

FINANCIAL REPORT OF
ECHO INVESTMENT
H1 2021



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DEAR SHAREHOLDERS, PARTNERS AND CLIENTS,

It is my pleasure to present to you this financial report of Echo Investment for the first half of 2021, which for the first time takes into account the results of the Archicom S.A. group. Our Group enjoys a stable financial situation and during this period generated a net profit of PLN 47 million, which was mainly the result of handing over to customers 398 apartments built by Echo Investment, as well as 202 apartments of Archicom and an increase in the value of office buildings – in particular Malthouse Offices in Warsaw Breweries and Brain Park I in Cracow. A very important item that influenced the results for the first half of the year and the second quarter was the profit on purchase price allocation of Archicom S.A. shares.

Residential sector

Reaching the strategic goal of becoming a nationwide leader in the residential sector, we acquired a 66% stake in the Wrocław-based developer Archicom on April 22, 2021. At the end of the first half of the year, this company had a share of about 17% in the Wrocław market, which placed it in the position of the unquestionable leader. The Echo-Archicom Group is currently the biggest residential developer in Poland, building apartments for sale and rent. In the first half of the year, the two companies sold a total of 1,719 apartments to clients.

Including the results of Archicom, from the beginning of the year to the end of June, we handed over 600 apartments. However, it must be remembered that the most busy time is still ahead of us. In the second half of the year, we expect to receive use permits for 14 projects with 2.2 thous. apartments that will be ready to hand over to customers. We are constantly expanding our offer. The Echo-Archicom Group currently has 4.4 thous. apartments for sale under construction while in the second half of the year we will start investments with a total of more than 2.4 thous. units.

What's also worth mentioning is our recent success – the Warsaw Council agreed that we should build a residential estate with about 1.6 thous. apartments and a modern school for 450 children in the heart of the Służewiec office district, using the so-called special housing act. It is a good decision both for the city, which we help to transform an office district into a multifunctional, comfortable place to live, and for Echo Investment, which will be able to implement an attractive investment there.

Resi4Rent

We are consistently developing Resi4Rent – the largest company with apartments for rent in Poland. In the first half of this year alone, Resi4Rent launched 600 subscription units at Suwak and Taśmowa Streets in Warsaw, as well as opened seventh building – this time in Gdańsk at Kołobrzaska Street, where another 302 units are in offer. In August, Resi4Rent obtained the financing from a consortium of reputable banks for construction of 1,400 units for rent in five locations.

Currently Resi4Rent has 2.3 thous. completed apartments in offer which in 2022 will grow to 3.7 thous. and to 6 thous. in 2023. Ultimately, by 2025, Resi4Rent will offer at least 10 thous. apartments in the six largest Polish cities. In 2021, it has already started the construction of over 1.1 thous. units, and by the end of the year, it will start building nearly 1.3 thous. The plan for each year is to start up construction of another 3 thous. units.

Commercial property sector

Currently we have office buildings under construction with a total leasable area of around 100 thous. sqm, and a further 200 thous. sqm are in the planning stage. Since the beginning of 2021, two completed office buildings which are part of the Warsaw Breweries complex have found new owners. We sold Villa Offices in March and Malthouse Offices in August. Jointly transactions were worth EUR 240

The value of our assets amounted to over PLN 7 billion and is 25% higher than at the end of last year. This is mainly a result of the acquisition of Archicom S.A. group – the increase in the value of residential assets amounted to 90%. Our priority is to maintain a strong financial position and further development in the residential segment to maintain and strengthen the leading position

mn and are proof that mixed-use ‘destination’ projects – places that attract people – are more than ever in demand by investors. Talks on the sale of other buildings are also in advanced negotiations.

In the first half of the year, we started to develop the Brain Park office project in Cracow and another office building in the Fuzja complex. We acquired new, reputable tenants, such as Playtika, 3M GSC Poland or ABB, which shows the strength of the office sector. That is why we intend to start construction of 3 more office buildings by the end of the year.

Since restrictions on trading were lifted this spring, in retail segment we have focused on strong marketing efforts and strengthening Libero and Galeria Młociny shopping centers as they return to their normal operations. The facilities are almost fully leased and attract new retail brands. Moreover, the vast majority of agreements on sharing costs of closures and rent payments have been signed with tenants at both centers. Both projects record an increase in footfall compared to 2019, and more importantly – a 30% increase of tenants’ turnover compared to 2019.

Financial position

The Group maintains a high level of cash: at the end of the first half of the year it was PLN 630 million. The value of our assets amounted to over PLN 7 billion and is 25% higher than at the end of last year. This is mainly a result of the acquisition of Archicom S.A. group – the increase in the value of residential assets amounted to 90%. Our priority is to maintain a strong financial position and further development in the residential segment to maintain and strengthen the leading position.

I encourage you to read our financial report for first half 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 30 June, 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

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

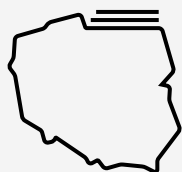


In 2016, the Management Board of Echo Investment with the approval of the Supervisory Board developed and implemented “The strategy of profitable growth”. According to its assumptions, Echo Investment focused on de-

velopment activity. This way it accelerated the capital turnover and generates 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 the biggest real estate development companies operating in Poland, in terms of number of projects as well as its total area. The Company is active in both sectors of real estate market: residential and commercial. In accordance with the strategy of profitable growth, Echo Investment is going to be one of the leaders in residential and commercial market, what implies higher dynamics in residential. Big scale of activity allows for optimum use of resources.

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

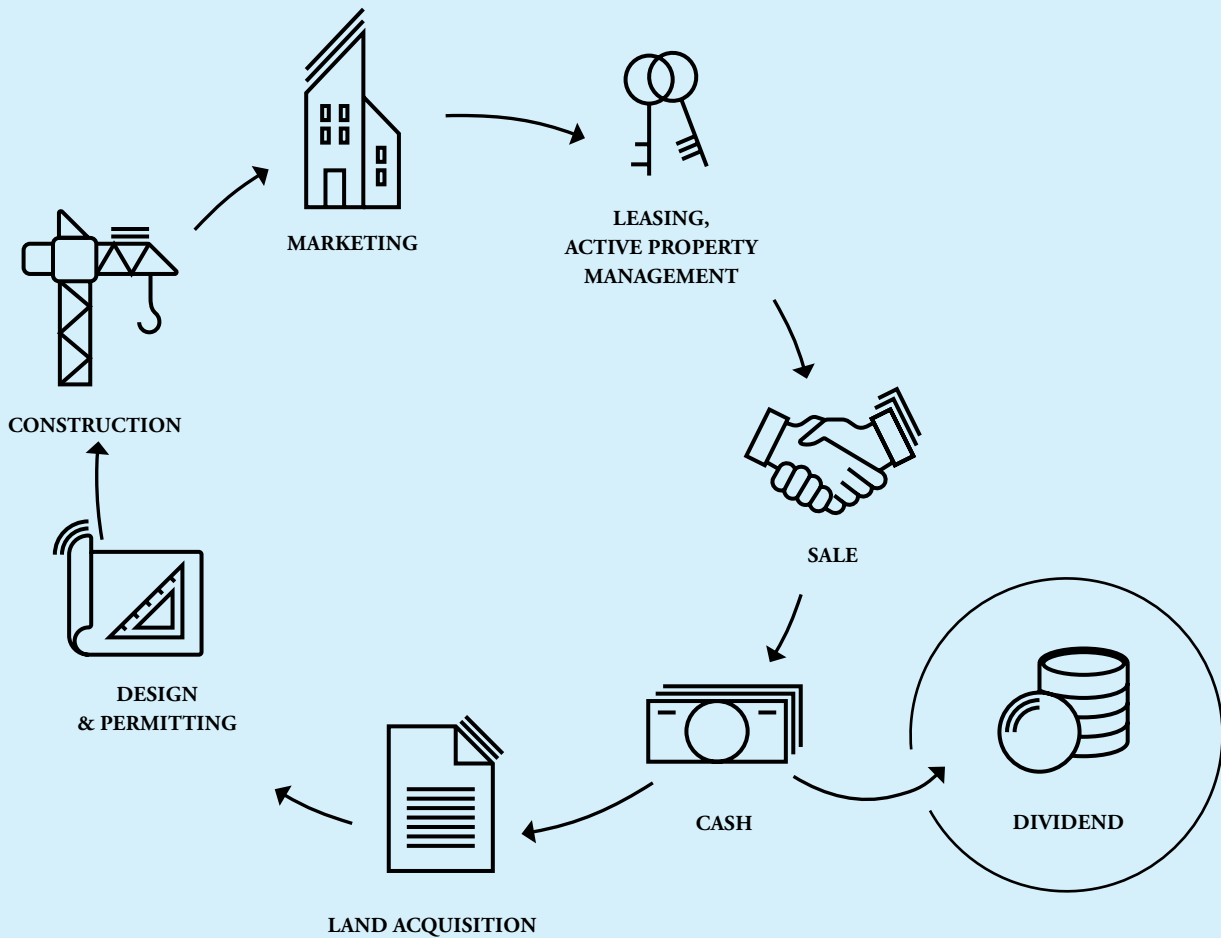


Echo Investment values long-term business relations with reliable partners, that created synergies for both sides. Development activities of Echo Investment are complementary to these entities. Such cooperation facilitates expanding Echo's scale of operation, accelerates speed of projects implementation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

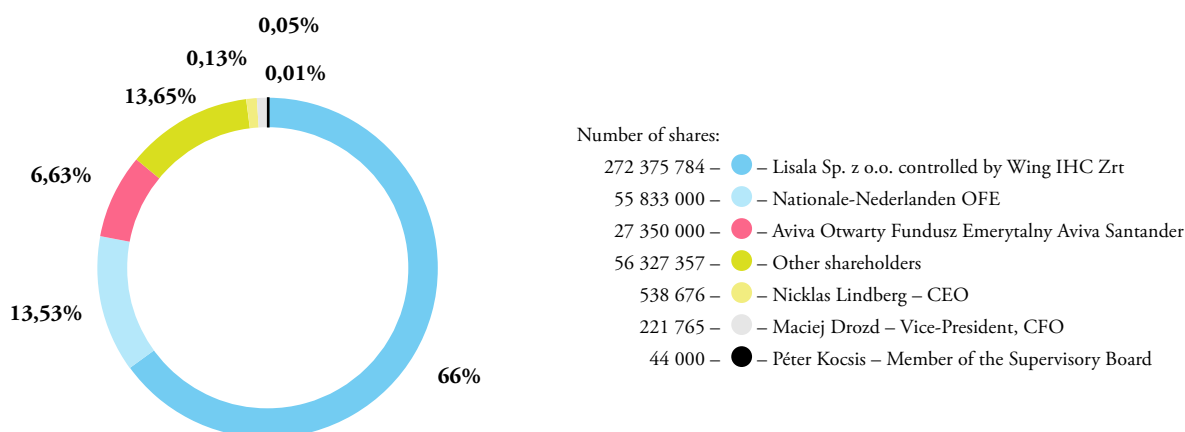


Echo Investment Group runs the entire investment process in-house, starting with acquisition of property, through obtaining administrative permits, financing and oversight of construction, to leasing, completion, active property management to increase its value, taking decision of sale and execution 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 and sale of residential apartments;
2. construction, lease, active property management to increase its value and sale of commercial properties - office and retail buildings,
3. providing services of flexible office space leasing through the company CitySpace;
4. provision of services for other entities, such as Resi4Rent and Student Depot (general contractor, managing contractor, leasing, consulting etc.).

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

SHAREHOLDERS OF ECHO INVESTMENT S.A.



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 is based on data on shareholders holding minimum 5% of the total number of votes at the Ordinary General Meeting of Echo Investment S.A. of 28 June, 2021 and notification from shareholders.

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

05

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

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

VOLUME OF SHARES OF ECHO INVESTMENT S.A. HELD BY MEMBERS OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AS AT 30 JUNE 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 30 June 2021 and during H1 2021, and none of them concluded any transactions for shares or bonds in the Company.

6.1 Sale of Villa Offices building

Echo Investment Group has concluded sale agreement of Villa Offices building being part of the Warsaw Breweries 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 and occupied with such companies as WeWork, Accenture, Grupa Citi, Echo Investment, Etno Café and Munja restaurant. The 13-floor building of Villa Offices is is 55-meter high and its total rental area amounts to 16,600 sqm.



Villa Offices building in Warsaw Brewery complex in Warsaw.



6.2 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).

6.3 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 amounted to PLN 429 million. Echo Investment paid PLN 241 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 Wrocław 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 Breweries 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.

6.4 Publication of the first Echo Investment's sustainability report

The idea of sound cities' development, the 'destinations' projects, green areas and trees protection, good relations with customers and neighbours, construction sites safety described in the first Sustainability Report of Echo Investment 2020. These issues have also been indicated as the Company's priorities. It is the Company's first publication of this kind related to ESG goals, management and actions. The document describes the Company's key sustainable development projects.

Due to Echo Investment's extensive scale of operations and number of projects, the company has significant influence on Poland's most prominent cities' functional aspects. Therefore it makes every possible effort to go beyond the projects' business dimension, including city-forming and appropriate urban-planning aspects. Echo Investment's business strategy indicates the development of large-scale, multifunctional 'destinations', the places to attract people. This way it participates in urban sustainable development policies. The company counteracts cities' sprawl into their suburbs, promotes cutting-edge transport, and implements the idea of 15-minute cities. Last but not least, it revives the cities' neglected and run-down areas.

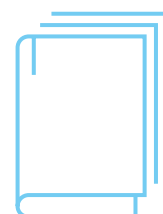
Echo Investment puts to use its 25-year experience in Polish cities co-creation to benefit the destinations projects. These coherently and consistently designed investments enhance the city with high-quality public spaces and greenery - the destinations are developed with respect for specific local history, in accordance with the latest global trends in urban planning, including ecology, shared economy, promotion of public transport as well as pedestrian and bicycle passages.

Property development and construction services are inseparable; thus, Echo Investment attaches particular attention to its construction sites safety.

The Sustainability Report marks the launch of Echo Investment's voluntary disclosure of non-financial information. The company decided for that because of its maturity. Also its business partners, contractors, customers, shareholders and other stakeholders have attached an increased importance of corporate social responsibility. The report is to be published annually. The report compiled in accordance with the GRI (Global Reporting Initiative) standards, the CORE version. Over 70 people have been involved in the report preparation, including an extensive direct-stakeholders group, incl. employees, business partners, stock exchange investors, individual clients, media, industry organisations and local governments' representatives.



2020 Sustainable Development Report is Echo Investment's first publication of this kind related to ESG goals, management and actions.



6.5 Ordinary General Meeting of Shareholders

Echo Investment's Ordinary General Meeting of Shareholders was held on June 28, 2021. Standard resolutions were passed to approve the financial statements and the management report for 2020, the Supervisory Board's report on the results for 2020 and on remuneration was approved, all members of the Management Board and the Supervisory Board were granted a discharge, and a resolution was passed to allocate the profit generated.

The net profit generated by the Company in the 2020 financial year in the amount of PLN 57,824,852.68, increased by PLN 45,347,792.82 from the Dividend Fund - a total of PLN 103,172,645.50 - was allocated for distribution to all shareholders of the Company. The amount of the dividend per share will be PLN 0.25. The date of establishing the right to the dividend was set for 26 July 2021, and the dividend payment date was set for 5 August 2021. The resolution has been fully implemented.

Significant events after the balance sheet day

07

7.1 Sale of Malthouse Offices building

On 5 August 2021, Malthouse Offices, the biggest office building of the Warsaw Breweries complex, as well as the historic malthouse were acquired by Deko Immobilien, an international investment and asset manager.

As part of the transaction, the Parties have also concluded a building quality guarantee agreement, a rental guarantee agreement and a master lease agreement. The basic provisions of the rental guarantee agreement provide for a guarantee to the buyer that the seller will cover rent payments and service charges for individual parts of the buildings that have not been rented yet and those that have been rented, but for which rent reductions or rent-free periods have been applied. The basic provisions of the lease agreement provide for a lease to the seller of the space at the Time Cellars and the Malthouse buildings designated for the subtenants to conduct the restaurant business.

Malthouse Offices is a part of the Warsaw Breweries multi-functional complex. The asset consists of a 7 floors office building, the historic Malthouse, the Central Garden and the historical cellars. The property, completed in September 2020, comprises of 29,600 sqm GLA and two levels underground parking with 180 parking places. The office part is leased to the well-known tenants such as Grupa Żywiec, Allen & Overy, MDDP, Point72 and Playtika. Its ground floor is occupied by several restaurants and a gym. The underground part of the building is connected to the historic cellars. This is where the original concept of the Lviv-based Kumpel Group operates. The 'Browar Warszawski' restaurant welcomes guests with beer brewed here.



Malthouse Offices building in Warsaw Brewery complex in Warsaw.



7.2 Loan agreement for construction of 1,4 thousand of Resi4Rent rental apartments

A consortium of banks, with Pekao Bank as a leader, Bank Gospodarstwa Krajowego and BNP Paribas Bank, granted over PLN 248 million in a construction and investment loan and PLN 15 million in a VAT loan for five Resi4Rent projects with apartments for rent. The projects to be financed will provide a total of around 1.4 thousand apartments in Warsaw and Cracow. Three projects are already under construction, two projects will start in the coming months. This is the third tranche of Resi4Rent's projects financed by reputable banks and financial institutions.

Currently Resi4Rent has almost 6 thousand units in Warsaw, Wrocław, Gdańsk, Cracow, Łódź and Poznań, out of which over 2 thousand is already finished and leased out. Until 2025 the company will operate 10 thousand units. All of the Resi4Rent apartments are new, comfortably finished and equipped with necessary household appliances and basic furniture. The price includes Wi-Fi access to a panel that allows, among others, to manage contracts as well as to have a dedicated service office. Resi4Rent's clients are mainly young people starting out their adult life, singles, foreigners, students, as well as families with children and seniors. 75% of the company's clients are under the age of 34.

7.3 Establishment of a public bond issue program

On 26 August 2021, the Management Board of Echo Investment adopted a resolution on the establishment of a public program for the issuance of up to PLN 300 million or its equivalent in euro. The bonds will be offered in a public offering conducted after the approval of the base prospectus by the Polish Financial Supervision Authority (KNF). Detailed terms and conditions of the issue of bonds shall be set out

prior to the issue of a given series of bonds. The Company plans to introduce the bonds issued under the prospectus to trading on the regulated market Catalyst operated by the Warsaw Stock Exchange. Powszechna Kasa Oszczędności Bank Polski S.A. Branch - Brokerage Office in Warsaw will perform the function of the offering agent and the global coordinator.

PLN **300** million

Maximum value of bonds that can be issued in the established public program.

7.4 Issuance of bonds for institutional investors under consideration

The Management Board of Echo Investment announced on September 6, 2021 that it considers issuing another series of bonds in the fourth quarter of 2021 as part of the bond issue program up to a total amount of issued and outstanding bonds of PLN 1 billion, provided that relevant conditions in the debt securities market occur.

The issuance under consideration relates to unsecured ordinary bearer bonds bearing interest at a variable rate, with a maturity not exceeding 4 years. The bonds will be offered for purchase without a prospectus or information memorandum. On the issue date, they will be registered in the depository

operated by the Central Securities Depository of Poland (Krajowy Depozyt Papierów Wartościowych S.A.) or recorded in the records operated by the issuing agent and subsequently registered with KDPW in accordance with the provisions of the Act on Trading. The bonds may be introduced to trading in the alternative trading system operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.).

The final parameters of the bonds will be determined through discussions with investors and under the bookbuilding process, and the decision to issue will be subject to approval by the Management Board.



The planned housing estate at ul. Wołoska in Warsaw will allow to change the office monoculture of Służewiec and supplement it with educational and green infrastructure of the area.

7.5 The Warsaw Council's approval to Echo Investment's residential project in Warsaw's Służewiec Przemysłowy

The Warsaw Council approved Echo Investment's project under the so-called special housing act at its session on 9 September 2021. It is based on replacing several oldest office buildings in the heart of Służewiec Przemysłowy area with modern residential buildings. Together with them Echo Investment will build a primary school for 450 children, move a high voltage line along ul. Wołoska underground, create a park in this place and invest in two additional green areas and road infrastructure in the area. The project will be developed under the Act on Facilitating the Preparation and Execution of Residential Projects and Related Projects, known as the Special Housing Act. Previously, the City Council agreed to only one project under this procedure, but on a much smaller scale.

The planned project of Echo Investment involves replacing the older generation office buildings on ul. Wołoska with modern buildings with 1,250-1,600 apartments. Residents of the district will also gain a

number of additional projects. Echo Investment will build a model school which far exceeds requirements that are set out in the special housing act. The primary school (from 0 to 8) with two classes in each grade is the most important related projects which will be built as part of the project in Służewiec Przemysłowy, apart from three hectares of greenery and the improvements to the local green and transport infrastructure. It will also be the first public school in Poland built for the city by a private investor. The designs of the residential project, the green areas and the school were created in the renowned design offices: BBGK and WWAA.

The project will be built in the area of ul. Domaniewska, Wołoska and Postępu. The area has been the subject of a preliminary sale agreement from the Immofinanz Group since 2019. The total area of the land property, which is the subject of the transaction, is about 50,000 sqm.

Residential segment – market outlook and Echo Investment business activities

8.1 Residential market in Poland

↑ The best half-year ever

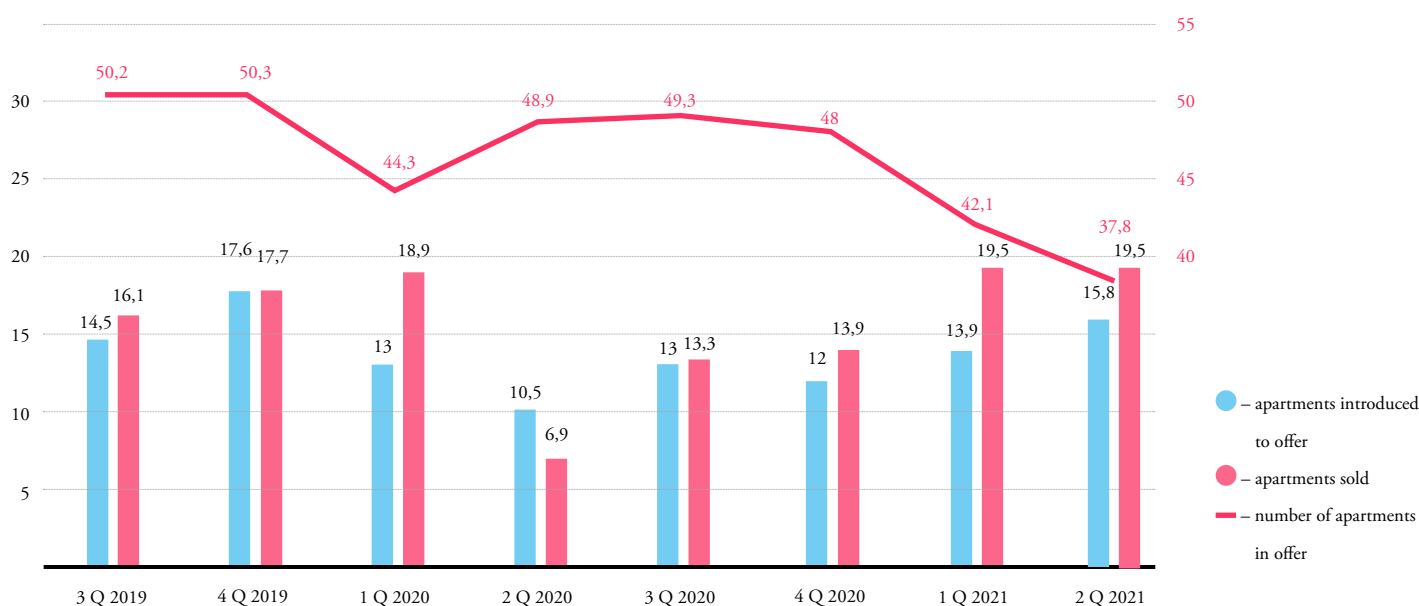
Developers that operate in Warsaw, Cracow, Wrocław, Tri-City, Poznań and Łódź sold around 19,500 development apartments in the first quarter of 2021 and repeated this result in the second quarter. As a result, the first half of the year ended with 39,000 development apartments sold, which is over 7.2 percent more than in the first half of 2017 that has been the best so far - according to data provided by the consulting firm JLL.

The sales could have been even higher if production of apartments had kept up with the demand. In the second quarter, 15.8 thousand units were marketed, 14 percent more than the quarter before and twice as many as in the second quarter of 2020. Despite this, the offer of apartments from developers declined once again and at the end of June 2021 amounted to only 37.8 thousand. This is the least since the third quarter of 2010.

