Consolidated Annual Report of Echo Investment Group

2025

• Office House in Warsaw

Spis treści

Consolidated financial statements of Echo Investment Group for 2025

• Office house in Warsaw

• CitySpace office

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1.1 Consolidated profit and loss account

Consolidated profit and loss account [PLN '000]

	Note	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Sales revenues	1	2 012 720	1 083 405
Cost of sales	2	(1 348 973)	(718 167)
Gross sales profit		**663 747**	**365 238**
Profit (loss) on investment properties	3	(188 649)	(4 530)
Administrative costs associated with project implementation	2	(81 409)	(82 883)
Selling expenses	2	(99 042)	(80 631)
General and administrative expenses	2	(95 040)	(97 961)
Other operating income	6	13 076	26 795
Other operating expenses	7	(27 389)	(15 926)
Operating profit		**185 294**	**110 102**
Financial income	8	47 097	52 642
Financial expenses	9	(204 418)	(229 535)
Profit (loss) on derivatives	24	(1 648)	327
Foreign exchange profit	10	6 770	21 070
Share of profits of undertakings accounted for using the equity method	18	22 932	129 017
Profit before tax		**56 027**	**83 623**
Income tax	12	(67 570)	(68 000)
- current tax		(106 514)	(97 712)
- deferred tax	11	38 944	29 712
Net profit (loss), including:		**(11 543)**	**15 623**
Profit (loss) attributable to equity holders of the parent company		(33 535)	(14 175)
Profit of non-controlling intrest		21 992	29 798
Profit (loss) attributable to equity holders of the parent company		(33 535)	(14 175)
Weighted average number of ordinary shares ('000) without shares held		412 691	412 691
Profit (loss) per one ordinary share (PLN)		(0,08)	(0,03)
Diluted profit (loss) per one ordinary share (PLN)		(0,08)	(0,03)

1.2 Consolidated statement of financial position

Consolidated statement of financial position [PLN ‘000]

	Note	As at 31.12.2025	As at 31.12.2024
Assets			
Non-current assets			
Intangible assets	16	81 553	81 579
Property, plant and equipment	17	123 748	74 497
Investment property	13	630 757	1 493 493
Investment property under construction	14	559 071	519 218
Investment in associates and joint ventures	18	833 988	876 309
Long-term financial assets	19	436 296	483 780
Lease receivables	21	4 884	5 070
Other assets		456	167
Deferred tax asset	11	184 319	151 928
Lands for development		78 546	83 930
		2 933 618	**3 769 971**
Current assets			
Inventory	20	2 664 975	2 161 728
Current tax assets		7 162	21 437
Other taxes receivable	21	105 942	81 738
Trade and other receivables	21	182 869	252 221
Short-term financial assets	19	16 874	1 674
Other financial assets *	25	149 266	117 912
Cash and cash equivalents	25	377 452	366 205
		3 504 540	**3 002 915**
Fixed assets (disposal group) held for sale	15	138 539	-
		3 643 079	**3 002 915**
Total assets		**6 576 697**	**6 772 886**

Consolidated statement of financial position [PLN '000]

	Note	As at 31.12.2025	As at 31.12.2024
Equity and liabilities			
Equity			
Share capital	26	20 635	20 635
Supplementary capital	27	967 356	1 057 735
Capital from option programs		20 896	-
Retained earnings		309 058	596 814
Foreign exchange adjustments from conversion of foreign undertakings		(1 526)	300
Equity attributable to equidity holders of the parent company		**1 316 419**	**1 675 484**
Non-controlling interest	28	342 150	336 698
		1 658 569	**2 012 182**
Long-term liabilities			
Loans, borrowings and bonds	30	1 826 082	2 268 961
Derivative financial instruments	24,33	-	554
Long-term provisions	32	9 864	8 304
Deferred income tax provision	11	159 613	163 377
Lease liabilities	31,33	161 301	171 610
Other liabilities	33	76 836	85 736
		2 233 696	**2 698 542**
Short-term liabilities			
Loans, borrowings and bonds	30	944 771	714 387
Loans, borrowings and bonds financing properties held for sale	30	83 659	-
Derivative financial instruments	24,33	76	-
Income tax liabilities		33 034	11 985
Other taxes liabilities	33	45 669	65 676
Trade liabilities	33	192 922	158 121
Dividend liabilities	33	-	-
Lease liabilities	31,33	69 113	90 428
Short-term provisions	32	24 550	28 327
Other liabilities	33	191 573	152 975
Liabilities from contracts with clients	1	1 084 120	840 263
		2 669 487	**2 062 162**
Liabilities directly associated with assets held for sale	15	14 945	-
		2 684 432	**2 062 162**
Total equity and liabilities		**6 576 697**	**6 772 886**

1.3 Consolidated statement of comprehensive income

Consolidated statement of comprehensive income [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Profit for the current financial year	**(11 543)**	**15 623**
Components of other comprehensive income that may be reclassified to profit or loss in later periods		
- foreign exchange adjustments on conversion of foreign undertakings	(1 826)	(394)
Other comprehensive net income	**(1 826)**	**(394)**
Total income for the period, including:	**(13 369)**	**15 229**
Comprehensive income attributable to equdity holders of the parent company	(35 361)	(14 569)
Total comprehensive income attributable to non-controlling interest	21 992	29 798

1.4 Statement of changes in equity

Statement of changes in consolidated equity [PLN '000]

	Share capital	Supple-mentary capital	Capital from option programs	Accumula-ted retained earnings	Exchange adjust-ments from conversion	Equity attributable to equity holders of the parent	Non-con-trollng share	Total equity
For the period 1.01.2025 - 31.12.2025								
Opening balance	**20 635**	**1 057 735**	**-**	**596 814**	**300**	**1 675 484**	**336 698**	**2 012 182**
Net profit (loss) for the period	–	–	–	(33 535)	–	(33 535)	21 992	(11 543)
Other comprehensive income	–	–	–	–	(1 826)	(1 826)	–	(1 826)
Total net income for the period	**-**	**-**	**-**	**(33 535)**	**(1 826)**	**(35 361)**	**21 992**	**(13 369)**
Transactions with non-controlling shareholders	–	–	–	(13 052)	–	(13 052)	13 230	178
Costs of the option program	–	–	20 896	–	–	20 896	–	20 896
Advances on dividends	–	(288 152)	–	(42 000)	–	(330 152)	–	(330 152)
Dividend paid	–	–	–	–	–	–	(29 770)	(29 770)
Transactions with owners	–	**(288 152)**	**20 896**	**(55 052)**	**-**	**(322 308)**	**(16 540)**	**(338 848)**
Distribution of previous years' profit/loss	–	197 773	–	(197 773)	–	–	–	–
Other	–	–	–	(1 396)	–	(1 396)	–	(1 396)
Closing balance	**20 635**	**967 356**	**20 896**	**309 058**	**(1 526)**	**1 316 419**	**342 150**	**1 658 569**
For the period 1.01.2024 - 31.12.2024								
Opening balance	**20 635**	**1 057 378**	**-**	**611 346**	**694**	**1 690 053**	**338 036**	**2 028 089**
Net profit (loss) for the period	–	–	–	(14 175)	–	(14 175)	29 798	15 623
Other comprehensive income	–	–	–	–	(394)	(394)	–	(394)
Total net income for the period	**-**	**-**	**-**	**(14 175)**	**(394)**	**(14 569)**	**29 798**	**15 229**
Advances on dividends	–	–	–	–	–	–	(21 416)	(21 416)
Dividend paid	–	–	–	–	–	–	(9 720)	(9 720)
Transactions with owners	–	–	–	–	–	–	(31 136)	(31 136)
Distribution of previous years' profit/loss	–	357	–	(357)	–	–	–	–
Closing balance	**20 635**	**1 057 735**	**-**	**596 814**	**300**	**1 675 484**	**336 698**	**2 012 182**

1.5 Consolidated cash flow statement

Standalone cash flow statement [PLN '000]

	Note	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
A. Operating cash flow – indirect method			
I. Profit before tax		**56 027**	**83 623**
II. Total adjustments			
Share in net (profits) of undertakings accounted for using the equity method		(22 933)	(129 017)
Depreciation of fixed assets and intangible assets	2	18 764	15 786
Foreign exchange (gains) losses		(14 523)	(21 006)
Interest and share in profits (dividends)		157 668	182 636
Profit (loss) on investment properties		188 649	4 530
Loss on investing activities		1 654	3 311
Change in provisions		(1 428)	(3 992)
Costs of the option program		20 896	-
(Profit) loss on realization of financial instruments		374	(550)
		349 121	**51 698**
III. Changes in working capital			
Change in inventories		(243 922)	(570 852)
Change in amounts receivable		(118 636)	(57 352)
Change in short-term liabilities, except for loans and borrowings	38	331 345	483 929
Change in other financial assets		(31 354)	(58 181)
		(62 567)	**(202 456)**
IV. Net cash generated from operating activities (I+/-II+/-III)		**342 581**	**(67 135)**
Income tax paid		(71 191)	(96 777)
V. Net cash flow from operating activities		**271 390**	**(163 912)**
B. Cash flow from investing activities			
I. Inflows			
Disposal of intangible assets and tangible fixed assets		197	1 689
Disposal of investments in properties		502 361	144 693
Refund of borrowings granted, including interest		152 284	87 901
Lease interest		394	353
Repayment of lease receivables		819	544

Standalone cash flow statement [PLN '000]

	Note	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Disposal of investments		77 326	4
		733 381	**235 184**
II. Outflow			
Purchase of intangible assets and tangible fixed assets		(6 762)	(22 495)
Investments in properties		(332 793)	(253 658)
Borrowings granted		(81 533)	(221 887)
Due to the acquisition of subsidiaries, less cash and cash equivalents in the acquired undertakings		(445)	-
Cash flows from the sale of shares in subsidiaries		(613)	-
Capital increase in joint ventures		(7 454)	(100 196)
		(429 600)	**(598 236)**
III. Net cash flow from investing activities (I+II)		**303 781**	**(363 052)**
C. Cash flow from financing activities			
I. Inflows			
Loans and borrowings	30	482 873	237 773
Issue of debt securities	30	119 040	855 120
		601 913	**1 092 893**
II. Outflows			
Dividends and other payments to owners	27	(360 648)	(38 123)
Repayment of loans and borrowings	30	(398 288)	(116 809)
Redemption of debt securities	30	(111 814)	(594 610)
Payments of lease liabilities		(47 208)	(48 258)
Interest paid		(247 879)	(214 880)
Expenditures related to the issue of Archicom S.A. shares carried out in the previous year		-	(880)
		(1 165 837)	**(1 013 560)**
III. Net cash flow from financing activities (I+III)		**(563 924)**	**79 333**
D. Total net cash flows (A.V +/- B.III +/- C.III)		**11 247**	**(447 631)**
E. Change in cash in the consolidated statement of financial position		**11 247**	**(447 631)**
F. Cash and cash equivalents at the beginning of the period		**366 205**	**813 836**
G. Cash and cash equivalents at the end of the period (D+F)		**377 452**	**366 205**

General information, basis for preparing the financial statements, and other explanatory information

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2.1 About the Company - business description

The Echo Investment Group's core activity consists of the construction and sale of residential buildings, construction, lease and sale of office and retail 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.

Information on the Management Board and Supervisory Board is presented in the Report of the Management Board on the activities of Echo Investment S.A. and its Capital Group for 2025 in part 01 "Basic information about the Company and the Group".

2.2 Information on the financial statement

The consolidated statements of the Echo Investment S.A. present financial data for the 12-month period ending on 31 December 2025 and comparative data for the 12-month period ending on 31 December 2024.

The Group's financial statement in this financial statements is presented in thousands of Polish zloty (PLN), if not indicated differently.

Declaration of conformity

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

Assumption of continuity in operations

The statements have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity.

Approval of financial statements

The Consolidated Financial Statement for the year ended 31 December 2025 was approved for publication on 25 March 2026.

2.3 Echo Investment Group

Composition of the Group

As at 31 December 2025 the Capital Group included 137 subsidiaries consolidated according to the full method and 58 jointly controlled companies consolidated according to the equity method.

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

Echo Investment S.A. directly and indirectly - through DKR Echo Investment Sp. z o.o., - is a major shareholder of Archicom S.A., in which it held 73,40% of shares entitling it to 75.95% of votes at the General Meeting of Shareholders as at 31 December 2025. Echo Investment S.A. consolidates all companies of the Archicom S.A. group according to the full method.

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.

Information on market trends and the industry environment is presented in sections 1.11 to 1.14 of the Management Board’s Report on the activities of Echo Investment S.A. and the Echo Investment Capital Group.

Subsidiaries

No	Subsidiary	Registered office	% of capital held	Parent entity
1	City Space - GP sp. z o.o. w likwidacji	Warszawa	100%	Echo Investment S.A.
2	City Space Management sp. z o.o.	Warszawa	100%	Echo Investment S.A.
3	Dellia Investments - Projekt Echo - 115 sp. z o.o. sp.k.	Kielce	100%	Pudsey sp. z o.o.
4	DKR Echo Investment sp. z o.o.	Kielce	100%	Echo Investment S.A.
5	Duże Naramowice - Projekt Echo - 111 sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
6	Echo - Advisory Services sp. z o.o.	Kielce	100%	Echo Investment S.A.
7	Echo - Arena sp. z o.o.	Kielce	100%	Echo Investment S.A.
8	Echo - Aurus sp. z o.o.	Kielce	100%	Echo Investment S.A.
9	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
10	Echo - SPV 7 sp. z o.o.	Kielce	100%	Echo Investment S.A.

Subsidiaries

No	Subsidiary	Registered office	% of capital held	Parent entity
11	Elektrownia RE sp. z o.o.	Kielce	100%	Echo Investment S.A.
12	Face2Face - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
13	Fianar Investments sp. z o.o.	Warszawa	100%	Echo Investment S.A.
14	Galeria Libero - Projekt Echo 120 sp. z o.o. sp.k.	Kielce	100%	Fianar Investments sp. z o.o.
15	GRO Nieruchomości sp. z o.o.	Kielce	100%	Echo Investment S.A.
16	Grupa Echo sp. z o.o.	Kielce	100%	Echo Investment S.A.
17	Metropolis - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
18	Midpoint 71 - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
19	Opolska Business Park – Grupa Echo sp. z o.o. sp.k.	Warszawa	100%	Pudsey sp. z o.o.
20	Projekt 17 - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
21	Projekt 144 - Grupa Echo sp. z o.o. sp.k.	Kielce	100%	Echo - Arena sp. z o.o.
22	Projekt Beethovena - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
23	Projekt Echo - 99 sp. z o.o.	Kielce	100%	Echo Investment S.A.
24	Projekt Echo - 108 sp. z o.o.	Kielce	100%	Echo Investment S.A.
25	Projekt Echo - 111 sp. z o.o.	Kielce	100%	Echo Investment S.A.
26	Projekt Echo - 115 sp. z o.o.	Kielce	100%	Echo Investment S.A.
27	Projekt Echo - 120 sp. z o.o.	Kielce	100%	Echo Investment S.A.
28	Projekt Echo - 123 sp. z o.o.	Kielce	100%	Echo Investment S.A.
29	Projekt Echo - 129 sp. z o.o.	Kielce	100%	Selmer Investments sp. z o.o. sp.k.
30	Projekt Echo - 130 sp. z o.o.	Kielce	100%	Echo Investment S.A.
31	Projekt Echo 139 - Seaford sp. z o.o. sp.k.	Kielce	100%	Echo Investment S.A.
32	Projekt Echo - 140 sp. z o.o.	Kielce	100%	Echo Investment S.A.
33	Projekt Echo - 142 sp. z o.o.	Kielce	100%	Echo Investment S.A.
34	Projekt Echo - 144 sp. z o.o.	Kielce	100%	Echo Investment S.A.
35	Projekt Echo - 145 sp. z o.o.	Kielce	100%	Echo Investment S.A.
36	Projekt Naramowice - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Echo Investment S.A.
37	Pudsey sp. z o.o.	Warszawa	100%	Echo Investment S.A.
38	Q22 - Grupa Echo sp. z o.o. sp.k.	Kielce	100%	Pudsey sp. z o.o.
39	React - Grupa Echo sp. z o.o. S.K.A.	Kielce	100%	Pudsey Sp z o.o.
40	Sagittarius - Grupa Echo sp. z o.o. sp.k.	Kielce	100%	Pudsey sp. z o.o.
41	Seaford sp. z o.o.	Warszawa	100%	Echo Investment S.A.
42	Selmer Investments sp. z o.o.	Warszawa	100%	Echo Investment S.A.
43	Selmer Investments sp. z o.o. sp.k.	Warszawa	100%	Echo Investment S.A.
44	Strood sp. z o.o.	Warszawa	100%	Echo Investment S.A.
45	Swanage sp. z o.o. w likwidacji	Warszawa	100%	Echo Investment S.A.
46	Taśmowa - Grupa Echo sp. z o.o S.K.A.	Kielce	100%	Echo Investment S.A.
47	Villea Investments sp. z o.o.	Warszawa	100%	Echo Investment S.A.
48	Wołoska Development Capital Prosta S.A.	Warszawa	100%	Echo Investment S.A.
49	Service Hub sp. z o.o.	Kielce	86,70%	Echo Investment S.A.
50	Service Hub Commercial - Grupa Echo sp. z o.o. sp.k.	Kielce	86,70%	Service Hub sp. z o.o.
51	Service Hub Resi sp. z o.o.	Wrocław	86,70%	Service Hub sp. z o.o.
52	12 - Archicom Projekt 127 sp. z o.o. S.K.A.	Wrocław	73,40%	Archicom S.A.
53	AD Management sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
54	Altona Investments sp. z o .o.	Wrocław	73,40%	Archicom Nieruchomości Residential sp. z o.o.
55	Archicom Advisory sp. z o.o.	Wrocław	73,40%	Archicom S.A.
56	Archicom Bowen sp. z o.o.	Wrocław	73,40%	Archicom Browary Warszawskie sp. z o.o. sp.k.
57	Archicom Browary Warszawskie sp. z o.o.	Wrocław	73,40%	Archicom S.A.
58	Archicom Browary Warszawskie sp. z o.o. sp.k.	Wrocław	73,40%	Archicom S.A.
59	Archicom Byczyńska 1 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
60	Archicom Cadenza Hallera sp. z o.o.	Wrocław	73,40%	Archicom S.A.

Subsidiaries

No	Subsidiary	Registered office	% of capital held	Parent entity
61	Archicom Dobrzykowice Park sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
62	Archicom Fin sp. z o.o.	Wrocław	73,40%	Archicom S.A.
63	Archicom Gdańsk sp. z o.o.	Wrocław	73,40%	Archicom S.A.
64	Archicom Gosford Investments sp. z o.o.	Wrocław	73,40%	Archicom S.A.
65	Archicom Investment sp. z o.o.	Wrocław	73,40%	Archicom S.A.
66	Archicom Jagodno 5 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
67	Archicom Jagodno sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
68	Archicom Jagodno sp. z o.o. sp.k.	Wrocław	73,40%	Archicom S.A.
69	Archicom Kraków sp. z o.o.	Kraków	73,40%	Archicom S.A.
70	Archicom Lofty Platinum 1 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
71	Archicom Łódź 1 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
72	Archicom Marina 3 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
73	Archicom Marina 4 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
74	Archicom Marina 5 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
75	Archicom Nieruchomości sp. z o.o.	Wrocław	73,40%	Archicom Holding sp. z o.o.
76	Archicom Nieruchomości 2 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
77	Archicom Nieruchomości 3 sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
78	Archicom Nieruchomości 4 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
79	Archicom Nieruchomości 5 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
80	Archicom Nieruchomości 6 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
81	Archicom Nieruchomości 7 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
82	Archicom Nieruchomości 8 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
83	Archicom Nieruchomości 9 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
84	Archicom Nieruchomości 10 sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
85	Archicom Nieruchomości 11 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
86	Archicom Nieruchomości 12 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
87	Archicom Nieruchomości 14 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
88	Archicom Nieruchomości 17 sp. z o.o.	Wrocław	73,40%	Archicom Nieruchomości 20 sp. z o.o.
89	Archicom Nieruchomości 18 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
90	Archicom Nieruchomości 19 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
91	Archicom Nieruchomości 20 sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
92	Archicom Nieruchomości JN1 sp. z o.o.	Wrocław	73,40%	Altona Investments sp. z o.o.
93	Archicom Nieruchomości JN2 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
94	Archicom Nieruchomości JN3 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
95	Archicom Nieruchomości Residential sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
96	Archicom Nowy Mokotów sp. z o.o.	Wrocław	73,40%	Archicom S.A.
97	Archicom Perth sp. z o.o.	Wrocław	73,40%	Archicom S.A.
98	Archicom Potton sp. z o.o.	Wrocław	73,40%	Archicom S.A.
99	Archicom Poznań sp. z o.o.	Wrocław	73,40%	Archicom S.A.
100	Archicom Projekt 127 sp.z o.o.	Wrocław	73,40%	Archicom S.A.
101	Archicom Projekt 136 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
102	Archicom Projekt 136 sp. z o.o. sp.k.	Wrocław	73,40%	Archicom S.A.
103	Archicom Projekt 139 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
104	Archicom Residential sp. z o. o.	Wrocław	73,40%	Archicom S.A.
105	Archicom Residential 2 sp. z o. o.	Wrocław	73,40%	Archicom S.A.
106	Archicom RW sp. z o.o.	Wrocław	73,40%	Archicom S.A.
107	Archicom S.A.	Wrocław	73,40%	DKR Echo Investment sp. z o.o./Echo Investment S.A.
108	Archicom Sales Services sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
109	Archicom Senja 2 sp. z o.o.	Wrocław	73,40%	Archicom Browary Warszawskie sp. z o.o. sp.k.
110	Archicom Services sp. z o.o.	Wrocław	73,40%	Archicom S.A.

Subsidiaries

No	Subsidiary	Registered office	% of capital held	Parent entity
111	Archicom sp. z o.o.	Wrocław	73,40%	Archicom S.A.
112	Archicom sp. z o.o. Realizacja Inwestycji sp.k.	Wrocław	73,40%	Archicom S.A.
113	Archicom sp. z o.o. Śląsk sp.k.	Wrocław	73,40%	Archicom S.A.
114	Archicom Stabłowice sp. z o.o.	Wrocław	73,40%	Archicom Residential 2 sp. z o.o.
115	Archicom Warszawa sp. z o.o.	Wrocław	73,40%	Archicom S.A.
116	Archicom Warszawa 2 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
117	Archicom Warszawa 3 sp. z o.o.	Kraków	73,40%	Archicom S.A.
118	Archicom Wrocław sp. z o.o.	Wrocław	73,40%	Archicom S.A.
119	Archicom Wrocław 3 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
120	Archicom Wrocław 4 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
121	Archicom ZAM sp. z o.o	Wrocław	73,40%	Archicom S.A.
122	Bartoszowice 1 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
123	EASS500 sp. z o.o.	Kraków	73,40%	Archicom S.A.
124	EASS5003 sp. z o.o.	Kraków	73,40%	Archicom S.A.
125	Galeria Nova - Archicom Projekt 127 sp. z o.o. S.K.A.	Wrocław	73,40%	Archicom S.A.
126	Himawari Investment sp. z o.o.	Kraków	73,40%	Archicom S.A.
127	Keshi sp. z o.o.	Kraków	73,40%	Archicom S.A.
128	Mioga Investment sp. z o.o.	Kraków	73,40%	Archicom S.A.
129	P16 Inowrocławska sp. z o.o.	Wrocław	73,40%	Archicom S.A.
130	Projekt Echo - 137 sp. z o.o.	Wrocław	73,40%	Archicom S.A.
131	Projekt Echo - 143 sp. z o.o.	Kielce	73,40%	Archicom S.A.
132	Rentierresidence sp. z o.o.	Kraków	73,40%	Archicom S.A.
133	RPGZ 16 sp. z o.o.	Kraków	73,40%	Archicom S.A.
134	Space Investment Strzegomska 3 Kamieńskiego sp. z o.o.	Wrocław	73,40%	Archicom S.A.
135	Space Investment Strzegomska 3 Otyńska sp. z o.o.	Wrocław	73,40%	Archicom S.A.
136	Strzegomska Nowa sp. z o.o.	Wrocław	73,40%	AD Management sp. z o.o.
137	TN Stabłowice 1 sp. z o.o.	Wrocław	73,40%	Archicom S.A.

Joint ventures

No	Subsidiary	Registered office	% of capital held	Parent entity
GALERIA MŁOCINY				
1	Berea sp. z o.o.	Warszawa	30%	Rosehill Investments sp. z o.o.
2	Rosehill Investments sp. z o.o.	Warszawa	30%	Echo Investment S.A.
TOWAROWA 22				
3	Projekt Echo – 138 sp. z o.o.	Warszawa	30%	Echo Investment S.A.
4	Project Towarowa 22 sp. z o.o.	Warszawa	30%	Strood sp. z o.o.
5	Talea Sp z o.o.			
RESI4RENT				
6	Hotel Gdańsk Zielony Trójkąt sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
7	Hotel Kraków Młyńska sp. z o.o.	Kraków	30%	R4R Poland sp. z o.o.
8	Hotel Kraków Romanowicza sp. z. o.o.	Kraków	30%	R4R Poland sp. z o.o.
9	Hotel Kraków Zabłocie sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
10	Hotel Poznań Dmowskiego sp. z o.o.	Poznań	30%	R4R Poland sp. z o.o.
11	Hotel Warszawa Wołoska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
12	Hotel Wrocław Bardzka sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
13	Hotel Wrocław Grabiszyńska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
14	M2 Biuro sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
15	M2 Hotel sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
16	Pimech Invest sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
17	R4R Gdańsk Kołobrzeska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
18	R4R Gdańsk Stocznia sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
19	R4R Kraków 3 Maja sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
20	R4R Kraków JPII sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
21	R4R Leasing sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
22	R4R Łódź Kilińskiego sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
23	R4R Łódź Wodna sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
24	R4R Poland sp. z o.o.	Warszawa	30%	Echo Investment S.A.
25	R4R Poznań Nowe Miasto sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
26	R4R Poznań Szczepanowskiego sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
27	R4R RE sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
28	R4R RE Wave 3 sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
29	R4R RE Wave 4 sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
30	R4R SPV 10 sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
31	R4R Warszawa Browary sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
32	R4R Warszawa Opaczewska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
33	R4R Warszawa Taśmowa sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
34	R4R Warszawa Wilanowska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
35	R4R Warszawa Woronicza sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
36	R4R Wrocław Jaworska II sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
37	R4R Wrocław Kępa sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
38	R4R Wrocław Park Zachodni sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
39	R4R Wrocław Rychtalska sp. z o.o.	Warszawa	30%	R4R Poland sp. z o.o.
RESI ARCHICOM				
40	Projekt Browarna sp. z o.o.	Wrocław	55%	Archicom S.A.
StudentSpace				
41	SGE JVco SARL	Luxemburg	30%	Echo Investment S.A./SGE Poland Holdco S.a.r.l.
42	SGE Operating company sp. z o.o.	Warszawa	30%	SGE JVco SARL
43	SGE Propco 1 SARL	Luxemburg	30%	SGE JVco SARL
44	SGE Propco 1 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
45	SGE Propco 2 SARL	Luxemburg	30%	SGE JVco SARL
46	SGE Propco 2 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL

Joint ventures

No	Subsidiary	Registered office	% of capital held	Parent entity
47	SGE Propco 3 SARL	Luxemburg	30%	SGE JVco SARL
48	SGE Propco 3 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
49	SGE Propco 4 SARL	Luxemburg	30%	SGE JVco SARL
50	SGE Propco 4 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
51	SGE Propco 5 SARL	Luxemburg	30%	SGE JVco SARL
52	SGE Propco 5 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
53	SGE Propco 6 SARL	Luxemburg	30%	SGE JVco SARL
54	SGE Propco 6 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
55	SGE Propco 7 SARL	Luxemburg	30%	SGE JVco SARL
56	SGE Propco 8 SARL	Luxemburg	30%	SGE JVco SARL
57	SGE Propco 7 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL
58	SGE Propco 8 SARL sp. z o.o. Oddział w Polsce	Warszawa	30%	SGE JVco SARL

Changes in the structure of the Group in 2025

Increase of the Group

Entity	Action	Date	Share capital
EASS500 sp. z o.o.	Purchase of shares in the company by Archicom	19.02.2025	5 000 PLN
Fit-out Center Archicom sp. z o.o.	Purchase of shares in the company by Archicom	17.04.2025	50 000 PLN
RPGZ 16 sp. z o.o.	Purchase of shares in the company by Archicom	18.07.2025	5 000 PLN

Decrease of the Group

Entity	Action	Date	Share capital (PLN)
Avatar - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	12 794 350
Cinema Asset Manager - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	50 000
Galaxy - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	3 825 990
Galeria Tarnów - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	767 053
PPR - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	327 661
Symetris - Grupa Echo sp. z o.o. sp.k.	Takeover of the company by Projekt Echo - 116 Sp. z o.o. S.K.A.	10.01.2025	50 000
Projekt Saska sp. z o.o.	Dissolution of the company	28.02.2025	50 000
Park Rozwoju III – Grupa Echo sp. z o.o. sp.k.	Dissolution of the company	4.03.2025	10 505 000
Park Rozwoju III– Grupa Echo sp. z o.o. sp.k.	Deletion from the Register of Entrepreneurs	2.04.2025	10 505 000
Rondo 1 City Space - GP sp. z o.o. sp.k.	Dissolution of the company	22.09.2025	5 000
Rondo 1 City Space - GP sp. z o.o. sp.k.	Deletion from the Register of Entrepreneurs	07.11.2025	5 000
Dagnall sp. z o.o.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	5 000
Echo - Property Poznań 1 sp. z o.o.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	2 755 000
Malta Office Park - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	74 995
PHS - Grupa Echo sp. z o.o. sp.k.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	1 637 007
Projekt 16 - Grupa Echo sp. z o.o. S.K.A.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	50 000
RPGZ IX sp. z o.o.	Takeover of the company by Projekt Echo – 115 Sp. z o.o.	27.11.2025	5 000
Fit-out Center Archicom sp. z o.o.	Sale of shares in the company by Archicom S.A.	18.12.2025	50 000
Echo Investment Project 1 S.R.L.	Sale of shares in the company by Echo - Aurus Sp. z o.o.	19.12.2025	121 941 144
Projekt Saska sp. z o.o.	Deletion from the Register of Entrepreneurs	29.12.2025	50 000

The acquisition of Fit-Out Center Archicom sp. z o.o.

On 17 April 2025, the Issuer entered into a share purchase agreement with natural persons, pursuant to which it acquired 100% of shares in Fit-Out Center Archicom sp. z o.o. with its registered office in Wrocław (formerly Anicar sp. z o.o. with its registered office in Warsaw) for the amount of PLN 500 thous. The transaction was a business acquisition. The assets acquired and liabilities taken over, whose fair value, in the opinion of the Management Board, does not differ significantly from their book value, are presented below.

In addition to the assets and liabilities listed below, the acquired company has intangible assets in the form of know-how, understood as technical and non-technical (commercial, administrative, organizational, financial) expertise and experience necessary to effectively conduct its business. These resources, in accordance with IFRS 3, do not meet the criteria for being recognized separately from the company's goodwill. The fair value of these off-balance sheet intangible assets was estimated to be PLN 12,107 thous.

The company, in addition to its know-how, possesses elements such as a logo, internet domain, and website. Due to its limited brand recognition and mixed customer reviews visible in online ratings, these elements were not considered crucial from an economic value perspective. The fair value measurement of the acquired assets and liabilities focused on those assets and operational aspects which have the actual significance for a prospective independent investor and may influence its purchasing decision.

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

Acquired assets

Non-current assets		
Property, plant and equipment		58
		58
Current assets		
Inventories		3 151
Trade receivables and others		3 465
Receivables from other taxes		45
Cash and cash equivalents		63
		6 724
Total assets	**A**	**6 782**
Acquired liabilities		
Long-term liabilities		
Loans, borrowings and bonds		3 630
Long-term provisions		1 324
		4 954
Current liabilities		
Trade liabilities		8 154
Income tax liabilities		21
Other taxes liabilities		193
		8 368
Total liabilities	**B**	**13 322**
Net asset value	**C = A-B**	**(6 540)**
Purchase price	D	500
Recognized goodwill	**E=D-C**	**7 040**

Revenue and net profit of the acquired entity included in the consolidated profit and loss account for the reporting period

	18.04.2025 - 31.12.2025
Sales revenues	6 300
Other operating income	413
Net profit (loss)	**(12 135)**

The revenues and net financial results of the combined entities that would have been included in the consolidated statement of profit or loss for the reporting period if the merger date had been the beginning of that period.

