56 156	51 625	1 094 313	1 486 332
Total equity and liabilities	6 087 012	6 434 880	2 267 644	2 131 548	401 068	330 293	3 418 300	3 973 040

Consolidated profit and loss account — allocation to segments for the period of 1 January - 31 December 2022 [PLN '000]

	Total		Residential		PRS		Commercial properties	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	1 394 306	1 532 665	1 109 627	1 255 437	16 873	22 260	267 806	254 968
Cost of sales	(901 913)	(1 132 587)	(732 132)	(972 457)	(9 115)	(17 656)	(160 666)	(142 474)
Gross profit	492 393	400 078	377 495	282 980	7 758	4 604	107 140	112 494
Profit on investment property	(11 427)	76 591	-	-	-	-	(11 427)	76 591
Administrative costs associated with project implementation	(71 390)	(53 531)	(53 090)	(35 985)	(581)	(324)	(17 719)	(17 222)
Selling expenses	(50 038)	(45 735)	(40 213)	(38 819)	(1 152)	(520)	(8 673)	(6 396)
General and administrative expenses	(84 264)	(107 405)	(35 613)	(47 964)	(11 462)	(7 808)	(37 189)	(51 634)
Other operating income	18 323	57 326	4 329	53 379	-	-	13 994	3 946
Other operating expenses	(18 194)	(18 015)	(5 336)	(7 584)	-	-	(12 858)	(10 430)
Operating profit	275 403	309 309	247 573	206 007	(5 437)	(4 048)	33 268	107 350
Financial income	50 496	40 704	17 708	9 445	6 783	13 130	26 005	18 129
Financial cost	(154 699)	(119 695)	(52 053)	(18 801)	(8 470)	(2 232)	(94 176)	(98 662)
Profit (loss) on FX derivatives	(5 725)	(458)	(3 207)	(1 514)	-	(273)	(2 518)	1 329
Foreign exchange gains (losses)	(15 151)	8 670	(3 901)	401	(346)	-	(10 904)	8 269
Share of profit (loss) of associates and joint ventures	68 677	23 362	-	-	69 140	42 180	(463)	(18 818)
Profit before tax	219 001	261 891	206 120	195 538	61 670	48 757	(48 789)	17 596
Income tax	(62 455)	(56 461)	(58 780)	(42 156)	(17 587)	(10 511)	13 913	(3 794)
Net profit (loss)	156 546	205 431	147 339	153 383	44 083	38 246	(34 876)	13 802
Equity holders of the parent	127 150	188 922	117 939	136 874	44 083	38 246	(34 872)	13 802
Non-controlling interest	29 396	16 509	29 400	16 509	-	-	(4)	-

In accordance with Article 8 of the EU Regulation 2020/852 (Taxonomy) below are provided information on how and to what extent the activities of the Echo Investment S.A. Group is related to economic activity that qualifies as environmentally sustainable (activity in accordance with the taxonomy). Key performance indicators are prepared in accordance with the requirements set out in the EU Delegated Regulation 2021/2178, to the best of our knowledge and with due diligence.

The assessment of compliance of business activity with the taxonomy under individual key performance indicators was carried out on the basis of technical criteria set out in EU delegated acts 2021/2139 and 2022/1214.

Minimum guarantees

Echo Investment S.A. Group meets the minimum guarantees referred to in Article 18 of Regulation EU 2020/852. The assessment of compliance with the minimum guarantees was carried out based on the requirements recommended for entities subject to the CSRD in accordance with the report of the EU Platform for Sustainable Finance, published in October 2022.

The provisions of the EU Regulation 2022/1214 were taken into account in the process of assessing the eligibility of revenues/expenditures/expenditures. No revenues/expenditures/expenditures related to the activities listed in this regulation have been identified.

1.1. KPI Revenue

Business activity [PLN ‘000]	Code	Total income	Share of revenue (%)	Substantial contribution criteria						'Do no significant harm' criteria						Minimum guarantees	2021	2022	Supporting activity category	Transition activity category				
				Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems		Taxonomy-compliant turnover share	Taxonomy-compliant turnover share						
A. TAXONOMY ELIGIBLE ACTIVITY																								
A.1. Environmentally sustainable activity (taxonomy compliant)																								
Environmentally sustainable activity-related revenue (taxonomy compliant) (A.1)		0	0	0	0	0	0	0	0	-	-	-	-	-	-	YES	0	0	-	-				
A.2. Environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)																								
Construction of new buildings	7.1.	1 376 039	98,9																					
A.2. Revenue from environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)		1 376 039	98,9																					
TOTAL (A.1 + A.2)		1 376 039	98,9																					
B. TAXONOMY NON-ELIGIBLE ACTIVITY																								
Revenue from taxonomy non-eligible activity		18 267	1,1																					
TOTAL (A + B)		1 394 306	100																	YES	0	0	-	-

Accounting rules

The basis for calculating the key performance indicator for turnover (KPI turnover) was the consolidated financial statement of the Echo Investment Group for 2022 prepared in accordance with the International Financial Reporting Standards (IFRS). Revenues were adopted as the denominator of the ratio.

Information on compliance with Regulation (EU) 2020/852

Individual categories of Echo Investment Group's revenues have been analyzed in terms of eligibility for the taxonomy. This process included an analysis of activities eligible for the taxonomy defined in EU Regulation 2021/2139 and EU Regulation 2022/1214 in order to confirm whether the activities conducted by the Echo Investment Group were listed in the abovementioned regulations.

The activity 7.1. 'Construction of new buildings' is the main source of revenue of Echo Investment Group. In the next step, an assessment of the compliance of the conducted activity with the technical qualification criteria for activity 7.1 was carried out. As a result of the analysis, no revenues related to taxonomy-compliant activities were identified. All revenues related to the activity 7.1. were classified as revenues related to activities qualifying for taxonomy. Business activity conducted by the Echo Investment Group related to 7.1. 'Construction of new buildings' includes:

- Construction and sale of apartments and related income,
- Construction and construction-related services,
- Rental of office, commercial and residential space.

The Group analyzed and separated revenue streams from individual special purpose vehicles (SPV) in terms of titles other than those related to the core business (i.e. sales of apartments and related revenues, such as changes in tenants, additional construction works, revenues from renting space, revenues from construction and construction-related services).

Contribution to multiple objectives and disaggregation of KPIs

Not applicable. No revenues related to taxonomy compliant activities have been identified.

Context information

Not applicable. In 2022, no revenues related to environmentally sustainable activities (taxonomy compliant) were identified in Echo Investment Group.

1.2. KPI Capex

Business activity [PLN '000]	Code	Capital expenditures		Substantial contribution criteria						'Do no significant harm' criteria						Minimum guarantees	Taxonomy-compliant capital expenditure share	Taxonomy-eligible capital expenditure share	2022					
		Percentage share of capital expenditures		Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems				Supporting activity category	Transition activity category				
A. TAXONOMY ELIGIBLE ACTIVITY																								
A.1. Environmentally sustainable activity (taxonomy compliant)																								
Environmentally sustainable activity-related capital expenditure (taxonomy compliant) (A.1)		0	0	0	0	0	0	0	0	-	-	-	-	-	-	YES	0	0	-	-				
A.2. Environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)																								
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	3	0,0																					
Construction of new buildings	7.1.	318 796	83,7																					
Installation, maintenance and repair of energy efficiency equipment	7.3.	150	0,1																					
A.2. Capital expenditures on environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)		318 949	83,8																					
TOTAL (A.1 + A.2)		318 949	83,8																					
B. TAXONOMY NON-ELIGIBLE ACTIVITY																								
Capital expenditure on taxonomy non-eligible activity		61 779	16,2																					
TOTAL (A + B)		380 728	100																	YES	0	0	-	-

Accounting rules

The basis for the calculation of the key performance indicator related to capital expenditures were capital expenditures recognized in the financial statements in accordance with the applicable International Financial Reporting Standards (IFRS). Costs were settled on the basis of:

- a. IAS 16 Property, plant and equipment, point 73 lit. (e) points (i) and (iii);
- b. IAS 38 Intangible Assets, point 118(a). e) point (i);
- c. IAS 40 Investment Property, point 76 lit. (a) and (b) (in the case of the fair value model);
- d. IAS 40 Investment Property, point 79 lit. (d) points (i) and (ii) (in the case of a model based on the purchase price or production cost);
- e. IAS 41 Agriculture, point 50 lit. b) and e);
- f. IFRS 16 Leases, point 53 lit. h).

Information on compliance with Regulation (EU) 2020/852

Individual categories of capital expenditures of the Echo Investment Group have been analyzed in order to determine whether they meet one of the following conditions:

- a. They are relate to assets or processes related to economic activity in accordance with the taxonomy:
 - Echo Investment Group did not recognized revenue from taxonomy-compliant activities, therefore none of the costs shown in the denominator were disclosed in the numerator due to the connection with business activities consistent with the taxonomy. The Group earned revenue from activities that are taxonomy eligible. Therefore, capital expenditure related to activity 7.1. 'Construction of new buildings' were extracted as related to taxonomy eligible activities.

- b. They are part of a plan to expand a taxonomy-compliant business or enable a taxonomy-eligible business to become taxonomy-compliant;
 - Echo Investment Group does not have a capital expenditure plan referred to in point 1.1.2.2. Annex I to Regulation EU 2021/2178.
- c. They are related to the purchase of products from taxonomy-compliant economic activities and individual measures to enable the targeted activity to become low-carbon or to reduce its greenhouse gas emissions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other the economic activities listed in the delegated acts adopted pursuant to Article 10 sec. 3, art. 11 sec. 3, art. 12 sec. 2, art. 13 sec. 2, art. 14 sec. 2 or art. 15 sec. 2 of Regulation (EU) 2020/852, and provided that these measures are implemented and operational within 18 months.

As part of the analyses, costs related to the purchase of products and individual measures enabling the target activity to become low-emission or enabling it to reduce greenhouse gas emissions purchased from taxonomy-eligible activities were identified. The activity from which the products were purchased was analyzed in terms of the technical criteria set out in the EU Regulation 2021/2139. The results of the conducted assessment were the basis for stating the lack of connection between investment expenditures and environmentally sustainable activities (in accordance with the taxonomy). Two taxonomy-eligible activities have been identified:

Number of activity	Name of activity	Description of activity
6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Purchase of an electric car from a lease
7.3	Installation, maintenance and repair of energy efficiency equipment	Replacing light bulbs at your own premises

Contribution to multiple objectives and disaggregation of KPIs

Not applicable. Investment expenditures related to environmentally sustainable activities (taxonomy-compliant) have not been identified.

Context information

Not applicable. Investment expenditure related to environmentally sustainable activities (taxonomy-compliant) have not been identified. Echo Investment Group also does not have a capital expenditure plan referred to in point 1.1.2.2. Annex I to Regulation EU 2021/2178.

1.3. KPI Opex

Business activity [PLN '000]	Code	Total operational expenditure	Percentage share of operational expenditure	Substantial contribution criteria						'Do no significant harm' criteria							2021	2022			
				Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Sustainable use and protection of water and marine resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum guarantees	Taxonomy-compliant operational expenditure share	Taxonomy-eligible operational expenditure share	Supporting activity category	Transition activity category	
A. TAXONOMY ELIGIBLE ACTIVITY																					
A.1. Environmentally sustainable activity (taxonomy compliant)																					
Environmentally sustainable activity-related operational expenditure (taxonomy compliant) (A.1)		0	0	0	0	0	0	0	0	-	-	-	-	-	-	YES	0	0	-	-	
A.2. Environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)																					
Construction of new buildings	7.1.	90	6,5																		
A.2. Operational expenditures on environmentally eligible activity, but not environmentally sustainable (taxonomy non-compliant)		90	6,5																		
TOTAL (A.1 + A.2)		90	6,5																		
B. TAXONOMY NON-ELIGIBLE ACTIVITY																					
Operational expenditure on taxonomy non-eligible activity		1 291	93,5																		
TOTAL (A + B)		1 381	100														YES	0	0	-	-

Accounting rules

The basis for the calculation of the operational expenditure key performance indicator was operating expenditure recognized in the financial statements in accordance with the applicable International Financial Reporting Standards (IFRS). Direct, non-capitalized costs related to the construction of temporary sales offices in residential projects were assigned to the Opex KPI denominator.

As part of the analyses, costs related to the purchase of products and individual measures enabling the target activity to become low-emission or enabling it to reduce greenhouse gas emissions purchased from taxonomy-eligible activities were identified. The activity from which the products were purchased was analyzed in terms of the technical criteria set out in EU Regulation 2021/2139. The results of the assessment were the basis of a statement that operating expenses were not related to environmentally sustainable activities (taxonomy-compliant).

Information on compliance with Regulation (EU) 2020/852

The individual categories of operating expenses of Echo Investment Group shown in the denominator of the key performance indicator have been analyzed in order to determine whether they meet one of the following conditions:

- a. they are related to assets or processes related to economic taxonomy-compliant activities, including training and other needs related to the adaptation of human resources and direct uncanceled costs that represent research and development.

Echo Investment Group did not record revenues from taxonomy-compliant activities, therefore none of the costs shown in the denominator was disclosed in the numerator due to the connection with business taxonomy-compliant activities. The Group earned revenue from taxonomy-eligible activities. Therefore, operating expenses related to activity 7.1. 'Construction of new buildings' were extracted as related to a taxonomy-eligible activities.

- b. are part of a plan to expand the taxonomy-compliant business activities or to allow eligible business activities to align with the taxonomy ("capital plan") under the conditions set out in the second paragraph of this point 1.1.2.2;

Echo Investment Group does not have a capital expenditure plan referred to in point 1.1.2.2. Annex I to Regulation EU 2021/2178.

- c. relate to the purchase of products from economic taxonomy-compliant activities and individual measures to enable the targeted activity to become low-carbon or to reduce its greenhouse gas emissions, in particular the activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other the economic activities listed in the delegated acts adopted pursuant to Article 10 sec. 3, art. 11 sec. 3, art. 12 sec. 2, art. 13 sec. 2, art. 14 sec. 2 or art. 15 sec. 2 of Regulation (EU) 2020/852, and provided that these measures are implemented and operational within 18 months.

As part of the analyses, costs related to the purchase of products and individual measures enabling the target activity to become low-emission or enabling it to reduce greenhouse gas emissions purchased from activities eligible for the taxonomy or in accordance with the taxonomy were not identified.

Contribution to multiple objectives and disaggregation of KPIs

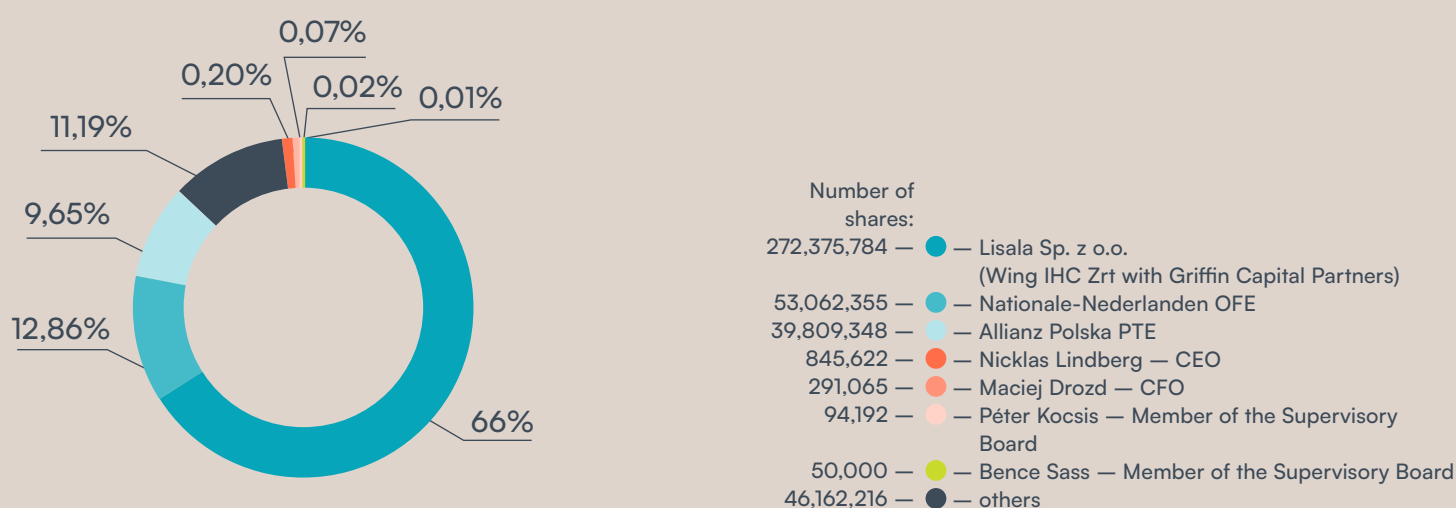
Not applicable. Operating expenses related to environmentally sustainable activities (taxonomy-compliant) have not been identified.

Context information

Not applicable. Operating expenses related to environmentally sustainable activities (taxonomy-compliant) have not been identified. Echo Investment Group also does not have a capital expenditure plan referred to in point 1.1.2.2. Annex I to Regulation EU 2021/2178.

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

Shareholders of Echo Investment S.A. as at 31 December 2022



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

The Company's share capital, i.e. the nominal value of all the shares, amounts to PLN 20,635 thousand, and it was paid in cash. The nominal value of one share is PLN 0.05. The number of shares equals the number of votes at the

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

The shareholding structure information is based on notification from shareholders and information of open pension funds (OFE) stock ownership as at 13 December 2022.

Significant changes in the shareholding structure in 2022

There were no significant changes in the shareholding structure in 2022. The biggest change relates to the shareholder Aviva Otworthy Fundusz Emerytalny Aviva Santander, which, as at 31 December 2021, held 27,351,000 Echo Investment S.A. shares representing a 6.63 percent share in the capital and votes. With regard to ownership changes, Powszechnie Towarzystwo Emerytalne (PTE) Allianz Polska informed the Company that as at 30 December 2022, the accounts of Allianz OFE, Allianz DFE and Drugi Allianz OFE managed by PTE Allianz Polska hold a total of 39,809,348 shares of the Company representing a 9.65 percent interest in the capital and votes.

In 2022, the members of the Management Board and Supervisory Board also reported their purchases of the Company's shares. In total, throughout the year, Nicklas Lindberg, President of the Board, CEO purchased 306,946 shares; Maciej Drozd, Vice-President of the Board, CFO purchased 69,300 shares; Bence Sass, Supervisory Board Member purchased 50,000 shares; and Péter Kocsis, Supervisory Board Member purchased 41,912 shares.