Perspectives of each market sectors in coming months:

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

**APARTMENTS SOLD AND OFFERED FOR SALE
[IN THOUSANDS]**



Source: JLL

JLL experts explain the phenomenon of high residential sales by low interest rates, the desire to protect savings against inflation, the availability of low-cost loans and a stable job market: low unemployment and rising wages. On the other hand, the increase in the scale of the production of apartments by developers is limited by very high price expectations of

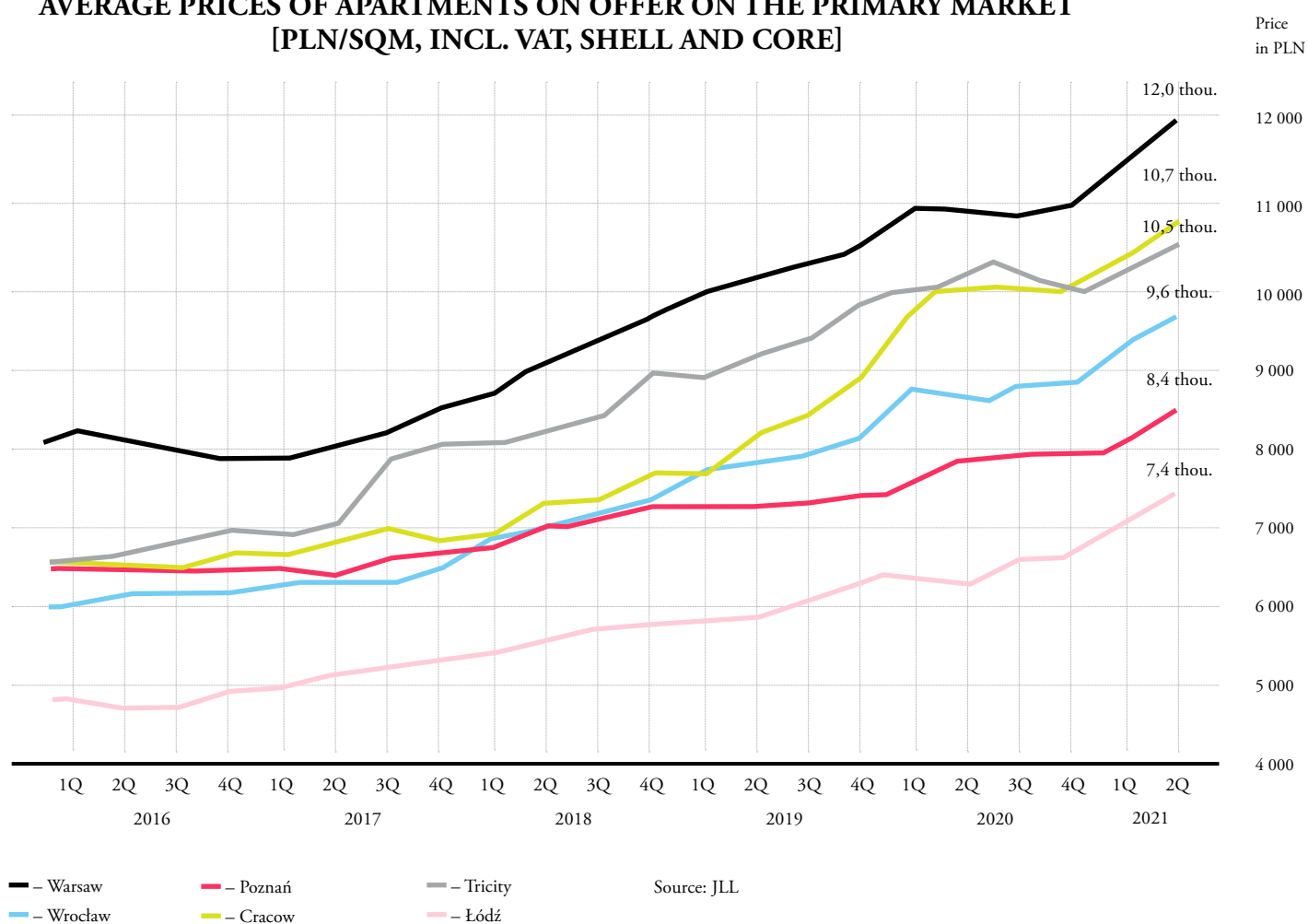
land sellers, increasing difficulties in obtaining building permits and rising prices of construction materials as well as construction services. According to JLL experts, a decrease in apartment prices in the near future seems unlikely, as high inflation is forecast and the cost of the production of apartments has

just been increased by the legislator in the form of a mandatory levy to the Developer Guarantee Fund.

At the end of June, an increase in the average price of apartments on offer in the six largest markets

amounted to 4% q-o-q. If we take a look at individual markets separately, the average price growth was double-digit in Warsaw, Wrocław, and Łódź (10 percent, 12 percent, and 17 percent, respectively), compared to the same period a year ago.

AVERAGE PRICES OF APARTMENTS ON OFFER ON THE PRIMARY MARKET [PLN/SQM, INCL. VAT, SHELL AND CORE]



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

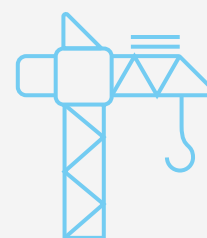
Reaching the strategic goal of becoming a nationwide leader in the residential sector, Echo Investment acquired a 66% stake in the Wrocław-based developer Archicom on April 22, 2021. At the end of the first half of the year, this company had a share of about 17% in the Wrocław market, which placed it in the position of the unquestionable market leader. The Echo-Archicom Group is currently the biggest residential developer in Poland, building apartments for sale and rent. In the first half of the year, the two companies sold a total of 1,719 apartments to clients, and Resi4Rent - a platform offering apartments for rent delivered another 674 units. Both companies

Echo Investment and Archicom has 4,400 apartments under construction, out of which half to be completed only this year. In addition, over 7,600 units are in preparation to be started within next 3-4 years.

By the end of June 2021. Echo Investment sold 906 apartments - 40% more than in the first half of 2020. Whereas Archicom sold 813 apartments in that period, the year-on-year growth rate for this company reached 35% (the data refers to the Archicom S.A. group excluding Archicom Polska, which was not purchased by Echo Investment).

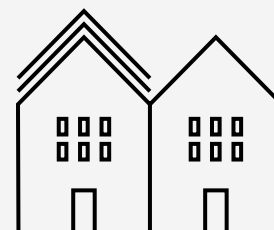
RESIDENTIAL PROJECTS LAUNCHED IN 2021

Investor	Project	Number of apartments	Planned completion date
Echo Investment	Fuzja III Łódź ul. Tymienieckiego	160	4 Q 2022
Echo Investment	Osiedle ZAM I Kraków, ul. Rydlówka	115	2 Q 2022
Echo Investment	Osiedle Enter II Poznań, ul. Naramowice	157	4 Q 2022
Echo Investment	Osiedle Enter III Poznań, ul. Naramowice	166	4 Q 2022
Archicom	Olimpia Port M36, M38 Wrocław, ul. Vespucciego	88	3 Q 2022
Archicom	Browary Wrocławskie BA2, BA3 Wrocław, ul. Jedności Narodowej	246	2 Q 2023
Total		932	



RESIDENTIAL PROJECTS COMPLETED IN 2021

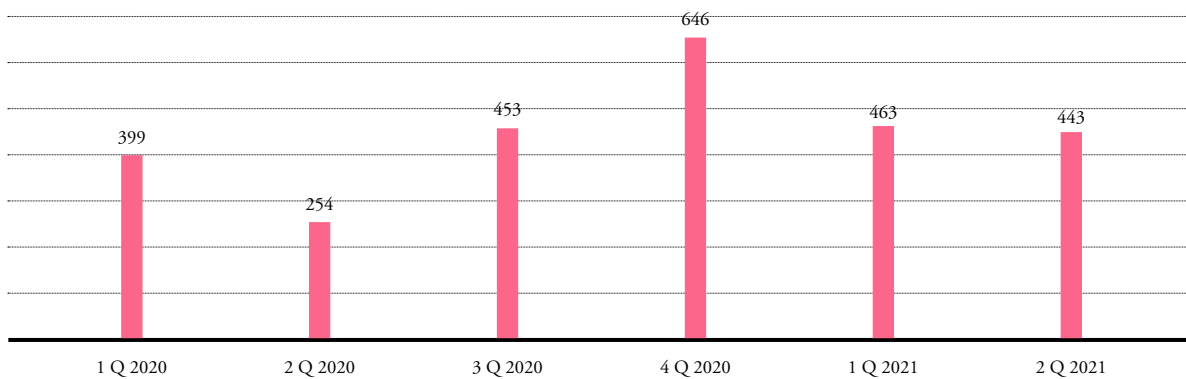
Investor	Project	Number of apartments
Echo Investment	Nasze Jeżyce I Poznań, ul. Szczepanowskiego	142
Archicom	Olimpia Port M28, M29 Wrocław, ul. Vespucciego	108
Archicom	Słoneczne Stabłowice Z21, Z22, Z23 Wrocław, ul. Lubomierska	107
Total		357



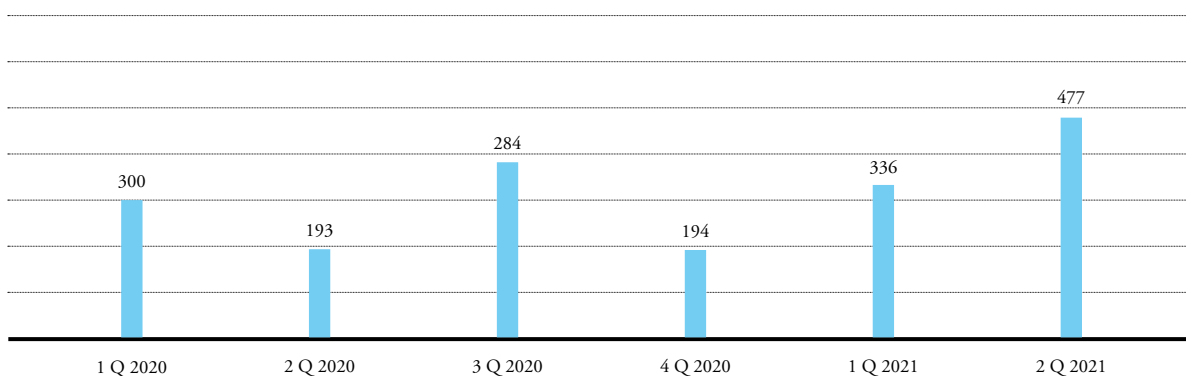


Zenit to be the first residential estate designed in accordance with the sustainable development strategy of Łódź. It is being built at ul. Widzewska and will replace the recently closed hypermarket with a parking.

APARTMENTS SOLD BY THE ECHO INVESTMENT GROUP [UNITS]



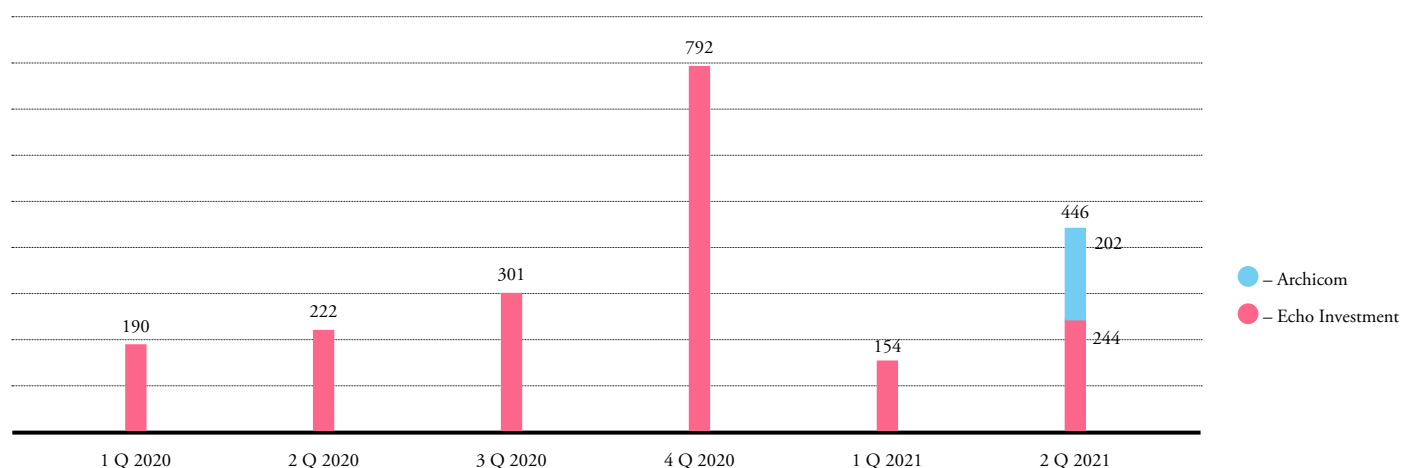
APARTMENTS SOLD BY ARCHICOM S.A. [UNITS]



Echo Investment-Archicom group handed over 600 apartments to clients from the beginning of the year to the end of June, out of which 202 apartments from Archicom that were handed-over to clients after 22 April, and therefore the result on them is

consolidated in the result of Echo Investment. In the second half of the year use permits are to be obtained for 14 projects with over 2,200 apartments. The vast majority of this year's handovers will take place then.

APARTMENTS BOOKED AS A RESULT OF THE ECHO INVESTMENT-ARCHICOM GROUP [UNITS]



A significant element of both Echo Investment’s and Archicom’s strategy is to develop large areas and to offer clients a wide range of projects. In case of Echo Investment it means to combine residential, office and commercial functions within the same projects called “destinations”. Archicom promotes the idea of comprehensive residential complexes, creating projects which are well integrated with the urban fabric

and offer an appropriate functional program (recreation areas, services, greenery). Both companies consider it a great value and a competitive advantage that they provide clients, as part of their projects, with a modern urban infrastructure: sidewalks, roads, benches and other urban furniture, recreation and green areas.

Residential rental segment – market outlook and Echo Investment business activities

9.1 Residential market for rent

↑ Rapidly growing new market segment

Renting apartments in Poland is still an unpopular way of securing living needs. The market for such apartments is dominated by individual investors, therefore it is difficult to provide precise data on its size, prices or trends. Recent years, however, have brought a lot of interest in the market for rental apartments from large private investors. According to JLL, at present such professional entities have only about 6,100 apartments for rent and about 24,600 under construction or in preparation.

In the first half of 2021, investments in the private rental residential sector in Poland amounted to EUR

564 million, which is a high record, according to JLL's estimates. This amount includes the acquisitions of 13 projects from Budimex Nieruchomości and 3 projects from Marvipol by the Swedish fund Heimstaden, as well as the acquisition of planned 1,000 units from YIT by the Nordic fund NREP. JLL analysts estimate that by the end of the year transactions in this sector will reach EUR 200-300 million.

The yields for such projects with forward transactions are estimated at 5.00% in Warsaw and 5.25% in regional cities.

24.6_{thous.}

This is how many apartments for rent are built and prepared by private institutions in Poland.



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

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

Resi4Rent is now the biggest institution providing apartments for rent in Poland. At the end of the first half of 2021, the company held c.a 40% of the finished stock of the institutional rental market. In the first half of this year alone, the company launched 600 subscription units at Suwak and Taśmowa Streets in Warsaw, while in June Resi4Rent, opened its seventh building - to be completed this time in Gdańsk at Kołobrzaska Street, where another 302 units are on offer.

In August, the company obtained the financing for construction of 1,400 units for rent in five locations. A consortium of banks, with Pekao Bank as the leader, Bank Gospodarstwa Krajowego and BNP Paribas Bank, granted more than PLN 248 million of a construction and investment loan and PLN 15 million of a VAT loan for construction of five more projects providing subscription units offered by Resi4Rent. The financed projects will provide in total over 1.4

thousand apartments in Warsaw and Cracow. This is the third tranche of the Resi4Rent projects financed by reputable financial institutions.

Currently, Resi4Rent owns 2.3 thousand units. Since the beginning of the year, three projects in Warsaw and Cracow, with more than 1.1 thousand units, were launched, and in the second half of the year, it is planned to launch four more projects, with nearly 1.3 thousand units. Eventually, until 2025, the company will have a minimum of 10 thousand units in the six largest Polish cities - Warsaw, Cracow, Łódź, Wrocław, Gdańsk and Poznań.

Resi4Rent is the biggest company providing subscription apartments for rent, 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.

2.3_{thous.}

A number of residential units already in offer of Resi4Rent - the largest residential rental company in Poland.

Commercial real estate – market outlook and Echo Investment business activities

10.1 Office real estate market in Warsaw



The first half of 2021 was shaped by the uncertainty as to the outlook on the end of the pandemic. Some tenants continued to operate under a hybrid working model. This state of affairs, which has lasted for over a year, caused developers not to start new projects. As a result, only less than 370 thousand sqm is currently under construction. - the least since 2010 - according to JLL. In recent years, the average reached 700-800 thousand sqm. Developers are much more cautious about starting new construction projects, and in recent months only one new development was launched in Warsaw. In turn, 10 buildings with a total area of 226.3 thousand sqm were delivered to the market in the first half of 2021.

Currently, tenants often choose to extend their leases on a short-term basis and wait for a return to normalcy before making long-term commitments. In the first half of the year, companies signed leases for a total of 249.3 thousand sqm, which was 26% lower

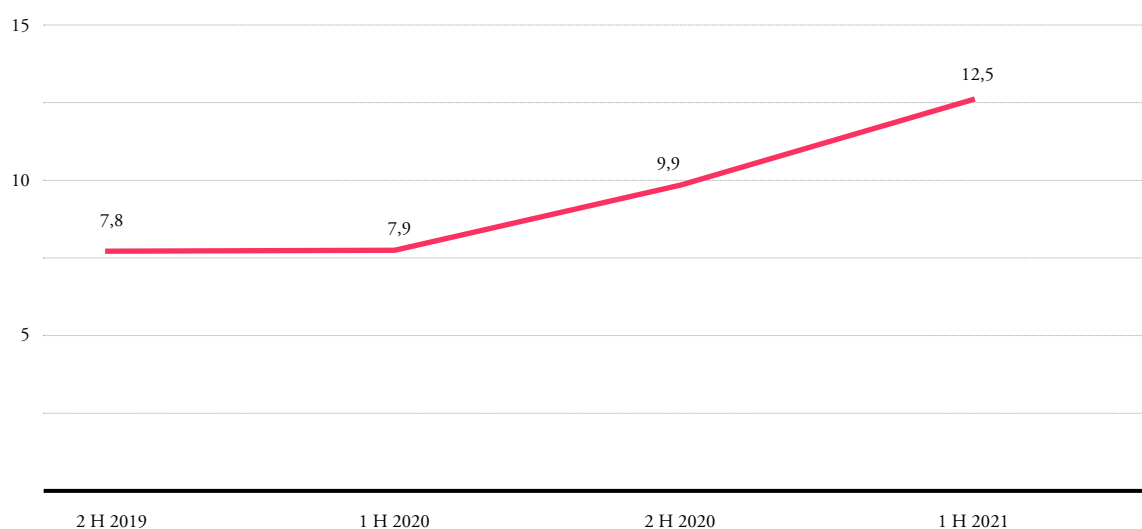
than the same period in 2020. Although companies have taken a conservative approach to leasing office space, according to JLL analysts' observations, ongoing processes and growing interest from companies of the modern business services sector could positively impact the volume of lease transactions in the coming months.

The vacancy rate is at its highest level since late October 2017. At the end of June 2021, it reached 12.5% (13.8% in the center and 11.4% outside the center), which represents the increase of 4.6 p.p. y-o-y and 1.1 p.p. compared to the first quarter of 2021. This is due to both the cautiousness in signing leases and the delivery of a significant number of new buildings to the market, which were on average 44% leased. As a result of the slowdown on the developers' side and the projected supply gap, JLL analysts expect a decline in the vacancy rate in 2023.

Perspectives of each market sectors in coming months:

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

OFFICE SPACE VACANCY RATE IN WARSAW [%]



Source: PINK

By being cautious about signing regular lease agreements, there has been a stable level of interest in flexible offices or serviced offices, used both by small growing companies and large corporations. Currently in the central districts of Warsaw some operators have occupancy rates of 80% or even higher. Due to the pandemic, both in the Warsaw market and in most other Polish cities, a significant development of the sublease market was also noticeable, but in the first half of 2021, a slowdown in the growth dynamics of the number of such offers was observed. Currently in Warsaw there is over 120 thousand sqm waiting for subleasing.

The first quarter in the office investment market throughout Poland proved to be one of the best ever, while the second quarter was much quieter. The entire half-year was closed with a result of EUR 799 million. This is 40% less than in the first half of the previous year, but at the same time 4% more than the 10-year average for the first six months of the year. Transactions that were finalized in Warsaw accounted for just over half of the total turnover. The largest of them was the sale of the Villahouse Offices by Echo Investment for EUR 86.7 million. It is worth noting that in the second quarter the first prime transaction this year in the COB area was finalized - Le Palais was sold by Patrizia to Generali Real Estate. At the end of the first half of the year the yield for prime real estate in Warsaw was estimated at the level of 4.50%.

10.2 Office real estate market in regional cities



At the end of the second quarter of 2021, the vacancy rate estimated for eight major regional office markets (Cracow, Wrocław, the Tri-City, Katowice, Poznań, Łódź, Lublin, Szczecin) amounted to 13.4%, which gives a total of 792.5 thousand sqm of office space available for lease immediately. This is 0.8 p.p. more than in the previous quarter, while 3.2 p.p. more than in the same period last year. The highest vacancy rate was recorded in Łódź (18.3%), while the lowest in Szczecin - 7.8%. These data were prepared by the Polish Chamber of Commercial Real Estate (PINK), based on knowledge of advisory companies BNP Paribas Real Estate, CBRE, Colliers, Cresa, Cushman&Wakefield, JLL, Knight Frank and Savills.

The total stock of modern office space at mid-year in the eight major regional conurbations amounted to 5,936 thousand sqm. Unchangeably, the largest office markets after Warsaw remained Cracow (1,599.2 thousand sqm), Wrocław (1,242.6 thousand sqm) and Tricity (924 thousand sqm).

Between April and June 2021, six office buildings with a total area of around 80.1 thousand sqm were delivered to the market, while in the entire first half of the year 126.5 thousand sqm was marketed. The take-up in the second quarter reached 166 thousand sqm, while in the first half of the year - 264.2 thousand sqm. Renegotiations accounted for the highest share of take-up in the second quarter at 47%. New agreements accounted for 45% and expansions for 8%.

Perspectives of each market sectors in coming months:

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

126,5 thousand sqm.

This is how much office space in regional cities was delivered in the first half 2021

264,2 thousand sqm.

and this is how much space was leased during that time.

10.3 Retail real estate market



In the second quarter of 2021, the retail space stock in Poland increased by 123,000 sqm, while in the entire first half of the year it increased by 200,000 sqm. The new supply consisted of ten facilities of various formats. However, small retail parks and detached retail warehouses dominate the new supply, according to research by Cushman&Wakefield.

The key issue on the market is the fact that the Tesco chain is gradually closing its hypermarkets and first generation shopping centers: the closings have reduced the total retail space in Poland by 70 thousand sqm., to be partly returned to the stock as new formats - e.g. DIY stores. There are currently 30 new facilities under construction with a total floor area of over 450,000 sqm, over half of which are retail parks with opening dates scheduled for 2021-2022. Almost half of the retail space currently under construction will be delivered to the markets of smaller cities with a population below 100,000 residents. Thus, we will continue to observe the process of complementing the existing supply with smaller daily shopping centers and small retail parks.

The shape of the Polish retail real estate market in recent months has been influenced by a further increase in retail sales and a decline in the share of e-commerce. According to the Central Statistical Office, retail sales in fixed prices in June 2021 were higher than the year before by 8.6% (compared to a decline of 1.3% in June 2020). Compared to May 2021, there was a 3.5% increase in retail sales. Overall, sales in the first half of 2021 were up 7.8% year-over-year (versus a 5.2% decline in 2020).

The share of e-commerce in retail sales before the pandemic oscillated around 5%-6% in Poland. As a result of subsequent restrictions imposed on the industry and many weeks of a complete ban on stationary trade, for many stores e-commerce was the only distribution channel. The share of e-commerce in retail sales reached record highs during these periods of 11.9% in April 2020 and 11.4% in November 2020. With the easing of restrictions, consumers returned to stationary commerce, as evidenced by the sharp slowdown in online sales dynamics with the end of further lockdowns and loosening of restrictions. In June 2021, there was a drop in the value of online retail sales in current prices (by 8.2%). The share of these sales declined from 9.1% in May 2021 to 8.1% in June 2021.

