

FINANCIAL REPORT OF **ECHO INVESTMENT** Q1 2021



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Message from CEO



**DEAR SHAREHOLDERS,
PARTNERS AND CLIENTS,**

It is my pleasure to present to you this financial report of Echo Investment for the first quarter of 2021, keeping stable financial position. At that time Echo Investment generated a net profit of PLN 24.5 million, that mainly resulted from the value increase of projects under construction and hand over of 154 apartments to clients. The result was also influenced by the valuation of Resi4Rent projects.

Residential sector

Taking into account the new reality in which we operate, social trends, and changing client preferences, we focus on growing the residential sector. We are ready to implement this plan. In recent years, we have focused on the purchase of large plots of land, where complex and perfectly designed attractive parts of the city with a dominant residential function can be built. Additionally, in April this year, we finalised the purchase of a 66% stake in the Wrocław-based property developer Archicom, as a result of which the Echo-Archicom group has become the biggest residential developer in Poland.

From the beginning of the year to the end of March 2021, we sold 463 apartments, improving the result achieved in the same period last year by 16%. We handed over 154 units to clients.

We are constantly expanding our offer and only in 2021 as the Echo-Archicom group we will start construction of 7,000 apartments for sale and rent.

Resi4Rent

We are consistently developing Resi4Rent - the largest private company with apartments for rent in Poland. At the end of the first quarter of 2021, Resi4Rent owned 40% of the finished units managed by institutional investors. Since the beginning of this year, the company launched 600 apartments in two projects in Warsaw. Within the next months, Resi4Rent will complete another 460 apartments and by the end of the year it will have 2,300 apartments in operation and more than 3,000 units under construction. Ultimately, by 2025, Resi4Rent will offer 10,000 apartments in the six largest Polish cities and it will be the biggest company offering apartments for rent.

Commercial property sector

Currently we have office buildings under construction with a total leasable area of approx. 100,000 sqm and another 206,000 sqm are in the planning stage. In the first quarter we started the construction of an office complex Brain Park in Kraków. It will encompass over 43,000 sqm of modern work space, surrounded by a large green area. Such attractive projects attract renowned tenants and, consequently, long-term investors.

In March 2021, we sold the Villa Office building of Warsaw Brewery complex. We are conducting advanced talks about the sale of other buildings, which should soon result in signed sale contracts. With an excellent location, good architecture and individual approach to clients, our office buildings are a stable, long-term investment for funds and financial institutions. The first quarter also brought an increased interest from tenants which resulted in contracts signed for 40,000 sqm. We are also in ongoing process of many lease negotiations and this proves that people are coming back to the offices.

Taking into account the new reality in which we operate, social trends, and changing client preferences, we focus on growing the residential sector. We are ready to implement this plan. In recent years, we have focused on the purchase of large plots of land, where complex and perfectly designed attractive parts of the city with a dominant residential function can be built. Additionally, in April this year, we finalised the purchase of a 66% stake in the Wrocław-based property developer Archicom, as a result of which the Echo-Archicom group has become the biggest residential developer in Poland.

In retail segment, in the first quarter of 2021 we can highlight two significant lease agreements. We leased 8,500 sqm of retail space to Kaufland chain in the Pasaż Opieńskiego shopping center in Poznań, while in Łódź Fuzja we have signed an agreement with Netto. After the difficult time of lock-down, the first restaurants, cafes and service points were opened in Warsaw Brewery have been attracting crowds of Warsaw residents every day. Already today, I invite you to other attractive places, such as the craft Warsaw Brewery, the food hall in the Cellars or the long-awaited restaurant of the famous RL7, which will open in the coming weeks.

Financial position

Echo Investment enjoys a stable financial standing. The Group maintains a high cash position: at the end of the first quarter it was over PLN 688 million. The value of our assets amounts to nearly PLN 5.8 billion, nearly 15% higher than a year ago. This is in line with our strategy to strengthen our position as a stable and diversified leader in the development sector. We continue to observe the changes in the economy caused by the pandemic and carefully analyze our plans for the coming months. The priority is to maintain a strong financial position and keep growing in the residential segment to take the leading position.

I encourage you to read our financial report for first quarter of 2021 in detail.

Yours sincerely



Nicklas Lindberg
CEO OF ECHO INVESTMENT

CHAPTER 1
**MANAGEMENT
REPORT**



Kielce

1996

First listing of Echo Investment on the WSE.

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

The parent company Echo Investment S.A., with its office in Kielce, al. Solidarności 36, was registered in Kielce on June 30, 1994. Echo is a Joint Stock Company entered in the National Court Register under no. 0000007025 by the District Court in Kielce, 10th Economic Division of the National Court Register.

Since 5 March 1996, the Company's shares are listed at the Warsaw Stock Exchange on the regulated market, sector - WIG - Real Estate. The parent entity is Lisala Sp. z o.o., and the ultimate parent of the group is WING IHC Zrt. The Company was established for an indefinite period of time.

ECHO
investment



Management Board

As at May 26, 2021

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



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



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



**Rafał
Mazurczak**
Member of the Board



**Małgorzata
Turek**
Member of the Board



Waldemar Olbryk resigned from the position of a Board Member of Echo Investment S.A. On April 22, 2021, he took the position of the President of the Management Board of Archicom S.A.

Marcin Materny resigned from the position of a Board Member of Echo Investment S.A. on April 22, 2021.

Supervisory Board

**Noah M.
Steinberg**
Chairman



**Tibor
Veres**
Deputy Chairman



**Margaret
Dezse**
Independent
Supervisory Board
Member
Chair of the Audit
Committee



**Sławomir
Jędrzejczyk**
Independent
Supervisory Board
Member
Deputy Chairman
of the Audit Committee



**Maciej
Dyjas**
Supervisory Board
Member



**Péter
Kocsis**
Supervisory Board
Member



**Bence
Sass**
Supervisory Board
Member



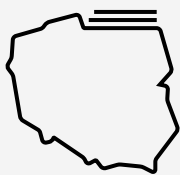
**Nebil
Senman**
Supervisory Board
Member
Audit Committee
Member



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

STRATEGY OF ECHO INVESTMENT

POLAND



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

LEADERSHIP



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

FOCUS ON DEVELOPMENT



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

STRATEGIC COOPERATION WITH RELIABLE PARTNERS

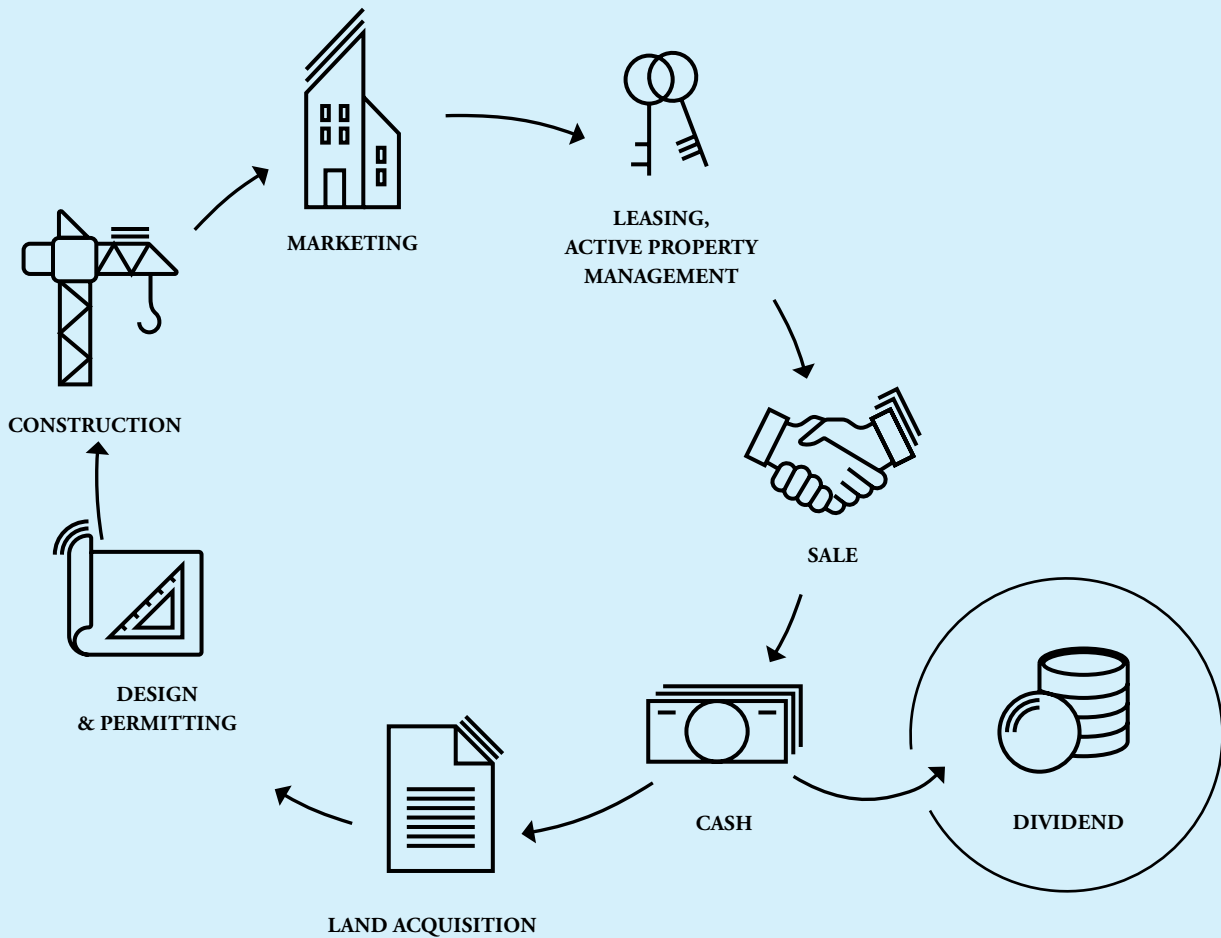


Echo Investment values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation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

DESTINATION PROJECTS



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



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

purpose vehicles (SPV). The core business of Echo Investment Group falls into the following categories:

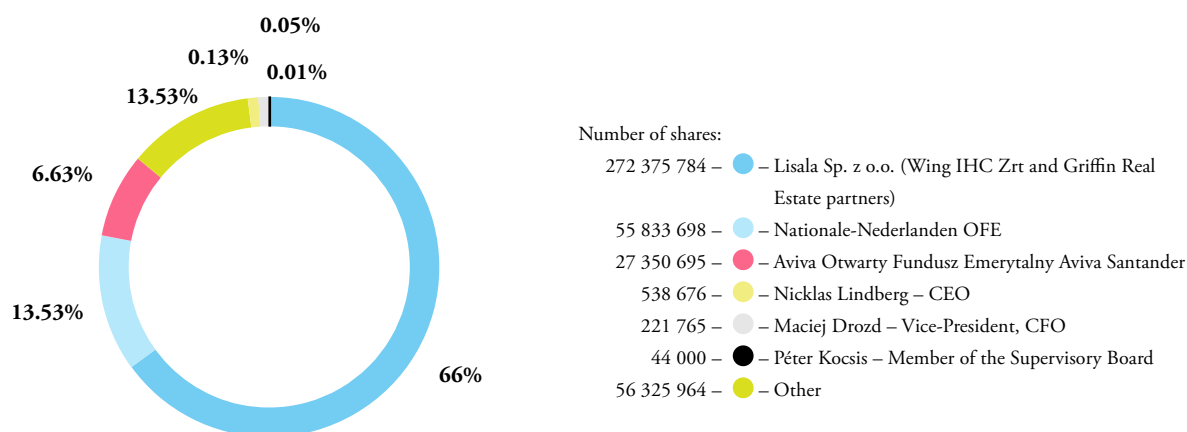
1. construction, lease, active property management to increase its value and sale of office buildings,
2. construction, lease, active property management to increase its value and sale of retail buildings,
3. construction and sale of residential apartments
4. provision of services (general contractor, managing contractor, leasing, consulting etc.).

CONSOLIDATED FINANCIAL DATA OF THE ECHO INVESTMENT GROUP

	[PLN '000]		[EUR '000]	
	as at 31.03.2021 – end of quarter	as at 31.03.2020 – end of quarter	as at 31.03.2021 – end of quarter	as at 31.03.2020 – end of quarter
Revenue	155 370	158 005	33 982	35 940
Operating profit	72 952	102 757	15 956	23 374
Gross profit	37 259	49 269	8 149	11 207
Profit attributable to shareholders of the parent company	24 521	40 629	5 363	9 242
Cash flows from operating activities	190 866	(44 736)	41 746	(10 176)
Cash flows from investment activities	265 806	(117 095)	58 137	(26 635)
Cash flows from financing activities	(95 356)	122 731	(20 856)	27 917
Net cash flow	361 316	(39 100)	79 026	(8 894)
Total assets	5 780 747	5 086 749	1 240 424	1 117 402
Equity attributable to equity holders of the parent	1 709 240	1 603 200	366 766	352 174
Long-term liabilities	1 896 885	2 071 625	407 031	455 072
Short-term liabilities	2 174 749	1 412 047	466 654	310 183
Number of shares	412 690 582	412 690 582	412 690 582	412 690 582
Profit (loss) per one ordinary share	0,06	0,10	0,01	0,02
Book value per one share	4,14	3,88	0,89	0,85

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 MARCH 2021



5.1 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.

5.2 Shareholding structure

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

The shareholding structure information as it was on March 31, 2021 and as on the balance sheet day is based on notifications from shareholders and information on the OFE (Opened Pension Funds) portfolios composition as at December 31, 2020.

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

06

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

Lindberg, President of the Management Board, Maciej Drozd Vice-president, CFO and Péter Kocsis, member of the Supervisory Board.

VOLUME OF SHARES OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 31 MARCH 2021

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%
Péter Kocsis Supervisory Board Member	44 000	0,01%

VOLUME OF BONDS OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 31 MARCH 2021

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

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

date of publication of the report, none of them was a shareholder or bondholder on March 31, 2021 and during 2021, and none of them concluded any transactions for shares or bonds in the Company.

