

MANAGEMENT BOARD REPORT ON OPERATIONS OF ECHO INVESTMENT S.A. AND ITS GROUP

2018



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Dear Shareholders, Partners and Clients,



Echo Investment has had another successful year with a great operational and financial results. I am pleased to provide you with this report in which we describe all activities of the company: our business achievements and development plans for the coming years.

We continue developing our real estate development business in line with our profitable growth strategy. Currently, we have projects under construction and in preparation with total usable area of c.a. 1.3 million sqm. It is nearly 20% more than at the end of 2017. Last year we handed over a number of projects with more than 160,000 sqm of residential, office and retail space - including the 150th project in our history, which was the Libero shopping centre in Katowice. In 2018, our group generated a net profit of PLN 305 million coming from our core business: construction and selling properties. The biggest impact on the result was connected with handovers of 935 apartments and the increase in the value of properties under construction: mainly the office buildings of the Warsaw Brewery complex, O3 Business Campus III in Kraków, Sagittarius and West Link in Wrocław, as well as Libero in Katowice. The results were also strengthened by our share of the increase of the value of Galeria Młociny being built in Warsaw. Thanks to such achievements, already in December last year we decided to pay our shareholders an advance dividend from the 2018 profit.

Destination projects

Our strategy to build multifunctional projects, new parts of the cities, being destinations for people to live, work and entertain, has gained momentum. Currently such projects state over 45% of our pipeline. Last year, we opened up the first two buildings of Warsaw Brewery. All other buildings of this quarter are at various stages of construction. The entire project will be ready in the second half of 2020, when

the 4.6 ha plot will turn into great urban space with over 580 apartments owned by individual clients and 450 rental apartments, office buildings with a total area of over 60,000 sqm, a great food and beverage area in the historical cellars and fully developed urban infrastructure, such as streets, public squares and green areas.

A few weeks ago we started construction of another multifunctional project similar to Warsaw Brewery. It will be Fuzja on Tymienieckiego Street in Łódź, with about 90,000 sqm of residential, office, service, entertainment and restaurant space. I am convinced that our experience and skills, the central location and post-industrial architecture of Fuzja will encourage residents of Łódź to live and spend their free time there, as well as attract companies that looks for offices in a unique environment. This place will become a significant point on the city map soon.

Together with the renowned world-famous architectural studio BIG, we are preparing for the landmark Towarowa 22 project in Warsaw. It will be a large, city-forming quarter which will combine offices, apartments, hotel, retail, services, as well as a theatre, a festival cinema or perfectly designed public space, full of greenery and places to relax. By this project we will move the actual city center into Wola and improve the quality of life for the inhabitants of Warsaw. The urban concept prepared was well-received during the international real estate fair MIPIM in Cannes. I am sure that it will be a unique project for our company, and also for Warsaw.

Residential sector

Due to the high demand on the residential market, but also the increased construction cost, last year we focused on defending our margin on the apartments sold. We started construction of eight investments

and sold 986 units. We also devoted a lot of energy to prepare new projects and acquisition of plots. Thanks to this, we will start construction and sale of projects with c.a. 2,300 apartments this year. This is a significant step to strengthen our position among the leading developers in this sector in Poland.

Thanks to the second pillar of our residential business we build apartments for rent together with a financial partner. We established the company Resi4Rent, which will be leading institutional platform of rental apartments in Poland. At present, Echo Investment is building for the company four projects with 1,200 apartments and is preparing to start within coming 12 months another 1,700 units, which will place Resi4Rent on a good way to achieve the target of 5,000 apartments under management by 2020. Already in the third and fourth quarter of 2019, Resi4Rent will start to lease and operate the first projects in Wrocław and Łódź. I am convinced that the business model of Resi4Rent responds to changing consumer preferences and new social trends, and it will allow us to be a pioneer and a leader in this market segment.

Offices

We are pleased with the excellent standing of the office sector, both in Warsaw and in regional cities. Due to the record-breaking demand for high quality space, we could start construction and lease of four investments in Warsaw, Katowice and Wrocław. In 2019, another four projects will be started in Warsaw, Łódź, Gdańsk and Wrocław. Thanks to this, we have about 100,000 sqm of space in offer, which we can quickly provide to potential clients. Last year, we signed lease agreements of around 80,000 sqm, including with such outstanding companies as WeWork, Havas Media, MasterCard and InterCars.

In line with our strategy, we sold well leased buildings West Link and Sagittarius in Wrocław and Symetris II in Łódź to institutional investors. In total, these transactions generated approximately EUR 130 million. We also signed the preliminary agreement for the sale of Gatehouse Offices - the first office building of Warsaw Brewery. Because it is ready and leased, we expect to finalise this contract soon.

Retail

Last year was also successful in the retail property sector. Just before the Christmas shopping season, we opened Libero - a modern, perfectly designed and fully leased shopping centre in the south of Katowice. This project was developed in line with the latest trends on the retail market, with a big component

of space is dedicated to food and beverage, as well as services and entertainment.

In Q2, we will open another retail project - Galeria Młociny in Warsaw. Finishing works are carried out quickly on the construction site, and our lease department finalises the last agreements. Prior to the opening, also this investment will be fully leased to attractive brands and catering operators with excellent food. The main factor behind the success of Galeria Młociny is the unique restaurant and entertainment zone, which will occupy around 20% of the space, which is 6,000 sqm on top floor of the project. This will be unique place in Poland.

Acquisition of plots and the construction market standing

Thinking about further development, since the beginning of 2018 we have bought plots of land for over 170,000 sqm of apartments and offices. We are working on further purchases, with plots for another 340,000 sqm under advanced negotiations, majority of that for residential projects.

Last year we noticed the increase of construction prices. Thanks to the packaging of orders, in-house project management, large scale of orders and standardisation, we managed to keep the costs of materials and services under control. In addition, the increase of costs was largely offset by raising residential prices and obtaining higher than expected rents in office buildings and shopping centres. In recent months, prices of construction services have stabilised, but the challenge remains to provide the construction workforce.

Financial standing

The value of our assets as at 31 December 2018 amounted to almost PLN 4 billion, out of which PLN 2 billion is the value of projects under construction. The continuing low level of indebtedness of the Echo Investment group, which at the end of 2018 amounted to 28%, creates flexibility to quickly react to opportunities that comes on the market. We have great comfort in choosing the optimal sources of financing for development. Last year, we placed PLN 240 million of bonds for individual and institutional investors.

We continue cooperation with the capital market through open communication, regular meetings, transmission of result conferences and organisation of investor chats with analysts, fund managers and individual investors. The evidence of trust in our strategy is 18 recommendations for Echo Investment's shares

We continue developing our real estate development business in line with our profitable growth strategy. Currently, we have projects under construction and in preparation with total usable area of c.a. 1.3 million sqm. It is nearly 20% more than at the end of 2017. Last year we handed over a number of projects with more than 160,000 sqm of residential, office and retail space - including the 150th project in our history, which was the Libero shopping centre in Katowice.

that have been issued since the beginning of 2018, of which 12 were “buy” recommendations and 6 “hold” or “neutral”. We are also proud of market recognition for us. We received awards of the Developer of the Year in Prime Property Prize and CIJ Awards 2018, as well as The Best Office Developer of the Year by the jury of Eurobuild Awards 2018.

I encourage you to read our financial report for 2018 in details.

Yours sincerely



Nicklas Lindberg
CEO of Echo Investment

CHAPTER 1

MANAGEMENT BOARD REPORT



General information about the Company and its Group

1996

Incorporation of Echo Investment



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

The Management Board of Echo Investment S.A

as at 20 March, 2019

The Management Board of Echo Investment S.A. was appointed by the Supervisory Board on 29 June 2017, for 3 years term of office.

Nicklas Lindberg
President of the Board, CEO



Maciej Drozd
Vice-President of the Board,
CFO



Artur Langner
Vice-President of the Board



Marcin Materny
Member of the Board



Rafał Mazurczak
Member of the Board



Waldemar Olbryk
Member of the Board



Małgorzata Turek
Member of the Board



Nicklas Lindberg
President of the Board, CEO

Responsible for the strategy and development of Echo Investment. For 15 years he had been with Skanska where he worked as President for Skanska Commercial Development Europe (CDE), Skanska's business unit that develops properties in Central and Eastern Europe and the head of Skanska Property Poland, a unit within Skanska Commercial Development Europe. Prior to that Mr. Lindberg had worked with Residential Development in the Nordics and for Skanska Russia as both CFO and CEO. Appointed CEO of Echo Investment on 18 April 2016.

Maciej Drozd
Vice-President of the Board, CFO

Responsible for finance and back office. From 1995 he was involved with Eastbridge Group, initially as the financial director of the group's operational companies, from July 2009 until June 2015 he was also the CFO and managing partner at the Eastbridge Group. He studied philosophy, mathematics and management at the University of Warsaw, he holds a master's degree in philosophy and a master's degree in management, which he earned at the University of Warsaw, Maciej also holds an MBA degree from the University of Illinois. On 16 July 2015 he was appointed Vice-President of the Echo Investment's Board.

Artur Langner
Vice-President of the Board

Responsible for the construction department of the Company. A graduate of the Faculty of Civil Engineering at Kielce University of Technology. After finishing his studies he started working for a construction company where he gained his professional experience by participating in all the stages of project construction. He started working for Echo Investment in 1998 as a Project Manager. In June 2000 he was appointed Director of Project Preparation followed by the position of Director of the Technical Division. In June 2005 he became a Management Board Member. Appointed the Vice-President of the Management Board on 27 June 2008.

Marcin Materny
Member of the Management Board

Responsible for the development of retail business. Marcin Materny has worked in Echo Investment since 1997 and he has climbed all career ladders. He started as a leasing specialist, later he was in charge of a leasing team responsible for 10 shopping centres completed in the years 1998-2000. Next, as the leasing director he coordinated the commercialization and marketing of Pasaż Grunwaldzki, among others. In the years 2007 - 2010 Marcin Materny got involved with Capital Park, where he coordinated the development of retail and office projects. From 2014 Marcin Materny was the director of the retail department of Echo Investment. On 15 September 2016 he was appointed the Member of the Company's Board.

Rafał Mazurczak
Member of the Management Board

Responsible for office department in Echo Investment. He started his career as an office project leasing manager in Echo Investment in 2000. In the years 2007 - 2013 he was the leasing director in the office department. From 2013 he was the director of the office department. He co-created the development strategy of this part of Echo Investment's business and implemented it. He was responsible for the construction, leasing and marketing of the company's flagship project - the Q22 skyscraper in Warsaw as well as Park Rozwoju, O3 Business Park complex in Kraków, A4 Business Park in Katowice, Tryton office building in Gdańsk as well as West Gate and Nobilis in Wrocław. On 15 September 2016 he was appointed Member of the Board.

Waldemar Olbryk

Member of the Management Board

Responsible for the residential sector. He joined Echo Investment in August 2017. Earlier he worked for companies from the Skanska group, including positions such as: managing director of business devel-

opment, manager of teams responsible for new business such as public private partnerships or shared services. Until 2008 he worked for Philips Poland, Apsys Poland and BP. He is a graduate of Inter-

national Economic Relations at the University of Łódź, he also completed MBA studies at the University of Łódź/the University of Maryland. He was appointed to the Board on 10 October 2017.

Małgorzata Turek

Member of the Management Board

Małgorzata Turek has over twenty years of experience in the real estate industry while working for both investment and development companies as well as international law firms. She is a specialist in the field of asset management as well as real estate purchase and sale transactions. Since 2017, she has been the president of the newly formed

company Globalworth Poland Real Estate, where she was responsible for the organisation, development of a sustainable property portfolio generating revenues, as well as the establishment of all key functions of the company. She also gained her experience at Skanska Property Poland, where in 2012-2017 as a board member (Chief Operating Officer),

was responsible for the company's transactions and operations. Previously, Małgorzata worked at the renowned law firm Linklaters, where she specialised in transactions on the commercial real estate market. A graduate of the Faculty of Law and Administration of the Jagiellonian University in Krakow and a member of the Bar Association in Poland.

The Management Board of Echo Investment S.A. as at 31 December 2017:

Nicklas Lindberg - President of the Management Board, CEO;

Maciej Drozd - Vice-President of the Management Board, CFO;

Piotr Gromniak - Vice-President of the Management Board;

Artur Langner - Vice-President of the Management Board;

Marcin Materny - Member of the Management Board;

Rafał Mazurczak - Member of the Management Board;

Waldemar Olbryk - Member of the Management Board.

From 31 December, 2018, **Piotr Gromniak** resigned from membership in the Management Board. He remains Member of the Management Board in Resi4Rent - the

company in which Echo Investment holds 30% stake.

Echo Investment's Supervisory Board appointed **Małgorzata Turek** as Member of the Board on 7th March, 2019. She is responsible for investment, divestment and planning department.

The Supervisory Board of Echo Investment S.A.

as at 20 March, 2019

Karim Khairallah
Chairman of the Supervisory Board



Laurent Luccioni
Deputy Chairman of the Supervisory Board



Mark Abramson
Independent Supervisory Board Member
Deputy Chairman of the Audit Committee



Maciej Dyjas
Supervisory Board Member



Stefan Kawalec
Independent Supervisory Board Member
Chairman of the Audit Committee



Nebil Senman
Supervisory Board Member
Audit Committee Member



Sebastian Zilles
Supervisory Board Member



Karim Khairallah
Chairman
of the Supervisory Board

Karim is the Managing Director at Oaktree Capital Management Limited. He joined Oaktree Group in 2005 and became involved with Oaktree's European Principal Fund. Previously he worked for General Atlantic Partners for 4 years. His previous pro-

fessional experience includes working for J.P. Morgan Capital and Lehman Brothers International. Karim Khairallah holds a Bachelor of Science in Economics, which he was awarded from London School of Economics. He also graduated from INSEAD, where he

was awarded an MBA degree. Karim Khairallah was a Chairman of the Supervisory Board at Panrico and a member of managing bodies at Stock Spirits Group (Polmos Lublin), Campofrio Food Group and R&R Ice Cream (Zielona Budka).

Laurent Luccioni
Deputy Chairman
of the Supervisory Board

Laurent Luccioni is the Managing Director and a Portfolio Manager in the London office managing commercial real estate investments for Europe. Prior to joining PIMCO in 2013, he was the European CEO for

MGPA, a Macquarie-backed private equity involved in investment consultancy on the real estate market. He additionally worked with Cherokee Investment Partners in London. Laurent holds an MBA

from Kellogg School of Management at the Northwestern University and a doctorate in civil and environmental engineering from the University of California in Berkeley.

Mark Abramson
Independent Supervisory
Board Member
Deputy Chairman
of the Audit Committee

Mark is a Portfolio Manager of publicly traded shares of real estate companies in Europe and globally, on behalf of major international institutional investors, sovereign wealth funds, pension programmes and others. In the years 2005 - 2017 he was the Executive Director at Heitman LLC - a company from the real estate

sector. In the 1994 - 2005 period he was the Senior Executive Director at the Bear Stearns & Co. investment bank. He began his career from public policy analyses at the Center for Strategic and International Studies in Washington. He was awarded a BA in Political Economics from the Johns Hopkins University and an MA in

Economics from the American University in Washington. He completed further post-graduate studies in Public Policy at the University of Maryland. He is a member of the Regulatory & Tax Committee of the European Public Real Estate Association (EPRA).

Maciej Dyjas
Supervisory Board Member

Maciej is a shareholder of Griffin Real Estate - a leading company on the commercial property market in Central and Eastern Europe. He is also a Managing Partner at the Cornerstone Partners private equity fund which invests in healthcare and pharmaceuticals, retail, industry, manufacturing, and infrastructure sec-

tors. He gained management experience in the Wandel & Goltermann Hewlett Packard Systems consulting company and he continued as a Managing Partner and Chairman at Eastbridge Group and key companies controlled by the fund, including NFI Empik Media & Fashion. In 2014 Eastbridge Group held assets

worth more than USD 3 bln in the retail, consumer goods and real estate sectors. He studied business, management, IT, psychology of management and communication at universities in Warsaw, Stuttgart, Frankfurt and Southampton in Great Britain.

Stefan Kawalec
Independent Supervisory
Board Member
Chairman of the Audit
Committee

In the 1989 – 1994 period Stefan Kawalec worked for the Ministry of Finance of Poland as the Chief Economic Adviser to the Minister of Finance, and from 1991 - a Deputy Minister. He was involved in preparing and introducing the stabilisation and transformation programme for the Polish economy (the so-called Balcerowicz plan). He led the negotiations and preparation of successive agreements with the International Monetary Fund (1990, 1991 and 1993) as well as managed the restructuring and privatisation of state banks. He was responsible for work on

the development of new insurance legislation and supervised insurance matters as well as led the work on creation of the State Office for Insurance Supervision. In 1994-2002 he was the Head of the Advisory Team to the Management of Bank Handlowy in Warsaw and in the 1998-2002 period - the Head of Strategy at Bank Handlowy (as part of Citigroup from 2000). In the 2002 – 2003 period he worked for the Commercial Union Group/ Aviva as a Vice-President of the Management Board of Commercial Union Polska, and then as a Senior Advisor to the

CEO of the Group in Poland. In the 2003 – 2006 period he was the Managing Director for Strategy at the PZU Group. Since December 2006 he has been self-employed and since 2008 - a partner and the CEO of the Capital Strategy consulting firm. He was an adviser to international institutions such as the World Bank and the International Monetary Fund as well as government and commercial institutions in several countries of Central and Eastern Europe.

Nebil Senman
Supervisory Board Member
Audit Committee Member

Co-Managing Partner at Griffin Real Estate. For nine years Nebil Senman held leading positions as a Senior Vice-President and a Supervisory Board Member of Oaktree's German and Polish real estate funds and he was responsible for operations worth several billion

euro. Before joining Oaktree he spent eight years dealing with the real estate and corporate consulting at Ernst & Young Real Estate (former Arthur Andersen), where he held different managerial positions. He is a graduate of universities in Berlin (TU Berlin, EBS), Par-

is (ESCP Europe) and London (LSE) and holds an MBA and a degree in civil engineering. He also holds a post-graduate diploma in real estate management (EBS). Nebil is a member of the Royal Institution of Chartered Surveyors (MRICS).

Sebastian A. Zilles
Supervisory Board Member

A Vice-President and Manager of PIMCO's portfolio in its London office, specializing in European real estate. He is responsible for sourcing and selection of projects, closing transactions, managing real estate and real estate related assets. Prior to joining PIM-

CO in 2013 he was part of the transaction team of Corestate Capital in London, a Swiss-based investment management company focused on distressed real estate transactions in Europe. Previously he worked for Morgan Stanley (Argoneo) in Frankfurt. He has

several years of investment experience and holds a BA from the University of Glamorgan and a diploma from the University of Munich (AS). In 2018 he was awarded a PhD degree in Finance at the Vienna University of Economics and Business Administration.

There was no changes in the Supervisory Board of Echo Investment S.A. during 2018.

AUDIT COMMITTEE

According to the resolution of the Supervisory Board of the 19 October 2017, the Audit Committee consists of:

Stefan Kawalec - President of the Audit Committee,
Mark E. Abramson - Vice-President of the Audit Committee,
Nebil Senman - Member of the Audit Committee.

Independent members of the Supervisory Board constitute the majority in the Audit Committee.

In this way the Company has fulfilled the requirements of the Act on statutory auditors, audit companies and public supervision of the 11th of May 2017 and one of the 'Best Practices of WSE Listed Companies 2016'.

The Strategy of Profitable Growth in action

In 2016, the Management Board of Echo Investment prepared and introduced a new 'strategy of profitable growth' with the approval of the Supervisory Board. Its effects in details are described above.

THE STRATEGY OF PROFITABLE GROWTH IN ACTION



FOCUS ON POLAND

It is the largest country and real estate market in Central and Eastern Europe. Echo Investment, as an entity which has operated here for over two decades, knows its potential, realities and principles of functioning very well. We focus on the execution of projects in seven most important cities of the country, which are the most attractive and liquid real estate markets: Warsaw, Tri-City, Wrocław, Poznań, Katowice, Kraków and Łódź.

Actions

- Purchase of real estate for future projects only in the seven largest Polish cities
- Disposal of non-core projects in Kiev (Ukraine), Brasov (Romania) and Budapest (Hungary)
- Disposal of non-core projects (including in Częstochowa, Kielce, Kraków, Lublin, Poznań, Słupsk and Warsaw)
- Preparation for sale of subsequent non-core properties (including in Koszalin, Radom, Zabrze).



LEADING POSITION

Echo Investment is the largest development company operating in Poland in terms of the number and area of projects implemented. We are active in three sectors of real estate: office, retail and residential - including new sector of apartments for rent. The strategy of profitable growth assumes that Echo Investment will be one of the top developers in each of these sectors separately. Our large scale of operations will allow for the optimal use of resources.

Actions

- Strengthening the position in the residential sector by taking bigger share in the market: from c.a. 600 apartments sold annually until 2015 to c.a. 1,000 units in 2018
- Preparation of residential projects allowing for further advancement in the ranking
- Entering a new market niche of apartment for rent by establishing new company Resi4Rent in cooperation with a reputable financial partner
- Maintaining the leading position in the office market (in terms of space under construction and preparation, as well as rental)
- Search for new business niches, including in short-term rental (through the development of CitySpace)
- Maintaining the leading position in the retail sector (in terms of space under construction and preparation)
- Strengthening our competitive advantage by preparation and construction of multifunctional projects that enable us to combine different competencies and implement projects faster.

THE STRATEGY OF PROFITABLE GROWTH IN ACTION



DEVELOPMENT ACTIVITY

The adopted business model focuses on the development activity, which consists of operations such as the purchase of a plot (real estate), project preparation, construction, leasing, sale of apartments, active management to increase the market value and then sale of finished office and retail projects in optimal time for the possible return ratio, capital management, market expectations and trends. Echo Investment does not want to be a long-term owner of completed projects and the income from office or retail rent accounts for a minority portion of its total revenue. Commercial and residential properties under construction constitute majority of the group's assets.

Actions

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

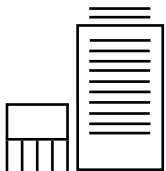


STRATEGIC COOPERATION WITH RELIABLE PARTNERS

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

Actions

- Partnership with EPP N.V. on large and capital-intensive commercial as well as multi-functional projects (Galeria Młociny, Towarowa 22 in Warsaw), in which Echo has a minority shareholding and conducts the development and leasing process for remuneration
- Partnership based on ROFO (right of first offer) agreements, which limits Echo Investment's capital expenditures and predefines the sales path of the completed project
- Partnership with a global fund manager on the development of Resi4Rent, in which Echo Investment holds 30% stake and for which it provides development services for fee
- Marketing cooperation to achieve economies of scale and optimizing the cost of reaching recipients, customers and business partners.



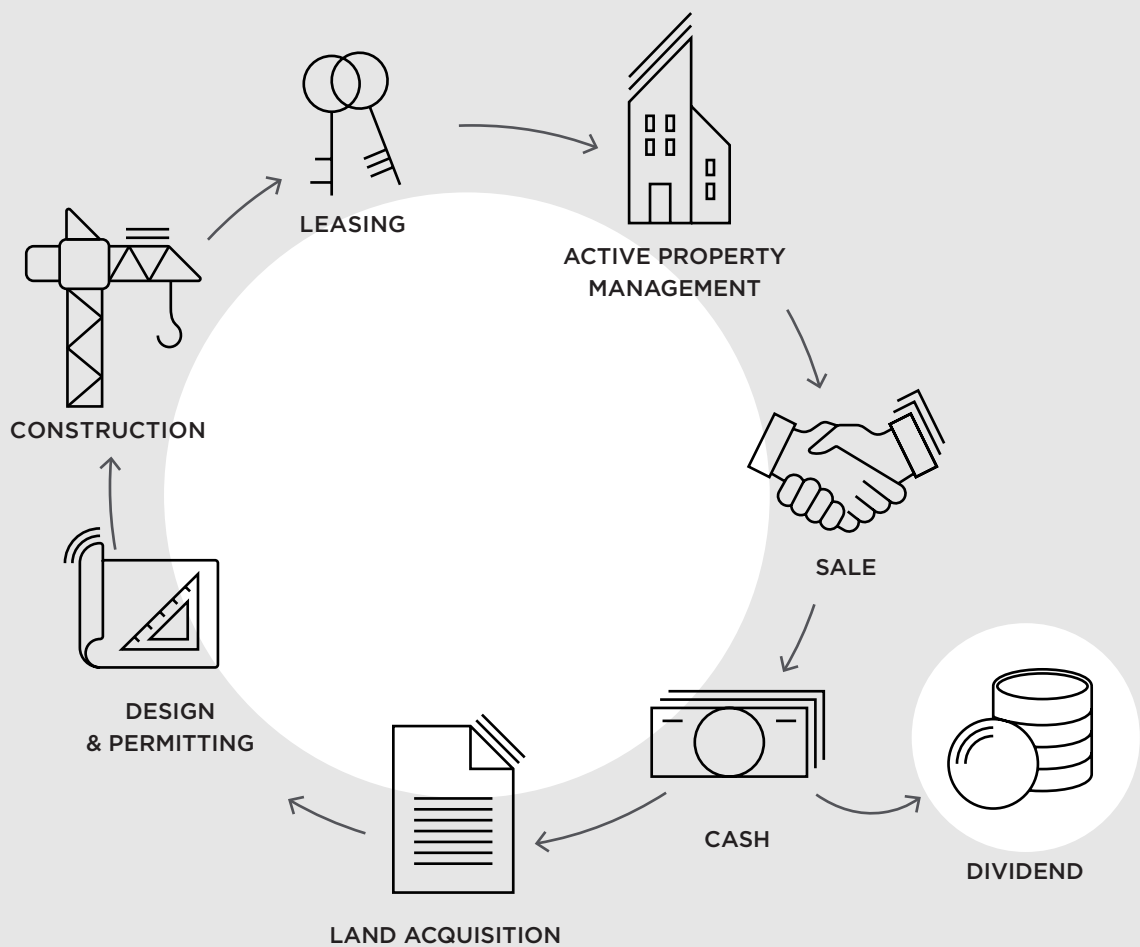
LARGE DESTINATION PROJECTS

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

Actions

- The construction of the first three projects combining office, retail, entertainment and residential functions – Warsaw Brewery, Moje Miejsce (Beethovena) and Reset in Warsaw with very good social reception
- Preparation of another multifunctional projects at ul. Towarowa 22 in Warsaw, Tymienieckiego in Łódź, Wita Stwosza in Kraków and Powstańców Śląskich in Wrocław
- Search for other large areas for multifunctional purposes.

Business model



Echo Investment Group runs the entire investment process in-house, starting with acquisition of property, through obtaining administrative permits, financing and oversight of construction, to leasing, completion, active property management to increase its

value, taking decision of sale and execution of this decision in optimal moment from return, cash management, expectation and market trends. These steps are taken in most cases through the special purpose vehicles (SPV). The core business of Echo Investment

Group falls into the following categories:

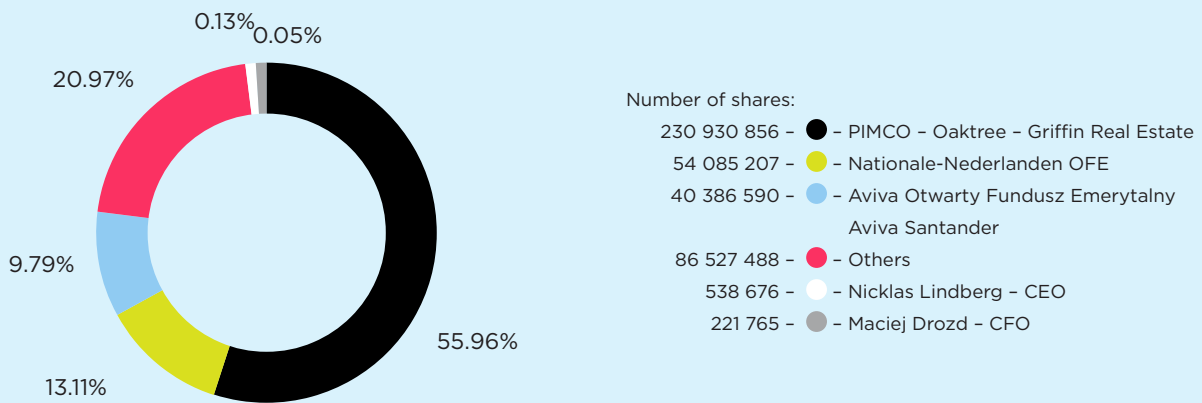
1. construction, lease, active property management to increase its value and sale of office buildings,
2. construction, lease, active property management to

increase its value and sale of retail buildings,

3. construction and sale of residential apartments
4. provision of services (general contractor, managing contractor, leasing, consulting etc.).

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

SHAREHOLDERS OF ECHO INVESTMENT S.A. HOLDING MORE THAN 5% OF THE SHARE CAPITAL AS AT 31.12.2018



4.1 Description of shares

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

number of votes at the General Meeting of Shareholders.

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

4.2 Shareholding structure

The PIMCO - Oaktree - Griffin Real Estate consortium remains the major shareholder of Echo Investment S.A. through Lisala sp. z o.o. which is an entity directly controlled by Echo Partners B.V.

Data concerning the shareholding structure as at 31 December 2018 result from information about ownership of shares published by Open

Pension Funds and notifications sent to the Company by members of the Management Board.

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

To the best of the Company's knowledge, among the persons in charge of Echo Investment S.A. management or supervisory functions, the shareholders of the Company are only Nicklas Lindberg, President of the Management Board and Maciej Drozd Vice-president of financial affairs. According to notifications sent by both board members, in 2018 each of them purchased shares of Echo Investment S.A., in transactions concluded at the session on December 28, 2018 Nicklas Lindberg purchased 78,000 shares for a total amount of c.a. PLN 250,000, while Maciej Drozd 37,500 shares for a total amount of c.a. PLN 120,000.

To the best of the Company's knowledge, none of the other members of the Management Board or the Supervisory Board is a shareholder of the Company directly or indirectly as at the date of publication of the report, none of them was a shareholder on 31 December 2018 and during the entire 2018, and none of them concluded any transactions for shares in the Company.

VOLUME OF SHARES OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 31.12.2018.

Surname	Position in the company	Number of shares held	Share in the capital and votes at GMS
Nicklas Lindberg	President of the Board, CEO	538 676	0.13%
Maciej Drozd	Vice-President of the Board, CFO	221 765	0.05%

Major events in 2018

100

PLN mln

Value of bonds placed for individual investors in 2018

5.1 Establishing of the Third Bonds Issuance Programme for individual investors and placement of PLN 100 mln bonds

On 14 February 2018 the Management Board of Echo Investment adopted a resolution on the establishment of the Third Bond Issue Programme for individual investors up to the amount of PLN 400 mln or its equivalent in EUR. The bonds will be offered in a public offering. Detailed terms of the bond issuance will be determined prior to the issuance of a given series of bonds. The company plans to introduce bonds issued on the basis of the prospectus for trading on the Catalyst regulated market. The company filed the Prospectus with the Polish Financial Supervision Authority (KNF) on 28 February 2018. The prospectus was approved on 16 April 2018.

In Q2 2018 Echo Investment placed unsecured H-series bonds with a total value of PLN 50 mln, a four-year maturity and a 2.8% margin.