WING

About the major shareholder

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

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

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

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

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

Volume of shares of Echo Investment S.A. held by members of the Management Board and the Supervisory Board as at 31 December 2022

Surname / Position in the company	Number of shares held	Share in the capital and votes at GMS
Nicklas Lindberg President of the Board, CEO	845 622	0,20%
Maciej Drozd Vice-President of the Board, CFO	291 065	0,07%
Péter Kocsis Supervisory Board Member	94 192	0,02%
Bence Sass Supervisory Board Member	50 000	0,01%

In 2022, Nicklas Lindberg purchased 306,946 of the Company's shares, Maciej Drozd 69,300 shares and Bence Sass 50,000 shares.

The Company was also informed about the purchase of 22,000 shares by Nicklas Lindberg and 16,892 shares by Péter Kocsis in 2023.

Volume of bonds of Echo Investment S.A. held by members of the Management Board and the Supervisory Board as at 31 December 2022

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

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

report, none of them was a shareholder or bondholder on 31 December 2022 and during 2022, and none of them concluded any transactions for shares or bonds in the Company.

10 Major events in 2022

Issue of PLN 205 million bonds for individual investors

In 2022, Echo Investment issued five series of bonds for individual investors.

Series	K	L	M	N	O
Subscription start date	10 January 2022	22 February 2022	27 April, 2022	27 June 2022	6 September 2022
Interest rate	WIBOR 6M + 4% margin	WIBOR 6M + 4% margin	WIBOR 6M + 4% margin	WIBOR 6M + margin 4%	WIBOR 6M + margin 4%
Subscription end date	21 January 2022	8 March 2022	11 May 2022	7 July 2022	20 September 2022
Series value	PLN 50 mln	PLN 50 mln	PLN 40 mln	PLN 40 mln	PLN 25 mln
Reduction rate	79%	27%	34%	37%	1%
Maturity date	3 years	4 years	4 years	4 years	4 years

The bonds are not secured and have been introduced to trading in the alternative trading system on Catalyst organized by the Warsaw Stock Exchange S.A. The money raised will be spent on business development.

The offering agent was Powszechna Kasa Oszczędności Bank Polski S.A. - the Brokerage House in Warsaw.

The K, L, M, N and O-series bonds public offering was carried out on the basis of the prospectus approved by the Polish Financial Supervision Authority on 26 November 2021 and supplements to the prospectus.

PLN 205 mln

total value of five series of bonds for individual investors placed in 2022

Sale of West 4 Business Hub office building in Wrocław

On 20 January 2022, West 4 Business Hub I, a modern A-class office building with 15,600 sqm GLA, was acquired by Solida Capital company.

The transaction value amounted to EUR 39 million plus VAT and was reduced by the value of rent-free periods, rent reductions, as well as other costs. The amount payable at the closing was further reduced by the value of fitout works and those related to the removal of defects. As a result, the price payable at the closing amounted to EUR 35.4 million plus VAT. According to the agreement, the seller will receive a separate consideration related to the performance of fit-out works on tenants' premises and the removal of defects, with a total amount of EUR 2.8 million plus VAT. The parties also entered into building quality guarantee agreements, rent guarantees, a fit-out agreement and a good neighbor agreement.

West 4 Business Hub office complex is a follow-up of West Gate and West Link office buildings that have already been built at Na Ostatnim Groszu street in Wrocław. Its first tenants of West 4 Business Hub are Vorwerk, PM Group, CitySpace and Sii Polska — one of the largest employers in the Polish IT industry.

West 4 Business Hub I was one of the first buildings where Echo Investment installed special anti-COVID systems improving the quality of air in the building that purifies the air, drawing on solutions naturally occurring in nature.

Maćków Pracownia Projektowa is responsible for the design of the project. West 4 Business Hub I has been awarded BREEAM environmental certificate with an Excellent rating.



Pic. West 4 office building
Business Hub in Wrocław

EUR 39 mln

the value of the transaction of the West 4
Business Hub office building in Wrocław

Photo. West 4
office building
Business Hub in
Wrocław



Issue of bonds worth PLN 110 million for institutional investors by Archicom S.A.

On 16 March 2022 a subsidiary of Echo Investment - Archicom S.A. - issued a series M6 / 2022 coupon bonds for a total amount of PLN 110 million, as part of the Bond Issue Program with mBank S.A. up to the maximum amount of PLN 350 million from 2016.

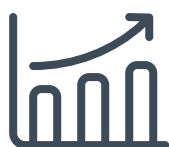
The bonds were issued for the period ending on 15 March 2024. The redemption will take place at their nominal

value. The interest rate on the bonds was determined according to the variable WIBOR 3M interest rate, increased by a margin.

The interest period is three months. The bonds are not secured and were subject to introduction to trading in the alternative trading system Catalyst organized by the Warsaw Stock Exchange.

PLN 110 mln

the value of the bonds issued by
Archicom for institutional investors



Release of Echo Investment's second sustainability report

Echo Investment has provided its second comprehensive summary of achievements and performance in the areas of environmental, social and corporate management. Details included in this report confirm that the company takes responsibility for people who work for it, for cities it co-creates and for the environment in which it develops its projects. Offices and estates built by Echo, along with the business dimension, also have the dimension of city-forming and good urban planning. They improve people's living conditions and support the proper development of cities.

As a result of a survey among stakeholders, the list of areas identified as most important included employee health and safety, anti-discrimination, diversity and equal treatment, green building, waste management, energy consumption, employee well-being, support for the development of sustainable cities, employee rights, social and environmental responsibility of subcontractors.

The Echo Investment Group also reported its economic impact figures in its 2021 report. As an investor, employer and ordering party, the Group has a significant economic impact - it contributes to generating jobs, salaries and creating added value. It was calculated in the report based on the Leontief model. The calculations indicated that one job at Echo Investment generates as many as 11 more jobs in the Polish economy. Each zloty of added value created in the Group generates 3.46 zlotys of added value throughout the economy. Such a high ratio is due to the fact that Echo's subcontractors and suppliers are almost exclusively Polish companies, employing people in Poland and paying taxes here.

Echo Investment voluntarily reports non-financial information due to the company's corporate maturity and because of the growing importance placed on conducting responsible business by the company's business partners, contractors, clients, shareholders and other stakeholders.



Our impact on the economy in 2021:

PLN 252 mln 

the total value of remuneration paid to employees in the Polish economy, as a result of the Echo Group's operations, taking into account indirect and induced impacts

PLN 946 mln 

value added generated thanks to the activities of the Echo Group in the entire economy

5,192 

the total number of jobs maintained thanks to the Echo Group's operations

11 

One job in Echo Group means 11 jobs in the entire economy

Purchase of shares in the Towarowa 22 project by AFI Europe fund



On 8 June 2022, AFI Europe, an international investment group, finalized the purchase of shares in the Towarowa 22 project from the EPP N.V. group. Under the terms of the agreement, AFI Europe and Echo Investment will jointly participate in the completion of office and apartments-for-rent parts of the complex, owning 70 percent and 30 percent of the shares, respectively. According to the preliminary agreement concluded at the same time, Echo Investment will become the sole owner of the residential

part of the plot, for which it paid a down payment of EUR 23.7 million, and will also be the developer of the entire project.

Towarowa 22 is a 6.5-acre investment area located in the heart of Wola, a thriving district of Warsaw. The plot is intended for mixed-use buildings.

Pic. Design for Towarowa 22 in Warsaw by JEMS Architekci



In March 2023, Echo Investment, together with its partner AFI Europe, presented a multifunctional development project for the purchased plot, which was developed by the JEMS Architekci studio.

The project divides the former printing works site into eight new quarters, with streets, pedestrian and cycle paths running between them. The concept is to reconstruct Wronia street and the passage between Chłodna and Pańska streets, and in the ground floors to provide functions such as shops, cafés, restaurants and services. The two central quarters of the site with the renovated Dom Słowa Polskiego pavilion will become a public space,

a publicly accessible Park Słowa Polskiego, part of which will use the structure of the former halls. Around the park, buildings will be constructed with flats, offices, rental housing and the services needed on a daily basis. The total floor area of the buildings will be about 200,000 sqm. The highest point of the development will be a 135-metre-high office building at the junction of Towarowa and Pańska streets. The remaining development will gently slope down towards the south-east - to Miedziana street, creating a smooth transition between the metropolitan Daszyńskiego Roundabout and the historic buildings of Wola. The investors would like to start construction of the project already this year.

General Meeting of Shareholders



The Annual General Meeting of Shareholders of Echo Investment S.A. was held on 15 June 2022. Standard resolutions were passed on the approval of the financial statements and the management report for 2021, the adoption of the Supervisory Board's report on the results for 2021 and on the remuneration, the discharge of all members of the management board and the supervisory board, and the reappointment of the Supervisory Board with its unchanged composition for the next term. Shareholders also passed a resolution on the allocation of the profit generated in 2021.

The net profit of PLN 27.8 million, increased by PLN 153.7 million drawn from the Dividend Fund - a total of PLN 181.5 million - was allocated to be distributed to all shareholders of the Company. The dividend amount per share amounted to PLN 0.44. The amount of PLN 90.8 million, or PLN 0.22 per share, was paid on 28 December 2021 as dividend advances. The remaining dividend was paid on 26 July 2022.

Sale of three office buildings of Fuzja in Łódź

On 30 June 2022, KGAL Group finalized the purchase of three office buildings C, D and J from Echo Investment. The buildings are part of the mixed-use Fuzja project.

While the office buildings C and D are already completed, building J is under construction, and the seller has agreed to complete it.

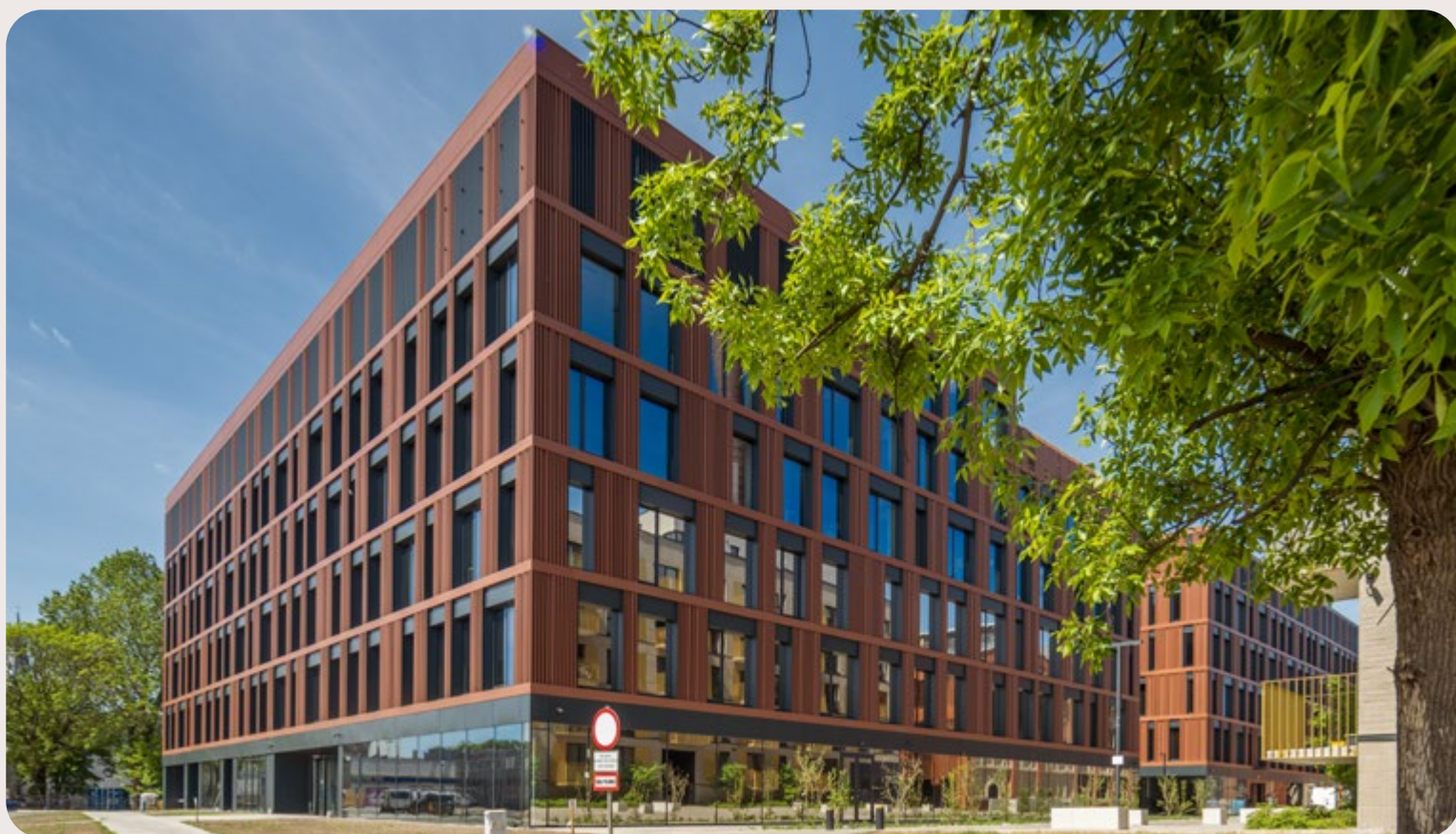
The parties also entered into quality guarantee agreements for all the buildings, a rent guarantee agreement and a fit-out works agreement.

The value of the transaction on the agreement date amounted to EUR 56.7 million plus VAT. The amount payable at the closing was reduced by, among other things, the value of rent-free periods, rents on space not delivered to tenants, fit-out and construction works (including works related to the removal of possible defects), as well as other costs. As a result, the price payable at the closing amounted to EUR 43 million plus VAT.

After the closing, the seller will receive separate consideration related to the execution of the fit-out works carried out on the tenants' spaces and the removal of possible defects, in the total amount of EUR 3 million plus VAT, as well as the consideration related to the construction and obtaining of the occupancy permit for building J and the removal of possible defects, in the amount of EUR 4.1 million plus VAT.

The project is being developed on the basis of post-industrial buildings of a textile factory at Tymienieckiego Street in Łódź. The buildings are fully leased and offer 22 thousand sqm of modern office space. Office buildings C and D are already leased by Fujitsu Poland Global Delivery Center. The third building J is under construction and will be occupied by CitySpace, a flexible office space operator.

Medusa Group is responsible for the architectural design of Fuzja.



Pic. Fuzja office complex
in Łódź

EUR 56.7 mln

the value of the transaction of three office
buildings of the Fuzja complex in Łódź

Sale of MidPoint71 office building in Wrocław

The MidPoint71 office building in Wrocław was sold on 30 June 2022 to the Czech Trigea Real Estate Fund.

The value of the transaction amounted to EUR 109 million plus VAT and was reduced by the value of rent-free periods, rent reductions, as well as other costs, which resulted in a total of EUR 103.9 million plus VAT. The amount to be paid at the closing of the transaction was further reduced by, among other things, the value of the works related to the arrangement of unrented units in the building. This amount will be released in parts after the lease and the works are completed. As a result, the price to be paid at

the closing amounted to EUR 100.5 million plus VAT. The parties also entered into agreements for building quality guarantees and rent guarantees.

MidPoint71, commissioned in February 2022 and designed by architects of Medusa Group, offers more than 36,000 sqm of modern office space. The building is 80 percent leased to such companies as 3M GSC Poland, Pyszne.pl, PwC, CitySpace, CCC Group, Electrolux Poland, WooHoo and Archicom.



EUR 109 mln

the value of the transaction of
the MidPoint71 office building in
Wrocław

Pic. Midpoint71 office
building in Wrocław

Pledge on shares of Archicom S.A. held by Echo Investment Group

DKR Echo Invest S.A. and DKR Echo Investment Sp. z o.o. – companies of the Echo Investment Group which are direct shareholders of Archicom S.A. – pledged shares of Archicom S.A. to Bank Pekao S.A. on 22 July 2022.

Registered and financial pledges were placed on:

1. 4,843,950 dematerialized ordinary bearer shares, ISIN code PLARHCM00016, with a nominal value of PLN 10 each, having a total nominal value of PLN 48,439,500, listed on the Stock Exchange, which belong to DKR Echo Invest S.A.,
2. 8,007,649 dematerialized ordinary bearer shares, ISIN code PLARHCM00016, with a nominal value of PLN 10 each, having a total nominal value of PLN 80,076,490, listed on the Stock Exchange, which belong to DKR Echo Investment Sp. z o.o.,
3. 4,093,888 dematerialized registered voting preference shares, ISIN code PLARHCM00081, with a nominal value of PLN 10 each, having a total nominal value of

PLN 40,938,880, listed on the Stock Exchange, which belong to DKR Echo Investment Sp. z o.o.

The Management Board of Archicom S.A. agreed to exercise the pledgee's (Bank Pekao S.A.) voting rights attached to the pledged shares in Archicom S.A. upon the occurrence of an event of default and receiving by Archicom S.A. a copy of the bank's notice of its intention to exercise its rights under the pledge agreement, and for the duration of the pledge as well as under the terms and conditions as provided for in the pledge agreement.

Tender offer for the shares of Archicom S.A.

On 23 August 2022, the majority shareholders of Archicom S.A., i.e. Echo Investment S.A. and DKR Echo Investment Sp. z o.o., announced a voluntary tender offer for 8,724,854 shares of Archicom S.A. entitling them to a total of 10,838,468 votes at the General Meeting of Shareholders. The tender offer concerned:

- a. 6,611,240 A-series ordinary bearer shares, of which one share entitles the holder to one vote at the General Meeting, entitling the holder to exercise a total of 6,611,240 votes at the General Meeting, which in total represent approximately 20.74 percent of the total number of votes and approximately 25.75 percent of the total number of shares in the Company's share capital. The shares are listed and traded on the regulated market operated by the Warsaw Stock Exchange; and
- b. 2,113,614 B1-series registered shares, of which one share entitles the holder to two votes at the General Meeting, entitling the holder to exercise a total of 4,227,228 votes at the General Meeting, representing a total of approximately 13.26 percent of the total number of votes and approximately 8.23 percent of the total number of shares in the Company's share capital, dematerialized and registered with the KDPW (the Central Securities Depository of Poland).

Subscriptions began on 24 August and closed on 22 September 2022. As a result of the tender, Echo Investment increased its shareholding in Archicom from 66.01 percent up to 71.47 percent. As the main shareholder, Echo Investment intends to continue the company's current direction and expand the scale of its operations.

Archicom will continue launching new residential projects to increase its value and competitiveness in the real estate market, while developing a strategic cooperation with its main shareholder in the residential segment in relation to land acquisition, designing, managing construction and sales processes, as well as in terms of supporting functions such as IT, accounting and human resources. In particular, the aim is to take advantage of cost synergies, implement proven business solutions, develop the exchange of know-how and increase the competencies of managers and employees.

In addition, the main shareholder indicated that it has no intention to delist the shares of Archicom S.A. from the WSE in the near future.