7.1 Sale of Villa Offices building

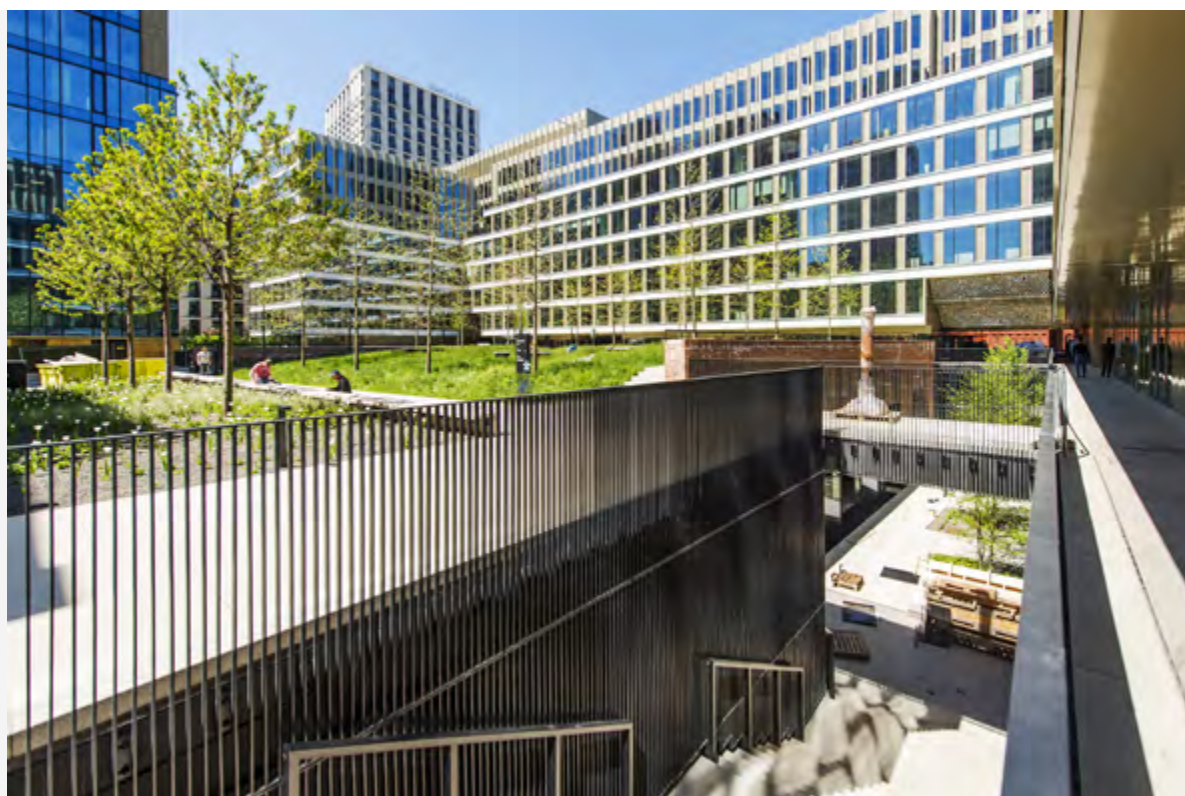
Echo Investment Group has concluded final sale agreement of Villa Offices building being part of the Warsaw Brewery complex. It was acquired by KGAL Group, a leading independent investment and asset manager. The building was sold for approximately EUR 86.7 million.



The transaction value was reduced, inter alia, by the value of the rent-free periods, the partial value of capitalized rents on premises not handed over to tenants, the value of arrangement works, and other costs. As a result, the price payable at closing was EUR 69.3 million plus VAT. After the space is handed over to all tenants, the price will be increased to EUR 76.6 million plus VAT. In addition the seller received a separate fee related to the completion of arrangement works on the tenants' premises and the repair of defects in the total amount of EUR 4.6 million plus VAT.

As part of the transaction, the parties have also concluded a building quality guarantee agreement and a rental guarantee agreement. The second one provides a guarantee to the buyer that the seller will cover rent payments and service charges for parts of the building that have not been yet rented and those that have been rented, but for which rent reductions or rent-free periods have been applied.

The Villa Offices building received an occupancy permit in April 2020 and is already fully leased with such companies as WeWork, Accenture and Etno Café that occupies its ground floor. Soon



The building of the Malthouse Offices in the Warsaw Brewery complex, Warsaw

a reputable financial institution and Echo Investment, as well as well-known Mediterranean restaurant will also move into the building.

The 13-floor building of Villa Offices is located in the immediate vicinity of the restored Schiele Villa, a historical house of the former owner of the famous brewery, near the entrance to the heart of Warsaw Brewery. The structure is 55-meter high and its total rental area amounts to 16,600 sqm.

7.2 Bond issue of a total value of PLN 195 million

On March 17, 2021 institutional investors have acquired Echo Investment's bonds with a total value of PLN 195 million.

The bonds have a 4-year maturity. Their interest rate is based on the WIBOR 6M variable rate plus a margin for investors. The agent of this new issue is mBank S.A. Echo Investment plans to allocate the money obtained from the bond issue to finance the development of its business and to repay the bonds maturing at the end of Q1 of this year.

The issued bonds are not secured and will be entered into the market in the alternative trading system of the Warsaw Stock Exchange.

Parallel to issue of bonds, the Company redeemed 1,475 own bonds with a nominal value of PLN 10,000 each (ISIN code PLECHPS00225).

8.1 Conclusion of a preliminary agreement on the acquisition of a majority stake of shares in Archicom S.A.

On April 22, 2021 Echo Investment concluded the acquisition of a stake of Archicom S.A. shares representing in total approximately 66.01% of the share capital and entitling to a total of approximately 65.99% of votes. The sellers were the company founders Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki. The price for the shares will be PLN 429 million. Echo Investment will pay PLN 237 million on the transaction day and the remaining PLN 188 million in bonds issued with a maturity date of 3.5 years, bearing interest at an annual rate of 5%.

A subsidiary of Archicom carrying out the development business outside Wrocław and adjacent municipalities, as well as a subsidiary of Archicom carrying out architectural and design services business, were excluded from the scope of the transaction. Those assets were sold-back to the founders of the company. The development projects were sold to Dorota Jarodzka-Śródka and Rafał Jarodzki for PLN 131 million (paid in two instalments), and the design studio - to Dorota Jarodzka-Śródka and Kazimierz Śródka for PLN 2.4 million.

In addition, on the closing date of the transaction an option agreement was executed under which Echo Investment S.A. or an entity designated by the company is entitled to purchase the Archicom S.A. shares remaining in the hands of the sellers, representing 8.31% of the share capital and carrying 13.32% of total votes at the general meeting. The option is exercisable until March 15, 2023.

At the end of 2020 in Wrocław and Kraków Archicom had c.a. 2,000 apartments under construction and 4,200 in preparation. After completion of the transaction, the Echo-Archicom Group is the largest residential developer in Poland, starting the construction of a total of 7 thousand apartments for sale and rent in 2021. The acquisition is in line with Echo Investment's strategic goals of becoming a Polish nationwide leader in the residential sector.

Archicom has been operating mainly on the Lower Silesian market and has been listed on the Stock Exchange since 2016. The company has grown out of a family-owned architectural design office and has 160 completed projects to its credit, including the revitalized Wrocław Brewery complex, the award-winning Olimpia Port estate and the first exclusive Platinum Lofts in Wrocław. Archicom is a strong, recognizable brand with nearly 15% share in the Wrocław residential market.

According to previous decision of Archicom S.A. Supervisory Board and General Meeting of Shareholders, at the same time as the transaction was closed, there were changes in the company's governing bodies. Waldemar Olbryk became the CEO of Archicom (previously resigned from sitting in Echo Investment Management Board), Agata Skowrońska-Domańska and Rafał Zboch took up positions of Members of the Board. Nicklas Lindberg, Maciej Drozd, Małgorzata Turek and Rafał Mazurczak became Members of the Supervisory Board.

8.2 Resignation of Member of Management Board of Echo Investment

On April 22, Marcin Materny resigned from his position of a Member of the Management board of Echo Investment. Marcin Materny has been a Member of

the Board since 2016 and he was responsible for the retail real estate segment.

9.1 Residential market in Poland



The first quarter of 2021 has proven to be record-breaking in terms of a number of apartments sold in total on the primary market in Warsaw, Kraków, Wrocław, the Tri-City, Poznań and Łódź – according to JLL data. The sale of 19,500 units marked a 40% increase compared to Q4 2020, and a 3% increase compared to Q1 2020. Moreover, 13,900 units were launched for sale, 14% more than the previous quarter and 7% more than the same period in 2020. It is expected that some of the new supply - both for seasonal reasons and due to pandemic restrictions - will be postponed to May or June this year. There were 42,100 units on developers' offer at the end of March 2021, falling to the lowest level since 2014. According to JLL experts, at the same time, a strong determination of developers to complete deficiencies in their offer was noticeable, which was reflected in the record numbers of building permits issued in recent months. How well the volume and quality of the offering can be rebuilt will determine sales in the

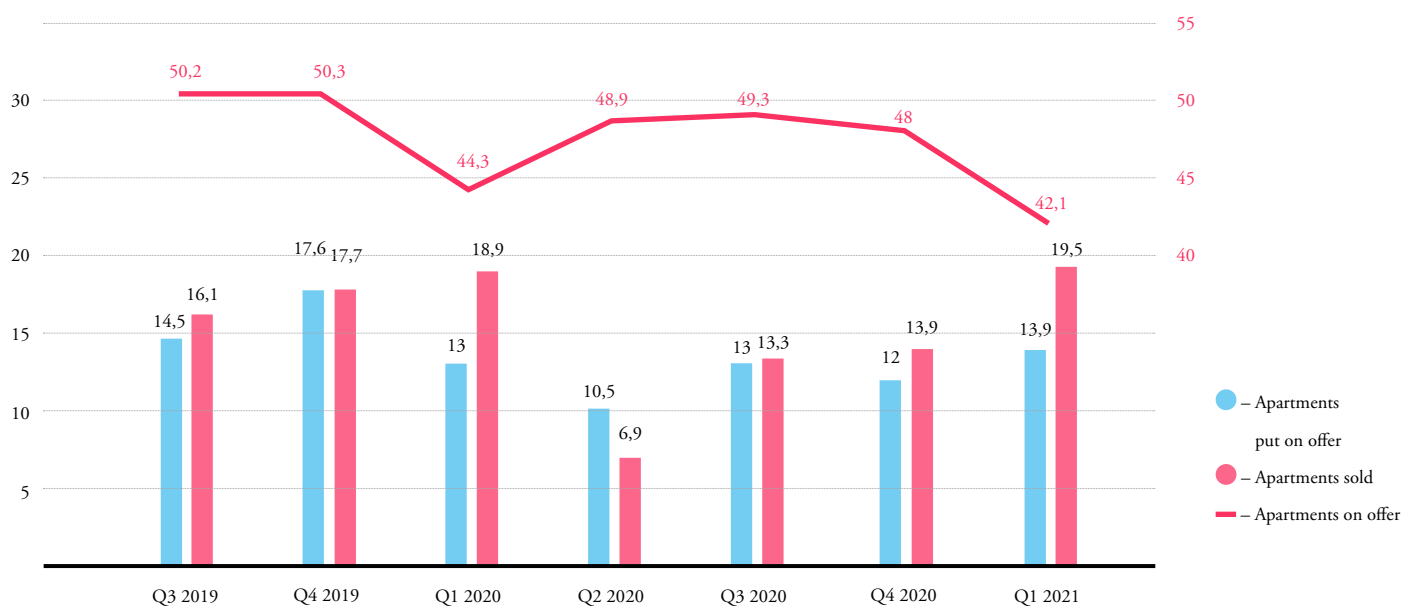
months ahead, and will show how much of the excellent first quarter sales were related to postponed during the pandemic in 2020, and how much it sets a ceiling for the following quarters of 2021.

According to JLL experts, data on the sales volume and its relation to a new supply in Q1 2021 in the six largest residential markets in Poland indicates that we are dealing with a scenario of demand surplus over supply and continuation of the trend of rising price. Those who are looking for an apartment to satisfy their own housing needs are increasingly being joined by those who consider the purchase of an apartment as a way to protect their savings from losing value. It may also be assumed that among the buyers there are also persons focused primarily on gaining benefits from the expected increase in residential prices, including those who support their speculative purchases with loans.

Perspectives of each market sectors in coming months:

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

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



Source: JLL

9.2 Echo Investment's achievements in the segment of apartments for sale

From the beginning of the year to the end of March 2021, Echo Investment sold 463 apartments, improving the result achieved in the same period last year by 16%. Most transactions involved Enter II in Poznań, Stacja Wola II in Warsaw and ZAM I in Kraków.

In Q1 2021 Echo Investment handed over 154 units to clients.

Following its strategic goal of increasing its presence in the residential segment, on February 8, 2021 Echo Investment signed a preliminary agreement to purchase a 66% stake in the Wrocław-based company Archicom from its founders. After the transaction was finalized on April 22, 2021, the Echo-Archicom group became the largest residential developer in Poland. In 2021 the group will start to construct a total of 7,000 apartments for sale and for rent. The acquisition is in line with Echo Investment's strategic goal of becoming a nationwide leader in the

residential segment. At the end of 2020, Archicom had about 2 thousand apartments under construction and 4.2 thousand apartments in preparation in Wrocław and Kraków.

Archicom has been operating mainly in the Lower Silesian market since 1986 and has been listed on the Stock Exchange since 2016. The company has grown from a family-owned design firm and has 160 completed projects to its credit, including the revitalized complex Browary Wrocławskie, the award-winning Olimpia Port residential estate and the first exclusive Lofty Platinum in Wrocław. Archicom is a strong, recognizable brand with an almost 15% share in the Wrocław residential market. Both companies will operate here under a common strategy and in one group of companies. Combining the strengths of both companies confirms the group as the strongest developer with the largest potential in Wrocław.



Fuzja, Łódź

9.3 Echo Investment's achievements in the segment of apartments for rent

Resi4Rent is the largest private company that rents out apartments by subscription, owned in 30% by Echo Investment. The remaining 70% of its shares belong to a global investment fund. Echo Investment is also responsible for the preparation and construction of Resi4Rent projects.

At the end of Q1 2021, Resi4Rent owned 40% of the finished stock of the institutional rental market in Poland. In the first quarter of this year, the company launched 600 comfortable subscription apartments in two locations in Warsaw. Comparing the current quarter to the first months of 2020, the number of apartments that Resi4Rent offers was almost tripled.

The company also noted an increase in interest in its offer, which translated into the number of contracts signed for the first three months of 2021, which exceeded the number of contracts signed in the corresponding period of 2020 by 100%.

This year, Resi4Rent will have 2,300 units in five major cities in Poland. Ultimately, by 2025, the company will hold 10,000 units in the six largest Polish cities - Warsaw, Kraków, Łódź, Wrocław, Gdańsk and Poznań.