	1.01.2025 - 31.12.2025
Sales revenues	13 326
Other operating income	631
Financial income	28
Net profit (loss)	**(13 576)**

The sales of Fit-Out Center Archicom sp. z o.o. and Echo Investment Project 1 s.r.l.

On 18 December 2025, Archicom S.A. transferred, under a share sale agreement, the title to 100% of the shares in its subsidiary Fit-Out Center Archicom sp. z o.o. (currently Fit-Out Center Polska sp. z o.o., with its registered office in Warsaw) to an unrelated party for a price of PLN 500 thous. As a result of the share sale, the Group lost control of the subsidiary.

On 19 December 2025, Echo – Aurus Sp. z o.o. had a liability under a loan granted by Echo Investment Project 1 s.r.l. in the amount of RON 7,379 thous., which was transferred to an unrelated party. In exchange for the assumption of the debt, Echo – Aurus Sp. z o.o. transferred the shares it held, representing 100% of the share capital of its subsidiary Echo Investment Project 1 S.R.L., to that unrelated party. As a result of this transaction, the Group lost control of the subsidiary.

Value of assets and liabilities as at the date of disposal [PLN '000]

	Fit-Out Center Archicom sp. z o.o.	Echo Investment Project 1 S.R.L.
Non-current assets		
Goodwill	7 040	-
Property, plant and equipment	2 407	-
Other	3 398	-
	12 845	**-**
Current assets		
Inventories	3 170	-
Trade receivables and others	3 851	1
Short-term financial assets	-	6 107
Receivables from other taxes	-	1 255
Cash and cash equivalents	1 113	334
Other	155	-
	8 289	**7 697**
Total assets	**21 134**	**7 697**
Long-term liabilities		
Lease liabilities	1 386	-
Other	1 940	-
	3 326	**-**
Current liabilities		
Trade liabilities	9 733	10
Other taxes liabilities	-	20
Other	2 111	1 256
	11 844	**1 286**
Total liabilities	**15 170**	**1 286**

2.4 Main accounting principles

The most important accounting principles applied in the preparation of these financial statements are presented below. These rules were applied in all presented periods in a continuous manner unless stated otherwise.

Functional currency and currency of presentation

Items in the financial statements of each Group's entities are presented in the main currency of the economic environment in which given subsidiary operates (functional currency). The Group's financial statement is presented in the Polish zloty (PLN) – the presentation currency and the functional currency of the parent company.

Any differences in totals result from mathematical rounding to the nearest thousand Polish zloty (PLN).

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rate effective on the transaction or measurement day when items are revalued. Gains and losses arising from the settlement of such transactions and measurement of assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for foreign exchange gains and losses related to interest costs to the extent that such interest is capitalized in the value of the asset, which is recognized in the carrying amount of the asset.

The Group comprises entities with a functional currency other than PLN. The reporting data of those companies included in these statements have been converted to PLN in accordance with IAS 21, excluding capital items, that should be recalculated according to historical currency exchange. Balance sheet items are translated at the exchange rate on the balance sheet, the profit and loss account items are translated at the average exchange rate for the period (unless this average is not a reasonable approximation of cumulative effect of the rates effective on the transaction days – in which case income and expenses are translated at the dates of the transaction days). The resulting exchange differences are recognised in other comprehensive income and the cumulative amounts are recognised in a separate component of equity. In the moment of the foreign entity disposal, its accumulated currency differences recognised in equity are recognised in profit and loss account as profit on disposal.

Property, plant and equipment

Property, plant and equipment include fixed assets owned by the Group.

The composition of the Group's fixed assets include:

- real estate (not leased and not intended for trade) used by the Group,
- plant and machinery,
- vehicles,
- other complete and serviceable items with an expected service life of more than one year.

Fixed assets are valued and presented in the statement according to purchase prices or production costs, less depreciation and impairment write-offs.

Fixed assets are posted on collective accounts according to the groups of the Classification of Fixed Assets and a detailed register of fixed assets is kept.

Fixed assets are depreciated using the straight-line method of tax rates, which reflect the period of economic usefulness.

Fixed assets are depreciated on a straight-line basis by using the rates shown in the table below, which reflect the economic useful life indicated:

Property, plant and equipment	Depreciation rates
Right of perpetual usufruct of land	1.3% - 1.5%
Buildings	2.5% - 4.5%
Technical devices and machinery	10% - 60%
Means of transport	20.00%
Other property, plant and equipment	4.5% - 20%

Subsequent expenditure is included in the asset's carrying amount or recognized as a separate asset (where appropriate) only when it is probable that economic benefits will flow to the Company from the item and the cost of the item can be reliably measured. All other repair and maintenance expenses are charged to the profit and loss account in the financial period in which they were incurred.

Property, plant and equipment are verified for impairment if events or changes in circumstances indicate that the carrying amount may not be realizable. An impairment loss is recognized for the amount by which the carrying amount of an asset or cash-generating unit exceeds the recoverable amount and is recognized in the profit and loss account. The recoverable amount is the higher of the fair value less costs to sell or value in use.

Gains and losses on disposal of fixed assets, representing the difference between the sales proceeds and the carrying amount of the fixed asset sold are recognised in the profit and loss account under other operating income / expenses.

Intangible assets

Intangible assets are recognized if it is probable that they will result in future economic benefits that can be directly related to these assets. Initial recognition of intangible assets is made at cost of acquisition or cost of manufacturing.

After initial recognition, intangible assets are measured at cost of acquisition or cost of manufacturing reduced by amortization (except for assets that have an indefinite useful life) and impairment losses. Intangible asset records are kept according to analytical methods. The amortization plan adopts amortization rates from 2.5 % to 50 %, which reflect the economic useful life.

Intangible assets are amortized using the straight-line method.
Intangible assets are tested for impairment, if certain events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is disclosed in the amount by which the carrying value of an asset exceeds the recoverable value.

If a trademark is identified among the acquired assets, the Management Board assesses whether the intangible asset has a definite or indefinite useful life. An intangible asset with an indefinite useful life is not amortized. The Group con-ducts an analysis of possible impairment by comparing the carrying amount of the trademark with its recoverable amount, at least once a year, and any writedowns of the trademark value are charged to the Group's current financial result.

Investment properties, investment properties under construction

Investment properties include properties owned by the Group which are leased out together with land directly related to these properties, as well as land purchased and maintained in order to in-crease their value. Investment properties under construction are investments carried out by the Group intended for lease and under construction. The Group classifies investment properties under construction as investment properties when they are available for use – obtain an occupancy permit for the building.

In addition, as investment properties, the Group includes properties acquired for future development projects that currently generate significant rental revenues. Such presentation under investment properties is until such time as a development project is launched and such property is demolished.

Investment properties are initially recognized at purchase price / manufacturing cost. Subsequent expenditure is included in the carrying amount of the investment property or recognized as a separate investment property (where applicable) only when it is probable that an economic benefit will flow to the Group from the item and the cost of the item can be reliably measured. All other repair and maintenance expenses are charged to the statement of comprehensive income in the financial period in which they are incurred. The value of investment properties under construction includes costs directly related to the project not yet completed. They consist of expenses incurred for the purchase of land real estate, outlays for the design and implementation of buildings (mainly external services), activated financial costs and other costs incurred during the implementation directly related to the investment.

After initial recognition, as at each balance sheet date, investment property under construction that meets the premises for their valuation, and investment property are disclosed at fair value. The fair value measurement is updated at least quarterly. Profits or losses resulting from changes in the fair value of investment properties are recognized in the statement of comprehensive income in the period in which they arise. The result on the valuation of investment properties is presented in the profit / loss on investment property item.

For investment properties under construction, the premises for valuation are deemed to be met in the case of projects where a significant part of the risks related to the construction process has been eliminated and it is possible to measure reliably at fair value. In other cases, when it is not possible to reliably determine the fair value, the value of real estate under construction is valued according to the purchase price or production cost less impairment losses.

The Group has specified the conditions under which it begins the process of analyzing whether significant risks relating to investment properties under construction have been eliminated. These conditions include:

- obtaining a building permit,
- contracting construction works with a value of at least 30 % of the investment budget,
- renting at least 20% of the area in the project under implementation.

The presented conditions constitute the boundary criteria of the analysis. Each investment property under construction is analyzed individually in terms of the possibility of obtaining a reliable valuation to fair value, taking into account, in addition to the conditions described above, also the general economic and market situation, the availability of data for similar properties and expectations regarding the volatility of factors underlying the valuation and the method of financing investment project.

The fair values of land and buildings measured at fair value are updated in such a way as to reflect the market conditions prevailing at the end of the reporting period. The fair value of investment property is the price that would have been received for the sale of an asset or paid for the transfer of a liability in a transaction between market participants carried out on normal conditions at the valuation date.

Property fair values are subject to verification by internal Analyse Department in cooperation with the Management Board, based on transaction concluded on active market, offers, preliminary agreements, knowledge and experience, or based on external vauations prepared by experts. As a rule, valuations of office real estate, for which the Group carries out an active sales preparation process, are prepared internally, based on available market data, in particular a level of discount rate (yield) discussed with potential buyers, and based on levels of rent and oter rental conditions. The discounted net cash flow (DCF) method is used to determine the fair value. In the case of investment property under construction, the valuation is reduced by the discounted expenditure necessary to complete the investment, taking into account the development margin. As part of the fair value measurement of real estate, the Group estimates the area that remains vacant for certain periods.

In the event of a change in the use of the property, it shall be appropriately reclassified in the financial statements. The property is transferred and recognized in the item of property, plant and equipment or inventory at the previously disclosed carrying amount.

The result on the sale of in-vestment property is recognized under 'profit / loss on investment property'.

The Group transfers investment properties to the category of assets held for sale only when a property is subject to sale outside of its standard operating cycle and when the criteria of IFRS 5 are fulfilled. This is due to the adopted strategy of the Echo Investment Group, according to which real estate is maintained by the Group and sold at the best moment - in the opinion of the Management Board - that takes into account expectations regarding return on invested capital, availability of capital for other investments, as well as basing the decision on the market situation and expectations for its further development. The Group's goal is to build properties and increase their value through active management of investment projects. Therefore, the Group classifies in-vestment projects as investment properties (or investment properties under construction) and re-classifies them to assets held for sale only in rare situations.

Assets held for sale

Assets (or a disposal group) are classified as held for sale if their carrying amount is recovered principally through a sale transaction and not through its further use. This condition is considered to be fulfilled only when the occurrence of the sale transaction is highly likely and the asset (or the disposal group) is available for immediate disposal in its current state (in accordance with generally accepted commercial terms). Classification of an asset as held for sale assumes the intention of the Group's management to make a sale transaction within one year from the change of classification.

Investment properties measured at fair value in accordance with IAS 40, after reclassification to assets held for sale, continue to be measured at fair value and at the same time are excluded from IFRS 5 valuation rules.

Inventories

The item of inventories comprises: semi-finished products and work in process, finished products, and goods. Due to the nature of the business, newly purchased plots of land are presented as land and plots of land to be developed are divided by the Group between fixed and current assets based on the estimated duration of the operating cycle. The operating cycle is a period of approx. 5 years on average, individually estimated for each project, consisting of 2 phases: (1) the preparatory phase (which includes obtaining all necessary administrative arrangements, permits, environmental decisions, building permits or drawing up the architectural concept and design) lasting most often up to 3 years, and then (2) the construction phase lasting from the end of the preparatory phase until the granting of the occupancy permit. Projects that are in the operational cycle (phase 1 or 2) are presented in short-term assets under Inventories (Work in progress), and projects beyond the operational cycle are presented in long-term assets under "Land held for development". The individual evaluation of each project, in terms of meeting the classification criteria, is carried out at each balance sheet date. The work in progress includes also the expenses incurred over the process of construction of facilities and sites for sale (design services, construction works, etc. provided by external contractors). Finished products mainly include residential and business premises completed and sold under final sale contracts.

The inventories of tangible items of current assets are measured at the value corresponding to the purchase price of land and the cost of production of developers' business products increased by activated financial costs, being not higher than the net realizable value. This value is collected from information on the active market. Reversal of impairment loss of inventories appears either on the sale of inventories exor due to increased net sales price. Both the amount of write-downs of inven-tories recognised as an expense in the period and the amount of any reversal of any write-downs decreasing the value of inventories recognised in the period as reduction in cost are stated in the profit and loss accounts under cost of sales.

Leasing

The Group as a lessee

In order for a contract to be classified as a leasing agreement, the following conditions must be met:

- the contract must relate to an identified asset for which the supplier does not have a significant converting right,
- the contract should give the beneficiary the right to control the use of the identified asset for a specified period of time. This means that the user has the right to take advantage of the economic benefits of using a given component and the right to decide on its use,
- the contract must be payable.

The Group applies the following simplifications, based on not including the lease liability:

- short-term lease: a short-term lease agreement is a contract with no option to purchase an asset, concluded for a period shorter than 12 months from the beginning of the contract,
- low-value lease: the basis for the assessment of the „low" value should be the value of the new asset. The Management Board of the Group has decided that this applies to lease agreements regarding assets whose value did not exceed PLN 15,000 (when new), which can be treated as the upper limit of recognition as a low value item.

The Group recognizes a right of perpetual usufruct of land granted by an administrative decision as a leasing contract. This applies to all land, including those related to development projects presented in stock.

The Group applies the straight-line method of depreciation and depreciation rates: the perpetual annuity method or over the period covered by the use, depending on the contract.

If leasing and non-leasing elements are identified in the contract, the Group chooses a practical solution according to which it recognizes each leasing element and any accompanying non-leasing elements as a single leasing element.

In addition, in the case of a portfolio of leases with similar characteristics, the Group applies the standard to the entire portfolio when it reasonably expects that the impact that the application of this standard will have on the financial statements will not be significantly different from the impact of applying it to individual leases under this portfolio.

The duration of the lease agreement is defined as the irrevocable period of the lease agreement including also possible periods of renewal of the lease agreement if the lessee has sufficient certainty that this option will be used and the possible periods of notice for the lease agreement if the lessee has sufficient certainty that this option will be used.

At the time of the first recognition, the Group recognizes the lease liability measured at the current value of lease payments due to the lessor over the lease period discounted at the marginal lending rate typical for a given asset, and if it is not available, at the incremental borrowing rate specific to the asset.

Lease payments include:

- fixed payments less any incentives due,
- variable lease payments, that depend on the index or the rate, initially priced using the index or the rate effective as at the starting date of the contract,
- amounts whose payment by the lessee is expected within the guaranteed residual value,
- the exercise price of the purchase option, if it can be assumed with sufficient certainty that the lessee will use this option,
- penalty payments for termination of the lease, if the lease terms stipulate that the lessee may use the option of termination of the lease.

At the same time, the Group recognises an asset for the right to use in the same amount as a liability, adjusted for all lease payments paid on or before the start date, less any lease incentives received and increased by any initial direct costs incurred by the lessee. After initial recognition, the Group recognises a lease liability by:

- increasing the carrying amount to reflect interest on a lease liability,
- reducing the carrying amount to reflect lease payments paid, and
- updating the valuation of the carrying amount to take account of any reassessment or changes in the leases listed below (changes in the lease contract), or to reflect substantially updated constant lease payments.

Changes to the lease agreement that make it necessary to update the value of the liability include:

- change in the leasing period,
- change in the assessment of the call option of the underlying asset.

For the above changes, the Group applies an unchanged discount rate.

For the following changes:

- change in the amount expected to be paid under the residual value guarantee,
- a change in future lease payments resulting from a change in the index or rate used to determine these payments, including, for example, a change to take account of changes in rental rates on the free market following a review of these rentals.

The Group applies an unchanged discount rate, unless the change in lease payments results from a change in variable interest rates. In this case, the Group applies an updated discount rate that reflects changes in the interest rate.

The Group shall recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes the remaining amount of the revaluation in the result.

After the date of commencement of the lease, the asset under the right of use is measured at cost less total depreciation and amortization (impairment) and total impairment loss and the revised lease liability adjusted for any revaluation. Depreciation is calculated using the straight-line method over the estimated useful life. If the lease agreement transfers to the Group the title of the asset before the end of the lease period or when the cost of the asset due to the right of use reflects the fact that the Group will exercise the option to buy the residual value of the leased asset, the Group depreciates the asset from the right of use from the moment of commencement of the leasing contract until the end of the estimated economic useful life of the asset. In other cases, the Group depreciates assets due to the right of use from the date of commencement of the contract to the earlier of two dates: the date of the end of the economic life of the asset or the end date of the lease. For lease contracts, the subject of which is an asset which, in accordance with the Group's accounting policies, is measured at fair value, the Group does not depreciate such assets due to the right of use but measures them at fair value.

The Group has decided to include assets due to the right of use in the same line of the statement of financial position, in which the corresponding leased assets are presented when they are the property of the Group. Liabilities are presented appropriately in long-term - when the asset due to the right of use is classified as a fixed asset, investment property or investment property under construction, or shortterm - when perpetual usufruct concerns assets classified as inventory.

Contract type and presentation in the balance sheet	Valuation method as at the balance sheet date	Impact on the income statement
Office space lease agreements:		
– investment property, or	Valuation at fair value	Yes
– fixed assets	Depreciation	Yes
Rental agreement on means of transport:		
- fixed assets	Depreciation	Yes
Perpetual usufruct of land:		
– investment property, or	Valuation at fair value	Yes
– investment property under construction, not valued at fair value, or	Depreciation with simultaneous capitalization of depreciation costs in the value of investment property under construction	No
– fixed assets	Depreciation	Yes
inventory	Depreciation with simultaneous capitalization of depreciation costs in inventory	No

The Group classifies assets due to the right of use resulting from contracts / decisions issued to the following balance sheet items and applies the appropriate accounting policy for certain items:

Lease liabilities are covered by IFRS 9 with respect to determining when these liabilities meet the criteria for removing them from the balance sheet. A liability in accordance with IFRS 9 par. B.3.31-B.3.34 is removed from the balance sheet once it has been settled, expired or the debtor has been legally released from debt, e.g. by transferring the debt to another party. The right of perpetual usufruct of land, in relation to which the Group is legally released from the debt arising from the obligation to pay fees for perpetual usufruct or transformation fees only at the time of legal (notarial) transfer of a share in the land belonging to the premises sold to the buyer, is a special case. Therefore, until the transfer of the above ownership, the liabilities of the lease of land, as well as the corresponding assets due to the right to use the land in perpetual usufruct, remain on the balance sheet, although in accordance with the policies described in part 2.5 Methods for determining the financial result, revenues from the sale of residential and service premises are recognized when the property is delivered to the buyer.

For this reason, when the premises are transferred to the buyer (which is also the moment when the proceeds from the sale of the premises are recognized), a portion of the related leasing asset is transferred from inventory to receivables from the buyer, in the amount corresponding to the recognized liability for the leasing of the given land. Until the (notarial) transfer of the property to the purchaser, both the receivable and the liability are disclosed as short-term, because they will be settled by transfer to the buyer during the “operating cycle”. On the date of transfer of ownership to the buyer, the liability for land lease and receivables from the purchaser of premises are derecognized.

The Group as a lessor

In the case of contracts where the Group acts as a lessor, each lease contract is classified as operating or finance lease. Lease agreements under which the lessor retains a significant portion of the risks and rewards of ownership of the leased asset are classified as operating leases. A leasing contract is classified as a financial leasing if, as a result of this contract, substantially all of the risk and rewards of ownership of the leased asset are transferred to the lessee.

In the case of operating lease agreements, the Group recognizes lease revenues on an straight-line basis in the statement of comprehensive income. In the case of finance leases, the Group derecognises the asset that is the subject of the agreement while recognizing the lease receivable.

Sub-leasing – a transaction for which an underlying asset is re-leased by a lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect.

The Group classifies sub-leasing as follows:

- if it was decided to choose a short-term lease exemption for main lease, subleasing is classified as operating lease,
- otherwise, sub-leasing is classified in relation to the asset due to the right to use the principal lease and not the underlying asset.

If the sub-lease agreement is classified as operating lease, the indirect lessor (the Group) continues to recognize the lease liability and asset due to the right to use of the main lease. At the same time, it recognizes sublease leasing revenues during the lease period basis. If the sub-lease agreement is classified as financial lease, the indirect lessor (the Group):

- ceases to recognize the asset due to the right to use the main lease as at the date of the initial sub-lease agreement,
- recognizes the net investment from sub-leasing instead and assesses it for impairment (lease receivable),
- continues to recognize the original lease liability.

Financial assets

In accordance with IFRS 9, the Group classifies its financial assets into the following categories:

- financial assets measured at amortized cost,
- financial assets measured at fair value through other comprehensive income,
- financial assets at fair value through profit or loss.

The classification of assets takes place at the moment of initial recognition. It depends on the financial instruments management model adopted by the entity and analysis of the characteristics of contractual cash flows from these instruments.

Loans granted, trade and other receivables and restricted cash that do not meet the definition of cash equivalents in accordance with IAS 7 Statement of Cash Flows (i.e. collateral for bank guarantees and funds held in open housing fiduciary accounts) are measured by the Group at amortized cost, as two conditions are met for them: the assets are held in a business model whose intention is to hold the assets to obtain contractual flows and the contractual terms of these financial assets give rise to cash flows at certain times that are only repayments of principal and interest on outstanding capital.

Assets are entered into the books on the trade date and are excluded from the balance sheet when the contractual rights to cash flows from the financial asset expire or when the financial asset is transferred along with all the risks and rewards of ownership of the asset. The Group uses a weighted average of financial instruments of the same type and risk as the applicable cost method for financial instruments.

If the renegotiation or other type of modification of the contractual cash flows generated by the financial asset results in its derecognition in accordance with IFRS 9, the modified instrument is treated as new. In the event of a renegotiation or other modification of the contractual cash flows generated by a given asset that does not result in derecognition, the Group revalues the gross carrying amount of that financial asset (ie the amount of its amortized cost before allowance for credit losses). The revaluation is the discounting of new expected contractual cash flows (after modification) using the original effective interest rate. The resulting difference is recognized as profit / loss in profit or loss. From that point on, an entity assesses whether the credit risk of the financial instrument has increased significantly after its initial recognition by comparing the credit risk at the reporting date (under the modified terms) with that at initial recognition (under the pre-modification terms).

Receivables

Trade and other receivables constituting financial assets are recognized in the balance sheet at transaction price and then at amortized cost using the effective interest method, reducing them by impairment losses using the expected credit loss model. When the difference between the value at amortized cost and the value of the amount of the payment required does not have a significant effect on the Group's financial results, such receivables are recognized in the balance sheet as the amount of the payment required.

The value of receivables is updated taking into account the degree of probability of their payment by making a write-down. The rules for creating revaluation writeoffs are described below in the section Impairment of financial assets.

Advances for deliveries are valued according to cash disbursed and in accordance with received VAT invoices documenting the granting of advance payments.

Borrowings granted

Borrowings granted are debt instruments held for the purpose of obtaining contractual cash flows that consist solely of principal and interest repayments ("SPPI").

These assets are booked under at the date of the transaction, and derecognized when the contractual rights to cash flows from a financial asset expire or when the financial asset is transferred along with all the risks and benefits of ownership of the asset.

Borrowings granted are recognized as at the date of entering the books at fair value plus transaction costs, then as at the balance sheet date at amortized cost determined using the effective interest method.

The rules for recognition of impairment write-downs are described below in the section 'Impairment of financial assets'.

Loss of value of financial assets ('ECL')

Pursuant to IFRS 9, as at each reporting day, the Group estimates the amount of the impairment loss equal to the expected credit loss ('ECL').

The Group calculates the write-off as follows for individual asset categories:

Trade receivables

The Group uses a simplified approach and therefore does not monitor changes in credit risk over the lifetime, and measures the impairment loss at an amount equal to the expected credit losses ('ECL') over the lifetime horizon of the receivables. To calculate the impairment loss on trade receivables, the Group uses a provision matrix made once a year as of 31 December, based on historical data (for the past 5 years adjusted for the time value of money and information that is available without undue cost or effort at the reporting date regarding past events, current conditions and projections of future economic conditions) concerning the payment of receivables by counterparties.

Impairment losses are updated as at each reporting day. The provision matrix is based on the analysis of the payment of receivables in individual past due groups and determining the probability of non-payment of receivables from a given age range based on historical data. For the purposes of the analysis, trade receivables are divided into two groups: receivables from the sale of apartments, the lease and other receivables.

The calculated probability of non-payment of receivables in each of the past due groups for specific categories of receivables is applied to the current balance of receivables in each of the past due groups and the write-off for the expected credit losses of receivables is calculated.

Additionally, the Group analyzes individual trade receivables and other receivables where it is highly probable they will become uncollectible, in cases justified by the type of business or the client structure - and recognizes the write-off in a reliably estimated value. Classification of an asset to this category is made on the basis of information about the current financial situation of the counterparty and information about other events that may have a significant impact on the recoverability of the asset.

Such receivables are excluded from the matrix analysis, and a possible write-off is recognized on the basis of an individual analysis.

Loans granted and covered bonds

The Group calculates the expected credit losses ('ECL') for loans and bonds as the difference between the cash flows arising from the contracts signed and the cash flows that the entity expects to receive.

If, as at the reporting date, the credit risk related to loans granted has not increased significantly since initial recognition, the Group measures the allowance for expected credit losses on this financial instrument in the amount equal to 12-month expected credit losses.

A significant increase follows analyses of the financial situations of the entities to which the Group has granted loans, in particular:

- financial projections and the fair value of the properties held, and information on the investment projects carried out by these companies,
- analysis of the value of the equities of these companies and its changes in the analyzed periods,
- analysis of financial results.

In the case of an increase in credit risk from the initial recognition, the expected credit losses are calculated over the entire life of a given financial instrument.

The Group estimates the cash flows it expects to receive based on the default rate determined with reference to the credit risk of entities to which loans have been granted or for which bonds have been issued, adjusted by the recovery rate as a reliable estimate of the level of credit risk.

In addition, the Group provides the individual analysis of loans granted and bonds covered with a significant level of probability of default, in cases justified by the type of business or the client structure - and recognizes the write-off in a reliably estimated value. Such loans and bonds are excluded from the matrix analysis, and a possible write-off is recognized on the basis of an individual analysis.

Derivatives

Derivatives are ecognized in the books at the time where the Group becomes a party to a binding agreement. The Group takes recourse to derivative instruments to mitigate the risks associated with changes in ex-change rates or interest rates. The Group does not apply hedge accounting.

At the balance sheet date, derivatives are measured at fair value. Whereas derivatives with fair value greater than zero are financial assets, those with negative fair value are financial liabilities.

Profit or loss on derivatives is recognized in financial income or expenses (IRS) or in profits/losses on derivatives (Forwards), respectively, and in the consolidated statement of cash flows as cash flows from operating (forwards) and financing activities (IRS).

Cash

Cash at bank and in hand as well as short-term deposits (up to 3 months from the date of establishment), as well as other financial assets that meet the definition of cash equivalents are measured at nominal value plus accrued interest. At each balance sheet date, the Group assesses the premises for impairment of cash value, including the need to create a write-down for expected credit losses.

Foreign currency cash is measured as of the reporting date. The same definition of cash applies to the cash flow statement.

Liabilities

Financial liabilities

Financial liabilities include loans, borrowings, debt securities, not payable interest on bank loans accounted for according to the accrual principle as well as the discount of debt securities to be settled in subsequent accounting periods. Foreign currency loans are measured at the selling rate of the National Bank of Poland. The credits, bonds and loans line also includes profit share liabilities, and the revaluation is recognized as interest expense in the period when the revaluation occurred. Profit share is an integral part of the loan, which results from contractual provisions. The loan plus accrued additional interest is the lender's interest in the borrower, which is redeemable when the project is sold (or at final maturity).

Financial liabilities are initially recognized at fair value less transaction costs, and then measured using the “amortized cost” method. The valuation of liabilities includes all costs of obtaining financing, including directly related to financing costs of bank fees, costs of brokers and agents, legal costs, experts and a bank monitor.

Other liabilities

Trade liabilities are initially measured at fair value, and subsequently, long-term liabilities are measured at amortized cost using the effective interest method. In cases where the difference between the value at amortized cost and the value in the amount of the payment required does not have a significant effect on the financial results of the Group, such liabilities are recognized in the balance sheet in the amount of the payment required.

Income tax liabilities and other taxes include the Group's liabilities arising from public-law settlements, i.e. mainly taxes: income tax, VAT, taxes on property, social security, etc.

Under dividend payables, the Group presents unpaid dividends to shareholders as of the balance sheet date. The Group has liabilities due to deposits from contractors, which are a form of security for the due performance of the work performed by the contractors and their compliance with the warranty period, or are used to cover any costs arising from their failure to do so. The deposits are discounted as of the balance sheet date based on the maturity date and the discount rate adopted as of the date the deposit is posted. The discount is recognized in the inventory value if it meets the capitalization criteria.

Liabilities due to contracts with clients include payments from residential clients blocked in escrow accounts and payments released from these accounts. Liabilities due to contracts with clients are presented within current liabilities. The Management Board does not identify a significant financing component within these liabilities.

Contracts of issued financial guarantees

After initial recognition, the Group measures granted financial guarantees at the higher of the following values:

(i) the amount of the allowance for expected credit losses, and
(ii)the amount initially recognized, if applicable, less the cumulative amount of income recognized in accordance with the principles of IFRS 15.

According with IFRS 9 principles the Group calculates the expected credit loss ('ECL') regarding the guarantees given as expected payments to compensate the guarantee holder for the incurred credit loss. The Group first determines the value of the Group's exposure due to guarantees granted (the actual total value of the contingent liability as at the balance sheet date). The net exposure resulting from the guarantee thus determined is multiplied by the default ratio (determined on the basis the credit risk of the entities to which the guarantee was granted . and adjusted for the recovery ratio).

Income tax

Income tax on the profit or loss for the financial year includes current and deferred income tax. Income tax is recognised in the profit and loss account, except for amounts related to items recognised directly in equity or in other comprehensive income; in this case, income tax is disclosed in equity and other comprehensive income respectively

The current portion of income tax is the expected amount of tax on taxable income for a given year, calculated based on the tax rates determined as of the balance sheet date along with any tax adjustments for previous years.

Deferred tax is calculated with the balance sheet method as tax to be paid or reimbursed in the future on the differences between the carrying values of assets and liabilities and the corresponding tax values used to calculate the tax base, except for temporary differences which arise at the time of initial recognition of an asset or liability, and do not affect the accounting or tax result. At the commencement of the lease, the right-of-use asset and the lease liability are equal, so there is no temporary difference and no deferred tax is created. During the lease term, a difference arises between the value of the asset and the lease liability. The Group charges deferred income tax on the difference between these values. This approach aims to reflect the relationship between the right-of-use asset and the lease liability, and account for deferred tax based on cumulative temporary differences. This method provides an effective tax rate that better reflects the economics of the entire lease transaction. In accordance with the recent amendments to IAS 12, as described above, the Group recognizes temporary differences separately for assets and liabilities in the statement of financial position.

Deferred tax is not created for temporary differences on investments in subsidiaries, jointly controlled entities and associates, if the Group controls the reversal of these differences and they will not be reversed in foreseeable future.

Deferred income tax assets due to tax loss are created, if the settlement of the loss in the following years is probable.

Deferred income tax is estimated on every balance sheet date by recognising differences in the profit and loss account, other comprehensive income or equity, depending where the temporary difference from which the deferred tax is subtracted was recognised.

Equity

The Group has the following types of equity:

- share capital,
- supplementary capital
- retained earnings,
- foreign exchange differences on translation of foreign entities,
- capital of non-controlling interests.

The share (initial) capital is valued at nominal value as reported in the National Court Register

Differences between the fair value of the payment received and the nominal value from the sale of shares are recognized in the supplementary capital.

Share issue costs reduce the Group's supplementary capital.

Capital related to share-based incentive schemes pertains to a long-term incentive programme based on the amount of dividends paid, under which members of the Management Board participate.

Within retained earnings, the Group recognises the net profit (loss) for the current financial year as well as undistributed profit or uncovered loss from the current and previous financial years.

Foreign exchange differences on translation of foreign entities - the Group recognizes foreign exchange differences arising on translation of individual items of the statement of financial position of a foreign entity into the Polish currency.

Provisions

The provisions are recognised when the Group is under a present obligation resulting from past events, it is probable that fulfilment of this obligation will cause an outflow of resources representing economic costs and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the costs estimated in accordance with the best knowledge of the management of the Group, the incursion of which is required to settle the present liability at the balance sheet date.