The Management Board of Archicom estimated on 31 August 2022 that the successful completion of the tender offer for the sale of the Company's shares, announced by

Echo Investment and DKR Echo Investment, will have a positive impact on Archicom's interest and will positively affect its further development. The Archicom's Management Board stated that the proposed price of PLN 18.3 per share is in the lower range of the fair value, at the

same time, the proposed price is not a determinant of fair value from the perspective of assets related to Archicom S.A. included in the separate financial statements of Echo Investment S.A.



Echo Investment increased its stake of shares in Archicom

to 71.47 percent

Pic. City 2 in Wrocław
- Archicom headquarters

Establishment of the Bond Issue Program

The Management Board of Echo Investment S.A. adopted a resolution on 25 November 2022 to establish and sign a Bond Issue Program with Ipopema Securities S.A. Based on it, Echo Investment S.A. may issue bearer bonds in one or more series with a total nominal value not exceeding PLN 500 million. The Bonds may be listed in the alternative trading system operated by the Warsaw Stock

Exchange. Detailed terms and conditions of the issue of the Bonds will be set out in separate resolutions accompanying individual issues as part of the program. The values and schedules for the issue of individual series of the bonds will depend on the current capital needs of the company and its Group.

Issue of bonds for institutional investors by Echo Investment S.A. and early redemption of bonds worth PLN 180 million

As part of the Bond Issue Program established, in partnership with Ipopema Securities S.A., up to PLN 500 million, on 8 December 2022 Echo Investment S.A. issued 18,000 bonds with a total nominal value of PLN 180 million, which were taken up by qualified investors.

The issue related to unsecured ordinary bearer bonds bearing interest at a variable base rate of WIBOR 6M plus a margin for investors, with a maturity of 5 years. The bonds were offered for purchase with no requirement

for the Company to provide a prospectus or information memorandum. The bonds were listed in the alternative trading system operated by the Warsaw Stock Exchange.

Simultaneously, in connection with the bond issue, the Company acquired in order to redeem bonds with a total nominal value of PLN 100 million maturing in August 2024 and bonds with a total value of PLN 80 million maturing in May 2024.

Redemption of bonds worth PLN 589.9 million in total

In 2022, Echo Investment Group redeemed four series of bonds. Two series of bonds for institutional investors, with a total value of PLN 128.5 million, were redeemed by Archicom S.A. Echo Investment S.A. redeemed three series of bonds for individual investors (PLN 250 million) and three for institutional investors (PLN 211.4 million).

The bonds were redeemed due the redemption date or before.

PLN 589.9 mln

the value of the bonds redeemed
by Echo Investment Group in
2022

Issuer	Series	ISIN code	Maturity	Nominal value ['000 PLN]
Archicom	M5/2020	PLO221800025	7.02.2022	78 500
Archicom	M3/2018	PLARHCM00065	13.07.2022	50 000
Echo Investment S.A.	1/2018	PLECHPS00282	25.04.2022	31 410
Echo Investment S.A.	H-series	PLECHPS00266	22.05.2022	50 000
Echo Investment S.A.	F-series	PLECHPS00233	11.10.2022	125 000
Echo Investment S.A.	G-series	PLECHPS00241	27.10.2022	75 000
Echo Investment S.A.	1P/2020	PLO017000020	8.12.2022	100 000
Echo Investment S.A.	1/2020*	PLO017000012	8.12.2022	80 000

*partial redemption

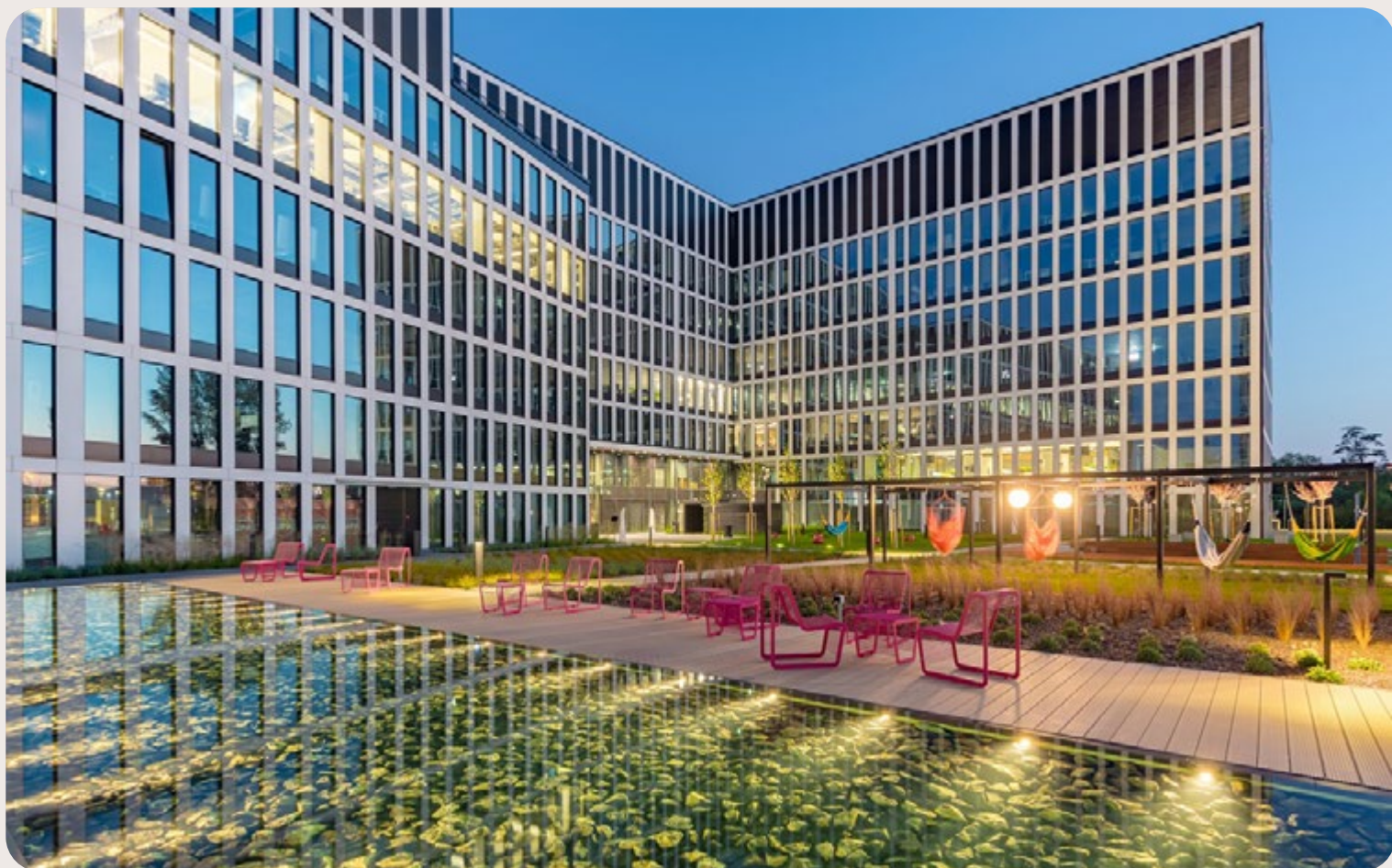
The sale of the Face2Face Business Campus complex in Katowice

A joint venture of the Czech real estate fund Investika and Bud Holdings, a Luxembourg-based private equity investor, purchased the Face2Face Business Campus complex in Katowice from Echo Investment on 23 December 2022. The value of the transaction amounted to EUR 113 million plus VAT. The amount to be paid was calculated on the basis of the transaction value less, among others, the amount of the value of rent-free periods and other costs and amounted to EUR 112 million plus VAT at the closing.

The parties also entered into a building quality guarantee agreement and a rent guarantee agreement. The basic provisions of the rent guarantee agreement include a guarantee by the seller to cover rent payments

and service charges in respect of unleased premises in the buildings, including rent reductions relating to such unleased premises.

Face2Face Business Campus consists of two buildings that occupy 47,000 sqm of modern office space. The complex is almost 100 percent leased by such renowned tenants as Campgemini, Honeywell, DAZN, Orange, Medicover Polska and CitySpace. In addition to high-quality architecture and an excellent work space, Face2Face Business Campus offers a unique recreation space in the heart of the city. The complex is located at Chorzowska Street, the main traffic artery of the Katowice agglomeration.



EUR 113 mln

the value of the transaction of the
Face2Face Business Campus in Katowice

Photo. Face2Face Business
Campus office building in
Katowice

Significant events after the balance sheet day

Fulfilment of the condition on advance payment of dividend for the financial year 2022 and payment

On 23 December, 2022 the Management Board of Echo Investment S.A. adopted a resolution to pay to shareholders an advance on future dividend for the financial year 2022. The total amount allocated to the advance amounts was PLN 90.8 million, i.e. PLN 0.22 per share. The divi-

dend advance was paid on 2 February 2023 after obtaining the consent of the Supervisory Board on 10 January 2023. The shareholders holding the Company's shares on 26 January, 2023, i.e. 7 days before the payment date, were entitled to the dividend advance.

Issue of bonds worth PLN 62 million for institutional investors

In Q1 2023, Echo Investment issued one series of bonds for institutional investors.

Series	M7/2023
Value	PLN 62 mln
Maturity	2 years
Interest	WIBOR 3M + margin

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

The offering agent was mBank.

Adoption of EGS strategy for Echo-Archicom Group

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

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

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

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

► Polish residential for sale market

The number of apartments sold throughout 2022 dropped significantly. According to JLL data, the number of transactions has decreased by almost half compared to 2021. In 2022, 35,000 apartments were sold. This results, among others, from the next wave of the pandemic at the beginning of the year, the outbreak of war in Ukraine, the increase in inflation and interest rates, which translated into a significant reduction in creditworthiness. A strong hit on the mortgage market meant that in the second half of 2022, mainly cash buyers were active, who bought slightly more expensive, well-located apartments and the smallest premises for rent. Sales of larger units, three- and four-room apartments in less attractive locations decelerated much more strongly.

A clear decrease in the availability of mortgage loans has caused the number of loans granted, according to the data published by BIK, to record low monthly levels in recent months (about 6,000 loans granted monthly throughout Poland, both for the primary and secondary markets and for the construction of single-family houses). On the other hand, the share of buyers buying apartments

for cash, who maintained sales at the end of the year, was growing.

The fourth quarter of 2022 brought an improvement in the results in terms of the number of apartments sold. In total, developers sold almost 8,500 apartments in six main markets, in Warsaw, Kraków, Wrocław, Tri-City, Poznań and Łódź.. The increase compared to the previous, very weak quarter was 29%, which may indicate that the market has recovered from the shock of changes in macroeconomic conditions.

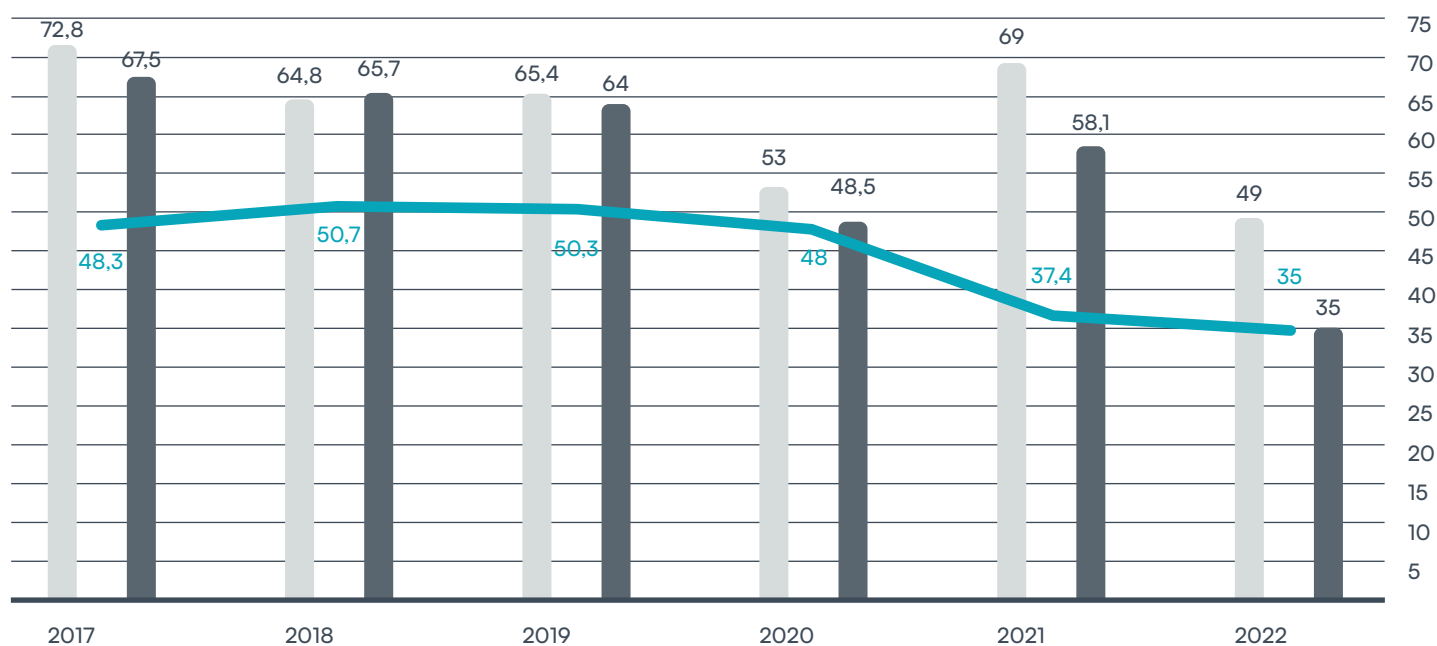
According to JLL analysts, the fourth quarter is yet another one when new supply was at a low level of approx. 6,800 units. It is worth remembering that at the end of the first half of 2022, a new developer act entered into force, and with it, e.g. payments to the Development Guarantee Fund. This resulted in the artificial introduction of a record number of new apartments for sale in the second quarter, in order to ensure the possibility of selling them on the existing terms. Throughout 2022, a total of over 49,000 units were launched for sale in six markets.

Perspectives of each market sectors in coming 12 months:

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



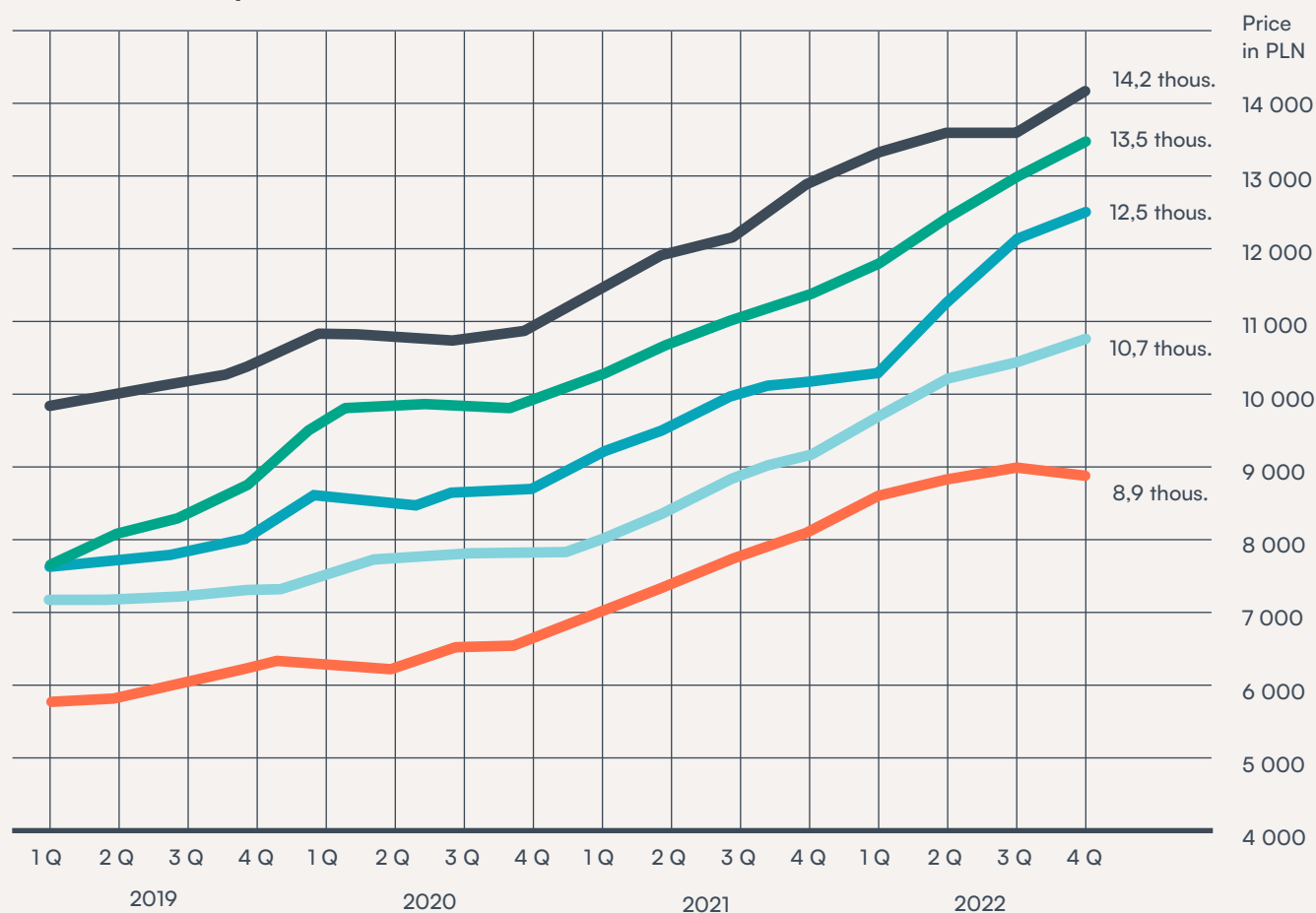
Apartments sold and launched for sale and the volume of the offer [thousands of units]



Source: JLL

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

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



— Warszawa

— Kraków

— Wrocław

— Poznań

— Łódź

Source: JLL

According to data provided by the Credit Information Bureau (BIK), in the entire year 2022, banks and Savings and Credit Unions granted home loans amounting to PLN 45.4 billion in Poland, a decrease of 49.1 percent compared to 2021. The value of newly granted home loans was nearly PLN 44 billion lower compared to the record-breaking year 2021. The second reason for reducing the portfolio was also a near doubling in the value of overpayments and total repayments of home loans by borrowers, amounting to PLN 52.4 billion.

Nevertheless, there is also good news for the market. In February 2023, the Polish Financial Supervision Authority eased the conditions for the evaluation of credit capacity resulting from Recommendation S from a year ago. The Authority pointed out that for loans

with a temporarily fixed interest rate, a minimum level of the expected change in the interest rate (2.5 percentage points) should be used in the evaluation of credit capacity. The earlier standpoint stated a buffer of 5 p.p. for all mortgages. The buffer for variable rate loans remains unchanged.