Resi4Rent in Warsaw Brewery, Warsaw



Commercial segment – market outlook and business activities of the Group

10.1 Office market in Poland



At the end of Q1 2021, the total supply in 9 major office markets reached nearly 11.9 million sqm - according to the research of Colliers. In Warsaw, developers delivered 167.1 thousand sqm of modern office space. This is more than in 2019 and more than half in 2020. Among the largest projects were Skyliner (48.5 thousand sqm) and Generation Park Y (44.2 thousand sqm). Among regional cities, the office space growth was recorded only in the Tri-City (nearly 25 thousand sqm) and in Kraków (21.4 thousand sqm).

Colliers experts report that the vacancy rate in Warsaw at the end of Q1 2021 was 11.4% (up by 1.5 pp. compared to Q4 2020 and by 3.9 pp. compared to Q1 2020), which means that there is approximately 691.6 thousand sqm of office space is available in the city. Among regional cities, the highest vacancy rate was observed in Łódź (16.9%) and the lowest - in Szczecin (7.4%). In Q1 2021, the demand for office space in 9 largest markets in Poland amounted to 207.5 thousand sqm, a decrease of approximately 30% compared to Q4 2020. The largest contract signed in Warsaw concerned the lease of 9.8 thousand sqm by the City Transport Authority in the building Fabryka PZO. In turn, the highest tenant

activity among regional cities was recorded in the Tricity (37.9 thousand sqm).

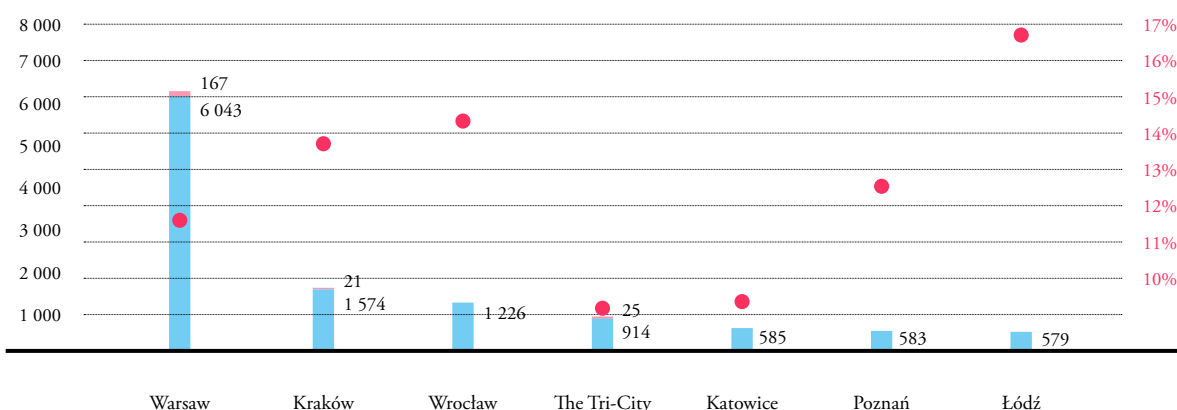
The structure of agreements concluded in Q1 2021 in Warsaw was dominated by new contracts, which accounted for 66% of the total demand. In regional cities, renegotiations had the biggest share in the transaction volume (45%). At the end of the first quarter of 2021, the amount of space offered for sub-lease grew dynamically, reaching over 130,000 sqm in Warsaw and over 125,000 sqm in regional cities.

According to Colliers advisors, companies have been conducting analyses of work models, both to optimize costs and to find the best solution that will help achieve a balance between office working and working remotely. Offices will be treated as a place for interaction, creative meetings, exchange of ideas and thoughts. As part of the new function, it will improve team and company identity building, a sense of belonging to organizations. This, according to the research, is what employees miss most when working remotely.

Perspectives of each market sectors in coming months:

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

THE OFFICE MARKET IN MAIN POLISH CITIES AS AT THE END OF THE FIRST QUARTER 2021 [‘000 SQM]



- Market size
- Space under construction
- Free area factor

Source: JLL



10.2 Echo Investment's achievements in the office segment

At the end of Q1 2021, Echo Investment had office buildings under construction with a total leasable area of approx. 100 thousand sqm. Another 206 thousand sqm are in the planning stage.

In the first quarter tenants moved into the second office building in the Moje Miejsce project in Warsaw. Thus, the urban quarter combining offices, apartments and commercial premises was completed. The second office building of the project, with an area of over 17 thousand sqm, was built within 17 months according to the planned schedule.

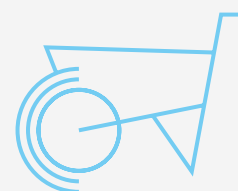
In the first quarter Echo Investment started the construction of an office complex Brain Park in Kraków. More than 43 thousand sqm of modern work space and almost 10 thousand sqm of green areas will be built at Aleja Pokoju, one of the main arteries of the city. The first stage of the project will be completed in the third quarter of 2022 and will offer over 29 thousand sqm of office space.

In March Echo Investment sold the building of Villa Offices, which is part of the complex Warsaw Brewery. The building was purchased by KGAL Group, a leading independent investment and asset manager, for approximately €86.7 million. This transaction demonstrates the strong interest of both investors and tenants in mixed-use, urban "destination" projects.

CitySpace, a Polish operator of flexible serviced offices owned by Echo Investment, continues its dynamic growth. The operator currently holds nearly 3,000 desks on 21,000 sqm of flexible space in 5 Polish cities. In the first quarter of this year the operator introduced CitySpace App, an application to manage modern office space owned by the company. The mobile application provides an easy and secure way to book day offices, hot desks and meeting rooms in all 11 CitySpace office centers in Poland, located in Warsaw, Wrocław, Kraków, Katowice and Gdańsk. Moreover, the application allows to make online payments or check personalized information about the office.



Brain Park office complex, Kraków



10.3 Retail real estate market in Poland



Despite the undoubtedly huge impact of the pandemic on the retail market in Poland, the first quarter of 2021, with the estimated transaction value of around €190 million, was quite unexpectedly the second strongest Q1 since 2015.

According to JLL, 92,800 sqm of retail space was delivered in Q1 2021, that is comparable to last year. Interestingly, the structure of the new supply includes only two large-size formats: stand-alone stores (55%) and retail parks (31%). The remaining 14% (13,000 sqm) was opened in centers of everyday shopping (GLA less than 5,000 sqm). The projected structure of the new supply in 2021 reflects the trend of doing convenience shopping in close localities that intensified during the pandemic. In terms of leasable space, retail parks (36%) and stand-alone stores (27%) will dominate among new facilities. New shopping centres and everyday stores will account for a similar share of 18-19% each. This is a significant

change as the dominant format developed in the Polish market until recently were shopping centres. After the end of the third lockdown, a decline in online sales was observed in most product categories, especially those classified as “textiles, clothing, footwear” (from 44.0% in January to 23.8% in February). Similar movements can be expected with the end of the fourth lockdown.

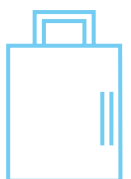
Despite the turmoil on the retail market, a number of international chains are planning their expansion in Poland. In Q1 2021, three foreign brands decided to open their first store in our country, including two new furniture brands, Duxiana from Sweden and Rolf Benz from Germany, which opened their stores in interior design centres in Kraków and Warsaw. The third brand is a clinic DentalPro from Italy, which was opened in Manufaktura in Łódź.

Perspectives of each market sectors in coming months:

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



Etno Cafe in Warsaw Brewery, Warsaw



10.4 Echo Investment's achievements in the commercial property segment

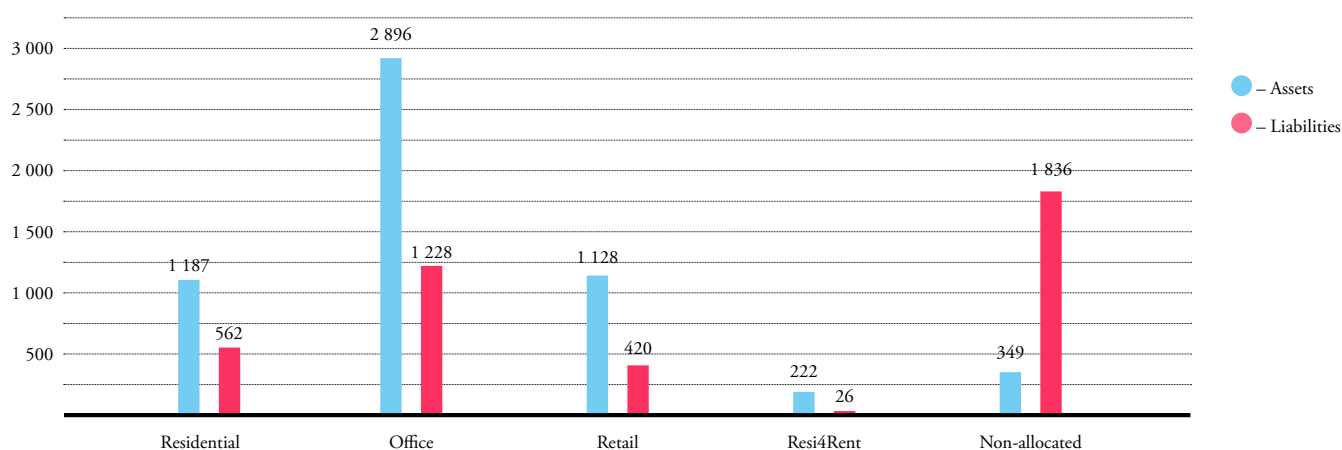
The key events for Echo Investment's retail projects in Q1 were two lease agreements signed with strategic partners.

In March Echo Investment leased 8,500 sqm of retail space to Kaufland in the Pasaż Opieńskiego shopping centre at Opieńskiego Street in Poznań. The facility, which apart from the food business operator also includes a shopping arcade with a range of stores and service outlets, is managed by Echo Investment.

In the first quarter of 2021, the developer also signed an agreement with the Netto chain, which will open a store in its new form in the multifunctional retail part of Fuzja that is under construction. The concept Netto 3.0, which focuses on elegant, open spaces and high-quality natural products, will perfectly fit in with the industrial character of the project. The chain will occupy nearly 1.2 thousand square metres in one of the historical buildings of Fuzja at Tymienieckiego Street.

All items contain proportional data to the shares of the Echo Investment group in the projects.

ASSIGNMENT OF ASSETS AND LIABILITIES TO SEGMENTS AS AT 31.03.2021 [PLN MLN]



ASSIGNMENT OF ASSETS TO SEGMENTS [PLN '000]

	31.03.2021	31.03.2020
Residential	1 186 668	1 049 724
Office	2 895 683	2 152 100
Retail	1 127 811	1 103 891
Resi4Rent	221 807	316 948
Non-allocated	348 778	464 086
Total	5 780 747	5 086 749

5 781 mln pln

Total value of assets as at
31.03.2021

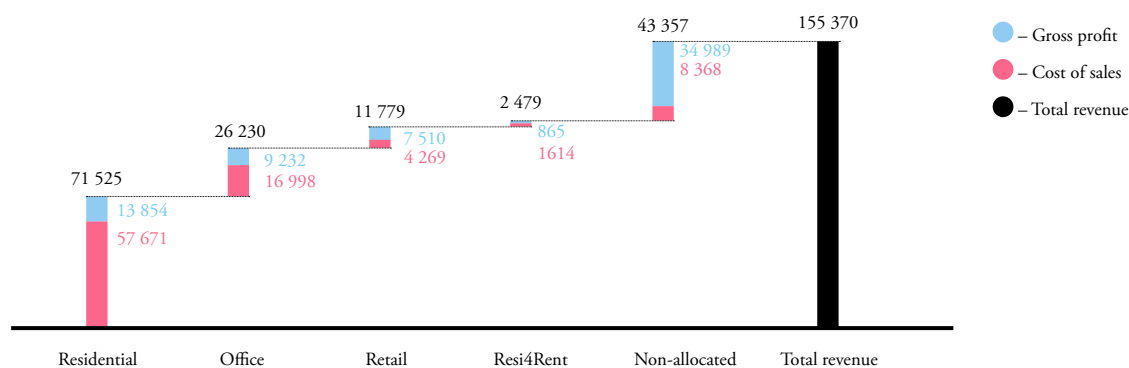
ASSIGNMENT OF LIABILITIES TO SEGMENTS [PLN '000]

	31.03.2021	31.03.2020
Residential	561 643	486 813
Office	1 228 265	822 979
Retail	419 910	401 375
Resi4Rent	26 279	197 106
Non-allocated	1 835 537	1 575 399
Total	4 071 634	3 483 672

4 072 mln pln

Total value of liabilities as at
31.03.2021

**ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS
PROFIT TO SEGMENTS AS AT 1.01.2021 TILL 31.03.2021
[PLN '000]**



**ALLOCATION OF REVENUE
TO SEGMENTS [PLN '000]**

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
Residential	71 525	74 290
Office	26 230	22 637
Retail	11 779	12 534
Resi4Rent	2 479	47 810
Non-allocated*	43 357	734
Total	155 370	158 005

* Sale of a plot of land in Poznań at Sielawy street

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

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
Residential	(57 671)	(59 131)
Office	(16 998)	(17 783)
Retail	(4 269)	(6 416)
Resi4Rent	(1 614)	(47 631)
Non-allocated	(8 368)	(478)
Total	(88 920)	(131 439)

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

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
Residential	13 854	15 159
Office	9 232	4 855
Retail	7 510	6 117
Resi4Rent	865	179
Non-allocated	34 989	256
Total	66 450	26 566

GROSS SEGMENT CONTRIBUTION INCLUDING FX GAIN/LOSS

	As at 31.03.2021	Residential	Office	Retail	Resi4Rent	Non- -allocated
Gross profit (loss) on sales	66 450	9 233	13 854	865	7 509	34 989
Profit (loss) on investment property	42 608	34 689	-	-	7 920	-
Share of profit (loss) of associates and joint ventures	6 999	-	-	7 833	(834)	-
Profit (loss) on FX derivatives	(2 575)	(1 612)	-	-	(302)	(661)
Foreign exchange gains/(losses)	(13 177)	(4 076)	(1 695)	-	(3 040)	(4 366)
Total gross profit on segments	100 305	38 233	12 159	8 699	11 253	29 962
Segments' share in gross profit	100%	38%	12%	9%	11%	30%

12.1 Residential

Definitions:

Sales level – the item exclusively concerns preliminary contracts

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

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

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
KRAKÓW								
Osiedle Krk I ul. Zapolskiej	9 800	218	75%	97,4	66,4	63%	Q1 2020	Q4 2021
Osiedle Krk II ul. Zapolskiej	9 900	218	68%	97,8	66,6	47%	Q3 2020	Q3 2022
Bonarka Living I ul. Puszkarska	8 000	143	62%	68,8	48,4	47%	Q3 2020	Q4 2021
Rydłówka ZAM I ul. Rydłówka	6 200	115	59%	62,0	44,5	36%	Q1 2021	Q2 2022
ŁÓDŹ								
Fuzja II ul. Tymienieckiego	12 400	240	25%	92,9	69,2	26%	Q4 2020	Q2 2022
Osiedle Jarzębinowe VIII ul. Okopowa	6 100	101	90%	39,8	29,2	49%	Q2 2020	Q4 2021
POZNAŃ								
Nasze Jeżyce I ul. Szczepanowskiego	7 500	142	94%	57,8	44,7	88%	Q3 2019	Q2 2021
Nasze Jeżyce II ul. Szczepanowskiego	8 200	162	89%	64,2	48,9	66%	Q3 2019	Q3 2021
Osiedle Enter I a ul. Naramowice	6 400	118	88%	41,9	30,6	78%	Q1 2020	Q4 2021
Osiedle Enter I b ul. Naramowice	6 000	104	80%	38,2	28,3	40%	Q4 2020	Q4 2021
WARSAW								
Stacja Wola I ul. Ordona	20 000	387	98%	205,3	142,1	68%	Q4 2019	Q3 2021
Stacja Wola II ul. Ordona	13 700	249	58%	139,9	95,3	47%	Q3 2020	Q2 2022
Total	114 200	2 197		1 006,0	714,3			

RESIDENTIAL PROJECTS UNDER PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
KRAKÓW							
Bonarka Living II c ul. Puzzkarska	9 900	179	85,7	60,4	18%	Q3 2021	Q4 2022
Bonarka Living II d ul. Puzzkarska	8 300	151	71,8	50,3	18%	Q4 2021	Q1 2023
ZAM II ul. Rydlówka	5 400	98	59,4	42,7	22%	Q1 2022	Q2 2023
Kapelanka I ul. Kapelanka	14 400	256	146,3	113,3	22%	Q3 2022	Q2 2024
Kapelanka II ul. Kapelanka	14 200	262	148,8	109,5	23%	Q2 2023	Q2 2025
Kapelanka III ul. Kapelanka	10 100	178	109,9	80,9	22%	Q1 2025	Q3 2026
Kapelanka IV ul. Kapelanka	7 900	146	85,2	64,3	21%	Q3 2024	Q1 2026
Kapelanka V ul. Kapelanka	16 000	296	177,8	121,6	23%	Q2 2025	IV kw.2026
Kapelanka VI ul. Kapelanka	8 600	159	98,0	67,6	22%	Q4 2025	Q3 2027
ŁÓDŹ							
Wodna 17-19 ul. Wodna	12 800	234	85,3	63,1	12%	Q4 2021	Q3 2023
Fuzja III ul. Tymienieckiego	9 100	156	69,1	51,0	12%	Q2 2021	Q4 2022
Zenit I ul. Widzewska	9 100	168	53,5	40,9	8%	Q3 2021	Q1 2023
Zenit II ul. Widzewska	8 800	166	53,6	40,6	6%	Q2 2022	Q4 2023
Zenit III ul. Widzewska	8 400	156	52,3	38,6	6%	Q1 2023	Q3 2024
Zenit IV ul. Widzewska	9 000	168	56,8	40,2	6%	Q4 2023	Q2 2025
Zenit V ul. Widzewska	9 000	168	58,2	39,8	6%	Q3 2024	Q1 2026
Zenit VI ul. Widzewska	8 800	166	58,8	38,7	6%	Q1 2025	Q4 2026
Zenit VII ul. Widzewska	5 300	111	35,4	26,4	9%	Q2 2022	Q4 2023
Zenit VIII ul. Widzewska	9 200	135	63,1	45,8	3%	Q1 2023	Q3 2024
Zenit IX ul. Widzewska	6 000	190	42,3	29,9	6%	Q3 2023	Q2 2025
POZNAŃ							
Osiedle Enter II ul. Sielawy	9 400	157	60,7	43,2	15%	Q3 2021	Q4 2022
Osiedle Enter III ul. Sielawy	9 600	159	62,6	45,2	15%	Q3 2021	Q4 2022
Apartamenty Esencja II ul. Grabary	6 500	130	63,3	48,9	18%	Q4 2021	Q3 2023

RESIDENTIAL PROJECTS UNDER PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Janickiego I ul. Janickiego	11 400	196	92,9	69,3	13%	Q3 2021	Q2 2023
Janickiego II ul. Janickiego	14 300	263	115,1	83,5	12%	Q2 2022	Q1 2024
Janickiego III ul. Janickiego	13 800	317	111,9	78,7	12%	Q1 2023	Q4 2024
Janickiego IV ul. Janickiego	11 900	186	96,0	67,5	13%	Q1 2024	Q3 2025
Janickiego V ul. Janickiego	13 600	352	111,9	79,7	12%	Q2 2025	Q1 2027
Janickiego VI ul. Janickiego	13 500	245	112,3	78,6	12%	Q1 2026	Q4 2027
Opieńskiego I ul. Opieńskiego	12 600	205	90,0	70,3	9%	Q4 2022	Q2 2024
Opieńskiego II ul. Opieńskiego	8 900	183	63,8	49,5	9%	Q3 2023	Q2 2025
Opieńskiego III ul. Opieńskiego	8 100	167	58,5	44,9	9%	Q3 2024	Q2 2026
Opieńskiego IV ul. Opieńskiego	7 800	149	58,4	43,5	9%	Q2 2025	Q1 2027
Opieńskiego V ul. Opieńskiego	5 700	106	43,5	31,7	9%	Q1 2026	Q4 2027
Opieńskiego VI ul. Opieńskiego	11 100	215	87,3	62,1	9%	Q1 2027	Q4 2028
WARSAW							
Stacja Wola III ul. Ordonia	15 000	270	164,9	114,2	24%	Q4 2021	Q3 2023
Rytm al. KEN	17 300	288	236,4	157,2	27%	Q4 2021	Q3 2023
Total	380 800	7 131	3 240,3	2 333,7			

12.2 Residential projects for rental platform Resi4Rent

Definitions:

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

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

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT IN OPERATION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Completion
R4R Wrocław Rychtalska Wrocław, ul. Zakładowa	11 400	302	8,4	76,8	Q3 2019
R4R Łódź Wodna Łódź, ul. Wodna	7 800	219	4,9	52,4	Q4 2019
R4R Wrocław Kępa Mieszcząńska Wrocław, ul. Dmowskiego	9 300	269	6,8	76,3	Q2 2020
R4R Warszawa Browary Warsaw, ul. Grzybowska	19 000	450	16,6	187,6	Q3 2020
R4R Warszawa Woronicza Warsaw, ul. Suwak	7 900	229	6,2	60,7	Q4 2020
R4R Warszawa Taśmowa Warsaw, ul. Taśmowa	13 000	372	11,1	112,1	Q1 2021
Total	68 400	1 841	54,0	565,9	

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT UNDER CONSTRUCTION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion
R4R Poznań Szczepanowskiego Poznań, ul. Szczepanowskiego	5 000	160	3,8	42,2	Q3 2019	Q3 2021
R4R Gdańsk Kołobrzeska Gdańsk, ul. Kołobrzeska	10 000	301	8,8	88,7	Q3 2019	Q2 2021
R4R Warszawa Żwirki Warsaw, ul. Żwirki i Wigury	5 200	161	5,0	52,3	Q3 2020	Q3 2022
R4R Kraków Puskarska Kraków, ul. Puskarska	5 000	149	3,5	36,5	Q3 2020	Q2 2022
Total	25 200	771	21,1	219,7		

RESIDENTIAL PROJECTS OF RENTAL PLATFORM RESI4RENT IN PREPARATION

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Targeted start	Targeted completion
R4R Warszawa Wilanowska Warsaw	12 400	407	11,8	128,4	Q2 2021	Q1 2023
R4R Kraków 3- Maja Kraków	12 100	387	9,7	105,3	Q2 2021	Q3 2022
R4R Kraków Jana Pawła Kraków	8 700	296	6,9	73,4	Q3 2021	Q2 2023
R4R Wrocław Jaworska Wrocław	13 700	391	10,7	109,9	Q3 2021	Q4 2023
R4R Póhoskiego Warszawa Warsaw	8 600	304	8,3	86,5	Q1 2022	Q1 2024
R4R Gdańsk* Gdańsk	10 300	295	8,7	99	Q4 2021	Q1 2024
R4R Łódź* Łódź	10 000	291	7,2	78	Q4 2021	Q1 2024
R4R Wrocław* Wrocław	10 000	296	7,3	78,2	Q4 2021	Q3 2023
Total	85 800	2 667	58,8	758,7		

* Projects currently being sold from Echo Investment to Resi4Rent.

12.3 Office

Definitions:

GLA – gross leasable area

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

ROFO – (right of first offer)

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

Completion – date of commissioning permit.

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

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

costs reducing sales revenue (price), such as master lease, profit share and costs of projects sale. Fair value includes currency differences on investment loans

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

OFFICE BUILDING IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
Moje Miejsce I Warsaw, ul. Beethovena	18 900	92%	3,4	159,9	98%	38,7	Q1 2019	ROFO agreement with Globalworth Poland
Moje Miejsce II Warsaw, ul. Beethovena	17 200	51%	3,1	148,5	79%	15,6	Q4 2020	ROFO agreement with Globalworth Poland
Face 2 Face I Katowice, ul. Grundmanna	20 700	90%	3,7	153,3	96%	60	Q1 2020	
Face 2 Face II Katowice, ul. Grundmanna	26 500	95%	4,7	204,8	96%	68,2	Q4 2020	
West 4 Business Hub I Wrocław, ul. Na Ostatnim Groszu	15 600	54%	2,7	115,2	82%	31,6	Q3 2020	
Malthouse Offices (Warsaw Brewery GH) Warsaw, ul. Grzybowska	29 200	63%	7,3	332,1	85%	286,8	Q3 2020	
Total	128 100		24,8	1 113,8		500,9		

OFFICE BUILDINGS UNDER CONSTRUCTION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion
React I Łódź, ul. Piłsudskiego	15 100	30%	2,6	109,3	54%	19,4	Q2 2019	Q4 2021
Fuzja C i D Łódź, ul. Tymienieckiego	19 900	85%	3,5	150,0	26%	24,2	Q3 2020	Q1 2022
Midpoint71 Wrocław, ul. Powstańców Śląskich	36 200	57%	6,8	301,2	41%	91,2	Q4 2019	Q4 2021
Brain Park I Kraków, al. Pokoju	29 400	0%	5,4	261,0	24%	-	Q1 2021	Q3 2021
Total	100 600		18,2	821,5		134,8		

OFFICE BUILDINGS IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Piotra Skargi Katowice, ul. P. Skargi / Sokolska	26 600	4,6	191,6	7%	Q3 2022	Q2 2024
Al. Pokoju II Kraków, ul. Fabryczna / Al. Pokoju	12 800	2,4	118,5	20%	Q4 2021	Q2 2023
Wita Stwosza Kraków, ul. Wita Stwosza	29 700	5,4	288,4	30%	Q1 2022	Q4 2023
React II Łódź, al. Piłsudskiego	25 900	4,4	194,0	8%	Q3 2022	Q1 2024
Fuzja I, J Łódź, ul. Tymienieckiego	10 100	1,7	84,3	9%	Q1 2022	Q4 2024
Swobodna Wrocław, ul. Swobodna	44 500	8,2	380,4	12%	Q3 2022	Q4 2024
West 4 Business Hub II Wrocław, ul. Na Ostatnim Groszu	23 300	4,0	169,9	13%	Q3 2021	Q1 2023
West 4 Business Hub III Wrocław, ul. Na Ostatnim Groszu	33 900	5,8	246,3	12%	Q2 2024	Q2 2024
Total	206 800	36,6	1 673,4			

12.4 Retail

Definitions:

GLA – gross leaseable area

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

ROFO – right of first offer

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

Completion – date of commissioning permit.

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

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

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

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

RETAIL PROJECTS IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
Libero Katowice, ul. Kościuszki	44 900	99%	9,3	390,4	100%	195,6	Q4 2018	ROFO agreement with EPP
Galeria Młociny Warsaw, ul. Zgrupowania AK „Kampinos”	84 300	97%	21,1	1 280,6	99%	16,5	Q2 2019	30% JV with EPP holding 70%
Total	129 200		30,4	1 671,0		212,1		

12.5 Land bank

EARLY STAGE PROJECTS

Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Warsaw, ul. Towarowa	64 900	230 000	Plot for residential, service and office functions. Project owned by Echo Investment in 30% and by EPP in 70%.
Poznań, ul. Hetmańska	65 300	80 000	Plot for residential and office functions
Warsaw, al. KEN	29 700	32 000	Plot for retail, services and entertainment functions
Łódź, ul. Tymienieckiego	25 400	32 300	Plot for office and services
Total	185 300	374 300	

INVESTMENT PROPERTIES

Project / address	Plot area [sqm]	Comments
Poznań, Naramowice	77 500	
Łódź, Widzewska	19 750	Planned sale of the part of Widzewska
Zabrze, Miarki	8 100	
Warsaw ul. Konstruktorska	7 200	Plot for educational function
Radom, Beliny	6 300	Preliminary sale agreement
Total	118 850	

Main investments in 2021 – acquisition of plots

13

PROPERTIES ACQUIRED BY ECHO INVESTMENT GROUP IN 2021

Date of transaction	Address	Legal form	Area	Capacity
Q1 2021	Poznań, ul. Janickiego	ownership	32,800 sqm.	78,500 sqm. of residential and service space

The plots for 100,000 sqm of residential space has been secured by preliminary agreements.

The potential of purchased real properties is estimated based on planning documents and guidelines

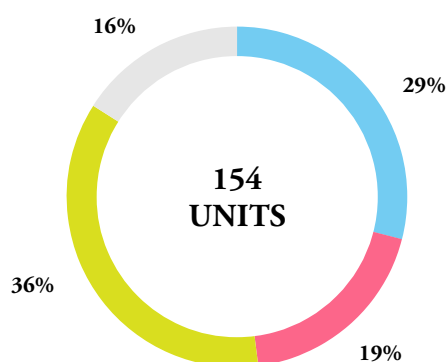
valid at the date of purchase. Ultimately, the use of each property is determined at a later stage of project preparation, taking into account current planning documents, arrangements, market potential and finally accepted project concept.