The Group creates provisions for unused leaves of employees. The provision is calculated on a quarterly basis. The provision is estimated for each employee individually, as the product of gross remuneration increased by social security contributions, which are the employer’s expense, and the days of the due leave and unused leave as at the balance sheet date for which the provision is calculated. Provisions for unused leaves are presented under short-term pro visions in the statement of financial position, and the change in the value of the provision in the period is charged to remuneration costs.

The Group creates provisions for retirement gratuities. Retirement benefits are paid on a one-off basis upon the employee’s retirement. The amount of the retirement benefits depends on the length of service and the employee’s average salary. The Group creates a provision for future liabilities due to retirement benefits in order to assign costs to the periods of acquiring rights by employees. The calculated provisions are equal to discounted payments to be made in the future and relate to the period until the balance sheet date. Demographic information and information on employment rotation are based on historical data. The effects of the valuation of the provision for future liabilities due to retirement benefits are recognized in profit or loss.

The Group creates provisions for warranty repairs. The provision is made quarterly, on a given project at the time of putting it into operation - ultimately for a period of 5 years. The value of the provision is calculated as the product of the value of the costs of completing the project and the provision level ratio. This ratio is determined on the basis of historical data. The initial amount of the provision each quarter is adjusted by the expenses already incurred for the execution of repairs. The Group conducts a quarterly analysis of incurred and future expenditures on individual projects. If the initial amount of the provision adjusted for the incurred expenditures is less than the value of repairs assumed by the warranty service department, then the amount of the provision is the value given by the aforementioned department. The effects of the valuation of the provision are recognized in the Profit and Loss Account under "Cost of sales."

The Group presents the above provisions in the statement of financial position divided into long-term provisions and short-term provisions.

Share-based payments

In cash-settled share-based payment transactions, the Group measures the services acquired and the liability incurred at fair value of the liability. Until the liability is settled, the Group at the end of each reporting period, as well as at the date of settlement, measures the liability at fair value and recognizes any changes of the value in profit or loss for the period

2.5 Methods of determining the financial result

Revenue

In accordance with IFRS 15, the Company recognises revenues when the obligation is fulfilled (or in the course of fulfilling) by transferring a promised goods or services (i.e. an asset) to a customer. The asset is transferred when the customer obtains control of that asset. After fulfilling (or in the course of fulfilling) obligations, the entity recognises an amount equal to a transaction price as income, which has been assigned to that performance obligation. To determine the transaction price, the entity shall consider the terms of the contract and its usual commercial practices. The transaction price is the amount of remuneration that the entity expects to be entitled to in exchange for the transfer of promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, certain sales taxes). The remuneration specified in the contract with the client may include fixed amounts, variable amounts or both.

Revenue from the sale of residential and service premises are recognised on the date of handover of real estate to the buyer. This occurs on the basis of the acceptance protocol signed by the parties providing only after completion of the construction of real estate and receiving the occupancy permit on condition that the buyer will pay 100 % towards the purchase price of real estate. Paid apartments are also considered to be cases of minor underpayments (up to PLN 500), larger underpayments, which the Group decides not to collect from customers, or in the event of receivables from tenant changes, which, according to arrangements, are payable later than the moment of handover of the premises.

Revenue from the sale of real estate is recognized when control over the investment property is transferred to the buyer, which takes place when the ownership is legally transferred and the property is handed over to the buyer.

Bonuses of persons with employment contracts (other than sales office managers) involved in the sale of apartments in a given residential project are subject to capitalization into inventory during the period up to the date on which a given residential project is delivered for use.

Revenues from the rental of residential and commercial space are recognised on a straight-line basis over the term of the contracts concluded. Revenue from other contracts for the provision of services (legal, consulting, IT, financial, marketing, security and other services) is recognised by the Group when the performance obligation is met.

The Group analyses if a sales contract contains several performance obligations. In general, the sales contract may include the following performance obligations:
– the sale of the property,
– the performance of fit-out and other finishing works after transferring control of the property to the buyer,
– the performance of property leasing agency services (finding clients that rent the property).

The Group allocates transaction prices to the individual performance obligations on the basis of their proportional individual sales price.

Revenues from the sale of investment properties, together with the costs of their sale, are presented under "Profit (loss) from investment properties" in the profit and loss account.

The Group recognises revenues from the sale of services (the performance of fit-out works and leasing agency services) within the period of fulfilling the performance obligation.

The Group measures the service advancement based on the advancement of the services/works provided.

The Group acts as a the principal in respect of all such services and recognises, on account of their performance, own costs and revenues in the period of fulfilment of the performance obligation.

The component of the transaction price allocated to the performance of fit out and other finishing works, once control of the property is transferred to the buyer, and the performance of property agency services (finding clients that rent the property) are recognised as liabilities due to contracts with clients.

Revenues from residential and commercial leases are recognized on a straight-line basis during the term of the concluded contracts. This also applies to situations of potential rent reductions and rent-free periods granted.

Revenues from other service contracts (legal, consulting, IT, financial, marketing, security and other services) are recognized by the Group when the performance obligation is fulfilled.

Cost of sales

Costs of goods, products and services sold consist of costs incurred in respect of revenues of a given financial year and overheads not yet incurred.

The cost of goods and products sold is measured at the production cost, using the method of detailed identification of the actual cost of assets sold or the percentage share e.g. of the land or shares sold, etc. In particular, the cost of sales of premises and land sold is determined proportionally to their share in the total cost of construction of the facility and the entire land constituting a given project.

As part of cost of sales, the Group recognizes provisions for warranty repairs.

Administrative costs associated with projects

Administrative costs related to projects include administrative costs indirectly related to the implementation of development projects which include: real estate tax, maintenance fees, property protection, administrative staff remuneration costs and maintenance costs of employees responsible for construction of projects in the part where cannot be assigned to a specific project or they relate to projects completed and other costs related to the maintenance of development projects. Costs of employees responsible for construction of projects in the part where cannot be assigned to a specific project, during the construction period are capitalised in the value of project. Costs are allocated on the basis of working hours reported by employees.

These costs, despite their indirect connection with development projects, are not capitalized in the value of stock / investment property because:
- in the light of IAS 2, they are excluded from the purchase price or cost of stock production as they are not incurred in order to bring the stock to its current status and location,
- in the light of IAS 40 in relations to IAS 16, does not allow to capitalize general and administrative costs in the value of investment properties.

Cost of financing

Financial costs related to the current period are recognized in the profit and loss account according to the amortized cost method described in the Liabilities section, except for costs subject to activation in accordance with the solution included in IAS 23.

The Group activates the part of financial expenses which is directly related to the acquisition and production of financial assets recognized as stock and projects commenced. In case of targeted financing, incurred to implement a project, the amount of financial costs, less income from temporary deposits of cash (i.e. amounts of interest on bank deposits, except for deposits resulting from blocking accounts, letters of credit agreement) is activated. Regarding general financing, capitalized financing costs are determined by applying the weighted average of all borrowing costs to expenditures incurred for a given asset, reduced by funds paid by clients. In the case of leasing, interest costs on the leasing obligation related to a specific project are capitalized in the cost of this project (targeted financing).

Pursuant to the requirements of IAS 23, the Group begins to activate financial costs when the Group undertakes actions necessary to prepare an asset for its intended use or sale. These activities involve more than just activities related to its manual construction. They also include technical and administrative work preceding manual construction, such as activities related to obtaining necessary permits, design and preparatory. The beginning of cost capitalization takes place when no significant time difference is expected between the administrative activities started and the construction work launched. However, such activities exclude the holding of an asset if there are no accompanying processes that affect the change in the asset's condition. The Group terminates the capitalization of finance costs when the asset is placed in service.

Consolidation of subsidiaries

Subsidiaries are all entities over which the Group exercises control, which occurs when the Company exercises authority over the entity, is exposed to changing returns or holds rights to variable returns, is capable of using the authority exercised over the entity in which the investment was made to influence the amount of their financial returns.

Subsidiaries are consolidated in the full method from the date of extending authority over them to the time of losing it.

Financial statements of subsidiaries present data for the same accounting period as the parent company, using consistent accountancy methods. The process of consolidation eliminates all intra-group transactions and accounting balances. Elimination also extends to the value of shares held by the Company and other consolidated entities in subsidiaries which represents the share of the Company and other Group entities subject to consolidation in the equity of subsidiaries.

The most important role in the structure of the Group is played by Echo Investment S.A., which is the owner of units of the Group, supervises, co-participates and provides funds for the implementation of ongoing developer's projects. The companies included in its composition have been established or acquired in order to carry out specific investment tasks and mostly do not engage in business operations other than that which would result from the process of execution of specific project, and next from the provision of services of lease assets already completed or other services.

Combinations of business entities

The Group has subsidiaries which hold real estate. At the time of the acquisition, the Group considers whether the acquisition is the acquisition of an enterprise or the acquisition of an asset. The Group analyzes whether the acquisition meets the definition of a venture in accordance with IFRS 3. In particular, the Group performs a concentration test that enables a simplified assessment of whether the acquired set of activities and assets constitutes a venture. A positive concentration test result means that the acquisition does not constitute a business and no additional assessment is required. The concentration test is positive when substantially all of the fair value of the acquired gross assets is concentrated in a single identifiable asset or group of similar identifiable assets. A negative result requires a detailed analysis of whether the acquisition meets the definition of a project.

The acquisition of subsidiaries by the Group, except for the acquisition of entities under common control, is accounted for according to the acquisition method. The payment transferred in the business combination transaction is measured at fair value, calculated as the collective fair value of the Group's assets transferred, liabilities contracted to the previous owners of the acquired entity and capital instruments issued by the Group in exchange for acquisition of control over the acquired entity. The costs related to the acquisition are recognized in the result at the time they are incurred.

Goodwill is valued as the excess of the amount of payment transferred, the amount of non-controlling interest in the acquired entity and the fair value of shares in the acquiree previously held the acquirer over the fair value of identifiable net assets acquired and liabilities measured at the acquisition date. If, after re-verification, the net value of identifiable assets and liabilities valued at the date of acquisition, exceeds the sum of the payment transferred, the value of non-controlling interests in the acquiree and the fair value of shares in that entity previously held by the acquirer, this surplus is recognized directly in the result as a gain on bargain purchase.

Non-controlling shares that form part of ownership interests and entitle owners to a proportionate share in the net assets of the entity in the event of its liquidation can be initially measured at fair value or proportionally to non-controlling interests in the recognized value of identifiable net assets of the acquiree. The selection of the valuation method is made individually for each takeover transaction.

In the event that the acquisition of subsidiaries does not constitute a takeover of the business, it is recognized as the acquisition of a group of assets and liabilities. The acquisition cost is allocated to assets and liabilities acquired based on their relative fair values and no goodwill or deferred income tax is recognized.

Investments in associated companies and joint ventures

Associates are the companies which the parent company has a direct or indirect (through subsidiaries) influence on yet are not its subsidiaries or joint ventures.

Joint ventures are joint contractual arrangements whereby two or more parties undertake a business which is subject to co-control. Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control. A joint venture is a joint contractual arrangement in which the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The financial year of associates, joint ventures and the parent company is the same.

The Group's investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognized at cost and subsequently adjusted to take account of the Group's interest in the financial result and other comprehensive income of the associate or joint venture. If the Group's share of losses in an associate or joint venture exceeds its share in the entity, the Group ceases to recognize its share of further losses. Additional losses are recognized only to the extent consistent with legal or customary liabilities assumed by the Group or to payments made on behalf of an associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date on which the entity acquired the status of a joint venture or associate. On the date of investing in an associate or joint venture, the amount by which the investment costs exceed the Group's share of the net fair value of the identifiable assets and liabilities of that entity is recognized as goodwill and included in the balance value of the investment. The amount by which the Group's share of net fair value in identifiable assets and liabilities exceeds investment costs is recognized directly in profit or loss in the period in which the investment was made.

When assessing the need to recognize the impairment of an investment of the Group in an associate or joint venture, the requirements of IAS 28 apply. If necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount. with the carrying amount. The recognized impairment is part of the carrying amount of the investment. The reversal of this impairment is recognized in accordance with IAS 36 to the extent corresponding to the subsequent increase in the recoverable amount of the investment.

The Group ceases to apply the equity method on the date a given investment ceases to be its associate or joint venture and when it is classified as earmarked for sale. The difference between the balance value of an associate or joint venture at the date of discontinuance of the equity method and the fair value of retained interests and proceeds from the disposal of a portion of the interest in that entity is taken into account when calculating the gain or loss on disposal of an associate or joint venture.

If the Group reduces its share in an associate or in a joint venture but it continues to settle it using the equity method, it transfers to the financial result any portion of profit or loss previously recognized in other total income, corresponding to the share reduction, provided that the profit or loss is subject to reclassification to the financial result at the time of the disposal of related assets or liabilities.

Unrealized profits and losses resulting from transactions between the Group and the entity recognized under the equity method are subject to consolidation eliminations in accordance with the Group's share in the equity of the entity recognized using the equity method.

The group grants loans to units under joint projects, the repayment of which is planned according to the date resulting from the concluded contracts.

Valuation to fair value

The Group measures financial instruments such as instruments measured at fair value available for sale as well as derivative instruments and non-financial assets such as investment properties at fair value as at each balance sheet date. Fair value is defined as the price that would have been received from the sale of an asset or paid to transfer a liability in a transaction carried out on the usual terms of asset disposal between market participants on the valuation date under current market conditions. The fair value measurement is based on the assumption that the sale transaction of an asset or liability transfer takes place on the market available for the main market for a given asset or liability, available to the Group, or in the absence of the main market, on the most advantageous market for a given asset or liability.

The fair value of an asset or liability is measured assuming that when determining the price of an asset or liability, market participants act in their best economic interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits through the largest possible and best use of the asset or its disposal to another market participant that would ensure the greatest possible and best use of the asset.

The Group applies valuation techniques that are appropriate to the circumstances and for which sufficient data is available to measure fair value, with the maximum use of appropriate observable input data and the minimum use of unobservable input data. All assets and liabilities that are measured at fair value or their fair value is disclosed in the financial statements are classified in the fair value hierarchy as described below based on the lowest input data level that is significant for the fair value measurement taken as a whole:

- Level 1 – Quoted (unadjusted) market prices in an active market for identical assets or liabilities,
- Level 2 – Valuation techniques for which the lowest level of input data, which is significant for the fair value measurement as a whole, is directly or indirectly observable,
- Level 3 – Valuation techniques for which the lowest level of input data, which is significant for the fair value measurement as a whole, is unobservable.

At each balance sheet date, in the case of assets and liabilities occurring at particular balance sheet dates, the Group assesses in the financial statements whether transfers took place between levels of the hierarchy by reassessing the classification to individual levels, guided by the relevance of the input data from the lowest level that is significant for the valuation to fair value treated as a whole.

Segment reporting

The Group's business segments are presented in accordance with data from internal management reporting and analyzed by the key operational decision maker. The key operating decision maker, which is responsible for the allocation of resources and the assessment of operating segments' results, is the Management Board of Echo Investment S.A. In the Group, the following reporting segments were identified, which are identical to operating segments defined on the basis of the type of projects implemented:

- residential areas (rental and sale of residential and service areas),
- sale of real estate: Resi4Rent (sale of properties classified as apartments for rent, related to the rental platform),
- share of profits (losses) of entities accounted for using the equity method – Resi4Rent
- Sale of property: student dormitories (sale of properties classified under the Student Space category, related to the platform for rental places in student dormitories).
- commercial properties (shopping centres and offices – rental, services and other services for external counter partners – accountancy, leasing, development).

Principles for determining revenues, costs, segment's result measurement, asset valuation and segment's liabilities are the accounting policies adopted for the preparation and presentation of the Group's consolidated financial statements, as well as accounting policies that specifically relate to segment reporting. The operating segment profit margin is measured as 'gross profit / loss on sales'.

Segment financial data are included in note 36 to the financial statements.

Net profit per share

The net profit per share for each period is calculated by dividing the net profit for a given period attributable to ordinary shareholders of the parent entity by the weighted average number of shares issued during the period.

Cash flow

The cash flow statement is prepared using the indirect method. Liabilities on account of overdraft facilities are denominated as loan debt rather than cash equivalent.

2.6 New standards and interpretations that are effective as of 1 January 2025

The following standards and amendments to standards became effective on 1 January 2025:

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

(published on 15 August 2023

Applicable for annual reporting periods beginning on or after 1 January

The above amendments did not have a material impact on the Group's of 2025 consolidated financial statements.

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

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

IFRS as approved by the EU does not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), with the exception of the following new standards and amendments to standards that, as of 31 December 2025, have not yet been approved for use in the EU (the effective dates below refer to standards in their full version):

IFRS 14 "Deferred balances from regulated activities"

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

IFRS 18 Presentation and disclosures in financial statements

(published as at 9 April 2024)

Effective for annual periods beginning on or after 1 January 2027.

IFRS 19 Subsidiaries Not Subject to Public Oversight Requirements: Disclosures

(published as at 9 May 2024)

Not approved by the EU as of the date of approval of these financial statements - effective for annual periods beginning on or after 1 January 2027.

Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments

(published as at 30 May 2024)

Effective for annual periods beginning on or after 1 January 2026.

Annual Improvements to IFRS

(published as at 18 July 2024)

These amendments apply to the following standards: IFRS 1 "First-time Adoption of International Financial Reporting Standards," IFRS 7 "Financial Instruments: Disclosures," IFRS 9 "Financial Instruments," IFRS 10 "Consolidated Financial Statements," and IAS 7 "Statement of Cash Flows."

As of the preparation date of this consolidated financial statement, these amendments have not yet been approved by the European Union.

Amendments to IFRS 9 and IFRS 7 regarding agreements related to electricity dependent on natural factors

(published as at 18 December 2024)

Effective for annual periods beginning on or after 1 January 2026.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

Not yet approved by the EU as at the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027.

According to the Group's estimates, the aforementioned new standards and amendments to existing standards would not have a material impact on the financial statements if applied by the Group as of the balance sheet date.

Hedge accounting for a portfolio of financial assets and liabilities, the rules of which have not been approved for use in the EU, continue to be not covered by EU-approved regulations.

Explanatory Notes

• Modern Mokotów I in Warsaw

3

Explanatory notes to the consolidated income statement

NOTE 1 Sales revenues

Sales revenues by title [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Revenues from contracts with clients		
Sales of residential space (Segment: Apartments)	1 642 916	746 820
Sales of services to Resi4Rent (Segment: Apartments for rent)	64 088	39 069
Development services in office buildings (Segment: Commercial properties)	21 247	47 159
Development services in shopping and entertainment centers (Segment: Commercial properties)	677	658
Other sales (Segment: Commercial properties)	13 168	13 244
Sales of services to StudentSpace (Segment: Student Space)	69 694	39 094
Revenues from contracts with clients	**1 811 790**	**886 044**
Revenues from rental/lease (IFRS 16)		
Lease of residential space (Segment: Apartments)	8	187
Lease of space in ofice buildings (Segment: Commercial properties)	128 439	116 923
Lease of space in shopping and entertainment centers (Segment: Commercial properties)	69 838	77 657
Lease of other space (Segment: Commercial properties)	2 645	2 593
Lease / rental income (IFRS 16)	**200 930**	**197 360**
Revenues total	**2 012 720**	**1 083 404**

Disclosures are set out below, in respect of the main groups of revenue, which will enable users of the financial statements to understand the nature, amounts, timing and uncertainties associated with contract revenues and cash flows.

Future minimum cash flow arising from operating leases in which the Group is the lessor

	31.12.2025	31.12.2024
up to 1 year	60 715	96 263
over 1 year to 2 years	50 149	84 605
over 2 years to 3 years	49 545	82 536
over 3 years to 4 years	34 837	36 834
over 4 years to 5 years	29 403	35 924
over 5 years	45 217	64 190
Total	**269 865**	**400 353**

Investment properties are leased to tenants on the basis of operating leases with monthly instalments. Where considered necessary to reduce credit risk, the Group may obtain bank guarantees for the duration of the lease term. The Group is exposed to changes in the residual value of the properties at the end of the existing leases. The Group's residual value risk is reduced by active management of its property portfolio to optimise the structure of its tenants in order to:

- achieve the longest possible weighted average lease term,
- minimize vacancies in all properties,
- minimize the rotation of highly creditworthy tenants.

The Group also uses leasing incentives mainly in the form of rent-free periods and interior fit-outs of leased spaces to encourage high-profile tenants to remain in the properties for longer leases. In the case of major tenants, this also attracts other tenants to the property, thus contributing to the overall occupancy level. Lease contracts may include a clause requiring a tenant to restore its leased space to the condition in which it was when the space was handed over to the tenant if the tenant decides not to renew the lease. This contributes to the maintenance of the property and enables the space to be re-leased quickly after the tenant leaves.

Revenues [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Sales	1 642 916	746 820
Lease	8	187
Apartments	**1 642 924**	**747 007**
Lease	128 439	116 923
Fit-out services	21 247	47 159
Offices	**149 686**	**164 082**
Lease	69 838	77 657
Development services	677	658
Centers	**70 515**	**78 315**
Sales of services	64 088	39 069
Resi4Rent	**64 088**	**39 069**
Sales of services	69 694	39 094
Student Space	**69 694**	**39 094**
Sales	3 795	2 330
Lease	2 645	2 593
Services	9 373	10 914
Other	**15 813**	**15 837**

The value of the Group's revenues recognized upon the fulfillment of the performance obligation amounted to PLN 1,789,866 thous. (PLN 838,227 thous. in 2024).

The value of the Group's revenues recognized upon the fulfillment of the performance obligation amounted to PLN 222,854 thous. (PLN 245,177 thous. in 2024).

(A)
Revenues related to development activities - sales of residential and commercial space in residential projects

The Group recognizes revenues when the performance obligation is fulfilled. The performance obligation is considered to be satisfied when the property is handed over to the buyer, which occurs on the basis of an acceptance protocol signed by the parties only upon the completion of the construction process of the property and obtaining an occupancy permit, and provided that the buyer made a 100% payment in respect of the purchase price of the property. Contracts concluded within this revenue group do not contain a variable remuneration element.

Moreover, in the Group's opinion, the contracts concluded do not contain a significant financing element. Therefore, the Group, as a general rule, does not recognise receivables or other contract asset balances related to this revenue group. Contract liabilities reflect advances paid by clients. The table below shows the changes in the balance of contract liabilities in relation to this group of revenues.

Liabilities from contracts with clients

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Liabilities from contracts with clients - opening balance	**840 263**	**457 377**
Increases - payments received	1 886 773	1 129 706
Presented as revenues in the period	(1 642 916)	(746 820)
– including revenues presented in the period, considered in the balance of received advanced payments at the beginning of the period	(501 997)	(392 076)
Liabilities under contracts with clients- closing balance	**1 084 120**	**840 263**

The total value of revenues to be recognized in the future resulting from contracts for the sales of residential space signed as at the balance sheet date of 31 December 2025 amounts to PLN 5,142,313 thous., of which the Group received advance payments of PLN 989,852 thous. until the balance sheet date. These revenues will be recognized when the properties are released to their buyers, upon the completion of their construction and obtaining the necessary administrative decisions, which occurs, on average, after a period of approximately 1 to 3 months after the completion of the construction.

Revenues to be recognized in the future, resulting fromsales contracts on residential space as at 31 December 2025 [PLN '000]

Projects	Expected completion of the construction	Targeted total value of the project	Total revenue to be recognized in the future related to contractual performance obligations concluded	Advances received/Liabilities from contracts with clients *	Deposits on apartments/ Liabilities from contracts with clients **
Residential projects					
Fuzja Lofty I, Łódź	completed	73 524	19 557	-3 930	6 174
Fuzja Lofty II, Łódź	completed	105 463	73 665	3 273	10 048
Boho, Łódź	completed	108 069	247	610	144
Empark I, Warszawa	completed	591 669	73 624	4 076	18 267
Wita Stwosza, Kraków	completed	165 211	11 569	9 462	5 494
Awipolis etap 4a, Wrocław	completed	36 410	-	-	-
Bonarka Living II C, Kraków	completed	103 682	54	54	-
Bonarka Living II D, Kraków	completed	88 095	37	37	-
Browary Wrocławskie BA1,BL3, Wrocław	completed	105 580	148	148	-
Browary Wrocławskie BA2-3, Wrocław	completed	183 484	1 528	1 528	-
Browary Wrocławskie BL1-2, BP3-4 Wrocław	completed	164 718	720	720	-
Browary Wrocławskie BP1-2, Wrocław	completed	63 591	356	356	-
Browary Wrocławskie BP5-6, Wrocław	completed	109 107	140	140	-
Modern Mokotów VI, Warszawa	completed	277 457	11 759	10 461	1 297
Olimpia Port M1-4, Wrocław	completed	71 923	33	33	-
Olimpia Port M21,M22,M23, Wrocław	completed	72 638	64	64	-
Olimpia Port M37,M39, Wrocław	completed	81 871	7	7	-
Olimpia Port S16a, S16b, S17, Wrocław	completed	54 184	8	8	-
Planty Racławickie R10, Wrocław	completed	70 424	70 424	635	2
River Point 4, Wrocław	completed	123 471	227	227	-
River Point 6 , Wrocław	completed	104 134	16	16	-
Sady nad Zieloną 2 A1, C, Wrocław	completed	56 552	39	39	-
Sady nad Zieloną 2B, Wrocław	completed	73 422	1 119	1 059	60
Wieża Jeżyce I, Poznań	completed	111 171	2 580	2 500	80
Zenit I, Łódź	completed	65 720	27	27	-
Zenit II, Łódź	completed	52 461	1 534	1 534	-
Zenit III, Łódź	completed	65 410	3 107	2 955	152
Dąbrowskiego D3, Kraków	IV Q 2025	26 703	26 703	414	2
Wieża Jeżyce II, Poznań	IV Q 2025	166 358	166 358	10 435	89
Zenit IV, Łódź	IV Q 2025	74 040	74 040	3 474	638
Flow (Fab - Gh) I, Łódź	I Q 2026	85 645	85 645	77 726	7 087
Południk 17 K1 , Wrocław	I Q 2026	187 368	187 368	45 190	2 583
Południk 17 K2 , Wrocław	I Q 2026	120 877	120 877	35 811	1 640
Apartamenty M7, Warszawa	II Q 2026	514 443	514 443	172 622	-
Flare Apartamenty Grzybowska, Warszawa	II Q 2026	174 283	174 283	37 017	-
Wieża Jeżyce V, Poznań	II Q 2026	152 006	152 006	82 560	931
Flow (Fab - Gh) II, Łódź	III Q 2026	175 086	175 086	67 350	2 822
Wieża Jeżyce VI, Poznań	III Q 2026	165 185	165 185	56 576	3 111
29 listopada I, Kraków	IV Q 2026	198 981	198 981	17 380	333
Apartamenty Esencja II, Poznań	IV Q 2026	92 357	92 357	12 871	1 206
Duża Góra, Kraków	IV Q 2026	55 187	55 187	6 899	777
Modern Mokotów III, Warszawa	IV Q 2026	289 100	289 100	56 748	2 362
Przystań Reymonta WR1-3, Wrocław	IV Q 2026	276 590	276 590	83 203	2 534

Revenues to be recognized in the future, resulting fromsales contracts on residential space as at 31 December 2025 [PLN '000]

Projects	Expected completion of the construction	Targeted total value of the project	Total revenue to be recognized in the future related to contractual performance obligations concluded	Advances received/Liabilities from contracts with clients *	Deposits on apartments/ Liabilities from contracts with clients **
Przystań Reymonta WR2, Wrocław	IV Q 2026	130 350	130 350	25 938	260
Zenit VI, Łódź	IV Q 2026	78 142	78 142	1 558	555
P. Skargi, Katowice	I Q 2027	188 908	188 908	34 719	1 422
Browary Wrocławskie R1R2, Wrocław	II Q 2027	91 017	91 017	5 336	359
Bociana 5, Kraków	III Q 2027	207 721	207 721	3 519	1 765
Flow IV, Łódź	III Q 2027	100 093	100 093	899	1 186
Góralska 1, Wrocław	III Q 2027	235 796	235 796	13 796	992
Gwarna, Wrocław	III Q 2027	68 696	68 696	17 597	793
Juliusza, Kraków	III Q 2027	160 478	160 478	481	-
Powstańców 7D, Wrocław	III Q 2027	225 422	225 422	42 699	2 332
Stacja Wola III, Warszawa	III Q 2027	242 104	242 104	38 057	2 918
Modern Mokotów IV, Warszawa	IV Q 2027	293 885	293 885	1 188	5 125
Czarnieckiego - M, Wrocław	III Q 2028	92 903	92 903	1 750	415
Total Residential Projects		**8 049 165**	**5 142 313**	**989 853**	**85 954**
Other projects					
Other		8 314	8 314	8 314	-
Total other projects		**8 314**	**8 314**	**8 314**	**-**
Total residential projects and other projects		**8 057 479**	**5 150 627**	**998 167**	**85 954**

* Advances released from escrow accounts (for residential projects)
** Advances remaining (gross) to be released from escrow accounts (relating to residential projects)

In the item "Liabilities due to contracts with clients", the Group presents payments received and released from escrow accounts from clients for apartments in residential projects under construction. As at 31 December 2025, the amount of released payments amounted to PLN 989,852 thous. As at 31 December 2024, the amount of released payments amounted to PLN 682,100 thous.