Further positive news for the market is provided by researchers of Otodom Analytics. According to their research, developers operating in Poland's seven largest markets sold 3,300 apartments in January 2023. This was the third month straight of sales growth in the primary market. The increase compared to December 2022 was small and amounted to only 2 percent, but this result was 50 percent higher than in August, the worst sales month of last year. These are figures that allow for cautious optimism.

49.1 percent

— that is the decrease in the value of the housing loan portfolio in Poland in 2022, according to BIK. It is the effect of suspending the granting of new loans and faster repayment of old ones.

Developers operating in seven largest markets in Poland sold 3.3 thousand in January 2023. apartments. It was the third month of sales growth in a row on the primary market. The increase compared to December 2022 was small and was only 2 percent, but it was a result of 50 percent. higher than in August, the worst sales of the month last year. This is data that allows careful optimism.



Echo Investment's achievements in the apartments for sale sector

In 2022 Echo Investment Group sold 1,515 apartments, of which the Archicom S.A. Group accounted for 827 apartments. Both groups jointly handed to the customers to 2,168 apartments: in the Echo Group it

was 1,240, and in Archicom — 928. Only in the Q4, 653 apartments were handed — 400 from the Echo Group and 253 from Archicom.

In 2022 the Group started construction of 1,613 units for sale.

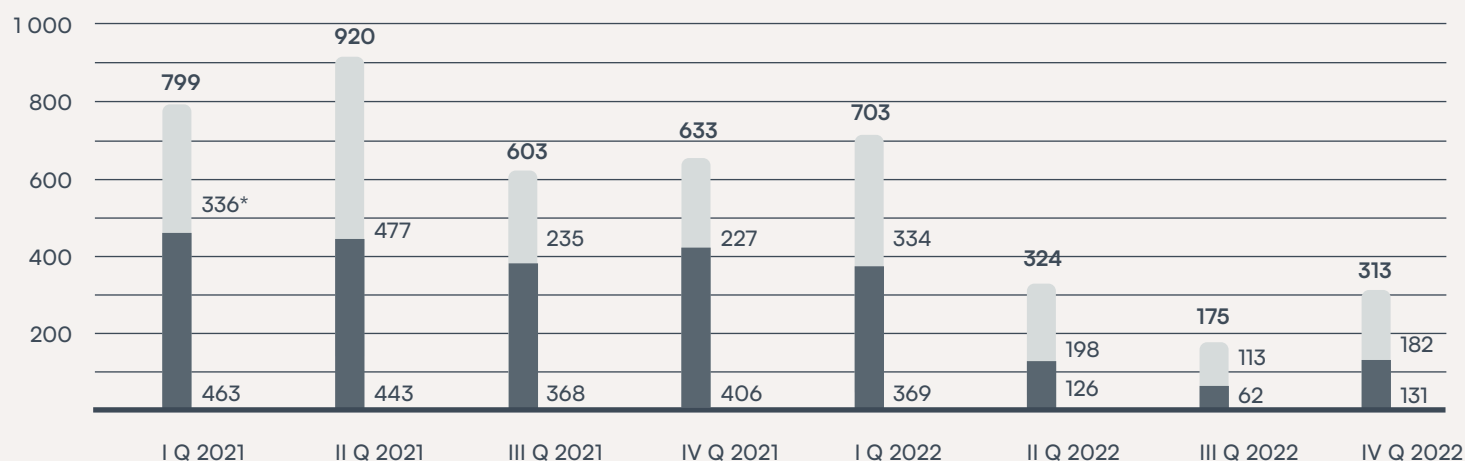
Residential projects launched in 2022

Investor	Project	Number of apartments	Planned completion date
Kraków			
Echo Investment	Bonarka Living II C ul. Puskarska	179	III Q 2023
Echo Investment	Bonarka Living II D ul. Puskarska	151	III Q 2023
Echo Investment	ZAM II ul. Rydlówka	100	III Q 2024
Łódź			
Echo Investment	Fuzja Loftu G01 ul. Tymienieckiego	162	IV Q 2024
Warszawa			
Echo Investment	Rytm al. KEN	288	IV Q 2023
Wrocław			
Archicom	Nowa Kępa Mieszczańska KM4 ul. Mieszczańska	185	I Q 2024
Archicom	Browary Wrocławskie BP5-6, ul. Jedności Narodowej	188	IV Q 2023
Archicom	Planty Raławickie R9 ul. Wichrowa / Raławicka	177	II Q 2024
Archicom	Nowa Kępa Mieszczańska KM6 ul. Mieszczańska	165	III Q 2024
Archicom	Nowa Kępa Mieszczańska KM5 ul. Mieszczańska	18	I Q 2025
Total		1 613	

Residential projects with construction completed in 2022

Investor	Project	Number of apartments	Completion
Kraków			
Echo Investment	Osiedle Krk II ul. Zapolskiej	218	III Q 2022
Echo Investment	ZAM I ul. Rydlówka	115	III Q 2022
Łódź			
Echo Investment	Fuzja II ul. Tymienieckiego	240	III Q 2022
Echo Investment	Zenit I ul. Widzewska	168	IV Q 2022
Warszawa			
Echo Investment	Stacja Wola II ul. Ordona	249	II Q 2022
Poznań			
Echo Investment	Osiedle Enter II ul. Naramowice	157	IV Q 2022
Echo Investment	Osiedle Enter III ul. Naramowice	166	IV Q 2022
Wrocław			
Archicom	Olimpia Port M34, M35 ul. Ameriga Vespucciego	56	III Q 2022
Archicom	Olimpia Port M36, M38 ul. Ameriga Vespucciego	88	IV Q 2022
Archicom	Planty Racławickie R5, R6, R7 ul. Racławicka	169	III Q 2022
Archicom	Awipolis L3, L4 ul. Władysława Chachaja	178	III Q 2022
Archicom	Sady nad Zieloną ul. Blizanowicka	80	IV Q 2022
Total		1 884	

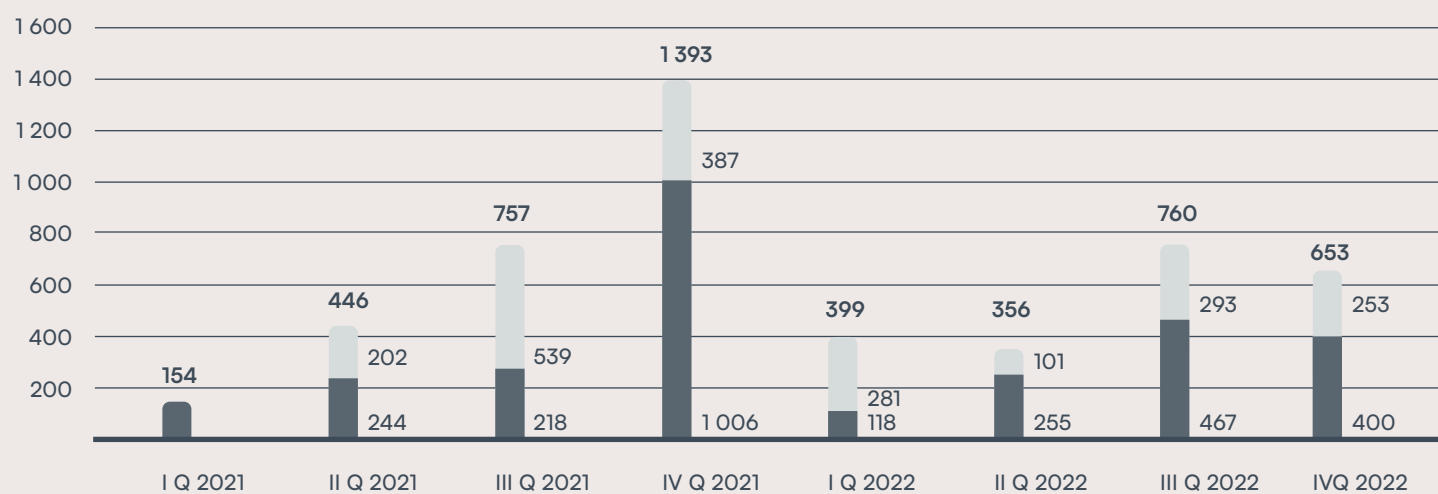
Apartments sold by the Echo Investment Group [units]



● — Echo Investment ● — Archicom

* acquisition of Archicom development company in Q2 2021.

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



● — Echo Investment ● — Archicom

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

Polish PRS market

According to CBRE analysts, the interest of tenants and investors in the institutional rental market is currently the highest in history. Almost all facilities intended for this purpose are fully occupied and it is difficult to find a free apartment. This is despite the increase in rents, which averaged 25% year on year, although it varies significantly by city and location. Poles want to rent such premises more willingly than from an individual apartment owner. Although institutional rental is slightly more expensive, they are willing to pay more for professional property management.

The existing housing stock in the PRS sector in Poland at the end of 2022 amounts to only about 7.5 thous. premises. Despite quite dynamic growth in recent years, the Polish PRS is still at the beginning of the road and constitutes only a small percentage of all premises available on the domestic rental market. Its development prospects are very promising - both for investors and potential tenants.

Last year was rich in events that additionally supported the demand for apartments for rent, especially from institutional entities. After the outbreak of the war in Ukraine, up to 1.5 million refugees came to Poland, many of whom are to stay in Poland for longer. The macroeconomic situation and monetary policy led to approx. 48% decrease in the value of mortgage loans granted compared to the previous year.

Therefore, the supply gap in the housing market, which is estimated at around 2-2.5 million units, has become even more emphasized.

A certain unknown for the future of institutions renting apartments are the legal changes being processed by the parliament, which are supposed to limit package purchasing of apartments.

Perspectives of each market sectors in coming 12 months:

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





Echo Investment's achievements in the apartments for rent sector

In 2022, Resi4Rent, a company offering subscription-based apartments, strengthened its position as the PRS market leader. The company has launched 700 apartments in 3 buildings — two in Kraków and one in Warsaw. Thanks to this, the entire Resi4Rent offer currently consists of almost 3 thous. comfortable apartments in 11 locations in the six largest cities in Poland - Gdańsk, Łódź, Poznań, Warsaw, Wrocław and Kraków.

Resi4Rent currently has over 6,000 units under construction and in preparation, of which 1,1 thous. will be commissioned in 2023. By 2025, the company plans to increase its offer to 10 thous. subscription apartments.



Pic. Fuzja residential estate in Łódź

Office segment — market outlook and Group business activities

Office market in Warsaw

According to data from the Polish Chamber of Commercial Real Estate (PINK), at the end of December 2022, the stock of modern office space in Warsaw amounted to almost 6.269 thous. sqm. In the fourth quarter of 2022, only 8.7 thous. sqm were delivered to the Warsaw market in the DPD HQ building, located at al. Jerozolimskie. In total, in 2022, almost 237,000 sqm were delivered to the office market in Warsaw.

At the end of 2022, the vacancy rate in Warsaw office buildings reached 11.6%. (decrease by 0.55 pp. compared to the previous quarter and decrease by 1.1 pp. compared to the same period in 2021). This translates into 726.4 thous. sqm of empty offices. In the central zones, the vacancy rate fell to 10.5%, while outside the city center it reached 12.4%. Throughout 2022, the demand for modern office space reached over 860 thous. sqm, including over 253 thous. sqm was in the fourth quarter.

In the period from October to the end of December 2022, the highest share in the demand structure was recorded by new contracts (including pre-let contracts) - 52%, and renegotiations of existing contracts, which accounted for 41%. Expansion

accounted for only 6% of registered demand. The largest transactions in the fourth quarter of 2022 concerned the lease of almost 14 thous. sqm in the Konstruktorska Business Center building by Lionbridge, renewal of the lease agreement for 8.7 thous. sqm by Budimex in the Wola Retro building, as well as renewal of the lease agreement for 8.4 thous. sqm by Roche in the Graffiti building.

Colliers' analysts point out that last year's sale of The Warsaw HUB office and hotel complex to Google for EUR 586 million was the largest single office transaction in the history of the Polish market and the region of Central and Eastern Europe.

Perspectives of each market sectors in coming 12 months:

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

860 thousand sqm

— this is the demand for office space in Warsaw in 2022. That's 33 percent more than in 2021 and almost the same as in the record-breaking 2019.

Office market in regional markets

After two years of the pandemic, which weakened the office space market in regional cities, a rebound is visible. On the office markets of Polish regional cities in 2022, absorption amounted to 268 thous. sqm, which is twice as much as in the previous two years. Companies are growing the most in Katowice, Wrocław and Kraków. In 2022, the regional office market grew by 400 thous. sqm, which means that the total supply today is over 6.4 million sqm. This is more than in Warsaw, CBRE analysts note. Vacancy accounts for 15.3% of available space, which is a constant level.

The largest office markets in Poland (apart from Warsaw) are Kraków with over 1.7 million, followed by Wrocław (1.3 million sqm). The third place was taken by the Tri-City, with just over 1 million sqm. This means we have three regions with a total office space of more than 1 million. While the scale is slightly smaller, similarly to Warsaw, regional cities are also building at the lowest level in ten years — 480 thous. sqm are still under construction, 40% less than the average of the last five years.

The rebound can be seen in demand, which was 5% higher than a year ago. Importantly, the market re-entered the level of over 600 thous. sqm of space rented annually. The most active city in terms of demand was Kraków (198,000 sqm), followed by Wrocław (137,000 sqm), Tricity (101,000 sqm) and Katowice (62,700 sqm). The highest increases compared to 2021 can be seen in Kraków (+28%), Katowice (+17%), but also in Szczecin and Lublin, where the year-on-year increase is as much as 101% and 46% respectively.

The largest leases concluded last year were the renegotiation of an undisclosed tenant from the financial industry in Wrocław, Epam in Kraków and LSEG in Gdynia. The IT sector was the most active, accounting for 26% rental contracts. In Katowice and Kraków, it accounts for one-third of all transactions (33% and 30%, respectively). The vacancy rate remains stable at around 15.3 percent. The largest annual decreases are visible in Poznań and Wrocław, where the ratio was at the level of 10.5 percent. and 15.6 percent.

Perspectives of each market sectors in coming 12 months:

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

Main office markets in Poland — key indicators in 2022

City	Existing space ['000 sqm]	New buildings ['000 sqm]	Gross demand ['000 sqm]	Vacancy rates [%]	Monthly rental rates [EUR/sqm]
Warszawa	6 268,8	236,8	860,1	11,6	18-26* / 11-17**
Kraków	1 708	100,5	198,1	16,0	14-16
Wrocław	1 327,9	65,7	137,2	15,6	14-15,5
Katowice	726,5	127,3	62,7	17,1	13,5—14,5
Łódź	631,2	43,3	48,4	21,0	11,5—14

Source: JLL

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

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



Echo Investment's achievements in the office sector

Commercial real estate is invariably a strong pillar of Echo Investment's activity. In 2022, the developer completed the construction of office buildings with a total area of 104 thous. Sqm: MidPoint71 building in Wrocław (over 37,000 sqm), React I in Łódź (nearly 15,000 sqm), two office buildings for Fujitsu in Fuzja in Łódź (nearly 22,000 sqm) and the first stage of the Brain Park complex in Kraków (nearly 30,000 sqm).

The investments sold in 2022 are: West 4 Business Hub (over 15,500 sqm) and MidPoint71 (nearly 37,000 sqm) in Wrocław, three office build-

ings of Fuzja in Łódź (22,000 sqm) and two office buildings in the Face2Face Business Campus complex (nearly 46,000 sq m) in Katowice. The total value of transactions amounted to approx. EUR 318 million.

Two years of the pandemic affected the condition of the office sector, but data from consulting agencies show that tenant activity is growing. Companies have not completely given up remote work by switching to hybrid mode, and the availability of well-designed, functional space has not lost its importance. Echo Investment ended 2022 with nearly 45 thous.

sqm rented office space. Among a dozen or so great lease agreements, the largest transaction of 8.5 thous. sqm for EPAM Polska in Brain Park in Krakow is worth mentioning.

Echo Investment's cooperation with tenants does not end with signing the contract. The internal fit-out team supports tenants in finishing and furnishing the office. In 2022, it handed over 40 fully arranged workspaces with a total area of over 65 thous. sqm. Among them, there are offices for such brands as: PepsiCo, Code-Lab, 3M, PwC, Fujitsu Poland and CitySpace.

EUR 318 million

total value of office buildings sold
by Echo Investment in 2022

Pic. Midpoint71 office
building in Wrocław





CitySpace's achievements in the the flexible office



Pic. Plac Unii flexible office space
prepared by CitySpace in Warsaw



The pandemic has also strengthened the flexible office space market where CitySpace from the Echo Investment Group operates.

The opening of the twelfth location, expansion in Warsaw, the decision to enter a new regional market, raising the standard of customer service and adapting the offices in the entire network to the standard supporting ESG - these are the main activities around which CitySpace's activity was fo-

cused in 2022. The operator currently has a portfolio of 12 locations with a total area of 25 thous. sqm in five cities in Poland: Warsaw, Wrocław, Kraków, Katowice and Gdańsk.

In September, the network was enriched by CitySpace MidPoint in Wrocław. The flagship location offers nearly 400 workstations, which are over 80 percent leased in just 3 months from the launch.

632

the number of new
workstations prepared by
CitySpace in 2022

Retail segment — market outlook and Group business activities

► Retail real estate market in Poland

In 2022, the Polish retail real estate market expanded by 33 facilities, 12 expansions and five redevelopments, totalling just over 400,000 sq m of space. Therefore, the total retail space in Poland exceeded 15.9 million sqm. According to analyses by Cushman&Wakefield, the modern retail space market will expand by another 250,000 sqm in 2023. A balance of retail brands present in Poland after 2022 is favourable: 19 brands debuted on the market, while nine resigned from operations in our country or filed for bankruptcy.

In 2022, the biggest increases in retail sales compared to 2021 were recorded by textile, clothing and footwear retailers (22 percent) and pharmaceutical, cosmetics and orthopaedic equipment shops (12 percent), while the most significant decreases were experienced by car dealers (-9.6 percent compared to a growth of 10.7 percent the year before). The share of e-commerce in retail sales in 2022 oscillated around 10 percent.

Cumulative footfall figures for retail facilities for the whole of 2022 reveal a 4 percent increase compared to 2019 and a 24 percent increase compared to 2021. The average turnover of tenants in November 2022 represented an 11 percent increase compared to 2019, while real turnovers represented a 6 percent decrease after considering rising inflation. The shrinking affluence of the Polish consumers' wallets and worsening sentiment will have a negative impact on their spending and thus on the turnover of retail tenants. The spending structure will also change - the amount of money spent on goods and services outside a basket of basic goods will decrease. The year 2023 will bring rather negative retail sales dynamics, which may amount to around 5 percent.

In the fourth quarter of 2022, rents for high street retail premises fell by 5 percent year-on-year. Rents for prime premises in shopping centres were unchanged, while in retail parks rents recorded increases of 9 percent year-on-year.