PLN **809**

Average land price in 1 sqm of leasable or sellable space possible to build on plots acquired in 2021.

Revenue resulting from hand overs of 154 housing units.

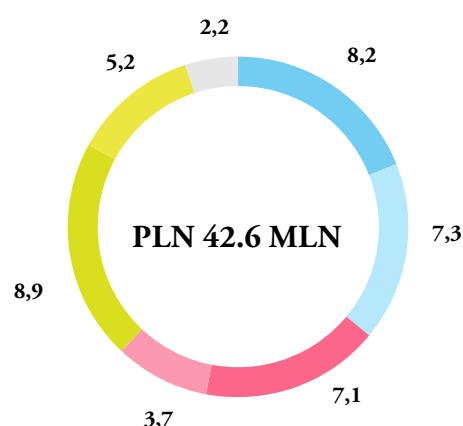
RESIDENTIAL PROJECTS SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- – Poznań, Apartamenty Esencja
- – Łódź, Fuzja I
- – Wrocław, Stacja 3.0
- – Other

Profit on investment property amounting to PLN 42.6 million.

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- – Malthouse Offices (Warsaw Brewery GH), Warsaw
- – Libero, Katowice
- – Face2Face II, Katowice
- – Moje Miejsce I, Warsaw
- – MidPoint71, Wrocław
- – Fuzja CD, Łódź
- – Other

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

Sale of plot in Poznań at Sielawy street.

Costs of sales and overheads.

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

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

Measurement and settlement of FX hedging instruments.

Interest on deposits and borrowings granted.

Factors that will affect the results of the Company and the Capital Group in the perspective of at least the next quarter

15

Revenues from handing over flats to buyers, mainly in projects:

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

Valuation and sale of completed investments: Malthouse Offices (Warsaw Brewery GH) in Warsaw; Moje Miejsce I and II in Warsaw; Face2Face Business Campus I and II in Katowice.

Fair value update of real estate owned by the Group under commercialization and under construction:

- React I in Łódź;
- MidPoint 71 in Wrocław;
- Fuzja CD in Łódź;
- West 4 Business Hub I in Wrocław.

Revaluation of the fair value of the completed real estate owned by the Group:

- Libero in Katowice.
-

Valuation of shares in entities accounted for using the equity method that conduct investments:

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

Selling and general management costs.

Valuation of liabilities from bonds and loans at amortized cost.

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

Valuation and realization of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Discounts and interest on loans, bonds and loans.

Seasonal or cyclical nature of operations

16

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

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

18.1 Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 31.03.2021

Bonds for institutional investors [‘000 PLN]

Series	ISIN code	Bank	Nominal value	Maturity	Interest rate
2/2017	PLECHPS00258	mBank S.A.	139 950	30.11.2021	WIBOR 6M + margin 2,9%
1/2018	PLECHPS00282	mBank S.A.	46 600	25.04.2022	WIBOR 6M + margin 2,9%
1/2019	PLECHPS00308	mBank S.A.	96 510	11.04.2023	WIBOR 6M + margin 4,25%
1/2020	PLO017000012	mBank S.A.	150 000	31.05.2024	WIBOR 6M + margin 4,50%
1P/2020	PLO017000020	PKO TFI Parasolowy and Michael / Ström Dom Maklerski S.A. as an agent	100 000	05.08.2024	WIBOR 6M + margin 4,50%
1/2021	PLO017000046	mBank S.A.	195 000	17.03.2025	WIBOR 6M + margin 4,45%
Total			728 060		

Bonds for individual investors [‘000 PLN]

E-series	PLECHPS00217	DM PKO BP S.A.	100 000	06.07.2021	WIBOR 6M + margin 2,9%
F-series	PLECHPS00233	DM PKO BP S.A.	125 000	11.10.2022	WIBOR 6M + margin 2,9%
G-series	PLECHPS00241	DM PKO BP S.A.	75 000	27.10.2022	WIBOR 6M + margin 2,9%
H-series	PLECHPS00266	DM PKO BP S.A.	50 000	22.05.2022	WIBOR 6M + margin 2,8%
I-series	PLECHPS00274	Consortium: DM PKO Banku Polskiego S.A., Noble Securities S.A. and Centralny Dom Maklerski Pekao S.A.	50 000	08.11.2023	WIBOR 6M + margin 3,4%
J and J2-series	PLECHPS00290	J-series: consortium Noble Securities S.A., Michael / Ström Dom Maklerski S.A., Dom Maklerski Banku Ochrony Środowiska S.A. J2-series: DM PKO Banku Polskiego S.A.	33 832	21.09.2023	WIBOR 6M + margin 3,4%
Total			433 832		
Bonds total			1 161 892		

Bonds for institutional investors EUR-denominated [‘000 EUR]

1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	23.10.2024	fixed interest rate, margin 4,5%
2P/2020*	PLO017000038	Michael/Ström DM	12 800	31.10.2021	fixed interest rate, margin 6%
Total			52 800		

* Issue beyond the bond issue program in EUR of September 3, 2020.

BONDS REDEEMED BY THE COMPANY IN 2021

Series	Date	Nominal value ['000 PLN]
Bonds for institutional investors - series 1/2017	31.03.2020	155 000
Total		155 000

BONDS ISSUED BY THE COMPANY IN 2021 IN PLN

Series	Date	Nominal value ['000 PLN]
Bonds for institutional investors - series 1/2021	17.03.2021	195 000
Total		195 000

18.2 Investment loans

INVESTMENT LOANS OF ECHO INVESTMENT GROUP AS AT 31.03.2021 ['000]

Investment project	Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
Libero, Katowice	Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.K.	Santander Bank Polska S.A. / BNP Paribas Bank Polska S.A.	67 566 EUR	66 553 EUR	Margin + EURIBOR 3M	22.11.2024
Galeria Młociny, Warsaw*	Berea Sp. z o.o.	Santander Bank Polska S.A. / PKO BP S.A. / Bank Gospodarstwa Krajowego	56 100 EUR	55 594 EUR	Margin + EURIBOR 3M	30.04.2025
Moje Miejsce I i II, Warsaw	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. SKA	PKO BP S.A.	50 280 EUR	43 139 EUR	Margin + EURIBOR 3M	30.09.2023
			16 000 PLN	0	Margin + WIBOR 1M	31.03.2021
Villa Offices and Malthouse Offices (Warsaw Brewery GH), Warsaw	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	Bank Pekao S.A.	54 810 EUR	39 856 EUR	Margin + EURIBOR 3M	31.12.2027
			10 000 PLN	0 PLN	Margin + WIBOR 1M	31.12.2022
West 4 Business Hub I, Wrocław	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	20 630 EUR	14 137 EUR	Margin + EURIBOR 3M	30.06.2023
			4 000 PLN	0 PLN	Margin + WIBOR 1M	30.06.2021
Face 2 Face I i II, Katowice	Face2Face - Stranraer Sp. z o.o. SKA	Bank Pekao S.A.	64 997 EUR	54 498 EUR	Margin + EURIBOR 3M	31.12.2023
			18 000 PLN	863 PLN	Margin + WIBOR 1M	31.12.2021
Midpoint 71, Wrocław	Midpoint 71 - Cornwall Investments Sp. z o.o. SKA	PKO BP S.A.	54 400 EUR	5 879 EUR	Margin + EURIBOR 3M	30.06.2026
			7 000 PLN	2 670 PLN	Margin + WIBOR 1M	30.06.2023
Fuzja CD i J, Łódź	Projekt Echo 130 Sp. z o.o.	Bank Pekao S.A.	33 600 EUR	0 EUR	Margin + EURIBOR 3M	30.01.2026
			10 000 PLN	0 PLN	Margin + WIBOR 1M	31.01.2024
Projekt Echo 129	Projekt Echo 129 Sp. z o.o.	Bank Pekao S.A.	50 000 EUR	43 450 EUR	Margin + EURIBOR 3M	30.09.2021
Resi4Rent* - 1st tranche	R4R Łódź Wodna Sp. z o.o./ R4R Wrocław Rychtalska Sp. z o.o./ R4R Warszawa Browary Sp. z o.o./ R4R Wrocław Kępa Sp. z o.o.	consortium with Bank Pekao S.A. as a leading agent	80 630 PLN	78 059 PLN	Margin + WIBOR 1M and 3M	30.06.2026
Resi4Rent* - 2nd tranche	R4R Poznań Szczepanowskiego Sp. z o.o./ R4R Warszawa Taśmowa Sp. z o.o./ R4R Warszawa Woronicza Sp. z o.o./ R4R Gdańsk Kołobrzeska Sp. z o.o.	Santander S.A. / Helaba AG	**59 490 PLN	43 230 PLN	Margin + WIBOR 1M	27.06.2027
Total			452 383 EUR	323 106 EUR		
			205 120 PLN	124 822 PLN		

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

Investment loans are secured with standard collaterals, such as mortgages, agreement on establishing registered and financial pledges, power of attorney to bank accounts, subordination agreement, dec-

laration of submission to enforcement, assignment agreement to secure the borrower's rights and claims under selected agreements.

18.3 Credit facilities

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 31.03.2021 [‘000 PLN]

Bank	Contract amount	Debt incurred under the credit limit	Cash loan limit available	Indebtedness due to guarantees granted within the limit	Guarantee limit available	Interest	Maturity date
PKO BP S.A.	75 000	41 500	24 740	8 760	–	WIBOR 1M + margin	31.10.2022
Alior Bank S.A.*	25 000	25 000	–	N/A	N/A	WIBOR 3M + margin	14.04.2021
Santander Bank Polska S.A.	100 000	–	75 000	758	24 242	WIBOR 1M + margin	30.11.2022
Total	200 000	66 500	99 740	9 518	24 242		

* Echo Investment S.A. signed on May 12, 2021 an annex with Alior Bank S.A. increasing the loan amount to PLN 45 million and extending the final repayment date until May 12, 2022.

Credit lines are secured with standard tools, such as a power of attorney to a bank account or a declaration of submission to enforcement.

The loan value corresponds to undiscounted cash flows.

18.1 Surety agreements

FINANCIAL SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 31 MARCH 2021 [PLN '000]

Issuer	Entity receiving surety	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Projekt Echo 130 Sp. z o.o.	PKO BP S.A.	23 302	31.01.2024	Surety for the repayment of the loan related to the disbursement of the construction loan up to the limit of EUR 5 mln without completion of transferring a part of the property to the Company.
Total			23 302		

NON-FINANCIAL SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 31 MARCH 2021 [PLN '000]

Issuer	Entity receiving surety	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Park Rozwoju - Projekt Echo 112 Sp. z o.o. Sp.K.	Kaufland Polska Markety Sp. z o.o. Sp.j.	2 500	29.03.2036	Conditional surety for the payment of the contractual penalty resulting from the lease agreement for premises Pasaż Opieńskiego shopping centre in Poznań.
Echo - SPV 7 Sp. z o.o. / Echo - Aurus Sp. z o.o.	Sagittarius-Projekt Echo - 113 Sp.z o.o. Sp.k.	Warburg - HiH Invest Real Estate GmbH	32 860	21.01.2022	Surety for liabilities resulting from sale agreement.
Echo - SPV 7 Sp. z o.o. / Echo - Aurus Sp. z o.o.	Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K.	Warburg - HiH Invest Real Estate GmbH	152 000	31.10.2028	Surety for liabilities resulting from quality guarantee agreement and agreement on fit-out works.
Echo Investment S.A.	Echo - Browary Warszawskie Sp. z o.o. Sp.K. and Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	HPO AEP Sp. z o.o. Sp.J.	11 651	Until the date of obtaining the occupancy permit, no later than 7.12.2031.	Surety for liabilities of the entity, as a collateral of liabilities resulting from the lease agreement of 7.12.2016. Mutual surety issued in EUR.
Total			199 011		

CHANGES IN THE STRUCTURE OF SURETIES ISSUED BY THE ECHO INVESTMENT GROUP IN THE FIRST QUARTER OF 2021 [PLN '000]

Change	Issuer	Entity receiving surety	Beneficiary	Value	Date of change	Description
Issue	Echo Investment S.A.	Park Rozwoju - Projekt Echo 112 Sp. z o.o. Sp.K.	Kaufland Polska Markety Sp. z o.o. Sp.j.	2 500	22.03.2021	Conditional surety for the payment of the contractual penalty resulting from the lease agreement for premises Pasaż Opieńskiego shopping centre in Poznań.

The list of sureties at the consolidated level does not include sureties shown in the balance sheet as liabilities (e.g. related to loans, rent guarantees, ad-

vance payments made, which may be returned if the conditions are not met, or with securing office space lease agreements).

18.2 Guarantees

FINANCIAL GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 31 MARCH 2021 [PLN '000]

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	R4R Łódź Wodna Sp. z o.o. R4R Wrocław Kępa Sp. z o.o. R4R Wrocławskie Rychtalska Sp. z o.o. R4R Warszawa Browary Sp. z o.o.	Bank Pekao S.A.	14 147	30.09.2021	Guarantee securing exceeding the costs of performing Resi4REnt projects: Łódź Wodna, Wrocław Rychtalska, Warsaw Brewery, Wrocław Kępa.
Echo Investment S.A.	Rosehill Investments Sp. z o.o.	IB 6 FIZAN / GPF 3 FIZAN	106 826	31.03.2023	Security for the proper performance of the obligations resulting from the program contract concluded on 31.08.2017. Issued in EUR.
Echo Investment S.A.	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. SKA	PKO BP S.A.	36 000	60.06.2023	Security for exceeding the costs of performing the Moje Miejsce office project in Warsaw.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	Bank Pekao S.A.	74 465	until the conversion of the construction loan into an investment loan	Guarantee securing the costs exceed of the office project in the Warsaw Brewery complex in Warsaw. Issued in EUR.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	8 045	until the conversion of the construction loan into an investment loan	Guarantee of exceeding the costs of performing the West 4 Business Hub office project in Wrocław.
Echo Investment S.A.	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	4 987	until the conversion of the construction loan into an investment loan	Guarantee securing rent proceeds during the performance of the West 4 Business Hub office project in Wrocław. Issued in EUR.
Echo Investment S.A.	Projekt 20 - Grupa Echo Sp. z o.o. SKA	Bank Pekao S.A.	70 000	29.12.2023	Guarantee securing cost overrun, covering interests on minimal level and securing own contribution on Face2Face office project in Katowice. Issued in PLN.