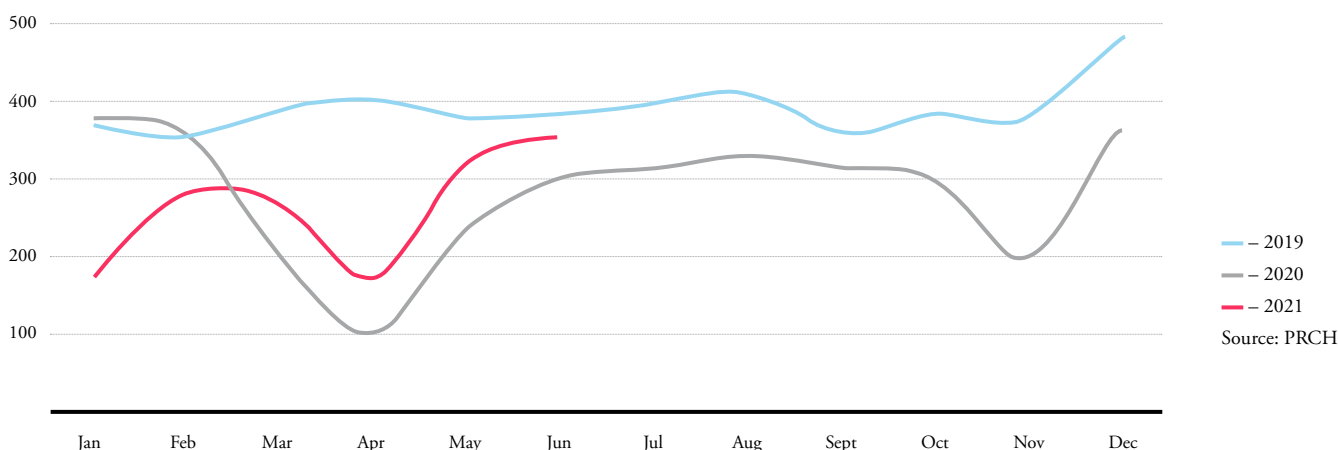
The moderate optimism of the retail market in Poland is confirmed by data on footfall in shopping centers and parks, which in May 2021 was on average 37% higher than last year and 15% lower than in 2019, before the pandemic. In June 2021, the footfall was also above the level of 2020 (by 19%), while being only 8% lower than in June 2019.

Shopping center turnover data shows that sales levels in May 2021 were 24% higher than last year, while 16% lower than the same month in 2019. The cumulative decline in turnover in January-May 2021 averaged 23% year-over-year.

Perspectives of each market sectors in coming months:

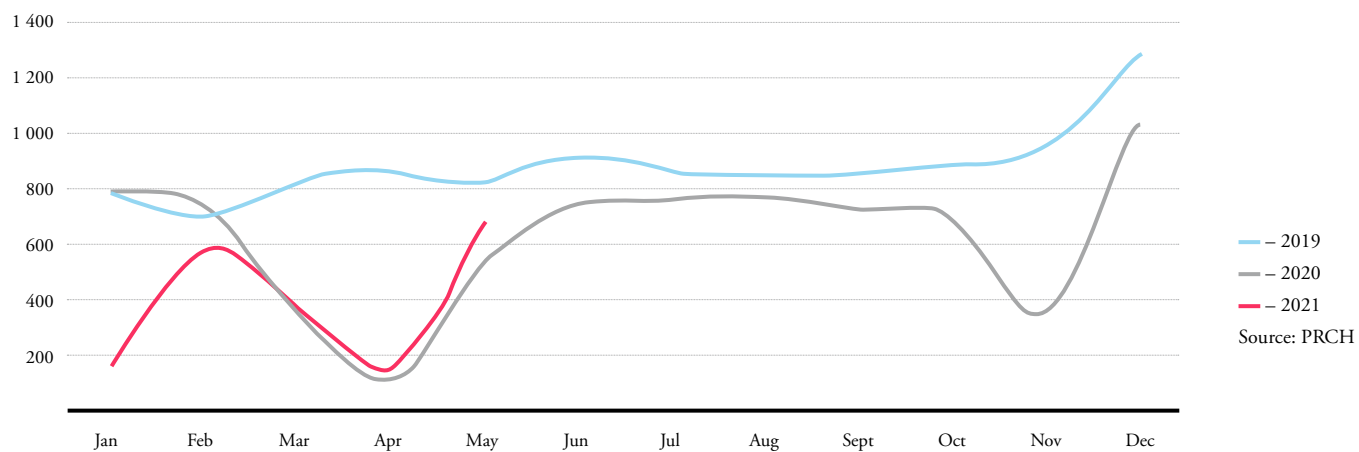
- Very optimistic
- Optimistic
- Neutral
- Pesimistic
- Very pesimistic

SHOPPING CENTERS FOOTFALL
[AVERAGE NUMBER OF VISITORS PER CENTER; IN THOUSANDS]



Source: PRCH

SHOPPING CENTERS TURNOVER [PLN/SQM]



10.4 Echo Investment's achievements in the office segment

At the end of the first half of 2021, Echo Investment had office buildings under construction with a total leasable area of around 100 thousand sqm, and a further 200,000 sqm was being planned.

Since the beginning of 2021, two office buildings which are part of the Warsaw Breweries complex have found new owners. In March, Echo Investment sold the Villa Offices, which was purchased by KGAL Group, a leading independent investment and asset manager, for about EUR 86.7 million. While in August, Deka Immobilien, an international investment and asset management company, purchased the Malthouse Offices, the largest office building in the complex, as well as the historic Malthouse. The buildings were sold for approximately EUR 152.3 million. Both transactions are proof that mixed-use 'destination' projects - places that attract people - are more than ever in demand by investors.

Echo Investment started to develop the Brain Park office complex in Cracow in the first half of the year. More than 43,000 sqm of modern work space and almost 10,000 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 second half of 2022 and it will offer over 29,000 sqm of office space.

In the summer Echo Investment finished fit-out works of the green courtyard located between buildings of the Katowice-based office complex Face2Face Business Campus. The patio between the buildings covers almost 4 thousand sqm of greenery and flowery meadows. The unique patio has already served its intended purpose, and tenants can fully enjoy its advantages.

CitySpace, a Polish operator of flexible serviced offices owned by Echo Investment, currently holds nearly 3,000 desks in 21,000 sqm of flexible space in 5 Polish cities. At the beginning of this year, the operator launched the CitySpace App, which is an application for managing modern office space owned by the company. The mobile application provides an easy and safe way to book day offices, hot desks and meeting rooms in all 11 CitySpace office centers in Poland, located in Warsaw, Wrocław, Cracow, Katowice and Gdańsk. Moreover, the application allows to make online payments or check customized information about the office.



Brain Park office project under construction in Kraków.



10.5 Echo Investment's achievements in the retail real estate segment

Since restrictions on trading were lifted this spring, managers of Libero and Galeria Młociny shopping centers have focused on strong marketing efforts and strengthening both brands as they return to their normal operations. "Defrosting" of tenants' businesses from the beginning of May involved a need to renegotiate leases and reach agreements with tenants on losses incurred during closures. In line with the strategy, Echo Investment aimed to reach agreements with tenants as soon as possible and return Libero and Galeria Młociny to normal operations in the shortest possible time. As a result of the pandemic, tenants in both shopping centers changed slightly by single service outlets, whose owners declared bankruptcy. The facilities are still almost fully leased and attract new retail brands. Moreover, the vast majority of agreements on sharing costs of closures and rent payments have been signed with tenants at both facilities.

Both shopping centers Libero in Katowice, as well as Galeria Młociny in Warsaw, come back to regular functioning with very good results. In Q2 2021 footfall

in Libero is – depend on week - 4%-15% better than corresponding period of 2019. Tenant's turnover show even better results: 30%-43% better.

For Echo Investment retail properties are also a factor strengthening the attractiveness of mixed-use "destination" projects such as the Warsaw Breweries and Fuzja in Łódź. For these projects, the most important events in the first half of the year were to open the Anna's Gardens, a publicly accessible city square in Fuzja in Łódź, and to open more restaurants and services in the Warsaw Breweries.

The Anna's Gardens are the first widely available space to be opened in Fuzja in the revitalized area formerly occupied by the Karol Scheibler's textile factory, which attracts both residents of Łódź and tenants. During the summer Echo Investment signed a lease agreement with Deseo Patisserie & Chocolaterie, which chose Fuzja for the first location of its concept outside Warsaw.



Thanks to extensive marketing, the footfall in Katowice Libero shopping center and the turnover of its tenants are being rebuilt after the periods restrictions.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SEGMENT STRUCTURE AS AT 30 JUNE 2021 [‘000 PLN]

	Total	Residential	Resi4Rent	Commercial
ASSETS				
Non-current assets				
Intangible assets	70 952	68 143	-	2 809
Property, plant and equipment	41 697	14 858	-	26 839
Investment property	857 059	-	-	857 059
Investment property under construction	986 652	1 152	-	985 500
Investment in associates and joint ventures	307 606	-	63 745	243 861
Long-term financial assets	287 430	33 413	145 763	108 254
Other assets	2 031	2 031	-	-
Deferred tax asset	75 012	43 871	38	31 105
	2 628 439	163 468	209 546	2 255 427
Current assets				
Inventory	1 755 413	1 718 575	214	36 623
Current tax assets	12 196	5 534	-	6 661
Other taxes receivable	84 673	23 866	50	60 757
Trade and other receivables	138 930	15 769	2 024	121 137
Short-term financial assets	52 550	-	-	52 550
Derivative financial instruments	3 802	-	-	3 802
Other financial assets *	137 366	73 654	-	63 711
Cash and cash equivalents	629 382	292 298	140	336 944
	2 814 311	2 129 696	2 427	682 186
Assets held for sale	1 606 929	-	-	1 606 929
Total assets	7 049 679	2 293 164	211 973	4 544 541
EQUITY AND LIABILITIES	1 803 975	555 321	140 712	1 107 943
Equity	1 803 975	555 321	140 712	1 107 943
Long-term liabilities				
Credits, loans, bonds	1 583 013	319 289	45 039	1 218 684
Liabilities related to share acquisition	51 923	51 317	-	606
Long-term provisions	44 485	6 008	-	38 477
Deferred tax liabilities	213 509	46 535	-	166 973
Leasing	103 988	26 748	-	77 241
Other liabilities	94 059	43 473	-	50 585
Liabilities due to customers	34 866	34 866	-	-
	2 125 843	528 236	45 039	1 552 567

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - SEGMENT STRUCTURE
AS AT 30 JUNE 2021 ['000 PLN]

	Total	Residential	Resi4Rent	Commercial
Short-term liabilities				
Credits, loans, bonds	951 430	250 714	25 412	675 304
Credits, loans, bonds - non-current assets classified as held for sale	768 207	-	-	768 207
Derivative financial instruments	739	-	-	739
Income tax payable	3 769	1 880	-	1 889
Other taxes liabilities	29 647	11 158	1	18 488
Trade payable	154 806	79 383	488	74 937
Dividend payable	113 468	10 295	-	103 173
Leasing	44 519	24 642	-	19 877
Short-term provisions	58 167	20 226	318	37 623
Other liabilities	207 335	133 810	3	73 522
Liabilities due to customers	705 619	677 499		28 119
	3 037 706	1 209 607	26 222	1 801 876
Liabilities directly associated with non-current assets classified as held for sale	82 155	-	-	82 155
Total equity and liabilities	7 049 679	2 293 164	211 973	4 544 541

CONSOLIDATED PROFIT AND LOSS ACCOUNT - SEGMENT STRUCTURE
AS AT 30 JUNE 2021 ['000 PLN]

	Total	Residential	Resi4Rent	Commercial
Revenues	420 896	284 321	13 164	123 411
Cost of sales	(313 976)	(244 645)	(12 243)	(57 089)
Gross profit	106 920	39 676	921	66 322
Profit on investment property	2 356	-	-	2 356
Administrative costs associated with project implementation	(18 400)	(10 913)	(218)	(7 269)
Selling expenses	(20 082)	(17 298)	(104)	(2 680)
General and administrative expenses	(54 587)	(21 933)	(2 350)	(30 305)
Other operating income	55 047	50 904		4 144
Other operating expenses	(10 264)	(2 069)	()	(8 196)
Operating profit	60 990	38 368	(1 751)	24 372
Financial income	12 791	2 080	3 677	7 034
Financial cost	(57 366)	(6 677)	(689)	(50 000)
Profit (loss) on FX derivatives	5 561	(606)	-	6 167
Foreign exchange gains (losses)	33 597	470	-	33 127
Share of profit (loss) of associates and joint ventures	1 117	-	9 758	(8 641)
Profit before tax	56 689	33 634	10 995	12 059
Income tax	(9 739)	(5 778)	(1 889)	(2 072)
Net profit (loss)	46 950	27 856	9 106	9 988

ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS PROFIT TO SEGMENTS FOR THE PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021 [PLN '000]

	Revenue	Cost of sales	Gross profit
Residential	284 321	(244 644)	39 677
Resi4Rent	13 164	(12 243)	921
Commercial	123 411	(57 089)	66 322
Total	420 896	(313 976)	106 920

RESIDENTIAL SEGMENT [PLN '000]

	Revenue	Cost of sales	Gross profit
Sales	283 250	(243 336)	39 914
Rents	412	(251)	161
Maintenance of the project in preparation and construction	659	(207)	452
Costs of projects completed in previous years	-	(850)	(850)
Total	284 321	(244 644)	39 677

RESI4RENT SEGMENT [PLN '000]

	Revenue	Cost of sales	Gross profit
Sales	13 164	(12 243)	921
Total	13 164	(12 243)	921

COMMERCIAL PROPERTIES [PLN '000]

	Revenue	Cost of sales	Gross profit
Sales	45 110	(9 642)	35 468
Rents	69 614	(39 475)	30 139
Services	8 469	(7 543)	926
Maintenance of the project in preparation and construction	218	(429)	(211)
Total	123 411	(57 089)	66 322

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.

ECHO INVESTMENT'S 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	84%	97,9	66,4	77%	1 Q 2020	3 Q 2021
Osiedle Krk II ul. Zapolskiej	9 900	218	83%	98,2	66,7	56%	3 Q 2020	3 Q 2022
Osiedle ZAM I ul. Rydlówka	6 300	115	79%	64,4	44,8	43%	1 Q 2021	2 Q 2022
Bonarka Living I ul. Puskarska	8 000	143	85%	68,8	48,4	65%	3 Q 2020	4 Q 2021
ŁÓDŹ								
Fuzja II ul. Tymienieckiego	12 400	240	42%	93,4	69,2	34%	4 Q 2020	2 Q 2022
Fuzja III ul. Tymienieckiego	9 100	160	0%	69,1	51,0	12%	2 Q 2021	4 Q 2022
Osiedle Jarzębinowe VIII ul. Okopowa	6 100	101	100%	40,7	29,7	58%	2 Q 2020	4 Q 2021
POZNAŃ								
Nasze Jeżyce I ul. Szczepanowskiego	7 500	142	99%	57,9	46,2	96%	3 Q 2019	2 Q 2021
Nasze Jeżyce II ul. Szczepanowskiego	8 200	162	94%	64,4	50,3	82%	3 Q 2019	3 Q 2021
Osiedle Enter I a ul. Naramowice	6 400	118	93%	41,9	30,6	91%	1 Q 2020	4 Q 2021
Osiedle Enter I b ul. Naramowice	6 000	104	88%	38,2	28,3	64%	4 Q 2020	4 Q 2021
Osiedle Enter II ul. Naramowice	9 400	157	67%	60,7	43,2	17%	2 Q 2021	4 Q 2022
Osiedle Enter III ul. Naramowice	9 600	166	46%	62,6	45,2	17%	2 Q 2021	4 Q 2022
WARSAW								
Stacja Wola I ul. Ordona	20 000	387	100%	206,6	143,7	79%	4 Q 2019	3 Q 2021
Stacja Wola II ul. Ordona	13 700	249	86%	143,9	97,0	56%	3 Q 2020	2 Q 2022
Total	142 400	2 680		1 208,7	860,6			

ARCHICOM'S 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
WROCŁAW								
Olimpia Port M28, M29 ul. Vespucciego	6 000	108	77%	49,3	25,5	100%	3 Q 2019	2 Q 2021
Olimpia Port M21, M22, M23 ul. Vespucciego	7 400	116	68%	72,6	45,6	84%	4 Q 2019	4 Q 2021
Olimpia Port M34, M35 ul. Vespucciego	2 800	56	18%	25,7	16,6	49%	4 Q 2020	1 Q 2022
Olimpia Port M36, M38 ul. Vespucciego	4 900	88	24%	46,1	28,6	29%	1 Q 2021	3 Q 2022
Słoneczne Stabłowice ZD1, ZD2 ul. Lubomierska	4 600	88	67%	32,5	19,6	75%	1 Q 2020	4 Q 2021
Słoneczne Stabłowice Z21, Z22, Z23 ul. Lubomierska	6 000	107	93%	39,8	29,1	100%	3 Q 2019	2 Q 2021
Planty Racławickie R5, R6, R7 ul. Wichrowa	9 900	170	40%	90,2	54,9	48%	4 Q 2020	3 Q 2022
Planty Racławickie R1, R2, R3, R4 ul. Wichrowa	13 400	248	84%	120,1	76,3	100%	4 Q 2019	3 Q 2021
Sady nad Zieloną ul. Blizanowicka	4 200	80	60%	34,0	25,0	53%	4 Q 2020	3 Q 2022
Browary Wrocławskie BA2, BA3 ul. Jedności Narodowej	14 000	246	0%	176,6	92,0	28%	1 Q 2021	2 Q 2023
Browary Wrocławskie BL1, BL2 ul. Jedności Narodowej	8 200	119	67%	87,1	62,5	79%	2 Q 2019	4 Q 2021
Awipolis L3, L4 ul. Chachaja	9 400	178	48%	77,2	54,2	48%	4 Q 2020	3 Q 2022
Cztery Pory Roku J15 ul. Komedy	5 100	99	67%	39,4	25,7	100%	3 Q 2019	3 Q 2021
Total	95 900	1 703		890,6	555,6			

ECHO INVESTMENT'S 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. Puzkarska	9 900	179	86,4	60,6	19%	4 Q 2021	1 Q 2023
Bonarka Living II D ul. Puzkarska	8 400	151	74,0	50,5	19%	1 Q 2022	2 Q 2023
Osiedle ZAM II ul. Rydlówka	5 400	98	61,5	44,3	25%	1 Q 2022	2 Q 2023
ŁÓDŹ							
Boho Wodna 17 ul. Wodna	12 800	235	88,5	63,9	12%	3 Q 2021	3 Q 2023
Zenit I ul. Wodzewska	9 000	168	56,0	41,3	9%	3 Q 2021	1 Q 2023
Zenit II ul. Wodzewska	8 800	166	56,1	40,7	6%	2 Q 2022	4 Q 2023
Zenit III ul. Wodzewska	8 400	156	55,0	38,7	6%	1 Q 2023	3 Q 2024
Zenit IV ul. Wodzewska	9 000	168	59,8	41,6	6%	4 Q 2023	2 Q 2025
Zenit V ul. Wodzewska	9 000	168	61,3	41,2	6%	3 Q 2024	1 Q 2026
Zenit VI ul. Wodzewska	8 800	166	61,9	40,1	6%	1 Q 2025	4 Q 2026
Zenit VII ul. Wodzewska	5 300	111	35,6	26,6	9%	2 Q 2022	4 Q 2023
Zenit VIII ul. Wodzewska	9 200	135	63,5	46,2	3%	1 Q 2023	3 Q 2024
Zenit IX ul. Wodzewska	6 000	190	42,5	30,1	6%	3 Q 2023	2 Q 2025
POZNAŃ							
Apartamenty Esencja II ul. Grabary	6 500	130	63,3	48,9	19%	4 Q 2021	4 Q 2023
Wieża Jeżyce I ul. Janickiego	11 600	402	95,9	71,4	15%	3 Q 2021	3 Q 2023
Wieża Jeżyce II ul. Janickiego	14 400	259	120,4	86,8	14%	2 Q 2022	1 Q 2024
Wieża Jeżyce III ul. Janickiego	13 600	242	116,7	81,5	18%	1 Q 2023	4 Q 2024
Wieża Jeżyce IV ul. Janickiego	11 900	183	101,4	70,2	13%	1 Q 2024	3 Q 2025
Wieża Jeżyce V ul. Janickiego	13 600	352	118,5	82,7	13%	2 Q 2025	1 Q 2027
Wieża Jeżyce VI ul. Janickiego	13 600	245	118,7	81,5	12%	1 Q 2026	4 Q 2027
Opieńskiego I ul. Opieńskiego	12 600	205	90,0	70,3	9%	1 Q 2023	3 Q 2024
Opieńskiego II ul. Opieńskiego	8 900	183	63,8	49,5	9%	4 Q 2023	3 Q 2025
Opieńskiego III ul. Opieńskiego	8 100	167	58,5	44,9	9%	4 Q 2024	3 Q 2026
Opieńskiego IV ul. Opieńskiego	7 800	149	58,4	43,5	9%	3 Q 2025	2 Q 2027
Opieńskiego V ul. Opieńskiego	5 700	106	43,5	31,7	10%	2 Q 2026	1 Q 2028
Opieńskiego VI ul. Opieńskiego	11 100	215	87,3	62,1	9%	2 Q 2027	1 Q 2029

ECHO INVESTMENT'S 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
WARSAW							
Stacja Wola III ul. Ordonia	13 300	266	154,7	103,9	27%	2 Q 2022	2 Q 2024
Rytm (Kabaty) al. KEN	17 300	288	236,6	160,5	27%	4 Q 2021	3 Q 2023
Total	280 000	5 483	2 329,6	1 655,1			

ARCHICOM'S RESIDENTIAL PROJECTS IN PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
WROCLAW							
Olimpia Port M24, M25, M26 ul. Vespucciego	10 700	182	117,8	66,6	9%	3 Q 2021	1 Q 2023
Olimpia Port M37, M38 ul. Vespucciego	7 800	156	82,7	47,2	18%	4 Q 2021	1 Q 2023
Browary Wroclawskie BP5-6 ul. Jedności Narodowej	9 300	178	101,0	58,8	7%	3 Q 2021	2 Q 2023
Planty Racławickie R8 ul. Wichrowa	5 500	98	51,6	35,3	19%	1 Q 2022	4 Q 2023
Planty Racławickie R9, R10 ul. Wichrowa	15 000	280	143,5	99,3	18%	3 Q 2022	2 Q 2024
Nowa Kępa Mieszczńska KM4 ul. Mieszczńska	8 700	185	103,7	75,3	26%	3 Q 2021	3 Q 2023
Nowa Kępa Mieszczńska KM5 ul. Mieszczńska	2 700	24	20,4	19,3	25%	1 Q 2022	3 Q 2023
Nowa Kępa Mieszczńska KM6 ul. Mieszczńska	7 200	163	86,9	65,6	27%	3 Q 2021	3 Q 2023
Gwarna ul. Gwarna	3 100	83	42,2	31,9	37%	2 Q 2022	4 Q 2023
Czarnieckiego ul. Czarnieckiego	6 200	158	68,7	50,4	14%	3 Q 2021	3 Q 2023
Iwiny - Schuberta Iwiny, ul. Schuberta	4 000	60	26,8	21,0	13%	2 Q 2022	3 Q 2023
Awipolis etap 3 ul. Chachaja	6 600	122	52,8	39,6	13%	1 Q 2022	4 Q 2023
Awipolis etap 4a ul. Chachaja	10 000	186	80,9	62,6	12%	1 Q 2023	4 Q 2024
Awipolis etap 4b ul. Chachaja	3 100	58	25,1	19,4	12%	3 Q 2023	2 Q 2025
Sady nad Zieloną 2 ul. Blizanowicka	11 300	220	91,6	74,3	17%	1 Q 2022	4 Q 2023
Total	111 200	2 153	1 095,7	766,6			

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	3 Q 2019
R4R Łódź Wodna Łódź, ul. Wodna	7 800	219	4,9	52,4	4 Q 2019
R4R Wrocław Kępa Mieszczańska Wrocław, ul. Dmowskiego	9 300	269	6,8	76,3	2 Q 2020
R4R Warszawa Browary Warsaw, ul. Grzybowska	19 000	450	16,6	187,6	3 Q 2020
R4R Warszawa Woronicza Warsaw, ul. Suwak	7 900	227	6,2	60,7	4 Q 2020
R4R Warszawa Taśmowa Warsaw, ul. Taśmowa	13 000	372	11,1	112,1	1 Q 2021
R4R Gdańsk Kołobrzeska Gdańsk, ul. Kołobrzeska	10 000	302	8,8	88,7	2 Q 2021
Total	78 400	2 141	62,8	654,6	