Perspectives of each market sectors in coming 12 months:

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

250,000 sqm

— this is how much retail space will be delivered in 2023



Echo Investment's achievements in the retail real estate segment

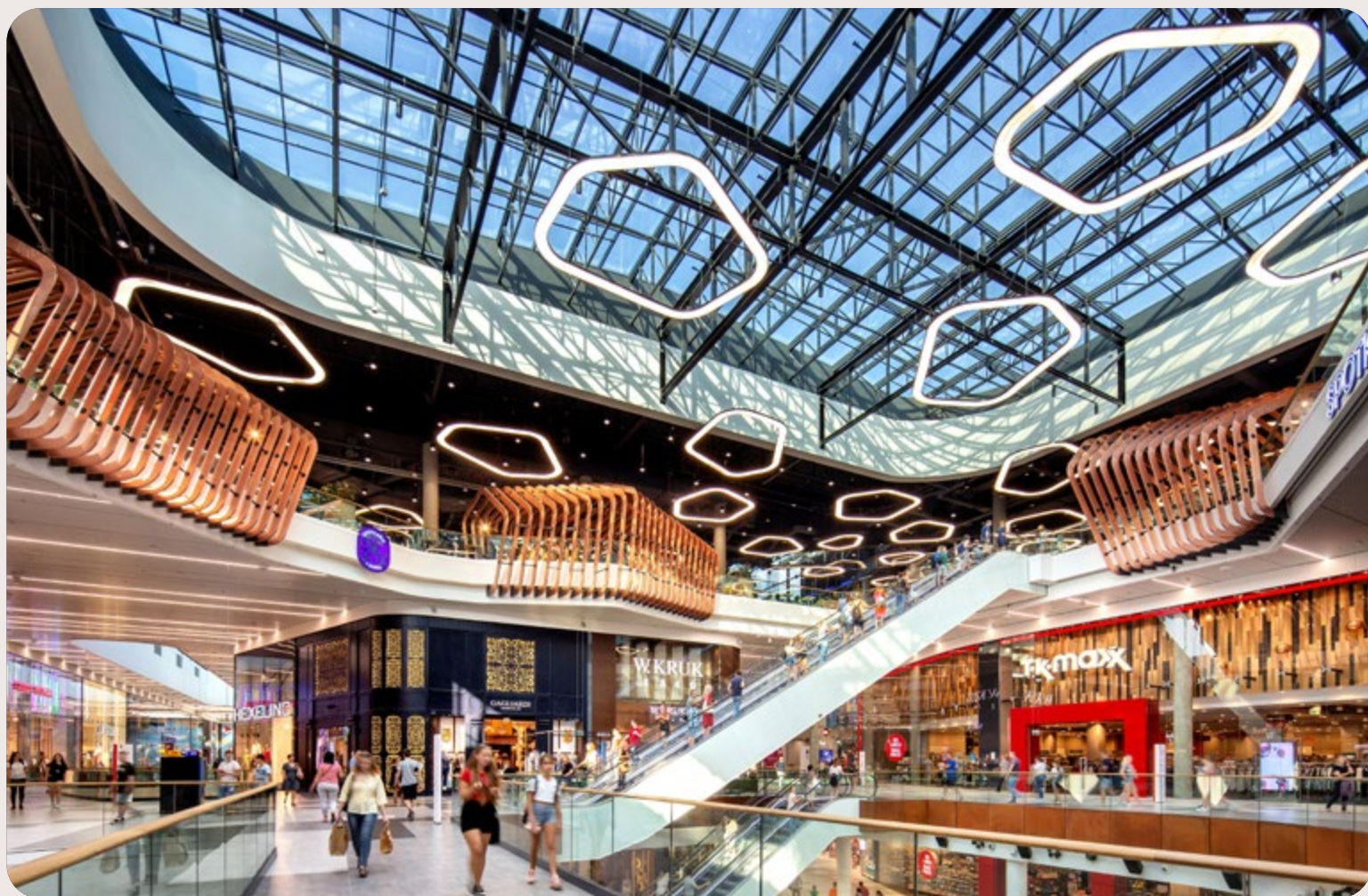
The strategy of strengthening the Libero Katowice and Galeria Młociny shopping centers, based on the continuous expansion of the offer and strong marketing support, is successful. Both centers are almost 100 percent occupied and record constant increases in footfall while increasing tenant turnover.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

Libero and Galeria Młociny are popular among residents thanks to changes in the tenant mix, as well as

through marketing campaigns. 2022 was a continuation of growth in both locations. Libero's turnover in 2022 was 39 percent higher than in 2021 while its footfall grew by 35 percent. An equally good situation is observed in Galeria Młociny in Warsaw. Here, the turnover increased by 41 percent and footfall - by 33 percent.

When analyzing these data, it should be taken into account that in 2021 there were about two months of strict limitations in the operation of shopping centers.

Strategically, for Echo Investment, retail and service components are an element which strengthens the attractiveness of multifunctional „destination” projects such as the Warsaw Breweries or Fuzja in Łódź. In 2022, the food&beverage team signed 30 lease agreements with restaurants, cafes, service outlets and local shops, which will make Echo Investment's projects more attractive.



Pic. Galeria Młociny in Warsaw

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

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

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

Strategic and business risks

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

Strategic and business risks

Risk	Method of risk management and competitive advantages of Echo Investment
Risk of not securing assumed level of office and retail space lease <ul style="list-style-type: none"> • Strong competition on local retail markets, • Limited expansion of retailers, • Limited demand for office space from potential tenants, • A poorly structured office or retail offer, • Increasing tenant expectations in respect to fit-out standard and incentives. 	<ul style="list-style-type: none"> • Constant analysis of market trends and quick response to changes, • Constant cooperation and maintaining contacts with retail and office tenants or potential tenants (including in particular retail chains or the BPO/SSC sector), • Many years of experience in the implementation and rental of commercial projects on several local markets in Poland, • Own large leasing teams, • Cooperation with all significant brokers and rental agents, • CitySpace company in the Group which provides serviced offices and is a tenant in some buildings completed by Echo Investment, and introduces smaller companies, start-ups or companies from the shared services sector that are just starting their operations in Poland to the buildings, • Furthermore, the serviced offices allow the Company to be more flexible when providing the tenant with the target office space (the option of temporary placement of the tenant in CitySpace offices).
Risks related to sales of office and retail projects <ul style="list-style-type: none"> • Strong competition on the market of finished & operating commercial projects, • High requirements of potential investors regarding the product and the seller, • Limited demand for commercial properties, • Risk of a decrease in transaction prices on the commercial real estate market as a result of growing uncertainty and the impact of macroeconomic factors. 	<ul style="list-style-type: none"> • Own sales team (consisting of industry, legal, tax and financial specialists), • Extensive market experience, • Extensive contacts on global real estate markets, • High quality projects that meet all the criteria required by international institutions investing in real estate assets, • Flexible and innovative approach to contracts with potential buyers, • Good reputation of the company, allowing for the early introduction of projects into the sales phase and securing sales through preliminary agreements, contracts for the right to submit the first offer ('right of first offer', ROFO), or provisions of cooperation agreements for joint venture projects, • Financial resources making it possible to maintain rented and revenue-generating assets on the balance sheet of the Echo Investment group in difficult market conditions.
Risks related to cooperation with contractors and subcontractors <ul style="list-style-type: none"> • Risk of the contractor's bankruptcy, • Risk of delays in the work, • Risk of improper quality of the work provided, • Risk of increased prices of materials and workmanship, • Risk of claims and legal disputes with subcontractors. 	<ul style="list-style-type: none"> • Stable financial situation that makes Echo Investment an attractive and desirable client on the market, • Cooperation with a selected group of renowned contractors subcontractors and suppliers, • Examination of the financial condition and technical capabilities of the contractor or supplier before the final selection of the offer and signing of the contract, • Legal protection applied in concluded contracts for contractor services, • Permanent supervision over construction projects by project managers and directors of Echo Investment construction as well as inspectors or specialist external companies, • Echo Investment's many years of experience and low employee turnover (average seniority of c.a. 7 years), • Own team responsible for cost estimates and constant monitoring of prices and supply of materials and services on the market, • Packaging of orders making it possible to reduce offer prices using the so-called effect of the scale.
Risk of changes in estimates regarding development projects <ul style="list-style-type: none"> • The scale and long time horizon of development projects and the related volatility of material prices and workmanship, • The cyclical nature of the real estate market and macroeconomic conditions affecting both the revenue and cost side of budget assumptions, • Limited project repeatability. 	<ul style="list-style-type: none"> • Internal teams of specialists for all key stages of the development process, enabling the achievement of an internal synergy effect, • Own department responsible for estimating development costs and monitoring the situation on the construction market on an ongoing basis, • Regular process of reviewing project budgets including risk analysis, • Designing based on functioning precise implementation standards for apartments and offices, allowing maximization of economies of scale and limiting the risks associated with low repeatability of implemented projects, • Mass orders, combined for several investments to ensure access to materials and equipment used massively on multiple investments, • Concluding flat-rate contracts with a fixed price guarantee.
Risk of accidents at work and other hazards <ul style="list-style-type: none"> • Threats to the safety of Echo employees, subcontractors' employees and bystanders, • Insufficient level of knowledge and competence of subcontractors in the field of HSE. 	<ul style="list-style-type: none"> • Own team of specialists in the field of HSE, carrying out, among others periodic inspections, audits and trainings in the field of HSE, • Applying high HS standards in accordance with ISO 45001 (H&S) and ISO 14001 (environment) confirmed by periodic external audits, • Obligation of contractors to comply with the provisions and standards of Echo in the field of HSE.

Financial risks

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

Legal and regulatory risks

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

Macroeconomic risks

Risk	Method of risk management and competitive advantages of Echo Investment
The risk of adverse changes in the real estate market <ul style="list-style-type: none"> • Cyclical nature of the real estate market, • Risk of withholding external financing. 	<ul style="list-style-type: none"> • Early leasing of the commercial projects and its fast sale after completion, • A financial potential that makes it possible to keep completed retail properties on your own balance sheet if they cannot be sold, • Sales of around 80 percent of flats in a given project at the construction stage, which provides information about the demand on the market early and allows us to respond appropriately to less advanced projects (accelerate, delay, change the size and quality of apartments), • Constant maintenance of a high level of cash and available credit limits, • Implementation of residential projects from payments made by clients, without external financing, • Adjusting the pace and schedule of project implementation to market conditions, • Projects are carried out in stages.
The risk of adverse changes in business climate indicators <ul style="list-style-type: none"> • Poorer economic growth, • Increase of unemployment, • Decrease of consumption, • Increase of inflation. 	<ul style="list-style-type: none"> • Designing projects tailored to financial capabilities and the demand on local markets, • Flexible response to changes in demand by e.g. changing the size or quality of apartments under construction, delay or slowdown of the construction pace, • Constant analysis of the behaviour and needs of consumers and clients.
Risks associated with the spread of SARS-COV-2 coronavirus <ul style="list-style-type: none"> • Risk of limitation of the Group's ability to conduct its business due to extraordinary precautions, • Risk of economic downturn due to the epidemic. 	<ul style="list-style-type: none"> • Continuous development of IT systems and ongoing analysis of the effectiveness of systems that allow for remote operations, • Ongoing monitoring of the global pandemic and economic situation in order to assess its potential negative impact and take mitigation measures.

IT risks

Risk	Method of risk management and competitive advantages of Echo Investment
Cybersecurity <ul style="list-style-type: none"> • Risk related to unauthorized access to data from inside and outside the organization that may result in leakage of confidential data. 	<ul style="list-style-type: none"> • Functioning internal IT security standards, • Requirement of IT solution providers to meet ECHO security standards, • A functioning security system that includes continuous monitoring and detection of threats to IT systems and infrastructure, • Conducting periodic internal information campaigns in the field of cybersecurity and cyclical testing in the field of IT infrastructure and application security.
Systems stability <ul style="list-style-type: none"> • Risk for maintaining the stability of company networks and systems in the condition of the need for massive remote work. 	<ul style="list-style-type: none"> • Using reputable suppliers and contractors of software in the field of modern technologies, • Conducting regular network and system endurance tests, which was positively verified in 2020 during remote work of a large part of the team.

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

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

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

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

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

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

Residential

Definitions:

Sales level — the item exclusively concerns preliminary contracts

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

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

Echo Group's residential projects under construction as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditu- re incurred [%]	Start	Targeted completion
KRAKÓW								
Bonarka Living II C ul. Puskarska	9 900	179	61%	101,8	73,3	51%	I Q 2022	III Q 2023
Bonarka Living II D ul. Puskarska	8 400	151	63%	87,0	60,5	40%	I Q 2022	III Q 2023
ZAM II ul. Rydlówka	5 500	100	9%	75,1	49,4	24%	IV Q 2022	III Q 2024
ŁÓDŹ								
Zenit I ul. Widzewska	9 100	168	79%	62,1	45,7	51%	III Q 2021	IV Q 2022
Fuzja III ul. Tymienieckiego	9 100	159	75%	79,1	56,7	72%	II Q 2021	II Q 2023
Boho ul. Wodna	12 800	239	44%	109,3	78,3	52%	IV Q 2021	III Q 2023
Fuzja Loft G01 ul. Tymienieckiego	7 900	162	10%	83,2	61,3	14%	IV Q 2022	IV Q 2024
POZNAŃ								
Osiedle Enter II ul. Naramowice	9 400	157	99%	62,2	44,3	61%	II Q 2021	IV Q 2022
Osiedle Enter III ul. Naramowice	9 600	166	99%	66,3	46,4	69%	II Q 2021	IV Q 2022
Wieża Jeżyce I ul. Janickiego	11 600	206	82%	107,5	74,3	53%	IV Q 2021	IV Q 2023

Echo Group's residential projects under construction as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditu- re incurred [%]	Start	Targeted completion
WARSZAWA								
Rytm Kabaty al. KEN	17 300	288	65%	289,5	176,4	56%	I Q 2022	IV Q 2023
Total								
	110 600	1 975	64%	1 123	767	50%		

Archicom Group's residential projects under construction as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expendi- ture incurred [%]	Start	Targeted completion
WROCLAW								
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	13 800	239	67%	183,5	95,0	87%	I Q 2021	II Q 2023
Browary Wrocławskie BP5-6 ul. Jedności Narodowej	9 300	188	60%	109,1	63,7	55%	I Q 2022	IV Q 2023
Olimpia Port M24, M25, M26 ul. Ameriga Vespucciego	10 700	181	49%	128,1	70,1	55%	III Q 2021	III Q 2023
Olimpia Port M37, M39 ul. Ameriga Vespucciego	7 800	156	41%	81,9	56,1	69%	IV Q 2021	II Q 2023
Olimpia Port M36, M38 ul. Ameriga Vespucciego	4 900	88	94%	49,2	27,0	89%	I Q 2021	IV Q 2022
Planty Raclawickie R8 ul. Wichrowa / Raclawicka	5 500	94	71%	59,4	38,6	71%	IV Q 2021	III Q 2023
Planty Raclawickie R9 ul. Wichrowa / Raclawicka	8 900	177	7%	118,2	77,6	25%	III Q 2022	II Q 2024
Awipolis etap 3 ul. Władysława Chachaja	6 600	121	59%	60,6	43,1	80%	IV Q 2021	III Q 2023
Sady nad Zieloną ul. Blizanowicka	4 200	80	96%	35,2	25,8	100%	IV Q 2020	IV Q 2022
Nowa Kępa Mieszczńska KM4 ul. Mieszczńska	8 700	185	43%	119,0	79,7	52%	I Q 2022	I Q 2024
Nowa Kępa Mieszczńska KM5 ul. Mieszczńska	2 700	18	0%	28,6	24,0	24%	III Q 2022	I Q 2025
Nowa Kępa Mieszczńska KM6 ul. Mieszczńska	7 200	165	0%	97,5	68,8	40%	II Q 2022	III Q 2024
Total								
	90 300	1 692	48%	1 070,3	669,5	60%		
Total of Echo Investment Group's residential projects under construction								
	200 900	3 667		2 193,2	1 436,0			

Echo Group's residential projects under preparation as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
KRAKÓW							
Wita Stwosza Resi ul. Wita Stwosza	8 600	185	122,3	74,2	26%	III Q 2023	I Q 2025
ŁÓDŹ							
Zenit II ul. Widzewska	6 000	162	46,4	32,1	12%	II Q 2023	IV Q 2024
Zenit III ul. Widzewska	8 000	164	62,2	43,2	8%	I Q 2024	IV Q 2025
Zenit IV ul. Widzewska	8 500	174	70,8	47,5	7%	II Q 2024	IV Q 2025
Zenit V ul. Widzewska	9 900	185	86,6	53,8	6%	I Q 2025	III Q 2026
Zenit VI ul. Widzewska	8 500	172	76,7	46,8	6%	II Q 2025	IV Q 2026
Zenit VII ul. Widzewska	5 400	98	44,7	31,4	7%	I Q 2024	III Q 2025
Zenit VIII ul. Widzewska	9 300	167	83,5	54,2	6%	I Q 2024	IV Q 2025
Zenit IX ul. Widzewska	6 800	117	62,5	40,5	5%	II Q 2025	IV Q 2026
Fuzja Loftu G02 ul. Tymienieckiego	9 700	171	104,5	86,1	8%	II Q 2024	II Q 2026
POZNAŃ							
Apartamenty Esencja II ul. Grabary	6 800	139	78,4	54,7	17%	IV Q 2023	III Q 2025
Wieża Jeżyce II ul. Janickiego	15 100	262	151,3	96,6	15%	III Q 2023	I Q 2025
Wieża Jeżyce III ul. Janickiego	13 600	242	143,4	90,8	14%	II Q 2024	IV Q 2025
Wieża Jeżyce IV ul. Janickiego	11 900	183	142,0	89,0	13%	I Q 2024	IV Q 2025
Opieńskiego I ul. Opieńskiego	15 300	174	128,9	92,1	9%	III Q 2024	II Q 2026
Opieńskiego II ul. Opieńskiego	12 500	212	108,7	75,1	8%	I Q 2025	IV Q 2026
Opieńskiego III ul. Opieńskiego	17 200	266	156,6	103,8	8%	III Q 2025	III Q 2027
Opieńskiego IV ul. Opieńskiego	10 000	160	99,7	60,2	9%	I Q 2026	IV Q 2027
WARSZAWA							
Stacja Wola III ul. Ordon	13 300	241	208,4	117,9	25%	I Q 2023	II Q 2025
Projekt Mokotów I ul. Domaniewska	29 600	556	521,6	313,6	27%	I Q 2023	IV Q 2024
Projekt Mokotów II ul. Domaniewska	15 000	286	279,9	154,6	26%	I Q 2024	IV Q 2025
Projekt Mokotów III ul. Domaniewska	15 600	301	299,4	164,8	25%	I Q 2025	III Q 2026
Projekt Mokotów IV ul. Domaniewska	6 300	123	124,3	67,5	25%	III Q 2025	III Q 2027
Total	262 900	4 740	3 202,8	1 990,3	17%		