Revenues to be recognized in the future, resulting from sales contracts on residential space as at 31 December 2024 [PLN '000]

Projects	Expected completion of the construction	Targeted total value of the project	Total revenue to be recognized in the future related to contractual performance obligations concluded	Advances received/Liabilities from contracts with clients *	Deposits on apartments/ Liabilities from contracts with clients **
Residential projects					
Boho, Łódź	completed	107 643	4 754	215	2 496
Fuzja I, Łódź	completed	108 895	1 853	172	–
Fuzja II, Łódź	completed	101 964	8	106	–
Fuzja III, Łódź	completed	83 792	181	42	64
Nowa Dzielnica, Łódź	completed	30 434	1 121	–	–
Osiedle Enter IA, Poznań	completed	42 191	125	34	–
Osiedle Enter IB, Poznań	completed	39 009	99	24	–
Osiedle Enter II, Poznań	completed	61 826	262	10	–
Osiedle Enter III, Poznań	completed	65 559	1 666	7	3
Fuzja Lofty I, Łódź	I Q 2025	73 075	68 656	17 475	2 829
Empark I, Warszawa	II Q 2025	590 163	590 164	168 248	28 330
Fuzja Lofty II, Łódź	IV Q 2025	99 252	99 252	1 925	8 135
Wita Stwosza, Kraków	IV Q 2025	165 850	165 850	32 552	4 855
Awipolis Etap 2, Wrocław	completed	79 986	4	4	–
Bonarka Living II C, Kraków	completed	103 682	56	56	–
Bonarka Living II D, Kraków	completed	88 095	108	108	–
Browary Wrocławskie BP1-2, Wrocław	completed	63 591	398	398	–
Browary Wrocławskie BA1,BL3, Wrocław	completed	105 580	361	361	–
Browary Wrocławskie BA2-3, Wrocław	completed	183 484	1 731	1 731	–
Browary Wrocławskie BL1-2, BP3-4 Wrocław	completed	164 718	846	846	–
Browary Wrocławskie BP5-6, Wrocław	completed	109 107	176	176	–
Olimpia Port M1-4, Wrocław	completed	71 923	78	78	–
Olimpia Port M28-33, Wrocław	completed	142 270	2	2	–
Olimpia Port M21,M22,M23, Wrocław	completed	72 638	108	108	–
Olimpia Port M34,M35, Wrocław	completed	76 911	21	21	–
Olimpia Port M37,M39, Wrocław	completed	81 871	2	2	–
Olimpia Port S16a, S16b, S17, Wrocław	completed	54 184	135	135	–
Planty Racławickie R9, Wrocław	completed	120 797	8	1	7
River Point 4, Wrocław	completed	123 471	227	227	–
River Point 6 , Wrocław	completed	104 134	1 788	783	1 005
Rytm Kabaty, Warszawa	completed	290 397	–	–	–
Zenit I, Łódź	completed	65 720	27	27	–
Sady nad Zieloną 2 A1, C, Wrocław	completed	56 552	7 959	2 093	5 866
Stacja Wola II, Warszawa	completed	145 768	124	124	–
Awipolis etap 4, Wrocław	I Q 2025	108 416	108 416	94 716	–
Zenit II, Łódź	I Q 2025	50 484	50 484	42 307	3 592
Awipolis etap 4a, Wrocław	III Q 2025	36 627	36 627	28 260	435
Modern Mokotów VI, Warszawa	III Q 2025	275 874	275 874	28 150	344
Sady nad Zieloną 2B, Wrocław	III Q 2025	72 238	72 238	33 162	971
Zenit III, Łódź	III Q 2025	65 949	65 949	5 859	635
Dąbrowskiego D3, Kraków	IV Q 2025	26 689	26 689	6 802	523
Flow (Fab - Gh) I, Łódź	IV Q 2025	83 642	83 642	23 066	469
Planty Racławickie R10, Wrocław	IV Q 2025	70 432	70 432	30 425	1
Wieża Jeżyce II, Poznań	IV Q 2025	165 714	165 714	28 343	778

Revenues to be recognized in the future, resulting from sales contracts on residential space as at 31 December 2024 [PLN '000]

Projects	Expected completion of the construction	Targeted total value of the project	Total revenue to be recognized in the future related to contractual performance obligations concluded	Advances received/Liabilities from contracts with clients *	Deposits on apartments/ Liabilities from contracts with clients **
Południk 17 K1 , Wrocław	II Q 2026	187 344	187 344	15 707	1 245
Południk 17 K2 , Wrocław	II Q 2026	123 499	123 499	8 457	1 082
Wieża Jeżyce V, Poznań	II Q 2026	154 107	154 107	12 415	3 621
Apartamenty M7, Warszawa	III Q 2026	510 506	510 506	39 180	-
Flow (Fab - Gh) II, Łódź	III Q 2026	178 067	178 067	13 212	1 174
Wieża Jeżyce VI, Poznań	III Q 2026	164 386	164 386	2 562	1 161
Gwarna, Wrocław	IV Q 2026	68 681	68 681	6 747	742
Przystań Reymonta WR1-3, Wrocław	IV Q 2026	275 847	275 847	13 700	2 161
Przystań Reymonta WR2, Wrocław	IV Q 2026	129 822	129 822	6 850	2 216
P. Skargi, Katowice	IV Q 2026	188 256	188 256	3 304	266
Stacja Wola III, Warszawa	I Q 2027	242 109	242 109	2 290	15 593
Powstańców 7D, Wrocław	III Q 2027	221 878	221 878	8 495	735
Total Residential Projects		**7 275 099**	**4 348 717**	**682 100**	**91 334**
Other projects					
Other		66 828	66 828	66 828	-
Total other projects		**66 828**	**66 828**	**66 828**	**-**
Total residential projects and other projects		**7 341 927**	**4 415 545**	**748 928**	**91 334**

* Advances released from escrow accounts (relating to residential projects)
** Remaining advances (gross amount) to be released from escrow accounts (relating to residential projects)

(B)
Sales of commercial properties - office buildings and shopping centers

The Group recognizes the types and numbers of performances it has committed to the buyer under the contract for the sale of real estate. As part of the sale of investment properties, the Group recognizes revenues when the performance obligation is fulfilled, i.e. when the deed is signed, which is the moment when the control of the property is transferred to the buyer. The Group recognizes the amount of revenues in the amount of the price resulting from the transaction defined by the sale and purchase contract between the entity and the buyer. Its level is determined at its fair value, taking into account the amount of future liabilities arising from the economic content of the contract. The variable element occurring in this type of contracts (due to its dependence on future events) is the amount relating to rental guarantees. Despite the uncertainty, the Group is able to reliably estimate the payments that it will have to make for unleased spaces of the building during the period indicated in the contract, as at the conclusion of the contract. The estimated payments reduce this contract remuneration and therefore the revenue recognised on the performance of the contract. The result on sales of commercial properties, which are classified as investment properties, in accordance with IAS 40 'Investment properties', is presented in the statement of comprehensive income as Profit (loss) from investment properties. Details regarding the income security liability for rent-free or rent-reduced periods recognised by the Group as at 31 December 2025 are provided in Note 33. The Group recognizes the additional costs of bringing the sale agreement to a successful conclusion as an element of the consolidated profit and loss account when it recognises revenues from the sale of the asset. Furthermore, in the Group's opinion, the concluded contracts do not contain a significant financing element. The sale price of the property obtained from the buyer is generally paid at the time of the sale in this type of contracts. Due to such characteristics of the concluded contracts, the Group, as a rule, does not recognize receivables or other balances of contract assets related to this group of revenues.

Details of the sales transactions that occurred in 2024 are presented in Note 5.

(C)
Rental revenues

Commercial buildings - shopping centers and offices, put into use, and individual units in residential projects held for lease are a source of rental revenues for the Group. In accordance with IFRS 16 Leases, revenues from residential and commercial leases are recognized on a straight-line basis over the term of the contracts.

Lease contracts contain a non-leasing component as described in (D) below.

The entity assigns a transaction price to each performance obligation (or to a separate good or separate service) in an amount that reflects the amount of consideration that the entity expects to receive for providing the promised goods or services to the client.

(D)
Revenues from fit-outs

As part of services for the completion of office projects, it is a market standard to perform fit-out work to spaces before they are handed over to tenants. The Group provides fit-out services, which includes the preparation and arrangement of the scope of works, the organization and handling of construction work tenders , and the supervision and construction work coordination. The Group recognizes revenues when the performance obligation is fulfilled, i.e. when the work is completed. The contractual remuneration is fixed and payable to the Group upon the handover of the office space to the tenant. The duration of the contracts is relatively short, ranging from 1 to 2 months. Furthermore, in the Group's opinion, the contracts concluded do not contain a significant financing element. Due to these characteristics of the signed contracts, there are no significant balances of contract assets or liabilities, apart from trade receivables (see Note 21).

The total value of revenues to be recognized in the future related to the obligations to perform the fit-out contract signed as at the balance sheet date of 31 December 2025 is PLN 7,066 thous. (31 December 2024 is PLN 1,100 thous. These revenues will be recognized when the work is completed, which, depending on the office facility, is expected in the following periods:

Revenues to be recognized in the future, resulting from contracts for fit-outs as at 31 December 2024 [PLN '000]

Building	Date of completion	Value
Fuzja CD	2026/02	1 414
City2	2026/06	3 528
City2	2026/06	696
City2	2027/11	627
City2	2028/09	802
Total		**7 066**

Revenues to be recognized in the future, resulting from contracts for fit-outs as at 31 December 2023 [PLN '000]

Building	Date of completion	Value
React I	2025/04	651
City1	2025/05	449
Total		**1 100**

(E)
Revenues from project completion services

As part of its project completion services, the Group provides services to prepare and organize the investment process in relation to development projects owned by other entities, subsidiaries of the Echo Investment Group and non-related entities. Within the scope of its obligations, the Group undertakes to perform advisory, management, legal and other activities necessary for the project completion management. This process includes the preparation of investments, organization and handling of tenders for construction work, supervision and coordination of construction work and customer service. The Group recognizes revenues when the performance obligation is fulfilled, i.e. during the period of providing the services. The remuneration arising from the concluded contracts is fixed and payable to the Company on a monthly basis. Furthermore, in the Group's opinion, the concluded contracts do not contain a significant element of financing. Due to these characteristics of signed contracts, there are no significant balances of contract assets or liabilities, apart from trade receivables (see Note 21).

(F)
Other revenues generated by the Group

The Management Board analyzed other service contracts, including the provision of real estate agency services, accounting, legal, consulting, IT, financial, marketing and other services. The Group recognizes revenues when the performance obligation is fulfilled, i.e. for certain contracts, when a particular type of services is completed (e.g. the signing of a sales contract for a property as a result of providing real estate agency services) or during the period of providing a particular type of services (e.g. during the period of providing bookkeeping, marketing, consulting, legal or property management services). In most cases, the services are provided on a monthly basis and are settled in the same period and the Group's remuneration becomes due. For some contracts (e.g. real estate brokerage), the contractual remuneration includes a variable element, however, it follows from the nature of these contracts that the Group is only entitled to the remuneration when the contractual obligation is performed. This means that the variable remuneration is known at the time of the recognition of revenues, and its value does not change thereafter. In addition, in the Group's opinion, the signed contracts do not contain a significant financing component. Due to these characteristics of the signed contracts, there are no significant balances of contract assets or liabilities, except for trade receivables (see note 21).

(G)
Sales revenue from apartments for rent

As part of the sales of properties included in the R4R category, concerning the platform of apartments for rent, the Group recognizes revenues when the performance obligation is fulfilled, i.e. when control of the property is transferred to the buyer. The Group recognizes the amount of revenues in the amount of the price resulting from the transaction determined by a sale and purchase contract between the entity and the buyer. Its level is determined at the fair value of the payment.

NOTE 2 Cost of sales

Cost of sales [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Sales of residential space	(1 082 620)	(489 732)
Space development services in office buildings	(30 463)	(62 169)
Space development services in shopping and entertainment centers	(163)	(141)
Sales of Resi4Rent	(45 212)	(16 908)
Sales of Student Space	(58 415)	(26 414)
Other	(22 555)	(16 160)
Total cost of sales	**(1 239 428)**	**(611 524)**
Lease of space in office buildings (Segment: Commercial properties)	(71 474)	(66 586)
Lease of space in shopping and entertainment centers (Segment: Commercial properties)	(35 973)	(37 730)
Lease of other space (Segment: Commercial properties)	(2 098)	(2 327)
Cost of rental / lease (IFRS 16)	**(109 545)**	**(106 643)**
Total cost of sales	**(1 348 973)**	**(718 167)**

Costs by type

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Amortization	(18 764)	(15 786)
Consumption of materials and power	(128 146)	(91 108)
Construction services	(1 080 450)	(662 337)
Other external services	(437 029)	(291 635)
Taxes and charges	(36 384)	(34 557)
Payroll	(151 906)	(110 509)
Social security contributions and other benefits	(17 700)	(17 743)
Other costs by type	(38 778)	(53 350)
Total costs by type	**(1 909 157)**	**(1 277 024)**
Change in inventories, finished products and work in progress	284 693	297 383
Administrative expenses related to the completion of projects	81 409	82 883
Cost of sales	99 042	80 631
General administrative expenses	95 040	97 961
Manufacturing cost of products sold	**(1 348 973)**	**(718 167)**

NOTE 3 Net profit (loss) on investment properties

Net profit (loss) on investment properties [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Profit (loss) from sale of investment properties, including:	(16 630)	(6 156)
- costs of securing rental income (master lease)	(27 586)	(12 678)
Revaluation of properties (profit/loss on fair value measurement), including:	(172 019)	1 626
- settlement of rental income over time	(5 137)	(656)
- changes in the valuation of investment properties (Note 13)	(131 401)	20 302
- changes in the valuation of investment properties under construction (Note 14)	1 578	665
- changes in the valuation of assets held for sale (Note 15)	(37 059)	(18 685)
Net profit (loss) on investment properties	**(188 649)**	**(4 530)**

In 2025 year, the Group sold the City 2 office building in Wrocław, Brain Park II in Krakow and Shopping center Libero in Katowice. The transaction is described in Note 5.

The item of profit (loss) on sale of investment properties presents, among others, the cost of securing rental income (master lease), which mainly relates to the projects West4 Business Hub I and Midpoint in Wrocław, Fuzja Office in Łódź, Face2Face and Libero in Katowice. Due to the fulfillment of the conditions for valuation specified in the accounting policy in 2025 year, the Group carried out the first valuation of the properties Wita Stwosza in Kraków.

The item of the revaluation of properties mainly presents valuations of office projects Brain Park I and II, Wita in Kraków, Fuzja in Łódź and Libero shopping center in Katowice.

Due to the Group Management Board's decision to sell the Brain Park II office project in Kraków and the Libero shopping center in Katowice in Q2 and Q3 2025, a valuation was prepared which reflects the price that can be reached in the current market. The change in the valuation for Brain Park II amounted to PLN (-) 17,062 thous., while for Libero it amounted to PLN (-) 109,510 thous. The value of Brain Park I was also adjusted, with the change in the valuation amounted to PLN (-) 34,976 thous.

NOTE 4 Amounts regarding properties included in profit and loss account

Amounts regarding properties included in profit and loss account [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Rental income from investment properties	198 277	194 580
Direct operating costs (including repair and maintenance costs) related to investment properties which generated rental income in a given period	(107 447)	(104 316)
Direct operating costs (including repair and maintenance costs) related to an investment property that did not generate rental income during the period	(1 041)	(948)

Detailed information on the amounts relating to properties included in the income account are additionally provided in Note 3.

NOTE 5 Sale of investment properties

City 2 office building in Wrocław

On 23 June 2025, the Group sold the investment property City 2 – the second building of the City Forum office complex – for a price of EUR 31,000 thous. plus value-added tax. After converting the price at the applicable exchange rate, revenue of PLN 132,398 thous. was recognized, of which PLN 5,652 thous. was recorded in the Group's liabilities as deferred revenue relating to service income from fit-out services. Deferred revenue will be recognized in the Group's profit or loss upon fulfillment of the seller's obligations to the buyer as specified in the agreement. The price was fully paid to the Group as of the reporting date. From the received payment, a loan of EUR 11.9 million under the credit agreement concluded by the seller with Polska Kasa Opieki S.A. on June 12, 2019, together with subsequent amendments, was repaid.

As a result of the sale of the City 2 investment property, the Group recognized a loss of PLN 11,443 thous., presented under "Profit (loss) from investment properties" in the consolidated statement of profit or loss.

The transaction also included a rent guarantee agreement. The main provisions of the agreement provide for the seller to guarantee to the buyer the payment of rental and operating charges for vacant spaces in the building for a period of five years from the date of the agreement, as well as the payment by the seller to the buyer of the value of tenant incentives granted as of the date of the agreement.

In connection with the rent guarantee agreement, the Group measured and recognized a liability for the expected costs of the guarantee, which amounted to PLN 3,445 thous. as at the reporting date

The difference between the sale price and the expenses incurred in the past and those necessary to be incurred amounted to PLN 18,646 thous.

Brain Park Office Building, Phase II in Kraków

On 7 November 2025, Echo Investment S.A.'s subsidiary, "ECHO – ARENA" Sp. z o.o., based in Kielce, entered into a sale agreement with Greenstone Brain Park Sp. z o.o. sp. k., based in Warsaw, for the Phase II Brain Park office building in Kraków. The transaction value of EUR 33,047 thous. plus VAT was reduced by the value of rent-free periods, resulting in a net amount of EUR 32,373 thous. plus VAT. As part of the transaction, the Parties also concluded the Building Quality Guarantee Agreement and the Rental Guarantee Agreement, while the Sale Agreement contains detailed provisions regarding the execution of fit-out works by the Seller. The main terms of the Rental Guarantee Agreement provide for the Seller to ensure that the Buyer is covered for rental payments and service charges for parts of the Building that were not leased to third parties at the date of the Agreement, as well as for leased parts that have been rented but not yet handed over to the respective tenants. The main terms of the Fit-Out Works Agreement require the Seller to carry out fit-out and construction works on the Property to the extent that such works were not completed prior to the conclusion of the Sale Agreement. The difference between the sale price and the historically incurred expenditures, including expenditures required to be incurred, amounted to PLN (-) 16,223 thous..

Libero Shopping Center in Katowice

On 29 October 2025, a subsidiary of Echo Investment S.A., namely Galeria Libero - Projekt Echo - 120 Sp. z o.o. sp. k., with its registered office in Kielce, entered into an agreement with Espliego Sp. z o.o., with its registered office in Warsaw, for the sale of the Libero Shopping Centre in Katowice.

The transaction value amounted to EUR 103 million plus VAT.

Furthermore, on the date of the Agreement, the Parties concluded a net operating income guarantee agreement related to the Property, the rights and obligations of which were subsequently transferred from the Seller to Echo Investment S.A. The main provisions of the Guarantee Agreement provide for (i) granting the Buyer a guarantee by Echo Investment S.A. to cover the income generated by the Property to the extent that the income in a given period does not reach a specified amount set forth in the Guarantee Agreement, (ii) payment by Echo Investment S.A. to the Buyer of the appropriate portion of the incentive amounts granted to tenants of the Building in connection with the conclusion of new lease agreements after the date of the Guarantee Agreement, and (iii) the obligation of Echo Investment S.A. to carry out works in the Building to the extent that, under the relevant lease agreement, such an obligation rests with the lessor. The Guarantee Agreement will expire no later than 31 December 2030.

The difference between the sale price and the historically incurred costs plus the costs necessary to be incurred amounted to PLN 19,841 thous.

NOTE 6 Other operating income

Other operating income [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Provisions released	5 497	7 221
Interest from operating activities	2 660	5 805
Contractual penalties	1 742	878
Compensation for mining losses	–	8 501
Adjustments of taxes and fees (including VAT)	910	2 396
Profit on disposal of investments in subsidiaries	1 148	–
Other	1 119	1 994
Total other operating income	**13 076**	**26 795**

NOTE 7 Other operating expenses

Other operating expenses [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Provisions created	(6 540)	(2 043)
Revaluation of assets	(3 865)	(413)
Adjustments of taxes and fees (including VAT)	(8 445)	-
Contractual penalties	(1 928)	(3 589)
Revaluation of non-financial assets	(195)	(3 223)
Refund of easement fees	(512)	(1 679)
Donations	(310)	(473)
Loss on disposal of non-financial non-current assets	(245)	(770)
Other	(5 349)	(3 736)
Total other operating expenses	**(27 389)**	**(15 926)**

The item "Provisions created" mainly presents provisions for court cases for projects sold in previous years.

NOTE 8 Financial income

Financial income [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Income from borrowings interest with amortized cost	30 476	29 901
Income from valuation of acquired debt portfolios	1 721	10 380
Profit on disposal of investments in joint ventures	7 455	-
Write-off of loans and interest	3 837	-
Income from derivatives	-	8 362
Income from interest	2 084	3 868
Discount revenue	829	-
Other financial income	695	131
Total financial income	**47 097**	**52 642**

NOTE 9 Financial costs

Financial costs [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Interest expense from bonds with amortized cost	(143 836)	(163 090)
Interest expense from credit with amortized cost	(58 472)	(53 473)
Profit share costs	10 486	3 766
Costs due to interest of leasing	(8 239)	(11 756)
Discount cost	-	(3 175)
Cost from derivatives	(4 292)	-
Other financial costs	(65)	(1 806)
Total Financial costs	**(204 418)**	**(229 535)**

In accordance with IAS 23, the Group activates the part of financial costs that are directly related to the acquisition and production of assets. In the case of general financing, the financing costs subject to capitalisation are determined using the weighted average of all external financing costs in relation to the incurred outlays for a given asset.

The capitalized amount of external financing costs totaled PLN 50,743 thous. in 2025 according to an annual yield of 7.94% (including: for inventories: PLN 48,427 thous., for investment properties under construction: PLN 2,316 thous). In 2024, it was PLN 40,549 thous. at an annual yield of 10.23% (including: for inventories: PLN 33,694 thous., for investment properties under construction: PLN 6,855 thous.).

In 2025 the amount of activated targeted financing costs on investment properties under construction was 1,424 thous. (and 2024 there wasn't activated) at the EURIBOR 1M capitalization rate + margin.

The profit share costs item presents costs that relate to the Shopping Center Libero in Katowice.

NOTE 10 Profit (loss) due to exchange rate differences

Profit (loss) due to exchange rate differences [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
- Realised exchange rate differences' losses over profits surplus	7 352	1 344
- Unrealised exchange rate differences' losses over profits surplus	(582)	19 726
Total profit due to exchange rate differences	**6 770**	**21 070**

NOTE 11 Change in deferred income tax assets (+) and deferred tax provisions (-)

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

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Deferred tax at the beginning of the period		
measurement of financial instruments	-	(2 712)
valuation of investment property	(51 541)	(49 666)
- shares in joint ventures *	(66 433)	(44 506)
tax loss	50 654	54 600
liabilities due to loans and bonds (measurement, FX differences, etc.)	(4 512)	(1 499)
liabilities due to borrowings (measurement, FX differences, etc.)	27 333	21 198
- loans receivable (interest, valuation, exchange rate differences, etc.)	(49 477)	(40 056)
liabilities related to investment projects (master lease)	1 874	2 306
activated costs on projects during construction	41 691	30 130
- costs due to created reserves	27 817	28 606
IFRS 16	2 347	4 385
- difference between the book value and tax value of inventory	35 021	112 077
- difference between the book value and tax value of prepayments for premises	(10 936)	(145 598)
-Difference between the book value and tax value of the other assets	(12 987)	(12 864)
- Liabilities and provisions for employee benefits	844	1 783
other	(3 146)	651
	(11 451)	**(41 164)**
Change in the period		
measurement of financial instruments	-	2 712
valuation of investment property	42 347	(1 876)
- shares in joint ventures *	3 204	(21 927)
tax loss	3 440	(3 946)
liabilities due to loans and bonds (measurement, FX differences, etc.)	(555)	(3 014)
liabilities due to borrowings (measurement, FX differences, etc.)	(1 464)	6 135
- loans receivable (interest, valuation, exchange rate differences, etc.)	(8 147)	(9 421)
liabilities related to investment projects (master lease)	658	(432)
activated costs on projects during construction	1 377	11 561
- costs due to created reserves	14 291	(789)
IFRS 16	(789)	(2 038)
- difference between the book value and tax value of inventory	26 022	(77 056)
- difference between the book value and tax value of prepayments for premises	(45 330)	134 662
-Difference between the book value and tax value of the other assets	472	(124)
- Liabilities and provisions for employee benefits	254	(939)
other	378	(3 797)
	36 158	**29 711**
Total deferred income tax at the end of the period		
measurement of financial instruments	-	-
valuation of investment property	(9 196)	(51 541)
- shares in joint ventures *	(63 229)	(66 433)
tax loss	54 094	50 654
liabilities due to loans and bonds (measurement, FX differences, etc.)	(5 067)	(4 512)
liabilities due to borrowings (measurement, FX differences, etc.)	25 870	27 333
- loans receivable (interest, valuation, exchange rate differences, etc.)	(57 624)	(49 477)

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

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
liabilities related to investment projects (master lease)	2 532	1 874
activated costs on projects during construction	43 068	41 691
- costs due to created reserves	42 107	27 817
IFRS 16	1 558	2 347
- difference between the book value and tax value of inventory	61 046	35 021
- difference between the book value and tax value of prepayments for premises	(56 266)	(10 936)
-difference between the book value and tax value of the other assets	(12 516)	(12 987)
- liabilities and provisions for employee benefits	1 098	844
other	(2 769)	(3 146)
	24 706	**(11 451)**
including:		
Deferred tax assets	184 319	151 928
change during the year	32 392	38 934
Sales of subsidiaries	(2 781)	-
Deferred tax provision	159 613	163 377
change during the year	(3 765)	9 223
Sales of subsidiaries	6	–

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

As of 31 December 2025, the Group did not recognize deferred tax assets in the amount of PLN 46,987 thousand due to tax losses.

The expiration dates of the right to reduce income tax arise in 2026 (PLN 1,115 thousand), 2027 (PLN 10,830 thousand), 2028 (PLN 74,832 thousand), in 2029 (PLN 84,298 thousand), 2030 (PLN 113,624 thousand)

As of 31 December 2024, the Group did not recognize deferred tax assets in the amount of PLN 44,296 thousand due to tax losses.

The expiration dates of the right to reduce income tax arise in 2025 (PLN 10,987 thousand), 2026 (PLN 16,566 thousand), 2027 (PLN 27,951 thousand), 2028 (PLN 103,524 thousand), in 2029 (PLN 107,570 thousand).

In 2025, the Group used tax losses in the amount of PLN 82,960 thous. (2024: PLN 86,027 thous.). The amount includes the use of tax losses regardless of whether a deferred tax asset was recognized at the date the losses arose and also includes losses resulting from corrections to prior years' tax settlements.

The item "IFRS 16 leases" includes deferred tax for the right-of-use asset in the amount of PLN 12,563 thous. (31 December 2024 in the amount of PLN 11,188 thous.) and for the lease liability in the amount of PLN 11,005 thous. (31 December 2024 in the amount of PLN 8,841 thous.).

Income tax - effective tax rate [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
1. Profit before tax (gross profit)	**56 027**	**83 624**
2. Income tax calculated according to national rates	10 645	15 889
3. Differences:		
Tax effect of non-taxable income	(4 018)	(4 377)
Tax effect of income from change in provisions and non-taxable liabilities	(3 097)	(791)
Allowances for expected credit losses - release of receivables	(116)	(732)
Tax effect of permanently non-deductible expenses	24 920	10 419
Tax effect of permanently non-deductible finance costs	1 086	3 756
Financial services over ebidta limit	27 744	21 340
Utilization of previously unrecognized tax losses	(393)	-
Tax losses for which deferred income tax was not recognized	3 520	8 059
Income tax from previous years	31	825
Tax losses from previous years for which deferred income tax was recognized	(1 014)	(2 537)
Result of the period of partnerships	-	(3 543)
Effect of tax rate change	(192)	(255)
Reversal of the deferred tax asset on the excess debt financing costs	–	19 947
Settlement of the share sale transaction Archicom S.A. within the Group	8 454	-
Differences total	**56 925**	**52 111**
Charge on the financial result due to income tax, including	**67 570**	**68 000**
- current tax	106 514	97 712
- deferred tax	(38 944)	(29 712)

Explanatory notes to the consolidated financial statements

NOTE 13 Changes in investment properties

Changes in investment properties [PLN '000]

	Offices	Shopping centers	Lands	Right-of-use asset	Total
Balance at 1.01.2024	**438 328**	**573 519**	**12 536**	**120 073**	**1 144 456**
- purchase	124 805	-	-	46 192	170 997
- expenditures on investments	38 589	3 016	-	61	41 666
- revaluation of property - profit/loss on fair value measurement (Note 3)	25 466	15 977	596	(21 736)	20 302
- transfer to assets held for sale	(128 662)	-	-	-	(128 662)
- transfer from investment properties under construction	111 738	6 441	-	2 429	120 608
- transfer from assets held for sale	131 069	-	-	-	131 069
- transfer from lease receivables	-	-	-	(6 942)	(6 942)
Balance at 31.12.2024	**741 333**	**598 952**	**13 132**	**140 076**	**1 493 493**
- purchase	68 285	-	-	29 321	97 606
- expenditures on investments	4 568	2 911	-	-	7 479
- revaluation of property - profit/loss on fair value measurement (Note 3)	(55 648)	(65 254)	9 282	(19 781)	(131 401)
- transfer to assets held for sale	(244 714)	(471 008)	-	(8 750)	(724 472)
- transfer from investment properties under construction	-	16 194	-	-	16 194
- sale	(128 142)	-	-	-	(128 142)
Balance at 31.12.2025	**385 682**	**81 795**	**22 414**	**140 866**	**630 757**

The Group measures investment properties at fair value at the end of each reporting period. Valuations of investment properties were performed by the internal analysis department with the exception of a property valued by an external valuer in the amount of PLN 21,969 thous.

The property value as of 31 December 2025 consists the Brain Park B in Cracow. At the same time, the value of investment properties includes the value of perpetual usufruct rights to land, which as of 31 December 2025 is PLN 140,866 thous. (as of 31 December 2024 is PLN 140,076 thous.).

Due to its intention to sell within 12 months, the Group reduced its investment property state, transferring the Brain Park II office building in Kraków, valued at PLN 111,730 thousand, the value of perpetual usufruct rights to land 2,697 thousand, the Brain Park A office building in Kraków, valued at PLN 138,539 thousand, the value of perpetual usufruct rights to land 2,858 thousandand the shopping center in Katowice, valued at PLN 474,203 thousand, the value of perpetual usufruct rights to land 3 195 thousand, to the item of assets held for sale.

The decrease investment properties is due to the sale of City 2 in Wrocław of PLN 128,142 thous.

Details of the property sale transaction in 2025 are described in Note 5.

In the fair value hierarchy for investment properties, the Group assigned level 3, except for investment properties assigned to level 2 in the amount of PLN 1,369 thous. For details, see Section 4.1 "Material estimates and judgments of the Management Board of the Group".

NOTE 14 Changes in investment properties under construction

Changes in investment properties under construction [PLN '000]

	Offices	Centers	Land	Right-of-use asset	Total
Balance at 1.01.2024	**518 803**	**50 834**	**-**	**13 869**	**583 506**
- purchase	-	-	-	4 739	4 739
- expenditures on investments	68 703	14 114	-	-	82 817
- transfer to inventories	(19 619)	-	-	(404)	(20 023)
- transfer to investment properties	(111 738)	(6 441)	-	(2 429)	(120 608)
- sale	(9 040)	-	-	(2 837)	(11 877)
- changes in property valuation - profit/loss on fair value measurement (Note 3)	919	(254)	-	-	665
Balance at 31.12.2024	**448 028**	**58 253**	**-**	**12 938**	**519 218**
- purchase	89 546	-	-	2 093	91 639
- expenditures on investments	130 518	40 807	-	-	171 325
- transfer to inventories	(142 850)	-	-	(6 698)	(149 548)
- transfer to fixed assets	-	(51 680)	-	-	(51 680)
- transfer to investment properties	-	(16 194)	-	-	(16 194)
- transfer to receivables	(7 268)	-	-	-	(7 268)
- changes in property valuation - profit/loss on fair value measurement (Note 3)	1 609	22	-	(53)	1 578
Balance at 31.12.2025	**519 583**	**31 208**	**-**	**8 280**	**559 071**

The Group measures investment properties under construction that meet the criteria to be measured at fair value, in accordance with the Group's accounting policy, at fair value at the end of each reporting period. The valuation methodology is described in Section 2.4 "Main Accounting Policies." The valuations of investment properties under construction were performed by the internal analysis department.

The expenditures on investments under construction mainly concerned investment projects located in Kraków, Łódź and Wrocław.

The Group first updated the fair value of the Wita office building in Kraków in the amount of PLN 9,627 thous. and updated the Fuzja property in the amount of PLN (-) 11,234 thous. and Swobodna I in Wrocław in amount of PLN 3,185 thous.

As of 31 December 2025, the Group presented investment properties under construction with a total value of PLN 559,071 thous. The closing balance of the reporting period consisted primarily of the Swobodna I office building in Wrocław, Wita Stwosza in Kraków and project in the pipeline Fuzja I_01 in Łódź. The value of investment properties under construction included the right of perpetual usufruct of land in the amount of PLN 8,280 thous. (31 December 2024 in the amount of PLN 12,938 thous.).

In the fair value hierarchy for investment properties under construction, the Group has assigned Level 3. Details are presented in Section 4.1 " Material estimates and judgments of the Management Board of the Group".

NOTE 15 Change in assets held for sale

Change in assets held for sale [PLN '000]

	Offices	Centers	Land	Right-of-use asset	Total
Balance at 1.01.2024	**148 839**	**-**	**-**	**-**	**148 839**
- revaluation of property - profit/loss on fair value measurement (Note 3)	(18 685)	-	-	-	(18 685)
- transfer from investment properties	128 662	-	-	-	128 662
- expenditures on investments	996	-	-	-	996
- transfer to investment properties	(131 069)	-	-	-	(131 069)
- sale	(128 743)	-	-	-	(128 743)
Balance at 31.12.2024	**-**	**-**	**-**	**-**	**-**
- revaluation of property - profit/loss on fair value measurement (Note 3)	6 292	(43 162)	-	(189)	(37 059)
- transfer from investment properties	244 714	471 008	-	8 750	724 472
- sale	(115 325)	(427 846)	-	(5 703)	(548 874)
Balance at 31.12.2025	**135 681**	**-**	**-**	**2 858**	**138 539**

The Group measures investment properties that are assets held for sale at fair value at the end of each reporting period. The valuation methodology is described in Section 2.4 "Main Accounting Policies." The valuations of assets held for sale were performed by the internal analysis department.

The decrease in assets held for sale is due to the sale of:
- the Brain Park II in Kraków in the amount of PLN 117,933 thous.
- Shopping center Libero in Katowice in the amount of PLN 430,941 thous.

Details of the property sale transaction in 2025 are described in Note 5.

Due to the intention to sell within 12 months, the Group increased the state of assets held for sale by transferring the Brain Park II office building in Kraków, valued at PLN 111,730 thousand, the value of perpetual usufruct rights to land 2,697 thousand, the Brain Park A office building in Kraków, valued at PLN 138,539 thousand, the value of perpetual usufruct rights to land 2,858 thousandand the shopping center in Katowice, valued at PLN 474,203 thousand, the value of perpetual usufruct rights to land 3 195 thousand, to the item of assets held for sale.