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	45,3	3 Q 2019	3 Q 2021
R4R Warszawa Żwirki Warsaw, ul. Żwirki i Wigury	5 200	161	4,9	52,3	3 Q 2020	3 Q 2022
R4R Kraków Puskarska Kraków, ul. Puskarska	5 000	149	3,5	38,5	3 Q 2020	2 Q 2022
R4R Warszawa 1 Warszawa	11 600	344	10,7	118	2 Q 2021	3 Q 2022
R4R Kraków 3 Maja Kraków, ul. 3 Maja	12 100	387	9,7	105,3	2 Q 2021	3 Q 2022
R4R Warszawa Wilanowska Warsaw, ul. Wilanowska	12 400	375	11,5	127,4	2 Q 2021	1 Q 2023
Total	51 300	1 576	44,1	486,8		

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 Kraków Jana Pawła Kraków, ul. Jana Pawła II	8 900	296	7,0	74,0	3 Q 2021	3 Q 2023
R4R Wrocław Jaworska Wrocław, ul. Jaworska	13 700	391	10,7	109,9	3 Q 2021	3 Q 2023
R4R Warszawa 2 Warsaw	8 600	304	8,1	86,5	1 Q 2022	1 Q 2024
R4R Gdańsk* Gdańsk	10 300	295	8,6	102,2	4 Q 2021	1 Q 2024
R4R Łódź Łódź	10 000	291	7,1	78	4 Q 2021	4 Q 2023
R4R Wrocław* Wrocław	10 000	291	7,9	86,2	4 Q 2022	3 Q 2024
Total	61 500	1 868	49,4	536,8		

* projects under sale process 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 Warszawa, ul. Beethovena	18 900	94%	3,4	160,7	98%	32,8	2 Q 2019	ROFO agreement with Globalworth Poland
Moje Miejsce II Warszawa, ul. Beethovena	17 100	53%	3,1	149,7	84%	7,3	4 Q 2020	ROFO agreement with Globalworth Poland
Face 2 Face I Katowice, ul. Grundmanna	20 700	90%	3,7	154,8	96%	55,1	1 Q 2020	
Face 2 Face II Katowice, ul. Grundmanna	26 400	93%	4,7	204,8	98%	63,3	4 Q 2020	
West 4 Business Hub I Wrocław, ul. Na Ostatnim Groszu	15 600	70%	2,7	115,6	85%	30,3	3 Q 2020	
Biura przy Warzelni (Browary GH) Warsaw, ul. Grzybowska	29 300	93%	7,4	331,9	88%	291,7	3 Q 2020	Building sold in Q3 2021
City Forum – City 2 Wrocław, ul. Traugutta 55	12 700	64%	2,4	98,5	86%	33,6*	2 Q 2020	Archicom's project
Total	140 700		27,3	1 216,0		514,1		

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

OFFICE BUILDINGS UNDER CONSTRUCTION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Start	Targeted completion	Comments
React I Łódź, al. Piłsudskiego	15 100	30%	2,5	110,1	56%	11,8	2 Q 2019	4 Q 2021	
Fuzja C i D Łódź, ul. Tymienieckiego	19 900	85%	3,5	151,3	36%	19,8	3 Q 2020	1 Q 2022	
Midpoint 71 Wrocław, ul. Powstańców Śląskich	36 200	59%	6,7	301,2	48%	87,1	4 Q 2019	4 Q 2021	
Brain Park I Kraków, al. Pokoju	29 400		5,4	261,0	25%	19,5	1 Q 2021	4 Q 2022	
Fuzja J Łódź, ul. Tymienieckiego	1 800		0,3	16,6	12%		3 Q 2021	3 Q 2022	
Total	102 400		18,4	840,2		138,2			

OFFICE BUILDINGS IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
Piotra Skargi Katowice, ul. P. Skargi / Sokolska	26 300	4,5	203,7	7%	3 Q 2022	2 Q 2024
Brain Park II Kraków, ul. Fabryczna / al. Pokoju	12 800	2,4	118,5	20%	4 Q 2021	2 Q 2023
Wita Stwosza Kraków, ul. Wita Stwosza	34 900	6,4	340,4	25%	2 Q 2022	2 Q 2024
React II Łódź, al. Piłsudskiego	25 900	4,4	194,0	8%	3 Q 2022	1 Q 2024
Fuzja I Łódź, ul. Tymienieckiego	8 259	1,4	68,6	8%	3 Q 2021	1 Q 2023
Swobodna Wrocław, ul. Swobodna	44 500	8,2	380,4	12%	3 Q 2022	4 Q 2024
West 4 Business Hub II Wrocław, ul. Na Ostatnim Groszu	23 300	4,0	169,9	14%	4 Q 2021	2 Q 2023
West 4 Business Hub III Wrocław, ul. Na Ostatnim Groszu	33 900	5,8	242,5	12%	2 Q 2022	2 Q 2024
Total	209 859	37,2	1 718,0			

12.4 Retail

Definitions:

GLA – gross leaseable area

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

ROFO – right of first offer

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

Completion – date of commissioning permit.

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

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

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

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

RETAIL PROJECTS IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
Libero Katowice, ul. Kościuszki	44 900	98%	9,3	390,4	100%	184,9	4 Q 2018	ROFO agreement with EPP
Galeria Młociny Warsaw, ul. Zgrupowania AK „Kampinos”	84 300	97%	20,7	1 304,7	99%	7,1	2 Q 2019	30% JV with EPP holding 70%
Total	129 200		30,0	1 695,1		192,0		

12.5 Land bank

ECHO INVESTMENT'S 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, office and service functions. Project owned in 30% by Echo Investment and in 70% by EPP
Kraków, ul. Kapelanka	56 000	70 000	Plot for office and service functions
Warszawa, al. KEN	29 700	32 000	Plot for retail, service and entertainment functions
Łódź, ul. Tymienieckiego	25 400	32 300	Plot for office, service and residential functions
Total	176 000	364 300	

ARCHICOM'S EARLY STAGE PROJECTS

Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Iwiny, Radomierzycza	65 700	29 300	Plot for residential function
Wrocław, Karkonoska	24 500	25 200	Plot for residential function
Wrocław, Góralska	9 500	18 000	Plot for residential function
Wrocław, Otyńska	4 500	7 500	Plot for residential function
Wrocław, Rychtalska	5 100	4 800	Plot for residential function
Total	109 300	84 800	

ECHO INVESTMENT'S INVESTMENT PROPERTIES

Project / address	Plot area [sqm]	Comments
Poznań, Naramowice	77 500	
Poznań, ul. Hetmańska	65 300	
Łódź, ul. Widzewska	19 750	
Warszawa, ul. Antoniewska	14 100	Plot sold in Q3 2021
Zabrze, ul. Miarki	8 100	
Warsaw, ul. Konstruktorska	7 200	Plot for education function
Radom, Beliny	6 300	Plot sold in Q3 2021
Gdańsk, ul. Nowomiejska	8 600	Preliminary sale agreement
Wrocław, ul. Na Ostatnim Groszu	6 400	Preliminary sale agreement
Łódź, ul. Kilińskiego	3 700	Plot sold in Q3 2021
Total	216 950	

ARCHICOM'S INVESTMENT PROPERTIES

Project / address	Plot area [sqm]	Comments
Wrocław, ul. Murowana	3 100	
Kraków, ul. Dąbrowskiego	3 300	
Kraków, ul. Duża Góra	3 900	
Jagodno	3 500	
Total	13 800	

Main investments in 2021 – acquisition of plots

13

PROPERTIES ACQUIRED BY ECHO INVESTMENT GROUP IN 2021

Buyer	Date of transaction	Address	Legal form	Area	Capacity
Echo Investment Group	1 Q 2021	Poznań, ul. Janickiego	ownership	32,800 sqm.	78,500 sqm. of residential and service space
Archicom Group	1 Q 2021	Wrocław ul. Gwarna	ownership	2,2 tys. mkw.	c.a. 3,000 sqm of residential and service space
Archicom Group	2 Q 2021	Iwiny, ul. Sarnia	ownership	2,8 tys. mkw.	Plot extending potential of a property acquired in 2020 by c.a. 1,300 sqm. of residential space

The plots for over 90,000 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 925

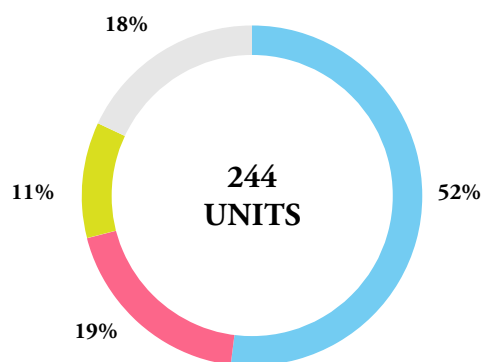
Average land price in 1 sqm of leasable or sellable space possible to build on plots acquired in 2021.

Factors and one-off events affecting the results in Q2 2021

Hand-over of 244 housing and retail units of Echo Investment Group residential projects.

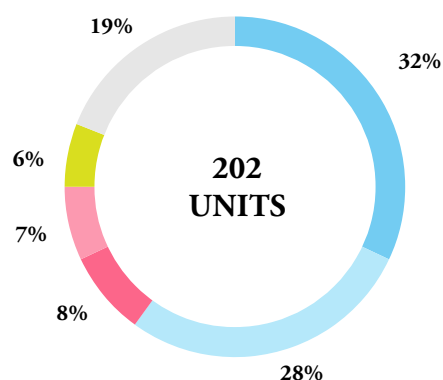
Hand-over of 202 housing and retail units of Archicom Group residential projects. Hand-over of 202 apartments and commercial premises from the Archicom Group's projects after 22 April, when Echo Investment took control over Archicom.

ECHO INVESTMENTS RESIDENTIAL PROJECT'S SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- – Poznań, Nasze Jeżyce I
- – Wrocław, Stacja 3.0
- – Łódź, Fuzja I
- – Other

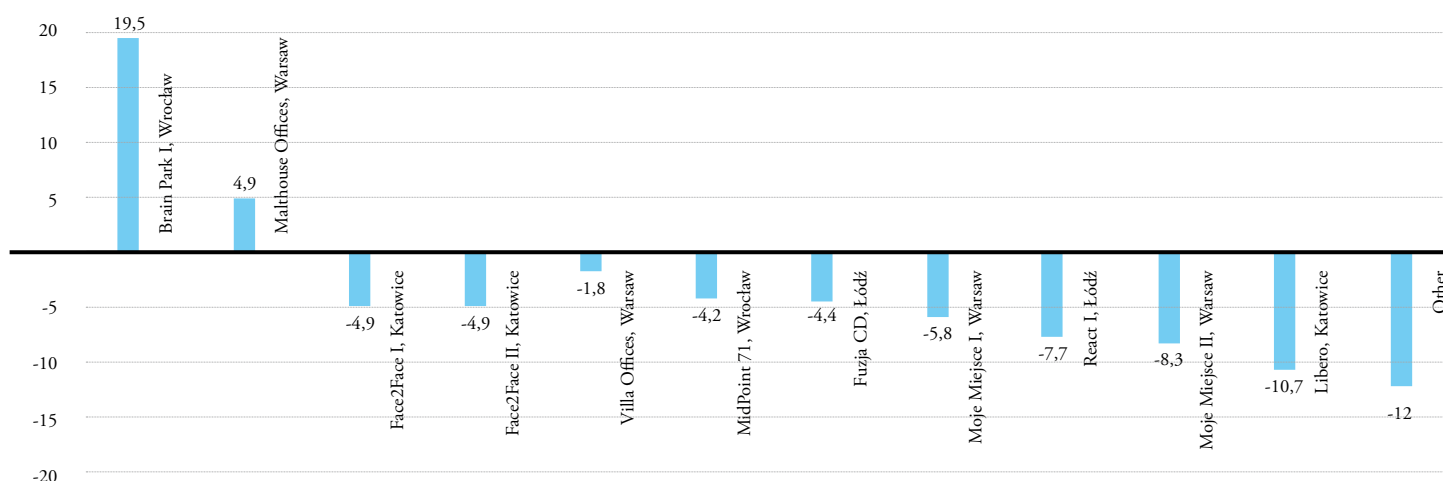
ARCHICOM GROUP RESIDENTIAL PROJECT'S SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- – Browary Wrocławskie BP3, BP4
- – Olimpia Port M30, M31, M32, M33
- – Browary Wrocławskie BA1, BL3
- – Akacjowy Zakątek B1, B2, B3, B4
- – Jagodno J15, J16, J17, J18
- – Other

Profit on investment property amounting to PLN 40,3 million.

PROFIT / LOSS ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



Purchase price allocation of Archicom S.A. shares acquisition related to the one-off initial valuation of the assets of the Archicom S.A. group, including valuation of 'Achicom' trademark.

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

Sale of land plot on ul. Żwirki i Wigury in Warsaw to Resi4Rent platform.

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

Hand over of Echo Investment apartments, mainly in the projects:

- Bonarka Living I and Osiedle KRK I in Kraków;
- Fuzja I and Osiedle Jarzębinowe VIII in Łódź;
- Nasze Jeżyce I, Enter IA and Enter IB in Poznań;
- Stacja Wola I in Warsaw;
- Stacja 3.0 in Wrocław.

Hand over of Archicom apartments, mainly in Wrocław projects:

- Olimpia Port;
- Jagodno - phases J15-J18;
- Słoneczne Stabłowice Z21-Z23;
- Plany Raclawickie R1-R4;
- Avicenny - L1L2;
- Browary Wrocławskie BP3-BP4.

Revaluation and sale of completed properties:

- Moje Miejsce I and II in Warsaw;
- Malthouse Offices (Warsaw Brewery GH) in Warsaw;
- Face2Face I and II in Katowice.

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

- React I in Łódź;
- Brain Park I in Kraków;
- MidPoint 71 in Wrocław;
- Fuzja CD and Fuzja J in Łódź.

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

- Libero in Katowice;
- West 4 Business Hub I in Wrocław;
- City Forum-City2 (Archicom's project) in Wrocław.

Valuation of interests entities accounted for using the equity method:

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

Sale of land plots in Łódź and Wrocław to Resi4Rent. Settlement of Archicom S.A. assets valuations applied as one-off for shares' purchase price allocation (PPA).

Sale and administrative costs.

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

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

Valuation and implementation of hedging financial instruments for foreign currencies.

Interest on deposits and loans granted.

Discounts and interest on credits, bonds and loans.

17.1 The dividend policy

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

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

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

17.2 Dividend from 2020 profit

General Meeting of Shareholders of Echo Investment on 28 June 2021 adopted a resolution on the allocation of the generated profit.

The net profit achieved by the Company in the financial year 2020 in the amount of 57,824,852.68 PLN increased by 45,347,792.82 PLN from the Dividend Fund - which is a total of 103,172,645.50 PLN - was allocated for distribution among all shareholders of the Company. The dividend amount per share was 0,25 PLN. The date of establishing the right to dividend was set on 26 June 2021 and the payment date - on 5 August 2021. The resolution was fully implemented.

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.

PLN **0.25**

Value of the dividend per share paid from 2020 profit.

17.1 Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 30 JUNE 2021

BONDS ISSUED BY ECHO INVESTMENT FOR INSTITUTIONAL INVESTORS ['000 PLN]

Series	ISIN code	Bank / brokerage house	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 ISSUED BY ARCHICOM S.A. FOR INSTITUTIONAL INVESTORS ['000 PLN]

M5/2020	PLO221800025	mBank S.A.	90 000	7.04.2022	WIBOR 3M + margin 2,45%
M3/2018	PLARH-CM00065	mBank S.A.	50 000	13.07.2022	WIBOR 3M + margin 2,9%
A2/20	PLO221800066	SGB Bank S.A.	5 355	65% - 8.12.2021 35% - 8.03.2022	WIBOR 6M + margin
A3/20	PLO221800082	SGB Bank S.A.	7 516	65% - 8.12.2021 35% - 8.03.2022	WIBOR 6M + margin
A1/20	PLO221800058	SGB Bank S.A.	4 832	65% - 10.03.2022 35% - 10.06.2022	WIBOR 6M + margin
A4/20	PLO221800074	SGB Bank S.A.	8 849	65% - 10.03.2022 35% - 10.06.2022	WIBOR 6M + margin
M4/2019	PLARHCM00073	mBank S.A.	60 000	14.06.2023	WIBOR 3M + margin 3,3%
Total			226 552		

BONDS ISSUED BY ECHO INVESTMENT FOR INDIVIDUAL INVESTORS ['000 PLN]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
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		

*redeemed in the redemption date.

BONDS ISSUED BY ECHO INVESTMENT FOR SELLER OF SHARES IN ARCHICOM S.A.
[‘000 PLN]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1P/2021	PLO017000053	Michael / Ström Dom Maklerski S.A. as an agent	188 000	22.10.2024	Fixed interest 5%
Total			188 000		

On 21 April 2021 the Management Board of the Company adopted a resolution on the issue of unsecured bearer bonds with a total nominal value of PLN 188 million, bearing an annual interest rate of 5%. The bonds were offered for purchase to the founders of Archicom S.A. - Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki as part of the price for the indirect purchase of a block of shares in Archicom S.A., which constitute approximately 66.01% of the share capital and entitle to approximately 65.99% of the total vote on GMS.

The purchase of Archicom shares was carried out through the purchase of 100% interest in DKR Investment Sp. z o.o. and 100% of shares in the company

DKR Invest S.A. The bonds were issued and acquired by investors on 22 April 2021. The price of the bonds was equal to their nominal value. The issue was not subject to the requirement to prepare a prospectus or information memorandum. The bond redemption date is 22 October 2024. The bonds were registered in the deposit kept by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) and introduced to trading in the alternative trading system organized by the ASO Catalyst and operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), in accordance with the terms of the issue corresponding to the current bond issues issued by the Company.

BONDS ISSUED BY ECHO INVESTMENT FOR INSTITUTIONAL INVESTORS IN EUR
[‘000 EUR]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	23.10.2024	Fixed interest 4.5%
2P/2020*	PLO017000038	Michael / Ström Dom Maklerski S.A.	12 800	31.10.2021	Fixed interest 6%
Total			52 800		

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

BONDS REDEEMED BY ECHO INVESTMENT IN 2021
[‘000 PLN]

Series	Date	Nominal value
Bonds for institutional investors - 1/2017-series	17.03.2021 oraz 31.03.2021	155 000
Bonds for individual investors - E-series	06.07.2021	100 000
Total		255 000

BONDS ISSUED BY ECHO INVESTMENT IN 2021 [‘000 PLN]

Series	Date	Nominal value
Bonds for institutional investors - 1/2021-series	17.03.2021	195 000
Private placement - 1P/2021-series	22.04.2021	188 000
Total		383 000

17.2 Credit facilities

INVESTMENT LOANS OF ECHO INVESTMENT GROUP AS AT 30 JUNE 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	66 215 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	55 052 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	44 598 EUR	Margin + EURIBOR 3M	30.09.2023
Villa Offices and Malthouse Offices (Warsaw Brewery K and GH), Warsaw	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	Bank Pekao S.A.	54 810 EUR	42 644 EUR	Margin + EURIBOR 3M	31.12.2027
			10 000 PLN	1 450 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	20 630 EUR	Margin + EURIBOR 3M	25.06.2023
Face 2 Face I i II, Katowice	Face2Face – Stranraer Sp. z o.o. SKA	Bank Pekao S.A.	64 997 EUR	56 946 EUR	Margin + EURIBOR 3M	31.12.2023
			18 000 PLN	241 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	10 623 EUR	Margin + EURIBOR 3M	30.06.2026
			7 000 PLN	1 618 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.	konsorcjum którego agentem jest Bank Pekao S.A.	80 630 PLN	77 861 PLN	Margin + WIBOR 1M oraz 3M	30.06.2026
Resi4Rent* – 2nd tranche	R4R Poznań Szczepanowski Sp. z o.o./ R4R Warszawa Taśmowa Sp. z o.o./ R4R Warszawa Woronicza Sp. z o.o./ R4R Gdańsk Kołobrzaska Sp. z o.o.	Santander S.A. / Helaba AG	59 490 PLN**	47 716 PLN	Margin + WIBOR 1M	27.06.2027
Resi4Rent* – 3rd tranche	R4R Warszawa Wilanowska Sp. z o.o./ Pimech Invest Sp. z o.o./ M2 Hotel Sp. z o.o./ R4R Kraków 3 Maja Sp. z o.o./ R4R RE Wave 3 Sp. z o.o.	Bank Pekao S.A., Bank Gospodarstwa Krajowego oraz BNP Paribas Polska S.A.	74 402 PLN	0 PLN	Margin + WIBOR 1M	21.12.2028
Total			452 383 EUR	340 158 EUR		
			259 522 PLN	128 882 PLN		

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

** After fulfillment of certain conditions the construction loan will be converted into investment loan with its amount of EUR 69 million.

INVESTMENT LOANS OF ARCHICOM S.A. AS AT 30 JUNE 2021 [‘000]

Investment project	Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
Browary Wrocławskie BL1, BL2 ***	Altona Investments Sp. z o.o.	BOŚ Bank S.A.	22 517 PLN	13 304 PLN	margin + WIBOR 3M	1.12.2022
			1 500 PLN	0 PLN	margin + WIBOR 3M	30.06.2022
City Forum – City 2*	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	17 146 EUR	4 467 EUR	margin + EUROLIBOR 1M	31.12.2031**
			4 000 PLN	0 PLN	margin + WIBOR 1M	
Total			17 146 EUR	4 467 EUR		
			28 017 PLN	13 304 PLN		

* After fulfillment of certain conditions the construction loan will be converted into investment loan with its amount of EUR 17,6 million.

** According to the annex and the Company's expectation.

*** Loan repaid after the balance sheet day.

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

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

17.3 Credit facilities

CREDIT FACILITIES OF ECHO INVESTMENT GROUP AS AT 30 JUNE 2021 [‘000]

Bank	Contractual amount of loan	Outstanding loan amount as at 30.06.2021	Interest rate	Repayment deadline
PKO BP S.A. *	75 000	63 417	Wibor 1M + margin	29.10.2021
Alior Bank S.A.	45 000	45 000	Wibor 3M + margin	12.05.2022
Santander Bank Polska S.A.**	100 000	70 221	Wibor 1M + margin	30.11.2022
Total	220 000	178 638		

* The available loan amount as on 30 June 2021 is decreased by the guarantees issued and amounts to PLN 2.7 million PLN.

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at 30 June 2021, the whole guarantee limit is used.

Credit facilities are secured with standard instruments such as authorisation to the bank account or statement on submission to enforcement proceedings. The loan value corresponds to undiscounted cash flows.

CREDIT FACILITIES OF ARCHICOM AS AT 30 JUNE 2021 [‘000]

Bank	Contractual amount of loan	Outstanding loan amount as at 30.06.2021	Interest rate	Repayment deadline	Termin spłaty
mBank S.A.	Archicom Sp. z o.o. - Realizacja Inwestycji Sp.K.	15 000	-	WIBOR 1M + margin	22.09.2022

The loan is secured with a real estate mortgage, an assignment under construction contracts and a declaration of submission to enforcement. The loan value corresponds to undiscounted cash flows.