Archicom Group's residential projects under preparation as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
WROCLAW							
Planty Racławickie R10 ul. Wichrowa / Racławicka	5 500	98	67,9	44,7	15%	III Q 2023	II Q 2025
Gwarna ul. Gwarna	4 100	97	58,7	42,1	30%	III Q 2023	III Q 2025
Iwiny - Schuberta ul. Schuberta	4 000	60	35,2	25,1	11%	II Q 2024	IV Q 2025
Awipolis etap 4a ul. Władysława Chachaja	10 000	188	102,3	73,3	13%	II Q 2023	I Q 2025
Awipolis etap 4b ul. Władysława Chachaja	3 200	56	33,3	23,9	11%	IV Q 2023	III Q 2025
Sady nad Zieloną 2 A1, C ul. Blizanowicka	5 000	97	50,5	36,3	22%	I Q 2023	IV Q 2024
Sady nad Zieloną 2 B ul. Blizanowicka	6 300	123	64,4	46,3	16%	IV Q 2023	III Q 2025
Czarneckiego - M ul. Stefana Czarneckiego	3 600	71	48,9	35,1	19%	III Q 2024	IV Q 2026
Czarneckiego - AH ul. Stefana Czarneckiego	1 050	60	15,3	11,1	24%	III Q 2024	I Q 2027
Iwiny - Radomierzyczna 1 ul. Radomierzyczna	9 500	179	90,1	64,8	20%	III Q 2024	IV Q 2025
Iwiny - Radomierzyczna 2 ul. Radomierzyczna	10 800	202	102,8	73,5	17%	IV Q 2024	II Q 2026
Iwiny - Radomierzyczna 3 ul. Radomierzyczna	10 700	199	102,1	73,4	17%	IV Q 2025	II Q 2027
Meridian K1 ul. Karkonoska	14 700	285	179,3	121,8	16%	II Q 2024	II Q 2026
Meridian K2 ul. Karkonoska	9 500	187	116,7	76,5	16%	IV Q 2024	IV Q 2026
Browary Wrocławskie R1R2 ul. Rychalska	6 600	128	86,7	57,2	16%	I Q 2024	I Q 2026
Górska 1 ul. Góralska	6 920	124	90,9	59,1	16%	IV Q 2024	IV Q 2026
Górska 2 ul. Góralska	11 100	216	142,5	95,1	16%	II Q 2025	II Q 2027
WARSZAWA							
Projekt Mokotów ul. Domaniewska	14 400	257	239,5	171,3	38%	II Q 2023	I Q 2025
POZNAŃ							
Projekt Poznań I* ul. Janickiego	13 000	263	140,4	108,8	23%	I Q 2024	I Q 2026
Projekt Poznań II* ul. Janickiego	13 800	293	149,3	115,7	23%	III Q 2024	II Q 2026
KRAKÓW							
Dąbrowskiego D1 D2 Kraków ul. Dąbrowskiego	2 700	55	37,5	24,9	16%	I Q 2024	II Q 2025
Dąbrowskiego D3 Kraków ul. Dąbrowskiego	1 400	31	19,5	13,0	18%	I Q 2024	II Q 2025

Archicom Group's residential projects under preparation as at 31 December 2022

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Duża Góra Kraków ul. Duża Góra	4 700	76	52,5	37,1	11%	II Q 2024	II Q 2026
Total	172 570	3 345	2 027	1 430,0	20%		
Total of Echo Investment Group's residential projects under preparation	435 470	8 085	5 229,4	3 420,4			

* the project is being sold from the Echo group to the Archicom group

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

Residential projects for rental platform Resi4Rent

Definitions:

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

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

Residential projects of rental platform Resi4Rent in operation as at 31 December 2022

Project / address	Residential area [sqm]	Number of units	Targeted annual net rental revenues NOI [PLN mln]	Targeted budget [PLN mln]	Completion
WROCŁAW					
R4R Wrocław Rychalska ul. Zakładowa	11 400	302	9,7	76,8	III Q 2019
R4R Wrocław Kępa Mieszczańska ul. Dmowskiego	9 300	269	8,6	76,3	II Q 2020
ŁÓDŹ					
R4R Łódź Wodna ul. Wodna	7 800	219	5,5	52,4	IV Q 2019
WARSZAWA					
R4R Warszawa Browary ul. Grzybowska	19 000	450	20,9	187,6	III Q 2020
R4R Warszawa Suwak ul. Suwak	7 900	227	7,0	60,7	IV Q 2020
R4R Warszawa Taśmowa ul. Taśmowa	13 000	372	11,0	112,1	I Q 2021
R4R Warszawa Woronicza ul. Żwirki i Wigury	5 200	161	5,1	53,2	IV Q 2022
GDAŃSK					
R4R Gdańsk Kołobrzaska ul. Kołobrzaska	10 000	302	10,3	88,7	II Q 2021
POZNAŃ					
R4R Poznań Jeżyce ul. Szczepanowskiego	5 000	160	4,0	45,3	III Q 2021
KRAKÓW					
R4R Kraków Bonarka ul. Puskarska	5 100	149	4,2	40,2	III Q 2022
R4R Kraków Błonia ul. 3 Maja	12 100	387	10,5	102,1	IV Q 2022
Total	105 800	2 998	96,8	895,4	

Residential projects of rental platform Resi4Rent under construction as at 31 December 2022

Project / address	Residential area [sqm]	Number of units	Targeted annual net rental revenues NOI [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
WROCŁAW						
R4R Wrocław ul. Jaworska	13 700	391	11,5	132,7	III Q 2021	III Q 2023
R4R Wrocław Park Zachodni ul. Horbaczewskiego	10 100	301	9,4	104,8	II Q 2022	IV Q 2023
R4R Wrocław II ul. Jaworska	9 700	290	9,2	103,8	III Q 2022	II Q 2024
R4R Wrocław ul. Grabiszyńska	13 000	358	12,5	156,8	III Q 2022	I Q 2025
ŁÓDŹ						
R4R Łódź ul. Kilińskiego	9 700	287	7,7	103,2	II Q 2022	I Q 2024
WARSZAWA						
R4R Warszawa II ul. Żwirki i Wigury	11 200	344	12,5	127,2	II Q 2021	I Q 2023
R4R Warszawa ul. Wilanowska	12 200	375	14,0	132,4	III Q 2021	II Q 2023
POZNAŃ						
R4R Poznań ul. Brzeńska	13 000	411	11,8	148,5	IV Q 2022	III Q 2024
KRAKÓW						
R4R Kraków ul. Romanowicza	29 300	873	28,4	354,1	IV Q 2022	IV Q 2024
Total	121 900	3 630	117,0	1 363,5		

Residential projects of rental platform Resi4Rent in preparation as at 31 December 2022

Project / address	Residential area [sqm]	Number of units	Targeted annual net rental revenues NOI [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
WARSZAWA						
R4R Warszawa 2	7 800	279	10,0	110,9	I Q 2023	IV Q 2024
POZNAŃ						
R4R Poznań 4	22 200	670	19,4	266,1	II Q 2023	II Q 2025
KRAKÓW						
R4R Kraków ul. Jana Pawła II	8 700	296	8,9	98,9	I Q 2023	IV Q 2024
GDAŃSK						
R4R Gdańsk*	9 900	286	11,1	137,4	I Q 2023	III Q 2024
R4R Gdańsk 2	24 200	737	23,8	295,8	I Q 2023	IV Q 2024
Total	72 800	2 268	73,2	909,1		

* the project is being sold from the Echo group to Resi4Rent

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

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



Pic. Resi4Rent apartments for rental - Warsaw, Taśmowa Street

Office

Definitions:

GLA — gross leasable area

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

ROFO — (right of first offer)

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

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

An estimated budget includes the value of land, cost of design, construction and external supervision. It does not include the personnel costs related to the project, cost of marketing, leasing and financing, which are estimated by the Company to equal on average 7 percent

the targeted budget. In addition, it does not include costs reducing sales revenue (price), such as master lease, profit share and costs of projects sale. Fair value includes currency differences on investment loans

The recognised fair value gain is reduced by the profit share obligation and the provision to secure rent-free periods (master lease).

Echo Investment Group's office building in operation as at 31 December 2022

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain cumulatively [PLN mln]	Completion	Comments
Moje Miejsce II Warszawa, ul. Beethovena	17 100	90%	3,2	157,5	90%	20,3*	IV Q 2020	ROFO agreement with Globalworth Poland. Asset available for sale.
React I Łódź, al. Piłsudskiego	15 000	65%	2,5	118,5	78%	15,7	I Q 2022	Investment property.
Brain Park I Łódź, al. Piłsudskiego	29 700	62%	5,6	281,2	73%	47,0	IV Q 2022	Investment property.
City Forum — City 2 Wrocław, ul. Traugutta	12 700	98%	2,4	95,3	94%	51,7**	II Q 2020	Archicom's S.A. office building. Asset available for sale.
Total	74 500		13,7	652,5		134,7		

*profit includes provision for profit share liability

** cumulative fair value, without separating the profit recognized in consolidation with the Echo Investment group

Echo Group's office buildings under construction as at 31 December 2022

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion	Comments
Fuzja IO1 & IO3 Łódź, ul. Tymienieckiego	9 400	0%	1,6	89,3	20%	-	I Q 2022	IV Q 2023	Building sold
Brain Park II Kraków, al. Pokoju	13 000	24%	2,5	125,7	38%	10,5	III Q 2022	III Q 2023	
Total	22 400		4,1	215,0		10,5			

Echo Group's office buildings in preparation as at 31 December 2022

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
Wita Stwosza Kraków, ul. Wita Stwosza	26 600	5,4	255,3	23%	II Q 2023	I Q 2025	
React II Łódź, al. Piłsudskiego	25 900	4,5	197,2	8%	III Q 2024	I Q 2026	
Swobodna I Wrocław, ul. Swobodna	16 200	3,3	153,8	12%	II Q 2023	I Q 2025	
Swobodna II Wrocław, ul. Swobodna	25 600	5,1	240,5	12%	I Q 2024	I Q 2026	
West 4 Business Hub II Wrocław, ul. Na Ostatnim Groszu	23 100	4,2	190,5	14%	II Q 2024	IV Q 2025	
West 4 Business Hub III Wrocław, ul. Na Ostatnim Groszu	33 400	6,0	273,5	11%	II Q 2025	IV Q 2026	
T22 Office B Warszawa, ul. Towarowa	31 100	8,9	424,5	19%	I Q 2023	I Q 2025	Project owned by Echo Investment (30 percent) and AFI Europe (70 percent). Investment in associates and joint ventures.
Total							

If not indicated differently, all office buildings under construction and under preparation are presented as 'invest-

ment properties under construction' in the condensed interim consolidated statement of financial position.



Pic. Brain Park
office building in
Kraków

Retail

Definitions:

GLA — gross leaseable area

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

ROFO — right of first offer

Completion — date of commissioning permit.

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

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

Retail projects in operation as at 31 December 2022

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expen- diture incurred [%]	Recognized fair value gain cumu- latively [PLN mln]	Completion	Comments
Libero Katowice, ul. Kościuszki	44 900	98%	9,0	390,4	100%	173,7*	IV Q 2018	ROFO agreement with EPP.
Galeria Młociny Warszawa, ul. Zgrupowania AK Kampinos	84 300	94%	20,4	1 273,70	99,9%	7,8	II Q 2019	Joint venture with EPP in the proportions of 30:70 percent.
Pasaż Opieńskiego Poznań, ul. Opieńskiego	13 200	98%	0,8	n/a	n/a	n/a	n/a	Building to be demo- lished
Pasaż Kapelanka Kraków, ul. Kapelanka	17 700	100%	2,0	n/a	n/a	n/a	n/a	Building to be demo- lished
Total	160 100		32,2	1 664,1		181,6		

*profit with account changes in Profit Share provision

Libero shopping centre is presented as ‘investment property’ in the condensed interim consolidated statement of financial position. Proportional shares in Galeria Młociny are included in the item ‘investments in associates and joint ventures’.

Pasaż Opieńskiego is presented under “investment property”, while Pasaż Kapelanka - under “investment property under construction”.

Echo Group's early stage projects as at 31 December 2022

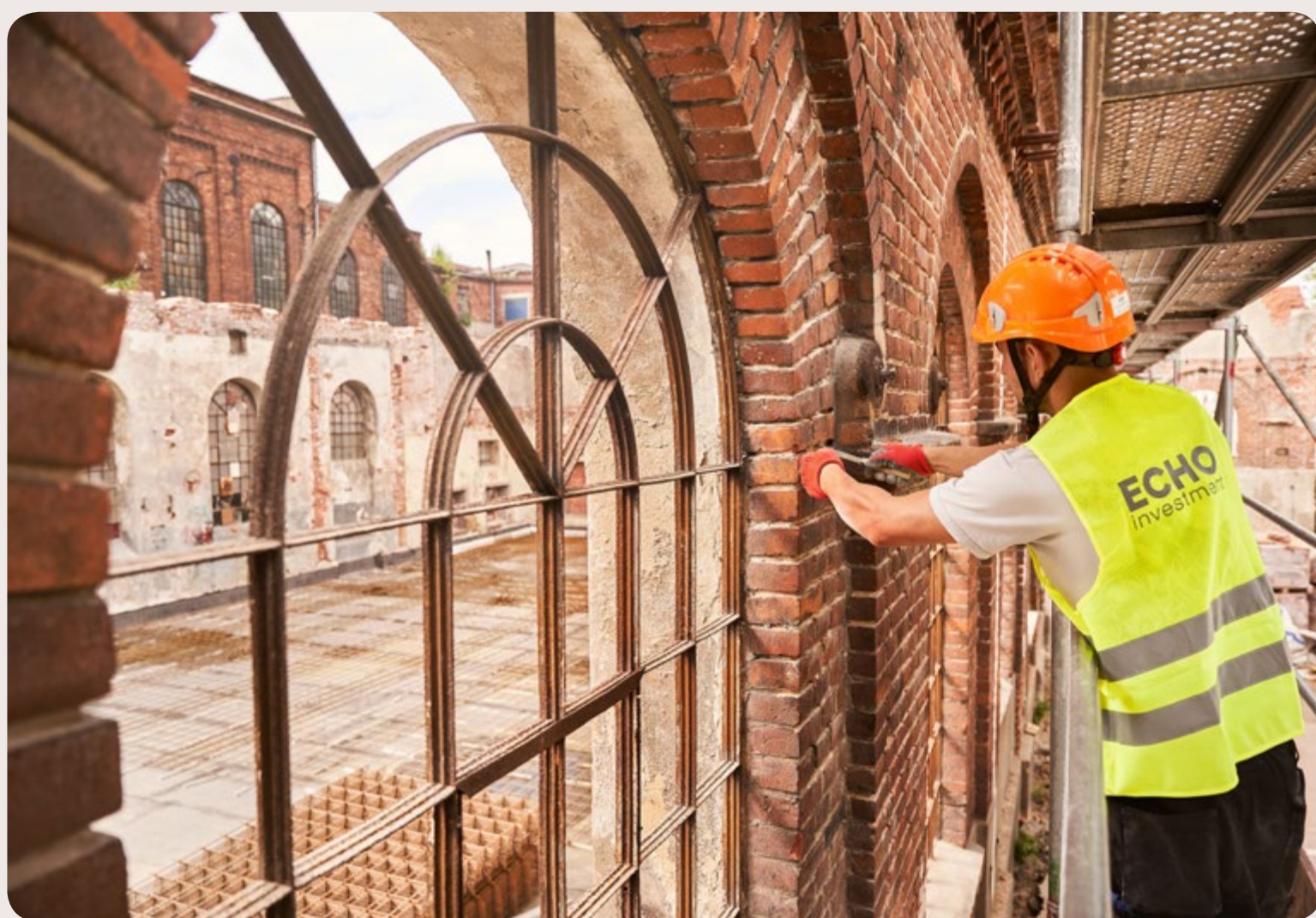
Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Warszawa, ul. Towarowa	55 500	166 600	The project on the plot office and service functions owned in 30 percent by Echo Investment and in 70 percent by AFI Europe. Ultimately, the plot for residential will be owned by Echo Investment group. Plot for office, residential, PRS and service.
Kraków, ul. Kapelanka	56 000	75 900	Plot for office, service and PRS.
Warszawa, al. KEN	29 600	32 000	Plot for office, service and apartments.
Łódź, ul. Tymienieckiego	22 100	26 800	Plot for office, service and residential functions.
Kraków, Wita Stwosza	3 200	5 100	Plot for service.
Katowice, ul. Piotra Skargi	3 700	26 500	Plot for office, service.
Total	170 100	332 900	

Echo Group's other properties as at 31 December 2022

Project / address	Plot area [sqm]	Comments
Poznań, Naramowice	77 500	
Łódź, ul. Widzewska	19 800	
Gdańsk, ul. Nowomiejska	4 300	Preliminary sale agreement.
Zabrze, ul. Miarki	8 100	
Total	109 700	

Archicom Group's other properties as at 31 December 2022

Project / address	Plot area [sqm]	Comments
Wrocław, ul. Murowana	3 100	Plot for residential function.
Wrocław, Jagodno	3 500	Plot for residential function.
Gajków, ul. Janowicka	7 300	Plot for industry/services
Wrocław, ul. Vespuciego	700	Plot for green areas, with the possibility of building a gastronomic pavilion.
Total	14 600	



Pic. Construction of the Fuzja office complex in Łódź

Main investments in 2022 — acquisition of plots

Currently, Echo Investment secures by preliminary agreements real estates with c.a. 22,000 sqm residential potential. In addition, it also has signed a preliminary contract for the purchase from a joint venture company (Towarowa 22) of land intended for the construction of apartments for sale with a potential of c.a. 46,000 sqm.

The Archicom Group secures by preliminary agreements real estates with c.a. 36,700 sqm residential potential residential area. In 2022, finalized the i.a. purchase of the plot with its potential of c.a. 2,000 sqm of residential space in Wrocław and the purchase of the plot in Warsaw from

Echo Group, where c.a. 14,300 sqm can be built. Also has secured by PSPA with the Echo Group the purchase of the property in Poznań with a total residential potential of c.a. 27,000 sqm, as well as a plot in Wrocław from an external counterparty, where c.a. 10,000 sqm can be built.

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.