As of 31 December 2025, the Group presented assets held for sale with a total value of PLN 138,539 thous. The closing balance of the reporting period consisted of the Brain Park A office building in Kraków.

In the fair value hierarchy for investment properties classified as held for sale, the Group assigned Level 3. Details are presented in Section 4.1 "Material estimates and judgments of the Management Board of the Group.

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

	31.12.2025	31.12.2024
Received deposits (Note 33)	4 932	-
Derivatives (Note 33)	67	-
Leasing (Note 33)	2 858	-
Other (Note 33)	7 088	-
Total	**14 945**	**-**

The item 'liabilities associated to assets held for sale' of the consolidated statement of financial position, presents liabilities Brain Park A in Kraków.

NOTE 16 Changes in intangible assets

Changes in intangible assets (by respective groups) [PLN '000]

	Trademark	Purchased permits, patents, licences and similar assets	Other and intangible assets in progress	Total intangible assets
1.01.2025 - 31.12.2025				
Gross value of intangible assets at the beginning of the period	**66 704**	**19 337**	**7 352**	**93 393**
- purchases	-	715	2 299	3 014
- sales	-	(5)	(21)	(26)
- liquidation	-	(4 911)	(571)	(5 482)
- other	-	(129)	(1 248)	(1 377)
Gross value of intangible assets at the end of the period	**66 704**	**15 007**	**7 811**	**89 521**
Accumulated amortization at the beginning of the period		**(9 828)**	**(1 986)**	**(11 814)**
- amortization	-	(917)	(2 124)	(3 041)
- sales	-	1	1	2
- liquidation	-	5 066	1 819	6 885
Accumulated amortization (depreciation) at the end of the period	**-**	**(5 678)**	**(2 290)**	**(7 968)**
Net value of intangible assets at the end of the period	**66 704**	**9 329**	**5 521**	**81 553**
1.01.2024 - 31.12.2024				
Gross value of intangible assets at the beginning of the period	**66 704**	**10 254**	**9 222**	**86 180**
- purchases	-	120	9 390	9 510
- liquidation	-	(1 008)	(1 289)	(2 297)
- other	-	9 971	(9 971)	-
Gross value of intangible assets at the end of the period	**66 704**	**19 337**	**7 352**	**93 393**
Accumulated amortization at the beginning of the period	**-**	**(9 024)**	**(790)**	**(9 814)**
- amortization	-	(1 725)	(517)	(2 243)
- liquidation	-	-	244	244
- other	-	922	(922)	-
Accumulated amortization (depreciation) at the end of the period	**-**	**(9 828)**	**(1 986)**	**(11 813)**
Net value of intangible assets at the end of the period	**66 704**	**9 509**	**5 366**	**81 579**

Trademark

As a result of the acquisition of shares of DKR Invest S.A. and shares of DKR Investment Sp. z o.o. (indirectly Archicom S.A.) in 2021, the Group, as part of intangible assets, recognized the "Archicom" trademark. The value of the trademark amounted to PLN 66,704 thous. as of the acquisition date. On the recognized trademark, the Group recognized a deferred tax liability in the amount of PLN 12,674 thous. The Group's Management Board considered that there are no predictable limitations on the period in which the services and goods sold under the trademark managed by the Group can be expected to generate financial benefits, and therefore the trademark is treated as an intangible asset with an indefinite useful life, on which no amortization is made. Each reporting period, the useful life is reviewed to determine whether events and circumstances continue to support the assessment that the useful life of this asset is still indefinite. The Group performs its annual trademark impairment test.

As of 31 December 2025, the Group performed the impairment test of the "Archicom" trademark, estimating the fair value by applying the discounted royalty method on the basis of a five-year financial plan covering the years 2026 - 2030 for the Archicom S.A. Group. The analysis took into account basic cash flows resulting from, among other things, revenues from sales of products and services and costs of marketing expenditures.

The inputs used for the above valuation are not directly or indirectly observable in active markets - the valuation is classified as Level 3 in the fair value hierarchy.

The following assumptions were used to perform the impairment test:
- The fair value was determined based on the discounted cash flow (DCF) method - the Relief from Royalty method.
- The basis for determining the recoverable amount is the trademark asset.
- The license rate was set at 3.55% (4.14% in 2024), after taking into account the industry brand power, the amount of the share of the royalty rates in the performance of entities in the sector with comparable main parameters of the adopted business model in terms of pricing and capital needs, the amount of market royalty rates for the sector in which the entity operates.
- The weighted average cost of capital (WACC) was adopted at 13.88% (14.74% in 2024), while for intangible assets the expected rate of return was 14.82% (20.42% in 2024).
- The cash flow projection period was adopted for 5 years (from 2026 to 2030). (The same projection period was adopted for 2024 from 2025 to 2029).
- The growth in sales revenues over the projection period was set at an average level of about 9% (30% in 2024).
- For the terminal value, it was assumed a zero long-term growth rate (the same assumption in 2024).

Based on the analysis, the Group's Management Board found no impairment of the Archicom trademark. In view of the above, the value of the mark as of 31 December 2025 is still PLN 66,704 thous.

The Group performed a sensitivity analysis on the change in the basic assumptions used for the impairment test of the Archicom trademark. The impact that an increase and decrease in the license rate and discount rate would have is presented below, using the following assumptions:
- License fee rate - further estimation of the value range was made by verifying the value of the trademark for the calculated license fee, adjusted by the rate, respectively: -15%, -10%, +10% and +15%.
- Discount rate - for the purpose of the sensitivity analysis, the value of the trademark was verified with a decrease and increase in the discount rate by, respectively: -1.5%, -1.0%, +1.0% and +1.5%.

The analysis was carried out under the assumption that all other assumptions remain unchanged.

Trade mark value sensitivity analysis

		License fee rate						
		3,01%	**3,19%**	**3,37%**	**3,55%**	**3,72%**	**3,90%**	**4,08%**
Discount rate	**13,3%**	57 022	98 154	139 286	179 394	219 264	260 396	301 528
	13,8%	54 392	93 678	132 964	171 272	209 353	248 639	287 925
	14,3%	51 984	89 580	127 177	163 837	200 281	237 877	275 473
	14,8%	49 773	85 816	121 860	157 007	191 945	227 989	264 032
	15,3%	47 734	82 346	116 958	150 709	184 260	218 872	253 484
	15,8%	45 849	79 137	112 425	144 885	177 152	210 440	243 728
	16,3%	44 101	76 161	108 221	139 483	170 559	202 619	234 678

Changes in property, plant and equipment (by respective groups) [PLN '000]

1.01.2025 - 31.12.2025	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other and PP&E in progress	Right-of--use asset	Total PP&E
Gross value of PP&E at the beginning of the period	**107**	**9 786**	**7 764**	**1 760**	**21 494**	**82 856**	**123 767**
- purchases	–	272	1 174	569	1 527	–	3 542
- taking control over subsidiaries	–	42	6	–	13	–	61
- from leases (IFRS 16)	–	–	–	–	–	14 292	14 292
- sales	–	–	(2 767)	(198)	(520)	(121)	(3 606)
- liquidation	–	–	(1 798)	(237)	(2 691)	(6 615)	(11 341)
- loss of control over subsidiaries	–	(42)	(6)	(2)	(13)	(2 988)	(3 051)
- transfer from investment properties under construction	681	50 912	–	–	87	–	51 680
Gross PP&E at the end of the period	**788**	**60 970**	**4 373**	**1 892**	**19 897**	**87 424**	**175 344**
Accumulated amortization at the beginning of the period	**(1)**	**1 980**	**(5 406)**	**(1 032)**	**(12 130)**	**(32 680)**	**(49 270)**
- amortization	(5)	(2 354)	(514)	(31)	(1 750)	–	(4 654)
- liquidation	–	244	1 681	180	2 626	2 310	7 041
- loss of control over subsidiaries	–	1	2	2	6	632	643
- from leases (IFRS 16) - amortization	–	–	–	–	–	(11 069)	(11 069)
- correction due to sales	–	–	2 405	83	159	66	2 713
- other	–	–	–	–	–	3 000	3 000
Accumulated amortization at the end of the period	**(6)**	**(129)**	**(1 832)**	**(798)**	**(11 089)**	**(37 741)**	**(51 596)**
Net value of PP&E at the end of the period	**782**	**60 840**	**2 540**	**1 093**	**8 809**	**49 683**	**123 748**

1.01.2024 - 31.12.2024	Own land	Buildings and structu-res	Technical equipment and machines	Means of transport	Other and PP&E in progress	Right-of--use asset	Total PP&E
Gross value of PP&E at the beginning of the period	**200**	**6 915**	**6 047**	**2 118**	**16 902**	**64 384**	**96 566**
- purchases	7	5 177	1 788	36	5 851	–	12 859
- from leases (IFRS 16)	–	–	–	–	–	23 002	23 002
- sales	(100)	(697)	(30)	(363)	(793)	–	(1 984)
- liquidation	–	(1 609)	(41)	(32)	(465)	(4 530)	(6 676)
Gross PP&E at the end of the period	**107**	**9 786**	**7 764**	**1 760**	**21 494**	**82 856**	**123 767**
Accumulated amortization at the beginning of the period	**(13)**	**2 435**	**(5 027)**	**(1 343)**	**(11 273)**	**(24 857)**	**(40 077)**
- amortization	(1)	(1 292)	(461)	(35)	(1 863)	–	(3 652)
- liquidation	–	641	62	–	337	2 068	3 108
- from leases (IFRS 16) - amortization	–	–	–	–	–	(9 891)	(9 891)
- correction due to sales	13	195	19	345	669	–	1 242
Accumulated amortization at the end of the period	**(1)**	**1 980**	**(5 406)**	**(1 032)**	**(12 130)**	**(32 680)**	**(49 270)**
Net value of PP&E at the end of the period	**106**	**11 766**	**2 357**	**727**	**9 365**	**50 176**	**74 497**

Investments in associates and joint ventures accounted for using the equity method [PLN '000]

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

	Rosehill Investments sp. z o.o., Berea sp. z o.o. (Galeria Młociny)	Projekt Towarowa 22 sp. z o.o. (Towarowa 22)	R4R Poland sp. z o.o. (Resi4Rent)	SGE JV co S. a r. l. (StudentSpace)	Projekt Browarna sp. z o.o.	Total
Balance as of 1 January 2024	**281 303**	**101 351**	**259 814**	**-**	**-**	**642 468**
- increase in capitals	-	-	-	48	-	48
- disclosure due to disposal of shares	-	-	-	-	6	6
- increase in capitals	-	-	-	100 045	-	100 045
- Echo Investment Group's share of the joint venture's net profit/loss	(4 086)	40 187	71 173	18 493	(650)	125 116
- exchange differences due to conversion	-	-	-	(219)	-	(219)
Total cumulative unrecognized shares of the joint venture's loss	-	-	-	-	5 247	5 247
- elimination of transactions between the undertaking and the Group (revenues, costs, sales profits)	-	815	7 432	38	(4 602)	3 683
- other	-	-	-	(84)	-	(84)
Balance as of 31 December 2024	**277 217**	**142 353**	**338 418**	**118 321**	**-**	**876 309**
- Echo Investment Group's share of the joint venture's net profit/loss	(10 715)	24 161	5 704	3 199	(1 203)	21 146
- exchange differences due to conversion	-	-	-	(1 302)	-	(1 302)
- increase in capitals	-	3	-	7 451	-	7 454
- sale of shares and settlement of the Echo Investment Group's share in net profit/loss from previous years	-	(69 542)	-	-	-	(69 542)
Total cumulative unrecognized shares of the joint venture's loss	-	-	-	-	5 316	5 316
- elimination of transactions between the undertaking and the Group (revenues, costs, sales profits)	-	191	(43)	(33)	(4 113)	(3 997)
- other	-	-	(1 396)	-	-	(1 396)
Balance as of 31.12.2025	**266 502**	**97 166**	**342 683**	**127 636**	**-**	**833 988**

	Rosehill Investments Sp. z o.o., Berea sp. z o.o. (Galeria Młociny)	Projekt Towarowa 22 sp. z o.o. (Towarowa 22)	R4R Poland sp. z o.o. (Resi4Rent)	SGE JV co S. a r. l. (StudentSpace)	Projekt Browarna sp. z o.o.	Total
Total comprehensive income	**815 188**	**326 601**	**1 161 010**	**425 435**	**(3 360)**	**2 724 874**
Echo Investment Group's % share	30%	30%	30%	30%	55%	
Echo Investment Group's share of net assets	**244 556**	**97 980**	**348 303**	**127 631**	**(1 848)**	**816 622**
Goodwill after impairment loss	21 946	–	–	–	–	21 946
Elimination of transactions between the undertaking and the Group (revenues, costs, sales profits) and other adjustments	–	(816)	(5 619)	6	1 848	(4 581)
Echo Investment Group's share of net assets = the carrying value of the investment valued using the equity method	**266 502**	**97 166**	**342 683**	**127 636**	**-**	**833 988**
Borrowings granted	**-**	**46 917**	**350 175**	**-**	**114 332**	**511 424**
Echo Investment Group's total involvement in joint ventures as of 31.12.2025	**266 502**	**144 083**	**692 858**	**127 636**	**114 332**	**1 345 411**

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

On 31 May 2017, the Echo Investment Group together with the EPP Group concluded a purchase agreement concerning a property located in Warsaw at ul. Zgrupowania AK „Kampinos". Under the concluded transaction the companies purchased shares in Rosehill Investments Sp. z o.o., which is the owner of Galeria Młociny project by way of holding 100 percent shares in Berea Sp. z o.o. The property value was established as EUR 104.5 mln. As at the day of the acquisition and the balance date i.e. on 31 December 2025 the Echo Investment Group held 30 percent shares in the project company being the owner of the property and the remaining 70 percent was held by the EPP Group. The share of the Group in Berea Sp. z o.o. presented in the financial report is estimated according to the equity method. Pursuant to the articles of association, all strategic financial and operational decisions (including in particular: purchase of a significant asset, conclusion of a lease agreement, etc.) require the unanimous consent of both shareholders.

In 2022, the Echo Investment Group together with the EPP N.V. made a proportional capital increase in Rosehill Investments Sp z o.o. in the total amount of EUR 76.3 million (EPP N.V. - EUR 53.4 million, Echo Group - EUR 22.9 million).

The following is a summary of financial information in the joint venture. The carrying value of the investment as of 31 December 2025 was PLN 266,502 thous. At the same time, since the beginning of the project, the Echo Group has granted loans to Rosehill Investments Sp. z o.o. and Berea Sp. z o.o. with a total value of PLN 71 million, which were used in Q4 2023 to increase the capital in the joint venture. As of 31 December 2025 the Echo Group has no loans granted to Rosehill Investments Sp. z o.o. and Berea Sp. z o.o.

In 2019, the company analyzed the impairment of net investment value based on the equity method in a jointly controlled company Rosehill Investments Sp. z o.o (projekt Młociny). In the first half of 2019, due to Galeria Młociny opening, the company updated the fair value of the project in the net assets of the jointly controlled entity. The company estimated that the recoverable amount of the net investment as at the balance sheet date is lower than the value of the shares in net assets as at that day. As at 31 December 2025, the company recognized an impairment loss of PLN 13,091 thous. and has not changed compared to December 31, 2024.

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

	31.12.2025	31.12.2024
Non-current assets - investment properties	1 573 145	1 659 892
Current assets - other	8 947	11 152
Current assets - cash	27 064	30 898
Total assets	**1 609 155**	**1 701 942**
Long-term liabilities	**782 452**	**836 572**
Financial liabilities (without trade liabilities)	610 180	651 950
Other long-term liabilities	172 271	184 622
Short-term liabilities	**11 515**	**14 466**
Financial liabilities (without trade liabilities)	5 174	5 696
Other short-term liabilities	6 342	8 770
Total liabilities	**793 967**	**851 038**
Equity	**815 188**	**850 904**
Share % of the Echo Investment Group	30,00%	30,00%
Share of the Echo Investment Group in net assets	244 556	255 271
Goodwill	35 037	35 037
Impairment loss	(13 091)	(13 091)
Carrying value of the investment valued using the equity method	266 502	277 217

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

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Operating income	117 624	110 527
Operating costs	(44 029)	(44 388)
Amortization	-	-
Profit/loss on property revaluation to fair value	(64 250)	(2 281)
General and administrative expenses	(2 454)	(2 726)
Cost of sales	(1 582)	(822)
Other income/operating costs	(483)	1 472
Financial income and expenses, including:	(45 414)	(69 941)
Financial interest expenses	(34 601)	(67 374)
Gross profit (loss)	**(40 588)**	**(8 159)**
Income tax	4 873	(5 462)
Net profit (loss)	**(35 716)**	**(13 621)**
Total comprehensive income	**(35 716)**	**(13 621)**
Share % of the Echo Investment Group	30,00%	30,00%
Share of the Echo Investment Group in the net profit/loss of the joint venture	(10 715)	(4 086)
Share of Echo Investment Group in total income from joint venture	(10 715)	(4 086)

Projekt Towarowa 22 sp. z o.o. (Towarowa 22)

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

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

- EPP Group N.V. increased the capital in the joint venture by EUR 36 million and then sold all its shares to a new investor, i.e. AFI Europe N.V. (a company fully owned by AFI Properties Ltd, which is a public company registered in Israel and listed on the Tel Aviv Stock Exchange),
- Echo Investment and AFI Europe N.V. have proportionally withdrawn their contributions to the joint venture: Echo Investment in the amount of EUR 7.1 million and AFI Europe N.V. - in the amount of EUR 16.6 million,
- Echo Investment signed a preliminary purchase agreement for a part of the property located at 22 Towarowa Street ("a part of the joint venture"), which is intended for the construction of apartments, and made a down payment for this plot of land in the amount of EUR 23.7 million, which represents 50 percent of the value of the plot.

In October 2023 and December 2024, Echo Investment's subsidiary Projekt Echo - 137 Sp. z o.o. purchased a portion of a property located at 22 Towarowa Street intended for the construction of apartments for PLN 177,6 million from Projekt Towarowa 22 Sp. z o.o.

On 4 September 2025, Strood Sp. z o.o., a wholly-owned subsidiary of Echo Investment S.A., in execution of a put option, entered into a share sale agreement with Pebworth Sp. z o.o., a subsidiary of AFI Europe N.V., regarding the sale by Strood of 30% of the share capital of T22 Budynek B Sp. z o.o., which owns a project comprising the Office House office building in the Towarowa 22 complex in Warsaw. The preliminary sale price of the shares was set at EUR 17,391 thous., and the amount for the repayment of the intra-group debt related to the Transaction amounted to PLN 28,291 thous. The preliminary sale price of the share capital in T22 Budynek B will be subject to further adjustments in accordance with the procedures described in the Agreement and the terms specified therein. Pursuant to the Agreement, the current intra-group debt of T22 Budynek B, in its part related to financing provided by “Echo – Aurus” Sp. z o.o., a subsidiary of the Issuer, was settled through full repayment of the receivables to “Echo-Aurus” and their assumption by AFI Europe N.V.

Following the completion of the above transactions and as of the balance sheet date, i.e. 31 December 2025, the Echo Group owns 30 percent and AFI Europe N.V. 70 percent of the shares in the joint venture.

Based on the company's deed, all strategic financial and operational decisions (including, in particular, making the purchase of a material asset, entering into a lease agreement, etc.) are subject to the unanimous consent of both shareholders. Echo Investment S.A. and AFI Europe N.V. are only liable for their proportionate share of the purchase price. The share of this joint venture is accounted for using the equity method in the consolidated financial statements of the Echo Investment Group. The carrying amount of the project as of 31 December 2025 was PLN 97,166 thous. At the same time, since the beginning of the project, the Echo Group has granted Projekt Towarowa 22 Sp. z o.o. and Projekt Echo 138 Sp. z o.o. with a total value of PLN 46,917 thous.

The following is a summary of financial information in the joint venture.

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

	31.12.2025	31.12.2024
Non-current assets - investment properties	376 268	769 122
Non-current assets - other	14 627	33 080
Current assets - cash	11 990	21 615
Current assets	103 629	15 303
Total assets	**506 514**	**839 119**
Long-term liabilities	**108 555**	**301 468**
Financial liabilities (without trade liabilities)	85 008	249 032
Other long-term liabilities	23 547	52 435
Short-term liabilities	**71 358**	**59 785**
Financial liabilities (without trade liabilities)	10 049	4 755
Other short-term liabilities	61 309	55 030
Total liabilities	**179 913**	**361 253**
Equity	**326 601**	**477 866**
Share % of the Echo Investment Group	30,00%	30,00%
Elimination of transactions between the undertaking and the Group (revenues, costs, sales profits of 30 percent)	(816)	(1 006)
Echo Investment Group's share in net assets = carrying amount of the investment valued using the equity method	97 166	142 353

Financial data of the joint venture - Towarowa 22
Selected data from the statement of comprehensive income [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Operating income	10 493	124 475
Operating costs, including:	(14 506)	(108 931)
Amortization	-	-
Profit/loss on property revaluation to fair value	121 587	141 510
General and administrative expenses	(751)	(162)
Other income / operating costs	(132)	347
Financial income and costs, including:	(6 583)	(1 364)
Financial interest expenses	(3 101)	(1 651)
Gross profit (loss)	**110 109**	**155 876**
Income tax	(29 572)	(21 920)
Net profit (loss)	**80 537**	**133 956**
Total comprehensive income	**80 537**	**133 956**
Share % of the Echo Investment Group	30,00%	30,00%
Echo Investment Group's share of the joint venture's net profit/loss (30 percent)	24 161	40 187
Share of the Echo Investment Group in the total income from the joint venture	24 161	40 187

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

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

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

By fulfilling its commitment to co-finance the project, Echo Investment S.A. provided capital to R4R Poland Sp. z o.o. acquiring new shares in the increased share capital: 39,236 thousand.

At the same time, Echo Investment granted loans to R4R Poland Sp. z o.o.: 350,175 thous.

In 2018 - 2025, new subsidiaries of R4R Poland Sp. z o.o. were established in order to develop projects located among others in Warsaw (Grzybowska, Taśmowa, Woronicza, Wilanowska), Gdańsk (Kołobrzeska, Zielony Trójkąt), Kraków (3 Maja, Jana Pawła II, Puszkarska, Romanowicza, Zabłocie, Młyńska), Poznań (Szczepanowskiego, Nowe Miasto, ul. Dmowskiego), Łódź (Wodna, Kilińskiego) and Wrocław (Grabiszyńska, Jaworska, Rychtalska, Kępa, Park Zachodni, Bardzka).

On 16 August 2025, R4R Poland Sp. z o.o. entered into a preliminary share sale agreement with Vantage Development S.A., headquartered in Wrocław, regarding the sale by R4R Poland of 100% of the shares in 18 limited liability companies that are subsidiaries of R4R Poland Sp. z o.o. The sale price was set at PLN 2,400 million and will be adjusted, among other things, for the net working capital as of the transaction date, the amount of internal and external debt, and the cash position. Under the agreements, R4R is selling 5,322 completed units intended for rental.

The execution of the definitive share sale agreement for the Subsidiaries is expected to occur by 15 May 2026. The Preliminary Sale Agreement provides for the following conditions precedent: (i) obtaining the approval of the President of the Office of Competition and Consumer Protection for the concentration under the Transaction, and (ii) obtaining letters regarding repayment from the banks providing financing to the Subsidiaries.

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

The carrying value of the investment as at 31 Decembere 2025 amounted PLN 342,684 thous.

Financial data of the joint venture - Resi4Rent
Selected data from the statement of financial situation [PLN ‘000]

	31.12.2025	31.12.2024
Non-current assets - investment properties	435 545	2 316 339
Non-current assets - investment properties under construction	974 753	1 085 650
Other non-current assets	16 583	28 614
Current assets - cash	48 088	150 874
Current assets - other	45 757	56 982
Assets held for sale	2 992 727	709 301
Total assets	**4 513 453**	**4 347 760**
Long-term liabilities	**1 771 333**	**2 706 348**
Financial liabilities (without trade liabilities)	1 691 149	2 397 414
Other long-term liabilities	80 184	308 934
Short-term liabilities	**1 581 110**	**494 762**
Financial liabilities (without trade liabilities)	13 113	48 760
Other short-term liabilities	69 074	134 345
Financial liabilities (without trade liabilities) directly associated with non-current assets classified as held for sale	1 230 992	293 957
Other short-term liabilities directly associated with non-current assets classified as held for sale	267 930	17 700
Total liabilities	**3 352 443**	**3 201 110**
Equity	**1 161 010**	**1 146 650**
Share % of the Echo Investment Group	30,00%	30,00%
Elimination of transactions between the undertaking and the Group (revenues, costs, sales profits of 30 percent)	(5 619)	(5 577)
Echo Investment Group's share in net assets = carrying amount of the investment valued using the equity method	342 684	338 418

Financial data of the joint venture - Resi4Rent
Selected data from the statement of comprehensive income [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Operating income	14 411	176 730
Profit/loss on property revaluation to fair value	147 904	274 244
Administrative expenses related to projects	(16 104)	(47 547)
General and administrative expenses, including:	(31 108)	(31 423)
Amortization	(823)	(680)
Other operating income/expenses	1 080	(15)
Financial income and expenses, including:	(77 280)	(79 148)
Financial interest expenses	(73 790)	(78 489)
Gross profit (loss)	**38 903**	**292 841**
Income tax	(19 572)	(55 599)
Net profit (loss) from continuing operations	**19 331**	**237 242**
Net profit (loss) from discontinued operations	(317)	-
Net profit (loss)	**19 014**	**237 242**
Total comprehensive income	**19 014**	**237 242**
Share % of the Echo Investment Group	30,00%	30,00%
Share of the Echo Investment Group in net profit/loss of the joint venture	5 704	71 173
Echo Investment Group's share of total income from the joint venture	5 704	71 173

SGE JV co S. a r. l. (StudentSpace)

On 6 March 2024, Echo Investment S.A. acquired 30 percent of the shares and votes in a joint investment venture (Student Space) that will develop student housing projects in Poland. The remaining 70 percent of the shares and votes were acquired by Signal Alpha 3 R1 S.ŕ r.l., based in Luxembourg. Under the company deed, all strategic financial and operational decisions (including in particular the purchase of a significant asset) require that both shareholders unanimously agree.

Echo Investment S.A. intends to invest up to EUR 31.3 million in the development of the Venture. The assumed time horizon for the execution of the Venture will be from 3 to 5 years. The assumed number of beds to be completed as part of the Venture shall be at least 5,000. The assumed proportions of financing sources of the Venture shall be (i) 40 %-50 % - financing from the parties; (ii) the remaining 60 percent - 50 percent - debt.

The first two projects started in Kraków. There are places for 1,230 students at Wita Stwosza Street and 29 Listopada Avenue. In turn, the first project in Warsaw is scheduled for completion in autumn 2026.
Echo Investment S.A., while fulfilling its commitment to co-finance the venture, contributed its capital to SGE JV co S. a r. l. by acquiring new shares in the increased share capital for the amount of PLN 107,496 thous.

The Echo Investment Group's share in the consolidated financial statements is accounted for using the equity method. The financial information in the joint venture is summed up below.

The carrying amount of the project as at 31 December 2025 amounted to PLN 127,636 thous.

Financial data of the joint venture - Student Space
Selected data from the statement of financial situation [PLN '000]

	31.12.2025	31.12.2024
Investment properties	531 123	290 520
Other non-current assets	28 642	1 477
Current assets - cash	23 967	97 943
Current assets - other	23 349	45 767
Total assets	**607 080**	**435 707**
Long-term liabilities	**164 652**	**16 180**
Financial liabilities (without trade liabilities)	136 874	-
Other long-term liabilities	27 778	16 180
Short-term liabilities	**16 993**	**25 253**
Financial liabilities (without trade liabilities)	-	-
Other short-term liabilities	16 993	25 253
Total liabilities	**181 645**	**41 433**
Equity	**425 435**	**394 274**
Share % of the Echo Investmen Group	30,00%	30,00%
Elimination of transactions between the undertaking and the Group (revenues, costs, sales profits of 30 percent)	6	38
Echo Investment Group's share in net assets = carrying amount of the investment valued using the equity method	127 636	118 321

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

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Profit/loss on property revaluation to fair value	26 999	78056
General and administrative expenses, including:	(18 257)	(2 129)
Amortization	(2)	(3)
Other operating income/expenses	4 642	(171)
Financial income and expenses	4 441	801
Gross profit (loss)	**17 825**	**76 557**
Income tax	(7 162)	(14 914)
Net profit (loss)	**10 663**	**61 643**
Total comprehensive income	**10 663**	**61 643**
Share % of the Echo Investment Group	30,00%	30,00%
Share of Echo Investment Group in net profit/loss of the joint venture	3 199	18 493
Echo Investment Group's share of comprehensive income from the joint venture	3 199	18 493

Projekt Browarna sp. z o.o. (previously named Archicom Wrocław 2 sp. z o.o.)

On 7 March 2024, documents concerning the establishment of a joint venture by Archicom S.A. and Rank Progress S.A. were signed, as a result of which Archicom Wrocław 2 Sp. z o.o. (currently: Projekt Browarna sp. z o.o.) became the subject of the joint ownership of the two aforementioned companies. Archicom's share in the joint venture is 55 percent and Rank Progress 45 percent. As a result of the transaction, the Company lost exclusive control over the undertaking. Under the company deed, all strategic financial and operational decisions (including in particular the purchase of a significant asset) require that both shareholders unanimously agree.

The JV initiative relates to the development of a residential project on a site located at Browarna Street in Wrocław. The project assumes that Rank Progress will contribute the land to the venture, and Archicom will handle the comprehensive development of the project. As part of the three-stage investment, it is planned to build a residential estate with over 45,000 sqm of usable floor space, including nearly 800 apartments.

On 28 March 2024, the jointly-controlled undertaking and Rank Progress S.A. concluded, in performance of the preliminary and conditional agreement of 7 March 2024, a sales agreement and a transfer agreement concerning the purchase by Projekt Browarna sp. z o.o. (previous name: Archicom Wrocław 2 sp. z o.o.) from Rank Progress S.A. of the property located at Browarna Street in Wrocław.

In March 2025, Archicom S.A. granted a loan to its jointly controlled company Projekt Browarna sp. z o.o. for a total amount of PLN 3,400 thousand. As of December 31, 2025, the balance of loans granted by Archicom S.A. to Projekt Browarna Sp. z o.o. amounted to PLN 114,332 thousand.

The Echo Investment Group's share in the consolidated financial statements is accounted for using the equity method. The financial information in the joint venture is summed up below.

Financial data of the joint venture - Projekt Browarna sp. z o.o. Selected data from the statement of financial situation [PLN '000]

	31.12.2025	31.12.2024
Non-current assets - other	5 022	2 032
Current assets - inventories	206 868	188 054
Current assets - other	3 693	952
Current assets - cash	6 672	2 210
Total assets	**222 255**	**193 249**
Long-term liabilities	**213 177**	**191 909**
Financial liabilities (without trade liabilities)	209 099	190 182
Other long-term liabilities	4 078	1 726
Short-term liabilities	**12 438**	**2 513**
Financial liabilities (without trade liabilities)	185	131
Other short-term liabilities	12 253	2 382
Total liabilities	**225 615**	**194 422**
Equity	**(3 360)**	**(1 173)**
Share % of Echo Investment Group	55%	55%
Echo Investment Group's share of net assets	(1 848)	(645)
Elimination of transactions between the undertaking and the Group (revenues, costs, sales profits of 55 percent)	(8 715)	(4 602)
Total cumulative unrecognized share of the joint venture's loss	10 563	5 247
Carrying amount of the investment measured using the equity method	-	-

Financial data of the joint venture - Projekt Browarna sp. z o.o. Selected data from the statement of comprehensive income [PLN '000]

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Operating income	242	5
Operating costs, including:	(241)	-
Administrative expenses related to the implementation of projects	(218)	(163)
General and administrative expenses	(153)	(105)
Cost of sales	(2 052)	(1 074)
	(32)	-
Financial income and expenses, including:	(238)	(123)
Financial interest expenses	(306)	(239)
Gross profit (loss)	**(2 692)**	**(1 460)**
Income tax	505	277
Net profit (loss)	**(2 187)**	**(1 183)**
Total comprehensive income	(2 187)	(1 183)
Share % of Echo Investment Group	55%	55%
Share of Echo Investment Group in net profit/loss of the joint venture	(1 203)	(650)
Share of Echo Investment Group in comprehensive income from the joint venture	(1 203)	(650)

NOTE 19 Financial assets

Financial assets [PLN '000]

	31.12.2025	31.12.2024
Long-term loans granted (with interest)	409 276	457 444
Short-term loans granted (with interest)	16 874	1 674
Long-term deposits	1 774	4 667
Long-term prepayments	25 246	21 669
Assets at the end of the period	**453 170**	**485 454**
- long-term	436 296	483 780
- short-term	16 874	1 674

The loans were granted to legal entities in PLN, with an interest rate of WIBOR plus a margin or a fixed interest rate. As of the balance sheet date, the loans with a total value of PLN 418,132 thous. (converted to PLN) were granted to the entities accounted for using the equity method: Towarowa 22, Resi4Rent and Browarna Project to be repaid in 2026-2032. The carrying amount of the loans granted to other entities is PLN 8,018 thous., to be repaid in 2026.