18.1 Sureties

SURETIES ISSUED BY ECHO INVESTMENT GROUP AS AT 30 JUNE 2021 [PLN '000]

Issuer	Entity receiving surety	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Echo - Browary Warszawskie Sp. z o.o. Sp.K. oraz Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	HPO AEP Sp. z o.o. Sp.J.	11 302	Until the date of issuance of the occupancy permit for the projects but 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.
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	31 876	21.01.2022	Surety for liabilities resulting from the 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.	Projekt Echo 130 Sp. z o.o.	PKO BP S.A.	22 604	31.01.2024	Surety for the repayment of the loan in connection with the disbursement of the construction loan up to the limit of EUR 5 million without completion of transferring a part of the property to the Company.
Total			217 782		

SURETIES ISSUED BY ARCHICOM GROUP AS AT 30 JUNE 2021
[PLN '000]

Issuer	Entity receiving surety	Beneficiary	Value	Validity	Description
Archicom S.A.	Archicom Nieruchomości 14 Sp. zo.o.	Bank Pekao S.A.	6 884	until 30.03.2035, with the possibility of early expiry if the debt ser- vice coverage ratio is reached at 1.2	Corporate guarantee - of project support for securing a loan for the completion of the project City Forum A.
Archicom S.A.	Archicom Nieruchomości 14 Sp. zo.o.	Bank Pekao S.A.	12 771	until 30.03.2035, with the possibility of early expiry if the debt ser- vice coverage ratio is reached at 1.3	Surety to secure a loan for the completion of the project City Forum A.
Archicom S.A.	Altona Investment Sp. zo.o.	BOŚ Bank S.A.	5 000	indefinitely	Surety to secure a loan for the completion of the project Browary Wrocławskie build. BL1, BL2.
Archicom S.A.	Archicom Nieruchomości 14 Sp. zo.o.	Bank Pekao S.A.	4 207	until 30.03.2035, with the possibility of early expiry if the debt ser- vice coverage ratio is reached at 1.3	Corporate guarantee of rental coverage (masterlease) to secure a loan for completion of the project City Forum A.
Archicom S.A.	Strzegomska Nowa Sp. zo.o.	GNT Ventures Wrocław Sp. z o.o.	1 729	until 28.04.2023	Surety to secure a bank guar- antee, related to the sale of the office building West Forum IA.
Archicom S.A.	Archicom Nieruchomości 5 Sp. z o.o.	PKO BP S.A.	5 804	until 9.09.2022	Surety to secure a bank guar- antee related to the sale of the office building City Forum B.
Archicom S.A.	Archicom Sp. zo.o. RI Spk	PKO BP S.A.	6 568	until 9.07.2022	Surety to secure a bank guar- antee related to the sale of the office building City Forum build. B.
Archicom S.A.	art.Locum S.A.		16 875	until 1.08.2021	Surety for claims arising from B-series bonds, tranche III.
Archicom S.A.	art.Locum S.A.	PKO BP S.A.	27 250	2.07.2021*	Surety of 50% of the amount of the investor loan in PKO BP to finance the construction of the project Poznań Marcelin IIB.
Archicom S.A.	Archicom Nieruchomości 14 Sp. zo.o.	Bank Millenium S.A.	4 337	90 days after 7 months of lease	Surety granted as collateral to secure the fulfillment of the obligation under the lease agreement concluded on March 5, 2021, for the payment of incentive fees and to secure the payment of a contractual pen- alty in the event of a delay in the delivery of the leased unit arising from the agreement.
Total			91 425		

* surety expired

18.2 Guarantees

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30 JUNE 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.	27 125	31.07.2021	Security of the proper performance of the final sale contract and the master lease contract for the Aquarius Business House II office building in Wrocław. Issued in EUR.
Echo Investment S.A.	Echo - Opolska Business Park Sp. z o.o. Sp.K.	issued for Ventry Investments Sp. z o.o. Sp. k. (currently entitled EPP Office O3 Business Campus Sp. z o.o.)	41 250	21.12.2026	Construction guarantee related to the sale of the O3 Business Campus I office building in Kraków. The construction guarantee is secured by a corporate guarantee issued by Echo Investment S.A. The guarantee issued in EUR.
Echo Investment S.A.	ZAM - Projekt Echo - 127 Sp. z o.o. Sp.K.	issued for Emfold Investments Sp. z o.o. (currently entitled Tryton Business Park Sp. z o.o.)	43 030	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 entitled EPP Office - Symetris Business Park Sp. z o.o.)	18 407	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.	24 865	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.	39 330	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 guarantee of 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	80 815	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.	Midpoint71-Cornwall Investments Sp. z o.o. SKA (previously: Projekt 22 - Grupa Echo Sp. z o.o. S.K.A.)	A 19 Sp. z o.o.	27 125	04.07.2038	Guarantee for the obligations arising from the good neighborly agreement concluded on 4.07.2018 with Midpoint 71 project. Issued in EUR.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30 JUNE 2021 [PLN '000]

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Symetris – Projekt Echo – 131 Sp. z o.o. Sp.K.	issued for Flaxton Investments Sp. z o.o. (currently entitled EPP Office – Symetris Business Park Sp. z o.o.)	17 260	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.
Echo Investment S.A.	Rosehill Investments Sp. z o.o.	IB 6 FIZAN / GPF 3 FIZAN	103 628	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	30.06.2023	Security for exceeding the costs of performing the Moje Miejsce office project in Warsaw.
PKO BP S.A.	Echo Investment S.A.	LUX Europa III S.a.r.l.	6 450	20.05.2022	Security for the liabilities 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.	99 187	31.12.2024	Security for the proper performance 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 liabilities arising from the sale agreement of the Gatehouse Office building in the Warsaw Brewery complex. Issued in PLN.
Echo Investment S.A.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	LUX Europa III S.a.r.l.	49 729	03.03.2027	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.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	Bank Pekao S.A.	72 236	until the date of conversion of the construction loan into an investment loan	Guarantee securing the costs exceed of the office project in the Warsaw Brewery complex in Warsaw. Issued in EUR.
Echo Investment S.A.	Projekt 17 – Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	8 045	until the date of confirmation of fit-out completion from project manager	Guarantee of exceeding the costs of performing the West 4 Business Hub office project in Wrocław.
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.
Echo Investment S.A.	Echo – Opolska Business Park Sp. z o.o. Sp.K.	EPP Development 6 Sp. z o.o.	36 468	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.
PKO BP S.A. (commissioned by Echo Investment S.A.)	Echo Investment S.A.	Kraków Municipality – ZDM Kraków	282	10.05.2022	Guarantee of proper performance of the contract.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30 JUNE 2021
[PLN '000]

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
Echo Investment S.A.	Projekt 12 – Grupa Echo Sp. z o.o. SKA	Tesco (Polska) Sp. z o.o.	nie dotyczy	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
Echo – SPV 7 Sp. z o.o.	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 Bank Polska S.A.	24 500	until the date of conversion of the construction 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 maintenance of unleased area on Midpoint 71 office project in Wrocław. Issued in PLN.
Echo Investment S.A.	Midpoint 71 – Cornwall Investments Sp. z o.o. SKA	PKO BP S.A.	19 643	31.12.2029	Guarantee securing debt service cover ratio and covering rent-free periods in lease agreements on Midpoint 71 office project in Wrocław. Issued in EUR.
Towarzystwo Ubezpieczeń Euler Hermes S.A. (na zlecenie Echo Investment S.A.)	Gosford Investment Sp. z o.o.	Womak Delta Sp. z o.o.	29	14.07.2021	Rent guarantee - apartment sales office in Wrocław.
Santander Bank Polska S.A. (w ramach limitu kredytowego Echo Investment S.A.)	Galeria Libero – Projekt Echo 120 Sp. z o.o. SK	City of Katowice	758	20.01.2022	Security under the warranty and the quality guarantee for the obligations resulting from the agreement on performing 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.
Echo Investment S.A.	Cinema Asset Manager – Grupa Echo Sp. z o.o. SKA	Pearl Jewel sp. z o.o.	nie dotyczy	earlier of the dates: handover of the space in accordance with the future lease agreement or 8 years from the date of the future lease agreement conclusion	Corporate guarantee securing performance of obligations concerning provision of substitute premises and premises under the future lease agreement in a new office building, resulting from the property sales agreement signed on 1.12.2020. Due to business and legal arrangements, the guarantee has no upper limit of potential liability.
Echo Investment S.A.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	APAK Grundstücks-gesellschaft mbH & Co KG	48 131	Late of the dates: 11.09.2022 or the date of VAT refund from the buyer's tax office	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, as well as under the side letter. Issued in EUR and PLN.
Echo Investment S.A.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	APAK Grundstücks-gesellschaft mbH & Co KG	96 611	11.03.2032	Security for the proper performance of obligations arising under quality guarantee agreement regarding to 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.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30 JUNE 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.	APAK Grundstücks-gesellschaft mbH & Co KG	20 792	After completion of fit-out works for tenants (expected in September 2021).	Security for the proper performance of liabilities arising under the fit-out agreement regarding the Villa Office building in the Warsaw Brewery complex. Issued in EUR.
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 guarantee of the payment of the contractual penalty resulting from the lease agreement for premises at Pasaż Opieńskiego shopping centre in Poznań.
Santander Bank Polska S.A.	Echo Investment S.A.	City of Warsaw	25 000	30.10.2022	Guarantee securing obligation to performance of the accompanying investment under the special housing act - building a primary school and transferring it to the City of Warsaw.
Santander Bank Polska S.A. (within Echo Investment S.A. credit limit)	Echo Investment S.A.	City of Poznań represented by City Roads Office in Poznań	3 384	30.03.2022	Guarantee of proper performance of the contract.
Total			1 313 739		


GUARANTEES ISSUED BY ARCHICOM GROUP AS AT 30 JUNE 2021
[PLN '000]

Guarantor	Entity receiving guarantee	Beneficiary	Value	Validity	Description
PKO BP S.A.	Strzegomska Nowa Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	1 729	do 28.02.2023	Bank guarantee issued pursuant to the sale of the office building West Forum IA. The document guarantees the fulfilment of the obligation resulting from the rental guarantee agreement.
PKO BP S.A.	Archicom Nieruchomości 5 Sp. z o.o.	City One Park Sp. z o.o.	5 804	do 09.07.2022	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantee the fulfilment of the obligation resulting from the payment of amounts due in accordance with the property sale agreement and the rental guarantee agreement.
PKO BP S.A.	Archicom Sp. z o.o. – RI – Sp.K.	City One Park Sp. z o.o.	3 284	do 09.07.2022	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantees the fulfilment of the obligation resulting from construction contracts, with rights and obligations granted to the buyer pursuant to the property sale agreement.
PKO BP S.A.	Archicom S.A.	City One Park Sp. z o.o.	1 161	do 09.07.2022	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantees the fulfilment of the obligation resulting from the lease agreement for commercial and office space in the building City One in Wrocław, with rights and obligations were granted to the buyer pursuant to the property sale agreement.
PKO BP S.A.	Archicom S.A.	Bank Millenium S.A.	4 337	do 30.06.2022	Bank guarantee issued pursuant to the conclusion of the lease agreement. The document guarantees the fulfilment of the obligation resulting from the lease agreement, due to the payment of incentive fees and in order to secure the payment of a contractual penalty in case of a delay in the delivery of the leased unit to the beneficiary resulting from the agreement.
Archicom S.A.	Strzegomska Nowa Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	11 871		Guarantee of the fulfillment of seller's obligations related to the sale of the office building West Forum IB.
Archicom S.A.	Archicom Nieruchomości 5 Sp. zo.o.	City One Park Sp. z o.o.	16 899	do 27.11.2027	Guarantee of the fulfillment of the buyer's obligations regarding the lease guarantee agreement related to the sale of the office building City Forum B.
Archicom S.A.	Archicom Nieruchomości 5 Sp. zo.o.	City One Park Sp. z o.o.	15 296	do 27.05.2023	Guarantee of the fulfillment of the seller's obligations related to the final sales agreement of the office building City Forum B.
Total			60 381		

Remuneration of the Management Board and Supervisory Board

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REMUNERATION OF MEMBERS OF THE MANAGEMENT BOARD [PLN]



	H1 2021					H1 2020				
	from Echo Investment S.A.		From subsidiaries, joint-ventures and associates	Other benefits	Total	from Echo Investment S.A.		From subsidiaries, joint-ventures and associates	Other benefits ^A	Total
Basic remuneration	Bonus	Basic remuneration				Bonus				
Nicklas Lindberg	683 509	1 145 223	1 161 890	461 211	3 451 833	328 413	-	1 043 089	420 601	1 792 103
Maciej Drozd	262 733	433 020	649 767	16 668	1 362 187	163 511	336 000	586 246	32 440	1 118 197
Artur Langner	108 667	192 000	570 000	2 253	872 919	84 000	228 000	714 000	2 302	1 028 302
Marcin Materny (resigned on 22.04.2021)	120 000	189 000	522 516	4 886	836 402	87 000	180 000	564 516	4 776	836 292
Rafał Mazurczak	131 000	189 000	541 516	4 886	866 402	87 000	177 120	559 476	4 776	828 372
Waldemar Olbryk (resigned on 22.04.2021)	218 286	661 000	-	15 497	894 783	318 000	537 350	-	16 206	871 556
Małgorzata Turek	131 000	192 000	576 000	2 253	901 253	84 000	114 538	484 076	2 202	684 816
Total	1 655 194	3 001 242	4 021 690	507 654		1 151 924	1 573 008	3 951 403	483 303	
Total in H1					9 185 780					7 159 638

The long-term bonus program of CEO and CFO

On 21 July 2021, Echo Investment S.A. entered into contracts with Nicklas Lindberg, CEO and Maciej Drozd, CFO specifying the terms of additional incentive compensation in the form of a long-term bonus. Such additional compensation conforms with the Remuneration Policy.

Nicklas Lindberg and Maciej Drozd obtained the right to a long-term bonus. The amount of it will depend on the growth in the Company's goodwill measured by the aggregate amount of dividend and

the growth in the share price on the Warsaw Stock Exchange in annual evaluation periods.

The contracts define the rules of determining the amount of the long-term bonus based on the growth in the average six-month price of the Company's shares calculated for one-year periods, increased by the dividend disbursed by the Company above the initial value of a Company share determined at PLN 4.34 per share. The right to the long-

term bonus will be acquired in annual periods over the term of the program, i.e., from 1 January 2020 to 31 December 2024, unless a material change in the shareholding structure of the Company occurs earlier. The amount of the long-term bonus depends on the growth in the value of the Company's shares, provided that the amount of the long-term bonus (the "base value") does not exceed EUR 10 million for Nicklas Lindberg and EUR 5 million for Maciej Drozd if at the end of the five-year period the growth in the

average six-month price of the Company's shares increased by the dividend disbursed during the term of the program exceeds the amount of the initial quotation of the Company's shares by PLN 5.80, i.e., if the aggregate amount of the disbursed dividend increased by the average six-month price of the Company's shares reaches the amount of PLN 10.14 per share. In case of a material change in the shareholding structure of the Company, in lieu of the average six-month price of the Company's shares, the basis for the calculation of the long-term bonus will be the price received for the Company's shares calculated on the basis of the price indicated in the transaction resulting in such material change in the shareholding structure.

The duration of the program may be extended by a further two years (to a seven-year total), i.e., until 31 December 2026; in such case the maximum amount of the long-term bonus will be 125% of the base value if the average six-month price of the Company's shares increased by the dividend disbursed during the seven-year evaluation period exceeds the base value by PLN 7.25, i.e., the aggregate amount of the disbursed dividend increased by the average six-month price of the Company's shares reaches the value of PLN 11.59 per share.

The long-term bonus is to be disbursed in the form of the Company's shares (whether existing or of a new issue) annually, at the end of the evaluation period, and should that be impracticable,

it will be disbursed as a lump sum in cash at the end of the five-year term (or the seven-year term, should the former be extended) of the program. In case of a material change in the shareholding structure of the Company, the long-term bonus shall be disbursed as a lump sum upon occurrence of such event.

The Contracts also define the detailed terms of the disbursement of the long-term bonus, as well as addressing a situation where a Management Board member forfeits the right to receive the long-term bonus or a part thereof, in particular in the event of causing damage to the Company or of taking actions that breach the relevant provisions of the law or the Company's in-house regulations.

REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD [PLN]

	H1 2021			H1 2020		
	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits	From Echo Investment S.A.	From subsidiaries, joint-ventures and associates	Other benefits
Noah M. Steinberg (appointed on 9.01.2020)	120 000	-	-	47 419	-	-
Tibor Veres (appointed on 9.01.2020)	42 000	-	-	33 194	-	-
Mark E. Abramson (resigned on 13.08.2020)	-	-	-	90 000	-	-
Margaret Dezse (appointed on 13.08.2020)	90 000	-	-	-	-	-
Maciej Dyjas	30 000	-	-	30 000	-	-
Sławomir Jędrzejczyk (appointed on 13.08.2020)	90 000	-	-	-	-	-
Stefan Kawalec (dismissed on 13.08.2020)	-	-	-	90 000	-	-
Péter Kocsis (appointed on 9.01.2020)	30 000	-	-	23 710	-	-
Bence Sass (appointed on 9.01.2020)	30 000	-	-	23 710	-	-
Nebil Senman	30 000	-	-	30 000	-	-
Total	462 000	-	-	368 033	-	-

20.1. Seasonal or cyclical nature of operations

The Group's activity covers several segments of the real estate market. Accounting revenues from sale of housing developments depends on the commissioned residential buildings and revenue on these operations is generated in every quarter but it varies in terms of stability. 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.

20.2. Agreements between shareholders

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

20.3. 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.

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

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

20.5 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.

20.6. 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 Supervisory Board of Echo Investment S.A., upon the recommendation of the Audit Committee, has selected Deloitte Audyt Sp. z o.o. Sp.K. based in Warsaw, al. Jana Pawła II, registered as number 73 in the list of expert auditors to audit separate financial reports of Echo Investment and consolidated financial reports of the Echo Investment Capital Group for the years 2020-2021. The agreement was concluded by the Management Board, based on the Supervisory Board's authorisation.

The Management Board of Echo Investment S.A. informs that the selection of the auditing company conducting the audit of the annual financial statements

was made in accordance with the regulations, including the selection and procedure for the selection of the auditing company, based on the resolution of the Supervisory Board of 14 November 2019. The auditing company and the members of the team conducting the audit met the conditions for preparing an unbiased and independent report on the audit of the annual financial statements in accordance with the applicable regulations, professional standards and professional ethics.

Echo Investment S.A. complies with the existing regulations related to rotation of the auditing company and the key statutory auditor, as well as prevailing man-

date periods. Echo Investment S.A. has a policy with respect to the selection of the auditing company and a policy with respect to providing services to the issuer by the auditing company, any entity related to the auditing company or a member of its network of additional non-auditing services, including services which are conditionally excluded from the ban on such services by the auditing company. The auditing company selection policy and the non-auditing services purchase policy were approved by resolutions of the Audit Committee dated March 23, 2018 and are available on the Company's website under Investor relations / Strategy and corporate governance.

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

Due	Contractual amount
Review of the standalone and consolidated financial statements for H1 2021	155 000
Additional audit of the standalone financial statements for H1 2021	85 000
Total	240 000

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. Currently, the basic scenario for the future being analysed by the Management Board's is the stabilization with a periodically increased level of infection cases. However, it should not translate into further restrictions and limitations for business activities, due to the increasing level of vaccination in the society and the progress of medicine in the treatment of the disease and its consequences.

Residential sector

The pandemic had no impact on the completion of a residential sales and handover plan in the first half of 2021. The sales exceeded the plan in all cities where Echo Investment Group is present. The sales are driven by still very low interest rates compared to inflation. Bank lending activities has been at a record level for several months now. Sales prices of apartments offered by Echo Investment have increased since the beginning of the year, just like in the entire residential market. The biggest changes are observed in the price lists of projects for which sales have just started. Average sales price increases at current assumed revenues as compared to original budgeted prices amount to approx. 6% on average for the whole portfolio of projects in preparation.

However, the negative impact of the pandemic on the residential business is manifested in extending administrative proceedings. This has resulted in a postponement of project launches, which could also be reflected in the postponed completion of the sales plan.

Office sector

From the beginning of 2021, the office market saw a revival among tenants and investors. Echo Investment's leasing team managed to maintain ne-

gotiations on leasing space in projects built by the company and convert them into signed agreements. As a result, it was possible to sell Villa Offices and Malthouse Offices - two office buildings in the Warsaw Brewery complex. The transactions stabilised the long-term cash-flow. The Group continues the sales processes of another completed office buildings - Moje Miejsce in Warsaw and Face2Face in Katowice. Currently the Management Board does not see any significant risks for the future development of the office sector.

Retail sector

In the first half of 2021 retail sector was in the period of the so-called „hard lockdown” - (January 2021 and March-April 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, what result in the fact, that 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 and to return Libero and Galeria Młociny to normal operations as soon as possible. As a result of the pandemic, the list of tenants of both shopping centres changed slightly by single service outlets, whose owners declared bankruptcy. Projects remains high occupancy level 97-98%. In addition, vast majority of agreements with tenants on lockdown cost sharing and rent payments are already signed.

The progress of the society vaccination and authorities declarations indicate that the retail sector should no longer be subject to such drastic restrictions in the future. Developers-owners of retail facilities and tenants expect further stabilization. Since May shopping centers' footfall and tenants turnovers remain at a very good level.

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

After three waves of the pandemic and “lock-downs”, current message from authorities and progress of vaccinations indicate that, the economy should not expect further drastic restrictions. However, if such restrictions occur in the future, it 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 buildings 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 occupancy level, 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.

The Company is not able to reliably estimate the impact of the potential above events on the value of investment properties, due to uncertainty of the pandemic development. 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 Warsaw office buildings Villa Offices in Q1 2021 and Malthouse Offices in Q3. 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. 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

**CONDENSED
INTERIM
CONSOLIDATED
FINANCIAL
STATEMENTS**



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

	Note	As at 30.06.2021 (non-audited)	As at 31.12.2020
ASSETS			
Non-current assets			
Intangible assets		70 952	3 459
Property, plant and equipment	2	41 697	27 872
Investment property	3	857 059	1 388 972
Investment property under construction	4	986 652	780 621
Investment in associates and joint ventures	14	307 606	306 449
Long-term financial assets		287 430	201 194
Other assets		2 031	-
Deferred tax asset		75 012	56 476
		2 628 439	2 765 043
Current assets			
Inventory	6	1 755 413	925 173
Current tax assets		12 196	5 708
Other taxes receivable		84 673	93 050
Trade and other receivables		138 930	112 111
Short-term financial assets		52 550	50 761
Derivative financial instruments		3 802	-
Other financial assets *		137 366	82 524
Cash and cash equivalents		629 382	327 097
		2 814 311	1 596 424
Assets held for sale	5	1 606 929	1 269 329
Total assets		7 049 679	5 630 796

* Mainly cash on escrow accounts from residential clients.