In Q4 2018 Echo Investment placed another series of bonds for individual investors (I-series) amounting in total to PLN 50 mln. The interest rate on I-series bonds is based on the WIBOR 6M rate increased by a 3.4% margin. This offer was participated by Dom Maklerski PKO BP acting as a leader of a consortium with Noble Securities S.A. and Centralny Dom Maklerski Pekao S.A.

140

PLN mln

Value of bonds placed for institutional investors in 2018

5.2 Issuance of PLN 140 mln worth of bonds for institutional investors

As part of the Bond Issuance Programme of up to PLN 1 bln of 2004, which was signed with mBank, Echo Investment issued coupon bonds with a total value of PLN 140 mln on 23 April 2018. The nominal value and the issue price of one bond was PLN 10,000. The bonds were issued for the period ending on 25 April 2022. The interest rate on the bonds was determined based on the variable WIBOR 6M rate plus 2.9% plus WIBOR. The interest will be paid semi-annually. The issued bonds are not secured.

5.3 Entry into the segment of apartments for rent – Resi4Rent

Echo Investment has signed a framework agreement aimed at creating the first private institutional residential rental platform in Poland – Resi4Rent – with R4R S.à.r.l., an entity controlled by a fund managed by one of the leading investment management companies in the world. Echo Investment will be responsible for planning, design and implementation of the development projects for the platform. Resi4Rent will independently manage the assets platform. On 20 July 2018, Echo Investment acquired 30% of the shares authorizing to exercise 30% of votes in the joint venture company, while

R4R S.à.r.l. acquired the remaining 70% of the shares and votes. Simultaneously, the shareholders concluded an agreement concerning the corporate governance principles for the joint venture.

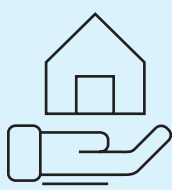
On 14 September Echo Investment and Resi4Rent signed the preliminary sale agreement concerning four projects with over 1,200 apartments under construction: one building of the Warsaw Brewery complex in Warsaw, a project on Wodna Street in Łódź, the Rychtalska and Kępa Mieszcząńska projects in Wrocław. The total net price for the projects amounted to PLN 339 mln. The first residents will move into the Resi4Rent buildings in Q3 2019.

Resi4Rent has also concluded a credit agreement and a loan agreement with Bank Polska Kasa Opieki and other financial institutions, which will finance the construction of 4 acquired projects for the total amount of PLN 259 mln. At the same time, by fulfilling its obligations to co-finance the platform, Echo Investment acquired new shares in the increased share capital of Resi4Rent and provided a loan to it, as a result of which PLN 41 mln was received on Resi4Rent's accounts. The platform is preparing to take over another projects with 1,700 in preparation, ready to start in the next 12 months.

The Management Board of Echo Investment believes that entering the segment of apartments for rent will significantly increase the scale of its operations in the residential sector, it will enrich large, city-forming multifunctional 'destination' projects e.g. Warsaw Brewery and it will respond to new social trends – employees' mobility, less attachment to property with more reluctance to incur long-term mortgage loans.

According to the latest Property Index research by Deloitte, only slightly more than 15% of Poles rent an apartment, which is a much lower rate compared to the average in Europe. For example 23% of Czechs, 24% of Britons, 30% of Austrians and 54% of Germans live in rented accommodation.

Warsaw Brewery, Warsaw



35.8

mln EUR

The value of sale transaction concerning West Link office building

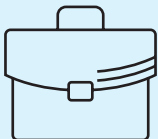
5.4 Closing the sale of West Link office building in Wrocław

Following the preliminary agreement for the sale of the West Link office building in Wrocław on 9 March 2017 and the fulfilment of conditions precedent, Echo Investment and its subsidiaries signed a final agreement for the sale of the building with entities from the Globalworth Poland group on 25 May 2018.

The sales price was calculated on the basis of the established NOI ratio formula (rental income less non-recoverable operating costs of the building) and the value of 6.873% (the yield) is app. EUR 35.8 mln on the day of conclusion of the agreement. It was increased by the estimated working capital and funds of the SPVs which are the owner of the building, and then decreased by the debt of the SPVs, the costs of outstanding fit-out works and construction works, rent reductions under the lease agreements as well as the income from the leased but not handed over premises. The transaction was prepaid by the acquisition of bonds with an issue price of EUR 18 mln by Globalworth Poland as part of a private placement.

The building with an area of more than 14,200 sqm is fully rented. Nokia is the anchor tenant and Hilti has also leased office space in West Link. The weighted average lease term at the moment of the transaction conclusion exceeded 6 years.

West Link,
Wrocław



5.5 Conclusion of Symetris Business Park II sale agreement

In keeping with preliminary agreements of 30 September 2016 concerning the sale of seven office buildings to EPP, a EUR 19 million agreement concerning the sale of Symetris Business Park II was concluded on 26 July 2018. The office building's first stage transaction had been closed in December 2016, so EPP has effectively acquired the entire Symetris Business Park project located in al. Piłsudskiego in Łódź. The building sold in July accommodates 9.700 square metres and is already 94% leased out to such companies as Philips Polska and Office Bistro. The average weighted rental period at the transaction day exceeded 9 years. The whole complex of buildings has been awarded the BREEAM certificate.

As part of the transaction, the parties signed a rent guarantee, under which the buyer is guaranteed to receive rent payments and average maintenance charges for the non-leased parts of the building. The charges generated from empty premises will be paid over the period of 3 years. Among the auxiliary contracts the parties concluded was a fit-out agreement, which may bring Echo Investment additional EUR 2.6 m plus VAT. Moreover, for rectification of faults, the seller is entitled to further EUR 193 thousand plus VAT. On the other hand, the seller is obliged to a one-off payment of EUR 2.1 m due to an amendment to the terms of the transaction. Since the building sold was part of a property package co-financed in 25% by EPP based on a ROFO agreement, EPP received 25% of the project's profit on the closure of the transaction.

At present, only one transaction is still to be concluded under the 2016 preliminary agreement, i.e. such concerning the third stage of Kraków-located O3 Business Campus. As the building has been finished and advanced talks are underway to lease out the remaining space, Echo Investment expects to close the transaction in coming weeks.

74.5

mIn EUR

The value of sale transaction concerning Sagittarius Business House office building

5.6 Conclusion of the final sale agreement for the Sagittarius Business House

On 21 August 2018 Echo Investment signed the final sale agreement concerning Wrocław-located Sagittarius Business House. The office building was acquired by Warburg-HIH Invest Real Estate, a German real estate funds manager on behalf of one of its institutional clients.

The transaction value was calculated by dividing the net operating income (NOI) generated by the building by the capitalisation rate of 6.175%, i.e. approximately EUR 74.5 m. This amount was reduced by the value of rent-free periods, costs of finishing works in the building and other costs, and then increased by the rent receivable and miscellaneous monetary means. As a result, the price paid at the closing of the transaction was set at approximately EUR 68.5 m. Moreover, the seller and buyer concluded an agreement for finishing works concerning a part of the building, which will bring Echo Investment an estimated EUR 2.1 m + VAT in remuneration. The money is to be paid after the works are complete, i.e. by the end of 2020. The parties also signed a rent guarantee – under which Echo Investment will cover rent payments and average maintenance charges for the non-leased parts of the building – as well as a quality guarantee and a building structure guarantee.

Sagittarius Business House is a modern A-class office building located at ul. Sucha, in a developing central business neighbourhood of Wrocław. The building accommodates 25.6 thousand square metres of lettable space. The main tenants are EY and Bank of New York Mellon, jointly occupying a total of 90% of the space. The building was granted the occupancy permit in Q2 2018. According to the right of first offer agreement (ROFO), 25% of equity for this project was provided by EPP, therefore EPP was entitled to 25% of the project's profit.



Sagittarius Business House,
Wrocław

57.1 mln EUR

The total value of inflows on EPP shares divestment recorded in 2018

5.7 The sale of the EPP shares

In accordance with Echo Investment Group strategy, the subsidiary Echo Prime Assets B.V. sold in transactions concluded in June and November 2018 the last blocks of EPP shares.

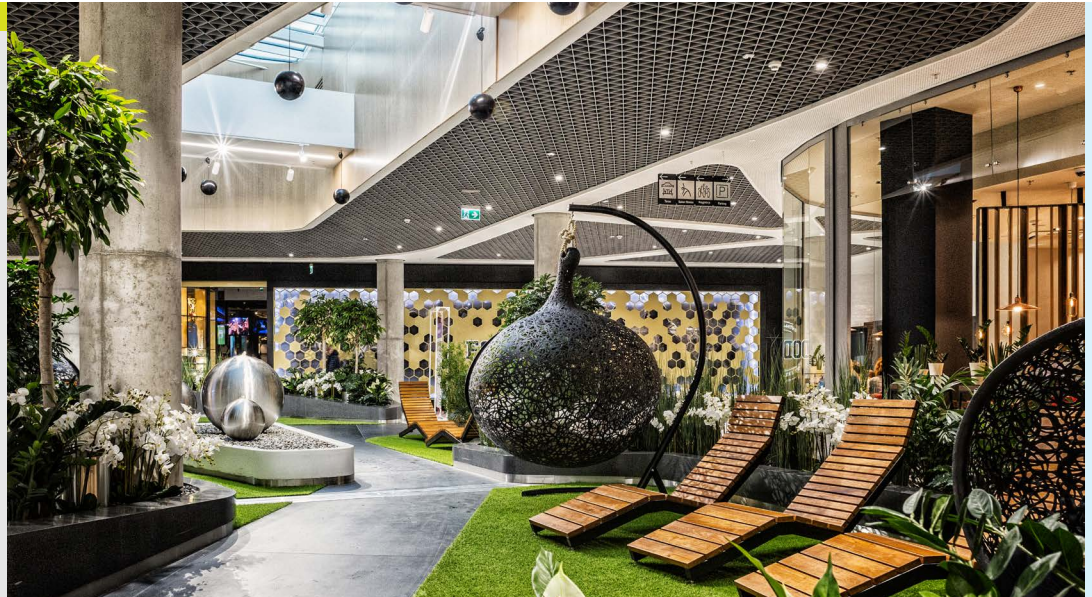
In June, Echo Investment sold 35.4 mln shares of EPP, which represented nearly 4.5% of the company's capital. The total value of transactions concluded, less transaction costs, amounted to EUR 40 mln including currency differences. On 5 November, 2018 remaining block of EPP N.V. shares amounting to 15.3 mln shares was sold. The total value of transaction concluded, less transaction costs, amounted to EUR 17.1 mln.

5.8 Libero shopping centre opening in Katowice

After two years of construction works, on 15 November 2018, Echo Investment opened the Libero shopping centre in Katowice. The investment offers nearly 45,000 sqm of space which is 99% leased. Over 150 stores and service outlets are located on its three floors. According to the latest trends, about 20% of Libero is occupied by a food court and leisure area with restaurants and cafes, Helios multiplex cinema, Fabryka Formy fitness club and a medical centre. Libero is situated in the south of Katowice at the Route DK81 and has obtained the BREEAM ecological certificate. The author of the architectural design is MOFO Architekci.

The Libero construction has cost over PLN 350 million. Currently, about 1,500 people works in the building - employees of tenants and service staff of the shopping centre. Libero is covered by the right to submit a first offer from EPP (ROFO). Because EPP has provided 25% of own contribution to this investment, it is entitled to 25% of the profit from the project after its sale.

Libero is the 150th project built by Echo Investment, and by its completion the number of square metres of retail, residential, office and hotel space delivered by the company exceeded 1.5 million.



Libero shopping centre, Katowice

76.5

min EUR

The target value of the sale transaction for the Gatehouse Offices

5.9 The sale of the Gatehouse Offices - the first office building of the Warsaw Brewery complex

On November 28, 2018, GLL Real Estate Partners signed a preliminary contract with Echo Investment for the purchase of the first office building of Warsaw Brewery - the Gatehouse Offices. The base price has been set at approximately EUR 74.3 million, but after the completion of leasing up vacant spaces and meeting the other conditions set out in the preliminary contract, it will amount to EUR 76.5 million. The parties plan to conclude a promised contract by 31 October 2019 at the latest. The conditions suspending the conclusion of the final contract include obtaining a tax interpretation on the transaction, the completion of construction and other construction works indicated in the preliminary contract, issuing a final occupancy permit and leasing up at least 95% of the space.

The building of the Gatehouse Offices obtained an occupancy permit in the fourth quarter of 2018. It offers 15,700 sqm of the space that is occupied primarily by L'Oréal Poland, Epam and WeWork.

The Warsaw Brewery is the area between Grzybowska, Wronia, Chłodna and Krochmalna streets, which will be reintroduced to the urban fabric by Echo Investment. A new, open quarter created by residential buildings, office buildings and public squares, rest and recreation places, cafes, restaurants and shops is being developed. This is a place with a beautiful history but above all a modern, functional and comprehensive urban and architectural concept.



Gatehouse Offices
(Warsaw Brewery J), Warsaw



5.10. Advance dividend from the 2018 profit

0,50 pln

**Amount of advanced dividend
paid from 2018 profit**

The Management Board of Echo Investment, taking into account that the approved separate financial statements of the Company for the accounting year 2017 reported a net profit of PLN 642.5 mln, adopted on November 8, 2018 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2018 to its shareholders. The total amount for the payment of the advance dividend will amount to PLN 206.3 mln, i.e. PLN 0.5 per share. The amount of the dividend payment does not exceed half of the Company's net profit from the end of the previous accounting year, increased by the reserve capital created for the purpose of further payment of dividend or advances for dividend and reduced by uncovered losses and own shares. The advance dividend is to be paid on December 19, 2018 to those shareholders who will hold shares on December 12, 2018, i.e. 7 days before the payment date.

The advance dividend was paid under approval of the Supervisory Board (the approval was obtained on November 15, 2018) and the audit of the financial statements of Echo Investment S.A. for the period from January 1, 2018 to June 30, 2018, by an expert auditor of Ernst & Young Audyt Polska, in which the assumed net profit of the Company achieved from the end of the previous accounting year will be confirmed (the condition fulfilled on November 16, 2018).

Major events after the balance sheet day

6.1 Starting the multifunctional project Fuzja on Tymienieckiego street in Łódź

Echo Investment has started working on another multifunctional project Fuzja in Łódź on Tymienieckiego street. It will be carried out at 7.7 hectares of land occupying the former textile factory of Karol Scheibler in Księży Młyn, which the company purchased in 2017. Last year, the city adopted a spatial development plan for this area, whereas a building permit for the first investment phase - two buildings with approx. 270 apartments became effective. Their construction and sale will start in

April, while Echo Investment has already started cleaning up. The first residents will be able to move in at the beginning of 2021. Simultaneously with the completion of the first phase, a public square will be built in front of the power plant and access from Tymienieckiego street.

The project on Tymienieckiego street has the potential to develop around 90,000 sqm of residential, office and service space. The investment will be carried out



Fuzja project on Tymienieckiego Str. in Łódź

in several stages. The entire complex will consist of 20 buildings, 14 of which are historical buildings, under conservation protection. The heart of this area will be the building of the former heat and power plant, which will be adapted to new functions. The development plan precisely specifies conservation requirements, and at the same time it leaves great flexibility as to the future functions of the buildings. As part of the investment, there will also be city squares, common spaces and green areas, the total area of which will be almost 4 ha. Users of this area will have access to

amenities such as parking spaces adapted to car sharing services, bicycle paths, bike service stations, parcel machines or publicly available electric loaders. The architectural design is being created in the Medusa Group studio.

Fuzja project on Tymienieckiego street is another multifunctional investment after Warsaw Brewery and Moje Miejsce in Warsaw, in which Echo Investment can use experience in various sectors of the real estate market.



Fuzja project on Tymienieckiego Str. in Łódź



6.2 Issuance of PLN 33.8 mln worth of bonds for individual investors

After the balance sheet date, the Company placed 188,315 J-series bonds and 150,000 J2-series bonds, which were issued on the basis of the Prospectus approved by the Polish Financial Supervision Authority on 16 April 2018. The total issue value of the placed bonds was PLN 33,831,500. The subscription for J-series bonds lasted from 18 February 18 to 1 March 2019, while J2-series bonds from 18 February to 25 February 2019. The allocation of the bonds took place on 5 March 2019.

The interest rate on J-series and J2-series bonds is based on the WIBOR 6M rate increased by a 3.4% margin. The bonds have a 4.5-year maturity. The offer was participated by Dom Maklerski PKO Banku Polskiego and the consortium of Noble Securities S.A., Michael / Ström Dom Maklerski S.A. and Dom Maklerski Bank Ochrony Środowiska S.A.

33.8 PLN mln

Value of bonds placed for individual investors in 2019

6.3 Review of potential strategic options by major shareholder

The Management Board of Echo Investment S.A. announced that on 14 March 2019, it was notified by its majority direct and indirect shareholder, Lisala sp. z o.o. and Echo Partners B.V. that both entities have decided to undertake a review of the potential strategic options in relation to their investment in the Company and the further development of the Company's business. It cannot be excluded that as part of the process, to the extent permitted under applicable provisions of law,

additional information on the Company and its capital group will be disclosed to selected entities.

The review of strategic options may result in taking and implementing various types of actions and transactions, including those of a corporate nature. However, it may also be decided that no such action or transaction will be taken or implemented.

Description of markets the Company and its Group operate

Perspectives of each market sectors in coming 12 months:

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

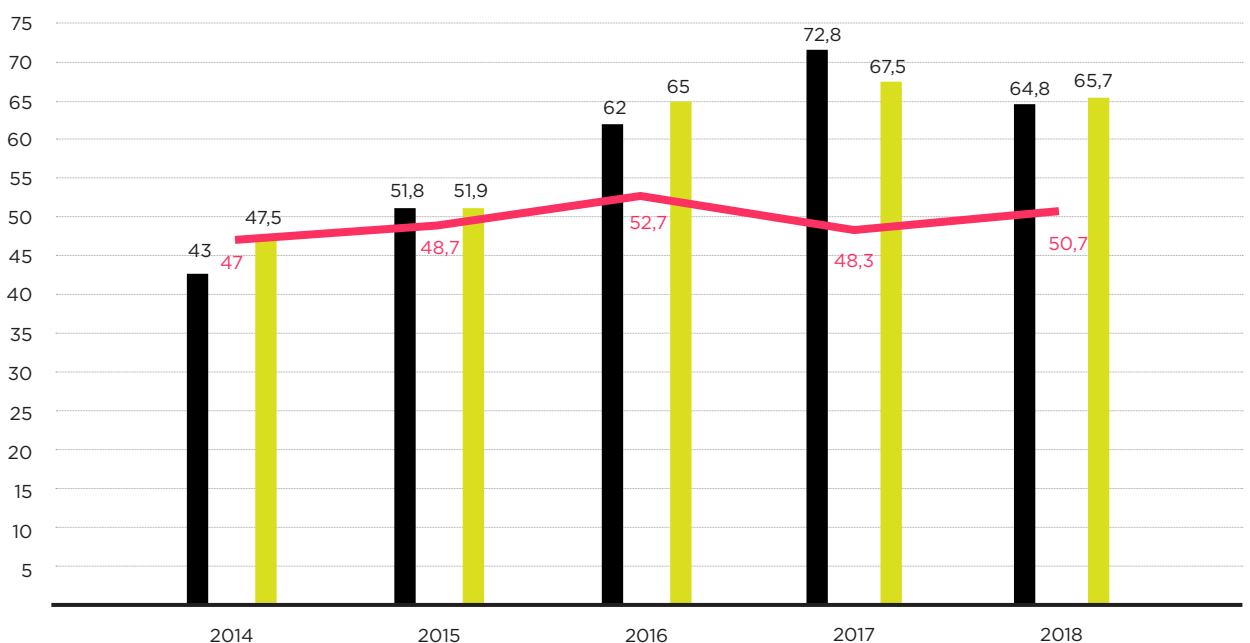
7.1 Residential market

↑ Developers are solidly anchored

Although in 2018, developers in the six largest Polish conurbations sold as much as 11 percent fewer apartments than in the record-breaking 2017, the past year was still very good - better than 2016, and thus the second in the history of the development market in Poland - results from the report of the company REAS/JLL Residential Advisory. What is more, the

increase in apartment prices in 2018 rendered that the total value of transactions concluded in 2018 was only 4 percent lower than the value of transactions in 2017. Last year almost the same number of apartments was placed on the market as two years ago - 65,700. In addition, the number of apartments on offer has not changed much.

APARTMENTS SOLD AND PUT ON OFFER AS WELL AS OFFER VOLUME [IN THOUSAND]



- - Apartments sold
- - Apartments put on offer
- - Apartments on offer

Source: REAS/JLL Residential Advisory

REAS/JLL Residential Advisory analysts believe that in 2019 a slight deterioration in sales results should be expected. However, until interest rates remain low and alternative investment opportunities appear on the market, they expect a stable interest in purchasing apartments not only on loans, but also for cash - both for own needs and for rent.

Supply and prices - offer increase

In the fourth quarter of 2018, in line with the results of REAS/JLL Residential Advisory, in six conurbations with the largest turnover volume, 19,300 apartments were put on offer, so 25 percent more than in the previous quarter. In total, 65,800 new apartments appeared on the market in the entire last year, by 1,800 (3%) fewer than in the previous year. Nevertheless, thanks to the excellent results of 2017, the number of units put up for sale exceeded the number of units sold.

In the last quarter of 2018, prices continued to rise in all cities. The highest increase in the average price per square meter, calculated for units remaining on offer at the end of the quarter, took place in the Tri-City (6.3% comparing to prices at the end of the third quarter). The quarterly price increase in Kraków (4.7%) also had a significant scale. On the other hand, on an annual basis, there were two-digit increases on four markets: in Warsaw (+ 13.3%), Kraków (+ 12.6%), Wrocław (+ 11.9%) and the Tri-City (+ 11%). In Poznań, prices increased by 9.6%, and in Łódź by 8.1%. Although the increase in residential prices was accompanied by the increase in wages, wage growth was not able to give rise to prices of apartments.

The increase in prices of apartments is the result of not only a good market situation, but above all

the increase in costs of plots and building materials, labour shortages and significant delays in issuing administrative permits.

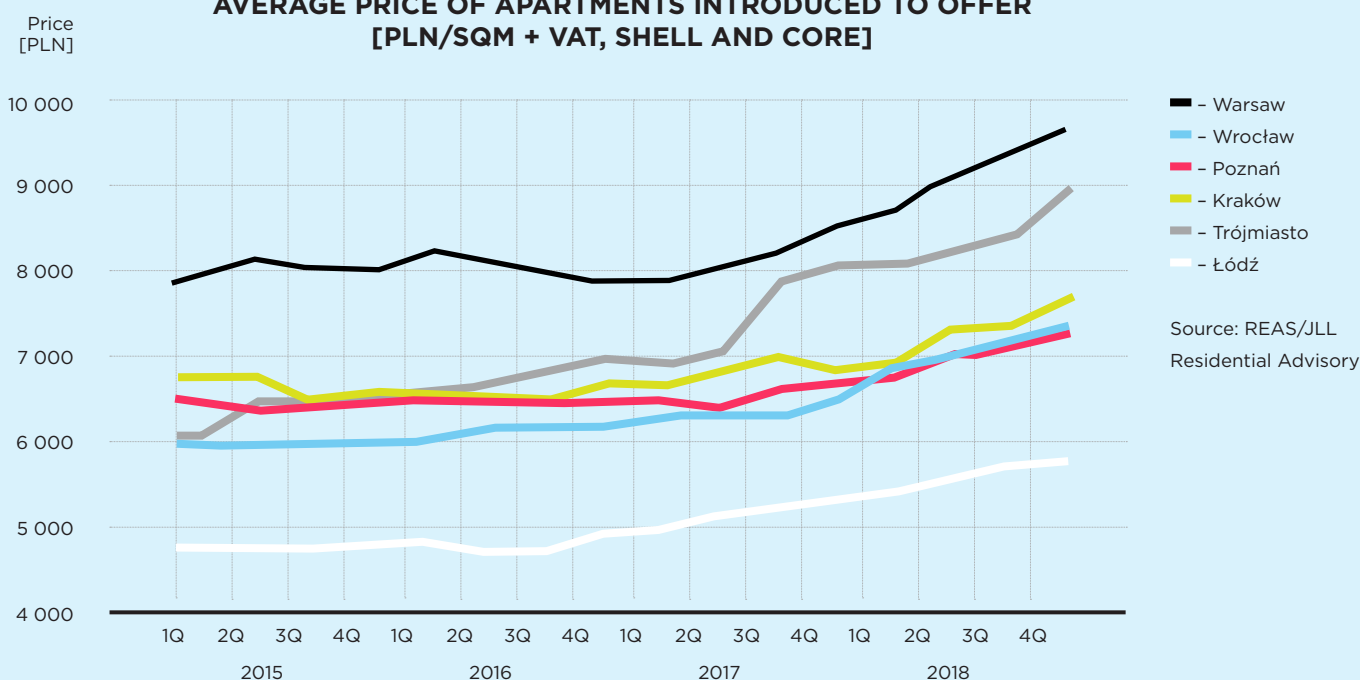
Demand for apartments is still high, but diverse

In the fourth quarter of 2018, the total number of transactions for six markets amounted to 16,500 - by 15.7% more than in the previous quarter and 13% less than in the record-breaking fourth quarter of 2017. In the whole 2018, 64,800 apartments were sold, so 8,000 fewer than a year ago.

However, mentioned data do not reflect quite different situations in individual analysed cities - the highest increase in sales in the fourth quarter (compared to the third quarter) was recorded in Wrocław (+ 28.1%) in 2018, Warsaw (+ 27.5%), Poznań (+ 25.8%) and Łódź (+ 23.1%). At the same time, the increase in sales in the Tri-City was only moderate, by 8.3%, while in Krakow we were dealing with a quite clear 13% decrease.

On the other hand, the 11% annual decrease in the number of sales transactions was a result of significant drops in the Tri-City (-16% comparing to the number of transactions in 2017), Warsaw and Wrocław (15% each), the average decrease in Kraków (-10%), stabilisation in Poznań and the nearly 30% increase in sales in Łódź.

**AVERAGE PRICE OF APARTMENTS INTRODUCED TO OFFER
[PLN/SQM + VAT, SHELL AND CORE]**



Source: REAS/JLL Residential Advisory

7.2 Office market

Last year, the Polish office market was developing dynamically - at the end of December, the total resources of modern offices in the entire country amounted to almost 10.4 million sqm - results from Colliers International data. 744,000 sqm of office space was put into use, of which almost 233,000 sqm in Warsaw. However, it was 4.4% less than previous year and only partially satisfied the growing demand. The year was record-breaking in terms of space leased: lease agreements for over 1.5 million sqm were signed. New contracts dominated, which accounted for 57%. Among regional cities, the highest increase in resources was recorded by the market in Kraków, where over 155,000 sqm was commissioned.

Currently, over 1.8 million sqm of modern office space is under construction. Almost 44% - 800,000 sqm - falls Warsaw. From among regional cities, the most projects are still being developed in Kraków (270,000 sqm), Wrocław (212,000 sqm) and Tricity (145,000 sqm).

The vacancy rate for office projects on the nine largest Polish markets recorded a clear drop to 8.6% as compared to 10.8% at the end of 2017 and together with the growing demand translated into a record net absorption result: nearly 866,000 sqm.

The year 2018 presents also a very dynamic increase in activity and interest on the market of flexible, serviced and coworking offices. In Warsaw, over 107,000 sqm was leased to coworking operators, of which as much as 75% is located in the central zones of the city, where currently it is not easy to find available office space.

↑ WARSAW - SUPPLY IS GROWING, BUT IT IS NOT KEEPING UP WITH DEMAND

From the beginning of 2018, the Warsaw office market increased its resources by nearly 233,000 sqm (15.5% less than in 2017) and currently accounts for 52.7% of domestic resources. Developers handed over 23 buildings: 52% of the new space was delivered in the city centre, and 48% in the out-of-centre zones. The demand for offices reached a record high of 858,000 sqm and more than three times exceeded the total space given for use during this period. At the end of the year, the vacancy rate in the city centre was 5.4%.

Annual absorption amounted to 374,900 sqm in Warsaw, which was a result of 4.1% lower than in 2017. According to CBRE Research, it means that the market has absorbed more square meters than it was commissioned (232,700 sqm). The comparison of the record demand and absorption suggests that a significant share in the demand for office space was due to pre-lease agreements and renegotiation of contracts, which in total accounted for 41% of the demand (16% for pre-lease and 25% for renegotiations).

MAJOR OFFICE MARKETS IN POLAND - BASIC INDICATORS IN 2018

City	Existing area [sqm]	Area of new buildings [sqm]	Vacant area [%]	Area under construction [sqm]	Demand [sqm]	Monthly rent rates [EUR / sqm]
	5 461 700	232 700	8,7%	800 000	858 400	14-24
Kraków	1 257 500	155 200	8,6%	270 000	208 800	13,2-15,5
Wrocław	1 054 200	146 600	9,1%	212 000	161 600	13,5-15,5
Trójmiasto	775 000	77 200	6,1%	145 000	84 400	12-15,5
Katowice	519 300	50 800	8,8%	71 000	38 000	12,2-14,5
Poznań	479 100	21 200	7,3%	128 000	70 400	13,25-16,5
Łódź	468 900	32 500	8,7%	112 000	56 700	12-14,5

Source: Colliers International



↑ REGIONAL MARKETS - KRAKÓW IS A LEADER IN SUPPLY AND DEMAND

57 office buildings with a total area of 511,000 sqm have been commissioned on regional markets. The regional market with the largest increase in a new supply was Kraków, where 19 buildings were put into use. Wrocław and the Tri-City took the next places. Kraków could also boast the largest lease of space (about 32% of the demand in the regions). Wrocław ranked as the second in this respect (25%). Currently, nearly 1 million sqm of offices is under construction in regional cities.

With a low unemployment rate, there is a struggle among employers to acquire talents. Offices are one of the motivational elements. The trend of changing the work space and improving the conditions will strengthen, which will positively affect the demand for office space - especially in new buildings.

7.3 Retail market



In 2018, the Polish market of retail space increased by 430,000 sqm of leasable area. 12 new shopping centres, eight retail parks, one outlet centre were opened, as well as 15 new facilities were expanded. As a result, the total resources of modern retail space increased to 12 million sqm. The increase in the volume of retail space in 2018 remained at the average level in 2014-2018 (3.7% in 2018 against approximately 4% on average for those years), which is half the dynamics less than on average per year in 2009-2013. CBRE analysts expect that in 2019 the market will be enriched by another 300,000 sqm. Galeria Młociny in Warsaw will be the largest new project.

Warsaw remains the most attractive and the most expensive retail market. The capital has the highest purchasing power in the country, but relatively low retail space saturation (738 sqm per 1,000 residents compared to 1,257 sqm in Poznań or 1,177 sqm in

Gdańsk). The average price of renting a 100 sqm premise in the best shopping centres of the capital, amounts EUR 100-130 per month per 1 sqm.

The lowest retail area saturation among the eight largest agglomerations occurs in the Katowice conurbation - it is only 511 sqm per 1,000 residents, which also translates into the amount of rents for the best locations - the average price of renting a 100 sqm premise amounts EUR 50-60 per 1 sqm per month, which places Katowice in second position in terms of attractiveness after Warsaw.

In 2018, new international brands entered the Polish market, most of which decided to debut in Warsaw's shopping centres. Brands such as Chanel, Fissman stores, Kocca, Ximi Vogue, Dealz, Tedi and the American fashion brand Bebe had their debut.