**FINANCIAL GUARANTEES ISSUED BY ECHO INVESTMENT GROUP
AS AT 31 MARCH 2021 [PLN '000]**

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo - SPV 7 Sp. z o.o.	R4R Poznań Szczepa- nowskiego Sp. z o.o. R4R Warszawa Taśmowa Sp. z o.o. R4R Warszawa Woronicza Sp. z o.o. R4R Gdańsk Kołobrzaska Sp. z o.o.	Santander Bank Polska S.A.,	24 500	until the conversion of the construc- tion loan into an investment loan	Security of the borrowers liabilities arising from the cost overrun not included in the budget specified in credit agreement.
Echo Investment S.A	Midpoint 71 - Cornwall Investments Sp. z o.o. SKA	PKO BP S.A.	39 000	31.12.2026	Guarantee securing cost overrun and maintanance of unleased area on Midpoint 71 office project in Wroclaw. Issued in PLN.
Echo Investment S.A	Midpoint 71 - Cornwall Investments Sp. z o.o. SKA	PKO BP S.A.	20 249	31.12.2029	Guarantee securing debt service cover ratio and covering rent-free periods in lease agreements on Midpoint 71 office project in Wroclaw. Issued in EUR.
Towarzystwo Ubezpie- czeń Euler Hermes S.A. (on behalf of Echo Investment S.A.)	Gosford Investment Sp. z o.o.	Womak Delta Sp. z o.o.	30	14.07.2021	Rent guarantee - apartment sales office in Wroclaw
Santander Bank Polska S.A. (within the credit limit of Echo Investment S.A.)	Galeria Libero - projekt Echo 120 Sp. z o.o. SK	Miasto Katowice	758	20.01.2022	Security under the warranty and the quality guarantee for the obligations resulting from the agreement on per- forming the road project concluded on 16.06.2016.
Echo Investment S.A	Projekt Echo - 130 sp. z o.o.	Bank Pekao S.A.	28 609	31.01.2024	Guarantee securing cost overrun of the construction of Fuzja CDJ complex office project. Issued in PLN.
Total			427 616		

**NON-FINANCIAL GUARANTEES ISSUED BY ECHO INVESTMENT GROUP
AS AT 31 MARCH 2021 [PLN '000]**

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Projekt 104 Sp. z o.o.	Skua Sp. z o.o.	27 962	31.07.2021	Security of the proper performan- ce of the final sale contract and the master lease contract for the Aquarius Business House II office building in Wroclaw. Issued in EUR.
Echo Investment S.A.	Echo - Opolska Business Park Sp. z o.o. Sp.K.	issued for Ventry Invest- ments Sp. z o.o. Sp.K (currently an authorized entity EPP Office O3 Bu- siness Campus Sp.z o.o)	42 523	21.12.2026	Construction guarantee related to the sale of the O3 Business Campus I office building in Kraków. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. The guarantee issued in EUR.

**NON-FINANCIAL GUARANTEES ISSUED BY ECHO INVESTMENT GROUP
AS AT 31 MARCH 2021 [PLN '000]**

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	ZAM - Projekt Echo - 127 Sp. z o.o. Sp.K.	issued for Emfold Investments Sp. z o.o. (currently an authorized entity Tryton Business Park Sp.z o.o.)	44 358	21.12.2026	Construction guarantee related to the sale of the Tryton office building in Gdańsk. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Symetris - Projekt Echo - 131 Sp. z o.o. Sp.K.	issued for Flaxton Investments Sp. z o.o. (currently an authorized entity of EPP Office - Symetris Business Park Sp.z o.o.)	18 975	21.12.2026	Construction guarantee related to the sale of the Symetris I office building in Łódź. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Projekt Echo 135 Sp. z o.o. Sp.K.	A4 Business Park Sp. z o.o.	25 632	26.04.2027	Construction guarantee related to the sale of the A4 Business Park III office building in Katowice. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Echo - Opolska Business Park Sp. z o.o. Sp.K.	EPP Office O3 Business Campus Sp. z o.o	40 544	21.12.2027	Construction guarantee related to the sale of the O3 Business Campus II office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	direct warranty Echo Investment S.A.	Nobilis - Projekt Echo - 117 Sp. z o.o. Sp.K.	40 000	31.10.2026	Quality guarantee for construction work related to the Nobilis office building in Wrocław.
Echo Investment S.A.	Grupa Echo Sp. z o.o.	IB 14 FIZAN	83 308	24.05.2024	Security for the proper performance of the obligations arising from the contract for the sale of the West Link office building in Wrocław. Issued in EUR. After 24.05.2021 the maximum amount of the liability will be reduced by 80 percent.
Echo Investment S.A.	Midpoint 71-Cornwall Investments Sp. z o.o. SKA (former: Projekt 22 - Grupa Echo Sp. z o.o. S.K.A.)	A 19 Sp. z o.o.	27 962	04.07.2038	Guarantee for the obligations arising from the good neighborly agreement concluded on 4.07.2018 in relation to the Midpoint 71 project. Issued in EUR.
Echo Investment S.A.	Symetris - Projekt Echo - 131 Sp. z o.o. Sp.K.	issued for Flaxton Investments Sp. z o.o. (currently an authorized entity of EPP Office - Symetris Business Park Sp.z o.o.)	17 792	31.08.2023	Construction guarantee related to the sale of the office building Symetris II in Łódź. Issued in EUR. The maximum amount of the liability will be successively reduced as the amount of the liability that is secured by the guarantee decreases.
PKO BP S.A.	Echo Investment S.A.	LUX Europa III S.a.r.l.	6 450	7.05.2021	Security for the liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. arising from the contract of quality guarantee concluded on 27.03.2019.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	LUX Europa III S.a.r.l.	102 248	31.12.2024	Security for the proper performance of obligations arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Issued in EUR.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	LUX Europa III S.a.r.l.	163 550	30.06.2030	Security for the proper performance of obligations arising from the sale agreement of the Gatehouse Office building in the Warsaw Brewery complex. Issued in PLN.

**NON-FINANCIAL GUARANTEES ISSUED BY ECHO INVESTMENT GROUP
AS AT 31 MARCH 2021 [PLN '000]**

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	LUX Europa III S.a.r.l.	51 263	3.03.2027	Security for the proper performance of the liabilities arising from the sale contract of the Gatehouse Offices building being part of the Warsaw Brewery complex. Issued in EUR.
Echo Investment S.A.	Echo - Opolska Business Park Sp. z o.o. Sp.K.	EPP Development 6 Sp. z o.o.	37 594	9.08.2028	Construction guarantee related to the sale of the O3 Business Campus III office building in Kraków. The guarantee is secured by a corporate guarantee issued by Echo Investment S.A. Guarantee issued in EUR.
Echo Investment S.A.	Projekt 12 - Grupa Echo Sp. z o.o. SKA	Tesco (Polska) Sp. z o.o.	n/a	30.06.2025	Corporate guarantee securing performance of obligations regarding priority to lease space in the new shopping center, resulting from the preliminary sales contract of real estate concluded on 30.07.2019. Due to business and legal arrangements the warranty has no upper limit potential liability.
Echo Investment S.A.	Cinema Asset Manager - Grupa Echo Sp. z o.o. SKA	Pearl Jewel sp. z o.o.	n/a	the earlier of the dates: handover of the space in accordance with the future lease agreement or 8 years from the date of concluding the future lease agreement	Corporate guarantee securing performance of obligations regarding priority to lease space in the new shopping center, resulting from the preliminary sales contract of real estate concluded on 30.07.2019. Due to business and legal arrangements, the warranty has no upper limit potential liability.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grundstücksgesellschaft mbH & Co KG	49 616	the later date: 11.09.2022 or the date of VAT refund from the office to the buyer	Security for the proper performance of obligations arising under the sale contract of the Villa Offices building (K) being part of the Warsaw Brewery complex and side letter. Issued in EUR and PLN.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grundstücksgesellschaft mbH & Co KG	96 611	11.03.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding the Villa Offices (building K), being part of the Warsaw Brewery complex. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grundstücksgesellschaft mbH & Co KG	21 434	until the finishing works of the tenants' office space are completed	Security for the proper performance of obligations arising under the fit-out agreement regarding the Villa Offices building in the Warsaw Brewery complex. Issued in EUR.
Total			897 822		

The statement of guarantees at the consolidated level does not present guarantees presented in the balance sheet as liabilities (e.g. related to loans, rent

guarantees, advance payments made, which may be returned if the conditions are not met, or with security for office space lease contracts).

CHANGES IN GUARANTEES IN Q1 2021 [PLN '000]

Change	Guarantor	Entity receiving guarantee	Beneficiary	Value	Date of change	Description
Issue	Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grund- stücksgesellschaft mbH & Co KG	49 616	11.03.2021	Security for the proper performance of obligations arising under the sale contract (and side letter) of the Villa Offices building (Building K) being part of the Warsaw Brewery complex. Issued in EUR in PLN.
Issue	Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grund- stücksgesellschaft mbH & Co KG	96 611	11.03.2021	Security for the proper performance of obligations arising under quality guarantee agreement regarding the Villa Offices (building K) being part of the Warsaw Brewery complex. The maximum amount of the liability reduces, as the amount of the liability that is secured by the guarantee decreases.
Issue	Echo Investment S.A.	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	APAK Grund- stücksgesellschaft mbH & Co KG	21 434	11.03.2021	Security for the proper performance of obligations arising under the fit-out agreement regarding Villa Offices building in the Warsaw Brewery complex. Issued in EUR.
Expiry	PKO BP S.A. (on behalf of Echo Investment S.A.)	Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K.	Director of the Tax Administration Chamber in Kielce	873	10.02.2021	Lottery guarantee.

20.1. Agreements between shareholders

The company does not have any information on contracts concluded in 2021 between shareholders, that might be significant for its operations.

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

In 2021, no material transactions were concluded between Echo Investment S.A and its subsidiaries, and related parties on terms other than market terms.

20.3. Influence of 2021 result achieved on the published financial forecasts

Echo Investment S.A. did not publish any forecasts of financial results for 2021.

20.4 Changes in the basic principles of management

In 2021, there were no material changes in the basic management principles of the Company and the Group.

20.5 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.

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

Activities of Echo Investment S.A. capital group since March 2020 has been exposed to a number of macroeconomic and environmental risks associated with the spread of SARS-CoV-2 coronavirus and COVID-19. The restrictions introduced by the government directly affected the course of business processes and the organization of the Group's work. On March 17, 2020, Echo Investment S.A. published a current report on the potential impact of the pandemic on the Company's operations, listing potential areas of impact and associated risks. The impact of a pandemic is analyzed on an ongoing basis to adapt the strategy and method of operation to the changing restrictions.

Retail sector

In the first quarter of 2021 retail sector was in the period of the so-called „hard lockdown” - (January 2021 and March 2021) when the operations of stores and restaurants in shopping centers was limited (except for grocery stores, drugstores, pharmacies, pet food stores and services). In case of the Echo Investment Group, this concerned the Libero shopping center in Katowice and Galeria Młociny in Warsaw (in which the Group holds a 30% stake). During the lockdown periods, the operations of most tenants in both facilities were very limited. Maintaining the activities of the remaining tenants required taking extra precautions, providing security materials, and maintaining the facility's service (security, cleaning, day-to-day operations). „Defrosting” the tenants' operations from the beginning of May involve the need to renegotiate leases and reach an agreement with the tenants on incurring losses incurred during the closing.

In line with its strategy, Echo Investment aims to reach an agreement with the tenants as soon as possible after each lockdown and to return Libero and Galeria Młociny to normal operations as soon as possible. As a result of the pandemic, the list of tenants changed slightly by single service outlets, whose owners declared bankruptcy.

Currently, Echo Investment is focusing on signing short-term 1-2 month agreements, based on the current situation of tenants and their individual standings. Both managers of both shopping centres and their tenants are aware of the unpredictability of the

situation in the long term. Both parties assume to return to negotiating long-term annexes in the middle of the year, when the situation regarding the end of the epidemic should be more predictable. Then it will be easier to assess the situation of individual tenants, their restructuring and development plans.

Office sector

In the first quarter of 2021, the office market saw a revival among tenants and investors. The most important task was maintaining negotiations on leasing space in projects built by the company and continuing the sales processes of the finished buildings.

In Q1 2021 the Group has sold Villa Offices building in the Warsaw Brewery complex, what stabilised the long-term cash-flow. Promising sale negotiations are also underway regarding the Malthouse Offices and Moje Miejsce office buildings in Warsaw (signed letters of intent). The group also returned to sale process of the Face2Face office buildings in Katowice (signed letters of intent).

The impact of the coronavirus pandemic on the operations and results of the Echo Investment Group in the future

The occurrence of the third wave of the COVID-19 pandemic in the first quarter and possible escalation of its course in the future may result in the need to revise certain assumptions adopted in the preparation of the financial statements, which may lead to changes in accounting estimates in subsequent reporting periods. The Management Board of the Company and the Group analyzed the areas related to the estimated values and areas in the financial statements that are affected by the situation. The results of this analysis indicate the following potential impact areas.

It is possible that the continuation of the pandemic will limit the expansion of companies in Poland, which will result in a decrease in demand for office space. This may result in a lower pace of new build-

ings leasing and a decline in rental rates. This situation may lead to a slowdown of the construction of buildings at an early stage of construction and a fair value decrease of completed buildings. In the case of buildings that are ready, due to their fair value decrease, in an extreme situation, the covenants provided for in loan agreements may be broken and the need to repay part of the loan faster. When it comes to completed buildings, the pandemic may also lead to lower investors' interest in purchasing such buildings and, as a consequence, to postponed sale of them.

The Management Board of Echo Investment also indicates that in the case of shopping centers: Libero in Katowice and Galeria Młociny in Warsaw (in which the Group holds a 30% stake), the development of the pandemic and subsequent lockdowns may result in bankruptcy of some tenants, which in practice may mean termination of some lease agreements. The consequence could be a reduction in the rental ratios, future revenues and the fair value of both projects. The consequence of such a situation may be the breach of covenants provided for in the loan agreements and the need to repay part of the loan faster. Moreover, if further restrictions on the activities of shopping centers are introduced, rental income may be lost, which may also lead to a reduction in value and violation of covenants.

At this stage, the Company is not able to reliably estimate the impact of the above events on the value of investment properties, as the situation is changing. In the Management Board opinion, in the moderate scale of the pandemic, the LTV covenants,

which are the ratio of bank financing to the market value of real estate, are not endangered.

The prolonged pandemic and possible new restrictions may slow down the sale of apartments or discourage some potential clients from concluding transactions. It could lead to a lower than planned sale of apartments, which will translate into lower revenues and shifting the realization of revenues and profits from the sale of apartments to the following years.