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

	Nota	As at 30.06.2021 (non-audited)	As at 31.12.2020
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent		1 628 695	1 684 685
Share capital		20 635	20 635
Supplementary capital		1 235 316	1 280 664
Retained earnings		371 857	382 420
Foreign currency translation reserve		887	966
Non-controlling interest		175 280	(126)
		1 803 975	1 684 559
Long-term liabilities			
Credits, loans, bonds	8	1 583 013	1 465 767
Acquisition of shares		51 923	-
Long-term provisions	7	44 485	50 029
Deferred tax liabilities		213 509	203 518
Leasing	16	103 988	88 132
Other liabilities		94 059	117 722
Liabilities due to customers		34 866	14 208
		2 125 843	1 939 376
Short-term liabilities			
Credits, loans, bonds	8	951 430	846 501
Credits, loans, bonds - non-current assets classified as held for sale	8	768 207	496 036
Derivative financial instruments		739	-
Income tax payable		3 769	1 618
Other taxes liabilities		29 647	13 626
Trade payable		154 806	130 249
Dividend payable		113 468	-
Leasing	16	44 519	46 752
Short-term provisions	7	58 167	32 059
Other liabilities		207 335	178 726
Liabilities due to customers		705 619	217 405
		3 037 706	1 962 972
Liabilities directly associated with assets held for sale	5	82 155	43 889
TOTAL EQUITY AND LIABILITIES		7 049 679	5 630 796
Book value per share (in PLN)		1 628 695	1 684 685
Diluted number of shares		412 691	412 692
Diluted book value per share		3,95	4,08

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

	Note	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
Revenues	9,13	420 896	404 349
Cost of sales	13	(313 976)	(345 365)
Gross profit		106 920	58 984
Profit on investment property	10	2 356	160 226
Administrative costs associated with project implementation		(18 400)	(17 259)
Selling expenses		(20 082)	(15 246)
General and administrative expenses		(54 587)	(30 628)
Other operating income, including:		55 047	5 307
Profit on occasional purchase		48 581	-
Other operating expenses		(10 264)	(13 443)
Operating profit		60 990	147 941
Financial income	11	12 791	6 749
Financial cost	12	(57 366)	(24 337)
Profit (loss) on FX derivatives		5 561	(11 356)
Foreign exchange gains (losses)		33 597	(19 970)
Share of profit (loss) of associates and joint ventures	14	1 117	(22 933)
Profit before tax		56 689	76 094
Income tax		(9 739)	(25 003)
current tax		(31 466)	503
deferred tax		21 728	(25 506)
Net profit (loss), including:		46 950	51 091
Equity holders of the parent		47 262	51 093
Non-controlling interest		(312)	(2)
Equity holders of the parent		47 262	51 093
Weighted average number of ordinary shares (in '000) without shares held		412 691	412 691
Profit (loss) per one ordinary share (in PLN)		0,11	0,12
Diluted profit (loss) per one ordinary share (PLN)		0,11	0,12

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

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
Profit for the year	46 950	51 091
Components of other comprehensive income that may be reclassified to profit or loss in later periods		
- exchange differences on translation of foreign operations	(79)	125
Other comprehensive income for the year, net of tax	(79)	125
Total comprehensive income for the year, including:	46 871	51 216
Comprehensive income attributable to shareholders of the parent company	47 183	51 218
Comprehensive income attributable to non-controlling interest	(312)	(2)

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

	Share capital	Supplementa- ry capital	Accumulated retained earnings	Currency translation differences	Equity attributable to equity holders of the parent	Capital of non-con- trolling interests	Equity total
For the period 01.01.2021 - 30.06.2021							
Opening balance	20 635	1 280 664	382 420	966	1 684 685	(126)	1 684 559
Taking control over subsidiaries	-	-	-	-	-	183 496	183 496
Dividend approved for payment	-	(45 348)	(57 825)		(103 173)	(7 778)	(110 951)
Other comprehensive income	-	-	-	(79)	(79)	-	(79)
Net profit (loss) for the period	-	-	47 262	-	47 262	(312)	46 950
Closing balance	20 635	1 235 316	371 857	887	1 628 695	175 280	1 803 975
For the period 01.01.2020 - 30.06.2020							
Opening balance	20 635	1 259 252	281 739	739	1 562 365	(122)	1 562 243
Other comprehensive income	-	-	-	125	125	-	125
Net profit (loss) for the period	-	-	51 093	-	51 093	(2)	51 091
Closing balance	20 635	1 259 252	332 832	864	1 613 583	(124)	1 613 459

CONSOLIDATED CASH FLOW STATEMENT [PLN '000]

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
A. Operating cash flow – indirect method		
I. Profit (loss) before tax	56 689	76 094
II. Total adjustments		
Share in net (profit) loss of associates and joint ventures	(1 117)	22 933
Depreciation of PP&E	4 955	1 862
Foreign exchange (gains) losses	(52 461)	31 557
Interest and profit sharing (dividends)	42 325	32 344
(Profit) loss on updating investment properties	5 478	(179 889)
(Profit) loss on investing activities	(174)	(1 421)
(Profit) on occasional purchase	(48 581)	-
Change in reserves	(16 708)	(34 293)
(Profit) loss on revaluation of assets and liabilities	10 203	1 075
	(56 080)	(125 832)
III. Change in working capital		
Change in inventories	(54 667)	(48 188)
Change in receivables	(3 798)	16 917
Change in short-term liabilities, except for loans and borrowings	272 737	19 095
Change in restricted cash	(7 172)	(28 078)
	207 101	(40 254)
IV. Net cash generated from operating activities (I+II+III)	207 710	(89 992)
Income tax paid	(37 144)	(2 187)
V. Net cash generated from operating activities	170 566	(92 179)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	34	3
Sale of investments in property	389 574	32 133
From borrowings	1 672	-
Sale of investment	22 364	9 251
	413 644	41 387
II. Outflows		
Purchase of intangible assets and tangible fixed assets	(1 214)	(2 310)
Investment in property	(151 111)	(320 213)
On loans	(26 188)	(4 553)
Due to acquisition of subsidiaries, net of cash and cash equivalent in the acquired entities	(35 104)	-
Purchase of investments	(22 850)	(5 943)
	(236 467)	(333 019)
III. Net cash flow from investing activities (I+II)	177 177	(291 632)

CONSOLIDATED CASH FLOW STATEMENT CONT. [PLN '000]

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
C. Cash flow from financing activities		
I. Inflows		
Loans and borrowings	127 854	323 627
Issue of debt securities	195 000	150 000
	322 854	473 627
II. Outflows		
Repayment of loans and borrowings	(145 692)	(31 630)
Redemption of debt securities	(155 000)	(150 272)
Due to FX derivatives	(10 164)	(1 075)
Payment of liabilities due to leasing agreements	(13 672)	(7 560)
Interest paid	(43 784)	(51 556)
	(368 312)	(242 093)
III. Net cash flow from financing activities (I+II)	(45 458)	231 534
D. Total net cash flows (A.III+B.III+C.III)	302 285	(152 277)
E. Change in the balance of cash in consolidated statement of financial position, including:	302 285	(152 277)
- change in cash due to exchange differences	-	-
F. Cash and cash equivalents at the beginning of the period	327 097	492 295
G. Cash and cash equivalents at the end of the period (D+F)	629 382	340 018

* In investment activities under item „sale and purchase of investments” in H1 2021 the sale of shares in the company M2 Biuro Sp. z o.o. and an increase in capital in R4R Poland Sp. z o.o. are presented.

EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT



OFF-BALANCE SHEET ITEMS [PLN '000]

	30.06.2021	31.12.2020
Conditional liabilities for other entities:		
- due to guarantees and sureties issued	1 683 327	1 369 944
- due to court proceedings	18 225	17 523
Total	1 701 552	1 387 467

Conditional liabilities are presented at nominal value.

In the Company's opinion, the fair value of the sureties and guarantees is near zero due to low probability of using them.

CHANGES IN GUARANTEES IN H1 2021 [PLN '000]

Change	Guarantor	Entity receiving guarantee	Beneficiary	Value	Date of change	Description
Issue	Santander Bank Polska S.A. (within Echo Investment S.A. credit limit)	Galeria Libero – Projekt Echo 120 Sp. z o.o. SK	City of Katowice	758	25.01.2021	Security under the warranty and the quality guarantee for the obligations of Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.K. resulting from the agreement on performing the road project concluded on 16.06.2016.
Issue	Echo Investment S.A.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	APAK Grundstücksgesellschaft mbH & Co KG	49 616	11.03.2021	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, as well as under the side letter. Issued in EUR and PLN.
Issue	Echo Investment S.A.	Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp.K.	APAK Grundstücksgesellschaft mbH & Co KG	96 611	11.03.2021	Security for the proper performance of obligations arising under quality guarantee agreement regarding to 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 Grundstücksgesellschaft mbH & Co KG	21 434	11.03.2021	Security for the proper performance of liabilities arising under the fit-out agreement regarding the Villa Office building in the Warsaw Brewery complex. Issued in EUR.
Issue	Santander Bank Polska S.A. (within Echo Investment S.A. credit limit)	Echo Investment S.A.	City of Poznań represented by City Roads Office in Poznań	3 384	23.04.2021	Guarantee of proper performance of the contract.
Issue	PKO BP S.A. (commissioned by Echo Investment S.A.)	Echo Investment S.A.	Kraków Municipality – ZDM Kraków	282	11.05.2021	Guarantee of proper performance of the contract.
Issue	Santander Bank Polska S.A.	Echo Investment S.A.	Capital City of Warsaw	25 000	1.06.2021	Guarantee securing obligation to performance of the accompanying investment under the special housing act - building a primary school and transferring it to the City of Warsaw.
Expiry	PKO BP S.A. (commissioned by Echo Investment S.A.)	Galeria Libero – Projekt Echo – 120 Sp. z o.o. Sp.K.	Tax Administration Office Director in Kielce	873	10.02.2021	Gwarancja loteryjna za spółkę Galeria Libero – Projekt Echo – 120 Sp. z o.o. Sp.K.
Expiry	Echo Investment S.A.	Projekt 17 – Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	4 837	25.06.2021	Guarantee securing rent proceeds during the performance of the West 4 Business Hub office project in Wrocław. Issued in EUR.

CHANGES IN GUARANTEES IN H1 2021 [PLN '000]

Change	Guarantor	Entity receiving guarantee	Beneficiary	Value	Date of change	Description
Expiry	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	30.06.2021	Guarantee securing exceeding the costs of performing Resi4REnt projects: Łódź Wodna, Wrocław Rychtalska, Warsaw Brewery, Wrocław Kępa.
Taking over the control - Archicom S.A.	PKO BP S.A.	Strzegomska Nowa Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	1 729	22.04.2021	Bank guarantee issued pursuant to the sale of the office building West Forum IA. The document guarantees the fulfilment of the obligation resulting from the rental guarantee agreement.
Taking over the control - Archicom S.A.	PKO BP S.A.	Archicom Nieruchomości 5 Sp. z o.o.	City One Park Sp. z o.o.	5 804	22.04.2022	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantee the fulfilment of the obligation resulting from the payment of amounts due in accordance with the property sale agreement and the rental guarantee agreement.
Taking over the control - Archicom S.A.	PKO BP S.A.	Archicom Sp. z o.o. - RI - Sp.K.	City One Park Sp. z o.o.	3 284	22.04.2023	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantees the fulfilment of the obligation resulting from construction contracts, with rights and obligations granted to the buyer pursuant to the property sale agreement.
Taking over the control - Archicom S.A.	PKO BP S.A.	Archicom S.A.	City One Park Sp. z o.o.	1 161	22.04.2024	Bank guarantee issued pursuant to the sale of the office building City Forum B. The document guarantees the fulfilment of the obligation resulting from the lease agreement for commercial and office space in the building City One in Wrocław, with rights and obligations were granted to the buyer pursuant to the property sale agreement.
Taking over the control - Archicom S.A.	PKO BP S.A.	Archicom S.A.	Bank Millenium S.A.	4 337	22.04.2025	Bank guarantee issued pursuant to the conclusion of the lease agreement. The document guarantees the fulfilment of the obligation resulting from the lease agreement, due to the payment of incentive fees and in order to secure the payment of a contractual penalty in case of a delay in the delivery of the leased unit to the beneficiary resulting from the agreement.
Taking over the control - Archicom S.A.	Archicom S.A.	Strzegomska Nowa Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	11 871	22.04.2026	Guarantee of the fulfillment of seller's obligations related to the sale of the office building West Forum IB.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 5 Sp. z o.o.	City One Park Sp. z o.o.	16 899	22.04.2027	Guarantee of the fulfillment of the buyer's obligations regarding the lease guarantee agreement related to the sale of the office building City Forum B.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 5 Sp. z o.o.	City One Park Sp. z o.o.	15 296	22.04.2028	Guarantee of the fulfillment of the seller's obligations related to the final sales agreement of the office building City Forum B.

CHANGES IN SURETIES ISSUED BY ECHO INVESTMENT GROUP IN H1 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 at Pasaż Opieńskiego shopping centre in Poznań.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 14 Sp. zo.o.	Bank Pekao S.A.	6 884	22.04.2021	Corporate guarantee - of project support for securing a loan for the completion of the project City Forum A.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	12 771	22.04.2022	Surety to secure a loan for the completion of the project City Forum A.
Taking over the control - Archicom S.A.	Archicom S.A.	Altona Investment Sp. zo.o.	BOŚ Bank S.A.	5 000	22.04.2023	Surety to secure a loan for the completion of the project Browary Wrocławskie build. BL1, BL2.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 14 Sp. z o.o.	Bank Pekao S.A.	4 207	22.04.2024	Corporate guarantee of rental coverage (masterlease) to secure a loan for completion of the project City Forum A.
Taking over the control - Archicom S.A.	Archicom S.A.	Strzegomska Nowa Sp. z o.o.	GNT Ventures Wrocław Sp. z o.o.	1 729	22.04.2025	Surety to secure a bank guarantee, related to the sale of the office building West Forum IA.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 5 Sp. z o.o.	PKO BP S.A.	5 804	22.04.2026	Surety to secure a bank guarantee related to the sale of the office building City Forum B.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Sp. zo.o. RI Spk	PKO BP S.A.	6 568	22.04.2027	Surety to secure a bank guarantee related to the sale of the office building City Forum build. B.
Taking over the control - Archicom S.A.	Archicom S.A.	art.Locum S.A.		16 875	22.04.2028	Surety for claims arising from B-series bonds, tranche III.
Taking over the control - Archicom S.A.	Archicom S.A.	art.Locum S.A.	PKO BP S.A.	27 250	22.04.2029	Surety of 50% of the amount of the investor loan in PKO BP to finance the construction of the project Poznań MarceLin IIB.
Taking over the control - Archicom S.A.	Archicom S.A.	Archicom Nieruchomości 14 Sp. z o.o.	Bank Millenium S.A.	4 337	22.04.2030	Surety granted as collateral to secure the fulfillment of the obligation under the lease agreement concluded on March 5, 2021, for the payment of incentive fees and to secure the payment of a contractual penalty in the event of a delay in the delivery of the leased unit arising from the agreement.

Note 2

CHANGES IN PP&E – BY TYPES [PLN '000]

	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other PP&E	Total PP&E
1.01.2021 - 30.06.2021						
Gross value of PP&E at the beginning of the period	293	26 772	5 659	11 254	10 180	54 157
Increases, due to:						-
- taking control of the subsidiaries		15 837	3 339	446	2 127	21 749
- acquisition	-	17	166	-	2 002	2 185
- under MSSF 16 lease	-	123	-	1 817	-	1 940
Decreases due to:						
- sale	-	(200)	-	-	-	(200)
- liquidation	-	(16)	(10)	(132)	(189)	(347)
Gross PP&E at the end of the period	293	42 533	9 153	13 385	14 120	79 484
Accumulated depreciation at the beginning of the period	(14)	(9 008)	(5 143)	(6 367)	(5 754)	(26 286)
Redemption for the period (due to)						
- taking control of the subsidiaries	-	(5 797)	(1 527)	(41)	(822)	(8 187)
- depreciation	(2)	(170)	(191)	(37)	(1 197)	(1 596)
- liquidation	-	-	10	132	189	331
- under MSSF 16 lease	-	(2 425)	-	177	-	(2 248)
- sales adjustment	-	200	-	-	-	200
Accumulated depreciation at the end of the period	(16)	(17 200)	(6 850)	(6 136)	(7 584)	(37 787)
Net value of PP&E at the end of period	277	25 333	2 303	7 249	6 536	41 697
1.01.2020 - 31.12.2020						
Gross value of PP&E at the beginning of the period	293	21 278	5 575	9 767	8 387	45 300
Increases, due to:						
- acquisition	-	97	134	-	1 986	2 217
- under MSSF 16 lease	-	5 397	-	1 487	-	6 884
Decreases, due to:						
- sale	-	-	(50)	-	(129)	(179)
- liquidation	-	-	-	-	(64)	(64)
Accumulated depreciation at the end of the period	293	26 772	5 659	11 254	10 180	54 158
Accumulated depreciation at the beginning of the period	(11)	(4 616)	(5 025)	(4 717)	(5 169)	(19 538)
Depreciation for the period (due to)						
- depreciation	(3)	(352)	(168)	(339)	(623)	(1 485)
- liquidation	-	-	-	-	64	64
- under MSSF 16 lease	-	(4 040)	-	(1 311)	(153)	(5 504)
- sales adjustment	-	-	50	-	127	177
Gross value of PP&E at the end of the period	(14)	(9 008)	(5 143)	(6 367)	(5 754)	(26 286)
Net value of PP&E at the end of period	279	17 764	516	4 887	4 426	27 872

CHANGE IN INVESTMENT PROPERTIES ['000 PLN]

	Office	Retail	Land plots	Perpetual usufruct	Total
As at 1 January 2020	186 159	708 858	2 212	44 754	941 983
acquisition	-	-	-	8 389	8 389
taking from investment properties under construction	862 265	-	-	11 702	873 967
incurring outlays for the implementation of the investment	55 881	3 111	-	-	58 992
change in valuation of properties	19 940	34 157	-	(5 592)	48 505
taking to assets held for sale	(532 784)	-	-	(10 080)	(542 864)
As at 31 December 2020	591 461	746 126	2 212	49 173	1 388 972
acquisition	-	-	-	389	389
taking control over subsidiaries	101 558	-	7 806	-	109 364
incurring outlays for the implementation of the investment	23 848	1 305	-	-	25 153
change in valuation of properties	1 458	(4 187)	-	(5 535)	(8 264)
taking to inventory	-	(41 039)	-	-	(41 039)
taking to assets held for sale	(614 175)	-	(1 767)	(1 574)	(617 516)
As at 30 June 2021	104 150	702 205	8 251	42 453	857 059

The Group measures investment properties at fair value at the end of each reporting period. The valuations of investment properties were performed by an internal analysis department and an external appraiser.

Due to taking control over the companies DKR Echo Invest S.A. and DKR Echo Investment Sp. z o.o. (indirectly taking control over Archicom S.A. Group), value of investment properties increased by the value of the City2 office project in Wrocław and land properties in Gajków and Wrocław.

Due to the intention to sell within 12 months, the Group reduced the stock of investment properties by transferring to the assets held for sale office buildings Face2Face I and II of a value of PLN 484,255 thousand in Katowice, (including the right of per-

petual usufruct of land in the amount of PLN 1,574 thousand) and a plot in Radom of a value of PLN 1,767 thousand.

Value of investment properties as at 30 June, 2021 consists mainly of properties: Libero shopping center in Katowice and office buildings West 4 Business Hub I and City2 both located in Wrocław. At the same time, the value of investment properties includes the value of the perpetual usufruct right to land, which as at June 30, 2021 amounts to PLN 42,453,000.

The fair value of investment properties was classified as level 3 of the fair value hierarchy. Detailed information are presented in item 03 'Material estimates of the group's management boards'.

CHANGES IN INVESTMENT PROPERTY [PLN '000]

	Office	Retail	Land plots	Perpetual usufruct	Total
Value at 01.01.2020	1 401 476	10 703	66 809	38 878	1 517 866
- purchase	544 510	12 736	213	-	557 459
- investment properties under construction taking	216 767	-	-	1 157	217 924
- expenditure on investments	31 791	-	-	-	31 791
- revaluation of property	(862 265)	-	-	(11 702)	(873 967)
- taking to assets held for sale	(658 437)	-	-	(12 015)	(670 452)
Value at 31.12.2020	673 842	23 439	67 022	16 318	780 621
- purchase	-	-	-	2 012	2 012
- taking control over subsidiaries	87 761	4 610	165	-	92 536
- expenditure on investments	132 830	-	-	-	132 830
- revaluation of property	18 115	-	-	17	18 132
- taking to inventories	-	-	-	(1 711)	(1 711)
- taking to assets held for sale	(37 438)	-	-	(330)	(37 768)
Value at 30.06.2021	875 110	28 049	67 187	16 306	986 652

The Group measures investment properties under construction at fair value at the end of each reporting period. The valuations of investment properties under construction were performed by an internal analysis department and an external appraiser.

The expenses incurred for the implementation of the investment concerned the implementation of investments located in Kraków, Katowice, Łódź, Gdańsk, Wrocław and Warsaw.

Due to the fulfilment of the conditions allowing for the valuation to fair value of the investment property under construction, the Group recognized the result of the first revaluation of Brain Park office building in Kraków (PLN 19,520 thous.). In addition, the Group updated the fair value of office buildings Fuzja CD in Łódź (PLN 852 thous.), MidPoint 71 in Wrocław (PLN 4,763 thous.) and React I in Łódź (PLN -7,020 thous.). The total amount of revenue recognized from the valuation of investment properties under construction was PLN 18,115 thous. net, i.e. after taking into account the provision for the obligation to secure revenues for the rent-free periods (master lease) and profit sharing.

Due to the intention to sell within 12 months, the Group reduced the status of investment properties under construction, transferring to the item "assets

held for sale" land plots located at ul. Kilińskiego in Łódź of a value of PLN 5,533 thous. and at ul. Nowowiejska in Gdańsk of a value of PLN 31,905 thous. (including the right of perpetual usufruct of land in the amount of PLN 330 thous.).

In the report as at 30 June 2020, the Group presented investment properties under construction with a total value of PLN 986,652 thous. The closing balance of the reporting period comprised mainly: MidPoint 71 office building in Wrocław, Brain Park in Kraków, React I and Fuzja CD in Łódź. The value of investment properties under construction includes the right of perpetual usufruct of land in the amount of PLN 16,306 thous.

Value of liabilities for the purchase of investment properties under construction as at 30 June 2021 amounted to PLN 33,416 thous. (as at 31 December 2020 - PLN 57,696 thous.).

The fair value of investment properties was classified as level 3 of the fair value hierarchy. Detailed information are presented in item 03 'Material estimates of the group's management boards'.

CHANGES IN ASSETS HELD FOR SALE [PLN '000]

	Office	Retail	Land plots	Perpetual usufruct	Total
Value at 01.01.2020	-	-	17 405	5 518	22 923
- investment properties under construction taking	658 437	-	-	12 015	670 452
- investment properties taking	532 784	-	-	10 080	542 864
- revaluation of property	16 262	-	-	-	16 262
- expenditure on investments	39 751	-	-	-	39 751
- sale	-	-	(17 405)	(5 518)	(22 923)
Value at 31.12.2020	1 247 234	-	-	22 095	1 269 329
- investment properties under construction taking	37 438	-	-	330	37 768
- investment properties taking	614 175	-	1 767	1 574	617 516
- revaluation of property	(5 338)	-	-	12	(5 326)
- expenditure on investments	33 020	-	-	-	33 020
- sale	(340 639)	-	-	(4 739)	(345 378)
Value at 30.06.2021	1 585 890	-	1 767	19 272	1 606 929

The Group measures assets held for sale at fair value at the end of each reporting period. The valuations of assets held for sale were performed by an internal analysis department.

Due to the intention to sell it within 12 months, the Group increased its assets held for sale by transferring from "investment properties under construction" land plots located at ul. Kilińskiego in Łódź of a value of PLN 5,533 thous. and at ul. Nowowiejska in Gdańsk of a value of PLN 31,905 thous. (including the right of perpetual usufruct of land in the amount of PLN 330 thous.), as well as from "investment properties" Face2Face I and II office buildings located in Katowice of a value of PLN 484,255 thous. and West4 Business Hub I office building in Wrocław of a value of PLN 129,920 thous. (including the right of perpetual usufruct of land in the amount of PLN 1,574 thous.) and land plot in Radom of a value of PLN 1,767 thous.

Decrease of "assets held for sale item results from sale of the Villa Offices building in Warsaw of a value of PLN 340,639 thous. (including the right of perpetual usufruct of land in the amount of PLN 4,739 thous.). Details of the transaction are described in the note 15.

As at 30 June 2021, in the "assets held for sale" item the Group presented i.e. value of Warsaw office buildings (Moje Miejsce I and II, Malthouse Offices) and in Katowice (Face2Face I and II) with a total value of PLN 1,606,929 thous. (including the right of perpetual usufruct of land in the amount of PLN 19,272 thous.).

The fair value of assets held for sale was classified as level 3 of the fair value hierarchy. Detailed information are presented in item O3 'Material estimates of the group's management boards'.

LIABILITIES RELATED TO ASSETS HELD FOR SALE [PLN '000]

	30.06.2021	31.12.2020
Liabilities due to leasing	18 363	23 467
Received deposits and advances	61 884	20 421
Other	1 908	-
Total	82 155	43 889

position, liabilities related to projects are presented under "liabilities related to assets held for sale": Malthouse Offices in Warsaw (Warsaw Brewery GH), Moje Miejsce I and II in Warsaw, Face2Face I and II in Katowice, West4 Business Hub I in Wrocław, as well as land plot on ul. Nowowiejska in Gdańsk. Li-

abilities under loans related to assets held for sale are presented in a separate item in the statement of financial position "Loans, borrowings and bonds financing real estate held for sale".

INVENTORY [PLN '000]

	30.06.2021	31.12.2020
Semi-finished products and work-in-progress	1 409 698	540 294
- asset on perpetual usufruct	34 273	26 979
Finished products	310 969	181 682
Goods	17 835	17 834
Lands for development	16 911	185 363
Total	1 755 413	925 173

The “finished products” item includes mainly residential and commercial premises sold under final contracts.

The “semi-finished products and work in progress” item includes mainly real estate owned by the Group and expenditure on housing projects in preparation and implementation (eg. design services, construction works, etc. provided by external companies). Additionally, this item shows the right to use land (perpetual usufruct). The remaining value of the item relates to the expenditure incurred on the services of finishing the premises (fit-out). Due to the specific nature of the business, the purchased land, prepared for development, is presented as work in progress, and the newly purchased land as land.

The ‘goods’ item includes land earmarked for sale.

Inventories are valued according to the cost of production or purchase, but not higher than the obtainable net sales value. This value is obtained according to the current market prices obtained from the development market. The reversal of an inventory write-down occurs either in connection with the sale of an inventory or in connection with an increase in the net selling price. The amounts of write-offs of the value of inventories recognized as an expense in the period and the amounts of the reversal of write-downs of values decreasing the value of inventories

recognized as income in the period are presented in the profit and loss account under “cost of sale”.

In accordance with IAS 23, the Group activates the portion of financial costs directly related to the acquisition and production of assets presented as inventories. The activation concerns the amount of financial expenses determined using the effective interest rate reduced by the income from the temporary placement of cash (i.e. the interest on bank deposits, except for deposits resulting from blockades of accounts or letters of credit) in the case of targeted financing contracted for a given construction project. In the case of leasing, interest costs on the leasing obligation related to a specific project are capitalized in the project cost (targeted financing). In the case of general financing, the overall financing costs subject to capitalization are determined by applying the capitalization rate to the expenditure incurred for a given asset.