Libero shopping centre, Katowice

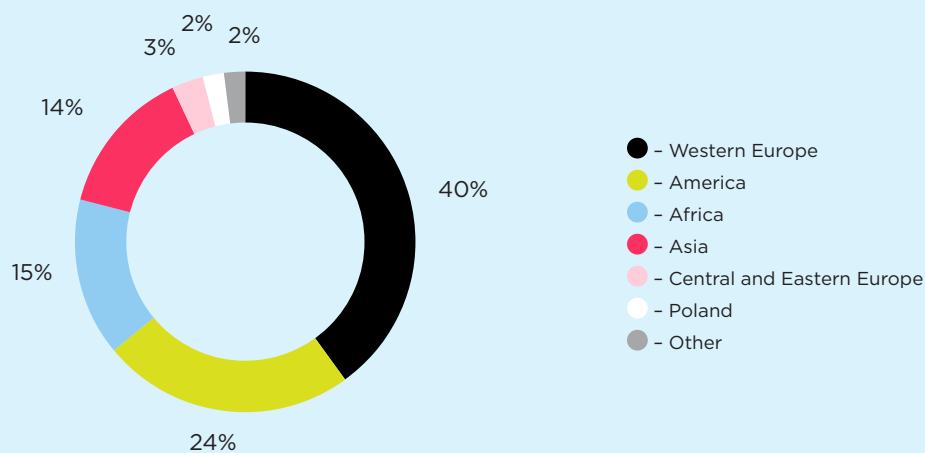
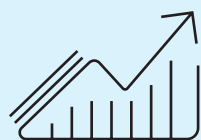
7.4 Investment market with a new record



The value of transactions concluded in 2018 on the commercial real estate market in Poland broke a new record, exceeding EUR 7.2 billion, compared to EUR 5 billion achieved in the previous year. Almost half of the transactions in the entire Central and Eastern European region concerned buildings located in

Poland - according to CBRE Research. The market was under the impact of high liquidity and interest in Polish assets from new investors, thanks to which in the last few years there was a large diversification of buyers in terms of origin.

ORIGIN OF CAPITAL FOR PURCHASE TRANSACTIONS OF COMMERCIAL REAL ESTATE IN POLAND IN 2018



The office sector was the most dynamic, with the total investment value of EUR 2.75 billion - 56% more than the year before. Traditionally, most transactions were concluded in the second half of the year: as much as EUR 1.8 billion. The second in terms of transactions was the retail sector, whose value increased by 29%, to EUR 2.5 billion.

At the end of 2018, the prime yields (for the best properties) reached hitting new low levels in almost all sectors. It is estimated that it was 4.75% for office properties in Warsaw, while in regional cities - 6.00%. For shopping centres, capitalisation rates remained stable at 5.00%.

According to analysts from CBRE Research, we can expect a certain slowdown in the investment market in the coming years. It includes the uncertain outlook for global trade, oil price forecasts, the expected rise in interest rates in the United States and the weakening demand in Germany and other European countries. Good news is that the Polish economy, based on strong macroeconomic foundations and a stable banking system, should be resistant to a serious and prolonged economic slowdown.

7.5 Construction market



Last year, the construction market was marked by high demand, rising prices of construction materials and labour shortage. Although compared to the previous year, there were fewer private investments, but this loss was compensated by public investments. The research company Spectis estimates that in 2018 the value of the Polish construction market exceeded PLN 200 billion for the first time.

Prices of construction services in 2018 increased on average by 6.8% annually, and some types of works (including plumbing, finishing, insulation, electrical and other) increased even by 12%. In 2018, unemployment among construction workers dropped to 2.8%, and there has been only one eager to work per 100 jobs for many months. Average wages increased by as much as 12%, which was the biggest reason for the drop in profitability in construction companies.

Analysts of the construction market indicate that construction is already at the peak of the business cycle, created in recent months mainly by public investments. GUS data shows that in 2018 construction and assembly production performed in the country by construction companies employing more than 9 people was nearly 18% higher than in 2017, and only in December 2018 - more than 12% higher than

in December 2017. According to preliminary data, production in January 2019 was higher than in January 2018 by 3.2% (the aforementioned increase by 34.7%) and by 61.2% lower than in December 2018. In 2019, market analysts expect further decline in private investments - among others due to high costs of construction works, which put into question the profitability of planned investments. On the other hand, the strong public investment market will fill the gap after private investments. The further increase in prices of construction services should not be as dynamic as before and will rather only compensate for rising labour costs.

PLN **200** billion

The estimated value of the construction market in Poland in 2018.

Echo Investment Group business segments – activities and outlook

8.1 Residential sector

Ambitious plans for starting new projects

Echo Investment is among the biggest residential developers in the country and intends to strengthen its position on this market. The company has had a successful year. 986 apartments were sold and 935 were handed over by the company. The fourth quarter was the best in terms of handovers, sellers passed 530 apartments to clients. In January and February 2019, the sale of apartments amounted to 241, and the number of handovers was 14.

Last year, the Company adapted the strategy of selling apartments to market conditions: high demand, rapid sale of the offer and rising prices. According to the new approach, at the time of project completion, about 20% of premises should be still on offer, because a price possible to obtain for attractive finished apartments is significantly higher. This approach helps to maintain high margins on ongoing projects.

RESIDENTIAL PROJECTS OF ECHO INVESTMENT, CONSTRUCTION OF WHICH BEGAN IN 2018.

Project and address	Usable area	Number of apartments	Completion
Rydla 32 Kraków, ul. Rydla	5 700	95	III Q 2019
Grota 111 etap III Wrocław, ul. Grota-Roweckiego	2 600	53	IV Q 2019
Osiedle Jarzębinowe VI Łódź ul. Okopowa	3 300	52	I Q 2020
Osiedle Jaśminowe IV Poznań, ul. Sielawy	5 300	103	I Q 2020
Ogrody Graua Wrocław, ul. Gdańska	4 000	57	II Q 2020
Moje Miejsce I Warsaw, ul. Beethovena	13 300	251	III Q 2020
Warsaw Brewery E Warsaw, ul. Grzybowska	6 100	82	IV Q 2020
Osiedle Reset II Warsaw, ul. Taśmowa	12 200	253	IV Q 2020
Total	52 500	946	

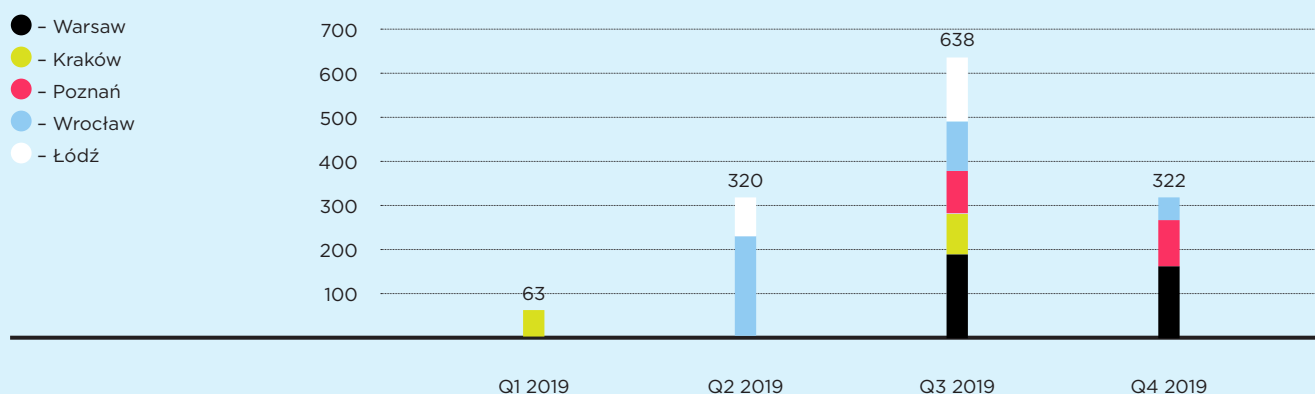
RESIDENTIAL PROJECTS OF ECHO INVESTMENT, WHICH CONSTRUCTION WAS COMPLETED IN 2018.


Project	Address	Usable area	Number of apartments	Completion
Dom pod Wilgą II	Kraków, ul. Spiska	9 000	131	II Q 2018
Osiedle Jarzębinowe IV	Łódź, ul. Okopowa	4 400	75	II Q 2018
Apartamenty GO	Kraków ul. Rakowicka	6 600	174	III Q 2018
Osiedle Jaśminowe III	Poznań ul. Sielawy	3 800	77	III Q 2018
Park Sowińskiego IV	Poznań, ul. Sowińskiego	5 100	89	III Q 2018
Osiedle Perspektywa I	Poznań, ul. Sielawy	8 200	169	IV Q 2018
Warsaw Brewery A	Warsaw ul. Grzybowska	5 200	98	IV Q 2018
Total		42 300	813	

Throughout the year, Echo Investment began construction and launched eight projects offering nearly 950 apartments. In 2019, at least 2,300 premises will be put on offer – including in big and attractive

projects like Ordonia in Warsaw, Fuzja on Tymienieckiego street in Łódź, Nasze Jeżyce in Poznań or Wita Stwosza in Krakow. At the beginning of 2019, Echo Investment's offer included over 1,300 apartments.

NUMBER OF APARTMENTS IN PROJECTS PLANNED TO BE COMPLETED IN GIVEN QUARTERS [PCS]



 **More details on Resi4Rent and its strategy can be found in section 5.3 on page 21.**

In response to current market trends, Echo Investment has started cooperation with suppliers of modern residential management solutions that will improve the standard of premises and the comfort of residents by introducing new functionalities. The company as standard equips apartments of new projects with the heart of the intelligent Tahoma system, thanks to which residents will be able to control temperature, lighting or safety using a smartphone. It has been designed especially for Echo Investment. This is an answer to the fact that a growing group of clients are people of the so-called generations of millennials, fascinated by new technologies, in need of freedom and comfort, and those who value city active lifestyle.

In addition, the Company developed a system of so-called life services, which will be implemented especially for multifunctional projects. They include parcel machines, parking spaces dedicated for car-sharing cars, city bikes, space for electrically charged cars, bicycle

hangers, self-service laundries etc. These services are introduced to each project individually, depending on the demand and existing infrastructure. Life services and apartment management systems are a significant competitive advantage of Echo Investment. The rightness of this strategy was confirmed by the REAS and Obido report "Smart home, smart community, smart city", which indicates that a significant part of buyers, taking a decision to buy an apartment, consider additional services and is also able to pay extra for them.

The residential business for sale is supplemented by the Echo Investment's project Resi4Rent - the first institutional platform for apartments for rent, which was founded in 2018. Currently, it has 4 projects under construction with 1,200 apartments, and in the perspective of 3-5 years will gather 5-7,000 premises. Echo Investment has a 30% share in Resi4Rent and provides construction and management services against payment.

8.2 Offices

Focus on projects in regional cities

In 2018, the lease department signed contracts for a total area of nearly 80,000 sqm., including with such renowned Polish and foreign companies as WeWork,

EPAM, Havas and Inter Cars. In 2018, the developer commenced construction of four office buildings in Warsaw and Katowice, while in 2019 it plans to start further construction - especially in regional cities - with a total area of around 100,000 sqm.

ECHO INVESTMENT'S OFFICE BUILDINGS, CONSTRUCTION OF WHICH BEGAN IN 2018.

Project	Address	Gross leasable area	Completion
Face 2 Face I	Katowice, ul. Grundmanna	20 500	VI Q 2019
Villa Offices and Malthouse Offices (Brewery K, G, H)	Warsaw, ul. Grzybowska	46 000	III Q 2020
Face 2 Face II	Katowice, ul. Grundmanna	26 500	IV Q 2020
West 4 Business Campus I	Wrocław, ul. Na Ostatnim Groszu	15 600	III Q 2020
Total		108 600	

ECHO INVESTMENT'S OFFICE BUILDINGS, WHICH CONSTRUCTION WAS COMPLETED IN 2018.

Project	Address	Gross leasable area	Completion date planned
West Link	Wrocław, ul. Na Ostatnim Groszu	14 200	I Q 2018
O3 Business Campus III	Kraków ul. Opolska	18 800	I Q 2018
Sagittarius Business House	Wrocław, ul. Sucha	25 600	II Q 2018
Gatehouse Offices (Brewery J)	Warsaw, ul. Grzybowska	15 700	IV Q 2018
Total		74 300	

Construction of further office buildings in Warsaw Brewery is underway - Villa Offices and Malthouse Offices, which are very popular among tenants. One of the main tenants will be - as in the case of the first office building of Gatehouse Offices - WeWork. The results of the lease, which are in line with the assumptions, are achieved by Moje Miejsce. Its first building is 65% leased, and talks with further potential tenants are promising. In 2019, the company will launch further projects with a total leasable space amounting to c.a. 100,000 sqm in Warsaw and regional cities to meet the growing demand for modern office space.

After a really big success of the multifunctional project Warsaw Brewery, the Company continues its strategy of creating destination projects combining office, residential, retail and service functions. Such a project will be the project Fuzja on Tymienieckiego street in

Łódź, which will be built on nearly eight hectares of the former factory of Karol Scheibler. Echo Investment assumes that the first office buildings of Fuzja will be developed in 2019.

The good standing of the office market was reflected not only in high demand, but also in the growing interest of investors looking for the best projects. In June 2018, the Company closed the transaction of the sale of West Link to Globalworth Poland (formerly Griffin Premium RE). The building is fully leased to Nokia and Hilti. In July, EPP bought Symetris Business Park II in Łódź, which was put into use in 2017, from Echo Investment. In August, a fund managed by Warburg, HIH Invest became the owner of Sagittarius, which main tenants are EY and BNY Mellon. In total, these transactions bring Echo Investment nearly EUR 130 million of inflows. In November, the preliminary agree-

ment was signed for the sale of Gatehouse Offices - the first building of Warsaw Brewery. The buyer - a fund managed by GLL Real Estate Partners - will pay EUR 76.5 million for it, after the completion of leasing up vacant spaces and meeting the other conditions set out in the preliminary contract.

Echo Investment's dynamic activity in the office sector in 2018 was appreciated by the industry. The company received the title of the Developer of the Year in Prime Property Prize and CIJ Awards 2018, as well as the jury of Eurobuild Awards 2018 awarded Echo Investment the title of the best office developer of the year.

City Space benefits from the demand for serviced office space

Echo Investment - through the City Space group of companies - is also present in the serviced-office sector. City Space provides offices for shorter periods to growing companies or entities from the modern business services sector (BPO/SSC), which are at an early stage of development in Poland. Currently, the company has nearly 14,000 sqm of lease area under management, it is planned to manage the area of 17,000 sqm by the end of 2019.

CITY SPACE'S OFFICES IN POLAND

- - City Space locations
- - Future locations



City Space provides offices in eight locations in Poland - in Warsaw, Wrocław, Gdańsk, Katowice and Kraków. Last year, the company opened new serviced offices in the building of Tryton Business House in Gdańsk (the property belongs to Globalworth Poland) and secured the office space in the office building of Moje Miejsce in Warsaw (being built by Echo Investment). The first clients will be able to move into City Space in Moje Miejsce as early as 2019, while the office in Aquarius Business House in Wrocław (the building belongs to Azora Poland) was opened

in February. In 2019, City Space plans to open more offices - including in Krakow, where the company already has one office. The next city on the City Space map will be Łódź.

City Space has also started working on strengthening the appearance, refresh the brand and new marketing solutions. These activities will allow to take advantage of economies of scale and strengthen competitiveness on the market of serviced space in Poland.

8.4 Activity on the construction market

The very good situation in the economy meant that last year was full of challenges on the construction market due to the high level of production and, consequently, rising prices of materials and labour shortage. Echo Investment manages this issue with the following instruments:

- in the vast majority of cases, Echo Investment plays the role of general contractor on construction sites. Internal services have ongoing control over budgets, work progress, as well as very early knowledge of risks, which enables quick response and undertaking appropriate remedial or corrective measures;
- the Group runs several dozens of construction sites at the same time and manages deliveries through large, packet orders, and also goes deeper and deeper into the supplier chain. It allows to achieve savings through economies of scale and to secure prices of services and supplies for several quarters in advance;
- Echo Investment has over 20 years of experience in the development and construction market as

well as the reputation of a good payer. Therefore, it cooperates with a selected group of stable and proven contractors and suppliers;

- the increase in project budgets is largely offset by the increase in the expected revenues of individual projects.

The Group gradually increases the scale of operations. By the end of 2018, 28 projects were under construction, with a total leasable and sales area of over 380,000 sqm. For this reason, the construction department constantly improves procedures and methods used to increase efficiency. Last year, it was strengthened by employing 28 professionals.

In 2018, the construction department signed 855 construction contracts and annexes with a total value of nearly PLN 860 million, while the valuation department made about 660 calculations for land acquisition, development and arrangement of space for tenants.

Our responsibility

9.1 Safety at construction sites

Echo Investment strives to provide maximum safety at their construction sites for its employees, as well as workers employed by sub-contractors, suppliers and all guests. In 2018, more than 8.3 million man-hours were worked on all 30 construction sites managed by Echo Investment. It is more than 3 million man-hours more than in 2017. A greater number of construction sites is a greater challenge - also in terms of maintaining safety. The company managed to maintain a low accident rate, lower than the average in the construction industry. In 2018, there were 16 minor accidents and 13 incidents on our construction sites. Because of them construction workers stayed on sick leave for 226 working days in total.



“We ended the year with the accident rate of 1.9 (a number of accidents multiplied by 1 million man-hours, divided by a number of man-hours worked) which is lower than the industry average amounting to 2.5.

The growing number of construction sites has resulted in more hazards than in the previous year. Our goal is to have accident-free construction sites. We want everyone to be able to come back home to families after each working day at a construction site. This year, Echo Investment’s great success was to obtain certificates confirming the compliance of our health, safety and environmental management system with ISO 14001 and OSHAS 18001 standards. This is further proof of our commitment to develop the safety culture on our company’s construction sites”.

Steve Iddon
EHS director

Echo's organisational structure, management systems, procedures and training plans provide the compliance with all provisions of law, regulations and standards. Because responsibility for environmental protection is one of our main priorities, it is integrated

with the main business processes and plans of our company. In the spirit of continuous improvement, we involve our employees, subcontractors, partners and other interested parties in the process of health safety and environmental management



WHAT ARE ISO 14001 AND OSHAS 18001 STANDARDS?

ISO 14001 standard is a certification system for environmental protection, operating on the basis of international standards. Its goal is to constantly refine and improve environmental performance and prepare for reacting in the event of an ecological threat in the company. The implementation of this system allows monitoring and improving indicators concerning the impact of the company's activities on the environment: the volume of waste, energy consumption, and efficiency.

OHSAS 18001 is a standard describing the occupational safety management system. It is based on the rule: Plan-Do-Check-Act (Plan-Do-Check-Act). This standard puts a lot of emphasis on familiarising the company management with the plan implementing the OHS system, increasing the number of trainings, continuous improvement of the system, and including all employees in the health and safety processes.

The company cares for maintaining safety on construction sites through educational and organisational activities and providing employees and visitors on construction sites with high quality personal protection equipment - above all helmets and work clothes. Since 2017, the Health Safety & Environmental (EHS) Management System has been operating in Echo Investment. In accordance with its requirements, in 2018 the EHS Department conducted a series of trainings for over 80 supervisory employees. During the three-day meetings, all elements of the management system were discussed. Each of our new projects implemented by the company complies with the principles of the Health Safety & Environmental Management System.

As part of educational activities, the company promotes good health and safety practices, including a special document "Echo Investment - EHS Best Practices", which is available on every construction site. In this way, good practices are copied at various construction sites inside the company, and are promoted among subcontractors and suppliers.

In 2019, the EHS Department will develop activities in the field of safety and environmental protection at construction sites - including by introducing a risk assessment system already at the design stage, in cooperation with architects and designers and further trainings for employees.

9.2 Social activities of Echo Investment group

Projects executed by Echo Investment in the largest Polish cities are becoming part of the local environment, redefining certain places, inviting new audiences, creating new expectations and changing the conditions for the functioning of space and communities. As a socially responsible company we cultivate relationships with local communities, clients, business partners, contractors and other stakeholders. We participate in charity campaigns, support social activities and sponsor events and activities of organizations important for the environments in which we build, employ people and pay taxes. Echo Investment's support is mainly addressed to the fields of sport, culture and art as well as institutions and initiatives that help the needy.

CULTURE AND ART

In 2018, we worked together with the foundation Art and Innovation Space as part of the Echo Innovation Space artistic program. The program was dedicated to activities on the borderline of art and new technologies. As part of common activities, the following artistic actions and events were carried out:

- large-format mapping of works of the Polish-Japanese Academy of Information Technology's (PJATK) students as an event of Museum Night in Warsaw (May 19, 2018 - PJATK, Koszykowa street 86, Warsaw);
- the exhibition "No man is an Island" (July 13, 2018 - September 14, 2018 in Dom Słowa Polskiego - the area of the future Towarowa 22, Miedziana street 11, Warsaw). The exhibition of works by Sławek Czajkowski Zbiok - a respected painter and street artist;
- the artistic event "Nobody Club" (August 25, 2018, Dom Słowa Polskiego);
- the exhibition "Widok wnętrza" - an event accompanying Warsaw Gallery Weekend (September 21, 2018 - October 27, 2018, Dom Słowa Polskiego). A compilation of works of two artists - a Spanish sculptor June Crespo and a Polish painter Piotr Janas.



Sławek Czajkowski Zbiok
exhibition "No Man is an Island"
in Dom Słowa Polskiego

As part of the artistic patronage, in 2018 Echo Investment organised a series of concerts by Polish artists - Echo Studio. The events took place in cities where the company is carrying out investments and were performed by such artists as Xxanaxx, Kamp!, Natalia Przybysz and Reni Jusis.

In October 2018, Echo Investment together with the Lodz University of Technology and the International Festival of Music Producers Soundedit was a co-organiser of EchoConnect - an educational meeting of business, art and sports people with students. The event was part of the International Festival of Music Producers Soundedit.

CHARITY ACTIVITIES

We try to help in particular organisations from the home region of the company – the Kielce region. In many cases it is a permanent support. Since 2009, we have been supporting Zespół Placówek opiekuńczo-wychowawczych im. Aleksandra Kamińskiego „Kamyk” (children’s educational care centre) through financing a purchase of winter clothing and shoes for children under care. We abandoned sending Christmas gifts and cards to clients, business partners and contractors, and money saved we spend on our corporate charity campaign “Let’s share the joy”. In 2018, thanks to it, we supported charities chosen by our employees: „Arka Nadziei”

Association in Kielce, which runs a shelter for homeless animals in Dyminy, Siępomaga Foundation, “Dzieciaki Chojraki” - Association for Supporting Bone Marrow Transplantation and Children’s Oncology from Poznań, “Rycerze i Księżniczki” Foundation and “Fabryka Marzeń” Foundation from Kielce. As part of the “Let’s share the joy” campaign in 2018, we intend to support the renovation of one of children’s homes in the Świętokrzyskie region. In addition, Echo Investment co-organised the Christmas campaign “Deweloperzy Dzieciom” in Poznań, whose beneficiaries were children from orphanages.



As part of strengthening the compliance system, in 2018 Echo Investment improved the system for evaluating applications for support and undertaking sponsoring and charitable cooperation. The strict procedure was introduced for applications of this nature, and at the same time the Ethics Committee was established, which is the advisory body of the management board, which verifies submitted documentation and its compliance with the company’s requirements and policies.



SPORTS ACTIVITIES

Echo Investment’s investments create not only urban, but also social space. Each of them has a contribution to building a good relationship with the place where it arises. A great example is the retail and service project Libero in Katowice, which since three seasons is a strategic sponsor of the women’s football team GKS Katowice. The footballers have scored three promotions with Libero and are fighting for entry to Ekstraklasa this season.

Since 2014, Echo Investment has supported the Poland Business Run Foundation, helping people with mobility disabilities. Last year, nearly 22.5 thousand runners took part in the Poland Business Run in nine cities. We have started our cooperation by founding the organisation of this event, but since 2015 we have also been active participants in it. In the charity Poland Business Run 2018, as many as ten Echo Investment teams took part in cities where we carry out projects. In addition, our project Galeria Młociny was a co-organiser of the 2nd Hutnik Run in Warsaw.

9.3 Our employees and diversity policy

Our people

The driving force of Echo Investment are its employees, their diverse experience, competences, formal qualifications, work methods and individual approaches to performed tasks. The stability of the team, systematic improvement of competences, planned supplementation of market know-how and good employment conditions limit the risks which the company is exposed to. The Management Board is aware of the importance of diversity in the selection of employees, including those holding key management positions. In its personnel decisions the Management Board strives to take into account the elements of diversity including: gender, qualifications, age and work experience. The knowledge, competences and experience of candidates are of decisive importance when selecting people for managerial and supervisory functions.

As at 31 December 2018 Echo Investment employed 478 people. Employment increased by 12% compared to 31 December 2017 due to the growing number of investment projects. The average seniority currently amounts to 6 years. In 2018, we employed 91 people, and 38 people finish working in the Group at that time. Echo Investment enjoys the long average seniority, a balance between the number of long-term, experienced employees and the number of short-term employees, the diversity of related qualifications and the level of qualifications as well as the gender balance. Three people with citizenship other than Polish worked in the Echo Investment group at the end of 2018. The group employs seven people with disability certificates.

„Echo Investment’s HR is focused on constant improvement of employees’ qualifications and care for their satisfaction. Thanks to this the Company can undertake demanding tasks, it builds the experience of the organization, ensures continuity of work in key managerial positions and undisturbed functioning of processes necessary in order to maintain regular operations. It is also an element of its resistance to resignations of key employees. Because we have a lot of employees with diverse experience and aspirations, we start searching for people for new positions from internal recruitment. Consequently as many as 55 of our employees were promoted and received greater responsibility in 2018, half of whom in our office in Kielce”



Sylwia Jaworska
the director of the HR department

As part of the skills development program, in 2018, the Go Effective training series was conducted in Echo Investment. It includes as many as 47 trainings in the field of providing and receiving feedback and setting goals for all employees of the group, as well as nine trainings concerning a coaching approach based

on deep listening. In total, more than 7.5 thousand of working hours were devoted to soft skills training. In addition, all employees of the group had the opportunity to improve their qualifications directly applicable at work, by participating in workshops and trainings for professionals

Diversity policy

We operate on one of the most demanding job markets in Poland, which is why we manage the organization focusing on diversity and openness. Our employees constantly share their skills and knowledge in order to achieve the best results, no matter what they do and where they do it. We build a culture of cooperation because it gives us strength and allows us to achieve successes. We develop an open, inviting work culture, respecting the contribution of all employees. We believe that everyone shares their unique way of looking at the world, their talents and experience, their own approach and passion at work with us.

Conducting complex projects throughout Poland requires a team with diverse experience, knowledge and skills. That is why we employ people from different backgrounds, regardless of their race, gender, age, social status, religion, sexual orientation, political views, disabilities or marital status. We predict changes in the society that also affect our employees. That is why we care about increasing the participation of

women in positions affecting the direction of our organization's development. Our employees include people of several nationalities, also in senior positions. We strive for greater diversity and openness of the organization but we make the final decisions about employing a given person based on their skills because our priority is to hire and retain the best. The rules for appointing the Company's governing bodies are regulated by the Statute and the Code of Commercial Companies.

In 2018, we carried out an internal review of all areas of diversity management and prepared recommendations resulting from this audit. Next year, we plan further activities in this area, among others appointing a special team of employees from various business functions, which will coordinate activities in this area, including inclusivity of various social groups at the stage of designing and communication of our products.

Report on remuneration policy

Echo Investment builds its remuneration policy based on the principles of the Code of Conduct:

- § 1.1 All companies from the Echo Investment group are responsible for developing and operating economically justified and socially responsible business.
- § 2.2 Echo Investment makes every effort in order to ensure that the conditions of employment are fair and meet all the requirements of the national law and relevant conventions of the International Labour Organisation.
- § 2.6 We do not allow any cases of discrimination. We provide everyone with equal rights and opportunities regardless of race, colour, gender, nationality, religion, ethnicity or other characteristics



SALARIES OF EMPLOYEES

In 2018, we continued our activities in the area of conscious management of remuneration efficiency. We carried out the process of raising remuneration for employees in accordance with the best market standards. The remuneration system of Echo Investment is based on honest and transparent principles. The salary of each employee results from their role in the organization and assessment of their individual results. Each employee is informed about their assessment and comparing their remuneration to market standards (so-called compa ratio). This ensures transparency of the assessment criteria which are the basis for the remuneration system in a diversified organisation.

Assumptions of Echo Investment's remuneration policy:

- striving to provide competitive i.e. similar rates of remuneration for employees of Echo Investment compared to offers in other companies,
- striving to provide a competitive level of costs related to the remuneration budget at Echo Investment compared to other companies,
- rewarding employees of Echo Investment in a way that takes into account the value of the position held (measured by the valuation result), its significance and impact, skills and competences of the employee,
- work results.

DETERMINING THE AMOUNT OF REMUNERATION

Job evaluation is the basis for fair remuneration in the company. Positions with greater responsibility are remunerated better. Salaries are determined individually for each employee within fixed salary brackets. Salary brackets are specified in the remuneration scale (80-120% of the median salary on the market). Salaries of employees vary depending on the responsibilities of the positions they hold, performance at work and competences used at work, but they do not depend on gender, age, nationality or seniority of a person employed.

In addition to the remuneration policy, the 'Remuneration Regulations of Echo Investment Employees' of 16 January 2013, as amended, 'Bonus Rules at the Echo Investment Capital Group for Employees of Support Departments' of 26 May 2011 and 'Bonus System of Development Departments in the Echo Investment Capital Group' of 1 June 2017 are the main documents regulating the remuneration policy in Echo Investment.

Remuneration in Echo Investment consists of a fixed part and a bonus. The purpose of the bonus part is to promote efficiency. The employee employed in each position, including a support department, has a chance to receive a bonus.

In 2018, we reviewed all positions, updated descriptions and valuations for new or changed positions, and co-ordinated valuation results with market standards in our industry. For such a mapped organisation, we have prepared an analysis of market wage standards for a comparable group of companies and locations (real estate and construction industry, the largest cities in Poland). On this basis, we carried out the pay rise process. Such a solution ensures high motivation, talent retention and long-term development of the organisation.

In order to ensure a competitive remuneration policy on the market, we introduced a benefit system for all employees at the beginning of 2018. It makes it possible to support the health and well-being of employees, who are our most valuable asset. We provide, among others a medical package, access to sports facilities and a flexible budget for culture and entertainment. We have launched the training platform and we make sure that the principles of bonuses and promotions are transparent and motivating. We have also implemented a benefit programme and the next step will be the implementation of solutions which facilitate the work/life balance.

The activities undertaken in 2018 prove the Management Boards's high commitment to ensuring a cost-effective, transparent and motivating remuneration policy in the Company. In 2019 we intend to continue work on supporting employee development and building an optimal working environment by emphasis on the innovative use of acquired skills at the workplace, involvement in developing leadership skills of managers and building modern and effective tools for setting goals and management through feedback provided on an ongoing basis.



REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

Members of the Management Board receive remuneration and bonuses in accordance with the remuneration model described in the 'Work Rules of the Management Board' adopted by the Supervisory Board in a resolution of 21 March 2013. The bonus system is based on an agreement in accordance with the MBO methodology (Management by Objectives) and it is related to the company's results. Each Member of the Management Board may receive an annual bonus expressed in a multiple of monthly basic salary, depending on the key business objectives which he/she has an influence on in the scope of their responsibility. At the same time, all Members of the Management Board have common goals, the execution of which below the expected level will result in a reduction of the bonus. The amount of remuneration and bonuses of Management Board Members is confirmed by a resolution of the Supervisory Board every time.