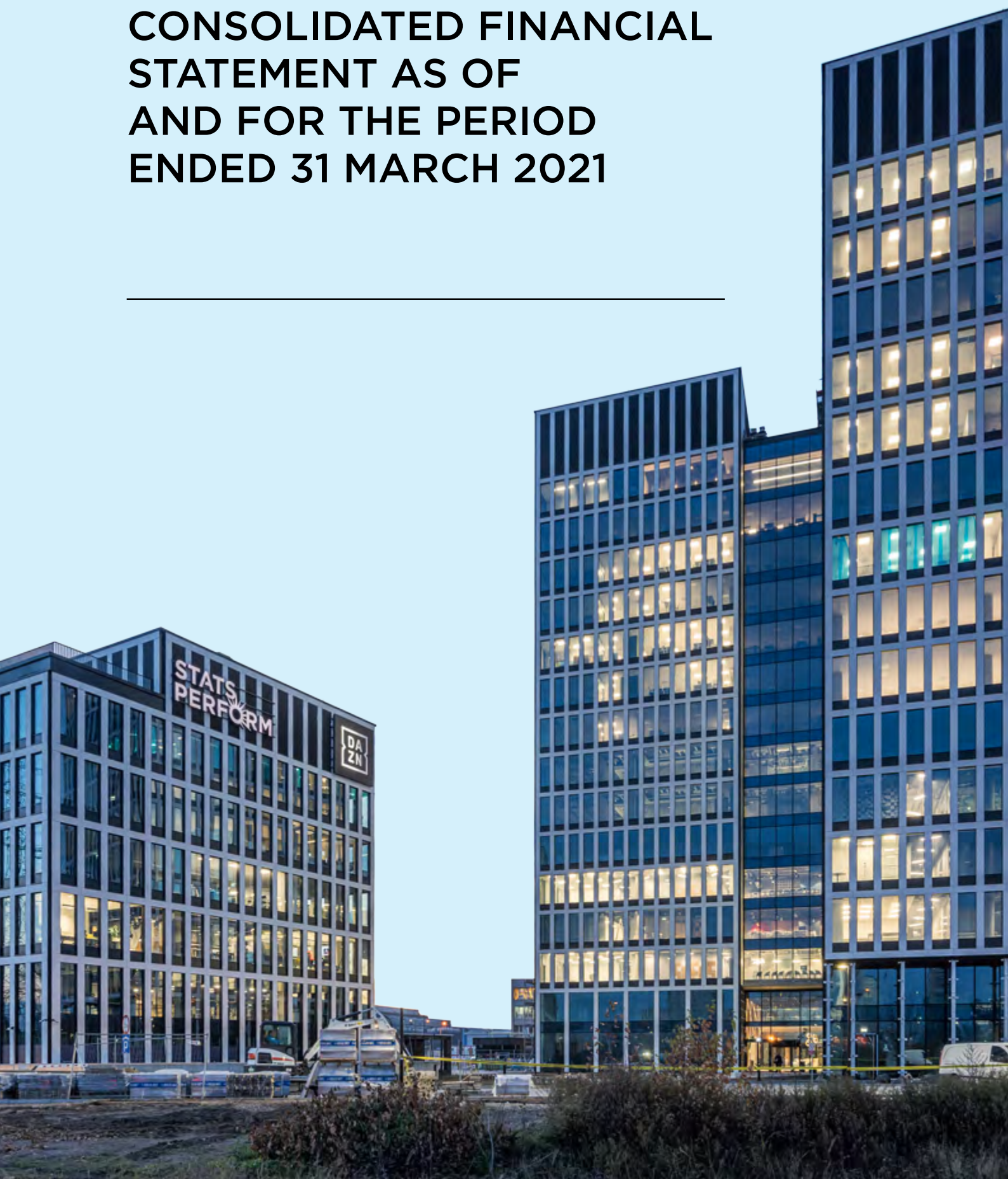
Currently, the office buildings built by the Group are provided with financing. Residential projects are mainly financed by prepayments from clients. The Group financial situation remains stable, i.a. thanks to the sale of the Villa Offices building in Warsaw in Q1 2021. The sales processes of further assets held for sale within the next 12 months from the balance sheet date are processing as planned. In Q1 2021, the Company also placed bonds with a total value of PLN 195 million. Taking all above into consideration, the Management Board does not currently identify a significant threat related to the impact of the development of the coronavirus epidemic on the Company's liquidity or its ability to continue operation, despite the expected need to pay for a controlling stake in Archicom. The Management Board monitors the potential impact on an ongoing basis and takes all possible steps to mitigate any negative effects for the Group.

CHAPTER 2

**FINANCIAL
STATEMENTS**



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENT AS OF
AND FOR THE PERIOD
ENDED 31 MARCH 2021**



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

	As at 31.03.2021 – end of quarter	As at 31.12.2020 – end of year	As at 31.03.2020 – end of quarter (restated)
ASSETS			
Non-current assets			
Intangible assets	3 090	3 459	3 550
Property, plant and equipment	27 349	27 872	25 194
Investment property	891 496	1 388 972	986 328
Investment property under construction	800 309	780 621	1 736 861
Investment in associates and joint ventures	317 066	306 449	251 074
Long-term financial assets	204 040	201 194	134 893
Deferred tax asset	47 206	56 476	62 270
	2 290 556	2 765 043	3 200 170
Current assets			
Inventory	1 035 914	925 173	1 127 213
Current tax assets	5 404	5 708	9 108
Other taxes receivable	29 852	93 050	48 883
Trade and other receivables	138 231	112 111	130 608
Short-term financial assets	52 590	50 761	48 442
Other financial assets *	68 670	82 524	65 225
Cash and cash equivalents	688 413	327 097	453 195
	2 019 074	1 596 424	1 882 674
Assets held for sale	1 471 117	1 269 329	3 905
Total assets	5 780 747	5 630 796	5 086 749

* Mainly cash in escrow accounts paid by residential clients

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

	As at 31.03.2021 – end of quarter	As at 31.12.2020 – end of year	As at 31.03.2020 – end of quarter (restated)
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent	1 709 240	1 684 685	1 603 200
Share capital	20 635	20 635	20 635
Supplementary capital	1 280 664	1 280 664	1 259 252
Retained earnings	406 941	382 420	322 368
Foreign currency translation reserve	1 000	966	945
Non-controlling interest	(127)	(126)	(123)
	1 709 113	1 684 559	1 603 077
Long-term liabilities			
Credits, loans, bonds	1 452 586	1 465 767	1 676 345
Long-term provisions	44 453	50 029	50 134
Deferred tax liabilities	183 086	203 518	173 304
Leasing	85 418	88 132	110 084
Other liabilities	99 748	117 722	19 732
Liabilities due to customers	31 594	14 208	42 026
	1 896 885	1 939 376	2 071 625
Short-term liabilities			
Credits, loans, bonds	635 382	846 501	498 599
Credits, loans, bonds - non-current assets classified as held for sale	663 034	496 036	-
Income tax payable	25 114	1 618	1 499
Other taxes liabilities	95 840	13 626	12 102
Trade payable	109 896	130 249	196 645
Leasing	38 707	46 752	61 587
Short-term provisions	36 913	32 059	73 640
Other liabilities	198 361	178 726	130 053
Liabilities due to customers	315 135	217 405	437 922
	2 118 382	1 962 972	1 412 047
Liabilities directly associated with non-current assets classified as held for sale **	56 367	43 889	-
Total equity and liabilities	5 780 747	5 630 796	5 086 749
Book value	1 709 240	1 684 685	1 603 200
Number of shares	412 690 582	412 690 582	412 690 582
Book value per share (in PLN)	4,14	4,08	3,88

** liabilities, mainly related to received deposits, advances and leasing

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

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020 (restated)
Revenues	155 370	158 005
Cost of sales	(88 920)	(131 439)
Gross profit	66 450	26 566
Profit on investment property	42 608	111 406
Administrative costs associated with project implementation	(7 349)	(8 398)
Selling expenses	(6 755)	(7 959)
General and administrative expenses	(20 050)	(17 287)
Other operating income	4 332	3 029
Other operating expenses	(6 284)	(4 600)
Operating profit	72 952	102 757
Financial income	2 781	2 040
Financial cost	(29 721)	(13 565)
Profit (loss) on FX derivatives	(2 575)	(16 487)
Foreign exchange gains (losses)	(13 177)	(22 846)
Share of profit (loss) of associates and joint ventures	6 999	(2 630)
Profit before tax	37 259	49 269
Income tax	(12 739)	(8 641)
current tax	(23 900)	3 564
deferred tax	11 161	(12 205)
Net profit (loss), including:	24 520	40 628
Equity holders of the parent	24 521	40 629
Non-controlling interest	(1)	(1)
Equity holders of the parent	24 521	40 629
Weighted average number of ordinary shares (in '000) without shares held	412 691	412 691
Profit (loss) per one ordinary share (in PLN)	0,06	0,10
Diluted profit (loss) per one ordinary share (PLN)	0,06	0,10

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

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
Profit for the year	24 520	40 628
Components of other comprehensive income that may be reclassified to profit or loss in later periods		
- exchange differences on translation of foreign operations	34	206
Other comprehensive income for the year, net of tax	34	206
Total comprehensive income for the year, including:	24 554	40 834
Comprehensive income attributable to shareholders of the parent company	24 555	40 835
Comprehensive income attributable to non-controlling interest	(1)	(1)

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

	Share capital	Supplementa- ry capital	Accumulated retained earnings	Currency translation differences	Equity attributable to equity holders of the parent	Capital of non-contro- lling interests	Equity total
For the period 01.01.2021 - 31.03.2021							
Opening balance	20 635	1 280 664	382 420	966	1 684 685	(126)	1 684 559
Other comprehensive income	-	-	-	34	34	-	34
Net profit (loss) for the period	-	-	24 521	-	24 521	(1)	24 520
Closing balance	20 635	1 280 664	406 941	1 000	1 709 240	(127)	1 709 113
For the period 01.01.2020 - 31.03.2020							
Opening balance	20 635	1 259 252	281 739	739	1 562 365	(122)	1 562 243
Other comprehensive income	-	-	-	206	206	-	206
Net profit (loss) for the period	-	-	40 629	-	40 629	(1)	40 628
Closing balance	20 635	1 259 252	322 368	945	1 603 200	(123)	1 603 077

CONSOLIDATED INTERIM CASH FLOW STATEMENT [PLN '000]

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
A. Operating cash flow – indirect method		
I. Profit (loss) before tax	37 259	49 269
II. Total adjustments		
Share in net (profit) loss of entities accounted for using the equity method	(6 999)	2 630
Depreciation of PP&E	1 808	2 540
FX gains (losses)	14 393	36 479
Interest and profit sharing (dividends)	16 570	11 806
(Profit) loss on revaluation of investment properties	31 386	(118 380)
(Profit) loss on investment activity	2 554	10 293
Change of provisions	(723)	(1 586)
(Profit) loss due to the realization of financial instruments	1 467	(419)
	60 456	(56 637)
III. Changes in working capital		
Change in inventories	(112 391)	(80 946)
Change in receivables	29 740	23 961
Change in short-term liabilities, except for loans and borrowings	162 048	35 282
Change in restricted cash	13 854	(8 069)
	93 251	(29 772)
IV. Net cash generated from operating activities (I+II+III)	190 966	(37 140)
Income tax paid	(100)	(7 596)
V. Net cash generated from operating activities	190 866	(44 736)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	4	2
Sale of investments in property	414 824	21 726
From borrowings	579	7 622
	415 407	29 350
II. Outflows		
Purchase of intangible assets and PP&E	(572)	(2 460)
Investment in property	(147 044)	(130 842)
For borrowings	(1 985)	(13 143)
	(149 601)	(146 445)
III. Net cash flow from investing activities (I+II)	265 806	(117 095)

CONSOLIDATED INTERIM CASH FLOW STATEMENT CONT. [PLN '000]

	1.01.2021 – 31.03.2021	1.01.2020 – 31.03.2020
C. Cash flow from financing activities		
Inflows		
Loans and borrowings	85 826	166 086
Issue of debt securities	195 000	-
Other financial inflows	-	419
	280 826	166 505
II. Outflows		
Repayment of loans and borrowings	(195 761)	(17 605)
Redemption of debt securities	(155 000)	-
Due to FX derivatives	(1 467)	-
Payments of leasing liabilities	(9 316)	(2 026)
Interest paid	(14 638)	(24 143)
	(376 182)	(43 774)
III. Net cash flow from financing activities (I+II)	(95 356)	122 731
D. Total net cash flows (A.V+B.III+C.III)	361 316	(39 100)
E. Change in the balance of cash in consoli-dated statement of financial position, including	361 316	(39 100)
Change of cash due to FX differences	-	-
F. Cash and cash equivalents at the beginning of the period	327 097	492 295
Cash and cash equivalents at the end of the period (D+F)	688 413	453 195

OFF-BALANCE SHEET ITEMS [PLN '000]

	31.03.2021	31.12.2020	31.03.2020
Off-balance sheet liabilities	1 565 543	1 387 467	1 437 383
Total	1 565 543	1 387 467	1 437 383

**INFORMATION
ON FINANCIAL
STATEMENTS OF
ECHO INVESTMENT S.A.**



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

The condensed consolidated financial statements of the Echo Investment Capital Group present consolidated financial data for the 3-month period ended March 31, 2021 and comparative financial data for the 3-month period ended March 31, 2020.

All financial data in the Group's consolidated financial statements are presented in thousands of zlotys (PLN), unless otherwise stated. The financial statements have been prepared according to the historical cost principle, except for investment properties and financial instruments measured at fair value.

As at March 31, 2021, the Capital Group consisted of 136 subsidiaries consolidated with the full method and 25 jointly controlled companies consolidated with the equity method.

DECLARATION OF CONFORMITY

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the European Commission.

ESTABLISHMENT OF A BUSINESS CONTINUATION

The consolidated financial statements of the Group for the first quarter of 2021 were prepared on the assumption that the business will continue in the foreseeable future, bearing in mind that there are no circumstances that would indicate a threat to the continuation of operations by the Group's companies.

APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Management Board on May 27, 2021.

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

As at 31 March 2021 the Capital Group included 136 subsidiaries consolidated according to the full method and 25 jointly controlled companies consolidated according to the equity method.