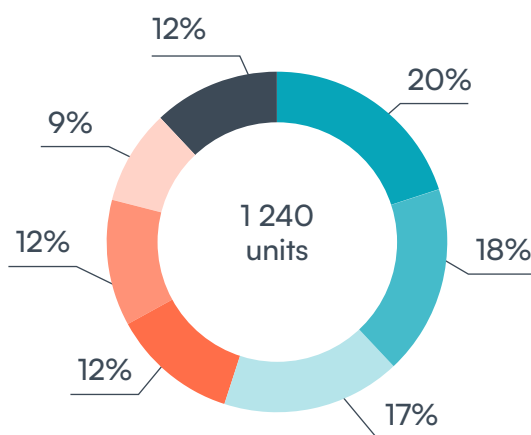
Pic. Construction of the Brain Park office building in Krakow

Factors and unusual events affecting the results in 2022

Hand overs of 1,240 housing and retail units of Echo Group to clients.

- Warszawa, Stacja Wola II
- Łódź, Fuzja II
- Kraków, Osiedle Krk II
- Poznań, Osiedle Enter III
- Poznań, Osiedle Enter II
- Kraków, Osiedle ZAM I
- Other

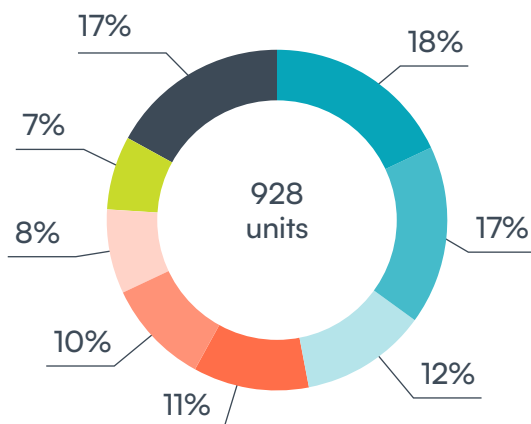
Echo Group residential project's shares in the total number of final contracts in 2022 [units]



Hand overs of 928 housing and retail units of Archicom Group to clients.

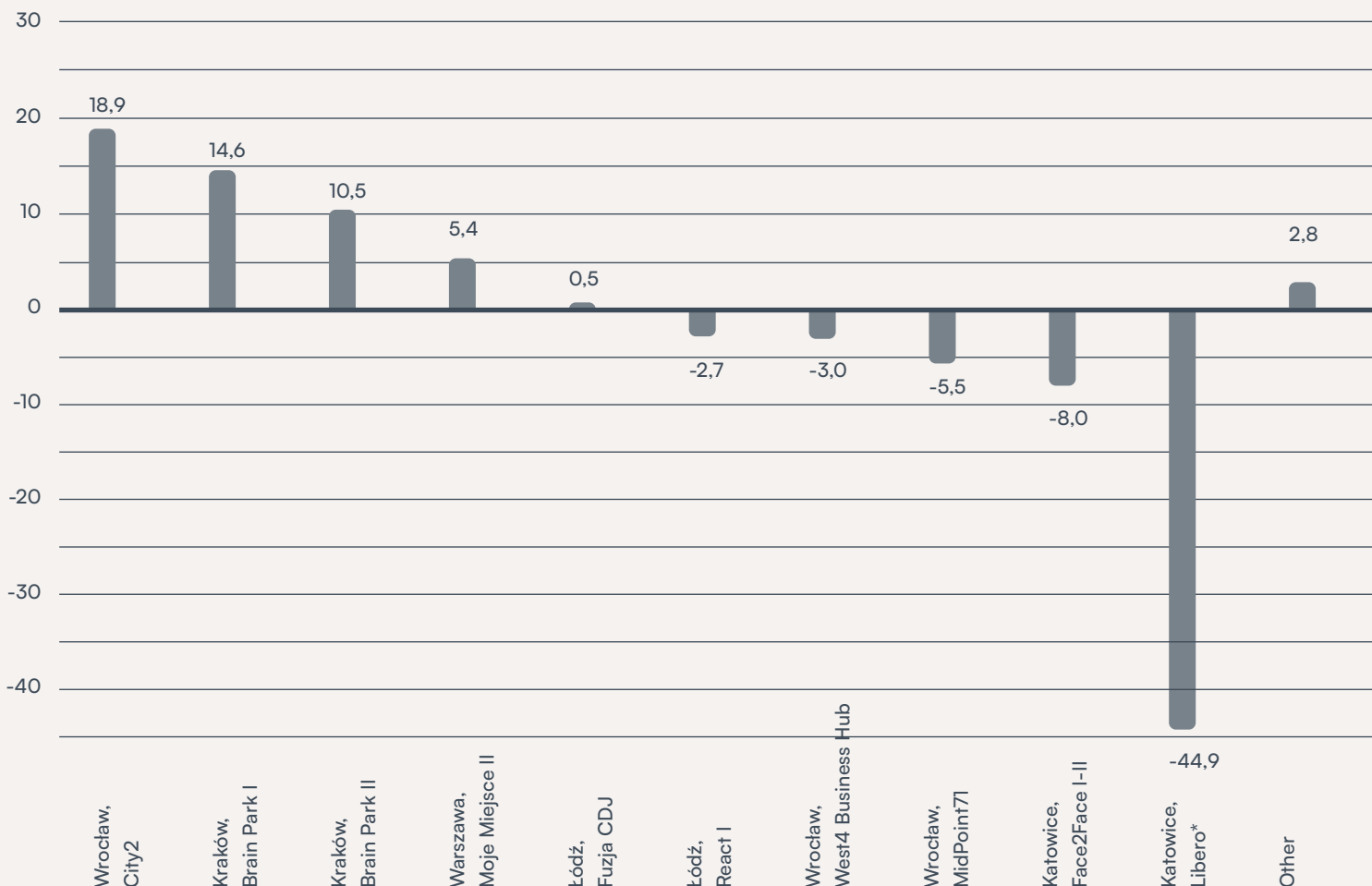
- Wrocław, Awipolis L3, L4
- Wrocław, Planty Racławickie R5, R6, R7
- Wrocław, Olimpia Port M21, M22, M23
- Wrocław, Browary Wrocławskie BL1
- Wrocław, Słoneczne Stabłowice ZD1, ZD2
- Wrocław, Sady nad Zieloną
- Wrocław, Olimpia Port M36, M38
- Other

Archicom Group residential project's shares in the total number of final contracts in 2022 [units]



Loss on investment property amounting to PLN 11,4 million.

Profit/loss on investment property by assets in 2022 [PLN '000]



* Change of the capitalization rate for project valuation

Sale of land property located in Poznań at ul. Hetmańska, Face2Face I-II in Katowice, West4 Business Hub with MidPoint71 in Wrocław and Fuzja CDJ in Łódź.

Valuation of co-controlled projects - Galeria Młociny in Warsaw, Towarowa 22 in Warsaw and Resi4Rent.

Costs of sales and general administration.

Valuation of bonds and loans at amortized cost.

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

Valuation and execution of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Significant factors influencing the development of the Group in coming quarters

Factors of a macroeconomic nature

Positive

- Sustained high inflation supporting increase of demand for apartments from investors (17.2 percent in January 2023 and 16.6 percent in December 2022, compared to the corresponding months of the previous year),
- an increase of average monthly salaries in the business sector excluding profit-sharing payments in December 2022 by 10.3 percent compared to December 2021,
- a low level of the registered unemployment rate (5.2 percent in December 2022 and 5.5 percent in January 2023, according to the Main Statistic Office GUS),
- a structural deficit of apartments and growing value of apartments,
- announcements of easing lending policy by banks.

Negative

- High inflation as a cause of deterioration of financial standing of households that limits purchasing power and lowers consumer sentiment,
- slower GDP growth: 0.3 percent in Q4 y / y adjusted by seasonality, decrease by 2.4 percent compared to Q3 2022 (NBP estimates),
- emergence of investment alternatives bringing higher income with a lower level of risk than apartments (treasury bonds). High interest rates on deposits,
- a reduction of banks' activity in the loan market as a result of stricter criteria for granting mortgage loans, increases in interest rates made by the Monetary Policy Council (RPP),
- a low consumer confidence index: (BWUK): -45,5 p. p. in December 2022 and -38,1 p.p. in January 2023,
- uncertainty about the prices of raw materials and energy,
- uncertainty about the development of war in Ukraine and its influence on European economy,
- uncertainty as to the key assumptions of fiscal and monetary policy in Poland. Possibility of further increases in interest rates,
- increasing prices of construction materials, that amounted to 17 percent y / y (according to PSB).

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

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

- Osiedle Wodna Boho in Łódź,
- Fuzja II in Łódź,
- Zenit I in Łódź,
- Bonarka Living 2C & 2D in Kraków,
- Wieża Jeżyce I in Poznań,
- Rytm Kabaty in Warsaw.

Handover of Archicom Group's apartments in Wrocław projects:

- Olimpia Port
- Planty Raławickie,
- Awipolis,
- Browary Wrocławskie.

Revaluation and sale of completed buildings and land plots:

- Moje Miejsce II office building in Warsaw,
- City 2 office building in Wrocław
- land plot located at ul. Nowomiejska in Gdańsk,
- land plot located in Gajkowo.

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

- Brain Park I&II in Kraków,
- React I in Łódź,
- Wita Stwosza in Kraków.

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.

Information on dividend policy and dividend

On 26 April 2017 the Management Board of Echo Investment adopted a resolution on the Company's dividend policy. The adopted dividend policy states that from the profit in 2018 and subsequent years the Management Board will be recommending the payment of the dividend up to amount of 70 percent of the consolidated net profit of the Capital Group attributable to shareholders of the parent company. When recommending the dividend payment the Management Board will take into consideration the current and expected condition of the Company and the Capital Group as well as their development strategy, in particular:

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

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

General Meeting of Shareholders decision regarding dividends for 2021

The Annual General Meeting of Shareholders of Echo Investment S.A. was held on June 15, 2022. Shareholders also passed a resolution on the allocation of the profit generated in 2021.

The net profit of PLN 27.8 million, increased by PLN 153.7 million drawn from the Dividend Fund - a total of PLN 181.5 million - was allocated to be distributed to all shareholders of the Company. The dividend amount per share amounted to PLN 0.44. The amount of PLN 90.8 million, or PLN 0.22 per share, was paid on December 28, 2021 as dividend advances. The remaining dividend was paid on July 26, 2022.

Resolution on the payment of an advance dividend from 2022 profit

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

PLN 0.22

amount of dividend from 2022 profit per share

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



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

Output markets

All projects implemented in 2022 by Echo Investment and companies from the Group were located in Poland. In accordance with its strategy, Echo Investment is withdrawing from projects outside the country.

Contracting parties

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

Major contractors of Echo Investment Group in 2022

Contractor	Turnover value [PLN mln]
Fabet-Konstrukcje Sp. z o.o.	91,7
Unibep S.A.	53,5
M&J Bud Invest PL i Siadul Sp.k.	42,3
Erbud S.A.	39,1
Krakbau S.A.	38,3
ZBB Firma Budowlana Sp. z o.o. Sp.k.	28,5
CDBP Sp. z o.o.	25,1
ZIO-MAX Marcin Ziopaja	23,2
Prof Fair Jarosław Poraj	22,6
Expres-Konkurent Sp. z o.o. Sp.k.	16,5
Artmax Sp. z o.o.	16,1
Westinvest Gesellschaft Für Investmentfonds MbH Sp. z o.o. o/Polska	14,2
Dex-Bud 2 Sp. z o.o. Sp.k.	13,4
Elektrotermia Sp. z o.o.	12,9
P.P.H Komobex-Intel Sp. z o.o.	12,5

Major contractors of Archicom S.A. in 2022

Contractor	Turnover value [PLN mln]
Opex S.A.	87,9
Erbud S.A.	56,4
AWM Budownictwo S.A.	33,0
CMC Poland Sp. o.o.	4,0
BUDVAR Centrum Sp. z o.o.	3,2
Hydro-Kamel Kamil Skraburski	2,6

Clients of the Group

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

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

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

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

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

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

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

Major customers of Echo Investment Group, including service recipients in 2022

Customers	Turnover value [PLN mln]
Huramitell Investments Sp. z o. o.	639,7
Farkas Grundstücksgesellschaft MBH &CO KG	248,1
Barcarotta Sp. z o. o.	198,5
Giant Invest Sp. z o. o.	97,2
Thi Van Anh Nguyen	14,5
Capgemini Polska Sp. z o.o.	13,7
Honeywell Services Poland Sp. z o. o.	12,2
R4R Poland Sp. z o.o.	10,2

Financial liabilities of the Company and its Group

Bonds

Company's liabilities due to bonds issued as at 31 December 2022

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
Bonds issued by Echo Investment S.A. for institutional investors [‘000 PLN]					
1/2019	PLECHPS00308	mBank S.A.	96 510	11.04.2023	WIBOR 6M + margin 4,25%
1/2020	PLO017000012	mBank S.A.	70 000	31.05.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
2/2021	PLO017000061	mBank S.A.	172 000	10.11.2025	WIBOR 6M + margin 4,4%
11/2022	PLO017000079	Ipopema Securities S.A.	180 000	8.12.2027	WIBOR 6M + margin 4,5%
Total			713 510		
Bonds issued by Archicom S.A. for institutional investors [‘000 PLN]					
M4/2019	PLARHCM00073	mBank S.A.	60 000	14.06.2023	WIBOR 3M + margin 3,3%
M6/2022	PLO221800090	mBank S.A.	110 000	15.03.2024	WIBOR 3M + margin 3,2%
Total			170 000		
Bonds issued by Echo Investment S.A. for individual investors [‘000 PLN]					
Seria I	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. and Centralny Dom Maklerski Pekao S.A.	50 000	8.11.2023	WIBOR 6M + margin 3,4%
Serie J i J2	PLECHPS00290	J-series: consortium Noble Securities S.A., Michael / Ström DM S.A., DM Banku Ochrony Środowiska S.A	33 832	21.09.2023	WIBOR 6M + margin 3,4%
		J2-series: DM PKO Banku Polskiego S.A.			
K-series	PLECHPS00324	DM PKO BP	50 000	10.01.2025	WIBOR 6M + margin 4,0%
L-series	PLECHPS00332	DM PKO BP	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M-series	PLECHPS00340	DM PKO BP	40 000	27.04.2026	WIBOR 6M + margin 4,0%
N-series	PLECHPS00357	DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O-series	PLECHPS00365	DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
Total			288 832		
Bonds issued by Echo Investment S.A. for seller of shares in Archicom S.A. [‘000 PLN]					
1P/2021	PLO017000053	Michael/Ström DM (agent)	188 000	22.10.2024	fixed interest rate 5%
Total			188 000		
Total bonds issued in PLN			1 360 342		

Bonds issued by Echo Investment S.A. for institutional investors in eur [EUR '000]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	23.10.2024	fixed interest rate 4,5%
Total bonds issued in EUR			40 000		

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

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

Change of company's bond liabilities in 2022

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

Series	ISIN code	Date	Nominal value
1/2018	PLECHPS00282	25.04.2022	31 410
H-series	PLECHPS00266	22.05.2022	50 000
F-series	PLECHPS00233	11.10.2022	125 000
G-series	PLECHPS00241	27.10.2022	75 000
1P/2020	PLO017000020	8.12.2022	100 000
1/2020*	PLO017000012	8.12.2022	80 000
Total			461 410

*partial redemption

Bonds redeemed by Archicom [PLN '000]

Series	ISIN code	Date	Nominal value
M5/2020	PLO221800025	7.02.2022	78 500
M3/2018	PLARHCM00065	13.07.2022	50 000
Total			128 500

Bonds issued by Echo Investment [PLN ‘000]

Series	ISIN code	Date	Nominal value
K-series	PLECHPS00324	1.02.2022	50 000
L-series	PLECHPS00332	17.03.2022	50 000
M-series	PLECHPS00340	25.05.2022	40 000
N-series	PLECHPS00357	21.07.2022	40 000
O-series	PLECHPS00365	14.10.2022	25 000
11/2022	PLO017000079	8.12.2022	180 000
Total			385 000

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

Series	ISIN code	Date	Nominal value
M6/2022	PLO221800090	16.03.2022	110 000
Total			110 000

After the balance sheet day, Archicom S.A. issued M7/2023-series bonds for institutional investors of the nominal value of PLN 62 million.

Investment loans

Investment loans of Echo Group as at 31 December 2022 ['000]

Investment project	Borrower	Bank	Contractual amount of loan		Outstanding loan amount		Interest rate	Repay-mentde- adline
			PLN	EUR	PLN	EUR		
Libero, Katowice	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	Santander Bank Polska S.A. BNP Paribas Bank Polska S.A.		67 566		63 174	EURIBOR 3M + margin	22.11.2024
Galeria Młociny, Warszawa*	Berea Sp. z o.o.	Santander Bank Polska S.A. PKO BP S.A. Bank Gospo- darstwa Krajowego		56 100		51 802	EURIBOR 3M + margin	30.04.2025
Moje Miejsce II, Warszawa	Projekt Beethovena - Pro- jekt Echo 122 Sp. z o.o. S.K.A.	PKO BP S.A.		23 034		22 126	EURIBOR 3M + margin	30.09.2023
Brain Park I i II, Kraków	Echo Arena Sp. z o.o.	PKO BP S.A. Bank Pekao S.A.		65 560		25 160	EURIBOR 3M + margin	30.06.2026
			9 000				WIBOR 1M + margin	30.06.2024
Projekt Echo 129	Projekt Echo 129 Sp. z o.o.	Bank Pekao S.A.		60 000		32 057	EURIBOR 3M + margin	30.09.2023
Resi4Rent* - I transza projektów	R4R Łódź Wodna Sp. z o.o. R4R Wrocław Rychtalska Sp. z o.o. R4R Warszawa Browary Sp. z o.o. R4R Wrocław Kępa Sp. z o.o.	ING Bank Śląski S.A.	106 560		103 630		WIBOR 3M + margin	10.12.2026
Resi4Rent* - II transza projektów	R4R Poznań Szczepanow- skiego Sp. z o.o. R4R Warszawa Taśmowa Sp. z o.o. R4R Warszawa Woronicza Sp. z o.o. R4R Gdańsk Kołobrzaska Sp. z o.o.	Santander S.A. Helaba AG	69 000		67 594		WIBOR 3M + margin	27.06.2027
Resi4Rent* - III transza projektów	R4R Warszawa Wilanow- ska Sp. z o.o. Pimech Invest Sp. z o.o. M2 Hotel Sp. z o.o. R4R Kraków 3 Maja Sp. z o.o. R4R RE Wave 3 Sp. z o.o.	Bank Pekao S.A. Bank Go- spodarstwa Krajowego BNP Paribas Polska	74 402		39 250		WIBOR 1M + margin	21.12.2028
Resi4Rent* - IV transza projektów	M2 Biuro sp. z o.o. R4R Wrocław Park Zachodni Sp. z o.o. R4R RE Wave 4 Sp. z o.o./R4R Gdańsk Stocznia Sp. z o.o. R4R Kraków JPil Sp. z o.o. R4R Łódź Kilińskiego Sp. z o.o.	Santander S.A. Helaba AG	95 456		3 906		WIBOR 1M + margin	15.12.2029
Resi4Rent* - Revolving Credit Facility	R4R Poland sp. z o.o.	European Bank for Recon- struction and Development		15 000		4 688	EURIBOR 3M + margin	1.12.2027
Total			354 418	287 260	214 380	199 007		

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

Investment loans of Archicom S.A. as at 31 December 2022 [EUR '000]

Investment project	Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
City Forum - City 2	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	17 600	4 413	EURIBOR 1M + margin	22.12.2031
Total			17 600	4 413		

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

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

Credit facilities

Credit facilities of Echo Investment Group as at 31 December 2022 [PLN '000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
PKO BP S.A. *	75 000	62 931	WIBOR 1M + margin	31.10.2023
Alior Bank S.A.	25 000	25 000	WIBOR 3M + margin	10.07.2023
Santander Bank Polska S.A.**	100 000	67 468	WIBOR 1M + margin	14.04.2023
Total	200 000	155 399		

* The available loan amount as at 31 December 2022 is reduced by the issued guarantees and amounts to PLN 10,1 mln.