In 2018, in addition to the specific objectives set out for each Member of the Management Board in accordance with their scope of responsibility, the Supervisory Board established four common objectives for the Management Board, which concerned the sale of real estate, security on construction sites, strengthening internal systems and strengthening employee competencies.

In 2018 and as at the date of this report, there were no agreements concluded between the Company and the managing persons, providing for compensation in the event of their resignation or dismissal without a valid reason or if their dismissal is due to a merger of Echo Investment S.A. by acquisition.

478

The number of people employed by Echo Investment as at 31 December 2018.

95 %

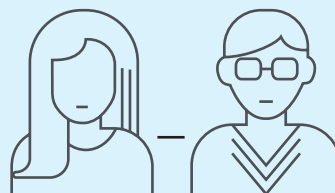
The percentage of employees of the Echo Investment Group who held at least higher education

6 years

The average seniority in the Echo Investment Group

EMPLOYEES OF ECHO INVESTMENT GROUP SPLIT BY GENDER

51 %



49 %

EMPLOYEES OF THE ECHO INVESTMENT GROUP WHO WERE PROMOTED LAST YEAR - SPLIT BY GENDER

34

21

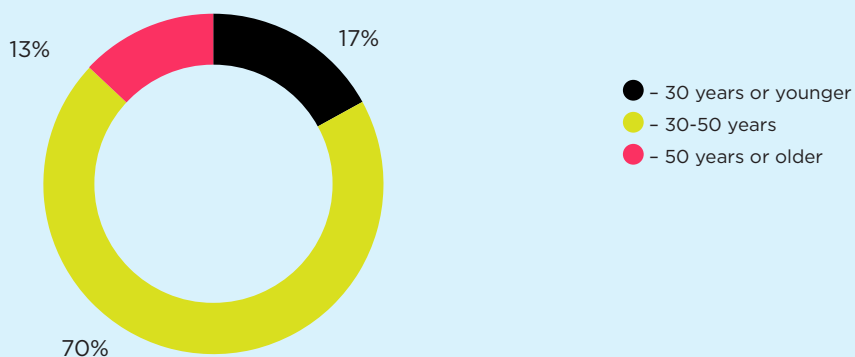
91

The number of people employed in 2018

55

The number of employees promoted in 2018

EMPLOYEES OF ECHO INVESTMENT GROUP SPLIT BY AGE



9.4 Care for good relations with investors

Echo Investment is one of the oldest companies listed on Warsaw Stock Exchange. As the largest Polish developer, real estate leader and a company with a far-reaching vision of development, it cultivates good relations with investors and potential investors. The company cares for better communication, improved transparency of operations and usefulness of the published information.

The Management regularly meets with the capital market and journalists at result conferences following the publication of reports. Since last year these meetings have been broadcast via the Echo Investment website with the option of asking questions remotely and listening to the answers. The Company reports all significant events via the ESPI/EBI electronic information transfer system (a statutory obligation), a newsletter addressed to investors as well as press information addressed to the media and posted on the website. The company also responds to all questions of analysts, shareholders, journalists

and other stakeholders. According to market expectations, the Company has significantly increased the scope of disclosures in the quarterly reports of the management board, which particularly involves describing its real estate portfolio, ongoing projects and operational segments.

132

Number of meetings and teleconferences with investors, fund managers and stock market analysts held by the Management Board of Echo Investment in 2018

RECOMMENDATIONS FOR ECHO INVESTMENT S.A. ISSUED SINCE THE BEGINING OF 2018

Recommendation	Price target [PLN]	Market price at the end of the day preceding the recommendation [PLN]	Institution	Analyst	Date
● Hold	4,95	5,12	DM BOŚ Banku	Maciej Wewiórski	25.01.2018
● Hold	3,95	3,95	DM BOŚ Banku	Maciej Wewiórski	10.12.2018
● Hold	3,95	3,4	DM BOŚ Banku	Maciej Wewiórski	05.02.2019
● Neutral	5,21	4,96	Haitong Bank	Cezary Bernatek	22.02.2018
● Buy	4,3	3,83	Kempen	Albert Pranger	15.03.2019
● Buy	6,31	5,05	mBank Dom Maklerski	Piotr Zybala	02.02.2018
● Buy	6,13	5,23	mBank Dom Maklerski	Piotr Zybala	06.04.2018
● Buy	5,5	4,26	Pekao Investment Banking	Maria Mickiewicz	04.07.2018
● Hold	4,3	4	Pekao Investment Banking	Maria Mickiewicz	28.11.2018
● Hold	5,61	5,15	PKO Securities	Stanisław Ozga	29.01.2018
● Buy	5,61	4,25	PKO Securities	Stanisław Ozga	20.07.2018
● Buy	4,59	3,44	PKO Securities	Piotr Zybala	12.02.2019
● Buy	4,07	3,36	Santander Biuro Maklerskie	Adrian Kyrzcz	25.02.2019
● Buy	5,6	5,35	Trigon DM	Krzysztof Kubiszewski	19.04.2018
● Buy	5,6	4,25	Trigon DM	Krzysztof Kubiszewski	19.07.2018
● Buy	5,6	4,18	Trigon DM	Krzysztof Kubiszewski	18.10.2018
● Buy	6,8	4,9	Wood & Co.	Jakub Caithaml	11.01.2018
● Buy	6,8	4,26	Wood & Co.	Jakub Caithaml	13.09.2018

How we manage risk

Significant risk factors and threats to the operations of Echo Investment S.A. and its Group

Risk management is an integral part of operating the Strategy of Profitable Growth and it ensures achievement of the assumed strategic goals of the Echo Investment group. The risk management procedures applied include the identification of risks, their assessment, management and monitoring. The management of Echo Investment SA, in cooperation with the Supervisory Board and the Audit Committee, is responsible for the overall risk management. The Management Board, in cooperation with the Internal Audit Department, oversees risk management by creating, implementing and analyzing control systems, employees responsible for internal audit as well as directors and managers of individual departments.

STRATEGIC AND BUSINESS RISKS

RISK	Method of risk management and competitive advantages of Echo Investment
Purchases of land <ul style="list-style-type: none"> • Strong competition • High price expectations • Limited supply of well-prepared real estate 	<ul style="list-style-type: none"> • Own land purchase department • Close cooperation with renowned brokers and agents • A significant financial potential enabling acquisition of large, multifunctional plots, which attract less competition • Maintaining a land bank that ensures operations for app. 3-5 years
Sales of apartments <ul style="list-style-type: none"> • Strong competition on local markets • The offer of apartments is not suitable 	<ul style="list-style-type: none"> • Constant, thorough analysis of local residential markets from the stage before the purchase of a given plot until the end of the sale process • Constant analysis of the latest trends in the housing market based on industry reports (e.g. REAS) and own analyses of customer preferences • Ability to flexibly respond to changing customer preferences even during construction (own design department) • Conducting sales of apartments based on own sales teams • Project implementation in stages • Many years of experience from several local residential markets

STRATEGIC AND BUSINESS RISKS

Rental of office and retail space

- Strong competition on local retail markets
 - Limiting the expansion of retailers
 - A poorly structured office or retail offer
- Constant analysis of market trends and quick response to changes
 - Constant cooperation and maintaining contacts with about 600 tenants or potential retail and office tenants (including in particular retail chains or the BPO/SSC sector)
 - Many years of experience in the implementation and rental of commercial projects on several local markets in Poland
 - Own large leasing teams
 - Cooperation with all significant brokers and rental agents
 - Having the CitySpace company in the group which provides serviced offices and is a tenant in some buildings completed by Echo Investment, and introduces smaller companies, start-ups or companies from the shared services sector that are just starting their operations in Poland to the buildings
 - Furthermore, the serviced offices allow the Company to be more flexible when providing the tenant with the target office space (the option of temporary placement of the tenant in CitySpace offices)

Sales of office and retail projects

- Strong competition on the market of ready-made commercial projects
 - High requirements of potential investors regarding the product and the seller
- Own sales team (consisting of industry, legal, tax and financial specialists)
 - Extensive market experience
 - Extensive contacts on global real estate markets
 - High quality projects that meet all the criteria required by international institutions investing in real estate assets
 - Flexible and innovative approach to contracts with potential buyers
 - Good reputation of the company, allowing for the early introduction of projects into the sales phase and securing sales through preliminary agreements, contracts for the right to submit the first offer ('right of first offer', ROFO), or provisions of cooperation agreements for joint venture projects
 - Financial resources making it possible to maintain rented and revenue-generating assets on the balance sheet of the Echo Investment group in difficult market conditions

Risk related to cooperation with contractors and subcontractors

- Risk of the contractor's bankruptcy
 - Risk of delays in the work
 - Risk of improper quality of the work provided
 - Risk of increased prices of materials and workmanship
- Stable financial situation that makes Echo Investment an attractive and desirable client on the market
 - Cooperation with a selected group of renowned contractors subcontractors and suppliers
 - Examination of the financial condition and technical capabilities of the contractor or supplier before the final selection of the offer and signing of the contract
 - Legal protection applied in concluded contracts for contractor services
 - Permanent supervision over construction projects by project managers and directors of Echo Investment construction as well as inspectors or specialist external companies
 - Echo Investment's many years of experience and low employee turnover (average seniority of 6 years)
 - Own team responsible for cost estimates and constant monitoring of prices and supply of materials and services on the market
 - Order packages making it possible to reduce offer prices using the so-called effect of the scale

FINANCIAL RISKS

RISK	Method of risk management and competitive advantages of Echo Investment
The risk of changes in interest rates	<ul style="list-style-type: none"> • Use of hedging instruments (fixed rates, for some loans – IRS) for selected liabilities
Currency risk	<ul style="list-style-type: none"> • Natural hedging – contracting loans to finance projects in EUR, which is also the main currency for rental and sale of retail real estate in Poland, financing of housing and construction activities in Polish zlotys, which are the main currency of concluded construction contracts and sale of apartments • Selective use of derivatives (forward, currency options)
The risk of loss of liquidity by the Company or its Group <ul style="list-style-type: none"> • Lack of access to external financing • Disturbance of balance between receivables and liabilities 	<ul style="list-style-type: none"> • Constant monitoring of forecast and actual short- and long-term cash flows • Keeping cash in order to ensure proper liquidity management • Keeping free credit limits on current accounts • Fixed income from the sale of apartments • Financing the implementation of projects with special-purpose credits • Implementation of the most capital-intensive projects in partnership or cooperation with companies outside Echo Investment group • Constant monitoring of receivables and liabilities • Diversification of business into residential, office and retail segments that might go through different phases of the business cycle at different times

LEGAL AND REGULATORY RISKS

RISK	Method of risk management and competitive advantages of Echo Investment
The risk of administrative procedures <ul style="list-style-type: none"> • The risk of legal changes • Risk of delays of authorities • Risk of delays in administrative processes due to poor project preparation • Risk of delays in administrative processes due to the participation of third parties 	<ul style="list-style-type: none"> • Constant monitoring of legal changes in planning and administrative procedures • Experience in obtaining permits from several dozen cities in Poland • Hiring experienced specialists in the field of planning and administrative procedures • Detailed legal and administrative analysis before purchasing the plot • Precise project preparation in cooperation with experienced external architectural and urban planning studios • Conducting informational and promotional activities regarding planned projects in order to obtain public acceptance • Running many projects at the same time spreading the risk
The risk of introduction of unfavourable legal regulations	<ul style="list-style-type: none"> • Constant monitoring of legislative work regarding the real estate, construction and related industries affecting the Group's operations • Continuous analysis of the potential impact of new solutions on the company's operations at the level of the Management Board • Participation in a social dialogue on ongoing legislative work through advisory, business and industry organizations • Monitoring of legal solutions applied in developed countries (primarily the European Union and the USA)
Risk of tax changes	<ul style="list-style-type: none"> • Internal tax control – own tax team • Constant monitoring of the tax conditions of the Capital Group's operations • Constant cooperation with renowned legal and tax advisors

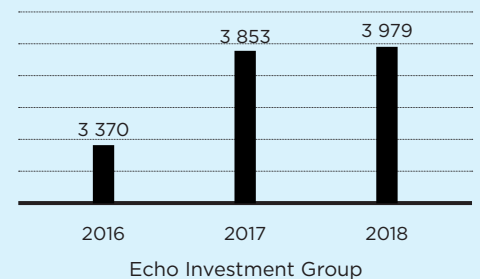
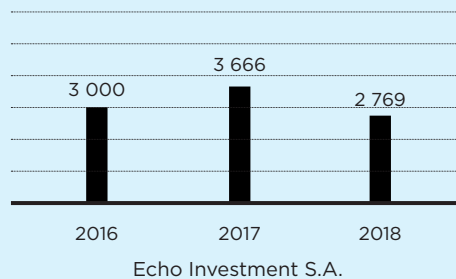
MACROECONOMIC RISKS

RISK	Method of risk management and competitive advantages of Echo Investment
The risk of adverse changes in the real estate market <ul style="list-style-type: none">• Cyclical nature of the real estate market• Risk of withholding external financing	<ul style="list-style-type: none">• Early leasing of the commercial projects and its fast sale after completion• A financial potential that makes it possible to keep completed retail properties on your own balance sheet if they cannot be sold• Sales of around 80 pct of flats in a given project at the construction stage, which provides information about the demand on the market early and allows us to respond appropriately to less advanced projects (accelerate, delay, change the size and quality of apartments)• Constant maintenance of a high level of cash and available credit limits• Implementation of residential projects from payments made by clients, without external financing.• Adjusting the pace and schedule of project implementation to market conditions• Projects are carried out in stages
The risk of adverse changes in business climate indicators <ul style="list-style-type: none">• Poorer economic growth• Increase of unemployment• Decrease of consumption• Increase of inflation	<ul style="list-style-type: none">• Designing projects tailored to financial capabilities and the demand on local markets• Flexible response to changes in demand by e.g. changing the size or quality of apartments under construction, delay or slowing down of the construction pace• Constant analysis of the behaviour and needs of consumers and clients

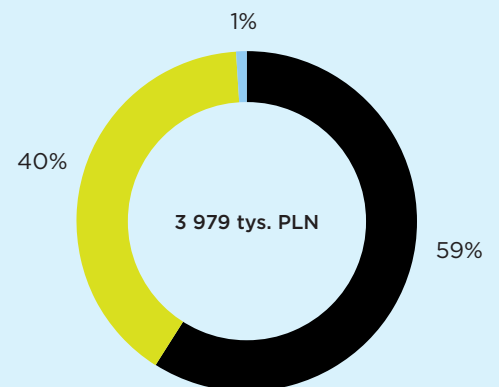
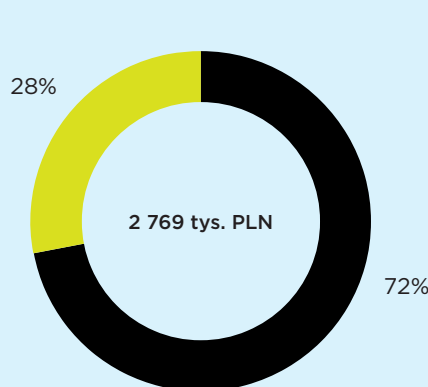
The main figures disclosed in the annual financial statements of Echo Investment S.A. and its Group

ASSETS AND LIABILITIES

ASSETS' VALUE [PLN MLN]

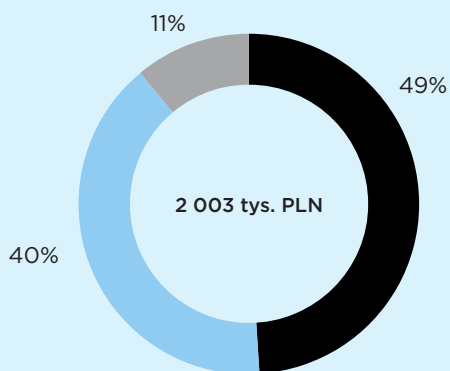


- - Non-current assets
- - Current assets
- - Assets held for sale

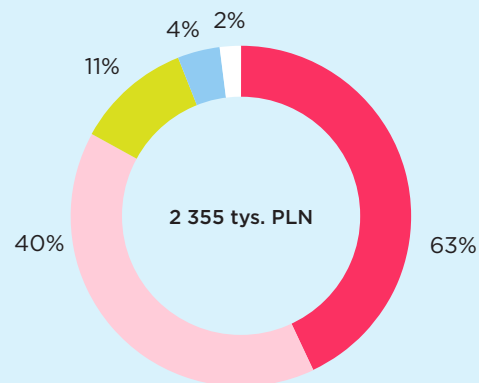


ASSETS' STRUCTURE

- - Interests in subsidiaries, jointly controlled entities and associates
- - interests in subsidiaries, jointly controlled entities and associates
- - Long-term financial assets
- - Investment properties
- - Investment properties under construction
- - Borrowings granted
- - Other



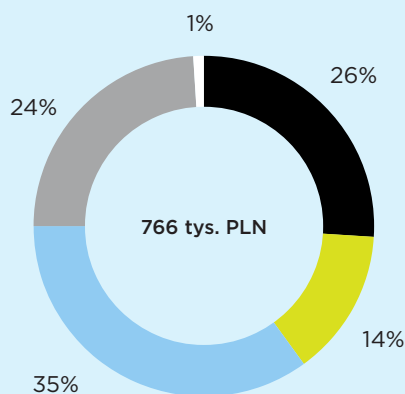
Echo Investment S.A.



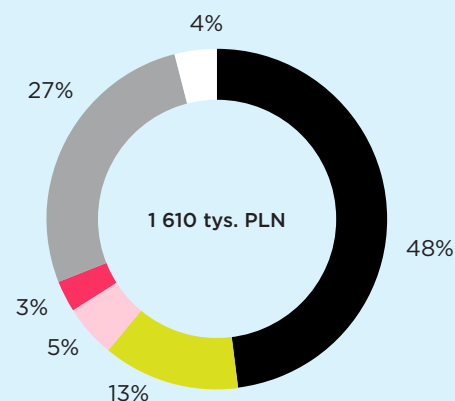
Echo Investment Group

NON-CURRENT ASSETS' STRUCTURE

- - Inventories
- - Trade and other receivables
- - Borrowings granted
- - Short-term financial assets
- - Receivables due to other taxes
- - Cash and other cash equivalents
- - Other



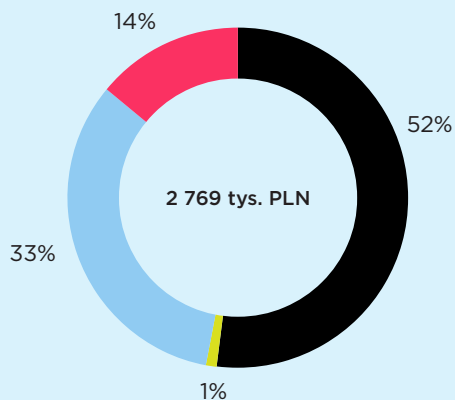
Echo Investment S.A.



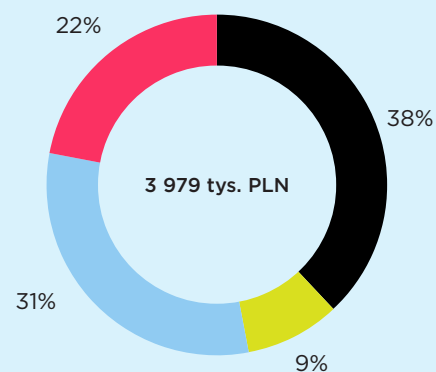
Echo Investment Group

CURRENT ASSETS' STRUCTURE

- - Equity
- - Provisions
- - Long-term liabilities
- - Short-term liabilities



Echo Investment S.A.

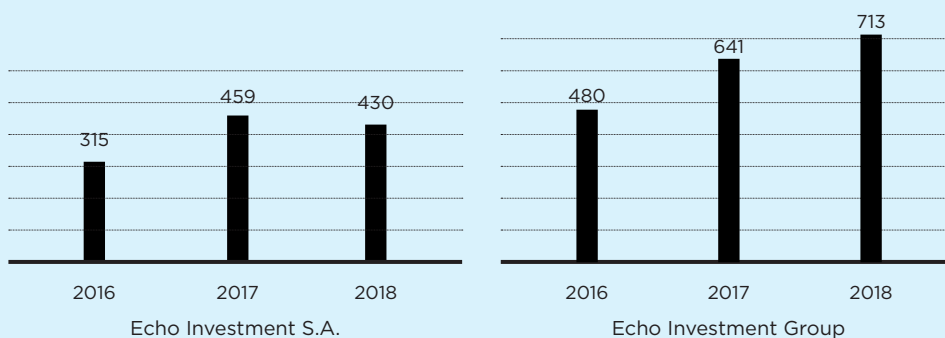


Echo Investment Group

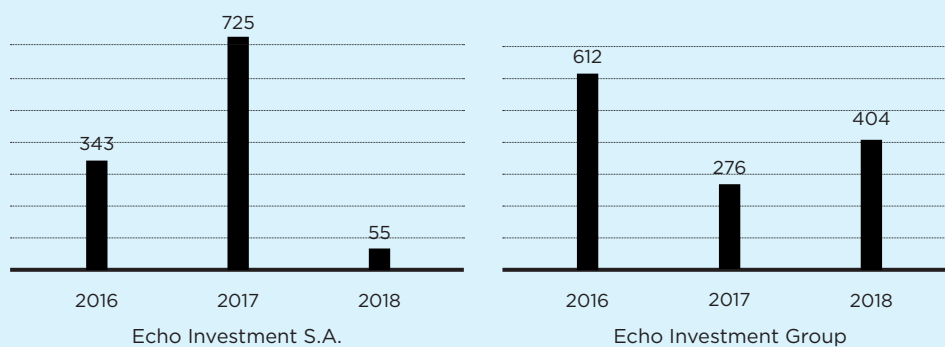
LIABILITIES' STRUCTURE

PROFIT AND LOSS ACCOUNT

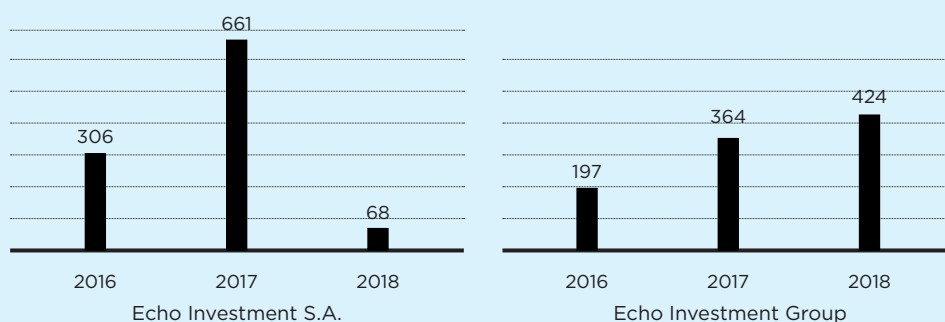
REVENUE [PLN MLN]



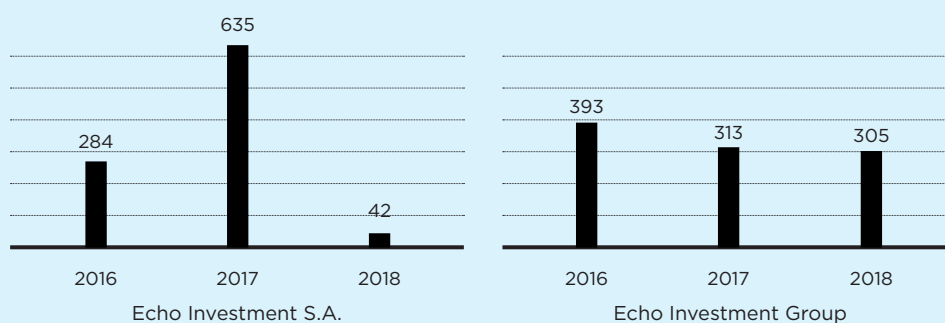
OPERATING PROFIT [PLN MLN]



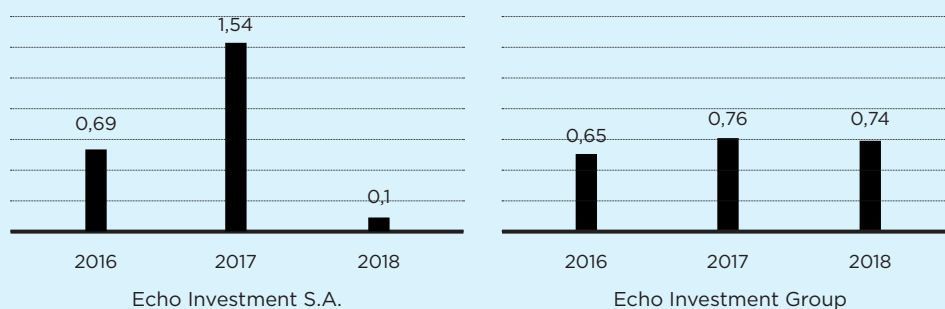
GROSS PROFIT [PLN MLN]



NET PROFIT [PLN MLN]



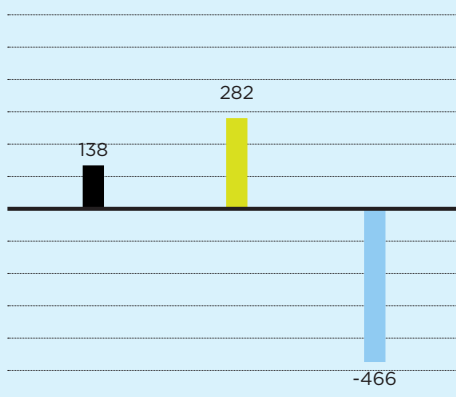
NET PROFIT PER SHARE [PLN]



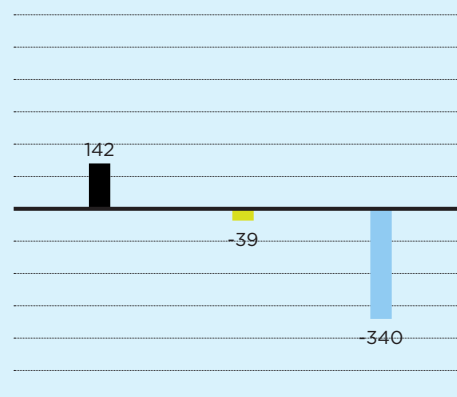
CASH FLOW

CASH FLOW [MLN PLN]

- - Cash flow on investing activity
- - Cash flow on investing activity
- - Cash flow on financing activity



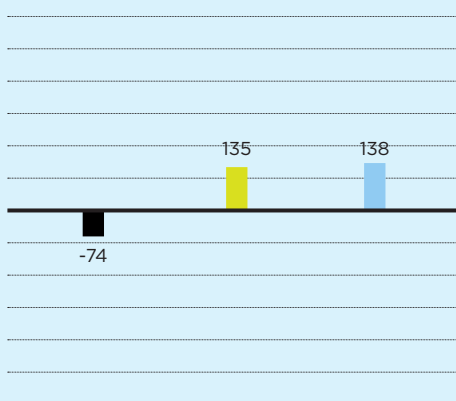
Echo Investment S.A.



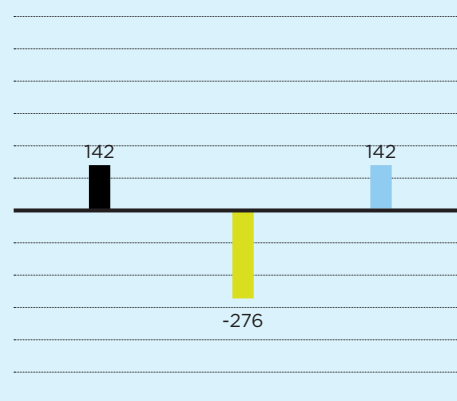
Echo Investment Group

OPERATING CASH FLOW [MLN PLN]

- - 2016
- - 2017
- - 2018



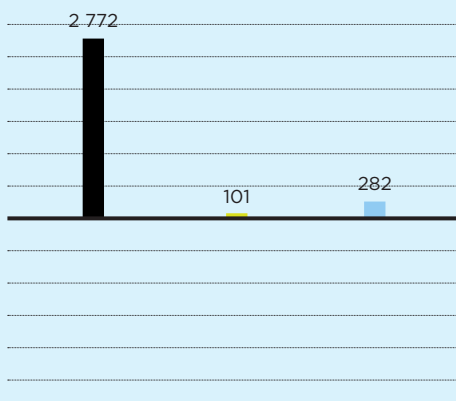
Echo Investment S.A.



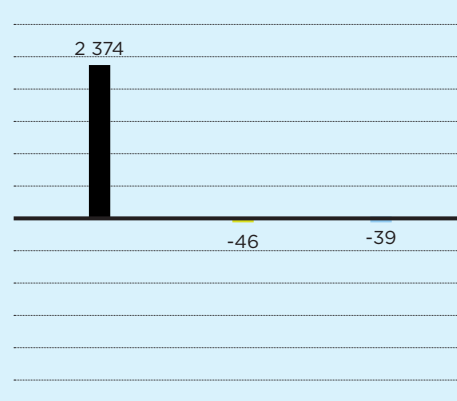
Echo Investment Group

CASH FLOW ON INVESTING ACTIVITY [MLN PLN]

- - 2016
- - 2017
- - 2018



Echo Investment S.A.