The maximum credit risk of the borrowings is equal to their carrying value, but the Management Board takes into account that the borrowers are special purpose companies operating a real estate project, which is a source of potential recoveries. The Group's Management Board actively monitors debtors and assesses their ability to meet their loan obligations. In particular, this is done for loans granted to related parties, through which the Group is able to assess and identify the loans for which their credit risk has significantly increased. The Group's Management Board has not identified any such loans. The Management Board also evaluated the loans in terms of creating an allowance for expected credit losses and assessed such allowance as immaterial. The estimated fair value of the loans granted is approximately equal to their carrying value.

NOTE 20 Inventories

Inventories [PLN '000]

	31.12.2025	31.12.2024
Semi-finished products and work-in-progress	2 409 899	2 015 246
– asset on perpetual usufruct	24 159	49 444
Finished products	253 085	14 792
Goods	1 991	131 690
Total inventories	**2 664 975**	**2 161 728**

The item of finished products mainly includes residential and commercial units sold with final agreements.

The item of semi-finished products and work-in-progress mainly includes properties owned by the Group and expenditures on residential projects in preparation and under construction (e.g. design services, construction work, etc. provided by external companies). In addition, this item includes the right to use the land (perpetual usufruct) on which residential and commercial units are built. The remaining value of the item relates to expenditures incurred for provided services of fit-out of premises. Due to the nature of the business, freshly purchased lands are presented as lands and the Group divides lands held for development between fixed and current assets based on the estimated length of the operating cycle. The details of the division are described in Section 2.4 "Main Accounting Policies."

The item of goods includes lands held for sale.

Inventories are valued at cost of manufacturing or acquisition, but not higher than the net realizable value of sales. This value is obtained according to current market prices acquired from the property developer market. Inventory write-downs are reversed either due to the sale of inventory or due to an increase in the net selling price. The amounts of inventory write-downs recognized in the period as costs and the amounts of reversals of write-downs reducing the inventory value recognized in the period as revenues are included in the profit and loss account under cost of sales.

The Group's Management Board reviewed the projects as at the balance sheet date and analyzed their operating cycle. Due to the identification of projects that go beyond the Group's standard operating cycle, the Group's Management Board decided to present them in the consolidated statement of financial position as long-term assets, under the heading "Land for development".

In accordance with IAS 23, the Group capitalizes that portion of financing costs that are directly related to the acquisition and production of assets recognized as inventory. In the case of targeted financing acquired for the implementation of a project, the amount of finance costs is capitalized, less revenues generated from the temporary placement of cash (i.e., amounts of interest on bank deposits except for deposits resulting from account freezes, letter of credit agreements). In the case of leases, interest expenses on the lease obligation for a specific project are capitalized into the cost of that project (targeted financing). In the case of general financing, financing costs subject to capitalization are determined using the weighted average of all borrowing costs in relation to the expenditures incurred for the asset.

The capitalized amount of general financing costs for the inventory was PLN 48,427 thous. in 2025 (annual yield of 7.9%), while in 2024 - PLN 33,694 thous. (annual yield of 10.23%).

The value of inventories as of 31 December 2025 is PLN 2,664,975 thous., including for sale within 12 months of PLN 1,357,077 thous.

Inventories – impact on profit/loss [PLN '000]

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Amount of inventories recognised as an expense in the period	(1 208 052)	(549 484)
Impairment losses on inventories recognised in the period as cost	(844)	(480)
Reversal of impairment losses which decreases the value of inventories recognised in the period as income	94	750

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

The inventory value recognized as revenue/expense in the period is included in the profit and loss account under "cost of sales".

The change in the inventory write-down to 31 December 2025 amounted to (-) PLN 750 thous. (31 December 2024 - PLN 269 thous.).

The reversal of write-downs in 2025 mainly related to residential projects located in Poznań.

NOTE 21 Short-term receivables

Short-term receivables [PLN '000]

	31.12.2025	31.12.2024
Trade receivables		
- up to 12 months	108 688	122 287
Total trade receivables	**108 688**	**122 287**
Land and office space use right asset (perpetual usufruct)	1 610	1 193
Prepayments - policies	703	2 356
Prepayments and accruals - others	13 742	12 748
Asset on perpetual usufruct	264	-
Prepayments - settlement of rents over time	1 240	11 024
Cost of transferred infrastructure	7 386	-
Assignment of receivables	-	66 051
Other receivables	1 127	3 689
Total non-financial assets	**26 072**	**97 061**
Tender bond for the purchase of properties	-	2 585
Deposits paid	4 997	-
Advances for other deliveries	12 353	14 788
Advances for the purchase of land	30 758	15 500
Total financial assets	**48 108**	**32 873**
Total trade and other receivables:	**182 868**	**252 221**
Receivables due to VAT tax	104 889	75 341
Receivables due to other taxes	1 054	6 397
Total receivables due to taxes	**105 943**	**81 738**
Total net short-term receivables	**288 811**	**333 959**
- allowances for expected credit losses - trade receivables	22 471	15 304
Total gross-short-term receivables	**311 282**	**349 263**

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

The Group monitors the condition and payment capacity of its counterparties on an ongoing basis. There is no significant risk concentration in relation to any of Echo Investment Group's clients.

The credit risk maximum value of trade receivables does not differ materially from the carrying value. The estimated fair value of trade receivables is the present value of future expected discounted cash flows and does not differ materially from the carrying value of these receivables.

The Group uses collaterals and guarantees on trade receivables - the lease in the form of deposits in the amount of PLN 5,084 thous. (2024: PLN 4,036 thous.) and in the form of guarantees, which which did not occur in 2025 year (2024. PLN 1,872 thous.)

In 2025, lease receivables were recognized in the Group's statement of financial position in relation to the sublease of a part of the City 1 office building. The value of the receivables as of 31 December 2025 amounted to PLN 6,494 thous. (including a long-term part of PLN 4,884 thous.).

NOTE 22 Change in allowances for expected credit losses - short-term receivables

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

	31.12.2025	31.12.2024
Opening balance	**15 304**	**16 015**
Increases due to:		
creation of allowance	12 726	2 483
	12 726	**2 483**
Decreases due to:		
release of allowance	(3 007)	(3 126)
repayment	(2 552)	(68)
	(5 559)	**(3 194)**
Balance of allowances for expected credit losses - short-term receivables at the end of the period	**22 471**	**15 304**

The Group estimated the value of impairment loss on receivables from leases and apartments in the amount of PLN 14,428 thous. (2024 PLN 4,465 thousand), accrued penalties on interest in the amount of PLN 4,395 thous. (FY 2024: PLN 4,503 thous.), and other services in the amount of PLN 3,648 thous. (FY 2024: PLN 6,336 thous.). based on a provision matrix developed on the basis of historical data on repayment of receivables by contractors. The matrix is presented in the chapter on financial risk management, in the section on credit risk.

NOTE 23 Trade and other receivables (gross) - broken down by receivables outstanding during the period

Trade and other receivables (gross) - broken down by receivables outstanding during the period [PLN '000]

	31.12.2025	31.12.2024
not required	124 730	181 077
up to 1 month	22 196	57 431
over 1 month to 3 months	18 549	3 883
over 3 months to 6 months	9 649	1 978
over 6 months to 1 year	2 793	4 663
over 1 year	27 422	18 493
Total (gross) overdue trade receivables	**205 339**	**267 525**
Allowance for expected credit losses - value of trade and other receivables	(22 471)	(15 304)
Total (net) trade and other receivables	**182 868**	**252 221**

NOTE 24 Derivative financial instruments

Derivative financial instruments (liabilities)

	31.12.2025	31.12.2024
- Interest Rate Swap	143	554
Total derivative financial instruments	**143**	**554**
With maturities:		
- up to 1 year	143	-
- from 3 year	-	554

Derivative financial instruments (recognition in the consolidated profit and loss account)

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
- income/(expenses) from updating forward instruments	25	327
- income/(expenses) from updating call/put option instruments	(1 673)	-
Forward, call/put options, total (included in "Profit (loss) on derivatives")	**(1 648)**	**327**
- income/(expenses) from updating Interest Rate Swap instruments (Note 9/Note 8)	(4 292)	8 362
Interest Rate Swap, total (included in "Financial income/cost")	**(4 292)**	**8 362**
Total profit on derivatives	**(5 940)**	**8 689**

NOTE 25 Cash and other financial assets

Cash and its equivalents [PLN '000]

	31.12.2025	31.12.2024
Cash in bank accounts	377 452	366 205
Total cash	**377 452**	**366 205**

The Group deposits cash surpluses in banks: PKO BP S.A., Pekao S.A., Alior Bank Polska S.A., Santander Bank Polska S.A., mBank S.A. and Bank Millennium S.A.

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

Other financial assets [PLN '000]

	31.12.2025	31.12.2024
Other financial assets:		
'- receipts from residential clients, blocked in escrow accounts, released by the bank as the project progresses	130 997	91 335
'- constituting security for the return of the deposit	6 894	13 050
- constituting security to cover interest and principal payments	11 375	13 527
Total other financial assets	**149 266**	**117 912**

NOTE 26 Share capital

Shareholders of Echo Investment S.A. as of 31 December 2025

Shareholders	No. of shares and votes	% of share capital	% votes at the GMS
Lisala Sp. z o.o.	257 395 116	62,37%	62,37%
Nationale-Nederlanden OFE	46 201 000	11,20%	11,20%
Allianz Polska PTE	39 781 769	9,64%	9,64%
Nicklas Lindberg	1 004 283	0,24%	0,24%
Maciej Drozd	291 065	0,07%	0,07%
Bence Sass	92 830	0,02%	0,02%
Maciej Dyjas	7 490 334	1,81%	1,81%
Nebil Senman	7 490 334	1,81%	1,81%
Other equity holders	52 943 851	12,83%	12,83%
	412 690 582	**100,00%**	**100,00%**

Description of shares

The share capital of Echo Investment S.A. is divided into 412,690,582 ordinary bearer shares of A, B, C, D, E and F series. 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.

None of the shares has restricted rights. 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.

Shareholding structure

The major shareholder of Echo Investment S.A. is Lisala Sp. z o.o., controlled by Hungarian Wing IHC Zrt. The ultimate parent company of the group is Dayton-Invest Kft., which is controlled at the top level by Tibor Veres.

The shareholding structure information is based on notification from shareholders and information of open pension funds (OFE) stock ownerhip as at 31 December 2025.

NOTE 27 Supplementary capital

Supplementary capital [PLN '000]

	31.12.2025	31.12.2024
From share premium	100 748	100 748
Created from generated profits	653 466	650 952
Reserve fund for payment of dividends	213 142	306 035
Total supplementary capital	**967 356**	**1 057 735**

Dividend from profit for 2024

The net profit of PLN 2,085 thous. generated by Echo Investment S.A. in 2024 was, by resolution dated 26 June 2025, fully allocated to the supplementary reserve capital.

The Annual General Meeting of Shareholders of Archicom S.A. was held on 25 June 2025. The shareholders adopted a resolution on the allocation of the profit generated in 2024, amounting to PLN 197,448 thous., as follows:

(i) net profit of PLN 197,132 thous. was allocated for dividend payment,

(ii) an amount of PLN 82,479 thous., paid on 7 November 2024, as an advance on the 2024 dividend, was credited against the total dividend (the advance paid to minority shareholders amounted to PLN 21,416 thous.),

(iii) it was resolved to pay the dividend net of the dividend advance, i.e., in the amount of PLN 114,652 thous., (iv) PLN 317 thousand of profit was allocated to the reserve fund for the purpose of dividend payment.

The dividend payable to minority shareholders, amounting to PLN 30,497 thous., i.e., PLN 1.96 per share, was paid on 17 November 2025."

Dividend advance on 2025 profit

On 3 November 2025, the Management Board of Echo Investment S.A. adopted a resolution to pay the shareholders an advance on the future dividend for the 2025 financial year. The total amount allocated for the advance amounted to PLN 330,152 thous., i.e., PLN 0.80 per share. The dividend advance was paid on 20 December 2025.

Non-controlling interests [PLN '000]

	Place of business	Proportion of non-controlling interest	Proportion of voting rights held by non-controlling interest	Profit or loss attributable to non-controlling interest	Cumulative non-controlling interest in a subsidiary	Dividends paid to non-controlling interest in the year
Year ended on 31 December 2025	Wrocław, Polska	26,60%	24,05%	22 003	342 150	(29 770)
Archicom S.A.						
Year ended on 31 December 2024	Wrocław, Polska	25,96%	23,47%	29 812	336 863	(31 136)
Archicom S.A.						

The condensed financial information of the subsidiaries is as follows:

				as at 31 December				Year ended on 31 December
	Current assets	Non-current assets	Short-term liabilities	Long-term liabilities	Revenues	Profit/loss	Total income	Cashflow
2025								
Archicom S.A.	3 019 733	779 205	1 672 496	821 349	966 470	82 695	82 695	22 649
2024								
Archicom S.A.	2 034 226	857 314	831 166	739 737	752 388	114 816	114 816	(397 383)

NOTE 29 Book value and earnings (loss) per share

Book value and earnings (loss) per share

	31.12.2025	31.12.2024
Equity attributable to equity holders of the parent entity	1 316 419	1 675 484
Number of shares (in thous. pieces)	412 691	412 691
Book value per share (in PLN)	**3,19**	**4,06**
Diluted number of shares	412 691	412 691
Diluted book value per share	3,19	4,06

Earnings (loss) per share

	1.01.2025-31.12.2025	1.01.2024-31.12.2024
Profit (loss) attributable to the parent entity's shareholders	(33 535)	(14 175)
Weighted average number of ordinary shares (in thousands)	412 691	412 691
Basic profit (loss) per ordinary share (in PLN)	**(0,08)**	**(0,03)**
Profit (loss) attributable to the parent entity's shareholders	(33 535)	(14 175)
Weighted average diluted number of ordinary shares (in thousands)	412 691	412 691
Diluted profit (loss) per ordinary share (in PLN)	**(0,08)**	**(0,03)**

In 2025 and 2024 the Company did not use diluting instruments.

Credit, loans and bonds [PLN '000]

	31.12.2025	31.12.2024
Loans and borrowings	725 301	924 413
Credits, loans, - non-current assets classified as held for sale	83 659	-
Debt securities	2 044 397	2 047 293
Profit share liabilities	1 155	11 642
Total liabilities due to loans, borrowings and bonds	**2 854 512**	**2 983 348**
- of which long-term portion	1 826 082	2 268 961
- of which short-term portion	1 028 430	714 387

In the consolidated statement of financial position, in the item loans, loans and bonds financing real estate held for sale, liabilities (bank loans, bonds, loans, profit shares) relating to projects intended for sale and presented in the line assets held for sale are presented. These liabilities will not be transferred to the buyer of the assets but will be repaid by the Echo Investment Group from the funds from the sale of assets, hence they are not disclosed as "liabilities relating to assets held for sale".

In the item loans and borrowings, the Group presents its special-purpose loans and used credit lines in current accounts. Securities of loan agreements for the financing of projects are mainly mortgages on properties, assignments of receivables from concluded lease agreements, implementation contracts, policies, as well as registered and financial pledges on shares, accounts and a collection of assets and rights of subsidiaries. The interest rate on the loans denominated in EUR is based on the EURIBOR rate plus a margin.

Current and operating credit lines (with a value of PLN 90,985 thous.) are secured by statements of submission to execution and powers of attorney to bank accounts. The interest rate on the loans is based on the WIBOR rate plus a bank margin.

According to the best information and data of the Management Boards of the Group's companies, during the fiscal year, as of the balance sheet date and up to the date of signing the financial statements, there were no violations of the terms and conditions of loan agreements and established security levels.

In the item of debt securities, the Group presents issued bonds. The interest rate on the bonds is based on the WIBOR rate plus a margin. The Group has also issued bonds in zlotys based on a fixed rate as well as bonds in euros that have a fixed interest rate

The fair value of liabilities on account of loans and borrowings and bonds does not differ materially from the carrying value. For bonds listed, the fair value was determined based on quoted prices as of the balance sheet date, while for unlisted bonds the fair value was determined using the income approach based on cash flows discounted by the current market interest rate. The discount rate (averaged over all valuations) amounted to 9,36% in 2025 (10,66% in 2024) and 7,98% in EUR (8,1% in 2024). The fair value valuation for listed bonds was classified as level 1, and for unlisted bonds as level 2 in the fair value hierarchy defined by accounting standards.

Details of loans and bonds can be found in the section 1.21 of the report of the Management Board Financial liabilities of the Company and Group.

The Management Board of the Group decided to change the presentation of profit share liabilities. After the analysis, the Management Board decided that profit share liabilities should be presented in the consolidated statement of financial position under "Loans, advances and bonds" and "Loans, loans and bonds financing real estate" and not as before in short and long term provisions. At the same time, profit share costs were presented in the consolidated income statement under "financial expenses" and not under "profit (loss) on investment property" as before. The presentation results from the fact that the profit share is an integral part of the loan, which results from contractual provisions. The loan plus accrued additional interest is the lender's interest in the borrower, which is redeemable at the time the project is sold (or at the final maturity date) and therefore meets the definition of a financial liability under IAS 32.

As a consequence, the Group made an appropriate presentation change in the consolidated statement of financial position.

Profit share is the minority investor's share of profit. It results from agreements entered into, according to which the investor is required to pay a capital that represents a share in the investment. The capital is contributed to the entities implementing the project in the form of a loan granted or the issuance of participation bonds.

When the project is sold, the capital is returned to the investor together with the profit share due to the investor (calculated as sales price - costs). Profit share liabilities are estimated for projects measured by the income approach in proportion to the released result on the property. Hence, the first profit share liability is created with the first valuation of the project at fair value.

Liabilities from profit distribution were divided according to their maturity from the balance sheet date. On 31 December 2025 there is no long-term (PLN 10 474 thous. as of 31 December 2024) and short-term, amounting to PLN 1 155 thous. (PLN 1,168 thous. as of 31 December 2024).

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

Debt financial instruments

	31.12.2025	31.12.2024
Carrying value	2 038 739	2 039 792
Fair value	2 075 265	2 066 288

Financial liabilities: the projection for the consolidated statement of financial position as of 31 December 2024

Selected items of the consolidated statement of financial position	Forecast		Financial Statements as at 31.12.2025		Difference
	Value (PLN bln)	Share in total liabilities of the Group's balance sheet (%)	Value (PLN bln)	Share in total liabilities of the Group's balance sheet (%)	Value (PLN bln)
Liabilities from loans and borrowings	0,5	8%	0,8	12%	0,3
Liabilities from the issue of debt securities	1,7	27%	2	31%	0,3
Lease liabilities	0,2	3%	0,2	4%	0

The financial liabilities of the Group presented in the consolidated statement of financial position as at 31 December 2025 differ from the projections previously published by the Group in the following items: Liabilities from loans and borrowings and Liabilities from the issue of debt securities.

The differences result from the sale of the office properties Brain A and C, which had been assumed in the 2025 projections but has been postponed to 2026, as well as from the postponement to 2026, pursuant to Annex No. 1 dated 1 December 2025, of the final deadline for signing the promised agreement regarding the disposal of 18 completed projects by R4R.

The absence of the planned proceeds from the sale of the office properties and from the disposal of the 18 completed R4R projects resulted in the lack of the projected repayment of the Group's project and working capital loans, as well as the lack of the planned early redemption of bonds.

The Group has entered into the loan agreements that include the financial covenants which are standard for this type of agreements.

The special-purpose loan agreements are based on LMA's templates and mainly contain ratios: during the project's construction period, LTC and ISCR and during the project's investment period, LTV and DSCR.
The Group is obliged to maintain the ratio levels required by the loan agreements.

In case of breach of the covenants, lenders have the right in accordance with the provisions of the loan agreements to request the loan borrower to rectify the ratio.

The Parent Company's Management Board monitors compliance with the covenants on an ongoing basis to ensure that they are met.
As of the balance sheet date, the Group is in compliance with all required covenants.

As of the balance sheet date and the date of the report, the Management Board is not aware of facts and circumstances indicating that there would be difficulties in meeting the covenants.

Bonds

Company's liabilities due to bonds issued as at 31 December 2025

Series	ISIN code	Bank/brokerage house	Nominal value [PLN '000]	Maturity	Interest rate
Bonds issued by Echo Investment S.A. for institutional investors					
1I/2022	PLO017000079	Ipopema Securities S.A.	180 000	8.12.2027	WIBOR 6M + margin 4,5%
2I/2023	PLO017000087	Ipopema Securities S.A.	140 000	24.05.2028	WIBOR 6M + margin 4,5%
4I/2024	PLO017000103	Ipopema Securities S.A.	100 000	27.02.2029	WIBOR 6M + margin 4,5%
5I/2024	PLO017000111	Ipopema Securities S.A.	100 000	13.05.2029	WIBOR 6M + margin 4,5%
6I/2024	PLO017000129	Ipopema Securities S.A.	200 000	1.08.2029	WIBOR 6M + margin 4,5%
Total			**720 000**		
Bonds issued by Archicom S.A. for institutional investors					
M8/2023	PLO221800116	mBank S.A.	210 000	8.02.2027	WIBOR 3M + margin 3,4%
M9/2024	PLO221800124	mBank S.A.	168 000	1.06.2027	WIBOR 3M + margin 3,25%
M10/2024	PLO221800132	mBank S.A.	190 000	19.06.2028	WIBOR 3M + margin 3,1%
M11/2025	PLARHCM00172	mBank S.A.	120 000	14.03.2029	WIBOR 3M + margin 2,55%
Total			**688 000**		
Bonds issued by Echo Investment S.A. for individual investors					
L-series	PLECHPS00332	DM PKO BP	50 000	22.02.2026	WIBOR 6M + margin 4,0%
M-series	PLECHPS00340	DM PKO BP	40 000	27.04.2026	WIBOR 6M + margin 4,0%
N-series	PLECHPS00357	DM PKO BP	40 000	27.06.2026	WIBOR 6M + margin 4,0%
O-series	PLECHPS00365	DM PKO BP	25 000	6.09.2026	WIBOR 6M + margin 4,0%
P/P2-series	PLECHPS00373	DM PKO BP	50 000	28.06.2027	WIBOR 6M + margin 4,0%
R-series	PLECHPS00381	DM PKO BP	50 000	15.11.2027	WIBOR 6M + margin 4,0%
S/S2-series	PLECHPS00399	DM PKO BP	140 000	31.01.2028	WIBOR 6M + margin 4,0%
T - series	PLECHPS00415	DM PKO BP	60 000	26.04.2028	WIBOR 6M + margin 3,8%
Total			**455 000**		
Total bonds issued in PLN			**1 863 000**		

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

Series	ISIN code	Bank/brokerage house	Nominal value [EUR '000]	Maturity	Interest rate
3I/2023	PLO017000095	Ipopema Securities S.A.	43 000	27.10.2028	fixed interest rate 7,4%
Total bonds issued in EUR/PLN			**43 000**		

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 2025

Bonds redeemed by Echo Investment S.A.

Series	ISIN code	Date	Nominal value [PLN '000]
K-series	PLECHPS00324	10.01.2025	50 000
Total			**50 000**

Bonds redeemed by Archicom Group

Series	ISIN code	Date	Nominal value [PLN '000]
M7/2023	PLO221800108	17.03.2025	62 000
Total			**62 000**

Bonds issued by Archicom Group

Series	ISIN code	Date	Nominal value [PLN '000]
M11/2025	PLARHCM00172	14.03.2025	120 000
Total			**120 000**

NOTE 31 Leases

Leases 2025 [PLN '000]

			Perpetual usufruct right		Other contracts		
	Invento-ries	Investment properties	Investment properties in progress	Liabilities related to assets held for sale	Fixed assets	Investment properties	Total
Asset on right of use							
As at 1 January 2025	**49 444**	**20 711**	**12 938**	**-**	**50 177**	**119 365**	**252 635**
Amortization	(5 472)	(1 194)	-	-	(11 068)	-	**(17 734)**
Fair value measurement	-	(6)	-	-	58	9 110	**9 162**
Increases	10 800	4 090	2 967	2 858	14 302	840	**35 857**
Reductions	(30 613)	(12 326)	(7 624)	-	(3 785)	276	**(54 072)**
As at 31 December 2025	**24 159**	**11 275**	**8 281**	**2 858**	**49 684**	**129 591**	**225 848**

			Perpetual usufruct right		Other contracts		
	Inven-tories	Investment properties	Investment properties in progress	Liabilities related to assets held for sale	Fixed assets	Investment properties	Total
Lease liabilities							
As at 1 January 2025	**43 660**	**17 535**	**12 695**	**-**	**49 803**	**138 344**	**262 037**
Interest expense	1 767	857	1 020	99	1 889	4 557	**10 189**
Repayment of the liability with interest	(9 024)	(2 055)	(1 033)	(100)	(14 287)	(24 937)	**(51 436)**
Increases	11 811	3 502	3 021	5 954	18 162	36 193	**78 643**
Reductions	(26 316)	(8 564)	(7 423)	(3 095)	(7 921)	(12 842)	**(66 161)**
As at 31 December 2025	**21 898**	**11 275**	**8 280**	**2 858**	**47 646**	**141 315**	**233 272**

			Perpetual usufruct right		Other agreements		
	Inven-tories	Investment properties	Investment properties in progress	Liabilities related to assets held for sale	Fixed assets	Investment properties	Total
Lease liabilities							
short-term	21 898	2 092	1 016	2 858	20 397	23 710	**71 971**
long-term	-	9 183	7 264	-	27 249	117 605	**161 301**

The item of increases in right-of-use assets and lease liabilities is related to the purchase of fixed assets amounting to PLN 17,978 thous., the transfer of the right of use from investment property under construction to inventories amounting to PLN 6,698 thous., the transfer of the right of use from investment property to liabilities related to assets held for sale amounting to PLN 2,858 thous., and changes in estimated lease payments amounting to PLN 8,323 thous

The item of decreases in right-of-use assets and lease liabilities is related to the sale of investment property and inventories amounting to PLN 38,491 thous., the transfer of the right of use from investment property under construction to inventories amounting to PLN 6,698 thous., the transfer of the right of use from investment property to liabilities related to assets held for sale amounting to PLN 2,858 thous., and changes in estimated lease payments amounting to PLN 6,025 thous.

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Costs associated with leases of low-value assets	(4 870)	(3 898)
Costs associated with short-term leases	(38 209)	(44 824)
Revenues from sublease (subleases) of right-of-use assets	61 268	50 019

The total cash outflow from the repayment of lease liabilities in 2025 amounted to PLN 51,436 thous. (PLN 52,914 thous. in 2024).

Details regarding the operating lease are described in Note 1.

Leases 2024 [PLN '000]

			Perpetual usufruct right		Other agreements		
	Inventory	**Investment properties**	**Investment properties under construction**	**Assets held for sale**	**Fixed assets**	**Investment properties**	**Total**
Asset on right of use							
As at 1 January 2024	**33 307**	**12 253**	**13 869**	**-**	**39 528**	**107 820**	**206 777**
Amortization	(2 971)	(252)	-	-	(9 891)	-	**(13 114)**
Fair value measurement	-	-	-	-	-	(21 736)	**(21 736)**
Increases	20 206	8 710	2 310	-	23 953	45 521	**100 700**
Reductions	(1 098)	-	(3 241)	-	(3 413)	(12 240)	**(19 992)**
As at 31 December 2024	**49 444**	**20 711**	**12 938**	**-**	**50 177**	**119 365**	**252 635**

			Perpetual usufruct right		Other agreements		
	Inven-tory	**Investment properties**	**Investment properties under construction**	**Assets held for sale**	**Fixed assets**	**Investment properties**	**Total**
Lease liabilities							
As at 1 January 2024	**30 336**	**11 621**	**13 491**	**-**	**39 519**	**119 167**	**214 134**
Interest expense	3 122	1 041	735	-	1 448	5 070	**11 416**
Repayment of the liability with interest	(6 836)	(1 302)	(815)	-	(16 542)	(27 419)	**(52 914)**
Increases	17 501	6 175	1 986	-	28 191	43 745	**97 598**
Reductions	(463)	-	(2 702)	-	(2 813)	(2 219)	**(8 197)**
As at 31 December 2024	**43 660**	**17 535**	**12 695**	**-**	**49 803**	**138 344**	**262 038**

	Perpetual usufruct right				Other agreements		
	Inven-tory	Investment properties	Investment properties under construction	Assets held for sale	Fixed assets	Investment properties	Total
Lease liabilities							
short-term	43 659	1 459	571	–	18 627	26 111	**90 428**
long term	–	16 076	12 125	–	31 179	112 230	**171 610**

The item of increases in right-of-use assets and lease liabilities mainly included new lease agreements concluded in the amount of PLN 58,769 thous., changes in estimated lease payments in the amount of PLN 23,155 thous. and modifications to lease agreements in the amount of PLN 18,776 thous

The item of decreases in right-of-use assets and lease liabilities is mainly related to sales of Investment Properties and Inventories.

NOTE 32 Change in provisions

Change in provisions – by title [PLN '000]

	31.12.2025	31.12.2024
Opening balance		
– provision for general and administrative expenses	12 186	11 324
– provision for anticipated penalties	7 389	10 767
– provision for anticipated costs of warranty repairs, etc.	10 307	10 091
– provision for court cases	6 750	8 361
– provision for other costs	–	79
	36 632	**40 622**
Increases due to		
– provision for general and administrative expenses	10 138	13 914
– provision for anticipated penalties	–	174
– provision for anticipated costs of warranty repairs, etc.	3 994	5 941
– provision for court cases	6 850	1 641
– provision for other cost	–	–
	20 982	**21 670**
Utilization due to		
– incurred of general administrative expences	(9 148)	(13 055)
– incurred penalties	(7 389)	(3 552)
– incurred of warranty repairs, renovations, etc.	(5 369)	(5 725)
– provision for court cases	(1 294)	(3 252)
– provision for other cost	–	(79)
	(23 200)	**(25 663)**
Closing balance		
– provision for general and administrative expenses	13 176	12 186
– provision for anticipated penalties	–	7 389
– provision for anticipated costs of warranty repairs, etc.	8 932	10 307
– provision for court cases	12 306	6 750
– provision for other cost	–	–
	34 414	**36 632**
including:		
– long-term provisions	**9 864**	**8 304**
– short-term provisions	**24 550**	**28 327**

'The implementation dates for the provisions for penalties, warranty costs and litigation are difficult to estimate, although it is highly probable that they will be implemented within 12 months of the balance sheet date.

The provision for penalties include the value of penalties that may be charged to the Group in respect of contracts entered into, with a probability of being charged higher than 50 percent.

The provision for anticipated warranty repair costs includes the value of repairs, or compensation relating to sold premises and projects, with a probability of being charged higher than 50 percent.

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

NOTE 33 Trade and other liabilities

Trade and other liabilities [PLN '000]

	31.12.2025	31.12.2024
Trade payables maturing:		
- up to 12 months	192 922	158 119
Total	**192 922**	**158 119**
Lease liabilities		
Long-term	161 301	171 610
Short-term	69 113	90 428
Liabilities directly associated with assets held for sale (note 15)	2 858	-
Total	**233 272**	**262 038**
Non-financial liabilities		
Liabilities from contracts with clients regarding fit-out work	20 736	13 913
Liabilities from contracts with clients regarding investment projects	10 861	19 768
Accruals - expenditures on property projects to be incurred in connection with concluded contracts	65 842	26 848
Accruals - bonuses for the Management Board and employees	14 048	37 543
Accruals - other	5 396	8 695
Total	**116 883**	**106 767**
Financial liabilities		
Liabilities on land purchases	-	9 600
Deposits from contractors and advances received	90 794	90 650
Deposits from contractors and advances received - Liabilities directly associated with assets held for sale (note 15)	4 932	-
Derivative financial instruments	76	554
Derivative financial instruments -Liabilities directly associated with assets held for sale (note 15)	67	-
Liabilities on securing revenues for rent-free or rent-reduced periods (master lease)	39 326	27 580
Other liabilities	21 406	4116
Other liabilities -Liabilities directly associated with assets held for sale (note 15)	7 088	-
Total	**163 689**	**132 500**
Liabilities due to VAT	38 620	43 770
Liabilities due to other taxes	7 049	21 906
Total	**45 669**	**65 676**
Total trade and other liabilities	**752 435**	**725 100**

	1.01.2025 - 31.12.2025	1.01.2024 - 31.12.2024
Liabilities on contracts with clients (fit out, investment projects) - balance at the beginning of the period	**33 681**	**67 034**
Increases	19 163	13 806
Presented as revenues in the period	(21 247)	(47 159)
- including revenues recognized in the period, included in the balance at the beginning of the period	(12 083)	(40 679)
Liabilities on contracts with clients (fit out, investment projects) - balance at the end of the period	**31 597**	**33 681**

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

The value of the liabilities due to revenue security for rent-free or reduced-rent periods (master lease) is estimated based on the property rental plan of the office leasing department. This plan is updated each quarter and adjusted to current market conditions both in respect of rental terms and rental rates.