The activated amount of borrowing costs for inventories in H1 2021 amounted to PLN 2,598 thous. (capitalization rate 1.09%) whereas in 2020 it amounted to PLN 7,267 thous. (capitalization rate 1,04%), and in H1 2020 – PLN 4,422 thous. (capitalization rate 1,11%).

The value of inventories as at 30 June 2021 is PLN 1,755,413 thous., including for sale within 12 months 901,457 thous. PLN.

INVENTORIES – IMPACT ON PROFIT/LOSS [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Amount of inventories recognised as an expense in the period	(301 779)	(336 748)
Impairment losses on inventories recognised in the period as cost	(19 664)	(1 555)
Reversal of impairment losses which decreases the value of inventories recognised in the period as income	17 421	10 877

Inventory write-downs and reversals refer to residential projects included in the ‘finished goods’ and ‘goods’ items presented in Note 10 and they are intended to write down the value to the level of a feasible price.

The inventory value recognized as income / cost in a given period is included in the profit and loss account under “cost of sales”. The change in invento-

ry write-down until 30 June 2021 amounted to PLN (-)2,242 thous., while as at 30 June 2020 this value amounted to PLN 9,322 thous. The reversal of write-downs in H1 2021 concerned mainly residential projects located in Poznań (Naramowice), Łódź (Wodna and Nowa Dzielnica) and Warsaw (Reset I and II), in relation to sale transactions concluded.

CHANGE IN PROVISIONS - BY TYPES ['000 PLN]

	30.06.2021	31.12.2020
Opening balance		
provision for expected general and administrative costs (audit, days off, bonuses etc.)	700	531
provision for expected penalties and losses	13 014	12 631
provision for costs of warranty repairs, etc.	1 274	-
provision for court proceedings	3 434	5 773
provision for liabilities related to investment projects	2 101	2 585
provision for and master lease	12 370	19 679
provision for profit share obligations	46 283	78 306
provision for fit-out works	2 912	5 855
	82 088	125 359
Increases due to:*		
provision for expected general and administrative costs (audit, days off, bonuses etc.)	9 176	605
provision for expected penalties and losses	1 628	1 243
provision for costs of warranty repairs, etc.	8 525	1 540
provision for court proceedings	6 890	1 342
provision for liabilities related to investment projects	22 138	6 757
provision for and master lease	2 627	4 728
provision for profit share obligations	2	12 006
provision for fit-out works	1 695	1 976
	52 681	30 197
Utilisation and dissolution due to:		
costs incurred for expected general and administrative costs (audit, days off, bonuses etc.)	(3 853)	(435)
costs incurred for expected penalties and losses	(1 171)	(860)
costs incurred for costs of warranty repairs, etc.	(3 963)	(266)
costs incurred for court proceedings	(1 589)	(3 681)
provision for liabilities related to investment projects	(7 966)	(7 241)
provision for and master lease	(5 957)	(12 037)
provision for profit share obligations	(7 354)	(44 029)
provision for fit-out works	(264)	(4 919)
	(32 117)	(73 468)
Closing balance		
provision for expected general and administrative costs (audit, days off, bonuses etc.)	6 023	700
provision for expected penalties and losses	13 471	13 014
provision for costs of warranty repairs, etc.	5 836	1 274
provision for court proceedings	8 735	3 434
provision for liabilities related to investment projects	16 273	2 101
provision for and master lease	9 040	12 370
provision for profit share obligations	38 931	46 283
provision for fit-out works	4 343	2 912
	102 652	82 088
included:		
Long-term provisions	44 485	50 029
Short-term provisions	58 167	32 059

* the increases item includes provisions for taking control over subsidiaries in the amount of PLN 33,570 thousand.

CREDIT, LOANS AND BONDS [PLN '000]

	30.06.2021	31.12.2020
Long-term - loans and borrowings	368 385	592 826
Long-term - debt securities	1 214 628	872 941
Short-term - loans and borrowings	385 998	324 111
Short-term - debt securities	565 431	522 390
Short-term - credits and loans related to assets held for sale	739 412	467 055
Short-term - debt securities related to assets held for sale	28 795	28 981
Total liabilities due to loans and borrowings	3 302 649	2 808 304
of which long-term portion	1 583 013	1 465 767
of which short-term portion	1 719 636	1 342 537

In the consolidated statement of financial position, the item "Loans, borrowings and bonds financing real estate held for sale" presents liabilities (bank loans, bonds, loans) relating to projects intended for sale and presented in the line "assets held for sale".

As at the balance sheet date, this item includes liabilities financing projects:

- Malthouse Offices in Warsaw (Warsaw Brewery GH)
- Moje Miejsce I and II in Warsaw,
- Face2Face Business Campus I in Katowice,
- West4 Business Hub I in Wrocław.

The „loans and borrowings” item presents special purpose loans and lines of credit in current accounts. The purpose credit agreements are secured by real estate mortgages, assignment of receivables resulting from lease agreements, construction agreements, policies and registered pledges on shares, accounts, belongings and rights of subsidiaries. Interest rates on loans denominated in EUR are based on the EURIBOR plus a margin.

Credit lines denominated in PLN are secured by blank promissory notes, declarations of submission to enforcement and powers of attorney to bank accounts. The loan interest rate is based on the WIBOR rate plus a bank's margin. According to the best information and data of the Management Boards of the Group's companies, there were no breaches of the terms of loan agreements or the agreed levels of collateral during the financial year and until the date of signing the financial statements.

In the 'debt securities' item the Group presents bonds issued. The interest on bonds is based on the WIBOR rate plus a margin. The fair value of loans and borrowings does not differ significantly from their balance value. The fair value was determined by the income method based on the cash flows discounted by the current market interest rate. The fair value measurement was classified as level 3 of the fair value hierarchy.

REVENUES – BY TYPES [PLN ‘000]

	01.01.2021 – 30.06.2021	01.01.2020- 30.06.2020
Revenues resulting from agreements with clients		
Sale of residential space	283 909	212 275
Sale of Resi4Rent	7 034	115 125
Construction services related to office	256	33 054
Construction services related to retail	13 164	941
Other sale	46 507	2 344
Revenues resulting from agreements with clients	350 870	363 739
Revenues from lease / leasing (IFRS 16)	70 026	40 610
Total revenues	420 896	404 349

REVENUES [PLN ‘000]

	01.01.2021 - 30.06.2021	01.01.2020- 30.06.2020
Sale	283 909	212 275
Lease	412	634
Apartments	284 321	212 909
Lease	7 683	20 098
Fit-out services	45 870	33 054
Office	53 553	53 152
Sale	-	-
Lease	22 656	19 684
Development services	256	941
Retail	22 912	20 625
Sale	13 164	115 125
Resi4Rent	13 164	115 125
Sale	45 110	1 125
Lease	439	194
Services	1 397	1 219
Other	46 946	2 538

REVENUE TO BE RECOGNIZED IN THE FUTURE ARISING FROM AGREEMENTS FOR THE SALE OF RESIDENTIAL SPACE [‘000 PLN]

Project	Targeted completion	Total targeted project's value	The total value of revenues to be recognized in the future related to the concluded obligations to perform the contract	Received advances / liabilities under contracts with customers (long-term) *	Received advances / liabilities under contracts with customers (short-term) *	Deposits for apartments (long-term and short-term) / other liabilities **
RESIDENTIAL PROJECTS						
Osiedle Krk I, Kraków	III Q 2021	97 899	97 899	-	18 068	866
Osiedle Krk II, Kraków	III Q 2022	98 167	98 167	12 675	-	1 408
Osiedle Bonarka Living I, Kraków	IV Q 2021	68 801	68 801	-	19 926	-
Osiedle Jarzębinowe VII, Łódź	Project completed	36 843	3	-	1	1
Osiedle Jarzębinowe VIII, Łódź	IV Q 2021	40 700	40 700	-	28 732	1 667
Nowa Dzielnica, Łódź	Project completed	30 264	951	-	33	-
Fuzja I, Łódź	Project completed	106 303	27 868	-	3 289	121
Fuzja II, Łódź	II Q 2022	93 447	93 447	-	8 849	955
Osiedle Perspektywa I, Poznań	Project completed	45 549	1 914	-	163	-
Osiedle Perspektywa II, Poznań	Project completed	24 362	40	-	16	-
Osiedle Perspektywa III, Poznań	Project completed	30 360	62	-	-	34
Osiedle Enter III, Poznań	IV Q 2022	62 570	62 570	2 615	-	2 952
Osiedle Enter II, Poznań	IV Q 2022	60 714	60 714	5 928	-	1 979
Osiedle Enter IA, Poznań	IV Q 2021	41 894	41 894	-	27 006	378
Osiedle Enter IB, Poznań	IV Q 2021	38 189	38 189	-	14 776	1 157
Osiedle ZAM I, Kraków	II Q 2022	64 400	64 400	-	9 467	3 529
Nasze Jeżyce I, Poznań	Project completed	57 873	6 213	-	3 536	5 796
Nasze Jeżyce II, Poznań	III Q 2021	64 399	64 399	-	48 805	7 375
Apartamenty Esencja, Poznań	Project completed	116 418	9 519	-	447	20
Widoki Mokotów, Warsaw	Project completed	69 352	4 167	-	-	-
Browary Warszawskie Etap A, Warsaw	Project completed	55 298	70	-	-	-
Browary Warszawskie Etap B, Warsaw	Project completed	125 324	55	-	-	-
Browary Warszawskie Etap E, Warsaw	Project completed	113 815	30 214	-	1 325	89
Osiedle Reset I, Warsaw	Project completed	67 082	488	-	-	-
Osiedle Reset II, Warsaw	Project completed	119 807	2 551	-	-	-
Moje Miejsce, Warsaw	Project completed	132 309	2 003	-	-	-
Stacja Wola I, Warsaw	III Q 2021	206 593	206 593	-	156 313	971
Stacja Wola II, Warsaw	II Q 2022	143 940	143 940	-	34 004	1 202
Grota - Roweckiego 111 etap III	Project completed	16 232	44	-	-	41
Ogrody Graua, Wrocław	Project completed	44 982	6 810	-	458	3
Stacja 3.0, Wrocław	Project completed	90 079	13 188	-	1 330	985
Zebra, Wrocław	Project completed	75 752	572	-	170	150
Antoniewska, Warsaw	III Q 2021	19 000	19 000	-	3 000	-
Biura przy Willi, Browary K, Warsaw	III Q 2021	21 028	21 028	-	21 028	-
Słoneczne Stabłowice Z21, Z22, Z23	Project completed	40 496	40 496	-	25 646	2 816
Słoneczne Stabłowice Z1, Z5	Project completed	19 689	419	-	7	-
Słoneczne Stabłowice Z3, Z4, Z7, Z8	Project completed	48 710	931	-	270	-
Słoneczne Stabłowice ZD1, ZD2	IV Q 2021	32 478	32 478	-	7 704	1 785
Olimpia Port S8-S15	Project completed	102 237	81	-	60	-
Olimpia Port S16a, S16b, S17	Project completed	54 184	32	-	12	-
Olimpia Port MC, M5a	Project completed	19 572	67	-	9	-
Olimpia Port M7-M11	Project completed	87 526	152	-	65	-
Olimpia Port M12, M14	Project completed	79 672	1 229	-	1 136	-
Olimpia Port M1-M4	Project completed	71 923	89	-	47	-
Olimpia Port M16-M20	Project completed	127 617	7 363	-	1 166	21
Olimpia Port M21, M22, M23	IV Q 2021	72 638	72 638	-	25 331	5 625
Olimpia Port M30, M31, M32, M33	Project completed	91 843	58 337	-	29 971	26
Olimpia Port M28, M29	Project completed	50 427	46 108	-	26 278	-

REVENUE TO BE RECOGNIZED IN THE FUTURE ARISING FROM AGREEMENTS FOR THE SALE OF RESIDENTIAL SPACE [‘000 PLN]

Project	Targeted completion	Total targeted project's value	The total value of revenues to be recognized in the future related to the concluded obligations to perform the contract	Received advances / liabilities under contracts with customers (long-term) *	Received advances / liabilities under contracts with customers (short-term) *	Deposits for apartments (long-term and short-term) / other liabilities **
Olimpia Port M34, M35	I Q 2022	25 710	25 710	-	897	451
Olimpia Port M36, M38	III Q 2022	46 116	46 116	1 196	-	789
Cztery Pory Roku J11-J14	Project completed	89 165	3 132	-	637	-
Cztery Pory Roku J15	III Q 2021	39 376	39 376	-	9 521	3 376
Cztery Pory Roku J16, J17, J18	Project completed	80 008	17 528	-	1 376	31
River Point KM3	Project completed	72 786	169	-	35	-
Księżno P5-P7	Project completed	74 213	127	-	43	-
Forma A3-A5	Project completed	90 774	3 045	-	857	-
Browary Wrocławskie BP1, BP2	Project completed	63 591	4 176	-	78	-
Browary Wrocławskie BL1, BL2	IV Q 2021	87 128	87 128	-	29 519	5 957
Browary Wrocławskie BP3, BP4	Project completed	77 590	13 193	-	6 195	0
Browary Wrocławskie BA1, BL3	Project completed	105 580	19 081	-	5 306	96
Browary Wrocławskie BA2, BA3	II Q 2023	176 594	176 594	79	-	0
Planty Raclawickie R1, R2, R3, R4	III Q 2021	120 141	120 141	-	70 667	6 414
Planty Raclawickie R5, R6, R7	III Q 2022	90 166	90 166	6 768	-	2 414
Awipolis L1, L2	Project completed	66 710	66 424	-	55 535	7 001
Awipolis L3, L4	III Q 2022	77 156	77 156	42	-	2 973
Czwarty Wymiar	Project completed	37 068	184	-	50	-
Akacyjny Zakątek	Project completed	26 615	8 435	-	2 095	-
Sady nad Zieloną	III Q 2022	33 962	33 962	5 564	-	374
Others		760	760	-	-	760
Total		4 859 965	2 321 494	34 866	701 255	72 588
Other projects						
SH Nowomiejska, Gdańsk	II Q 2022	19 256	19 256	-	19 256	-
R4R Stocznia, Gdańsk	II Q 2022	19 556	19 556	-	19 556	-
R4R, Park Zachodni, Wrocław	IV Q 2021	11 186	11 186	-	1 119	-
Others		3 272	3 272	-	3 272	-
Total		53 270	53 270	-	43 203	-
TOTAL RESIDENTIAL AND OTHER PROJECTS		4 904 320	2 374 764	34 866	744 458	72 588

* Advances exempt from escrow accounts (for residential projects)

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

NET PROFIT FROM INVESTMENT PROPERTIES [‘000 PLN]

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
Profit (loss) from sale of investment properties	(934)	574
Revaluation of properties	(4 058)	167 418
- land use right asset (perpetual usufruct)	2	513
Cost of profit share	7 348	(7 766)
Profit (loss) from investment properties	2 356	160 226

In H1 2021, the Group sold the Villa Offices in Warsaw. The transaction is described in note 15.

In the item “profit (loss) on the sale of investment properties”, among others costs of securing rental revenues (master lease) are presented, which mainly relate to sold Sagittarius Business House in Wrocław, O3 Business Campus in Kraków and Villa Offices (Warsaw Brewery K) in Warsaw.

The item “revaluation of real estate” presents mainly appraisals of office building Face2Face Business Campus I and II in Katowice, Malthouse Offices (Warsaw Brewery GH) and Moje Miejsce I and II in Warsaw, Midpoint 71, West 4 Business Hub I and City2 in Wrocław, Fuzja CD in Łódź and Brain Park in Kraków. On the other hand, the item “profit sharing costs” presents liabilities to profit distribution, which concern Moje Miejsce (I and II) in Warsaw and Libero shopping center in Katowice.

FINANCIAL INCOME [PLN ‘000]

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
Profit on disposal of investments	5 316	4 367
Interest income on loans with revaluation	5 738	2 175
Income from other interests	538	200
Other financial income	1 199	7
Total financial income	12 791	6 749

In the item “profit on the sale of investments” in H1 2021, the Group presented result on the sale of shares in M2 Biuro Sp. z o.o. to the company R4R Poland Sp. z o.o. in the amount of PLN 5,316 thous.

The income from the sale of shares amounted to PLN 26,085 thous., while the cost of sold shares amounted to 20,769 thous.

FINANCIAL EXPENSES [PLN '000]

	1.01.2021 – 30.06.2021	1.01.2020 – 30.06.2020
loans interest expense with revaluation	(23 516)	(7 099)
Interest expense on bonds with revaluation	(30 250)	(12 091)
costs of financial assets depreciation	(457)	(1 180)
Cost of leasing interests	(2 814)	(3 125)
Loss on sale of investment	(297)	(842)
Other financial costs	(33)	-
Total financial costs	(57 366)	(24 337)

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

The activated amount of borrowing costs in H1 2021 amounted to: PLN 3,577 thous. at a capitalization rate of 1.09% (of which: for inventories: PLN 2,598 thous., for investment properties under construction: PLN 979 thous.). In H1 2020, it amounted 5,751 thous. At a capitalization rate of 1.11%, (including: for inventories PLN 4,422 thous., for investment properties under construction: PLN 1,329 thous.).

Note 13

In H1 2021, the Management Board of the Group decided to change the method of presenting revenues and costs by segments. Previous segments 'office', 'retail' and 'others' are now presented as one segment 'commercial properties'.

The change of the presentation is a result of organizational changes in the Group: the supervision over the segments 'office' and 'retail' were taken over by one member the Board. The new way of presentation is therefore consistent with the management model. At the same time, the comparative data of the period from 1 January 2020 to 30 June 2020 were adjusted to the current presentation model.

ASSIGNMENT OF REVENUES TO SEGMENTS [PLN '000]

	01.01.2021 – 30.06.2021	01.01.2020- 30.06.2020
Residential	284 321	212 909
Resi4Rent	13 164	115 125
Commercial properties	123 411	76 315
Total operating revenue	420 896	404 349

ASSIGNMENT OF COST OF SALE TO SEGMENTS [PLN '000]

	01.01.2021 – 30.06.2021	01.01.2020- 30.06.2020
Residential	(244 644)	(175 563)
Resi4Rent	(12 243)	(111 217)
Commercial properties	(57 089)	(58 585)
Total operating cost	(313 976)	(345 365)

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

	01.01.2021 – 30.06.2021	01.01.2020- 30.06.2020
Residential	39 677	37 346
Resi4Rent	921	3 908
Commercial properties	66 322	17 730
Total gross profit (loss)	106 920	58 984

Both in H1 2021 and in H1 2020, the Group achieved revenues only in the territory of Poland.

ASSIGNMENT OF VALUE OF INVESTMENTS IN ASSOCIATES AND JOINT VENTURES TO SEGMENTS [PLN '000]

	30.06.2021	31.12.2020
Commercial properties	243 861	252 660
Resi4Rent	63 745	53 789
Total	307 606	306 449

The allocation of assets and liabilities to the segments is presented in section 11 of the Management Report - „Segments of the Capital Group - financial structure”.

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

	30.06.2021	31.12.2020
Rosehill Investments Sp. z o.o., Berea Sp. z o.o. (Galeria Młociny)	95 829	104 919
Projekt Echo – 138 Sp. z o.o. Sp.K. (Towarowa 22)	148 032	147 741
R4R Poland Sp. z o.o. (Resi4Rent™)	63 745	53 789
Total	307 606	306 449

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

On 31 May 2017 the Echo Investment Group together with the EPP N.V. Group concluded a purchase agreement concerning a property located in Warsaw at ul. Zgrupowania AK „Kampinos”. Under the concluded transaction the companies purchased shares in Rosehill Investments Sp. z o.o., which is the owner of Galeria Młociny project by way of holding 100% shares in Berea Sp. z o.o. The property value was established as EUR 104.5 mln. As at the day of the acquisition and the balance date i.e. on 30 June 2021 the Echo Investment Group held 30% shares in the project company being the owner of the property and the remaining 70% was held by the EPP Group. Echo Investment S.A. and EPP N.V. are only responsible for their respective parts of the purchase price. The share of the Group in Berea Sp. z o.o. presented in the financial report is estimated according to the equity method. Pursuant to the articles of association, all strategic financial and operational decisions (including in particular: purchase of a significant asset, conclusion of a lease agreement, etc.) require the unanimous consent of both shareholders.

A summary of financial information in the joint venture is presented below. The carrying value of the investment as at 30 June 2021 amounted to PLN 95,829 thous.

In 2019, the company analyzed the impairment of net investment value based on the equity method in a jointly controlled company Rosehill Investments Sp. z o.o. (projekt Młociny). In the first half of 2019, due to Galeria Młociny opening, the company updated the fair value of the project in the net assets of the jointly controlled entity. The company estimated that the recoverable amount of the net investment as at the balance sheet date is lower than the value of the shares in net assets as at that day. An impairment loss as at 30 June 2021 amounts to PLN 13,161 thous.

Short-term liabilities in the amount of PLN 596,257 thous. consists in 54% of corporate financing maturing on 31.03.2022, which may be subject to repayment or rollover. Another significant item covering 37% of the short-term liabilities total amount are loans from owners, the maturity of which - if necessary - can be extended.

JOINT VENTURE'S FINANCIAL DATA – GALERIA MŁOCINY SELECTED DATA FROM THE FINANCIAL SITUATION [PLN '000]

	30.06.2021
Fixed assets – investment property	1 770 797
Current assets	13 008
Cash	45 387
Total assets	1 829 193
Long-term liabilities	986 425
Short-term liabilities	596 257
Total liabilities	1 582 682
Equity	246 512
Share of the Echo Investment S.A.	30,00%
Actualization value of the share Group Echo investment	(158)
Share of the Echo Investment S.A.	73 796

* The difference between the net investment value (PLN 95,829 thous.) and the value of Echo Investment Group's share in the net assets of Rosehill Investments Sp. z o.o. (Galeria Młociny) in the amount of PLN 73,796 thous. constitutes goodwill.

**JOINT VENTURE'S FINANCIAL DATA – GALERIA MŁOCINY
SELECTED DATA FROM THE STATEMENT
OF COMPREHENSIVE INCOME [PLN '000]**

	1.01.2021 – 30.06.2021
Operating income	40 733
Operating costs	(15 413)
Revenue/cost - revaluation of property	(6 434)
Costs of general administrative	(1 090)
Costs of sales	(200)
Other income / operating costs	(3 617)
Financial income	704
Financial costs	(45 510)
Gross profit (loss)	(30 827)
Income tax	1 051
Net profit (loss)	(29 776)
<hr/>	
Total comprehensive income	(29 776)
Share of the Echo Investment Group (%)	30,00%
Share of the Group in comprehensive income resulting from joint-venture	(8 933)

Projekt Echo – 138 Sp. z o.o. Sp.K. (Towarowa 22)

On 15 September 2016 the Echo Investment Group and the EPP Group concluded a conditional purchase agreement under which they were planning to purchase a property located at ul. Towarowa 22 in Warsaw, where a joint investment enterprise is to be developed. The final purchase agreement was concluded on 23 December 2016. The property sales price was EUR 77.4 mln, however, it will be increased to EUR 119.4 mln upon the fulfilment of conditions stipulated in the agreement. Echo Investment paid EUR 35.82 mln and EPP's contribution amounted to EUR 41.58 mln. Thus, as at the balance date i.e. on 30 June 2021 the Echo Investment Group had 46.20% share in the project company being the owner of the property at ul. Towarowa 22. EPP held the remaining 53.80%. Upon the fulfilment of all conditions increasing the price, the share of Echo Investment in the transaction and the planned enterprise will ultimately amount to

30% and 70% will be held by the EPP Group. As at the balance sheet day, on 30 June 2021 those conditions were not yet fulfilled.

Pursuant to the articles of association, all strategic financial and operational decisions (including in particular: purchase of a significant asset, conclusion of a lease agreement, etc.) require the unanimous consent of both shareholders. Echo Investment S.A. and EPP N.V. are only responsible for their proportional parts of the price. The share of the Echo Investment Group in the joint venture is shown in the consolidated financial statement and it is estimated using the equity method. The carrying value of the investment as at 30 June 2021, amounted to PLN 148,032 thous. A summary of financial information in the joint venture is presented below.