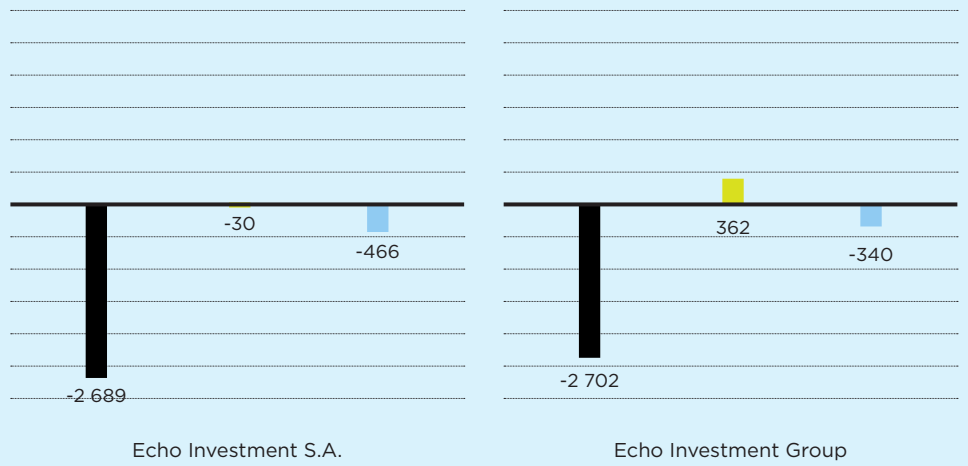


Echo Investment Group

CASH FLOW

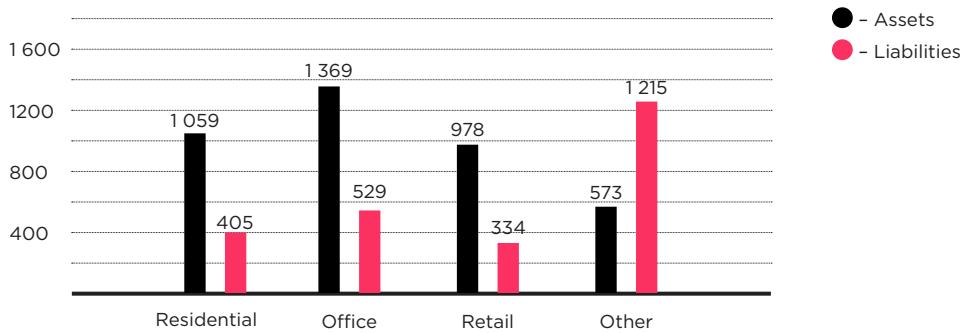
CASH FLOW ON FINANCING ACTIVITY [MLN PLN]

- - 2016
- - 2017
- - 2018



Operating segments of Echo Investment Group

ASSIGNMENT OF ASSETS AND LIABILITIES TO SEGMENTS AS AT 31.12.2018 [PLN MLN]



ASSIGNMENT OF ASSETS TO SEGMENTS [PLN '000]

	31.12.2018	31.12.2017 - restated
Residential	1 058 980	803 936
Office	1 368 502	1 169 160
Retail	978 421	645 014
Other	572 737	1 261 280
Total	3 978 640	3 879 391

3 979 mln pln

Total value of assets as at
31.12.2018

2 483 mln pln

Total value of liabilities as at
31.12.2018

ASSIGNMENT OF LIABILITIES TO SEGMENTS [PLN '000]

	31.12.2018	31.12.2017 - restated
Residential	404 650	83 692
Office	529 464	547 432
Retail	334 107	165 788
Other	1 214 960	1 494 836
Total	2 483 181	2 291 748

ALLOCATION OF REVENUE TO SEGMENTS [PLN '000]

	01.01.2018 - 31.12.2018	01.01.2017- 31.12.2017 - restated
Residential	397 044	488 888
Office	133 888	101 330
Retail	29 946	18 786
Other	152 157	31 981
Total	713 035	640 985

ALLOCATION OF COST OF SALES TO SEGMENTS [PLN '000]

	01.01.2018 - 31.12.2018	01.01.2017- 31.12.2017 - restated
Residential	(284 138)	(369 961)
Office	(133 660)	(94 020)
Retail	(16 549)	(8 140)
Other	(143 755)	(18 393)
Total	(578 102)	(490 514)

ALLOCATION OF GROSS PROFIT (LOSS) TO SEGMENTS [PLN '000]

	01.01.2018 - 31.12.2018	01.01.2017- 31.12.2017 - restated
Residential	112 906	118 927
Office	228	7 310
Retail	13 397	10 646
Other	8 402	13 588
Total	134 933	150 471

Portfolio of properties

13.1 Residential

Definitions

Sales level - the item exclusively concerns preliminary contracts

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

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

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Dom pod Wilgą III Kraków, ul. Spiska	4 600	63	100%	41,8	28,6	90%	II Q 2017	I Q 2019
Rydla 32 Kraków, ul. Rydla	5 700	95	92%	48,3	36,5	58%	I Q 2018	III Q 2019
Osiedle Jarzębinowe V Łódź, ul. Okopowa	8 100	145	55%	42,8	34,0	61%	IV Q 2017	III Q 2019
Osiedle Jarzębinowe VI Łódź, ul. Okopowa	3 300	52	12%	20,0	15,6	30%	IV Q 2018	I Q 2020
Nowa Dzielnica Łódź, ul. Wodna	5 300	87	45%	29,6	22,8	84%	III Q 2017	II Q 2019
Osiedle Jaśminowe IV Poznań, ul. Sielawy	5 300	103	53%	32,3	23,4	31%	II Q 2018	I Q 2020
Osiedle Perspektywa II Poznań, ul. Sielawy	4 600	94	100%	24,8	20,7	40%	IV Q 2017	III Q 2019
Osiedle Perspektywa III Poznań, ul. Sielawy	5 600	105	100%	30,9	25,4	35%	IV Q 2017	IV Q 2019
Warsaw Brewery B Warsaw, ul. Grzybowska	10 500	190	100%	125,0	79,4	64%	IV Q 2017	III Q 2019
Warsaw Brewery C Warsaw, ul. Grzybowska	6 900	114	100%	91,7	54,1	62%	IV Q 2017	III Q 2019

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Warsaw Brewery E Warsaw, ul. Grzybowska	6 100	82	2%	118,9	78,0	16%	IV Q 2018	IV Q 2020
Widoki Mokotów Warsaw, ul. Puławska	4 800	87	38%	68,4	50,6	48%	IV Q 2017	I Q 2020
Osiedle Reset I Warsaw, ul. Taśmowa	7 300	164	75%	66,2	55,1	68%	IV Q 2017	IV Q 2019
Osiedle Reset II Warsaw, ul. Taśmowa	12 200	253	23%	116,4	96,5	22%	IV Q 2018	IV Q 2020
Moje Miejsce I Warsaw, ul. Beethovena	13 300	251	5%	129,5	96,5	35%	III Q 2018	III Q 2020
Zebra Wrocław, ul. Zakładowa	11 300	233	96%	76,0	55,3	66%	III Q 2017	II Q 2019
Grota 111 etap III Wrocław, ul. Grota-Roweckiego	2 600	53	28%	16,2	12,6	38%	IV Q 2018	IV Q 2019
Ogrody Graua Wrocław, ul. Gdańska	4 000	57	4%	44,1	32,3	24%	IV Q 2018	II Q 2020
Total	121 500	2 228		1 122,9	817,4			

RESIDENTIAL PROJECTS IN PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Wita Stwosza I Kraków, ul. Wita Stwosza	13 800	252	127,2	93,1	19,9%	IV Q 2019	II Q 2021
Wita Stwosza II Kraków, ul. Wita Stwosza	12 200	219	112,4	84,0	19,7%	IV Q 2020	II Q 2022
Rydłówka I* Kraków, ul. Rydłówka	5 900	108	53,2	43,1		IV Q 2019	III Q 2021
Osiedle Jarzębinowe VII Łódź, ul. Opolska	6 100	100	34,7	28,6	11,4%	II Q 2019	III Q 2021
Osiedle Jarzębinowe VIII Łódź, ul. Okopowa	6 100	114	36,1	28,7	10,7%	I Q 2020	IV Q 2021
Apartamenty Esencja Poznań, ul. Garbary	12 600	260	113,6	87,2	18,3%	I Q 2019	IV Q 2020
Nasze Jeżyce I Poznań, ul. Szczepanowskiego	7 500	142	56,4	43,8	19,4%	II Q 2019	I Q 2021
Nasze Jeżyce II Poznań, ul. Szczepanowskiego	8 000	168	60,4	47,1	14,2%	III Q 2019	III Q 2021
Ordona I Warsaw, ul. Ordona	20 000	387	180,3	141,3	24,3%	II Q 2019	III Q 2021
Ordona II Warsaw, ul. Ordona	28 800	535	258,9	202,9	24,4%	II Q 2020	III Q 2022
Swobodna* Wrocław, ul. Swobodna	10 800	200	93,1	68,1		IV Q 2019	III Q 2021

RESIDENTIAL PROJECTS IN PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Mińska* Wrocław, ul. Mińska	11 000	204	87,1	66,5		IV Q 2019	II Q 2021
Fuzja I Łódź, ul. Tymienieckiego	14 300	267	100,6	84,2	10,5%	II Q 2019	I Q 2021
Fuzja II Łódź, ul. Tymienieckiego	12 200	231	93,5	71,5	7,7%	II Q 2020	II Q 2022
Fuzja III Łódź, ul. Tymienieckiego	6 100	114	48,7	37,1	7,5%	II Q 2021	II Q 2023
Naramowice - 18 MW I Poznań, ul. Sielawy	12 000	222	73,3	59,1	5,3%	III Q 2019	III Q 2021
Naramowice - 18 MW II Poznań, ul. Sielawy	8 500	153	51,5	41,2	2,3%	I Q 2020	I Q 2022
Naramowice - 18 MW III Poznań, ul. Sielawy	8 300	142	50,3	43,0	2,0%	I Q 2021	I Q 2023
Towarowa 22** Warsaw, ul. Towarowa	18 400	261	324,5	216,5	13,4%	2021/2022	-
Total	222 600	4 079	1 955,8	1 487,0			

* plot acquired in 2019, as at 31.12.2018 no expenditure occurred

** Echo's joint-venture with EPP: 30%:70%

13.2 Rental apartments Resi4Rent

Definitions

Sales level – the item exclusively concerns preliminary contracts

An estimated budget includes the value of land, cost of design, construction and external supervision, financial costs and development fee due

Echo Investment, amounting to 6%. It does not include the cost marketing.

RESIDENTIAL PROJECTS FOR RENTAL PLATFORM RESI4RENT UNDER CONSTRUCTION*

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Rychtalska Wrocław, ul. Zakładowa	11 400	303	8,4	76,0	53%	IV Q 2017	III Q 2019
Warsaw Brewery Warsaw, ul. Grzybowska	19 000	451	16,5	187,0	35%	IV Q 2017	II Q 2020
Wodna Łódź, ul. Wodna	7 800	211	4,9	52,2	50%	IV Q 2017	IV Q 2019
Kępa Mieszczańska Wrocław, ul. Dmowskiego	9 300	270	6,8	76,0	34%	II Q 2018	I Q 2020
Total	47 500	1 235	36,6	391,2			

* Projects presold to Resi4Rent Group.

RESIDENTIAL PROJECTS FOR RENTAL PLATFORM RESI4RENT IN PREPARATION*

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Woronicza Warsaw, ul. Woronicza	8 000	229	6,3	61,5	20%	I Q 2019	I Q 2021
Taśmowa Warsaw, ul. Taśmowa	13 300	372	10,9	113,0	15%	I Q 2019	IV Q 2020
Szczepanowskiego Poznań, ul. Szczepanowskiego	5 300	160	3,8	43,0	15%	III Q 2019	III Q 2021
Wita Stwosza Kraków, ul. Wita Stwosza	8 000	241	6,1	64,0	15%	III Q 2020	II Q 2022
Towarowa 22** Warsaw, ul. Towarowa	16 300	444	14,7	144,5	18%	2021/2022	
Total	50 900	1 446	41,8	426,0			

** Echo's joint-venture with EPP: 30%:70%

13.3 Office and hotels

Definitions:

GLA – gross leaseable area

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

ROFO – right of first offer

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

Completion – date of commissioning permit.

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

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

the Company to equal on average 7% the targeted budget. In addition, it does not include costs reducing sales revenue (price), such as master lease, profit share and costs of projects sale.

Fair value includes currency differences on investment loans.

OFFICE BUILDINGS IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Completion	Recognized fair value gain [PLN mln]	Comments
O3 Business Campus III Kraków, ul. Opolska	18 800	30%	3,2	121,5	70%	I Q 2018	42,8	preliminary sales contract to EPP
Gatehouse Offices (Brewery J) Warsaw, ul. Grzybowska	15 700	94%	3,8	158,6	80%	IV Q 2018	106,5	ROFO agreement with Globalworth Poland, preliminary sale agreement with GLL Real Estate Partners
Total	34 500		7,0	280,1			149,3	

* The recognised profit from the fair value measurement is reduced by the profit share obligation and the provision to secure rent-free periods (master lease). The change in fair value, presented in note 5 of 2018 Consolidated Annual Report of the Echo Investment Capital Group, is not decreased by this obligation and the provision.

OFFICE BUILDINGS UNDER CONSTRUCTION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain [PLN mln]	Comments
Moje Miejsce I Warsaw, ul. Beethovena	18 700	64%	3,4	148,9	63%	III Q 2017	II Q 2019	15,8	ROFO agreement with Globalworth Poland
Face 2 Face I Katowice, ul. Grundmanna	20 500	30%	3,7	153,9	21%	II Q 2018	IV Q 2019	5,3	
Villa Offices and Malthouse Offices (Brewery K, G, H) Warsaw, ul. Grzybowska	46 000	23%	10,4	483,0	21%	III Q 2018	III Q 2020	103,4	
West 4 Business Hub I Wrocław, ul. Na Ostatnim Groszu	15 600	0%	2,6	112,6	15%	IV Q 2018	III Q 2020	-	
Face 2 Face II Katowice, ul. Grundmanna	26 500	0%	4,6	195,4	16%	IV Q 2018	IV Q 2020	-	
Total	127 300		24,7	1 093,8				124,5	

* The recognised profit from the fair value measurement is reduced by the profit share obligation and the provision to secure rent-free periods (master lease). The change in fair value, presented in note 5 of 2018 Consolidated Annual Report of the Echo Investment Capital Group, is not decreased by this obligation and the provision.

OFFICE BUILDINGS IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
Moje Miejsce II Warsaw, ul. Beethovena	16 900	2,9	128,8	23%	I Q 2019	III Q 2020	ROFO agreement with Globalworth Poland
React Łódź, ul. Piłsudskiego	15 000	2,4	101,9	12%	I Q 2019	III Q 2020	
Solidarności Gdańsk, ul. Nowomiejska	30 600	5,0	211,1	11%	IV Q 2019	IV Q 2021	
Wrocław, ul. Powstańców Śląskich	36 400	6,4	284,6	18%	II Q 2019	II Q 2021	
Wita Stwosza Kraków, ul. Wita Stwosza	23 400	4,1	177,8	20%	II Q 2020	II Q 2022	
Towarowa 22 Warsaw, ul. Towarowa	60 700	14,7	780,7	14%	2021/2022		Echo's joint-venture with EPP: 30%:70%
Total	183 000	35,5	1 684,9				

HOTEL PROJECT IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
Towarowa 22 Warsaw, ul. Towarowa	18 900	5,1	288,6	12%	2021/2022		Echo's joint-venture with EPP: 30%:70%
Total	18 900	5,1	288,6				

13.4 Retail

Definitions:

GLA – gross leaseable area

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

ROFO – right of first offer

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

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

budget. In addition, it does not include costs reducing sales revenue (price), such as master lease, profit share and costs of projects sale.

Fair value includes currency differences on investment loans.

RETAIL PROJECT IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted completion	Recognized fair value gain [PLN mln]	Comments
Libero Katowice, ul. Kościuszki	44 900	99%	9,5	377,8	92%	IV Q 2018	183,7	ROFO agreement with EPP
Total	44 900		9,5	377,8			183,7	

* The recognised profit from the fair value measurement is reduced by the profit share obligation and the provision to secure rent-free periods (master lease). The change in fair value, presented in note 5 of 2018 Consolidated Annual Report of the Echo Investment Capital Group, is not decreased by this obligation and the provision.

RETAIL PROJECT UNDER CONSTRUCTION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain [PLN mln]	Comments
Galeria Młociny Warsaw, ul. Zgrupowania AK "Kampinos"	84 800	94%	22,1	1 268,6	77%	IV Q 2016	II Q 2019	73,6*	Echo's joint-venture with EPP: 30%:70%
Total	84 800		22,1	1 268,6				73,6	

*30% of SPV's net profit.

RETAIL PROJECT IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
Towarowa 22 Warsaw, ul. Towarowa	116 500	39,1	1 933,1	16%	2021/2022		Echo's joint-venture with EPP: targeted split 30%:70%
Total	116 500	39,1	1 933,1				

13.5 Land bank

EARLY STAGE PROJECTS

Project / address	Plot area [sqm]	Potential of leasing/sales area [sqm]	Comments
Łódź, ul. Tymienieckiego	59 800	55 400	Plot for office and services
Wrocław, ul. Na Ostatnim Groszu	32 300	55 000	Plot for office
Warszawa, ul. Chłodna/Wronia	600	1 100	Plot for residential
Łódź, ul. Kilińskiego	9 500	35 000	Plot for office
Katowice, ul. Piotra Skargi	3 700	22 000	Plot for office
Kraków, Al. Pokoju / ul. Fabryczna	14 900	38 000	Plot for office
Wrocław, ul. Swobodna	7 900	23 200	Plot for office
Poznań, ul. Hetmańska	65 300	80 000	Plot for residential, office and services
Kraków, ul. Żelazna/Wita Stwosza	3 200	6 100	Plot for services
Total	197 200	315 800	

INVESTMENT PROPERTIES

Property	Plot area [sqm]	Comments
Poznań, Pamiątkowo	874 200	preliminary sale agreement
Poznań, Naramowice	230 300	
Koszalin, Krakusa i Wandy	39 300	preliminary sale agreement
Katowice, Jankego	26 200	
Poznań, Sołacz	17 300	
Łódź, Okopowa	9 800	
Zabrze, Miarki	8 100	
Warsaw, ul. Konstruktorska	7 200	
Radom, Beliny	6 300	
Warsaw, Woronicza	5 100	plot for Student House
Total	1 223 800	

Main investments in 2018 – acquisition of properties

PROPERTIES ACQUIRED BY ECHO INVESTMENT GROUP IN 2018

Date of transaction	Address	Legal form	Area	Capacity
Q1 2018	Kraków, ul. Żelazna i Wita Stwosza	perpetual usufruct and ownership	7,200 sqm	The plot will allow to extend the 'destination' project by 25,000 sqm of space
Q2 2018	Katowice, ul. Piotra Skargi	perpetual usufruct	3,700 sqm	22,000 sqm of office space
Q2 2018	Poznań, ul. Szczepanowskiego	ownership	18,000 sqm	21,000 sqm of residential space
Q4 2018	Kraków, Al. Pokoju / ul. Fabryczna	perpetual usufruct	14,900 sqm	38,000 sqm of office space

In 2018 Echo Investment has acquired land properties for approximately 106,000 sqm of residential and office space. The total value of this transactions amounted to PLN 130 mln. Moreover, since the beginning of 2019 the company has secured plots for 70,000 sqm of residential and office space, and the total value amounted to PLN 84 mln. In addition, plots for 65,000 sqm of residential space is secured by preliminary agreements.

account current planning documents, arrangements, market potential and finally accepted project concept.

The Company constantly sells non-core properties, which are not necessary for the strategy implementation. In 2018, all properties located abroad were divested as well as majority of non-core assets in Poland. C.a. PLN 110 mln was released on those transaction in 2018.

1.200_{pln}

Value of land in 1 sqm of leasable or sellable space possible to build on plots acquired or secured in 2018.

The potential of purchased real properties is estimated based on planning documents and guidelines valid at the date of purchase. Ultimately, the use of each property is determined at a later stage of project preparation, taking into

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

Output markets

All projects implemented in 2018 by Echo Investment and companies from the Group were located in Poland. In accordance with its strategy, Echo Investment is withdrawing from projects outside the country.

Contracting parties

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

* The one-off event concerns the transaction on the purchase of the property, where a car park of Galeria Echo in Kielce is located, from the Kielce University of Technology. The transaction was concluded in the third quarter of 2018 and re-sold to the EPP N.V Group. For the Echo Investment Group, the transaction was neutral and fulfilled the obligation made in 2016 when Galeria Echo was sold. As part of the project of separating the EPP Group from the structures of Echo.

MAJOR CONTRACTORS OF ECHO INVESTMENT GROUP IN 2018

Business partner	Value of transaction [PLN '000]
Eiffage Polska Serwis Sp. z o.o.	101,2
Atrium Verde Eko Park S.A. Sp.K.	91,4
Politechnika Świętokrzyska*	85,5
EPP - Galeria Echo Sp. z o.o. Sp.K.*	57,6
Erbud S.A.	51,4
Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A.	45,4
Fabet-Konstrukcje Sp. z o.o.	42,6
Mota-Engil Central Europe S.A.	37,1
Szydlik Budownictwo Sp. z o.o.	29,6
M&J Bud Invest Sp. z o.o. Sp.K.	27,6
IREEF - Q22 Propco Sp. z o.o.	26,9
Modzelewski & Rodek Sp. z o.o.	26,6
Reconal Sp. z o.o.	25,7
Kserkop Sp. z o.o.	25,3
TKS Sp. z o.o.	24,1
Re-Bau Sp. z o.o.	24,0
Pragma Sp. z o.o.	22,4
Buma Factory Sp. z o.o. Sp.K.	21,4
Euroklimat Sp. z o.o. Sp.K.	19,5
Mostostal Warszawa S.A.	19,4

Clients

The clients of Echo Investment or the Group companies are the entities which the project management services are provided for and the entities which the Company or Group companies sell real estate to

(usually completed office or retail projects). Clients (usually individual) who buy apartments are a separate group of contracting parties.

MAJOR CUSTOMERS OF ECHO INVESTMENT GROUP IN 2018

Client	Value of transaction [PLN '000]
Warburg-Hih Invest Real Estate GmbH	297,5
Flaxton Investments Sp. z o.o. Sp.K.	111,6
EPP – Galeria Echo Sp. z o.o. Sp.K.*	86,7
IREEF - Q22 Propco Sp. z o.o.	77,4
Politechnika Świętokrzyska*	59,8
R4R Warszawa Browary Sp. z o.o.	44,5
R4R Wrocław Rychtalska Sp. z o.o.	32,3
DSV Real Estate Warsaw Sp. z o.o.	27,7
Ventry Investments Sp. z o.o. Sp.K.	27,2
BNY Mellon (Poland) Sp. z o.o.	27,1
Berea Sp. z o.o.	26,7
R4R Łódź Wodna Sp. z o.o.	20,9
R4R Wrocław Kępa Sp. z o.o.	18,0
Novaform Polska Sp. z o.o.	17,9

* The one-off event concerns the transaction on the purchase of the property, where a car park of Galeria Echo in Kielce is located, from the Kielce University of Technology. The transaction was concluded in the third quarter of 2018 and re-sold to the EPP N.V Group. For the Echo Investment Group, the transaction was neutral and fulfilled the obligation made in 2016 when Galeria Echo was sold. As part of the project of separating the EPP Group from the structures of Echo.

Agreements significant for the Company and the Group concluded in 2018

16.1 Agreements significant for the operations of Echo Investment Group

AGREEMENTS SIGNIFICANT FOR THE OPERATIONS OF ECHO INVESTMENT GROUP

Date	Parties to the agreement	Subject of the agreement
21.05.2018	Echo Investment S.A. and R4R S.à r.l., a company controlled by a fund managed by one of the premier investment managers	The joint venture agreement establishing the joint venture - the company - to manage and develop the platform for residential real estate for rent
25.05.2018	Echo Investment S.A. and its subsidiaries as the seller and entities in the Globalworth Poland group as the buyer	The final sale agreement for the WestLink office building in Wrocław
26.07.2018	Echo Investment S.A. along with its subsidiaries as the seller and EPP N.V. along with its subsidiaries as the buyer	The final sale contract for the Symetris Business Park II office building in Łódź
21.08.2018	Echo Investment S.A. along with its subsidiaries as the seller and Warburg-HIH Invest Real Estate along with its subsidiaries as the buyer	The final sale contract for the Sagittarius Business House office building in Wrocław
14.09.2018	Echo Investment S.A. and companies from the Echo Investment group (Dellia Investments - Projekt Echo - 115 Sp. z o.o Sp.k; Projekt Echo - 137 Sp. z o.o., Echo-Property Poznań 1 Sp.z o.o.) as the seller and subsidiaries of R4R Poland Sp. z o.o. (R4R Warszawa Browary Sp. z o.o.; SO SPV 103 Sp. z o.o.; R4R Wrocław Kępa Sp. z o.o.; SO SPV 101 Sp. z o.o.) as the buyer	Preliminary sale agreements for residential projects for rent under construction: Warsaw Brewery in Warsaw, Rychtalska I Kępa Mieszczarska in Wrocław and Wodna in Łódź
28.11.2018	Echo Investment S.A. along with its subsidiaries as the seller and GLL Real Estate Partners along with its subsidiaries as the buyer	The preliminary sale agreement for the Gatehouse Offices office building (Warsaw Brewery J) in Warsaw



Details on the significant agreements concluded in 2018 are available in section 5 on page 21

16.2 Agreements concluded between shareholders

The company does not have any information on the agreements concluded between shareholders in 2018, which would be significant for its operations.

16.3 Insurance agreements

INSURANCE AGREEMENT OF ECHO INVESTMENT S.A. [PLN '000]

Insured object	Insurer	Insured amount
Property insurance policies	Compensa TU S.A. VIG	82 951
Third-party liability insurance	Compensa TU S.A. VIG, PZU S.A.	35 108
Construction/all-risks insurance policies	Compensa TU S.A. VIG	156 821
Total		274 880

INSURANCE AGREEMENT OF ECHO INVESTMENT GROUP [PLN '000]

Insured object	Insurer	Insured amount
Property insurance policies	Compensa TU S.A. VIG	739 555
Third-party liability insurance	Compensa TU S.A. VIG; Generali TU S.A.; STU ERGO HESTIA TU.S.A.	39 143
Construction/all-risks insurance policies	Compensa TU S.A. VIG	1 270 692
Total		2 049 390

16.4 Partnering or cooperation agreements

On 20 July 2018, Echo Investment acquired 30% of shares, authorising to exercise 30% of votes in R4R Poland Sp. z o.o. - a joint venture, while R4R S.à.r.l. controlled by a fund managed by one of the world's premier investment managers acquired the remaining 70% of shares and votes. At the same time, the partners concluded an agreement regulating the corporate governance rules of the joint venture. The purpose of the agreement is to create the first private, institutional apartment rental platform in Poland - Resi4Rent. Echo Investment will be responsible for planning, designing and construction of development investments that will enter the platform. R4R Poland Sp. z o.o. will independently manage the ready Resi4Rent platform.



Details on the Resi-4Rent platform are available in section 5.3 on page 21

Echo Investment Group

17.1 Composition of the Group

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

ic investment tasks, including those resulting from the construction process of a specific development project. As at 31 December 2018 the Capital Group included 131 subsidiaries consolidated according to the full method and 10 jointly controlled companies consolidated according to the equity method.

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
1	53 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
2	Avatar - Projekt Echo - 119 Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
3	Babka Tower - Projekt Echo - 93 Sp. z o.o. Sp. k.	Kielce	100%	Perth Sp. z o.o.
4	Bełchatów - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
5	City Space - GP Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
6	Supersam City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
7	Rondo 1 City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
8	Plac Unii City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
9	City Space Management Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
10	Cornwall Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
11	Cornwall Investments Sp. z o.o. Sp. k.	Warsaw	100%	Echo Investment S.A.
12	Dagnall Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
13	Dellia Investments - Projekt Echo - 115 sp. z o.o. Sp. k.	Kielce	100%	Pudsey Sp z o.o.
14	Doxent Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
15	Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
16	Echo - Advisory Services Sp. z o.o.	Kielce	100%	Echo Investment S.A.
17	Echo - Arena Sp. z o.o.	Kielce	100%	Echo Investment S.A.
18	Echo - Aurus Sp. z o.o.	Kielce	100%	Echo Investment S.A.
19	Echo - Babka Tower Sp. z o.o.	Kielce	100%	Echo Investment S.A.

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
20	Echo - Babka Tower Sp. z o.o. Sp. k.	Kielce	100%	Gleann Sp. z o.o.
21	Echo - Browary Warszawskie Sp. z o.o.	Kielce	100%	Echo Investment S.A.
22	Echo - Browary Warszawskie Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
23	Echo - Galaxy Sp. z o.o.	Kielce	100%	Echo Investment S.A.
24	Echo - Galaxy Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
25	Echo - Nowy Mokotów Sp. z o.o.	Kielce	100%	Echo Investment S.A.
26	Echo - Nowy Mokotów Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
27	Echo - Opolska Business Park Sp. z o.o.	Kielce	100%	Echo Investment S.A.
28	Echo - Opolska Business Park Sp. z o.o. Sp. k.	Warsaw	100%	Perth Sp. z o.o.
29	Echo - Property Poznań 1 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
30	Echo - SPV 7 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
31	Tryton - City Space GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
32	Echo Investment ACC - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
33	Echo Investment Project 1 S.R.L.	Brasov	100%	Echo - Aurus Sp. z o.o.
34	Echo Investment Project Management S.R.L.	Brasov	100%	Echo Investment S.A.
35	Echo Prime Assets BV	Amsterdam	100%	Echo Investment S.A.
36	Elektrownia RE Sp. z o.o.	Kielce	100%	Echo Investment S.A.
37	Fianar Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
38	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp. k.	Kielce	100%	Fianar Investments Sp. z o.o.
39	Galeria Nova - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
40	Galeria Tarnów - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
41	Gleann Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
42	Gosford Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
43	GRO Nieruchomości Sp. z o.o.	Kraków	100%	Echo Investment S.A.
44	Grupa Echo Sp. z o.o.	Kielce	100%	Echo Investment S.A.
45	Kasztanowa Aleja - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
46	Kielce - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
47	Klimt House - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
48	Malta Office Park - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
49	Metropolis - Projekt Echo 121 Sp. z o.o. S.k.a.	Kielce	100%	60 FIZ Forum
50	Oxygen - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
51	Park Postępu - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
52	Park Rozwoju III - Projekt Echo - 112 Sp. z o.o. Sp. k.	Kielce	100%	Perth Sp. z o.o.
53	Perth Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
54	PHS - Projekt CS Sp. z o.o. Sp.k.	Warsaw	100%	Perth Sp. z o.o.
55	Pod Klonami - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
56	Potton Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
57	PPR - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
58	Princess Investment Sp. z o.o.	Kielce	100%	Echo Investment S.A.
59	Projekt - Pamiątkowo Sp. z o.o.	Kielce	100%	Echo - SPV 7 Sp. z o.o.
60	Projekt 1 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
61	Projekt 12 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
62	Projekt 13 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
63	Projekt 132 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
64	Projekt 133 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
65	Nobilis - City Space GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
66	Projekt 14 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
67	Projekt 15 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
68	Projekt 16 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
69	Projekt 17 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
70	Projekt 18 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
71	Cinema Asset Manager - Grupa Echo sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
72	Projekt 20 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
73	Projekt 21 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
74	Projekt 22 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
75	Projekt 5 - Grupa Echo Sp. z o.o. S.k.a.	Szczecin	100%	Echo Investment S.A.
76	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
77	Projekt CS Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 111 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 112 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 113 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 115 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 116 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo - 119 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo - 120 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	Projekt Echo - 121 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88	Projekt Echo - 122 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89	Projekt Echo - 123 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
90	Projekt Echo - 127 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91	Projekt Echo - 128 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
92	Projekt Echo - 129 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
93	Projekt Echo - 130 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
94	Projekt Echo - 131 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
95	Projekt Echo - 132 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
96	Projekt Echo - 135 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
97	Projekt Echo - 135 Sp. z o.o. Sp. k.	Kielce	100%	Perth Sp. z o.o.
98	Projekt Echo - 136 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
99	Projekt Echo - 136 Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
100	Projekt Echo - 137 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
101	Projekt 139 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
102	Projekt 140 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
103	Aquarius - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
104	142 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
105	Beethovena - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
106	Projekt 144 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
107	Projekt 145 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
108	Projekt 146 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
109	Projekt 147 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
110	Projekt 148 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
111	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
112	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
113	Projekt K-6 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
114	Projekt Naramowice - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
115	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
116	Pudsey Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
117	Pure Systems Sp. z o.o.	Kraków	100%	Echo Investment S.A.
118	Q22 - Projekt Echo - 128 Sp. z o.o. Sp. k.	Kielce	100%	Potton Sp z o.o.
119	Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp. k.	Kielce	100%	Doxent Investments Sp. z o.o.
120	Seaford Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
121	Selmer Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
122	Selmer Investments Sp. z o.o. Sp. k.	Warsaw	100%	Echo Investment S.A.
123	Senja 2 Sp. z o.o.	Warsaw	100%	Echo - Browary Warszawskie Sp. z o.o.
124	Shanklin Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
125	Stranraer Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
126	Strood Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
127	Swanage Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
128	Symetris - Projekt Echo - 131 Sp. z o.o. Sp. k.	Warsaw	100%	Gosford Investments Sp. z o.o.
129	Taśmowa - Projekt Echo - 116 Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
130	Tryton - Projekt Echo - 127 Sp. z o.o. Sp. k.	Warsaw	100%	Perth Sp. z o.o.
131	Villea Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.