Changes in the structure of the group in Q1 2021

DECREASE OF THE GROUP

Entity	Action	Date	Share capital
Projekt 152 - Projekt 14 - Grupa Echo Sp. z o.o SKA Sp.K. w likwidacji (in liquidation)	Resolution on liquidation	29.01.2021	5050 PLN
Kasztanowa Aleja - Grupa Echo Sp. z o.o. Sp.K. w likwidacji (in liquidation)	Resolution on liquidation	12.02.2021	655 000 PLN
Klimt House - Grupa Echo Sp. z o.o. Sp.K. w likwidacji (in liquidation)	Resolution on liquidation	12.02.2021	500 000 PLN
Echo - Babka Tower Sp. z o.o. Sp.K. w likwidacji (in liquidation)	Resolution on liquidation	12.02.2021	2 000 000 PLN
Pod Klonami - Grupa Echo Sp. z o.o. Sp.K. w likwidacji (in liquidation)	Resolution on liquidation	12.02.2021	10 000 PLN
Projekt 154 - Projekt K-6 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the Register of Entrepreneurs	16.03.2021	5 050 PLN
Projekt 150 - Shanklin Sp. z o.o. Sp.K.	Removal from the Register of Entrepreneurs	16.03.2021	5 050 PLN
Projekt 151 - Projekt 13 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the Register of Entrepreneurs	17.03.2021	5 050 PLN
Projekt 148 - Grupa Echo Sp. z o.o. Sp.K.	Removal from the Register of Entrepreneurs	23.03.2021	5 050 PLN
Projekt 153 - Projekt 21 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the Register of Entrepreneurs	29.03.2021	5 050 PLN

OTHER CHANGES

Entity	Action	Date
Echo - Arena Sp. z o.o.	Sale of the company shares by Projekt Echo - 123 Sp. z o.o. to Echo Investment S.A.	25.01.2021

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

03

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) and endorsed for use in the EU enter into force for the first time in the Group's financial statements for 2021:

Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leasing” - Reform of the Reference Interest Rate - Stage 2

(approved in the EU on January 13, 2021)

It is effective for annual periods beginning on or after 1 January 2021.

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

New standards and amendments to existing standards that have already been issued by the IASB and endorsed by the EU, but not yet effective

In approving these financial statements, the following amendments to existing standards have been issued by the IASB and endorsed for use in the EU, which are effective at a later date:

Amendments to IFRS 4 “Insurance Contracts” entitled “Extension of the temporary exemption from the application of IFRS 9”

(approved in the EU on December 16, 2020)

The expiry date of the temporary exemption from IFRS 9 has been extended from January 1, 2021 to annual periods beginning on or after January 1, 2023.

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

The IFRS as approved by the EU do not currently differ significantly from the regulations issued by the International Accounting Standards Board (IASB), except for the following new standards and amendments to standards, which as at March 30, 2021 have not yet been approved for use in the EU (the following effective dates refer to the full version of the standards):

IFRS 14 “Deferred balances from regulated activities”

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

IFRS 17 “Insurance Contracts” as amended to IFRS 17

It is effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 1 “Presentation of financial statements” - Classification of liabilities as short-term or long-term

It is effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 1 “Presentation of Financial Statements” - Disclosures on the accounting policy applied

It is effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - Disclosures on the Accounting Policy Applied

It is effective for annual periods beginning on or after January 1, 2023.

Amendments to IAS 16 “Property, Plant and Equipment” - Revenue Earned Before Accepting a Fixed Assets Component

It is effective for annual periods beginning on or after 1 January 2022.

Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” - Onerous Contracts - Cost of Fulfilling the Contract

It is effective for annual periods beginning on or after 1 January 2022.

Amendments to IFRS 3 “Business Combinations” - Amendments to references to conceptual assumptions including amendments to IFRS 3

It is effective for annual periods beginning on or after 1 January 2022.

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Undertaking undertaking and subsequent changes

The effective date of the amendments has been postponed until the completion of research work on the equity method.

Amendments to various standards “Improvements to IFRS (2018-2020 cycle)” - changes made as part of the procedure of introducing annual improvements to IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) aimed mainly at resolving inconsistencies and clarifying the wording (amendments to IFRS 1, IFRS 9 and IAS 41

They are effective for annual periods beginning on or after 1 January 2022. Amendments to IFRS 16 concern only the illustrative example, and therefore the effective date is not provided.

Amendments to IFRS 16: Covid-19 Rent Concessions after June 30, 2021

(issued on March 31, 2021)

Until the date of approval of these financial statements, not approved by the EU - applicable to annual periods beginning on April 1, 2021 or later.

Amendments to IAS 12 Income Taxes

(issued on May 7, 2021)

Until the date of approval of these financial statements, not approved by the EU - applicable to annual periods beginning on January 1, 2023.

According to the Group's estimates, the above-mentioned new standards and changes to the existing standards would not have a significant impact on the financial statements, if they had been applied by the Group as at the balance sheet date.

Hedge accounting of the portfolio of financial assets and liabilities, the principles of which have not been approved for use in the EU, still remain outside the regulations approved by the EU.

According to the Group's estimates, the application of hedge accounting for the portfolio of financial assets or liabilities in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” would not have a significant impact on the financial statements, if applied as at the balance sheet date.

Error correction – changing the presenting principles – restatement of statements for previous period

The group's management board decided to change the incorrect presentation of provisions in the consolidated statement of financial position. After the analysis, the Management Board concluded that long-term provisions will be presented under long-term liabilities, while short-term provisions will be presented under short-term liabilities. As a result, the Group made an appropriate presentation change in the consolidated statement of financial position as at 31.03.2020. The changes are presented in the table below.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION [PLN '000 PLN]

	31.03.2020 published data	31.03.2020 published data	Change
Provisions			
Long-term provisions	50 134	-	(50 134)
Short-term provisions	73 640	-	(73 640)
Deferred tax liabilities	173 304	-	(173 304)
Long-term liabilities			
Long-term provisions	-	50 134	50 134
Deferred tax liabilities	-	173 304	173 304
Short-term liabilities			
Short-term provisions	-	73 640	73 640

The group's Management Board decided to change the incorrect presentation of financial costs and revenues related to the adjusted purchase price of interest on loans granted as well as received loans and issued bonds. After the analysis, the Management Board concluded that the financial income related to the adjusted purchase price on the contracted loans and issued bonds in the amount of PLN 3 897 thous. should be presented as financial costs, while financial costs related to the adjusted purchase price on granted loans in the amount of PLN 385 thous. should be presented as financial income. As a consequence, the Group made an appropriate presentation change in the consolidated profit and loss account in the comparative period, i.e. from 1.01.2020 to 31.03.2020. The changes are presented in the table below.

CONSOLIDATED PROFIT AND LOSS ACCOUNT [PLN '000 PLN]

	01.01.2020 - 31.03.2020 published data	1.01.2020 – 31.03.2020 transformed data	Change
Financial income	6 322	2 040	(4 282)
Financial cost	(17 847)	(13 565)	4 282

**CONDENSED INTERIM
STANDALONE FINANCIAL
STATEMENTS OF ECHO
INVESTMENT S.A. AS OF
AND FOR THE PERIOD
ENDED 31 MARCH 2021**



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

	As at 31.03.2021 – end of quarter	As at 31.12.2020 – end of year	As at 31.03.2020 – end of quarter
ASSETS			
Non-current assets			
Intangible assets	3 447	3 426	2 604
Property, plant and equipment	20 340	20 800	19 574
Investment	2 212	2 212	2 212
Investments in subsidiaries, jointly controlled entities and associates	1 073 287	1 021 475	875 297
Long-term financial assets	314 772	498 141	779 079
Loans granted	954 425	307 129	256 813
	2 391 140	2 368 483	1 853 183
Current assets			
Inventory	187 163	198 504	206 891
Income tax receivables	205	205	395
Other taxes receivable	-	1 205	6 189
Trade and other receivables	72 977	83 979	103 749
Loans granted	200 316	183 438	-
Other financial assets*	315 968	294 909	561 931
Cash and cash equivalents	30 136	42 444	24 128
	92 370	107 437	263 233
	899 135	912 121	1 166 516
Assets held for sale	1 767	-	-
Total assets	3 280 604	3 019 699	2 801 506

* Mainly cash in escrow accounts paid by residential clients

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

	As at 31.03.2021 – end of quarter	As at 31.12.2020 – end of year	As at 31.03.2020 – end of quarter
EQUITY AND LIABILITIES			
Equity			
Share capital	20 635	20 635	20 635
Supplementary capital	1 054 295	1 054 295	1 054 295
Dividend fund	186 051	186 051	164 639
Accumulated profit	90 421	57 825	67 954
	1 351 402	1 318 806	1 307 523
Long-term liabilities			
Loans, borrowings and bonds	1 063 913	872 941	1 023 096
- including subsidiaries:	-	-	226 577
Long-term provisions	-	-	-
Deferred tax liabilities	19 795	19 534	1 565
Deposits and advances received	1 161	1 113	1 320
Lease liabilities	13 677	13 567	11 511
Derivative financial instruments	2 151	1 624	-
	1 100 696	908 779	1 037 492
Short-term liabilities			
Loans, borrowings and bonds	619 220	839 569	499 317
- including subsidiaries:	203 926	208 179	-
Current income tax payable	785	5	1
Other taxes liabilities	10 308	8 706	3 032
Trade payable	22 250	26 389	30 593
Deposits and advances received	113 732	89 791	79 840
Lease liabilities	6 055	9 530	14 135
Short-term provisions	11 421	11 304	12 723
Other liabilities	56 172	67 725	35 043
	839 944	1 053 019	674 684
Total equity and liabilities	3 292 042	3 280 604	3 019 699
Book value	1 351 402	1 318 806	1 307 523
Number of shares	412 690 582	412 690 582	412 690 582
Book value per share (in PLN)	3,27	3,20	3,17

OFF-BALANCE SHEET ITEMS [PLN '000]

	As at 31.03.2021 – end of quarter	As at 31.12.2020 – end of year	As at 31.03.2020 – end of quarter
Off-balance sheet liabilities	2 258 821	1 968 827	1 426 237
Total	2 258 821	1 968 827	1 426 237

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

	1.01.2021– 31.03.2021	1.01.2020 –31.03.2020
Revenue	62 912	91 808
Cost of sales	(43 798)	(80 077)
Gross profit	19 114	11 731
Administrative costs associated with project implementation	(1 780)	(4 074)
Selling expenses	(4 913)	(6 276)
General and administrative expenses	(22 408)	(14 341)
Other operating income	64 221	68 605
- including interest on loans and bonds	(1 769)	(3 541)
Operating profit	52 465	52 104
Financial income	226	9 470
Financial cost	(19 052)	(18 400)
Profit before tax	33 640	43 174
Income tax	(1 044)	3 368
Net profit	32 596	46 542
Net profit (immersed)	43 878	65 136
Weighted average number of ordinary shares	412 690 582	412 690 582
Profit per one ordinary share (in PLN)	0,11	0,16
Diluted weighted average number of ordinary share	412 690 582	412 690 582
Diluted profit per one ordinary share (PLN)	0,11	0,16

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

	Share capital	Supplementary capital	Dividend fund	Accumulated profit (loss)	Equity total
For the quarter (current year), period from January 1, 2021 to March 31, 2021					
As at the beginning of the period	20 635	1 054 295	186 051	57 825	1 260 981
Changes during the period:					
Net profit (loss) for the period	-	-	-	32 596	32 596
Changes in total	-	-	-	32 596	32 596
As at the end of the period	20 635	1 054 295	186 051	90 421	1 351 402
For the quarter (previous year), period from January 1, 2020 to March 31, 2020					
As at the beginning of the period	20 635	1 054 295	164 639	21 412	1 260 981
Changes during the period:					
Net profit (loss) for the period	-	-	-	46 542	46 542
Changes in total	-	-	-	46 542	46 542
As at the end of the period	20 635	1 054 295	164 639	67 954	1 307 523

CONDENSED INTERIM STANDALONE CASH FLOW STATEMENT [PLN '000]

	1.01.2021– 31.03.2021	1.01.2020 – 31.03.2020
A. Operating cash flow – indirect method		
I. Profit before tax	33 640	43 174
II. Adjustments	(34 311)	(51 903)
Depreciation	2 301	2 159
FX gains / (losses)	2 622	(8 890)
Interest and profit sharing (dividends)	(43 729)	(48 289)
Profit / (loss) on revaluation of assets and liabilities	4 499	3 118
Profit / (loss) from the sale of fixed assets and investment real estate	(4)	(1)
III. Changes in working capital	44 573	(30 038)
Change in reserves	117	(2 784)
Change in inventories	9 134	5 509
Change in receivables	12 244	25 375
Change in short-term liabilities, except for loans and borrowings	10 770	(51 731)
Change in other financial assets	12 308	(6 408)
IV. Net cash generated from operating activities (I+/-II+/-III)	43 902	(38 767)
V. Income tax paid	(4)	(3 315)
VI. Net cash generated from operating activities (I+/-II)	43 898	(42 082)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	4	1
Disposal of investments in property	-	-
From financial assets	104 370	75 164
Other investment incomes	-	-
	104 374	75 165
II. Outflows		
Purchase of intangible assets and tangible fixed assets	(154)	(337)
Investment in Property and intangible assets	-	-
For financial assets	(112 927)	(66 812)
Other investment expenses	(367)	(296)
	(113 448)	(67 445)
III. Net cash flow from investing activities	(9 074)	7 720
C. Cash flow from financing activities (I-III)		
I. Inflows		
Loans and borrowings	-	87 818
Issue of debt securities	195 000	-
	195 000	87 818
II. Outflows		
Repayment of loans and borrowings	(77 668)	(10 000)
Redemption of debt securities	(155 000)	-
Payments of leasing liabilities	(1 922)	(2 007)
Interest	(9 414)	(10 363)
Other financial expenses	(886)	-
	(244 890)	(22 370)
III. Net cash flow from financing activities (I-III)	(49 890)	65 448
D. Total net cash flows (A.VI +/- B.III +/- C.III)	(15 067)	31 086
E. Balance sheet change in cash, including:	(15 067)	31 086
Change in cash due to exchange rate differences	-	-
F. Cash and cash equivalents at the beginning of the period	107 437	232 147
G. Cash and cash equivalents at the end of the period (F+/-D)	92 370	263 233

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

Rafał Mazurczak
Member of the Board

Małgorzata Turek
Member of the Board

Anna Gabryszewska-Wybraniec
Chief Accountant

Kielce, 26 May 2021

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 the first quarter 2021 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 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

Rafał Mazurczak
Member of the Board

Małgorzata Turek
Member of the Board

Kielce, 26 May 2021

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