In 2025, the liabilities due to revenue security for rent-free or rent-reduced periods (master lease) were related to projects: Face2Face, React I, MidPoint, West 4 HUB I, Fuzja CD, Browary GH,J, Brain Park II, Libero, City2 (Face2Face, React I, Midpoint, West 4 HUB I, Fuzja CD, Browary GH,J in 2024). The Group provides revenue security for rent-free periods (master lease) up to a maximum of 2032 (in 2024, a maximum of 2032).

The liabilities due to revenue security for rent-free periods or with rent-reduced periods (master lease) were divided according to the maturity from the balance sheet date, i.e. long-term in the amount of PLN 22,727 thous. (PLN 18,130 thous. as of 31 December 2024), short-term in the amount of PLN 16,599 thous. (PLN 9,450 thous. as of 31 December 2024). The liabilities for revenue security for rent-free periods (master lease) will settle up to one year in the amount of PLN 16,599 thous. (PLN 9,450 thous. for 2024), over one year to three years in the amount of PLN 17,126 thous. (PLN 12,912 thous. for 2024), over three to five years in the amount of PLN 3,850 thous. (PLN 4,224 thous. for 2024) and over five to ten years in the amount of PLN 1,751 thous. (PLN 994 thous. for 2024).

Liabilities for securing revenue for rent-free or reduced-rent periods (master lease) - when selling investment projects, it happens that buildings are not fully commercialised at the time of their sale. The price is calculated based on the projected net operating income (NOI) of the project, with the Group signing a contract to secure rent-free periods (master lease).

The security of rental income (master lease) is estimated on the basis of information obtained from the office project leasing team, approved by the Member of the Management Board responsible for this business segment, regarding:

- the terms and conditions of signed leases,
- assumptions for unleased spaces, such as, expected handover dates, estimates of rental rates and rent-free periods.

On this basis, the following is calculated:

- for vacancies: a rent that would be paid by a potential future tenant,
- for contracts signed: a rent-free period (if any).

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

- if there is a vacancy expected on a space in a given month, then the cost of securing rental income is a full rent that is expected for that space,
- if a space is expected to be delivered and a tenant has a rent-free period, then the cost of securing rental income relating to that space in a given month is equal to the value of the rent-free period,
- if in a given month it is expected that a rent-free period for that tenant is over, the cost of securing rental income is equal to zero.

Both base rent and service charges are calculated in this way, with the exception that there is no rent-free period in case of service charges. The sum of these values, discounted at the balance sheet date, represents the value of the liability due to securing rent-free periods (master lease). The liability for securing rent-free periods (master lease) is calculated for sold projects.

Information on financial instruments

The Group classifies its financial assets into the following categories:
- financial assets measured at amortised cost,
- financial assets measured at fair value through other comprehensive income,
- financial assets measured at fair value through profit or loss.

The classification of components is made at initial recognition. It depends on what model the entity adopted to manage the financial instruments and its analysis of the characteristics of the contractual cash flow of these instruments.

Instrument type	Note	Classification under IFRS 9	Carrying value as of 31.12.2024	Carrying value as of 31.12.2024
Financial assets				
Long-term borrowings granted	19	Amortized cost	409 276	457 444
Short-term borrowings granted	19	Amortized cost	16 874	1 674
Trade and other receivables	21	Amortized cost	156 796	155 160
Derivative financial instruments	24	Fair value through profit or loss	-	-
Cash and other cash assets	25	Amortized cost	526 718	484 117
Financial liabilities				
Liabilities due to issue of debt securities	30	Amortized cost	2 044 397	2 047 293
Profit share liabilities	30	Amortized cost	1 155	11 642
Derivative financial instruments	33	Fair value through profit or loss	143	554
Trade and other liabilities	33	Amortized cost	356 468	290 065
Lease liabilities	33	Measurement outside the scope of IFRS 9	233 272	262 038
Loans and borrowings	30	Amortized cost	808 960	924 413

Borrowings granted, trade receivables and other receivables are measured by the Group at amortised cost, as two conditions are met for them:
1. assets are held as part of the business model, the intention of which is to hold assets in order to receive contractual flows.
2. contractual terms and conditions of these financial assets result in cash flows at specified times that represent solely repayment of principal and interest on the outstanding portion of the principal. "

In accordance with IFRS 9, at each reporting date the Group estimates the amount of the impairment loss equal to the expected credit losses
- in the next 12 months, if credit risk associated with a given instrument did not significantly increase since the initial recognition of the instrument, or
- by the end of the expected life of the financial asset, if credit risk associated with the instrument increased significantly from initial recognition of the instrument and if a default occurred, which is identified after 90 days from the maturity date.

In determining the future expected credit loss, the Group considers all reasonable and confirmed information, including information that relates to the future. The Group will apply the permitted simplified impairment measurement on the basis of expected lifetime losses for all receivables in the range provided for in IFRS 9. For trade receivables, the Group applies the simplified approach and therefore does not monitor changes in credit risk during the life and measures the impairment loss at the amount equal to the expected credit losses over the life horizon of the receivables. The Group uses a provision matrix performed on the basis of historical data on the repayment of receivables by contractors to calculate the impairment loss on trade receivables. In addition, the Group individually analyses trade and other receivables with a significant degree of probability of irrecoverability, in cases justified by the nature of its business or the structure of its clients - and recognises a write down at a reliably estimated value. The classification of an asset into this category is made on the basis of information about the current financial position of the contractor and information about other events that may have a significant impact on the recoverability of the asset. The impairment loss is updated at each reporting date.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 related to the IBOR reform.

In response to the expected reform of reference rates (IBOR reform), the International Accounting Standards Board published the second part of the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments relate to accounting issues that will arise when instruments IBOR-based financial institutions will switch to the new interest rates. The changes from 1 January 2021 introduced a number of guidelines and exemptions, in particular a practical simplification in the case of modifications of contracts required by the reform, which will be accounted for by updating the effective interest rate, exemption from the obligation to terminate hedge accounting, temporary exemption from the need to identify the risk component, and also the obligation to include additional disclosures. The above-mentioned the changes have been analyzed by the Management Board of the Group and do not have a significant impact on the financial position, results of the Group's operations, or the scope of information presented in these interim condensed financial statements. The interest rates on which financial instruments are based continue to be published and comply with the BMR. The National Benchmark Reform Working Group (NGR), established by the Office of the Polish Financial Supervision Authority, is working on the implementation of a new RFR-type benchmark - WIRON (Warsaw Interest Rate Overnight), which will replace WIBOR and WIBID. The Roadmap published by NGR explains that the change is taking place under the BMR Regulation as part of the IBOR reform. Completion of the reform is planned by the end of 2027.

List of mortgages on investment properties and inventory

List of mortgages on investment properties of Echo Group as of 31 December 2025

Company	Property	Asset value	Mortgage value [EUR '000]	Mortgage value [PLN '000]	For	Comment
Echo - Arena sp. z o.o.	Kraków, Al. Pokoju / ul. Fabryczna	299 329	131 120	119 100	Bank PKO BP S.A. oraz Pekao S.A.	due to the financing of the Brain Park I in Cracow
				18 000		
Projekt ECHO 139 – Seaford sp. z o.o. sp.k.	Wrocław / Swobodna SPOT	120 595	40 950	48 200	Bank PKO BP S.A.	due to the financing of the Swobodna Spot in Wrocław
				7 500		
Total		**419 924**				

List of mortgages on Echo Group's inventory as of 31 December 2025

Company	Property	Asset value	Mortgage value [EUR '000]	Mortgage value [PLN '000]	For	Comment
Archicom Perth sp. z o.o.	Warszawa / Modern Mokotów III	109 509		360 000	Bank PKO BP S.A.	due to the bank overdraft facility granted to Archicom S.A.
Archicom Perth sp. z o.o.	Warszawa / Modern Mokotów IV	74 447				
Total		**183 956**				

Explanatory notes to operating segments

NOTE 36 Notes on business segments [PLN '000]

The strategic steering committee of the Group, which includes the Management Board, analyzes the activity throughout the type of product / service and distinguishes 4 segments: apartments, Resi4Rent, Student Space and commercial properties.

Revenues of all segments of the Group's operations are recognized when the obligation to perform the service is fulfilled, except for revenues from the lease of space, which are recognized in a given period.

Revenues from any of the Group's clients did not exceed 10 percent of the sales revenues generated by the Group in the 12-month period ended on 31 December 2025. Both in the 2025 and in 2024, the Group generated sales revenues only in Poland.

Selected items of the balance sheet as at 31 December 2024 divided by segments

	Total	Residential	Student-Space	Resi4Rent	Commercial properties
Investment properties	**630 757**	-	-	-	630 757
Investment properties under construction	**559 071**	-	-	-	559 071
Investments in associates and joint ventures accounted for using the equity method and in affiliates	**833 988**	-	127 636	342 684	363 668
Deferred tax asset	**184 319**	156 073	-	-	28 246
Inventories	**2 664 975**	2 658 701	3 466	358	2 450
Cash and cash equivalents	**377 452**	149 516	560	934	226 442
Assets held for sale	**138 539**	-	-	-	138 539
Other segment liabilities	**1 187 595**	700 725	1 551	290 469	194 850
Segment assets	**6 576 697**	**3 665 015**	**133 213**	**634 445**	**2 144 023**
Loans, borrowings and bonds - long-term	**1 826 082**	938 440	64 270	217 960	605 413
Loans, borrowings and bonds - short-term	**944 771**	346 881	29 877	101 321	466 692
Loans, borrowings and bonds financing properties held for sale	**-**	-	-	-	-
Incentive program	**83 659**	-	-	-	83 659
Motivational program	**15 793**	-	-	-	15 793
Other liabilities	**191 573**	97 368	257	70	93 878
Liabilities due to clients	**1 084 120**	1 060 805	-	-	23 315
Liabilities related to assets held for sale	**14 945**	-	-	-	14 945
Other segment liabilities	**757 183**	384 223	2 644	5 461	364 856
Segment liabilities	**4 918 125**	**2 827 715**	**97 048**	**324 811**	**1 668 551**

Selected items of the profit and loss account for the period 01.01.2024-31.12.2024 by segments

	Total	Residential	Student-Space	Resi4Rent	Commercial properties
Sales revenues (from external receivers/clients), including:	**2 012 720**	1 642 923	69 694	64 088	236 015
Revenues from contracts with clients	**1 811 790**	1 642 915	69 694	64 088	35 093
Lease / rental income (IFRS 16)	**200 930**	8	-	-	200 922
Cost of sales	**(1 348 973)**	(1 082 621)	(58 414)	(45 212)	(162 726)
Gross profit on sales	**663 747**	560 302	11 280	18 876	73 289
Profit (loss) on sale of investment properties	**(16 629)**	-	-	-	(16 629)
Revaluation of properties (gain/loss on fair value measurement)	**(172 020)**	-	-	-	(172 020)
Impairment loss	**(3 865)**	(2 067)	(7)	(9)	(1 781)
Amortization of fixed assets and intangible assets	**(18 764)**	(12 177)	(453)	(1 024)	(5 111)
Interest income on borrowings	**30 476**	10 508	-	16 072	3 896
Interest expenses on loans	**(58 472)**	(9 162)	-258	(1 427)	(47 624)
Interest expenses on bonds	**(143 836)**	(62 375)	-	(13 538)	(67 923)
Share in profits (losses) of undertakings accounted for using the equity method	**22 932**	-	3 166	5 704	14 062
Profit before tax	**56 027**	275 945	9 829	10 681	(240 428)

Selected items of the balance sheet as at 31 December 2024 divided by segments

	Total	Residential	Student-Space	Resi4Rent	Commercial properties
Investment properties	**1 493 493**	-	-	-	1 493 493
Investment properties under construction	**519 218**	-	-	-	519 218
Investments in associates and joint ventures accounted for using the equity method and in affiliates	**876 309**	-	118 321	338 419	419 569
Deferred tax asset	**151 928**	113 581	1 194	865	36 288
Inventories	**2 161 728**	2 078 831	36 643	44 560	1 694
Cash and cash equivalents	**366 205**	125 394	8	522	240 281
Assets held for sale	**-**	-	-	-	-
Other segment liabilities	**1 204 005**	619 829	3 762	317 570	262 844
Segment assets	**6 772 886**	**2 937 635**	**159 928**	**701 936**	**2 973 388**
Loans, borrowings and bonds - long-term	**2 268 961**	831 544	84 666	315 583	1 037 167
Loans, borrowings and bonds - short-term	**714 387**	152 337	11 331	42 233	508 486
Loans, borrowings and bonds financing properties held for sale	**-**	-	-	-	-
Incentive program	**-**	-	-	-	-
Motivational program	**21 308**	-	-	-	21 308
Other liabilities	**152 975**	74 567	-	-	78 408
Liabilities due to clients	**840 263**	779 669	30 000	30 000	594
Liabilities related to assets held for sale	**-**	-	-	-	-
Other segment liabilities	**762 810**	301 516	4 829	11 329	445 136
Segment liabilities	**4 760 704**	**2 139 634**	**130 825**	**399 146**	**2 091 099**

Selected items of the profit and loss account for the period 01.01.2024-31.12.2024 by segments

	Total	Residential	Student-Space	Resi4Rent	Commercial properties
Sales revenues (from external receivers/clients), including:	**1 083 405**	747 006	39 094	39 069	258 236
Revenues from contracts with clients	**886 045**	746 820	39 094	39 069	61 062
Lease / rental income (IFRS 16)	**197 361**	187	–	–	197 174
Cost of sales	**(718 167)**	(489 732)	(26 414)	(16 908)	(185 113)
Gross profit on sales	**365 238**	257 274	12 680	22 161	73 123
Profit (loss) on sale of investment properties	**(6 156)**	–	4 096	–	(10 252)
Revaluation of properties (gain/loss on fair value measurement)	**1 626**	596	–	–	1 030
Impairment loss	**(413)**	(79)	–	–	(335)
Amortization of fixed assets and intangible assets	**(15 786)**	(9 176)	(190)	(1 263)	(5 157)
Interest income on borrowings	**29 901**	12 720	–	13 382	3 799
Interest expenses on loans	**(53 473)**	(7 253)	–	(402)	(45 818)
Interest expenses on bonds	**(163 091)**	(64 245)	–	(14 499)	(84 348)
Share in profits (losses) of undertakings accounted for using the equity method	**129 017**	(5)	18 493	79 849	30 681
Profit before tax	**83 623**	22 817	26 669	78 805	(44 668)

Explanatory notes to the consolidated cash flow statement

NOTE 37 Change of liabilities resulting from financial activities

Change of liabilities resulting from financial activities [PLN '000]

	liabilities due to loans, borrowings and bonds	lease liabilities	dividend liabilities
opening balance as at 01.01.2025	**2 983 348**	**262 038**	**-**
Cash flows			
- receipts	601 913	-	-
- payments	(690 101)	(51 436)	(360 649)
Non-cash changes	**(40 648)**	**22 670**	**360 649**
			-
- accrued interest	227 627	10 185	-
- valuation of FX differences	(8 001)	-	-
- loan repayment with investment receivables*	(261 321)	-	-
- other changes in liabilities	1 047	-	-
- other lease changes	-	12 485	-
- distribution of the result and resolution on advance payment	-	-	360 649
closing balance as at 31.12.2025	**2 854 512**	**233 272**	**-**

* repayment of the loan by the buyer of the real estate, bypassing the Group's bank accounts (with funds from the sold real estate)

Change of liabilities resulting from financial activities [PLN '000]

	liabilities due to loans, borrowings and bonds	lease liabilities	dividend liabilities
opening balance as at 01.01.2024	**2 663 527**	**214 134**	**6 986**
Cash flows			
- receipts	1 092 893	-	-
- payments	(954 746)	(52 914)	(38 123)
Non-cash changes	**181 674**	**100 818**	**31 137**
- accrued interest	240 395	11 417	-
- valuation of FX differences	(19 498)	-	-
- loan repayment with investment receivables*	(39 223)	-	-
- other lease changes	-	89 401	-
- distribution of the result and resolution on advance payment	-	-	31 137
closing balance as at 31.12.202	**2 983 348**	**262 038**	**-**

* repayment of the loan by the buyer of the real estate, bypassing the Group's bank accounts (with funds from the sold real estate)

NOTA 38 Change of short-term liabilities, excluding borrowings and loans

Change of short-term liabilities, excluding borrowings and loans [PLN '000]

	1.01.2025–31.12.2025	1.01.2024–31.12.2024
Change of short-term liabilities, excluding borrowings and loans, including:	**331 345**	**483 929**
- due to deferred income	492 363	36 839
- due to trade liabilities and other	68 948	55 307
- due to other tax liabilities	(21 154)	54 092
- due to accrued expenses	44 569	(1 042)
- due to liabilities from apartment deposits blocked on escrow accounts	1 206	23 720
- due to liabilities from deposits from contractors and advance payments received	(254 587)	309 081
Liabilities related to assets held for sale	-	(1 053)
Liabilities for dividends	-	6 986

Additional notes to the consolidated statement of cash flows

In the consolidated statement of cash flows, the lessee classifies within financing activities:
– cash payments of the principal plus interest,

In contrast, within operating activities the lessee classifies:
– short-term lease payments,
– lease payments including low-value assets, and
– variable lease payments not included in the valuation of the lease liability.

Other explanatory notes

NOTE 39 Off-balance sheet items

Off-balance sheet items [PLN '000]

	31.12.2025	31.12.2024
Contingent liabilities for other entities:		
- due to guarantees and sureties granted	211 251	215 780
- due to court cases	16 686	19 220
Total	**227 937**	**235 000**

Contingent liabilities are presented at nominal value.

In the Group's opinion, the fair value of guarantees and sureties is close to zero, due to their low risk of being called. A detailed description of off-balance sheet items is presented in the tables note 40. In contrast, information on expected credit losses can be found in the section 4.2 - Financial risk management.

NOTE 40 Changes in the structure of guarantees and sureties issued by the Echo Investment Group

Surety agreements

No changes in the structure of guarantees issued by Group Echo in 2025.

Guarantees

Guarantees issued by Echo Group as at 31 December 2025

Financial guarantees

Guarantor	Entity receiving the guarantee	Beneficiary	Value [PLN '000]	Validity	Description
Archicom Nieruchomości 14 sp. z o.o.	Sandomiria Bokwa & Bowka sp.j.	Sandomiria Bokwa & Bowka sp.j.	15 083	do 22.06.2030	Lease guarantee agreement concluded for the purpose of establishing a guarantee for the total amount of rent and operating charges related to the unleased areas of the City 2 building.
Echo Investment S.A.	Projekt Towarowa 22 sp. z o.o.	Miasto stołeczne Warszawa	13 500	26.06.2034	Guarantee regarding the waiver of claims related to the planned adoption of the local spatial development plan for the area of Twarda Street.
Echo - Aurus sp. z o.o.	Nobilis - City Space GP sp. z o.o. sp.k.	Nobilis Business House sp. z o.o.	764	31.10.2027	Guarantee securing the liabilities arising from the lease agreement concluded on 28.02.2017. Issued in EUR.
Echo Investment S.A.	Nobilis - City Space GP sp. z o.o. sp.k.	Nobilis Business House sp. z o.o.	551	31.10.2027	Guarantee securing liabilities resulting from the annex to leasing agreement. Issued in EUR.
Total			**29 898**		

Performance and other guarantees

Guarantor	Entity receiving the guarantee	Beneficiary	Value [PLN '000]	Validity	Description
Echo - SPV 7 sp. z o.o.	M2 Biuro sp. z o.o.	Santander Bank Polska S.A.	44 097	31.12.2027	"The security covers the borrowers' obligations to finance any investment costs exceeding the budget specified in the loan agreement, as well as the interest on the construction tranche. This mechanism ensures coverage of potential budget increases, either through additional equity contributions or the granting of a shareholder loan. The guarantee is supported by PIMCO."
Echo Investment S.A.	Echo Investment S.A.	Nobilis Business House sp. z o.o.	40 000	31.10.2026	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement.
Echo - SPV 7 sp. z o.o.	R4R Wrocław Jaworska II sp. z o.o.	Bank Pekao S.A.	97 256	31.12.2033	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Total			**181 353**		
Total financial, performance and other guarantees			**211 251**		

Changes in guarantee agreements issued by Echo Group in 2025

Change	Guarantor	Entity receiving the guarantee	Beneficiary	Value [PLN '000]	Validity	Description
Wygaśnięcie	Echo - SPV 7 sp. z o.o.	R4R Warszawa Wilanowska sp. z o.o.	Bank Pekao S.A.	19 541	31.12.2029	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.

NOTE 41 Transactions with related entities

Transactions with related entities [PLN '000]

	31.12.2025	31.12.2024
Results of transactions with owners		
Receivables from loans granted	-	12 207
Trade liabilities	2 661	3 795
Incurred costs	19 128	18 529
Recognized revenue - interests	2 630	1 753
Results of transactions with related entities		
Trade receivables	18	852
Recognized revenue	753	2 999
Incentive program	41 929	22 834
Key Personnel Transaction Results		
Recognized revenue	6 530	1 208
Advances received	18 169	8 116
Trade receivables	90	91
Results of transactions with jointly controlled entities		
Receivables from loans granted	418 943	452 039
Trade receivables	18 749	35 946
Liabilities	1 474	9
Incurred costs	4 268	3 842
The purchases activated for reserve, including the right of perpetual usufruct of land.	2 726	174 248
Recognized revenue due to rental, consulting, accounting and other services	24 860	36 507
Recognized revenue due to sale of land, properties, support for development of projects	135 785	83 205
Recognized revenue - interests	24 245	19 921
The advance payment for the purchase of land.	-	624
Advance payments for the purchase of land	-	57 000

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

	31.12.2025	31.12.2024
As at the beginning of the period	**1 649**	**1 417**
Increases due to		
- creation of the write-down	522	232
Balance of allowances at the end of the period	**2 171**	**1 649**

Resignation of Vice President of the Management Board, Mr Artur Langner

On 19 February 2026, Management Board Member Mr Artur Langner submitted his resignation from the position of Vice President of the Management Board and from membership on the Company's Management Board with immediate effect.

No reason for the resignation was provided in the submitted statement.

Change in the position of Mr Rafał Mazurczak on the Management Board of the Company

On 26 February 2026, the Company's Supervisory Board appointed Mr Rafał Mazurczak, previously a Member of the Management Board, to the position of Vice President of the Management Board.

Brain Park A sold

On 11 March 2026, a subsidiary of Echo Investment entered into a final agreement for the sale of the Brain Park A office building in Kraków to the SCPI Transitions Europe fund, managed by Arkéa REIM.

The fully leased Building A offers nearly 14,000 sq. m of leasable space and holds a BREEAM certification at the "Excellent" level.

The purchase price under the Sale Agreement amounted to EUR 34,000,000 plus VAT.

Remuneration of Management Board paid in a given year [PLN]

	2025					2024				
	From Echo Investment S.A.					From Echo Investment S.A.				
	Basic remuneration	Bonus	From subsidiaries, joint-ventures and associates	Other benefits	Total	Basic remuneration	Bonus	From subsidiaries, joint-ventures and associates	Other benefits	Total
Nicklas Lindberg	1 268 695	355 227	3 912 163	55 326	5 591 411	1 290 385	411 518	3 281 135	50 543	5 033 581
Maciej Drozd	485 070	201 245	1 666 570	60 126	2 413 011	495 697	193 481	1 445 015	55 343	2 189 536
Artur Langner	264 000	161 962	868 562	7 398	1 301 922	258 000	191 040	925 080	7 310	1 381 430
Rafał Mazurczak	372 000	315 019	1 293 732	18 512	1 999 263	355 500	225 522	1 092 090	16 449	1 689 561
Małgorzata Turek	315 019	191 648	980 900	10 401	1 497 968	325 800	214 200	1 234 000	6 710	1 780 710
Total	**2 704 784**	**1 225 101**	**8 721 927**	**151 763**	**12 803 575**	**2 725 382**	**1 235 761**	**7 977 320**	**136 355**	**12 074 818**
Total in year	**2 704 784**	**1 225 101**	**8 721 927**	**151 763**	**12 803 575**	**2 725 382**	**1 235 761**	**7 977 320**	**136 355**	**12 074 818**

The long-term incentive programme for the CEO and CFO

On 17 July 2025, Echo Investment S.A. (the "Company") entered into annexes to the agreements dated 21 July 2021 specifying the terms of additional incentive compensation in the form of long-term bonuses concluded with Nicklas Lindberg, the CEO of the Company, and Maciej Drozd, the CFO. Such additional compensation conforms to the Remuneration Policy.

Nicklas Lindberg and Maciej Drozd each obtained the right to a long-term bonus. The amount of the bonus will depend on the aggregate amount of dividends paid.

In accordance with the executed annexes, the amount of the long-term bonus is determined based on a percentage factor dependent on the dividend per share in the share capital of Echo Investment S.A. in annual periods (the first period covers the financial year commencing on 1 January 2025).

If the total amount of dividends per share received after 1 January 2025 is equal to or less than PLN 4.00, the factor will be equal to the total amount of all payments per share received after 1 January 2025 divided by PLN 4.00.

If the total amount of dividends per share received after 1 January 2025 exceeds PLN 4.00, the factor will be calculated according to the following formula:

100% + (the total amount of dividends per share received after 1 January 2025 minus PLN 4.00) divided by PLN 12.00, provided that in no case shall the percentage factor exceed 120%.

The entitlement to the long-term bonus will vest annually over the duration of the programme, i.e. from 1 January 2025 until 31 December 2029, unless a material change in the Company's shareholder structure occurs earlier. The rights to the long-term bonus will vest annually, from 20% as at 31 December 2025 up to 100% as at 31 December 2029 (i.e. 20% each year). In the event of a material change in the Company's shareholder structure, the vesting of the long-term bonus will accelerate, such that Maciej Drozd and Nicklas Lindberg will be entitled to receive 100% of the long-term bonus calculated with the applicable percentage factor.

The long-term bonus is to be settled in the Company's shares (either existing shares or newly issued shares) on an annual basis at the end of each assessment period. If such settlement is not possible, it will be paid as a one-off cash payment at the end of the five-year term of the programme.

The agreements also set out detailed terms and conditions for the payment of the long-term bonus, as well as circumstances in which a Management Board member forfeits the right to receive the long-term bonus or a part thereof, in particular in the event of causing damage to the Company or undertaking actions that violate applicable laws or the Company's internal regulations.

Termination of the agreement concerning the long-term bonus concluded with Waldemar Olbryk

Echo Investment S.A. and Waldemar Olbryk – CEO of the Company's subsidiary Archicom S.A., on 17 July 2025, terminated the agreement regarding the long-term incentive bonus.

Inclusion of Nicklas Lindberg, Maciej Drozd, and Waldemar Olbryk in the long-term incentive programme adopted by Archicom S.A. for the financial years 2025-2029.

CEO Nicklas Lindberg, CFO Maciej Drozd, and CEO of the Company's subsidiary Archicom S.A. Waldemar Olbryk were covered by a incentive programme for the years 2025-2029 adopted by Resolution No. 30/06/2025 of the Ordinary General Meeting of Archicom S.A. of 25 June 2025.

As part of the incentive plan, on 17 July 2025, selected authorised persons acquired a total of 371,000 existing shares in Archicom S.A., i.e. Nicklas Lindberg acquired 237,000 shares at a price of PLN 0.01 per share, Maciej Drozd acquired 118,500 shares at a price of PLN 0.01 per share, and Waldemar Olbryk acquired 15,500 shares at a price of PLN 0.01 per share.

The Programme is intended to motivate and strengthen the performance of qualified individuals in pursuing the Company's key strategy and to ensure optimal conditions for the growth of its financial results by enabling such individuals to acquire or subscribe for the Company's ordinary bearer shares and participate in profit sharing.

The implementation of the second component of the Incentive Programme involves granting rights to subscribe for subscription warrants. Selected eligible participants, upon entering into participation agreements, will be granted subscription warrants in annual tranches, entitling them to subscribe for up to a total of 337 thousand newly issued shares of the Company, representing 0.58% of the Company's share capital as at the date of adoption of the Programme. The maximum number of shares that may be acquired by eligible participants under the Programme shall not exceed, in aggregate, 708 thousand shares of the Company, representing 1.21% of the Company's share capital as at the date of adoption of the Programme.

The granting of subscription warrants for a given financial year will be conditional upon the achievement by the Company of financial targets set for that year by the Supervisory Board, as well as the continued cooperation with the Company or another entity within the capital group controlled by the Majority Shareholder throughout the period for which a given tranche of subscription warrants is to be granted.

Extension of the Long-Term Bonus program

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

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

The contracts define the rules of determining the amount of the long-term bonus based on the growth in the average six-month price of the Company's shares calculated for one-year periods, increased by the dividend disbursed by the Company above the initial value of a Company share determined at PLN 4.07 per share. The right to the longterm bonus will be acquired in annual periods over the term of the program, i.e., from 31 December 2022 to 31 December 2025, unless a material change in the shareholding structure of the Company occurs earlier. The maximum amount of the long-term bonus (the "base value") does not exceed EUR 1 million for each of the participants if at the end of the four-year period the growth in the average six-month price of the

Company's shares increased by the dividend disbursed during the term of the program exceeds the amount of the initial quotation of the Company's shares by PLN 5.60, i.e., if the aggregate amount of the disbursed dividend increased by the average six-month price of the Company's shares reaches the amount of PLN 9.67 per share. In case of a material change in the shareholding structure of the Company, in lieu of the average six-month price of the Company's shares, the basis for the calculation of the long-term bonus will be the price received for the Company's shares calculated on the basis of the price indicated in the transaction resulting in such material change in the shareholding structure.

The duration of the program has come to an end on 31 December 2025 and has not been extended until 31 December 2026. Reconcilitation of the bonus with entitled persons will take place in year 2026.

As at 31 December 2025, the Company recognised in the financial statements a provision in the amount of 4,246 thous. PLN in respect of management bonuses based on the share price. The change in the amount of the provision in 2025 increased the Company's financial result by 17,062 thous. PLN gross. These amounts are not included in the above table.

As at 31 December 2025, the Company recognised in the financial statements a provision in the amount of 11,548 thous. PLN in respect of management bonuses based on the dividend paid. The change in the amount of the provision in 2025 decreased the Company's financial result by 11,548 thous. PLN gross. These amounts are not included in the above table.

In total, the change in provisions in this respect increased the financial result by 5,514 thous. PLN.

Agreements concluded between the Company and members of the management

In 2025 and as at the date of publication of the report, there were no agreements concluded between the Company and executives providing for compensation in the case of their resignation or dismissal from their position without an important reason, or if their dismissal occurs due to a merger of Echo Investment S.A. or due to an acquisition.

Remuneration of Members of the Supervisory Board paid in a given year [PLN]

	2025			2024		
	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits
Noah M. Steinberg	240 000	-	-	240 000	-	-
Tibor Veres	84 000	-	-	84 000	-	-
Margaret Dezse	180 000	-	-	180 000	-	-
Maciej Dyjas	60 000	-	-	60 000	-	-
Sławomir Jędrzejczyk	180 000	-	-	180 000	-	-
Péter Kocsis	29 166	-	-	60 000	-	-
Bence Sass	60 000	-	-	60 000	-	-
Gal Balazs	30 833	-	-	-	-	-
Nebil Senman	60 000	-	-	60 000	-	-
Total	**923 999**	**-**	**-**	**924 000**	**-**	**-**

NOTE 44 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 2023-2024. 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 15 September 2022].