JOINT VENTURES

No	Subsidiary	Registered office	% of capital held	Parent entity
1	Rosehill Investments Sp. z o.o. n (Galeria Młociny)	Warsaw	30%	Echo Investment S.A.
2	Berea Sp. z o.o. (Galeria Młociny)	Warsaw	30%	Rosehill Investments Sp. z o.o.
3	Projekt Echo - 138 Sp. z o.o. Sp. k. (Towarowa 22)	Warsaw	45,26%	Strood Sp. z o.o.
4	Projekt Echo - 138 Sp. z o.o. (Towarowa 22)	Warsaw	30%	Echo Investment S.A.
5	R4R Poland Sp. z o.o.	Warsaw	30%	Echo Investment S.A.
6	R4R Łódź Wodna Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.
7	R4R Wrocław Kępa Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.
8	R4R Wrocław Rychtalska Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.
9	R4R Warszawa Browary Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.
10	R4R Leasing Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.

All certificates issued by 60 FIZ Forum are in possession of the Echo Investment S.A.

17.2 Changes in the structure of the group in 2018

INCREASE OF THE CAPITAL GROUP

No	Entity	Action	Date	Share capital
1	Projekt 146 – Grupa Echo Sp. z o.o. Sp.K. with its registered office in Kielce	Registration by the District Court in Kielce	14.02.2018	5 000 PLN
2	Projekt 148 – Grupa Echo Sp. z o.o. Sp.K. with its registered office in Kielce	Registration by the District Court in Kielce	14.02.2018	5 000 PLN
3	Projekt 144 – Grupa Echo Sp. z o.o. Sp.K. with its registered office in Kielce	Registration by the District Court in Kielce	15.02.2018	5 000 PLN
4	Projekt 147 – Grupa Echo Sp. z o.o. Sp.K. with its registered office in Kielce	Registration by the District Court in Kielce	15.02.2018	5 000 PLN
5	Projekt 145 – Grupa Echo Sp. z o.o. Sp.K. with its registered office in Kielce	Registration by the District Court in Kielce	19.02.2018	5 000 PLN

DECREASE OF THE CAPITAL GROUP

No	Entity	Action	Date	Share capital
1	West Gate II - Projekt Echo - 114 Sp. z o.o. Sp. K. with its registered office in Kielce	Disposal of 100% of shares in the company	25.05.2018	1 000 000 PLN
2	Elissea Investments Sp. z o.o with its registered office in Kielce Warsaw	Disposal of 100% of shares in the company	25.05.2018	5 000 PLN
3	Projekt Echo - 114 Sp. z o.o. with its registered office in Kielce	Disposal of 100% of shares in the company	25.05.2018	30 000 PLN
4	Echo Investment Hungary Ingatlanhasznosito Kft with its registered office in Budapest	Disposal of 100% of shares in the company	30.08.2018	22 598 000 PLN
5	Echo - Klimt House Sp. z o.o. w likwidacji, with its registered office in Kielce	Removal from the Register of Entrepreneurs	21.09.2018	80 000 PLN
6	Projekt Echo - 96 Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	21.09.2018	25 000 PLN
7	Projekt Echo - 100 Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	24.09.2018	100 000 PLN
8	Projekt Echo - 77 Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	25.09.2018	50 000 PLN
9	Echo - Pod Klonami Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	25.09.2018	70 000 PLN
10	Mena Investments Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	26.09.2018	1 180 000 PLN
11	Projekt Echo - 95 Sp. z o.o. w likwidacji with its registered office in Kielce	Removal from the Register of Entrepreneurs	27.09.2018	60 000 PLN
12	Barconsel Holdings Ltd	Removal from the Register of Entrepreneurs	31.10.2018	106 824 PLN
13	Echo - Project - Management Ingatlanhasznosito Kft.	Removal from the Register of Entrepreneurs	31.12.2018	1 309 694 PLN

OTHER CHANGES

No	Entity	Action	Date
1	City Space – SPV 1 Sp. z o.o.	Transformation into Supersam City Space – GP Sp. z o.o. S.k.	11.01.2018
2	City Space – SPV 2 Sp. z o.o.	Transformation into Rondo 1 City Space – GP Sp. z o.o. S.k.	19.01.2018
3	City Space – SPV 3 Sp. z o.o.	Transformation into Plac Unii City Space – GP Sp. z o.o. S.k.	19.01.2018
4	PPR – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transger of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
5	Avatar – Projekt Echo 119 Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
6	Bełchatów – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
7	Galeria Tarnów – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
8	Park Postępu – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
9	Oxygen – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
10	Kielce – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
11	Echo – Galaxy Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
12	53 – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
13	Malta Office Park – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
14	Projekt 1 – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
15	Projekt 5 – Grupa Echo Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
16	Projekt Beethovena – Projekt Echo - 122 Sp. z o.o. SKA	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
17	Projekt Echo - 108 Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
18	Villea Investments Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	20.03.2018
19	Pudsey Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	12.04.2018
20	Seaford Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	12.04.2018
21	Fianar Investments Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Forum 60 FIZ to Echo Investment S.A.	12.04.2018
22	Projekt 141 – Grupa Echo Sp. z o.o. Sp.K.	Change of general partner – disposal of rights and obligations in the entity from Grupa Echo Sp. z o. o. to City Space GP Sp. z o. o. with its registered office in Warsaw	30.04.2018
23	Projekt 142 – Grupa Echo Sp. z o.o. Sp.K.	Change of general partner – disposal of rights and obligations in the entity from Grupa Echo Sp. z o. o. to City Space GP Sp. z o.o. with its registered office in Warsaw	30.04.2018
24	Projekt 143 – Grupa Echo Sp. z o.o. Sp.K.	Change of general partner – disposal of rights and obligations in the entity from Grupa Echo Sp. z o. o. to City Space GP Sp. z o. o. with its registered office in Warsaw	30.04.2018
25	Projekt 141 – Grupa Echo Sp. z o.o. Sp.K.	Change of limited partner – disposal of rights and obligations in a company from Echo Investment S. A. to City Space Management Sp. z o. o. with its registered office in Warsaw	30.04.2018

OTHER CHANGES

No	Entity	Action	Date
26	Projekt 142 – Grupa Echo Sp. z o.o. Sp.K.	Change of limited partner – disposal of rights and obligations in a company from Echo Investment S. A. to City Space Management Sp. z o. o. with its registered office in Warsaw	30.04.2018
27	Projekt 143 – Grupa Echo Sp. z o.o. Sp.K.	Change of limited partner – disposal of rights and obligations in a company from Echo Investment S. A. to City Space Management Sp. z o. o. with its registered office in Warsaw	30.04.2018
28	Fianar Investments Sp. z o.o.	Sale of shares in the company by Echo Investment S.A. to Projekt Echo 108 Sp. z o.o.	11.07.2018
29	Pudsey Sp. z o.o.	Sale of shares in the company by Echo Investment S.A. to Projekt Echo 99 Sp. z o.o.	11.07.2018
30	R4R Poland Sp. z o.o. (former Banbury Sp. z o.o.)	Purchase of 30 shares of the company with a total value of PLN 1,500 by Echo Investment S.A.	20.07.2018
31	Villea Investments Sp. z o.o.	Sale of shares in the company by Echo Investment S.A. to Projekt Echo 129 Sp. z o.o.	20.08.2018
32	Banbury Sp. z o.o.	Change of the company's name to R4R Poland Sp. z o.o	13.09.2018
33	Projekt 19 Grupa Echo Sp. z o.o. SKA	Change of the company's name to Cinema Asset Manager - Grupa Echo Sp. z o.o. S.K.A.	25.09.2018
34	Projekt 22 – Grupa Echo Sp. z o.o. SKA	Capital increase in the company was registered by Echo Investment S.A.	01.10.2018
35	Projekt 20 – Grupa Echo Sp. z o.o. SKA	Capital increase in the company was registered by Echo Investment S.A.	08.10.2018
36	Projekt 142 – Grupa Echo Sp. z o.o. Sp.K.	Change of the company's name to 142 – City Space – GP Sp. z o.o. S.K.	31.10.2018
37	Projekt 143 – Grupa Echo Sp. z o.o. Sp.K.	Change of the company's name to Beethovena – City Space - GP Sp. z o.o. S.K.	31.10.2018
38	Projekt Echo – 136 Sp. z o.o. Sp.K.	Capital increase in the company was registered by Echo Investment S.A.	31.10.2018
39	Projekt 137 – City Space – GP Sp. z o.o. Sp.K.	Change of the company's name to Nobilis – City Space GP Sp. z o.o. S.K.	13.11.2018
40	Projekt 141 – Grupa Echo Sp. z o.o. Sp.K.	Change of the company's name to Aquarius – City Space - GP Sp. z o.o. S.K.	14.11.2018
41	Dagnall Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
42	Shanklin Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
43	Stranraer Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
44	Strood Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
45	Swanage Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
46	Projekt Echo – 138 Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
47	Rosehill Investments Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from Echo Prime Assets B.V. to Echo Investment S.A.	26.11.2018
48	Doxent Investments Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from FORUM 60 FIZ to Echo Investment S.A.	28.11.2018
49	Gleann Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from FORUM 60 FIZ to Echo Investment S.A.	28.11.2018
50	Potton Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from FORUM 60 FIZ to Echo Investment S.A.	28.11.2018

OTHER CHANGES

No	Entity	Action	Date
51	Perth Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from FORUM 60 FIZ to Echo Investment S.A.	28.11.2018
52	Gosford Investments Sp. z o.o.	„Datio in solutum” agreement – transfer of shares from FORUM 60 FIZ to Echo Investment S.A.	28.11.2018
53	Echo Innovations – City Space GP Sp. z o.o. Sp.K.	Change of the company’s name to Tryton – City Space GP Sp. z o.o. S.K.	04.12.2018
54	Projekt 140 – Grupa Echo Sp. z o.o. Sp.K.	Capital increase in the company was registered by Echo Investment S.A.	19.12.2018

Financial liabilities

18.1 Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 31.12.2018 [PLN '000]

Bonds for institutional investors

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate	Guarantees / securities	Quotation market
1/2014	PLECHPS00134	mBank S.A.	100 000	19.02.2019*	WIBOR 6M + margin 3,6%	-	ASO CATALYST
2/2014	PLECHPS00159	mBank S.A.	70 500	15.05.2019	WIBOR 6M + margin 3,6%	-	ASO CATALYST
1/2016	PLECHPS00209	mBank S.A.	100 000	18.11.2020	WIBOR 6M + margin 3,0%	-	ASO CATALYST
1/2017	PLECHPS00225	mBank S.A.	155 000	31.03.2021	WIBOR 6M + margin 2,9%	-	ASO CATALYST
2/2017	PLECHPS00258	mBank S.A.	150 000	30.11.2021	WIBOR 6M + margin 2,9%	-	ASO CATALYST
1/2018	PLECHPS00282	mBank S.A.	140 000	25.04.2022	WIBOR 6M + margin 2,9%	-	ASO CATALYST
Total			715 500				

Bonds for individual investors

E-series	PLECHPS00217	DM PKO BP S.A.	100 000	06.07.2021	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
F-series	PLECHPS00233	DM PKO BP S.A.	125 000	11.10.2022	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
G-series	PLECHPS00241	DM PKO BP S.A.	75 000	27.10.2022	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
H-series	PLECHPS00266	DM PKO BP S.A.	50 000	22.05.2022	WIBOR 6M + margin 2,8%	-	regulated market CATALYST
I-series	PLECHPS00274	DM PKO Banku Polskiego S.A., Noble Securities S.A. i Centralny Dom Maklerski Pekao S.A.	50 000	08.11.2023	WIBOR 6M + margin 3,4%	-	regulated market CATALYST
Total			400 000				
Total bonds			1 115 500				

* Redeemed in its redemption date.

After the balance sheet date, the Company placed 188,315 J-series bonds and 150,000 J2-series bonds, which were issued on the basis of the Prospectus approved by the Polish Financial Supervision Authority on 16 April 2018. The total issue value of the placed bonds was PLN 33,831,500. The subscription for J-series bonds lasted from 18 February 18 to 1 March 2019, while J2-series bonds from 18 February to 25 February 2019. The allocation of the bonds took place on 5 March 2019.

The interest rate on J-series and J2-series bonds is based on the WIBOR 6M rate increased by a 3.4% margin. The bonds have a 4.5-year maturity. The offer was participated by Dom Maklerski PKO Banku Polskiego and the consortium of Noble Securities S.A., Michael / Ström Dom Maklerski S.A. and Dom Maklerski Bank Ochrony Środowiska S.A.

ALLOCATION OF BOND PROCEEDS

The funds obtained from the Echo Investment 2018 bond issuance, according to the Prospectus and other related documents, were used for current liquidity management and the Company's further development. In particular, it was used for acquisition of properties and projects development - both by the Company, as well as by the companies of its Group.

18.2 Credit facilities

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 31.12.2018 ['000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline	Security
PKO BP S.A.*	75 000		WIBOR 1M + margin	30.10.2020	Authorisation to bank account, statement on submission to enforcement proceedings
Alior Bank S.A.	75 000	50 000	WIBOR 3M + margin	15.12.2019	Authorisation to bank account, statement on submission to enforcement proceedings
Santander Bank Polska S.A.**	100 000		WIBOR 1M + margin	30.11.2020	Authorisation to bank account, statement on submission to enforcement proceedings
Raiffeisen Bank Polska S.A***	62 000		WIBOR 1M + margin	16.12.2019	Authorisation to bank account, statement on submission to enforcement proceedings
Total	312 000****	50 000			

* The available loan amount as at 31 December 2018 is decreased by the guarantees issued and amounts to PLN 54.1 million.

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at 31 December 2018, the limit for guarantees was used in the amount of PLN 24.2 million.

*** As at 31 December 2018, the available loan amount is reduced by the guarantees issued and amounts to nearly PLN 60 million.

**** Including the guarantee limit in Santander Bank Polska S.A in the amount of PLN 25 million. The total amount of limits for current and working loans as at 31 December 2018 is PLN 287 million.

CREDIT FACILITIES OF ECHO INVESTMENT GROUP AS AT 31.12.2018

Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline	Security
Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp. K.	Santander Bank Polska S.A. /	67 566 000 EUR	46 527 022 EUR	Margin + EURIBOR 3M	10.04.2026	Mortgages, registered and financial pledges, authorisation to bank account, subordination agreement, submission to enforcement proceedings, transfer of rights and claims of selected agreements
	Bank BGŻ BNP Paribas S.A.	12 000 000 PLN	4 235 916 PLN	Margin + WIBOR 1M	10.07.2021	
Berea Sp. z o.o.*	Santander Bank Polska S.A. /	**56 100 000 EUR	34 372 326 EUR	Margin + EURIBOR 3M	30.04.2025	Mortgages, registered and financial pledges, authorisation to bank account, subordination agreement, submission to enforcement proceedings, transfer of rights and claims of selected agreements
	PKO BP S.A., Bank Gospodarstwa Krajowego	10 350 000 PLN	7 980 553 PLN	Margin + WIBOR 1M	30.04.2020	
Total		123 666 000 EUR	80 899 348 EUR			
		22 350 000 PLN	12 216 469 PLN			

* Echo Investment owns 30% of shares in Berea Sp. z o.o. and presents 30% of credit value.

** According to the Annex 1 to the loan agreement signed 17.10.2018 value of the construction loan was increased to EUR 56,1 mln (Echo Investment Group share). After fulfilment specified conditions the construction loan will be converted into an investment loan of a value of EUR 56,7 mln.

Off-balance sheet liabilities

19.1 Guarantee agreements

GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 31.12.2018 [PLN '000]

Issuer	For	Value	Validity	Description
Echo Investment S.A.	Horta Sp. z o.o.	21 500	until 02.07.2020	Performance bond for the final sale agreement of the Aquarius Business House I office building in Wrocław. Issued in EUR.
Echo Investment S.A.	Skua Sp. z o.o.	25 800	until 30.07.2021	Performance bond for the final sale agreement of the Aquarius Business House II office building in Wrocław. Issued in EUR.
Echo Investment S.A. / Santander Bank Polska S.A.	State Treasury	45 466	until 22.05.2019	Surety bond for liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp.K.
Echo Investment S.A. / Santander Bank Polska S.A.	State Treasury	4 550	until 20.06.2019	Surety bond for liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp.K.
Q22 - Projekt Echo 128 Sp. z o.o. Sp.K. / Echo Investment S.A.	IREEF - Stryków Propco Sp. z o.o.	420 000	until 15.12.2019	Construction work quality guarantee related to the Q22 office building in Warsaw.
Santander Bank Polska S.A.	City of Katowice	2 676	until 31.01.2019	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
BGŻ BNP Paribas S.A.	City of Katowice	2 676	until 31.01.2019	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
Echo Investment S.A. / PKO BP S.A.	IREEF - Q22 Propco Sp. z o.o.	992	until 31.07.2019	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.10.2016. Issued in EUR
Echo - Aurus Sp. z o.o.	Echo - Park Rozwoju Sp. z o.o. Sp.K.	760	until 28.02.2027	Guarantee securing the execution of liabilities of Projekt 133 - City Space - GP Sp. z o.o. Sp.K. resulting from the lease agreement of 4.11.2016. Issued in EUR.
Echo - Aurus Sp. z o.o.	Nobilis - Projekt Echo 117 Sp. z o.o. Sp.K.	761	until 31.07.2027	Guarantee securing the execution of liabilities of Projekt 137 - City Space - GP Sp. z o.o. Sp.K. resulting from the lease agreement of 28.02.2017. Issued in EUR.
Echo - Aurus Sp. z o.o.	Ventry Investments Sp. z o.o. Sp.K.	1 196	until 09.04.2027	Guarantee securing the execution of liabilities of City Space - GP Sp. z o.o. resulting from the lease agreement of 12.10.2016. Issued in EUR.

GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 31.12.2018 [PLN '000]

Issuer	For	Value	Validity	Description
Raiffeisen Bank S.A.	Agentia Nationala de Administrare Fiscala	2 163	until 02.09.2019	Guarantee securing the execution of liabilities of S.C. Echo Investment Project 1 S.R.L. Issued in RON.
Echo Investment S.A.	IB 6 FIZAN / GPF 3 FIZAN	119 131	until 31.10.2021	Performance bond for liabilities of Rosehill Investments Sp. z o.o. resulting from the framework agreement of 31.08.2017. Issued in EUR.
Echo Investment S.A.	Santander Bank Polska S.A. / Bank BGŻ BNP Paribas S.A.	56 954	until credit conversion from construction into investment loan	Surety bond for costs overrun of the project of Galeria Libero in Katowice. Issued in EUR.
Echo Investment S.A.	Santadner Bank Polska S.A. / PKO BP S.A. / Bank Gospodarstwa Krajowego / mBank S.A.	39 990	until credit conversion from construction into investment loan	Surety bond for costs overrun of the project of Galeria Młociny in Warsaw and liabilities of Berea Sp. z o.o. resulting from the agreement on 17.10.2017. Issued in EUR.
Echo Investment S.A.	Nobilis – Projekt Echo 117 Sp. z o.o. Sp.K.	40 000	until 31.10.2026	Construction work quality guarantee related to the Nobilis office building in Wrocław.
Echo Investment S.A. / PKO BP S.A.	Novaform Polska Sp. z o.o.	4 616	until 31.05.2019	Guarantee securing the execution of liabilities of Duże Naramowice – Projekt Echo – 111 Sp. z o.o. S.K.A. resulting from the agreement of 08.01.2018.
Echo Investment S.A. / PKO BP S.A.	IB 14 FIZAN	88 334	until 24.05.2024	Performance bond for liabilities resulting from the final sale agreement of the West Link office building in Wrocław. Issued in EUR.
Echo – Aurus Sp. z o.o.	Sagittarius - Projekt Echo-113 Sp. z o.o. Sp.K.	50	until 31.01.2024	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 22.06.2018. Issued in EUR
Sagittarius-Projek Echo - 113 Sp.z o.o. Sp.k./Echo - SPV 7 Sp. z o.o./Echo - Aurus Sp. z o.o./PKO BP S.A.	Warburg-HiH Invest Real Estate GmbH	218 699	until 31.10.2028	Construction work quality guarantee related to the Sagittarius office building in Wrocław. The part of guarantee issued in EUR
Echo Investment S.A.	A 19 Sp. z o.o.	25 800	until agreement termination	Guarantee securing the execution of liabilities of Projekt 22 - Grupa Echo Sp. z o.o. SKA resulting from the good neighbourhood agreement of 04.07.2018. Issued in EUR
Echo-SPV 7 Sp. z o.o.	Ventry Investments Sp. z o.o. Sp.K.	42	until 90 days after the lease agreement termination	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.11.2017. Issued in EUR
Echo Investment S.A.	Bank Polska Kasa Opieki S.A.	14 147	until 30.06.2029	Cost overrun guarantee agreement regarding housing projects
SPV 7 Sp. z o.o. / Echo Investment S.A.	R4R Wrocław Kępa Sp. z o.o. / SO SPV 103 Sp. z o.o. / R4R Warszawa Browary Sp. z o.o.	82 818	until 31.07.2021	The advance payment guarantee
Total		1 219 122		

Due to the fact, that provisions for liabilities on rent free period are already pre-

sented in the consolidated balance sheet, off-balance sheet liabilities for that item are not presented above.

AMENDMENTS TO GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN 2018

Change	Issuer	For	Date of change	Value ['000]	Description
expiry	Echo Investment S.A.	mBank S.A.	06.03.2018	3 543 EUR	Guarantee securing the execution of liabilities of Nobilis - Projekt Echo - 117 Sp. z o.o. Sp.K. resulting from the facility agreement of 16.06.2016 r. Issued in EUR
expiry	Echo Investment S.A.	mBank S.A.	06.03.2018	5 489 PLN	Surety bond for costs overrun of the project of the Nobilis office building in Wrocław.
expiry	Echo Investment S.A.	Bank Millenium S.A.	29.05.2018	7 300 PLN	Surety bond for costs overrun of the project of the West Link office building in Wrocław and liabilities of West Gate II - Projekt Echo - 114 Sp. z o.o. Sp.K. resulting from the loan agreement of 23.03.2017.
expiry	Echo Investment S.A.	BGŻ BNP Paribas S.A.	27.07.2018	1 223 EUR	Surety bond for costs overrun and liabilities due to debt servicing over the construction period of the Symetris II office building in Łódź. Issued in EUR.
expiry	Echo Investment S.A.	PKO BP S.A.	21.08.2018	25 700 PLN	Surety bond for costs overrun of the project of the Sagittarius Business House office building in Wrocław.
expiry	Echo Investment S.A.	BNY Mellon (Poland) Sp. z o.o.	21.08.2018	3 570 EUR	Guarantee securing the execution of liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. Issued in EUR.
expiry	Echo Investment S.A.	IREEF - Stryków Propco Sp. z o.o.	15.12.2018	34 540 EUR	Surety bond for the execution of liabilities of Q22 - Projekt Echo - 128 Sp. z o.o. Sp.K. resulting from the sale agreement concerning the Q22 office building in Warsaw of 16.12.2016. Issued in EUR.
expiry	Echo Investment S.A./PKO BP S.A.	Novaform Polska Sp. z o.o.	31.12.2018	3 053 PLN	Guarantee securing the execution of liabilities of Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.K.A. resulting from the agreement of 08.01.2018.
granting	Echo Investment S.A.	BNY Mellon (Poland) Sp. z o.o.	26.01.2018	3 570 PLN	Guarantee securing the execution of liabilities of Sagittarius - Projekt Echo 113 Sp. z o.o. Sp.K. resulting from the agreement of 14.12.2016. Issued in EUR
granting	Echo Investment S.A./PKO BP S.A.	Novaform Polska Sp. z o.o.	30.01.2018	3 053 PLN	Guarantee securing the execution of liabilities of Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.K.A. resulting from the agreement of 08.01.2018.
granting	Echo Investment S.A./PKO BP S.A.	Novaform Polska Sp. z o.o.	30.01.2018	4 616 PLN	Guarantee securing the execution of liabilities of Duże Naramowice - Projekt Echo - 111 Sp. z o.o. S.K.A. resulting from the agreement of 08.01.2018.
granting	BGŻ BNP Paribas S.A.	City of Katowice	08.02.2018	18 274 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
granting	Echo Investment S.A.	IB 14 FIZAN	25.05.2018	19 113 EUR	Performance bond for liabilities resulting from the final sale agreement of the West Link office building in Wrocław. Issued in EUR.
Granting	Echo Investment S.A. / Santander Bank Polska S.A.	State Treasury	21.06.2018	4 550 PLN	Surety bond for liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp.K.
Granting	Echo Investment S.A. / PKO BP S.A.	IB 14 FIZAN	12.06.2018	1 430 EUR	Surety bond for the execution of liabilities resulting from sale agreement of West Link in Wrocław. Issued in EUR.

AMENDMENTS TO GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN 2018

Change	Issuer	For	Date of change	Value ['000]	Description
Granting	Echo Investment S.A.	A 19 Sp. z o.o.	31.07.2018	6 000 EUR	Guarantee securing the execution of liabilities of Projekt 22 - Grupa Echo Sp. z o.o. SKA resulting from the agreement of 04.07.2018. Issued in EUR
Granting	Echo - Aurus Sp. z o.o.	Sagittarius - Projekt Echo-113 Sp. z o.o. Sp.K.	17.08.2018	12 EUR	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 22.06.2018. Issued in EUR
Granting	Sagittarius-Projekt Echo - 113 Sp.z o.o. Sp.k./Echo - SPV 7 Sp. z o.o./Echo - Aurus Sp. z o.o./PKO BP S.A.	Warburg-HiH Invest Real Estate GmbH	21.08.2018	13 651 EUR and 160 000 PLN	Construction work quality guarantee related to the Sagittarius office building in Wrocław. The part of guarantee issued in EUR
Granting	Echo Investment S.A.	Bank Polska Kasa Opieki S.A.	14.09.2018	14 147 PLN	Cost overrun guarantee agreement regarding housing projects
Granting	SPV 7 Sp. z o.o. / Echo Investment S.A.	R4R Wrocław Kępa Sp. z o.o./ SO SPV 103 Sp. z o.o./R4R Warszawa Browary Sp. z o.o.	14.09.2018	81 371 PLN	The advance payment guarantee
Granting	Echo-SPV 7 Sp. z o.o.	Ventry Investments Sp. z o.o. Sp.K.	24.09.2018	9 EUR	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.11.2017. Issued in EUR
increase of the collateral amount to PLN 45,5 mln and extension of the expiry date to 22.05.2019 r.	Echo Investment S.A./Santander Bank Polska S.A.	State Treasury	06.04.2018	45 466 PLN	Surety bond for liabilities of Outlet Park - Projekt Echo - 126 Sp. z o.o. Sp.K.
increase of the collateral amount to EUR 230,700 and extension of the expiry date to 31.07.2019	Echo Investment S.A. / PKO BP S.A.	IREEF - Q22 Propco Sp. z o.o.	04.06.2018	231 EUR	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.10.2016. Issued in EUR
increase of the collateral amount to EUR 27,7 mln	Echo Prime Assets B.V.	IB 6 FIZAN / GPF 3 FIZAN	22.10.2018	27 704 EUR	Performance bond for liabilities of Rosehill Investments Sp. z o.o. resulting from the framework agreement of 31.08.2017. Issued in EUR.
increase of the collateral amount to PLN 82,82 mln	SPV 7 Sp. z o.o. / Echo Investment S.A.	R4R Wrocław Kępa Sp. z o.o. / SO SPV 103 Sp. z o.o. / R4R Warszawa Browary Sp. z o.o.	28.12.2018	82 818 PLN	The advance payment guarantee
reduction of the collateral amount to PLN 18,27 mln and extension of the expiry date to 15.05.2018	Santander Bank Polska S.A.	City of Katowice	08.02.2018	18 274 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.

AMENDMENTS TO GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN 2018

Change	Issuer	For	Date of change	Value ['000]	Description
reduction of the collateral amount to PLN 11,6 mln and extension of the expiry date 30.09.2018	Santander Bank Polska S.A.	City of Katowice	29.06.2018	11 647 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
reduction of the collateral amount to PLN 11,6 mln and extension of the expiry date 30.09.2018	BGŻ BNP Paribas S.A.	City of Katowice	27.06.2018	11 647 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
reduction of the collateral amount to PLN 2,7 mln and extension of the expiry date 31.12.2018	BGŻ BNP Paribas S.A.	City of Katowice	27.09.2018	2 676 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
reduction of the collateral amount to PLN 2,7 mln and extension of the expiry date 31.12.2018	Santander Bank Polska S.A.	City of Katowice	27.09.2018	2 676 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
extension of the expiry date to 31.01.2019	BGŻ BNP Paribas S.A.	City of Katowice	18.12.2018	2 676 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
extension of the expiry date to 31.01.2019	Santander Bank Polska S.A.	City of Katowice	21.12.2018	2 676 PLN	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
extension of the expiry date to 02.09.2019	Raiffeisen Bank S.A.	Agentia Nationala de Administrare Fiscala	24.08.2018	2 343 RON	Guarantee securing the execution of liabilities of S.C. Echo Investment Project 1 S.R.L. Issued in RON.
Change of issuer from Echo Prime Assets B.V. to Echo Investment S.A.	Echo Investment S.A.	IB 6 FIZAN / GPF 3 FIZAN	26.11.2018	27 704 EUR	Performance bond for liabilities of Rosehill Investments Sp. z o.o. resulting from the framework agreement of 31.08.2017. Issued in EUR.

The total value of current guarantee agreements in force received by the Group as at 31 December 2018 is as follows:

- under lease agreements concluded: PLN 1.66 mln and EUR 3.28 mln;
- on account of project implementation: PLN 79.89 mln, EUR 891,000 and USD 22.11 mln;
- other: EUR 7 mln.

19.2 Surety agreements

SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 31.12.2018 [PLN '000]

For	Value ['000]	Date of change	Description
Bletwood Investments Sp. z o.o.	1 446	Entire validity period of the lease and three months following its termination date	Surety for liabilities of CogI II Poland Limited Sp. z o.o. as a collateral of liabilities resulting from the lease agreement of 06.11.2015. Issued in EUR.
HPO AEP Sp. z o.o. Sp.J.	10 750	Until the date of issuance of the occupancy permit for the projects but no later than 07.12.2031.	Surety for liabilities of Echo - Browary Warszawskie Sp. z o.o. Sp.K. and Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp. K. j as a collateral of liabilities resulting from the lease agreement of 07.12.2016. Mutual surety issued in EUR.
Human Office Polska Sp. z o.o.	100	Until the expiry of obligations under leasing agreement	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from the leasing agreement
Total	12 296		

CHANGES IN SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN 2018

Change	Issuer	For	Date of change	Value ['000]	Description
wygaśnięcie	Echo Prime Assets B.V.	Warburg-HiH Invest Real Estate GmbH	21.08.2018	5 000 EUR	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from the agreement on 20.07.2017. Issued in EUR
udzielenie	Echo Investment S.A.	Human Office Polska Sp. z o.o.	20.09.2018	100 PLN	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from the leasing agreement

As at 31 December 2018, the value of valid sureties received by the Company and the Group is as follows:

- under the lease agreements: PLN 1.34 mln, EUR 4.91 mln, USD 300,000;
- under the construction agreements: EUR 8.5 mln;
- other: PLN 15 mln, EUR 41.58 mln.