**The available loan amount as at 31 December 2022 is reduced by the issued guarantees and amounts to PLN 5,3 million.

Credit facilities of Archicom Group as at 31 December 2022 [PLN '000]

Bank	Borrower	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
mBank S.A. *	Archicom Sp. z o.o. — Realizacja Inwestycji Sp.k.*	15 000	0	WIBOR 1M + margin	23.09.2024 r.
PKO BP S.A	Archicom S.A.	80 000	0	WIBOR 3M + margin	9.03.2024
Total		95 000	0		

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

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

The loan value corresponds to undiscounted cash flows.

Financial surety agreements issued by Echo Investment Group as at 31 December 2022 [PLN '000]

Issuer	Entity receiving surety	Beneficiary	Value [PLN '000]	Validity	Description
Echo Investment S.A.	Pimech Invest Sp. z o.o.	Miasto Stołeczne Warszawa	1 230	30.03.2023	Surety for proper performance of the liabilities arising from the road construction agreement.
Total			1 230		

Financial guarantees issued by Echo Investment Group as at 31 December 2022 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Archicom S.A.	Javin Investments Sp. z o.o. Sp.k. w likwidacji; Space Investment Strzegomska 3 Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	12 237	25.02.2024	Security for the proper performance of obligations under the contract for the sale of the West Forum IB office building.
Total			12 237		

Performance and other guarantees issued by Echo Investment Group as at 31 December 2022 [PLN '000]

Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Echo - SPV7 Sp. z o.o.	R4R Warszawa Wilanowska Sp. z o.o.	Bank PKO S.A.	18 465	31.12.2027	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement and payment of interests under loan facility in construction tranche.
Echo Investment S.A.	Echo Investment S.A.	Nobilis - Projekt Echo 117 Sp. z o.o. Sp.k.	40 000	31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Total			58 465		
Total financial, performance and other guarantees			70 702		

Changes in guarantee agreements issued by Echo Investment Group in 2022 [PLN ‘000]

Change	Guarantor	Entity receiving the guarantee	Beneficiary	Value	Validity	Description
Expiry	Echo - SPV7 Sp. z o.o.	R4R Poznań Szczepa- nowskiego Sp. z o.o.	Santander Bank Polska S.A.	24 500	8.03.2022	Security of the borrowers liabilities arising from the cost overrun not inc- luded in the budget specified in credit agreement.
Expiry	Echo Investment S.A.	Rosehill Investments Sp. z o.o.	IB 6 FIZAN w likwidacji	107 505	31.03.2022	Security for the proper performance of the obligations resulting from the program contract concluded on 31 Sep- tember 2017. Guarantee issued in EUR.

Assessment of financial resources management and investment plan feasibility

Financial resources management of the parent entity and the Group in 2022 was mainly focused on securing financial liquidity under uncertainty caused by the war in Ukraine, as well as securing financing for ongoing projects, on maintaining safe liquidity ratios and planned

financing structure. According to the Management Board, financial situation of the parent entity and the Group at the end of 2022 reflects their stable financial condition, which is confirmed by the ratios presented below.

For Echo Investment S.A.

Profitability ratio

The increase in margin ratios of operating profit and net balance sheet profit is due to higher interest income from bonds and dividends received and profit distributions from companies. The increase in return rates ROA and ROE is due to the increase in net profit (increasing operating profit partly offset by higher finance costs due to rising interest rates) with the decrease in equity (dividend payments).

Operating profit margin
(operating profit/revenue)

Net balance sheet profit margin
(net profit/revenue)

Return on assets ROA
(net profit/total assets)

Return on equity ROE
(net profit/equity)

Profitability ratio

	31.12.2022	31.12.2021
Operating profit margin ratio	77%	27%
Net balance profit margin ratio	28%	6%
Return on assets (ROA)	3%	1%
Return on equity (ROE)	9%	2%

Turnover ratio

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

The decrease in the turnover of inventories was affected by selling outstanding residential units and plots of land to companies within the group. The receivables turnover ratio and its increase were influenced by the increase in trade receivables. The increase in the turnover of payables was affected by a lower rate of decrease in trade payables in relation to the decrease in sales revenue.

Inventory turnover in days

(inventory *360 / revenues)

Current receivables turnover in days

(short-term receivables *360 / revenues)

Current liabilities cycle in days

(current trade liabilities *360 / revenues)

Turnover ratio

	31.12.2022	31.12.2021
Inventory turnover in days	122	253
Current receivables turnover in days	74	48
Current trade liabilities turnover in days	20	18

Liquidity ratio

In 2022, liquidity ratios increased and are at good levels, indicating that the company's liquidity position is stable. This is due to the large increase in current assets (granted loans reclassified from long to short-term and the increase in cash) with the simultaneous decrease in the level of short-term liabilities (settlement of advances for sold land from related parties).

Current ratio

(current assets / current liabilities)

Quick ratio

(current assets - inventories / current liabilities)

Cash ratio

(cash / short-term liabilities)

Liquidity ratio

	31.12.2022	31.12.2021
Current ratio	1,19	0,54
Quick ratio	1,04	0,21
Cash ratio	0,15	0,08

Debt ratios

Equity to assets ratio

(equity / total assets)

The slight increase in this ratio is due to the smaller decrease in equity than in assets.

Equity to fixed assets ratio

(equity / fixed assets including assets held for sale)

The increase in this ratio is due to the smaller decrease in equity than in fixed assets (reclassification of loans into short-term and partial repayment).

General debt ratio

(total liabilities / total assets)

The slight decrease in this ratio is due to the larger decrease in liabilities than the decrease in total assets.

Equity debt ratio

(total liabilities / equity)

The decrease in this ratio is due to the greater decrease in total liabilities than in equity.

Changes in assets and equity described below when analysing profitability, liquidity and turnover ratios.

Debt ratios

	31.12.2022	31.12.2021
Equity coverage ratio	34%	33%
Fixed asset coverage ratio	49%	38%
Total debt ratio	65%	67%
Debt to equity ratio	189%	204%

For Echo Investment Group

Profitability ratio

The level of operating profit margin remained unchanged compared to last year. This is due to the similar level of decreases in operating profit and sales revenue. The decrease in operating profit was mainly due to the fact that fewer apartments were delivered than last year (2021: 2 969 units, 2022: 2 168 units). The balance profit margin ratio is due to a greater decrease in net profit than in sales revenue. This was affected by the recognised lower result from the fair value of projects remaining under investment properties.

The return on assets (ROA) remains unchanged as a result of a proportional decrease in net profit and assets. The decrease in the level of assets is due to the sale of office projects (Fuzja CDJ, F2F I&II, West 4 Business Hub I, MidPoint7I).

The decrease in the return on equity ratio is due to a greater decrease in net profit in relation to a decrease in the level of equity (dividend per share higher than net profit per share).

Operating profit margin

(operating profit/revenue)

Net balance sheet profit margin

(net profit/revenue)

Return on assets ROA

(net profit/total assets)

Return on equity ROE

(net profit/equity)

Profitability ratio

	31.12.2022	31.12.2021
Operating profit margin ratio	20%	20%
Net balance profit margin ratio	11%	13%
Return on assets (ROA)	3%	3%
Return on equity (ROE)	9%	11%

Turnover ratio

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

Inventory turnover in days

(inventory *360 / revenues)

The increase in the ratio is due to the almost unchanged state of inventories in relation to the decrease in sales revenue.

Current receivables turnover in days

(short-term receivables *360 / revenues)

The increase in this ratio is due to the large increase in receivables (advances for deliveries including the biggest one for the purchase of land at 22 Towarowa Street prior to the signing of the final contract, transferring receivables from long-term receivables due to the disposal of subsidiaries and larger VAT receivables), while simultaneously decreasing sales revenues.

Current liabilities cycle in days

(current trade liabilities *360 / revenues)

The increase in the ratio is due to the smaller decrease in the dynamics of short-term liabilities (trade payables plus

other short-term liabilities) in relation to the decrease in the dynamics of sales revenues.

Turnover ratio

	31.12.2022	31.12.2021
Inventory turnover in days	409	388
Current receivables turnover in days	111	47
Current trade liabilities turnover in days	96	90

Liquidity ratio

In 2022, the liquidity ratios increased and remain at good levels, demonstrating the Group's stable liquidity position.

The increase in the ratios is due to the increase in current assets (cash and receivables) with decreasing levels of current liabilities.

Current ratio

(current assets / current liabilities)

Quick ratio

(current assets - inventories / current liabilities)

Cash ratio

(cash / short-term liabilities)

Liquidity ratio

	31.12.2022	31.12.2021
Current ratio	1,46	1,11
Quick ratio	0,70	0,40
Cash ratio	0,49	0,29

Debt ratios

Equity to assets ratio

(equity / total assets)

The ratio remains at a safe level and its small increase is due to the smaller decrease in equity levels relative to the decrease in assets.

Equity to fixed assets ratio

(equity / fixed assets including assets held for sale)

The increase in this ratio is due to the decrease in the value of fixed assets (sale of projects Fuzja CDJ, F2F I&II, West4 Business Hub I, MidPoint71).

General debt ratio

(total liabilities / total assets)

The virtually unchanged level of this ratio is due to the similar decrease in asset and liability levels.

Equity debt ratio

(total liabilities / equity)

The decrease in this ratio is due to a greater decrease in debt with a smaller change in equity.

Debt ratios

	31.12.2022	31.12.2021
Equity coverage ratio	30%	29%
Fixed asset coverage ratio	61%	48%
Total debt ratio	65%	65%
Debt to equity ratio	219%	225%
Net debt ratio	29%	39%

Information on borrowings granted in 2022, including to related entities

Echo Group's basic data on major borrowings without interests and revaluation writeoffs as at 31 December 2022 [PLN '000]

Lender	Borrower	Amount [mln PLN]	Interest	Maturity
Projekt Echo 129 Sp. z o.o.	Echo Investment S.A.	150,3	EURIBOR 3M + margin 3,75%	30.09.2023
Echo Investment S.A.	Fianar Investments Sp. z o.o.	146,2	WIBOR 3M + margin 3,2%	31.12.2023
Echo Investment S.A.	Strood Sp. z o.o.	137,3	EURIBOR 3M + margin 2,7%	31.12.2023
Echo - SPV 7 Sp. z o.o.	Echo - Arena Sp. z o.o.	114,6	WIBOR 3M + margin 3,2%	1.07.2026
Pudsey Sp. z o.o.	Swanage Sp. z o.o.	91,0	WIBOR 3M + margin 3%	31.12.2023
Echo Investment S.A.	Projekt 12 - Grupa Echo Sp. z o.o. S.K.A.	82,6	WIBOR 3M + margin 3,2%	31.12.2023
Echo Investment S.A.	Villea Investments Sp. z o.o.	62,9	WIBOR 3M + margin 3,2%	31.12.2023
Archicom SA.	Archicom Poznań Sp. z o.o.	62,6	WIBOR 3M + margin 3,5%	31.12.2026
Echo Investment S.A.	R4R Poland Sp. z o.o.	61,5	margin 6%	31.03.2029
Duże Naramowice — Projekt Echo 111 Sp. z o.o. S.K.A.	Echo - Arena Sp. z o.o.	57,6	WIBOR 3M + margin 3%	1.07.2026
Projekt Naramowice — Grupa Echo Sp. z o.o. S.K.A.	React - Dagnall Sp. z o.o. S.K.A.	55,4	WIBOR 3M + margin 3%	30.09.2024
Cinema Asset Manager Sp. z o.o. S.K.A.	Perth Sp. z o.o.	36,3	WIBOR 3M + margin 3%	31.12.2023
Echo Investment S.A.	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	49,0	WIBOR 3M + margin 3,2%	10.10.2026
Echo Investment S.A.	R4R Poland Sp. z o.o.	48,7	margin 6%	31.03.2031
Echo Investment S.A.	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.k.	48,5	WIBOR 3M + margin 3,2%	10.10.2026
Echo - SPV 7 Sp. z o.o.	Projekt 139 - Grupa Echo Sp. z o.o. S.K.A.	48,2	WIBOR 3M + margin 3,2%	31.12.2023
Face2Face — Stranraer Sp. z o.o. S.K.A.	Fianar Investments Sp. z o.o.	46,9	EURIBOR 3M + margin 2,7%	31.12.2024
Archicom SA.	Archicom Nieruchomości 6 Sp. z o.o.	45,4	WIBOR 3M + margin 3,5%	31.12.2026
Echo Investment S.A.	R4R Poland Sp. z o.o.	45,1	margin 6%	31.03.2030
Echo Investment S.A.	Taśmowa — Projekt Echo 116 Sp. z o.o. S.K.A.	44,1	WIBOR 3M + margin 3,2%	31.12.2024
Archicom SA.	Archicom Residential Sp. z o.o.	43,5	WIBOR 3M + margin 3,5%	31.12.2026

Echo Group's basic data on major borrowings without interests and revaluation writeoffs as at 31 December 2022 [PLN '000]

Lender	Borrower	Amount [mln PLN]	Interest	Maturity
Archicom SA.	Archicom Nieruchomości JN2 Sp. z o.o.	40,1	WIBOR 3M + margin 3,5%	31.12.2026
Midpoint 71 — Cornwall Investments Sp. z o.o. S.K.A	Projekt Echo 137 Sp. z o.o.	37,5	EURIBOR 3M + margin 2,7%	30.09.2024
Midpoint 71 — Cornwall Investments Sp. z o.o. S.K.A	Senja 2 Sp. z o.o.	37,3	WIBOR 3M + margin 3%	30.06.2024
Echo Investment S.A.	R4R Poland Sp. z o.o.	35,2		30.09.2026
Midpoint 71 — Cornwall Investments Sp. z o.o. S.K.A	Projekt Echo 137 Sp. z o.o.	34,0	WIBOR 3M + margin 3%	30.09.2024
Echo — Aurus Sp. z o.o.	Galeria Nova — Grupa Echo Sp. z o.o. S.K.A	31,7	WIBOR 3M + margin 3,2%	30.06.2024

Agreements concluded with an auditor

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

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

The auditing company and the members of the team conducting the audit met the conditions for preparing an unbiased and independent report on the audit of the

annual financial statements in accordance with the applicable regulations, professional standards and professional ethics.

Echo Investment S.A. complies with the existing regulations related to rotation of the auditing company and the key statutory auditor, as well as prevailing mandate periods. Echo Investment S.A. has a policy with respect to the selection of the auditing company and a policy with respect to providing services to the issuer by the auditing company, any entity related to the auditing company or a member of its network of additional non-auditing services, including services which are conditionally excluded from the ban on such services by the auditing company. The auditing company selection policy and procedure and the non-auditing services purchase policy were approved by resolutions of the Audit Committee dated 23 March 2018 and are available on the Company's website under Investor relations / Strategy and corporate governance and were adopted by resolutions of the Audit Committee of 15 September 2022 and 2 February 2023, respectively.

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

Title	Contractual amount [PLN]
Review of the standalone and consolidated financial statements for the 1st half-year 2022	210 000
Additional audit of the standalone financial statement for the 1st half-year 2022	93 000
Audit of the standalone and consolidated financial statements for 2022	600 000
Audit statements of remuneration for 2022	25 000
Review of the interim consolidated financial statements and audit of the interim standalone condensed financial statements of Archicom S.A.	220 000
Audit of the annual consolidated and standalone financial statements of Archicom S.A.	250 000
Total	1 398 000

Composition of the Group

As at 31 December 2022 the Capital Group included 163 subsidiaries consolidated according to the full method and 36 jointly controlled companies consolidated according to the equity method.

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

Echo Investment S.A. indirectly - through DKR Echo Investment Sp. z o.o. and DKR Echo Invest S.A. - is a major shareholder of Archicom S.A., in which it held 71.48 percent of shares entitling it to 70.41 percent of votes at the General Meeting of Shareholders as at 31 December 2022. Echo Investment S.A. consolidates all companies of the Archicom S.A. group according to the full method.

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

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

Detailed information on the composition of the Group and changes in 2022 can be found in the Consolidated Financial Statements of the Echo Investment Group for 2022 in chapter 3 "Echo Investment Group".

Other disclosures required by law

Seasonal or cyclical nature of activities

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

Material court, arbitration or administrative proceedings

From 1 January to 31 December 2022, no proceedings were pending before any court, arbitration authority or public administration authority which involved liabilities or receivables of Echo Investment S.A. or its subsidiary which represent at least 10% of the Company's equity.

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

In 2022, there were no material transactions between Echo Investment S.A. and its subsidiaries with affiliated entities on terms other than market conditions.

Agreements concluded between shareholders

The Company has no information on agreements concluded in 2022 between shareholders that would be important for its business.

Impact of 2022 results on published financial forecasts

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

Changes of main management rules

In 2022, there are no material changes to the main management rules of the Company and the Group.

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

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

Remuneration of the Management Board and Supervisory Board

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

Statements of the Management Board



Pic. Echo Investment office in Warsaw Brewery

Statement of the Management Board

The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the Annual Financial Statements of Echo Investment S.A. and its Group in 2022 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment Group and its financial result.

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

Non-financial information statement

The Management Board of Echo Investment S.A. declares that in accordance with the Accounting Act, the Echo Investment Group and the parent company - Echo Investment S.A. publish a separate non-financial report for 2022 at the same time as the annual financial statements. The report is available on the Echo Investment website en.echo.com.pl in the 'investor relations — sustainability' tab.

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Rafał Mazurczak

Member of the Board

Małgorzata Turek

Member of the Board

Kielce, 28 March 2023



The document is signed with qualified electronic signature

Contact

Layout and execution:
Damian Chomąkowski
be.net/chomatowski

Echo Investment

Warsaw office, Villa Offices

ul. Grzybowska 60, 00-844 Warsaw

A series of concentric circles in a light gray color, centered in the lower right quadrant of the page, creating a ripple effect.

ECHO
investment