The auditing company and the members of the team conducting the audit met the conditions for preparing an unbiased and independent report on the audit of the annual financial statements in accordance with the applicable regulations, professional standards and professional ethics.

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

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

Title	Contractual amount [PLN]
Additional audit of the standalone financial statement for the 1st half of 2025 Echo Investment S.A.	190 000
Review of the interim financial statements of Echo Group.	212 000
Audit of the standalone and consolidated financial statements for 2025 Echo Group.	793 000
Audit of the consolidated sustainability statement of the Echo Investment Capital Group for 2025	380 000
Audit statements of remuneration for 2025 Echo Group.	32 000
Audit of the annual financial statements of Archicom S.A. and the Archicom Group	737 000
Review of the interim financial statements of Archicom S.A.	124 000
Review of the interim consolidated financial statements of the Archicom Group	181 000
Audit of the Archicom remuneration report for 2025	30 000
Total	**2 679 000**

Explanatory information to the notes

• Galeria Libero in Katowice

4

Explanatory information on significant estimates and judgments made by the Group's Management Board

4.1 Significant estimates and judgments of the Group's Management Board

The preparation of the financial statements requires the Management Board of the Company to adopt certain assumptions and make estimates and judgments that affect the figures disclosed in the financial statements. Assumptions and estimates are based on the best knowledge of current and future events and activities, however, actual results may differ from those anticipated. Estimates and related assumptions are subject to ongoing verification. Change in accounting estimates is recognized in the period in which they were changed – if it concerns only this period, or in the current and future period – if the changes concern both the current and future period.

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

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

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

The Group most often measures properties at fair value during construction and / or commercialisation. The property valuation is based on the income method using the discounted cash flow technique, which takes into account future proceeds from rent (including rent guarantees), the sale of real estate and other expenditure to be incurred. The yield used to determine residual values recognized in cash flows result from the Management Board's estimates based on preliminary agreements for the sale of real estate, letters of intent, external valuations of appraisers or their familiarity with the market. The rates used also take into account the risk, and the level of risk is assessed individually for each property subject to its status.

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

The impact of each indicator on the fair value of properties as of 31 December 2025 is presented below:

Segment	Number of structures	Value [PLN '000]	Approach	NOI [mln PLN]	Yield %	Discount rate %	Sensitivity (gross change in PLN '000)			
Offices	5	568 946	income approach	58,4	5,87% - 8,07%	5,87% - 8,57%	Yield [p.p] / NOI [%]	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	17 324	(7 151)	(30 077)
							0%	24 724	-	(23 160)
							1%	32 125	7 151	(16 244)
City Space	13	126 406	income approach	44,9	-	6,17%	Yield [p.p] / NOI [%]	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	(479)	(1 264)	(2 039)
							0%	793	-	(783)
							1%	2 065	1 264	473
Shopping Centers		65 751	comparative approach							
Offices		249 397	comparative approach							
Other properties		290 525	at manufac-turing cost							
Total		**1 301 025**								

Segment	Number of structures	Value [PLN '000]	Approach	area (sq m)	price per meter (PLN/sq m)	Discount rate %	Sensitivity (gross change in PLN '000)			
Shopping Centers	5	27 342	income approach	2 310,02	10 000 - 18 000	7,15%	discount rate p.p. / price per meter (%)	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	701	765	829
							0%	(62)	-	62
							1%	(798)	(737)	(677)
Total		**27 342**								
Total		**1 328 367**								

The impact of each indicator on the fair value of properties as of 31 December 2024 is presented below:

Segment	Number of structures	Value [PLN '000]	Approach	NOI [mln PLN]	Yield %	Discount rate %	Sensitivity (gross change in PLN '000)			
Shopping Centers	1	538 316	income a pproach	38,5	7,00%	7,50%	Yield [p.p]			
							NOI [%]	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	14 915	(5 096)	(23 724)
							0%	20 212	-	(18 816)
							1%	25 510	5 096	(13 908)
Offices	4	675 313	income approach	61,3	6,75% - 8,10%	7,25% - 8,10%	Yield [p.p]			
							NOI [%]	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	22 917	(8 228)	(37 202)
							0%	31 463	-	(29 270)
							1%	40 009	8 228	(21 338)
City Space	13	117 800	income approach	43,9	-	7,09%	Yield [p.p]			
							NOI [%]	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	(317)	(1 073)	313
							0%	763	-	(753)
							1%	1 842	1 073	313
Shopping Centers		59 483	comparative approach							
Offices		149 161	value at cost							
Offices		12 687	comparative approach							
Other properties		437 933	at manufac-turing cost							
Total		**1 990 693**								

Segment	Number of structures	Value [PLN '000]	Approach	area (sq m)	price per meter (PLN/sq m)	Discount rate %	Sensitivity (gross change in PLN '000)			
Shopping Centers	4	22 018	income method	1 798,95	11 000 - 18 000	7,15%	discount rate p.p.			
							price per meter (%)	-0,25 p.p.	0 p.p.	+ 0,25 p.p.
							-1%	(52)	(206)	(360)
							0%	156	-	(155)
							1%	364	206	50
Total		**22 018**								
Total		**2 012 711**								

Investment property under construction

According to the valuations prepared by the Group, the value of investment propertiesin progress as at 31 December 2025 amounted to PLN 559,071 thous. It consisted of properties measured at fair value (PLN 268,991 thous.) and other properties (PLN 290,080 thous.) valued at the purchase value that best reflects the fair value of the asset at the balance sheet date valued at the purchase amount, which best reflects the fair value of the asset as at the balance sheet date.

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

Investment properties in progress – fair value hierarchy levels [PLN ‘000]

	Level 1*	Level 1**	Level 1***	Fair value - total
31.12.2025				
Offices	-	-	260 948	260 948
Shopping Centers	-	-	8 043	8 043
Total	**-**	**-**	**268 991**	**268 991**

* Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable
*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable

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

Investment properties in progress – valuation techniques

	Valuation	Approach	Discount rate %	Yield %
31.12.2025				
Offices	260 948	income approach	8,00%	7,50%
Shopping Centers	8 043	income approach	7,15%	-*
Total	**268 991**			

* for Fuzja Retail projects, the residual value is calculated based on the square meter of the projected price of the sale of the unit.

The following table presents basic information for office projects in progress as of 31 December 2025

Project / address	GLA [sqm]*	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Construction start	Targeted construction completion
WROCŁAW						
Swobodna I ul. Swobodna	16 200	3,3	149,3	72%	Q3 2023	Q1 2026
KRAKÓW						
Wita Stwosza ul. Wita Stwosza	18 700	4,6	190,3	65%	Q2 2024	Q1 2026
Total	**34 900**	**8**	**340**			

Investment property under construction

According to the valuations prepared by the Group, the value of investment propertiesin progress as at 31 December 2024 amounted to PLN 519,218 thous. It consisted of properties measured at fair value (PLN 81,729 thous.) and other properties (PLN 437,489 thous.) valued at the purchase value that best reflects the fair value of the asset at the balance sheet date valued at the purchase amount, which best reflects the fair value of the asset as at the balance sheet date.

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

Investment properties in progress – fair value hierarchy levels [PLN '000]

	Level 1*	Level 1**	Level 1***	Fair value - total
31.12.2024				
Offices	-	-	67 652	67 652
Shopping Centers	-	-	14 077	14 077
Total	**-**	**-**	**81 729**	**81 729**

* Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable
*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable

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

Investment properties in progress – valuation techniques

	Valuation	Approach	Discount rate %	Yield %
31.12.2024				
Offices	67 652	income approach	7,25% - 8,10%	6,75% - 7,60%
Shopping Centers	14 077	income approach	7,50%	-*
Total	**81 729**			

* for Fuzja Retail projects, the residual value is calculated based on the square meter of the projected price of the sale of the unit.

The following table presents basic information for office projects in progress as of 31 December 2024

Project / address	GLA [sqm]*	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Construction start	Targeted construction completion
ŁÓDŹ						
Fuzja I01 ul. Tymienieckiego	8 300	1,4	79,4	63%	Q1 2022	Q4 2025
WROCŁAW						
Swobodna I ul. Swobodna	16 100	3,3	142,7	40%	Q3 2023	Q3 2025
KRAKÓW						
Wita Stwosza ul. Wita Stwosza	18 700	4,2	176,1	31%	Q2 2024	Q4 2025
Razem	**43 100**	**8,9**	**398,2**			

Investment property

According to the Group's valuations, as of 31 December 2025, the value of investment properties amounted to PLN 630,757 thous. and consisted of properties valued at fair value (PLN 630,312 thous.) and other properties (PLN 445 thous.) valued at cost due to the inability to establish any reliable fair value.

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

Investment properties – fair value hierarchy levels [PLN '000]

	Level 1*	Level 1**	Level 1***	Fair value - total
31.12.2025				
Shopping Centers	-	-	85 050	85 050
Offices	-	1 369	417 487	418 856
Offices - City Space	-	-	126 406	126 406
Total	**-**	**1 369**	**628 943**	**630 312**

* Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable
*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable

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

Investment properties – valuation techniques

	Valuation	Approach	Discount rate %	Yield %
31.12.2025				
Shopping Centers	19 299	income approach	7,15%	-*
Shopping Centers	65 751	comparative approach	-	-
Offices	169 459	income approach	5,87% - 8,41%	5,87% - 7,91%
Offices - City Space	126 406	income approach	6,17%	-
Offices	249 397	comparative approach	-	-
Total	**630 312**			

* for Fuzja Retail projects, the residual value is calculated based on the square meter of the projected price of the sale of the unit.

Investment property

According to the Group's valuations, as of 31 December 2024, the value of investment properties amounted to PLN 1,493,493 thous. and consisted of properties valued at fair value (PLN 1,493,049 thous.) and other properties (PLN 444 thous.) valued at cost due to the inability to establish any reliable fair value.

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

Investment properties – fair value hierarchy levels [PLN '000]

	Level 1*	Level 1**	Level 1***	Fair value - total
31.12.2024				
Shopping Centers	-	-	605 740	605 740
Offices	-	12 687	756 822	769 509
Offices - City Space	-	-	117 800	117 800
Total	**-**	**12 687**	**1 480 362**	**1 493 049**

* Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities
** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable
*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable

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

Investment properties – valuation techniques

	Valuation	Approach	Discount rate %	Yield %
31.12.2024				
Shopping Centers	546 257	income approach	7,15% - 7,50%	7,00%*
Shopping Centers	59 483	comparative approach	-	-
Offices	607 661	income approach	6,92% - 8,10%	6,75% - 8,10%
Offices - City Space	117 800	income approach	7,09%	-
Offices	149 161	value at cost	-	-
Offices	12 687	comparative approach	-	-
Total	**1 493 049**			

* for Fuzja Retail projects, the residual value is calculated based on the square meter of the projected price of the sale of the unit.

Assets held for sale

As at 31 December 2025, the value of assets held for sale amounted to PLN 138,539 thousand and consisted of a real estate valued.

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

Assets held for sale – fair value hierarchy levels

	Level 1*	Level 1**	Level 1***	Fair value - total
31.12.2025				
Offices	-	-	138 539	138 539
Total	**-**	**-**	**138 539**	**138 539**

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable
*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

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

Assets held for sale – valuation techniques

	Valuation	Approach	Discount rate %	Yield %
31.12.2025				
Offices	138 539	income approach	8,57%	8,07%
Total	**138 539**			

Assets held for sale

As of 31 December 2024, there were no assets held for sale.

Fit-out works

As of 31 December 2025, the value of liabilities due to contracts with clients regarding finishing works amounted to PLN 20,736 thousand.

As of 31 December 2024, the value of liabilities due to contracts with clients regarding finishing works amounted to PLN 13,913 thousand.

Inventory

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

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

Data regarding write-downs updating the value of inventories to the net value possible to obtain and reversing write-downs on this account are presented in note 20.

Financial instruments valued according to fair value

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

As at 31 December 2025, the Group did not change the valuation principles for financial instruments, there were no changes in the classification or movements between levels of the fair value hierarchy. There is no difference between the carrying value and the fair value of financial instruments. The Group classifies forward and option derivatives as the second level in the fair value hierarchy.

Asset from deferred income tax

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

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

Leasing

The adaption and application of IFRS 16 required the Company to make various estimates and to engage in professional judgment. The main area in which it happened concerning the assessment of lease periods, in agreements for an indefinite period and in agreements for which the Company was entitled to extend the agreement. When determining a lease period, the Company had to consider all facts and circumstances, including the existence of economic incentives to use or not to extend the agreement and any termination option. The Company also estimated the discount rate used in the calculation of the lease liability - as a rate reflecting the cost of financing a similar asset for the same period.. As at 1 January 2019, the average weighted IBR rate used to discount of liability valuation amounted to 5.73 percent.

Estimated useful life of the trademark

In accordance with IAS 38 para. 88, the Group evaluated whether the "Archicom" trademark as an intangible asset, which arose from the business acquisition and was valued at PLN 67 million as of the acquisition date in 2021, has an indefinite or limited useful life. Indefinite does not mean 'infinite' (IAS 38 para. 91), but simply means that, based on the relevant factors, as at the valuation date, there is no reasonably foreseeable limit to the period over which the asset is expected to generate net proceeds to the entity. In particular, the assessment of the assumed period took into account that the Echo Group owns and controls the "Archicom" brand; there are no indications that would limit the period of using the brand by the Echo Group and it plans to use the brand without time limit and there are no other factors that would limit the period of using the brand. In addition, in the opinion of the Management Board, there is no foreseeable time limit for the use of the brand, the trademark is recognisable in the Wrocław market where it has a significant market share with a growing trend, no technical, technological or commercial obsolescence of the brand is expected, as the Group is constantly improving its construction technique and technology to follow the market and intends to follow the preferences and expectations of its clients, especially in terms of living/housing conditions. The industry is relatively stable, with the strongest brands in the industry existing for around 20-30 years. In accordance with IAS 38 para. 109, the useful life of an intangible asset that is not subject to depreciation is verified each period to determine whether events and circumstances continue to support the indefinite useful life for that asset.

Long-term incentive program

The Group operates a long-term incentive program based on the amount of dividends paid, which meets the definition of an equity-settled share-based payment under IFRS 2 “Share-based payment” and covers members of the Management Board. Since the Group expects the program to be settled in cash, the corresponding liability has been recognized in the consolidated statement of financial position under “Share-based payment reserve,” and the related expense has been included within general administrative expenses in the consolidated statement of profit or loss.

The program is valued using a binomial (lattice) model and considers variables such as the share price, the remaining term of the program, the expected share price at program maturity, and the dividend yield. Historical data and market standards are used to estimate the likely long-term value of the options.

In 2025, one of the IFRS 2–based programs for certain Management Board members expired. The settlement of this program will occur in 2026, and a provision has been recognized in the books based on the achieved share price.

Identification of a significant financing component within contracts with clients

The Group considered that the contracts with clients do not contain a significant financing component. In support of the conclusion that the contract does not contain a significant financing component is the fact that advance payments from clients are intended to secure the implementation of the contract (i.e. they guarantee to the developer that the client will not withdraw from the purchase and, from the client's point of view, they are securities that a given unit will be sold to the client at the agreed price), so they are made for reasons other than to provide financing to the developer (IFRS 15 para. 62c).

Explanatory information on financial and capital risk management

4.2 Financial risk management

Cash flow and fair value risk associated with interest rates

The Group's exposure to the risk of changes in interest rates is related to financial assets and liabilities, in particular borrowings, bank deposits, bank loans received and bonds issued. Variable-rate borrowings, loans and bonds expose the Group to the risk of changes in interest rates, while fixed-rate borrowings expose the Group to fluctuations in the fair value of financial instruments. In addition, the Group is exposed to the risk of interest rate fluctuations in the event it draws a new loan or refinances its current debt into long-term financing.

As of 31 December 2025, 10.83% of liabilities on loans and debt securities bore interest at fixed rates, with the remaining part bearing interest at variable rates. As of 31 December 2024, 6.18 percent of liabilities on loans and debt securities bore interest at fixed rates, the remaining part - at variable rates.

As of 31 December 2025, 94.15 percent of borrowings were at fixed rates, the remaining part - at variable rates. As of 31 December 2024, 91.27 percent of borrowings were at fixed rates, the remaining part - at variable rates.

AAs of 31 December 2025, the Group used economic interest rate hedges for the loan in entity Echo - Arena Sp. z o.o., in the form of IRS instruments (i.e., the conversion of a variable rate to a fixed rate).

Interest rate risk - liabilities from the issue of debt securities [PLN '000]

	The value calculated for analytical purposes			
	31.12.2025		31.12.2024	
Balance of liabilities from the issue of debt securities bearing a variable interest rate	1 862 648	1 862 648	1 863 554	1 863 554
Financial expenses from interest on the issue of debt securities	112 988	112 988	148 777	148 777
Estimated interest rate change	+/- 1 p.p.	+/- 5 p.p.	+/- 1 p.p.	+/- 5 p.p.
Financial expenses from interest on the issue of debt securities, considering the increase / (decrease) in interest rates	18 626	93 132	18 636	93 178
Total impact on the gross result for the period	**18 626**	**93 132**	**18 636**	**93 178**
Income tax	3 539	17 695	3 541	17 704
Total impact on the net result for the period	**15 087**	**75 437**	**15 095**	**75 474**

Interest rate risk - liabilities from loans and borrowings [PLN '000]

	The value calculated for analytical purposes			
	31.12.2025		31.12.2024	
Balance of liabilities from loans and borrowings bearing interest at variable rates	681 819	681 819	924 413	924 413
Financial expenses from interest	47 264	47 264	58 571	58 571
Estimated interest rate change	+/- 1 p.p.	+/- 5 p.p.	+/- 1 p.p.	+/- 5 p.p.
Change in interest due to the change in interest rate (per annum)	6 818	34 091	9 244	46 221
Total impact on the gross result for the period	**6 818**	**34 091**	**9 244**	**46 221**
Income tax	1 295	6 477	1 756	8 782
Total impact on the net result for the period	**5 523**	**27 614**	**7 488**	**37 439**

Interest rate risk - cash [PLN '000]

	The value calculated for analytical purposes			
	31.12.2025		31.12.2024	
Cash balance	377 452	377 452	366 205	366 205
Other operating revenues arising from interest	2 660	2 660	5 805	5 805
Estimated interest rate change	+/- 1 p.p.	+/- 5 p.p.	+/- 1 p.p.	+/- 5 p.p.
Other operating revenues arising from interest, considering changes in the level of interest rates	3 775	18 873	3 662	18 310
Total impact on the gross result for the period	**3 775**	**18 873**	**3 662**	**18 310**
Income tax	717	3 586	696	3 479
Total impact on the net result for the period	**3 057**	**15 287**	**2 966**	**14 831**

Interest rate risk - borrowings granted [PLN '000]

	The value calculated for analytical purposes			
	31.12.2025		31.12.2024	
Balance of borrowings granted at a variable interest rate	27 623	27 623	36 202	36 202
Financial revenues from interest on borrowings granted	10 413	10 413	12 996	12 996
Estimated interest rate change	+/- 1 p.p.	+/- 5 p.p.	+/- 1 p.p.	+/- 5 p.p.
Financial revenues arising from interest on borrowings granted, considering changes in the level of interest rates	276	1 381	362	1 810
Total impact on the gross result for the period	**276**	**1 381**	**362**	**1 810**
Income tax	52	262	69	344
Total impact on the net result for the period	**224**	**1 119**	**293**	**1 466**

Credit risk

In the case of receivables and borrowings, the entities with which the Group has these settlements do not have released external ratings. For financial institutions, the external credit rating ranged between A1 (according to Moody's Investors Service rating agency) and BB+ (according to FitchRatings rating agency). The Group provided borrowings to the entities recognized under the equity method: Towarowa 22, Resi4Rent and Project Browarna in view of which the concentration risk exists. All of these items are classified as Level 1 in the expected credit loss model, as the credit risk has not increased since the initial recognition. There has been no movement on gross and allowance between levels. The borrowers do not have external ratings, the group rated the borrowers as very good, with a high ability to regulate contractual cash flows. The maximum exposure to the credit risk is equal to the carrying value of the borrowings granted.

The credit risk relates to cash, borrowings, derivative financial instruments and deposits in banks and financial institutions, as well as the Group's clients and tenants - as unsettled receivables. The specific nature of the Group's operations in the areas of sales of apartments, rentals and provision of services means that the Group is not exposed to a significant credit risk. As of 31 December 2025, the Group estimated the value of the allowance due to impairment losses on trade receivables on the basis of a provision matrix developed on the basis of historical data regarding repayments of receivables by counterparties broken down by types of sales revenues. Indicators of credit losses were calculated based on a model that relies on historical repayments of receivables in each overdue group. The following table presents data on exposures and the value of the allowance for expected credit losses.

31.12.2025	Default rate weighted average	Gross value of trade receivables (PLN '000)	Allowance for expected credit losses (PLN '000)
current	18,01%	50 550	9 106
1-30 days	2,29%	22 196	508
31-90 days	5,81%	18 549	1 078
91-360 days	15,29%	12 442	1 903
over 361 days	36,01%	27 422	9 876
Total		**131 159**	**22 471**

In addition, the Group has procedures in place to assess the creditworthiness of clients and tenants, and security deposits and guarantees are also used for tenants. There is no significant risk concentration in relation to any of Echo Investment Group's clients. In case of cash and deposits in financial institutions and banks, as well as payments of residential clients on escrow accounts presented as other financial assets, the Group makes use of reputable entities.

With regard to the aforementioned categories, the Group faces the concentration risk arising from holding more than 73 percent of funds in PKO Bank Polski.

The financial institutions that the Group benefits from have external ratings.

Rating Agency	Rating	Amount of cash and other financial assets (PLN '000)
Moody's Investors Service	A1	387 775
FitchRatings	A-	2 022
FitchRatings	BBB+	79 270
FitchRatings	BBB	56 782
FitchRatings	BBB-	18
FitchRatings	BB+	851
		526 718

Cash and cash equivalents, together with payments from residential clients on escrow accounts presented as other financial assets, were classified as Level 1 in the expected credit loss model, and the estimated impairment loss was considered by the management to be immaterial.

In the Management's opinion, considering the presented characteristics of the business, the risk of non-performance of contractual obligations entered into is low. The Group's debtors have a high short-term ability to meet their obligations under their contracts with the Group, and possible unfavorable changes in economic and business conditions in the long term may - but not necessarily, and in the Management Board's opinion should not - limit their ability to meet their obligations under their contracts.

Illiquidity risk

The illiquidity risk is a risk that the Group will not be able to pay its financial obligations as they fall due. The Group manages its illiquidity risk by maintaining an adequate amount of available cash reserves, utilizing a range of banking services and standby facilities, and continuously tracking projected and actual cash flows.

Available current and working capital loans and cash [PLN MLN]

		31.12.2025	31.12.2024
"current and working capital loans	"	435	355
including available limits		73	165
"unrestricted cash on bank accounts	"	372	366

Due to the dynamic nature of its business, the Group keeps its financing flexibility through the availability of cash and a variety of financing sources. The Group has sufficient cash to settle all obligations in a timely manner. The minimization of the liquidity risk in the long term is achieved through the availability of bank loans. The Group can tap into financing at any time by mobilizing funds from allocated credit facilities provided by banks.

The analysis of the Group's undiscounted financial liabilities, which will be settled in the relevant time frames, based on the remaining period until the contractual maturity date as of the balance sheet date of 31 December 2025:

Analysis of undiscounted financial liabilities as of 31 December 2025 [PLN '000]

Period	Loans	Borro-wings	Bonds	Leases	Guaran-tees and sureties	Derivative financial instru-ments	Trade and other liabilities	Liabilities from secu-ring revenues for rent-free periods (master lease)	Profit share liabilities	Total
Up to 1 month	334 527	–	25 995	4 685	–	–	300 341	2 414	–	**667 962**
1 - 3 months	10 013	–	98 564	20 492	–	–	2 784	3 757	–	**135 610**
3 months - 1 year	456 826	–	381 091	41 921	40	143	–	10 428	1 155	**891 604**
1 – 3 years	39 706	–	1 509 691	86 662	45	–	–	17 126	–	**1 653 230**
3 – 5 years	40 351	–	497 442	59 375	112	–	–	3 850	–	**601 130**
5 – 10 years	–	–	–	32 314	14	–	–	1 750	–	**34 078**
Over 10 years	–	–	–	86 815	–	–	–	–	–	**86 815**
Total	**881 423**	**-**	**2 512 783**	**332 264**	**211**	**143**	**303 125**	**39 325**	**1 155**	**4 070 429**

Analysis of undiscounted financial liabilities as of 31 December 2024 [PLN '000]

Period	Loans	Borro-wings	Bonds	Leasing	Guaran-tees and sureties	Derivative financial instru-ments	Trade and other liabilities	Liabilities from secu-ring revenues for rent-free periods (master lease)	Profit share liabilities	Total
Up to 1 month	464 606	–	71 098	5 735	–	–	151 598	1 189	–	**694 226**
1 - 3 months	10 040	1 223	116 007	19 158	–	–	6 114	2 001	–	**154 543**
3 months - 1 year	24 741	–	244 107	56 407	–	–	407	6 259	1 168	**333 089**
1 – 3 years	433 801	8 199	1 082 784	87 831	85 484	–	–	12 912	10 474	**1 721 485**
3 – 5 years	48 532	–	1 121 723	73 486	19 541	554	–	4 225	–	**1 268 061**
5 – 10 years	–	–	–	59 208	110 756	–	–	994	–	**170 958**
Over 10 years	–	–	–	158 161	–	–	–	–	–	**158 161**
Total	**981 720**	**9 422**	**2 635 719**	**459 986**	**215 781**	**554**	**158 119**	**27 580**	**11 642**	**4 500 523**

Estimated future interest payments were included in the analysis.

Values of liquidity ratios

	31.12.2025	31.12.2024
Current ratio	1,37	1,48
Quick ratio	0,37	0,41
Cash ratio	0,20	0,24

Liquidity ratios

As at 31 December 2025, the Group entered into forward contracts hedging subsequent tranches of the targeted loan disbursements against foreign exchange risk. The transactions concluded under agreements with banks were not of a speculative nature and were entered into as part of the Group's risk management policy. However, they were not designated by the Group as hedging instruments for the purposes of hedge accounting within the meaning of IAS 39. The purpose of entering into these transactions was to secure the future level of cash flows related to the conversion of loan tranches denominated in EUR and funds obtained from the sale of commercial projects.

Current ratio
(current assets / short-term liabilities)

Quick ratio
(current assets - inventories / short-term liabilities)

Cash ratio
(cash / short-term liabilities)

Currency risk

The risk of exchange rate fluctuations is related to construction loans and borrowings expressed in foreign currencies within the Group (as of 31 December 2025, they amounted to EUR 114,103 thous., while as of 31 December 2024, they amounted to EUR 169,025 thous.), rental agreements in which rents depend on the PLN/EUR exchange rate, and other receivables expressed in foreign currencies. This risk arises with the following types of financial events:

- conversion of received loans (loan tranches), borrowings and funds from selling commercial projects from EUR to PLN;
- repayment of credit installments;
- receipt of receivables from property rentals;
- currency conversion of other receivables in foreign currency.

The Group uses a natural hedge: contracts with tenants are expressed in the currency of the loan that was taken out to finance the project. Payments received from tenants in this way are used to repay the said loans. Such linking of financing to sources of revenues reduces the exchange rate risk to a minimum or eliminates it altogether.

As of 31 December 2025, the Group had entered into forward contracts to hedge subsequent tranches of the project loan against foreign exchange risk. Transactions executed under agreements with banks were non-speculative and carried out as part of the Group's hedging policy (but were not treated by the Group as hedge accounting under IAS 39) - with the objective of securing future cash flows arising from the currency conversion of loan tranches in EUR and proceeds from the sale of commercial projects.

Basic data on long-term derivative financial instruments as of 31 December 2025

	Nominal hedge	Interest rate	Conclusion date	End date
IRS - 40519509	15 385	EURIBOR 3M	31.03.2025	30.06.2026
IRS - 52280	15 040	EURIBOR 3M	31.03.2025	30.06.2026

Basic information on long-term derivative financial instruments as at 31 December 2024

	Nominal hedge	Interest rate	Conclusion date	End date
IRS - 30597132	8 750	EURIBOR 3M	28.12.2023	13.11.2028

The Group maintains a uniform policy for managing the risk of exchange rate fluctuations and continuously monitors risk areas, using available strategies and mechanisms to minimize the negative effects of the market fluctuations and to hedge cash flows. The Group strives to maintain financial surpluses mainly in PLN. Amounts held on bank accounts in other currencies are mainly used for day-to-day transactions.

Currency structure of cash held by the Group

	31.12.2025	31.12.2024
PLN	78,7%	89,1%
EUR	21,3%	10,9%

Based on performed simulations, it was concluded that the impact of a 10 percent change in the EUR/PLN exchange rate on net profit would be a maximum increase or decrease, respectively, within each category of receivables and liabilities:

Currency risk - receivables from sales of projects and others [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	**31.12.2024**
Balance of receivables from sold projects and others in EUR	18 070	55 353
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**1 807**	**5 535**
Estimated (deferred) income tax	343	1 052
Net impact on result	**1 464**	**4 483**

Foreign exchange risk - liabilities from borrowings [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	**31.12.2024**
Balance of liabilities from borrowings in EUR	–	6 814
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**-**	**681**
Estimated (deferred) income tax	–	129
Net impact on result	**-**	**552**

Foreign exchange risk - liabilities from loans [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	**31.12.2024**
Balance of liabilities from loans in EURO	482 277	715 431
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**48 228**	**71 543**
Estimated (deferred) income tax	9 163	13 593
Net impact on result	**39 065**	**57 950**

Currency risk – liabilities from issued bonds [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	**31.12.2024**
Balance of bonds in EUR	182 318	183 113
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**18 232**	**18 311**
Estimated (deferred) income tax	3 464	3 479
Net impact on result	**14 768**	**14 832**

Currency risk - cash and cash equivalents [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	**31.12.2024**
Balance of cash, cash equivalents in EUR	102 931	38 042
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**10 293**	**3 804**
Estimated (deferred) income tax	1 956	723
Net impact on result	**8 337**	**3 081**

Currency risk – other financial assets [PLN '000]

	The value calculated to be used for the analysis:	
	31.12.2025	31.12.2024
Balance of other financial assets in EUR	9 050	14 599
Estimated change in the exchange rate of EURO	+/- 10 p.p.	+/- 10 p.p.
Exchange rate differences due to change in exchange rate	**905**	**1 460**
Estimated (deferred) income tax	172	277
Net impact on result	**733**	**1 183**

4.3 Capital risk management

The Group's objective in managing capital is to protect the Group's ability to continue its operations, so that it can generate return for shareholders and to maintain an optimal capital structure to reduce its cost.

While managing the capital, the Group makes decisions regarding the level of financial leverage, dividend policy, issuance of new shares or purchasing and subsequent redemption or resale of previously issued shares and the possible sale of assets to reduce debt.

The Group monitors its capital by such methods as debt ratios. This ratio is calculated as net debt to net assets. Net debt is calculated as total loans, borrowings and bonds (including current and long-term loans and borrowings presented in the balance sheet) less cash, cash equivalents. Net assets are calculated as total assets presented in the balance sheet reduced by cash and cash equivalents.

Debt ratio

	Nota	31.12.2025	31.12.2024
Total loans, borrowings and bonds	30	2 854 512	2 983 348
Cash and cash equivalents	25	(377 452)	(366 205)
Net debt		2 477 060	2 617 143
Total assets		6 576 697	6 772 886
Net assets		6 199 245	6 406 681
Debt ratio		39,96%	40,85%

The values of the ratios presented remained within the Group's financial assumptions.

Nicklas Lindberg
President of the Board, CEO

Maciej Drozd
Vice-President of the Board, CFO

Rafał Mazurczak
Vice-President of the Board

Małgorzata Turek
Member of the Board

Anna Gabryszewska-Wybraniec
Chief Accountant

The document is signed with qualified electronic signature

Kielce, 24 March 2026

Statement of the Management Board


Browary Warszawskie, Warsaw

5

Statement of the Management Board

The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the Annual Consolidated Financial Statements of Echo Investment S.A. and its Group for 2025 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment Group and its financial result.

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

Nicklas Lindberg
President
of the Board, CEO

Maciej Drozd
Vice-President
of the Board, CFO

Rafał Mazurczak
Vice-President
of the Board

Małgorzata Turek
Member
of the Board

Kielce, 24 March 2026

The document is signed with qualified electronic signature

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ECHO
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