The dividend policy and dividend

20.1 The dividend policy

On 26 April, 2017 the Management Board of Echo Investment adopted a resolution on the Company's dividend policy.

The adopted dividend policy states that from the profit in 2018 and subsequent years the Management Board will be recommending the payment of the dividend up to amount of 70% of the consolidated net profit of the Capital Group attributable to shareholders of the parent company.

When recommending the dividend payment the Management Board will take into consideration the current and expected

condition of the Company and the Capital Group as well as their development strategy, in particular:

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

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

“The dividend policy states that from the profit in 2018 and subsequent years the Management Board recommends the payment of the dividend up to amount of 70% of the consolidated net profit”

20.2 Dividend approved by Ordinary General Meeting of Shareholders

On 25 April 2018 the General Shareholders' Meeting of Echo Investment passed a resolution on the allocation of profits for 2017 and changes in the purpose and name of the existing Reserve Fund. Pursuant to the resolution, the Company's net profit of PLN 632.5 million in the financial year 2017 was divided as follows:

- PLN 213 million was allocated to supplementary capital;
- PLN 213 million was allocated to the Company's reserve capital - the Dividend Fund;

- PLN 206.3 million was allocated to all shareholders of the Company in the form of a dividend: PLN 0.50 per share.

The Ordinary General Meeting of Shareholders agreed that the right to dividend would be vested in shareholders holding shares on 4 May 2018, and the payout date was 11 May 2018. The shareholders' decision was in line with the Management Board's recommendation and the Company's dividend policy, and it was fully executed.

The Ordinary General Meeting of Shareholders also decided to change the designation and name of the existing Reserve Fund created for the payment of the outstanding dividend or dividend advance. It was replaced by the Dividend Fund which was created for the payment of dividends or dividend advances.

20.3 Advance dividend from the 2018 profit

The Management Board of Echo Investment, taking into account that the approved separate financial statements of the Company for the accounting year 2017 reported a net profit of PLN 642.5 mln, adopted on November 8, 2018 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2018 to its shareholders.

The total amount for the payment of the advance dividend amounted to PLN 206.3 mln, i.e. PLN 0.5 per share. The amount

of the dividend payment did not exceed half of the Company's net profit from the end of the previous accounting year, increased by the reserve capital created for the purpose of further payment of dividend or advances for dividend and reduced by uncovered losses and own shares. The advance dividend was to be paid on December 19, 2018 to those shareholders who hold shares on December 12, 2018, i.e. 7 days before the payment date.

The advance dividend was paid subject to the approval of the Supervisory Board (obtained on November 15, 2018) and confirmation by the audit of the financial statements of Echo Investment S.A. for the period from January 1, 2018 to June 30, 2018, by an expert auditor of Ernst & Young Audyt Polska, in which the assumed net profit of the Company achieved from the end of the previous accounting year (the condition fulfilled on November 16, 2018).

0,50 PLN

Amount of advanced dividend paid from 2018 profit

Assessment of financial resources management and investment plan feasibility

Financial resources management of the parent entity and the Group was mainly focused on acquiring financing for ongoing projects and on maintaining safe liquidity ratios and planned financing structure.

As per the Management Board, financial situation of the parent entity and the Group at the end of December 2018 reflects their stable financial condition, which is confirmed by the below ratios.

21.1 For Echo Investment S.A.

PROFITABILITY RATIO

Change of ratios in comparison to the previous year results mainly from lower inflow of dividends received from subsidiaries

Operating profit margin
(operating profit/revenue)

Net balance sheet profit margin
(net profit/revenue)

Return on assets ROA
(net profit/total assets)

Return on equity ROE
(net profit/equity)

WARTOŚCI WSKAŹNIKÓW RENTOWNOŚCI

	31.12.2018	31.12.2017 restated	31.12.2017
Operating profit margin	13%	158%	162%
Net balance sheet profit margin	10%	138%	142%
Return on assets ROA	2%	17%	17%
Return on equity ROE	3%	35%	35%

TURNOVER INDEXES

The turnover is conditioned by the specificity of the conducted activity. Due to the fact that inventories in the Group include purchased ownership rights as well as construction expenditures and costs related to development projects implemented for sale, the cycle will always be long compared to other industries, such as production of fast moving goods.

Inventory turnover in days

(inventory*360/revenue)

The ratio remains similar to previous year.

Short-term receivables collection period in days

(short-term receivables*360/revenue)

Decrease of the ratio is caused first of all by faster decrease of short-term receivables than revenues.

Short-term receivables turnover in days

(balance of short-term receivable due to deliveries and services *360/revenue)

The ratio remains similar to previous year.

VALUES OF TURNOVER INDEXES

	31.12.2018	31.12.2017 restated	31.12.2017
Inventory turnover in days	169	171	185
Short-term receivables turnover in days	314	406	418
Creditor days in short-term liabilities on account of deliveries and services	27	28	29

LIQUIDITY RATIO

Liquidity ratios recorded a significant increase compared to the previous year. This means that the Company's condition is stable and has no problems meeting its obligations. Increase of liquidity ratio results mainly from great decrease of short-term financial liabilities (loans, bonds, borrowings from subsidiaries).

Current ratio

(current assets/short-term liabilities)

Quick ratio

(current assets/short-term liabilities)

Cash ratio

(cash/short-term liabilities)

An increase in this ratio is caused mainly by decrease of short-term liabilities.

VALUES OF LIQUIDITY RATIOS

	31.12.2018	31.12.2017 restated	31.12.2017
Current ratio	1,91	1,01	1,01
Quick ratio	1,41	0,79	0,78
Cash ratio	0,47	0,26	0,25

DEBT RATIOS

Equity coverage ratio

(equity/total assets)

A slight increase of the ratio is caused by greater decrease of equity and payment of dividend, in comparison to decrease of assets.

Fixed asset coverage ratio

(equity/fixed assets)

Slight increase of the ratio results from faster decrease of equity in comparison to decrease of fixed assets (redemption of certificates issued by FIZ).

Total debt ratio

(total liabilities/total assets)

The ratio remaining on safe, model level confirms very good financial standing of the Company, as well as confirms similar changes of assets and liabilities in general.

Debt to equity ratio

(total liabilities/equity)

Decrease of the ratio compared to 2017 results from slight decrease of liabilities (loans, bonds, borrowings from subsidiaries) and lower decrease of equity.

VALUES OF DEBT RATIOS

	31.12.2018	31.12.2017 restated	31.12.2017
Equity coverage ratio	52%	50%	49%
Fixed asset coverage ratio	72%	68%	68%
Total debt ratio	47%	49%	49%
Debt to equity ratio	90%	99%	100%

21.2 For the Echo Investment Group

PROFITABILITY RATIO

Since two years the Group operates exclusively as developer. Profitability ratios remain on similar, high levels.

Operating profit margin

(operating profit/revenue)

Increase results from faster increase of operating profit compared to revenues.

Net balance sheet profit margin

(net profit/revenue)

Slight decrease in comparison to the previous year, mainly due to increase of revenue, while slight decrease of net profit at the same time.

Return on assets ROA

(net profit/total assets)

No changes compared to 2017.

Return on equity ROE

(net profit/equity)

The indicator remains on the same level as in previous year.

PROFITABILITY RATIOS

	31.12.2018	31.12.2017 restated	31.12.2017
Operating profit margin	57%	43%	44%
Net balance sheet profit margin	43%	49%	50%
Return on assets ROA	8%	8%	8%
Return on equity ROE	20%	20%	20%

TURNOVER RATIO

The turnover in the Group is conditioned by the specificity of the conducted activity, related to long cycle of projects implementation compared to other sectors. Due to the fact that inventories in the Group include purchased ownership rights, perpetual usufruct as well as construction expenditures and costs related to development projects implemented for sale, the cycle will always be long compared to other industries, such as production of fast moving goods.

Inventory turnover in days

(inventory*360/revenue)

The increase of the ratio results from higher dynamics of inventory compared to revenues.

Short-term receivables collection period in days

(short-term receivables*360/revenue)

The Group revives money from its clients faster.

Creditor days in short-term liabilities on account of deliveries and services

(current liabilities on account of deliveries and services*360/revenue)

Decrease of the ratio results from higher dynamics of revenue than liabilities.

VALUES OF TURNOVER INDEXES

	31.12.2018	31.12.2017 restated	31.12.2017
Inventory turnover in days	390	368	395
Short-term receivables turnover in days	152	199	205
Creditor days in short-term liabilities on account of deliveries and services	158	178	184

LIQUIDITY RATIO

Liquidity ratios remain at similar levels compared to the previous year, which indicates a stable liquidity position of the Group.

Current ratio

(current assets/short-term liabilities)

The indicator is maintained at levels considered as standard.

Quick ratio

(current assets - inventories]/short-term liabilities)

Decrease of the ratio results from greater decrease of non-current assets without inventory than short-term liabilities. The ratio remains at safe level.

Cash ratio

(cash/short-term liabilities)

Decrease of the ratio results from faster decrease of cash compared to short-term liabilities. The ratio remains at safe level, higher than expected.

VALUES OF LIQUIDITY RATIOS

	31.12.2018	31.12.2017 restated	31.12.2017
Current ratio	1,83	1,93	1,90
Quick ratio	0,95	1,24	1,20
Cash ratio	0,57	0,77	0,75

DEBT RATIOS

Equity coverage ratio

(equity/total assets)

The ratio remains at a similar, safe level, which proves that the rate of change in equity is almost the same as the rate of change in assets.

Fixed asset coverage ratio

(equity/fixed assets (fixed assets allocated for sale have been added))

Decline in this ratio results from greater dynamics of the decline in the value of fixed assets (sales of real estate) versus the dynamics of equity decline (dividend payment).

Total debt ratio

(total liabilities/total assets)

The ratio is slightly higher than in a previous year. This results from lower dynamics of asset value increase compared to increase of liabilities, as well as higher value of advanced payments from residential clients. The level remains higher than a market standard and theoretical level.

Debt to equity ratio

(total liabilities/equity)

The increase in the ratio results from a greater increase of liabilities, deferred income (advanced payment from residential clients) in relation to decrease of capital value (payment of dividend according to the Company dividend policy). Debt continues at safe levels and covenants arising from loan agreements and bonds issuance are met. The comparison of these two groups of ratios proves the Group's financial security

VALUES OF DEBT RATIOS

	31.12.2018	31.12.2017 restated	31.12.2017
Equity coverage ratio	38%	41%	41%
Fixed asset coverage ratio	63%	78%	78%
Total debt ratio	53%	52%	52%
Debt to equity ratio	141%	125%	127%

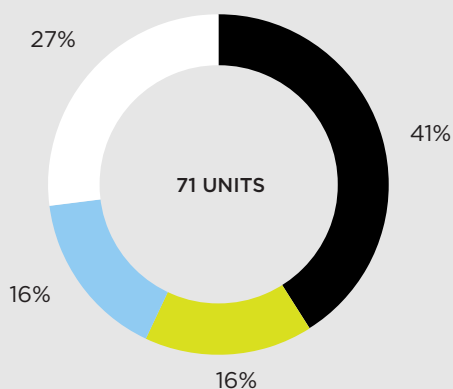
Factors and extraordinary events affecting the results in 2018

Factors which influenced the Group's financial results in Q1 2018:

a. Revenue resulting from hand overs of 71 housing units and housing plots.

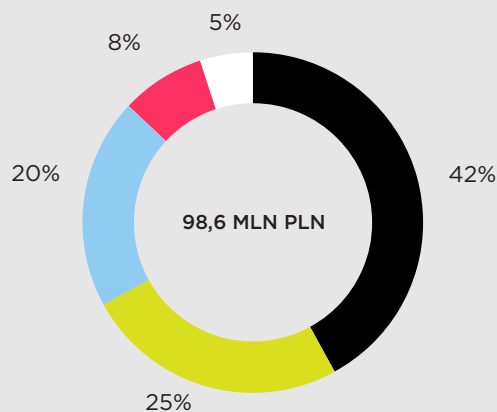
b. Profit on investment property amounting to PLN 98,6 mln.

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



- - Poznań, Jackowskiego 47
- - Wrocław, Grota-Roweckiego 111, etap II
- - Kraków, Kościuszki Apartments
- - Other

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- - O3 Business Campus III, Kraków
- - Gatehouse Offices (Brewery J), Warsaw
- - Libero, Katowice
- - Sagittarius, Wrocław
- - Other

c. Costs of sales and overheads.

f. Measurement and settlement of FX hedging instruments.

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

g. Interest on deposits and borrowings granted.

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

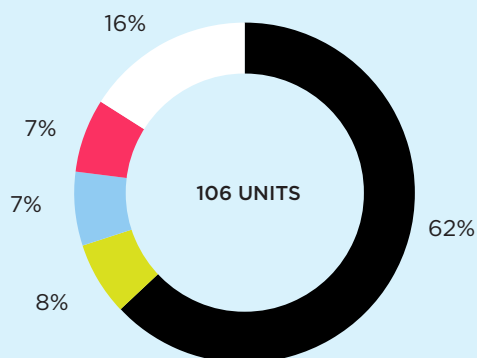
h. Revenues from framework services of EPP group and dividend received from EPP.

Factors which influenced the Group's financial results in Q2 2018:

a. Revenue resulting from hand overs of 106 housing units and housing plots.

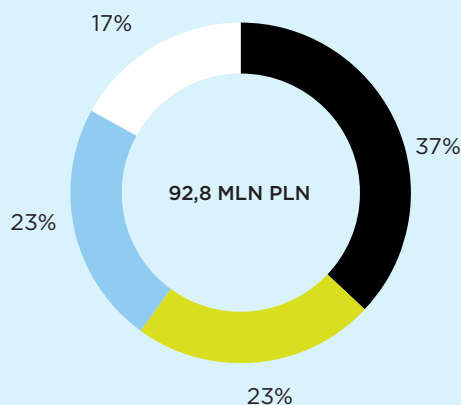
b. Profit on investment property amounting to PLN 92,8 mln.

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



- - Dom pod Wilgą II, Kraków
- - Jackowskiego 47, Poznań
- - Kościuszki Apartments, Kraków
- - Grota-Roweckiego 111 phase II, Wrocław
- - Other

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- - Sagittarius, Wrocław
- - Libero, Katowice
- - West Link, Wrocław
- - Other

c. Share in profit of entity recognised using the equity method - Galeria Młociny - in amount of PLN 44 mln.

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

d. Costs of sales and overheads.

g. Measurement and settlement of FX hedging instruments.

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

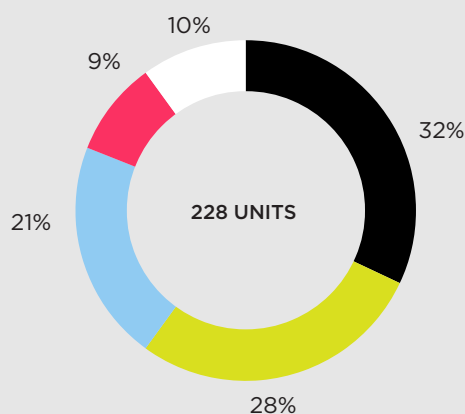
h. Interest on deposits and borrowings granted.

i. Revenues from framework services of EPP group.

Factors which influenced the Group's financial results in Q3 2018

a. Revenue resulting from hand overs of 228 housing units and housing plots.

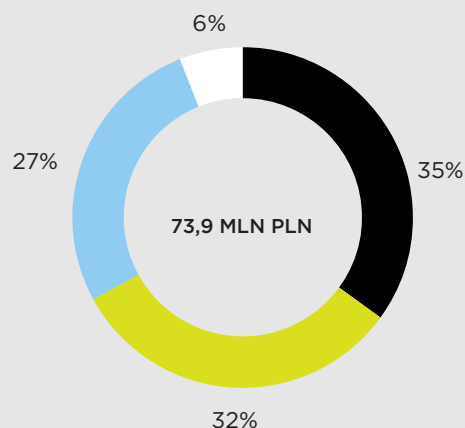
RESIDENTIAL PROJECTS SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- - Poznań, Osiedle Jaśminowe
- - Kraków, Dom pod Wilgą II
- - Łódź, Osiedle Jarzębinowe IV
- - Poznań, Park Sowińskiego IV
- - Other

b. Profit on investment property amounting to PLN 73.9 mln.

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- - Libero, Katowice
- - Gatehouse Offices (Brewery J), Warsaw
- - Sagittarius, Wrocław
- - Other

c. Costs of sales and overheads.

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

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

f. Measurement and settlement of FX hedging instruments.

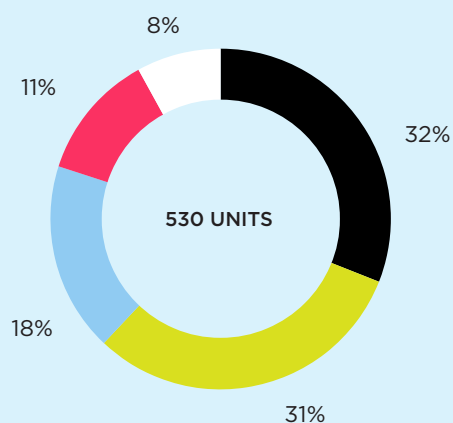
g. Interest on deposits and borrowings granted.

h. Revenues from framework services of EPP group and dividend received from EPP.

Factors which influenced the Group's financial results in Q4 2018:

a. Revenue resulting from hand overs of 530 housing units and housing plots.

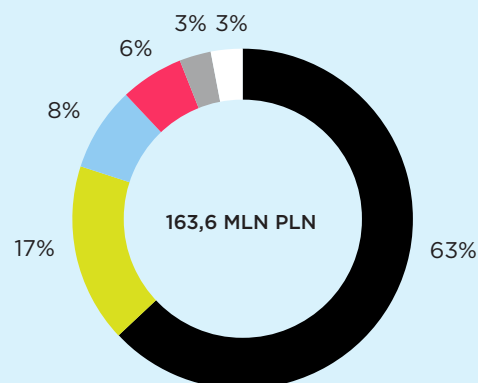
RESIDENTIAL PROJECTS SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- - Kraków, Apartamenty Go
- - Poznań, Osiedle Perspektywa I
- - Warsaw, Warsaw Brewery A
- - Poznań, Park Sowińskiego IV
- - Other

b. Profit on investment property amounting to PLN 163.6 mln.

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- - Villa Offices and Malthouse Offices (Brewery K, G, H), Warsaw
- - Gatehouse Offices (Brewery J), Warsaw
- - Moje Miejsce I, Warsaw
- - Libero, Katowice
- - Face2Face, Katowice (first valuation)
- - Other

c. Costs of sales and overheads.

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

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

f. Measurement and settlement of FX hedging instruments.

g. Interest on deposits and borrowings granted.

h. Revenues from framework services of EPP group.

External and internal factors significant for the development of Echo Investment S.A. and its group

EXTERNAL FACTORS:

POSITIVE:

- strong investment activity of entities purchasing commercial real estate,
- high pace of development and expansion plans of Polish and foreign companies (with particular emphasis on the shared services sector) and the resulting demand for office space,
- strong dynamics of retail sales and consumer optimism, which affects the development of the market of shopping and shopping and entertainment centres,
- the ratio of office space per 1,000 inhabitants is lower compared to Western Europe,
- structural housing deficit,
- sustained economic growth in Poland,
- good condition of the Polish financial sector.

NEGATIVE:

- unclear legal status of many properties resulting from e.g. the lack of precise zoning plans in many cities and administrative districts,
- long-lasting court and administrative procedures,
- volatility of foreign exchange rates (EUR and USD),
- uncertainty about the level of interest rates,
- uncertainty about the key assumptions of the fiscal policy (amendments to tax laws) and the monetary policy in Poland.

INTERNAL FACTORS:

POSITIVE:

- a clearly defined development strategy,
- the Group's established position on the development market and its high credibility confirmed by its presence on Warsaw Stock Exchange, the Developer's Certificate, the membership in sector and business organisations,
- cooperation with banks with stable financial standing in the area of lending, placement of surpluses and cooperation on the derivative transactions market, foreign exchange transactions and interest rates,
- good cooperation with stable and reputable partners – tenants, contractors, suppliers and real estate buyers,
- organizational structure, with separate departments corresponding to operating segments that are responsible for generating profits from the operations of their segment and conduct projects as a whole i.e. from purchasing a plot to rental or sale,
- regulated legal sphere (no material court proceedings),
- experienced staff,
- a large land bank for investment project development.

NEGATIVE:

- the specificity of the business activity expressed in significant dependence on complicated and lengthy administrative procedures (including obtaining building or occupancy permits, waiting for amendments to local zoning plans, etc.),
- strong demand for working capital – particularly related to the large number of projects implemented.

Remuneration of the Management Board and Supervisory Board

REMUNERATION OF THE MANAGEMENT BOARD [PLN]

	From Echo Investment S.A.		2018	From Echo Investment S.A.		2017
	Basic remuneration	Bonus	For holding functions or providing services to other companies of the Group	Basic remuneration	Bonus	For holding functions or providing services to other companies of the Group
Nicklas Lindberg	1 642 625	636 083	1 992 623	1 012 390	4 079 945	3 258 203
Maciej Drozd	845 162	420 000	572 579	979 511	2 127 660	120 000
Piotr Gromniak (resigned on 31.12.2018)	244 200	120 000	856 000	240 000	97 000	769 000
Artur Langner	243 600	210 045	986 090	240 000	120 000	756 000
Marcin Materny	247 350	216 000	890 000	240 000	83 000	58 726
Mikołaj Martynuska (appointed on 10.10.2017, resigned on 21.12.2017)	-	-	-	54 194	-	629 000
Rafał Mazurczak	246 539	216 000	877 032	233 619	-	499 032
Waldemar Olbryk (appointed on 10.10.2017)	707 280	150 645	-	158 516	-	-
Total	4 176 756	1 968 773	6 174 324	3 158 230	6 507 605	6 089 961
Total annual remuneration			12 319 853			15 755 796

THE CEO' BONUS SYSTEM

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

- annual performance-based bonus, paid for 2018 in the amount specified above,
- additional performance-based bonus described below.

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

The contract was signed for 5 years and the remuneration is payable at the end of the term of the contract. According to the amendment for the agreement, in 2017 Nicklas Lindberg received and advanced payment for additional bonus remuneration amounted to PLN 3,392 thousand gross (payment was reduced by an advanced tax liability). This payment will decrease the final amount of total additional bonus payment. In addition, should the contract be terminated earlier by mutual agreement of the parties, Mr Lindberg is entitled to receive a partial bonus of 1/5 of the entire amount due to him per each year of his work. Estimation of Nicklas Lindberg's incentive program value for accounting purposes on 31 December 2018 amounts to PLN 6,717,308 and on 31 December 2017 - to PLN 3,684,457.

REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD

Members of the Management Board receive remuneration and bonuses in accordance with the remuneration model described in the 'Work Rules of the Management Board' adopted by the Supervisory Board in a resolution of 21 March 2013. The bonus system is based on an agreement in accordance with the MBO methodology (Management by Objectives) and it is related to the company's results. Each Member of the Management Board may receive an annual bonus expressed in a multiple of monthly basic salary, depending on the key business objectives which he/she has an influence on in the scope of their responsibility. At the same time, all Members of the Management Board have common goals, the execution of which below the expected level will result in a reduction of the bonus. The amount of remuneration and bonuses of Management Board Members is confirmed by a resolution of the Supervisory Board every time.

In 2018, in addition to the specific objectives set out for each Member of the Management Board in accordance with their scope of responsibility, the Supervisory Board established four common objectives for the Management Board, which concerned the sale of real estate, security on construction sites, strengthening internal systems and strengthening employee competencies.

In 2018 and as at the date of this report, there were no agreements concluded between the Company and the managing persons, providing for compensation in the event of their resignation or dismissal without a valid reason or if their dismissal is due to a merger of Echo Investment S.A. or due to acquisition.

REMUNERATION OF THE SUPERVISORY BOARD [PLN]

	2018		2017	
	From Echo Investment S.A.	For holding functions or providing services to other companies of the Group	From Echo Investment S.A.	For holding functions or providing services to other companies of the Group
Karim Khairallah	-	-	-	-
Laurent Luccioni	-	-	-	-
Mark E. Abramson (appointed on 16.10.2017)	130 333	-	12 581	-
Maciej Dyjas	60 000	-	60 000	-
Stefan Kawalec	180 000	-	180 000	-
Przemysław Krych (resigned on 20.12.2017)	-	-	58 226	-
Nebil Senman	60 000	-	60 000	-
Sebastian Zilles	-	-	-	-
Total	430 333	-	370 807	-

REMUNERATION OF THE SUPERVISORY BOARD

The remuneration of the Supervisory Board is determined in the form of resolutions of the General Meeting of the Company's Shareholders. The resolution which is currently in force is resolution no. 23 of the General Meeting of Shareholders of 25 April 2018, which determines the amount of remuneration for Supervisory Board members as follows:

- monthly remuneration of the Chairman of the Supervisory Board - PLN 10,000 gross,
- monthly remuneration of the Deputy Chairman of the Supervisory Board - PLN 7,000 gross,
- monthly remuneration of a Member of the Supervisory Board - PLN 5,000 gross,

- additional monthly remuneration for the chairmen of the Supervisory Board committees - PLN 10,000 gross.

Members of the Supervisory Board shall also be entitled to reimbursement of costs incurred in connection with the exercise of the function, in particular - travel costs to the place of Supervisory Board meetings and back, costs of individual supervision as well as costs of accommodation and meals.

25

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

In 2018, no material transactions were concluded between Echo Investment S.A. and its subsidiaries, and related parties on terms other than market terms.

26

Seasonal or cyclical nature of operations

The Group's activity covers several segments of the real estate market. Accounting revenues from sale of housing developments depends on the commissioned residential buildings and revenue on these

operations is generated in every quarter but it varies in terms of stability. Revenue and results from general investment contractor services, sales of commercial investments and trade in property may

be irregular. The Management Board cannot exclude other one-off events which may influence results generated in a given period.

Influence of 2018 result achieved on the published financial forecasts

Echo Investment S.A. did not publish any forecasts of financial results for 2018.

Changes in the basic principles of management

In 2018, there were no material changes in the basic management principles of the Company and the Group.

Contracts which may result in changes in the ownership structure of shares

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

Significant court, arbitration or public administration proceedings

From 1 January to 31 December 2018, there were no proceedings pending before court, a competent arbitration authority or a public administration authority concerning liabilities or claims of Echo Investment S.A. or its subsidiary, the value of which constitutes at least 10% of the equity of the Company.

In 2018, the Company appeared in two significant court proceedings on the claim for payment: Connie Investments Sp. z o.o. Sp.K. with its registered office in Warszawa, Syncerus Investments Sp. z o.o. Sp.K. with its registered office in Warsaw. These proceedings concerned compensation related to the sale of shopping centres. The total

amount of contention in the proceedings amounts to PLN 16.3 million. In both proceedings, the court of first instance dismissed the claim. In the case of Syncerus Investments Sp. z o.o. Sp.K. the appeal of the claimant was dismissed. In the second proceedings, the appeal has not yet been identified.

Information on borrowings granted in 2018, including to related entities

BASIC DATA ON MAJOR BORROWINGS WITHOUT INTERESTS AND REVALUATION WRITE-OFFS AS AT 31.12.2018 [PLN '000]

Entity	Contractor	Amount	Interest	Maturity
Echo Investment S.A.	Berea Sp. z o.o.	11	fixed	31.01.2019
Echo Investment S.A.	Villea Investments Sp. z o.o.	63 100	WIBOR 3M + margin	31.03.2019
Echo Investment S.A.	Rosehill Investments Sp. z o.o.	25 555	WIBOR 3M + margin	31.03.2019
Echo Investment S.A.	Elektrownia Sp. z o.o.	109	WIBOR 3M + margin	30.06.2019
Echo-Aurus Sp. z o.o.	Emp Fin Sp. z o.o.	8 900	fixed	30.06.2019
Echo-SPV 7 Sp z o.o.	Projekt Echo - 138 Sp. z o.o. S.K.	1 612	WIBOR 3M + margin	30.06.2019
Echo Investment S.A.	City Space - Management Sp. z o.o.	29	WIBOR 3M + margin	30.09.2019
Echo Investment S.A.	City Space - SPV 2 Sp. z o.o.	4 051	WIBOR 3M + margin	30.09.2019
Echo Investment S.A.	City Space - SPV 3 Sp. z o.o.	498	WIBOR 3M + margin	30.09.2019
Echo Investment S.A.	Echo Aurus Sp. z o.o.	55 980	WIBOR 3M + margin	31.12.2019
Echo Investment S.A.	Echo - SPV 7 Sp. z o.o.	39 400	WIBOR 3M + margin	31.12.2019
Echo Investment S.A.	Fianar Investments Sp. z o.o.	71 360	WIBOR 3M + margin	31.12.2019
Echo-SPV 7 Sp z o.o.	Projekt Echo - 138 Sp. z o.o. S.K.	3 625	WIBOR 3M + margin	31.12.2019
Echo Investment S.A.	Berea Sp. z o.o.	41 193	fixed	31.12.2020
Echo Investment S.A.	R4R Poland Sp. z o.o.	35 151	fixed	01.07.2026

Agreements concluded with an entity authorised to audit financial statements

The Supervisory Board of Echo Investment S.A., upon the recommendation of the Audit Committee, has selected Ernst & Young Audyt Polska sp. o.o. sp.k. based in Warsaw, Rondo ONZ 1, registered as

number 130 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 2018-2019. The Man-

agement Board, authorised by the Supervisory Board, concluded an agreement with the selected auditor on 1 August 2018.

THE NET REMUNERATION DUE TO THE AUDITOR ENTITLED TO AUDIT FINANCIAL REPORTS OF THE COMPANY AND THE GROUP

Due	Contractual amount [PLN]
Review and audit of the standalone and consolidated financial statements for 2018	256 000
Review and audit of the interim standalone and consolidated financial statements for H1 2018	125 000
Additional audit of the interim standalone financial statements for H1 2018	78 000
Implementation of agreed procedures regarding the public bonds prospectus in 2018 with annex	108 000
Total	567 000

The document is signed with qualified electronic signature

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Marcin Materny

Member of the Board

Rafał Mazurczak

Member of the Board

Waldemar Olbryk

Member of the Board

Małgorzata Turek

Member of the Board

Anna Gabryszewska-Wybraniec

Chief Accountant

Kielce, 20 March, 2019

CHAPTER 2

CORPORATE GOVERNANCE



Statement on the application of corporate governance principles in 2018

The Articles of Association of the Company and the most important documents in the field of corporate governance

The main document governing the issues of corporate governance is the Articles of Association of Echo Investment S.A. determined based on the Resolutions of the General Meeting of the Shareholders held on: 30 June 1994, 19 October 1995, 18 December 1995, 27 June 1996, 28 May 1997, 8 September 1998, 29 June 1999, 29 June 2000, 12 February 2001, 27 March 2001, 26 June 2001, 5 September 2001, 12 August 2002, 6 April 2004, 16 June 2004, 23 December 2004, 30 May 2006, 18 October 2007, 28 May 2009, 6 June 2012, 6 June 2013, 27 October 2015, 28 June 2016, 29 June 2017 and 16 October 2017. The binding Articles of Association of the Company is available on the website www.echo.com.pl in the tab "Strategy and corporate governance".

Other issues in the field of corporate governance are regulated in the following documents:

- By-laws of the General Meeting of the Shareholders
- By-laws of the Supervisory Board
- By-laws of the Management Board
- By-laws of the Audit Committee.

All the above documents are available on the website www.echo.com.pl in the tab "Strategy and corporate governance".

There was no changes in the Company's Articles of Association during 2018.

Best Practices of WSE Listed Companies

In 2018 Echo Investment S.A. was subject to the corporate governance principles contained in the document 'Best Practices of WSE Listed Companies 2016' adopted by the resolution of the Council of WSE on 13 October 2015. The principles came into force on 1 January 2016 and they are still in effect. The text of the set of the above principles is available on the website of the Warsaw Stock Exchange at www.corp-gov.gpw.pl.

In 2017 and 2018 the Company carried out a review of 'Best Practices' and it limited the number of exceptions from its application. Currently the Company applies all recommended best practice principles except for listed above.

'IV.Z.2. If it is justified due to the shareholding structure of the company, a company provides a universally available broadcast of the general meeting in real time.'

The company does not provide a universally available broadcast of the general meeting in real time, but following completion of the general meeting, the company makes an audio-visual recording of the general meeting available on its website.

'V.Z.6 The company defines in its internal regulations the criteria and circumstances in which a conflict of interest may arise in the company as well as the rules of conduct in the event of a conflict of interest or the possibility of its occurrence. The company's internal regulations include ways of preventing, identifying and resolving conflicts of interest as well as the rules of excluding a member of the

management board or supervisory board from participation in considering a matter covered or threatened by a conflict of interest.'

In its Code of Conduct the Company has defined the criteria and circumstances in which a conflict of interest or possibility of its occurrence may arise. In the event of a conflict of interest or the possibility of its occurrence, the Management Board and the Supervisory Board have determined the practice of excluding a person whose conflict of interest may be involved in decision making. The Company undertakes to specify detailed methods of preventing, identifying and resolving a conflict of interest as well as the principle of excluding a member of the management board or supervisory board from participation in the consideration of a matter covered or threatened by a conflict of interest in appropriate procedures.

'IV.Z.11. The members of the management board and the supervisory board participate in the general meeting in a composition providing for substantive answers to questions asked during the general meeting.'

Representatives of the Board are present at the General Meeting or are available to participants of the General Meeting to answer questions. Although the Management Board also invites members of the Supervisory Board to be present at or available to the Shareholders so that the Supervisory Board members are present and may answer the Shareholders' questions, no assurance may be given that the Supervisory Board representatives will be present during the general meeting. Notwithstanding the above, the Company is of the opinion that the Company's Management Board is the only corporate body authorised to respond to questions pursuant to Article 428 of the Commercial Companies Code, while members of the Supervisory Board have no such power. If the representatives of the Management Board are not able to answer the Shareholder's questions during the General Meeting, the Company undertakes to respond to the Shareholder's questions in the shortest possible time, subject to the restrictions set forth in applicable binding laws.

Standards recommended by the WSE for the compliance management system on counteracting corruption and the whistle-blower protection system

On 8 October 2018 the Warsaw Stock Exchange published "Standards recommended for the compliance management system on counteracting corruption and the whistle-blower protection system in companies listed on markets organized by the Warsaw Stock Exchange S.A.". At present the document is a non-binding recommendation for listed companies. The recommendations include:

- a. development and application of the Anti-Corruption Code;
- b. staff training in the field of counteracting corruption;
- c. introduction of anti-corruption clauses in contracts;
- d. development and application of the policy for granting and accepting gifts;
- e. development and application the policy for sponsoring and donations;
- f. implementation of the procedure to facilitate reporting about irregularities by so-called whistle-blowers;
- g. establishment of the compliance management function.

At the end of 2018, Echo Investment completed all of the above recommendations, except for the last one regarding the establishment of the compliance management function. In Echo Investment, compliance management falls within duties of several employees of the legal department, and among others, the Ethics Committee.

In 2018, the Management Board of Echo Investment set up the Ethics Committee with responsibility for supervising the proper implementation of procedures and the application of adopted codes, regulations and other internal regulations, in particular the Anti-Corruption Code and procedures for concluding and performing donation, sponsorship and similar agreements. The Committee includes:

- a Management Board Member appointed by resolution of the Management Board or by decision of the Management Board President;
- a Director or some other member (legal counsel or advocate) of Echo's legal department, appointed by the department's director;
- a member of the Marketing Department appointed by resolution of the Management Board or by decision of the Management Board President.

The current members of the Committee:

- Maciej Drozd, Vice-President for finance,
- Rafał Zboch, the Director of the legal department,
- Emil Górecki, IR and communication manager.

Anti-Corruption Code

On 17 September 2018, the Management Board of Echo Investment introduced the Anti-Corruption Code which states who is considered a public person or his/her closest person, on what basis Echo Investment's employees can contact public persons, and what precautions are required when undertaking such issues with public persons as donations and sponsorship, invitations, covering accommodation costs, catering, informal and private meetings, presents and occasional gifts, agency agreements in contact with public administration officials or other contracts with public persons.

ENGAGEMENT OF PUBLIC PERSONS

The Anti-Corruption Code also states the principles of the engagement of public persons or their closest persons. According to the Code, the engagement is always carried out in the standard mode, in accordance with recruitment procedures and on conditions adopted in the company, but in addition, the risk assessment of the engagement of a person performing - now or in the past - a public function is a part of any recruitment process. If the HR department recognises a potential risk, HR employees inform the Ethics Committee about this fact. The Ethics Committee, after examining the case, makes recommendations on continuing the recruitment process. Employees of Echo Investment are also obliged to inform the Committee if their closest person becomes a public person.

COOPERATION WITH INTERMEDIARIES

IN CONTACT WITH ADMINISTRATION OFFICIALS

As to contact with public administration officials, Echo Investment often engages intermediaries e.g. architects. In order to cooperate with a new entity - an intermediary whose task will be to obtain decisions, approvals and other official orders, Echo Investment employees are obligated to apply the following procedure:

1. The analysis of opinions on a given partner who would be engaged in contact with administration officials;
2. The question whether a potential intermediary is connected with public persons or their closest persons;
3. The collection from an intermediary a statement of getting acquainted with the Code of Conduct and the Anti-Corruption Code of Echo Investment;
4. The collection from an intermediary a statement that that no part of the remuneration paid by Echo will be used to pay the cost of any economic or personal benefits for any public officials.

A consent of the Ethics Committee is required to conclude an agreement with a new entity that will act as intermediary in contact with public administration officials in administration and offices. In case of suspected irregularities in cooperation with an intermediary, the Committee may also undertake explanatory actions. Also, any circumstances suggesting an unethical or non-compliant with standards behaviour of business partners should be reported to the Ethics Committee.

DEALING WITH BUSINESS PARTNERS

Employees of Echo Investment involved in transactions with third parties must loyally represent the Company's interests, while business partners are guaranteed fair treatment on terms that are based exclusively on transparent considerations of a business nature. All conflicts of interests on the part of any Employees must be reported according to the Code of Conduct. In addition, the Committee must be notified of any attempt to obtain business for or from Echo Group companies in any unethical manner. Echo Employees shall pay attention to and inform

the Committee on any circumstances suggesting an unethical or non-compliant with Echo's standards behaviour of an intermediary. The Committee shall then immediately undertake actions aimed at verifying the reported circumstances and deciding on further cooperation with a given business partner.

Echo expects that rules arising from generally applicable anti-corruption laws will be complied with also by all of Echo's business partners. To this end, the Legal Department makes sure that any Echo contracts which it drafts or opines for Echo Group companies contain anti-corruption clauses which are appropriate for the nature of the particular contractual obligations, including at the minimum the following provisions, adjusted as needed to the object of a given agreement.

AUDITING

Compliance with the provisions of this Code, as well as the performance of duties presented therein by Echo employees and the Ethics Committee is subject to periodic examination by the internal audit department.

The full content of the Anti-Corruption Code is available on the website www.echo.com.pl in the tab "Strategy and corporate governance".

The procedure of concluding and performing donation, sponsorship and similar agreements

On 17 September 2016 Echo Investment implemented the procedure of concluding and performing donation, sponsoring and similar agreements in order to ensure that Echo's funds in the area of social responsibility in business are spent transparently and effectively, and in compliance with applicable laws as well as Echo's internal policies and standards of ethics. This Policy is binding upon all Echo group companies and applies to all donation, sponsorship and similar agreements, whereby these companies undertake to provide resources, financial or in-kind, to any third party in order to support charitable, social, cultural, sport or business ventures, projects or events. The procedure is under the strict supervision of the Ethics Committee. It implemented a detailed path of proceedings with applications and matters related to charity, sponsorship, etc., in which a potential donor is Echo Investment or a company from the group. It includes a request for support, screening of a potential beneficiary, proceedings in case when a public person is connected with an applicant, and later performance monitoring of the granted support.

Code of Conduct

As part of risk management and in order to strengthen its corporate culture, on 14 December 2016, Echo Investment made a decision to introduce the Code of Conduct - a document which defines the company's values and ethical norms required in its relations with employees, shareholders, local administration and communities. The Code of Conducts organizes

issues such as relations among employees and superiors or relations with business parties and other interested parties. It also defines the code of conduct in difficult situations such as a conflict of interest, a suspicion of irregularities, a corruption proposal or working with co-operators of bad reputation. In 2018, Echo Investment conducted a series of mandatory training sessions in ethics, mainly based on the Code of Conduct. Each employee took part in a workshop training run by members of the Management Board of the Company and lawyers specialising in compliance management as well as on-line training which ended with an obligatory exam.

Whistleblowing policy

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

Other procedures and policies

Echo Investment has also introduced other procedures and specific policies concerning, inter alia, auditor selection policy, policy non-audit services, environmental policy or security policy. They streamline and automate the management process for specific areas of Echo Investment's operations and facilitates performance monitoring.

The content of these procedures and policies is available on the website www.echo.com.pl in the tab "Strategy and corporate governance".

Systems of internal control and risk management

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

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

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

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

- operating activity
- financial activity
- reporting process (including the preparation of financial statements)
- analysis of costs and expenditures related to projects, costs and general administrative expenses and sale, and costs and expenditures related to the use of leasable area
- risk management, ensuring an effective internal control system and supporting the management of the whole Group.

To make this process optimal and effective, the Company has introduced the automation in the internal control process:

- decision limits (approval of costs, expenditures, payments, selection of counterparties, posting of costs)

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

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

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

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

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

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

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

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

Before presented to an independent auditor, the prepared financial statements are checked by the Company's Chief Accountant. According to the applicable laws, the Company reviews or audits its financial statements using a renowned and highly qualified independent statutory auditor.

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

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

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

Based on the budgets, cash flow forecasts, which are necessary in the risk management process, are updated. The budgeting process is based on the Company's existing formalised rules and is closely supervised by the Finance Director. The process involves the Company's mid-level and senior management staff responsible for specific budget areas. Responsibility

for the preparation and presentation rests with the Finance Branch, which is also responsible for monitoring the incurred expenditures and reporting on the performance of budgets. The budget of construction projects is the responsibility of Project Managers, who are assisted by the Business Controlling Department staff. The budget of costs and general administrative and sale expenses is the responsibility of the Budgeting and Analysis Division. This division is also responsible for preparing financial and cash flow forecasts and for verifying them. The budget prepared for the following year on an annual basis is approved by the Company's Management Board.

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

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

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

The key element in this process is the monitoring of the deviation of actual performance from the plan, and explaining the reasons for such a deviation. Monitoring deviations and learning their reasons helps optimise the Group's operations and minimise potential risks.

Risk management

Effective internal control (along with the existing reporting system) is the basic step in identifying risks and managing changes. In addition to the reporting system, effective risk management also involves a risk analysis. Therefore, the Company's key measure aimed at reducing its risk exposure is the correct assessment of prospective investments (Budgeting and Analysis Division) and the monitoring of current investments (project managers). To this end, investment models and decision-making procedures are employed, whose observance is closely monitored by the Company's Management Board. In addition, all requests and potential changes in the budgets of investment projects are entered by the Budgeting

and Analysis Division into result forecast models and a cash flow forecast so that an issue can be examined globally, and to eliminate risks related to projects, liquidity, foreign exchange rates, etc. Global management and risk monitoring as well as internal control in all areas that are important for the organisation largely limits most risks to which the Company is exposed.

Since 2018, the Internal Audit Department that performs independent assessment of risk management and internal control systems, has been functioning in Echo Investment. Audit tasks are carried out based on annual audit plans, approved and adopted by the Company's Management Board and the Audit Committee, respectively. Ad-hoc audits recommended by the Audit Committee or the Management Board of the Company are also conducted. The results of the internal audit work are reported directly to the Audit Committee and the Company's Management Board. The internal audit department is part of the financial department, but it can report directly to the Supervisory Board and the Audit Committee. The internal audit director meets the criteria and principles of independence set out in the well-known international standards for the professional practice of internal auditing.

Rules for amending the Company's articles of association

The rules for amending the Company's Statute or Articles of Association are governed by the Commercial Companies Code. Amendments to the Statute require a resolution of the General Shareholders' Meeting of Echo Investment S.A. and an entry into the National Court Register (KRS). The Management Board reports the amendment to the Statute to the respective register court within three months of the date of the resolution of the General Meeting.

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

The procedure of the general meeting, a description of shareholders' rights and the manner of exercising them

The procedure of the General Meeting of the Company, its powers and the rights of shareholders as well as the manner of exercising them are governed by the Company's Statute and the Code of Commercial Companies. The Company's Statute is available in the Investor relations / Strategy and corporate governance tab on the Company's website www.echo.com.pl.

The schedule of work related to the organization of the general meetings of the Company, including the preparation of materials presented at the general meeting, is planned so as to duly fulfil the obligations towards shareholders and enable them to exercise their rights.

Composition and changes in the management board

There were no changes in the Management Board of Echo Investment S.A. in 2018.

COMPANY'S MANAGEMENT BOARD AS AT 1 JANUARY 2018 AND AS AT 31 DECEMBER 2018

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

On 31 December, 2018 **Piotr Gromniak** resigned from the Management Board of Echo Investment where he has served as Vice-president for the last three years. Piotr Gromniak remains the Board Member of a residential rental platform Resi4Rent, of which

Echo Investment is a significant shareholder and with which it closely cooperates.

Echo Investment's Supervisory Board appointed Małgorzata Turek as Member of the Board on 7th March, 2019. She is responsible for investment, divestment and planning department.

Małgorzata Turek has over twenty years of experience in the real estate industry while working for both investment and development companies as well as international law firms. She is a specialist in the field of asset management as well as real estate purchase and sale transactions. Since 2017, she has been the president of the newly formed company Globalworth Poland Real Estate, where she was responsible for the organisation, development of a sustainable property portfolio generating revenues, as well as the establishment of all key functions of the company. She also gained her experience at Skanska Property Poland, where in 2012-2017 as a board member (Chief Operating Officer), was responsible for the company's transactions and operations. Previously, Małgorzata worked at the renowned law firm Linklaters, where she specialised in transactions on the commercial real estate market. A graduate of the Faculty of Law and Administration of the Jagiellonian University in Krakow and a member of the Bar Association in Poland.

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

The Management Board of Echo Investment S.A. operates based on the Commercial Companies Code Act (J.L. of 2017, item 1577), the Company's Statute, the Rules and Regulations of the Management Board of Echo Investment S.A. adopted by the Management Board and approved by way of Resolutions of the Company's Supervisory Board of 14 May 2005 and 21 March 2013, and according to the adopted "Code of Best Practice for WSE Listed Companies".

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

The term of office of the Management Board is three years, and Management Board members are appointed for a joint term of office, which does not preclude the right to dismiss a member of the Management Board earlier. Mandates of Members of the Management Board expire on the day of the GSM's approval of the financial statements for the last year of the Management Board's term of office. The Management Board or its individual Members may be dismissed by the Supervisory Board before the expiry of their term of office, especially following a justified written motion of shareholders who represent at least 1/3 of the share capital, or if the Management Board's fulfilment of duties for the last closed financial year is not acknowledged by the Ordinary General Shareholders' Meeting.

The Management Board may consist of one or more persons.

The Management Board represents the Company before officials, institutions, third parties, courts as well as public authorities. An appointed Proxy may act on behalf of the Company to the same effect. Declarations of intention, commitments and signing contracts and other documents on behalf of the

Company must be made jointly by: the President and the Vice-President of the Management Board; or two Vice-Presidents of the Management Board; or the President or the Vice-President together with Member of the Management Board; or the President or the Vice-President of the Management Board together with the Proxy. Management Board Members may only fulfil their duties in person.

The Management Board runs all current affairs of the Company, subject to restrictions specified by the Commercial Companies Code and the Article of Association. The purchase and sale of real property, perpetual usufruct title or a share in real property or a share in perpetual usufruct title by the Company lies within the responsibilities of the Management Board, subject to § 16, section 1, letters d) and e) of the Statute. When exercising the rights of the General Meeting in subsidiaries, the Company's Management Board is obliged to obtain a prior consent from the Company's Supervisory Board, even if the incurred liability or the exercise of a right by a subsidiary exceeds the limits specified in § 16, section 1, letters d) and e) of the Statute, under which a consent from the Supervisory Board is required for the Company to incur liabilities exceeding 20% of its equity.

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

In addition, the Management Board submits motions regarding issues to be discussed by the General Meeting to the Company's Supervisory Board for approval. Information on the produced opinions is announced to the public by the Company immediately after

such information is received from the Company's Supervisory Board.

When contacting the media, members of the Management Board may only provide generally available information about the Company. All statements for the media regarding financial forecasts and the strategy of the Company or of the Management Board may only be made by the President or the Vice-President of the Management Board. With regard to other issues, all members of the Management Board or other authorised persons are allowed to contact the media.

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

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

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

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

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

at least one member of the Company's Management Board objects.

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

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

In 2018, the Company's Management Board, when defining strategic objectives and current tasks, considered the best interest of the Company, its shareholders, partners, customers, employees and creditors, and observed the law.

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

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

Composition of the Supervisory Board and its changes

In 2018 there were no changes in the composition of Supervisory Board of Echo Investment

SUPERVISORY BOARD AS AT 1 JANUARY 2018 AND AS AT 31 DECEMBER 2018

Karim Khairallah - Chairman
Laurent Luccioni - Vice-Chairman
Mark E. Abramson - Independent Member of the Board
Maciej Dyjas - Member of the Board
Stefan Kawalec - Independent Member of the Board
Nebil Senman - Member of the Board
Sebastian Zilles - Member of the Board.

Company's supervisory board – rules of operation

The Supervisory Board of Echo Investment S.A. operates based on the Commercial Companies Code Act (J.L. of 2017, item 1577), the Company's Statute, the Rules and Regulations of the Supervisory Board of Echo Investment SA of 26 June 2003, 12 May 2008 and 10 October 2017, and according to the adopted "Code of Best Practice for WSE Listed Companies".

The Supervisory Board is composed of at least 5 members who are appointed (and dismissed) by the General Meeting for a period of three years; members of the Supervisory Board are appointed for a joint term of office, which does not preclude an earlier dismissal of every member of the Supervisory Board. At least two Members of the Supervisory Board should fulfil criteria of independency of the Company and entities materially related to the Company. The independent Member of the Supervisory Board makes a written statement to the Company and to the Chairman of the Supervisory Board or the Deputy-Chairman of the Supervisory Board on fulfilment of the independency criteria. Supervisory Board Members may be re-appointed. A resolution of the General Meeting each time specifies the number and the members of the Supervisory Board. If the General Meeting does not specify the function of a given member of the Supervisory Board when appoint such a member, the Supervisory Board appoints the Chairman of the Supervisory Board from among its members and the Vice-Chairman in a secret ballot. Members of the Supervisory Board fulfil their duties only in person. Members of the Supervisory Board delegated to constant and individual supervision may not, without the Company's consent, be involved in competitive business or participate in a competitive company as a partner in a civil law partnership, a partnership or as a member in a body of a capital company, or participate in another competitive legal person as a member of its bodies. This prohibition also includes participation in a competitive capital company in which a Supervisory Board member holds

at least 10% of interests or shares, or has the right to appoint at least one management board member.

Members of the Supervisory Board may be dismissed at any time by the General Shareholders' Meeting. A Supervisory Board member may resign his/her post before the expiry of the term of office for which he/she was appointed by submitting a statement to the Chairman of the Supervisory Board. If the Chairman of the Supervisory Board resigns his/ her post, the statement is submitted to the Vice-Chairman. A Member of the Supervisory Board should not resign during the term of office, if such a resignation could prevent the Supervisory Board from operating, and especially if it could prevent the adoption of an important resolution.

The mandate of a Supervisory Board member expires, at the latest, on the day of the General Meeting which approves the Company's financial statements for the last full financial year in which the Supervisory Board member held his/her post (final year of the member's term of office). The mandate also expires upon death or dismissal of a Supervisory Board member. If, as a result of expiry of mandates of Supervisory Board members, the Supervisory Board is composed of fewer than 5 members, the Supervisory Board is unable to pass legally binding resolutions, and the Chairman of the Supervisory Board, or, in the absence of the Chairman, the Vice-Chairman, requests the Company's Management Board to promptly convene an Extraordinary General Meeting and to include the appointment of Supervisory Board members in the agenda of the General Meeting.

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

When contacting the media, members of the Supervisory Board may only provide generally available information about the Company. Any statements for

the media regarding the Company or the Supervisory Board may only be made by the Chairman of the Supervisory Board or a person appointed by him/her.

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

In particular, the Supervisory Board is authorised to:

- examine the Company's financial statements for the last financial year,
- examine the Company's Management Report and suggestions of the Management Board regarding the distribution of profit and the coverage of loss,
- submit a written report on the above actions to the General Meeting,
- express opinions on motions submitted by the Management Board directed to the General Meeting, and
- express opinion and pass resolutions on other issues submitted by the Company's Management Board,
- appoint, dismiss and suspend the Company's Management Board or its individual members,
- appoint or change of an auditor Company to audit the Company's financial statement with whom the Management Board concludes an agreement,
- approve the Management Board's conclusion of the agreement with a sub-issuer referred to in Article 433 § 3 of the Commercial Companies Code,
- approve the contracting of liabilities and disposing of the rights to the extent within the current business of the Company – if their value exceeds 20 % of the Company's equity,
- approve the contracting of liabilities and disposing of the rights that go beyond the current business of the Company – if their value exceeds 10% of the Company's equity,
- assessment of the criteria of independency of each Supervisory Board Member.

If it is uncertain whether a given issue has been included in the current business of the Company, the Supervisory Board is entitled to make a relevant interpretation in this respect, at the request of the Management Board. The interpretation shall be binding for the Management Board. Issues related to trade in real estate are within the scope of the Company's current business.

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

initiative of the Chairman of the Board or at a written request of the Management Board or a member of the Supervisory Board. The meetings of the Supervisory Board convened at the request of the Management Board or a member of the Supervisory Board must be held within two weeks from the date of submitting the request, but no earlier than on the third day after receiving such request by the Chairman of the Supervisory Board. The meetings are presided over by the Chairman and, in his/her absence, by the Vice-Chairman of the Supervisory Board. If neither the Chairman nor the Vice-Chairman of the Supervisory Board is present at the meeting, the meeting is presided over by the Board member appointed by the present attendees.

The Supervisory Board may hold a meeting without being formally convened, if all of its members are present, and no member objects to the meeting being held and to including specific items in the agenda. The meetings of the Supervisory Board may be attended by other persons invited by the Chairman of the Supervisory Board, including Members of the Management Board with the right to advise.

The members of the Supervisory Board make decisions related to the exercise of supervisory and control rights by way of resolutions. All Members of the Supervisory Board must be invited to the meeting and at least 50% of the Members must be present at the meeting or otherwise the resolutions of the Supervisory Board are null and void. The Supervisory Board may pass resolutions in writing.

The Supervisory Board resolutions may be passed in writing under the condition of signing the resolution by each Supervisory Board Member under the same copy of the resolution draft or on separate copies, and informing all Supervisory Board Members about the content of the draft resolution by sending it via post, including post courier, fax or e-mail on the address indicated by the Supervisory Board Member. Such a way may not involve the appointment of the Chairman and the Vice-Chairman of the Supervisory Board, the appointment of a Member of the Management Board as well as the dismissal and suspension of these individuals. In such a case, for the resolutions to be valid, the Supervisory Board members must be notified in advance about the draft resolutions.

Resolutions of the Supervisory Board are adopted by an absolute majority of votes. In case of a tied vote when adopting resolutions by the Supervisory Board, the Chairman of the Supervisory Board shall have the casting vote. The meetings of the Supervisory Board are minuted. Resolutions of the Supervisory Board are recorded in the minutes in such a way so that they form attachments to the minutes, or are included in the text of the minutes. In addition, the minutes must include the date and place of the meeting of the Supervisory Board, names of the present Supervisory Board members and the number of votes cast on

individual resolutions. The minutes must be signed by all Supervisory Board members attending the meeting. Any dissenting opinions of the attendees must be closed to the minutes.

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

- request the Management Board to provide documents and other materials on the Company's operations
- verify the Company's files and documentation demand explanations and reports from the Management Board and from the employees
- revise the status of the company's assets.

The Supervisory Board has the right to submit motions to the General Meeting regarding all issues within its scope of tasks and responsibilities. The Supervisory Board fulfils its duties by acting jointly; it may, however, delegate individual members to independent and specific supervisory functions by way of a resolution. The Supervisory Board may appoint committees for specific matters, including Audit Committee, adopting its rules and appointing the Chairman of the Audit Committee.

The secretarial services to the Supervisory Board are provided by the office of Company's the Management Board. The secretarial services include: preparing invitations to the meetings of the Supervisory Board and sending them to the members of the Supervisory Board according to these rules and regulations, organising the premises where the meeting of the Supervisory Board is to be held, preparing minutes from the meeting, providing services during the meeting and archiving the Supervisory Board's documentation.

Composition of the Audit Committee and its changes

In 2018 there were no changes in composition of Echo Investment's Audit Committee

AUDIT COMMITTEE AS AT 1 JANUARY 2018 AND 31 DECEMBER 2018

Stefan Kawalec – Chairman of the Audit Committee, Independent Member of the Supervisory Board,
Mark E. Abramson – Vice-President of the Audit Committee, Independent Member of the Supervisory Board,
Nebil Senman – Member of the Audit Committee, Member of the Supervisory Board.

The responsibilities of the Audit Committee

The responsibilities of the Audit Committee include in particular:
monitoring:

1. the financial reporting process;
- a. the efficiency of the internal control systems and risk management systems as well as internal audits, including with respect to financial reporting;
- b. the execution of financial review proceedings, including specifically the audits performed by the auditing firm;
2. inspecting and monitoring the independence of the certified auditor and the auditing firm, specifically in the event that the audit firm renders any non-audit services to the Company, including with regard to any change of the certified auditor or the auditing firm and the level of received remuneration;
3. informing the Supervisory Board about the results of the audit and providing explanations as to how the audit contributed to the accuracy of financing reporting in the Company, and what was the role of the Audit Committee in the audit procedure;
4. assessment of the independence of the certified auditor and consenting to that auditor conducting any non-audit permitted services in favour of the Company;
5. development of the policy of the selection of an auditing firm for the conduct of an audit
6. development of the policy applicable with respect to any non-audit permitted services rendered by the auditing firm which conducts the audit and by any entities related to that auditing firm and by any member of the auditing firm's group;
7. determining the procedure for the selection of an auditing firm by the Company;
8. providing the Supervisory Board with recommendations concerning the appointment of certified auditors or auditing firms in accordance with the policies referred to in sections 3.5 and 3.6 of By-laws of the Audit Committee;
9. presentation of recommendations with the objective of ensuring the accuracy of the financial reporting process in the Company;
10. assessment of the work of the certified auditor and the auditing firm;
11. supervising the manner in which the Company's Management Board performs duties related to preparation of tax documentation of transactions with related entities;
12. preparation of the opinions within the scope of the Audit Committee's competence, on the initiative of the Supervisory Board or on its own initiative;
13. informing the Supervisory Board in due time about the Audit Committee's method of utilising its entitlements and about significant events regarding its operations, in particular providing any and all information about the results of the Audit Committee's work;
14. participation in Supervisory Board meetings, Management Board meetings and General Meetings of the Company in order to provide a detailed account of the Audit Committee's operations;

The Audit Committee may demand that the key certified auditor discuss with an audit committee, management board or any other managing body, supervisory board or other supervisory or controlling body in a public interest entity or a key certified auditor may demand discussing with the Audit Committee, management board or any other managing body, supervisory board or other supervisory or controlling body in a public interest entity of any issues discovered in the course of the audit which were mentioned in the additional report referred to in Article 11 of the Regulation No. 537/2014.

The Audit Committee, without the intermediation of the Supervisory Board, is entitled to:

- a. a) demand the Company to provide specific information, explanations and documents necessary

for the performance of the duties referred to in sections 3.1 – 3.15 of By-laws of the Audit Committee, including with regard to bookkeeping, finance, internal and external audit, in particular members of the Audit Committee are entitled to examine any and all books and documents and to obtain information and clarifications from members of the Management Board, directors and employees of the Company in the scope that is necessary for the appropriate performance of duties by the Audit Committee;

- b. demand from the Company to submit the work schedules of internal auditors and certified auditors or auditing firms,
- c. examining annual and semi-annual reports of the Company in due time;
- d. putting forward recommendations and assessments to the Supervisory Board within the scope of the Audit Committee's responsibilities, the President of the Management Board shall be informed about the recommendations and assessments put forward to the Supervisory Board;

While fulfilling its responsibilities the Audit Committee can acquire help or information from an expert or experts chosen by the Audit Committee for a fee agreed by both the expert and the Audit Committee, which needs to be approved by the President of the Supervisory Board. On obtaining the aforementioned approval of the President of the Supervisory Board, the Audit Committee Chairman shall inform the Management Board about the agreed fee and other actions required in order to employ the expert or experts. The Audit Committee will select the expert in consideration of the financial position of the Company.

In terms of meeting the conditions of independence of members of the Audit Committee, the provisions referred to in Article 129 par. 3 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision, as well as independence criteria of supervisory board members in line with Best Practices of GPW Listed Companies 2016 (principle II.Z.4. section II: Management Board and Supervisory Board) are applied accordingly.

CHAPTER 3

STATEMENT OF THE MANAGEMENT BOARD



The Management Board of Echo Investment S.A. declares that, to the best of its knowledge, the Management Board Report on operations of Echo Investment S.A. and its Group for 2018 and comparative data have been presented in compliance with the applicable accounting principles, and that they reflect in a true, reliable and transparent manner the economic and financial situation of Echo Investment S.A. and its financial result. The management report of Echo Investment S.A. presents a true view of development, accomplishments and situation of Echo Investment S.A., including a description of fundamental risks and threats.

The Management Board of Echo Investment S.A. declares that the entity authorised to audit financial statements, auditing the annual financial statements for 2018, was selected in accordance with the laws. This entity and the statutory auditors conducting the audit fulfilled the conditions required to express an unbiased and independent opinion on the audited annual financial statements, pursuant to the applicable laws and professional standards.

The document is signed with qualified electronic signature

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Marcin Materny

Member of the Board

Rafał Mazurczak

Member of the Board

Waldemar Olbryk

Member of the Board

Małgorzata Turek

Member of the Board

Kielce, 20 March, 2019

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