JOINT VENTURE'S FINANCIAL DATA
– TOWAROWA 22
SELECTED DATA FROM THE FINANCIAL SITUATION [PLN '000]

	30.06.2021
Fixed assets – investment property	433 441
Other fixed assets	570
Cash	1 260
Current assets	1 113
Total assets	436 384
Long-term liabilities	86 421
Short-term liabilities	24 289
Total liabilities	110 710
Equity	325 674
Share of the Echo Investment S.A.	46,20%
Elimination of mutual transactions between unit and the Group	(2 416)
Share of the Echo Investment S.A.	148 032

JOINT VENTURE'S FINANCIAL DATA
– TOWAROWA 22
SELECTED DATA FROM THE STATEMENT
OF COMPREHENSIVE INCOME [PLN '000]

	1.01.2021 – 30.06.2021
Operating income	5 128
Operating costs.	326
Costs of general administrative	(201)
Other income / operating costs	(492)
Financial income and costs	(4 282)
Gross profit (loss)	479
Income tax	149
Net profit (loss)	627
Total comprehensive income	627
Share of the Echo Investment Group (%)	46,20%
Share of the Group in comprehensive income resulting from joint-venture	290

R4R Poland Sp. z o.o. (RESI4RENT)

On 20 July 2018 Echo Investment S.A. acquired 30% of shares and votes in a joint investment venture R4R Poland Sp. z o.o. The remaining 70% of shares and votes was acquired by R4R S.a.r.l. Pursuant to the articles of association, all strategic financial and operational decisions (including in particular purchase of a significant asset) require the unanimous consent of both shareholders. Pursuant to the agreement, the project will operate as a platform of apartments for rent in Poland. As part of the project, buildings with apartments for rent were built - primarily in four locations in Warsaw, Łódź and Wrocław. Under the agreement, Echo Investment S.A. provides planning, design and investment implementation services while R4R Poland Sp. z o.o. is responsible for the operational management of the platform. On 14 September 2018, subsidiaries of R4R Poland Sp. z o.o. concluded preliminary purchase agreements for four development projects developed by subsidiaries of Echo Investment S.A. for a total price of PLN 338,670 thous. The projects created approximately 1,200 apartments, which, according to the assumptions of the project, are dedicated to rent. The projects that are the subject of the agreements are R4R Warsaw Brewery developed in Warsaw at ul. Grzybowska, R4R Wrocław Rychtalska developed in Wrocław at ul. Rychtalska, R4R Wrocław Kępa Mieszczkańska developed in Wrocław on the island of Kępa Mieszczkańska and R4R Łódź Wodna developed in Łódź at ul. Wodna.

Pursuant to the provisions of the preliminary contract, all projects listed above was sold by final sale agreements to the subsidiaries of R4R Poland Sp. z o.o.: the R4R Wrocław Rychtalska projects in 2019, while the another three projects - in 2020.

By fulfilling its commitment to co-finance the project, Echo Investment S.A. provided capital to R4R Poland Sp. z o.o. acquiring new shares in the increased share capital in 2018 - with a value of PLN 41,354,269, in 2019 - with a value of PLN 9,434,700, in 2020 - with a value of PLN 3,474,000 and in H1 2021 - with a value of PLN 3,825,000. At the same time, Echo Investment granted a loan to R4R Poland Sp. z o.o. in 2019 for the amount of PLN 77 250 728, in 2020 - PLN 35 546 700 and in H1 2021 - PLN 21,675,000.

In 2019, 2020 and H1 2021, new subsidiaries of R4R Poland Sp. z o.o. were created in order to develop projects located among others in Warsaw (Taśmowa, Woronicza, Wilanowska), Gdańsk (Kołobrzaska), Kraków (3 Maja, Jana Pawła II and Puskarska), Poznań (Szczepanowskiego), Łódź (Kilińskiego) and Wrocław. The share of the Echo Investment Group in the consolidated financial statements is recognised by using the equity method. A summary of financial information in the joint venture is provided below. The carrying value of the investment as at 30 June 2021 amounted PLN 63,745 thous.

**JOINT VENTURE'S FINANCIAL DATA
– RESI4RENT PLATFORM
SELECTED DATA FROM THE FINANCIAL SITUATION [PLN '000]**

	30.06.2021
Fixed assets – investment property	553 625
Fixed assets – investment properties under construction	561 811
Other fixed assets	24 600
Cash	64 860
Current assets	24 560
Total assets	1 229 456
Long-term liabilities	957 328
Short-term liabilities	47 317
Total liabilities	1 004 645
Equity	224 811
Share of the Echo Investment S.A.	30,00%
Elimination of mutual transactions between unit and the Group	(3 698)
Share of the Echo Investment S.A.	63 745

**JOINT VENTURE'S FINANCIAL DATA
– RESI4RENT PLATFORM
SELECTED DATA FROM THE STATEMENT
OF COMPREHENSIVE INCOME
[PLN '000]**

	1.01.2021 – 30.06.2021
Operating income	17 730
Administrative costs related to project	(4 644)
Revenue - revaluation of property	30 376
Costs of general administrative	(6 291)
Other income / operating costs	(838)
Financial costs	1 442
Gross profit (loss)	37 775
Income tax	(8 016)
Net profit (loss)	29 759
Total comprehensive income	29 759
Share of the Echo Investment Group (%)	30,00%
Share of the Group in comprehensive income resulting from joint-venture	8 928

Villa Offices in Warsaw (Warsaw Brewery phase K)

On 11 March 2021, Echo Investment's subsidiary - Delia Investments - Projekt Echo 115 Sp. z o.o. concluded with APAK Grundstücksgesellschaft mbH & Co KG a final agreement of sale of the building Villa Offices, that belongs to Warsaw Brewery complex. The building was sold for approximately EUR 86,673 thous. 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.

After considering all costs related to the transaction, the Group recognized a profit on the investment property sale in the amount of PLN 779 thous.

	Perpetual usufruct				Other agreements	
	Inventory	Investment properties	Investment properties under construction	Assets held for sale	Fixed assets	Investment properties
Asset on perpetual usufruct						
As at 1 January 2021	26 979	4 965	16 319	22 095	18 330	44 207
Amortization	(142)	-	-	-	(2 131)	-
Fair value	-	-	-	-	-	(4 917)
Increases	13 963	2	5 789	1 904	12 169	-
Decreases	(8 400)	(1 804)	(5 800)	(4 727)	(1 515)	-
As at 30 June 2021	32 401	3 163	16 308	19 272	26 853	39 290

	Perpetual usufruct				Other agreements	
	Inventory	Investment properties	Investment properties under construction	Liabilities related to assets held for sale	Fixed assets	Investment properties
Leasing liabilities						
As at 1 January 2021	30 880	4 568	16 010	22 465	16 453	67 975
Cost of interests	852	149	555	466	444	33
Repayment of liabilities	(3 268)	(371)	(1 229)	(1 856)	(1 573)	(5 658)
Increases	13 855	-	5 194	1 853	21 885	-
Decreases	(8 757)	(1 524)	(6 060)	(3 941)	(4 547)	-
Reclassification	1 606	130	918	(624)	(12)	-
As at 30 June 2021	35 168	2 952	15 387	18 363	32 650	62 350

	Perpetual usufruct				Other agreements	
	Inventory	Investment properties	Investment properties under construction	Liabilities related to assets held for sale	Fixed assets	Investment properties
Leasing liabilities						
short-term	28 860	200	918	18 363	2 104	12 437
long-term	6 308	2 752	14 469	-	30 546	49 913

INFORMATION ON FINANCIAL STATEMENT OF THE ECHO INVESTMENT GROUP



Principles adopted in preparation of Echo Investment Group's financial report

The condensed consolidated statements of the Echo Investment Group present consolidated financial data for the 6-month period ending on 30 June 2021 and comparative data for the 12-month period ending on 31 December 2020 and for the 6-month period ending on 30 June 2020.

The Group's financial statement in this financial statements is presented in thousands of Polish zloty (PLN), if not indicated differently. 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 30 June 2021, the Capital Group consisted of 186 subsidiaries consolidated with the full method and 27 jointly controlled companies consolidated with the equity method.

DECLARATION OF CONFORMITY

The statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), applicable to the preparation of interim financial statements (IAS 34) and in accordance with all applicable IFRS adopted by the European Union.

ASSUMPTION OF CONTINUITY IN OPERATIONS

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

APPROVAL OF FINANCIAL STATEMENTS

The Company drew up the Consolidated Financial Statement for the half year ended 30 June 2021, which was approved for publication on 22 September 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 30 June 2021 the Capital Group included 186 subsidiaries consolidated according to the full method and 27 jointly controlled companies consolidated according to the equity method.

2.1. Changes in the structure of the group in H1 2021

INCREASE OF THE CAPITAL GROUP

Entity	Action	Date	Share capital [PLN]
DKR Echo Invest S.A.	Acquisition of shares in the company	22.04.2021	11 725 130
DKR Echo Investment Sp. z o.o.	Acquisition of interests in the company	22.04.2021	212 598 750
Archicom S.A.	Acquisition of shares in the company	22.04.2021	256 703 430
Archicom Residential Sp. z o. o.	Acquisition of interests in the company	22.04.2021	35 000
Archicom Residential 2 Sp. z o. o.	Acquisition of interests in the company	22.04.2021	8 000
Archicom Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 000
Archicom Consulting Sp. z o.o.	Acquisition of interests in the company	22.04.2021	2 895 053
Archicom Stabłowice Sp. z o.o.	Acquisition of interests in the company	22.04.2021	51 000
Archicom Jagodno 5 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	502 700
Bartoszewice 1 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	532 400
Archicom Nieruchomości Sp. z o.o.	Acquisition of interests in the company	22.04.2021	5 000
Archicom Nieruchomości 2 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 3 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 4 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 5 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 6 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 7 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	2 003 725
Archicom Nieruchomości 8 Sp. z o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 9 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 10 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	51 000
Archicom Nieruchomości 11 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 12 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 14 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 16 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości 17 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 000
Archicom Nieruchomości 18 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	51 000
Archicom Nieruchomości 19 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	5 000
Archicom Nieruchomości JN1 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości JN2 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000

INCREASE OF THE CAPITAL GROUP

Entity	Action	Date	Share capital [PLN]
Archicom Nieruchomości JN3 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000
Archicom Nieruchomości Club House Sp. z o.o.	Acquisition of interests in the company	22.04.2021	551 000
Archicom Nieruchomości Residential Sp. z o.o.	Acquisition of interests in the company	22.04.2021	51 400
Archicom Holding Sp. z o. o.	Acquisition of interests in the company	22.04.2021	110 000
Archicom Cadenza Hallera Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 000
Archicom Lofty Platinum 1 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	147 700
Archicom Jagodno Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 000
Archicom Jagodno Sp. z o.o. Sp.K.	Acquisition of rights and obligations in the company	22.04.2021	920 000
Archicom Marina 3 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	500 000
Archicom Marina 4 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	295 150
Archicom Marina 5 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	1 253 370
TN Stabłowice 1 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	2 134 050
Archicom Dobrzykowice Park Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 000
Archicom Byczyńska 1 Sp. z o.o.	Acquisition of interests in the company	22.04.2021	883 850
Space Investment Sp. z o.o.	Acquisition of interests in the company	22.04.2021	56 000
Space Investment Strzegomska 3 Otyńska Sp. z o.o.	Acquisition of interests in the company	22.04.2021	408 000
Space Investment Strzegomska 3 Kamieńskiego Sp. z o.o.	Acquisition of interests in the company	22.04.2021	362 550
Archicom Investment Sp. z o. o.	Acquisition of interests in the company	22.04.2021	77 000
Strzegomska Nowa Sp. z o.o.	Acquisition of interests in the company	22.04.2021	50 050 500
AD Management Sp. z o. o.	Acquisition of interests in the company	22.04.2021	111 000
Archicom Sp. z o.o. Realizacja Inwestycji Sp.K.	Acquisition of rights and obligations in the company	22.04.2021	10 487 000
Archicom Asset Management Sp. z o. o.	Acquisition of interests in the company	22.04.2021	67 000
Archicom Fin Sp. z o.o.	Acquisition of interests in the company	22.04.2021	1 054 200
Pl6 Inowrocławska Sp. z o.o.	Acquisition of interests in the company	22.04.2021	342 500
Altona Investments Sp. z o. o.	Acquisition of interests in the company	22.04.2021	350 000
Archicom RW Sp. z o.o.	Acquisition of interests in the company	22.04.2021	10 000

DECREASE OF THE CAPITAL GROUP

Entity	Action	Date	Share capital [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
Projekt 150 - Shanklin Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	16.03.2021	5 050
Projekt 151 - Projekt 13 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the register of entrepreneurs	17.03.2021	5 050
Projekt 148 - Grupa Echo Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	23.03.2021	5 050
Projekt 153 - Projekt 21 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the register of entrepreneurs	29.03.2021	5 050
Pod Klonami - Grupa Echo Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	07.04.2021	10 000
Projekt 152 - Projekt 14 - Grupa Echo Sp. z o.o SKA Sp.K.	Removal from the register of entrepreneurs	06.05.2021	5 050
Kasztanowa Aleja - Grupa Echo Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	06.05.2021	655 000
Klimt House - Grupa Echo Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	20.05.2021	500 000
Echo - Babka Tower Sp. z o.o. Sp.K.	Removal from the register of entrepreneurs	20.04.2021	2 000 000
53 - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	990 372
Bełchatów - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	85 230
Echo - Babka Tower Sp. z o.o. w likwidacji	Resolution on liquidation	1.06.2021	50 000
Echo - Galaxy Sp. z o.o. w likwidacji	Resolution on liquidation	1.06.2021	50 000
Gleann Sp. z o.o. w likwidacji	Resolution on liquidation	1.06.2021	5 000
Oxygen - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	96 200
Park Postępu - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	532 828

DECREASE OF THE CAPITAL GROUP

Entity	Action	Date	Share capital [PLN]
Projekt 13 - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	50 000
Projekt 14 - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	50 000
Projekt 21 - Grupa Echo Sp. z o.o. SKA w likwidacji	Resolution on liquidation	1.06.2021	50 000
Projekt Echo - 119 Sp. z o.o. w likwidacji	Resolution on liquidation	1.06.2021	25 000
Projekt K-6 - Grupa Echo Sp. z o.o. SKA w likwidacji	Uchwała o likwidacji	1.06.2021	50 000
Shanklin Sp. z o.o. w likwidacji	Resolution on liquidation	1.06.2021	5 000

OTHER CHANGES

Entity	Action	Date
Echo - Arena Sp. z o.o.	Sale of an interest in the company by Projekt Echo - 123 Sp. z o.o. to Echo Investment S.A.	25.01.2021
M2 Biuro Sp. z o.o.	Sale of interests in the company by Echo Investment S.A. to R4R Poland Sp. z o.o.	23.04.2021
Projekt 5 - Grupa Echo Sp. z o.o. SKA	Sale of shares in the company by Echo Investment S.A. to Echo Aurus Sp. z o.o.	20.05.2021

2.2. Settlement of the purchase of shares of DKR Invest S.A. and shares of DKR Investment Sp. z o.o. (indirectly Archicom S.A.), in accordance with IFRS 3 “Business Combinations”

In execution of the preliminary agreement for the sale of shares and stocks of February 17, 2021, on April 22, 2021 Echo Investment S.A. concluded with Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki, the founders of Archicom Group, the final agreement for the sale of all shares of DKR Investment Sp. z o.o. (currently DKR Echo Investment Sp. z o.o.) and all shares of DKR Invest S.A. (currently DKR Echo Invest S.A.). In consequence, it indirectly acquired a block of 16,945,487 shares in Archicom S.A., representing in total approximately 66.01% of the share capital and carrying 21,039,375 votes at the general meeting, i.e. approximately 65.99% of the total vote. Archicom S.A. is a public company whose shares are listed on the Warsaw Stock Exchange. The subsidiaries of Archicom S.A. were excluded from the scope of the transaction. - Archicom Polska S.A. conducting development activities outside the territory of the city of Wrocław and adjacent municipalities and Archicom Studio Projekt Sp z o.o. Sp.K. providing architectural and design services.

The price for shares and stocks amounted in total to PLN 428.6 million. Part of the price in the amount of PLN 188 million was paid to the sellers by offering them unsecured bearer bonds of Echo Investment S.A., issued on April 22, 2021, bearing a yearly interest rate of 5%. The bonds redemption date was set for October 22, 2024.

The closing of the transaction of the indirect purchase of shares in Archicom S.A. was preceded by

restructuring of the Archicom Group, including in particular:

1. the sale to Dorota Jarodzka-Śródka and Rafał Jarodzki of all shares held by Archicom in the share capital of Archicom Polska S.A. - a company conducting development activities in Kraków, Łódź, Poznań and the Tricity, for a total price of PLN 131 million paid in two instalments. The first installment (PLN 77.5 million) was paid on the transaction closing date by transferring to Archicom bonds (issued on April 22, 2021 by Echo Investment and subscribed for by the sellers of Archicom. S.A.) with a total nominal value of PLN 37 million and by transferring to Archicom S.A. the provision of Echo Investment S.A. towards Dorota Jarodzka-Śródka and Rafał Jarodzki, which resulted from the payment of the price for indirect sale of shares in Archicom. S.A. The second instalment of PLN 53.5 million, plus interest accrued from April 22, 2021 to the date of payment of the second instalment at an annual rate of 5%, shall be paid by June 15, 2023.
2. the sale to Dorota Jarodzka-Śródka and Kazimierz Śródka of all shares held (indirectly) by Archicom in the share capital of Archicom Studio Projekt Sp. z o.o. and Archicom's withdrawal (as a limited partner) from Archicom Studio Projekt Sp. z o.o. Sp.K., a company providing architectural and design services. Archicom received consideration in the amount of PLN 2.4 million for these transactions.

3. the sale of 2,132,964 shares in Archicom S.A., representing in total 8.31% of the share capital of the company and carrying 4,246,578 votes, i.e. approximately 13.32% of all votes at the general meeting of shareholders of Archicom S.A. The shares were sold by DKR Investment Sp. z o.o. indirectly to Dorota Jarodzka-Śródka and Rafał Jarodzki through DKRA Sp. z o.o., in which they are partners. The sale took place over-the-counter on the basis of the promised share purchase agreement concluded on April 16, 2021. The transaction was settled on the same date.

In addition, in connection with the sale of controlling stake in Archicom S.A., Echo Investment and Partners of DKRA Sp. z o.o. (Dorota Jarodzka-Śródka i Rafał Jarodzki) have entered into the option agreement pursuant to which Echo Investment will be entitled to acquire by March 15, 2023, or designate an entity to acquire, all shares in the share capital of DKRA Sp. z o.o., which holds 8.31% of Archicom S.A. shares, substantially under the same terms and conditions as the indirect acquisition of 66% of Archicom S.A. shares under the transaction of April 22, 2021. Consideration for such acquisition will be increased by the amount of interest accrued from March 15, 2021 to the date of execution of the option agreement, calculated at the annual interest rate of 6%. If Echo Investment S.A. does not use the right specified in the call option, the shareholders of DKRA Sp. z o.o. will have the option to sell the shares in the share capital of this company to Echo Investment.

As a result of the option agreement, the Company analyzed the provisions of IFRS 10 in order to determine whether it meets all the criteria giving it current access to the financial results of the acquired business resulting from non-controlling shares. As a result of applying professional judgment, it ultimately assessed that the contractual rights put it in an economic position as if it effectively owned the non-controlling shares. On this basis, the Company recognized the non-controlling interests in the consolidated financial statements under the purchase price allocation and measured them. The value as of the acquisition date was PLN 53.5 million and was recorded as part of the purchase price at nominal value. As of June 30, 2021, the value under the agreement was measured and presented in long-term liabilities in the consolidated financial statements under "derivative financial instruments" and the effect of the measurement was recognized in the consolidated profit and loss account.

The acquisition of shares in DKR (indirectly Archicom) is in line with Echo Investment's strategic goal of becoming the nationwide leader in the residential sector. At the end of 2020, Archicom had about 2,000 apartments under construction and 4,200 apartments in preparation in Wrocław and

Kraków. After the transaction has been finalized, the Echo-Archicom Group is the largest residential developer in Poland, with a total of 7,000 residential units for sale and rent to be launched only in 2021. Archicom operates mainly in Wrocław. The company grew out of a family-run design studio and its track record includes 160 completed projects, including the revitalized complex Browary Wrocławskie, the award-winning residential complex Olimpia Port and the first exclusive project Lofty in Wrocław. Archicom is a strong, recognizable brand with nearly 15% share in the Wrocław residential market.

The Group has conducted an analysis and concluded that the transaction is a business acquisition within the meaning of IFRS 3 "Business Combinations". Acquired investment properties are fully operational, the transaction included, in principle, the acquisition of the entire business activity and operating processes. Considering the above, the criteria for considering the subject matter of the transaction as a business within the meaning of IFRS 3 "Business Combinations" are fulfilled. In accordance with IFRS 3 "Business Combinations", the transaction is subject to settlement using the acquisition method. The date on which control of the acquired business was obtained was April 22, 2021. As at 30 June 2021 the Group received all information necessary to complete the identification and fair value measurement of the assets acquired and liabilities incurred, and made a final settlement of the transaction. The Group has completed the fair value measurement of fixed assets acquired and fixed liabilities acquired. The Group has completed the fair value measurement of fixed assets (intangible assets, investment properties) and current assets (inventories), which are the most significant components of the net assets of the acquired business, and the Group has identified and measured at fair value the remaining net assets acquired. As a result, in these consolidated financial statements, the Group presents the fair values of the assets and liabilities acquired and makes the final settlement of the transaction using the acquisition method. Due to the valuation to fair value of current assets - inventories, the Group recognized the increase in value of these assets by the amount of PLN 88 026 thousand, together with the reserve for deferred tax in the amount of PLN 16 725 thousand. As part of intangible assets, the Group recognized the "Archicom" trademark with an undefined period of use. The value of the trademark, determined by an independent expert, at the date of the acquisition was PLN 66,704 thousand. The Group recognized a deferred tax liability on the recognized trademark in the amount of PLN 12,674 thousand.

The fair values of assets and liabilities acquired as of the date of obtaining control are presented in the table below:

Assets		
Non-current assets		
Intangible assets		68 237
Property, plant and equipment		13 561
Investment property		109 364
Long-term financial assets		91 545
Deferred income tax provision and asset		31 893
		314 600
Current assets		
Inventory		862 510
Income tax receivable		6 885
Other taxes receivable		14 006
Trade and other receivables		6 635
Other financial assets		47 670
Cash and cash equivalents		205 507
		1 143 213
Total assets	A	1 457 813
Liabilities acquired		
Long – term liabilities		
Loans, borrowings and bonds		166 088
Long-term provisions		6 805
Deferred tax liabilities		45 077
Leasing liabilities		24 166
Other liabilities		22 712
Liabilities resulted from agreements with clients		3 990
		268 838
Short-term liabilities		
Loans, borrowings and bonds		90 061
Deferred tax liabilities		9 423
Other taxes liabilities		2 679
Trade liabilities		53 948
Short-term provisions		2 105
Other liabilities		30 763
Liabilities under contracts with customers		40 463
Zobowiązania z tytułu umów z klientami		245 011
		474 453
Total liabilities	B	743 291
Net asset value	C = A-B	714 522
Value of non – controlling interests valued proportionally to share in the net assets (25.68%)	D	183 496
Purchase price of the project	E	482 445
Profit on a bargain purchase	F=E-C+D	48 581
Purchase price of the project, including:		
Amount paid – cash		240 611
Amount paid – bond issue		188 000
Recognition of put/call options (nominal value)		53 834
Total purchase price of the project		482 445

The acquisition agreement provides that in the event of the fulfilment of any of the so-called rental guarantee agreement conditions for the office building City2 in Wrocław in the period between April 22, 2021 and December 31, 2021 inclusive, the final remuneration for the sale of shares in Companies of DKR will be reduced by respective amounts calculated according to the formula under the agreement, and the sellers, i.e. Dorota Jarodzka-Śródka and Rafał Jarodzki, will be obliged to return the relevant amount to the buyer. The reimbursement will be counted as a return by way of overpayment of the price. The amount may range from PLN 500 thousand to PLN 900 thousand and will depend on the actual date of the fulfilment of the condition. The Management Board assessed that the probability of the conditional payment is equal to zero and therefore it was not included in the purchase settlement.

The value of non-controlling shares shown in the table above was measured using the pro-rata share method in net assets in the amount of PLN 173,993 thousand allocated to minority shareholders holding 25.68% of the share capital of Archicom S.A.

The fair value of the acquired trade and other receivables as at the acquisition date was PLN 60,135 thousand, while the gross value of the receivables arising from the concluded agreements as at that date was PLN 83,816 thousand. The Group's best estimate suggests that it is probable that the trade and other receivables acquired will be repaid in the amount of PLN 60,135 thousand.

At the acquisition date, the amount of the determined value of the identifiable assets and liabilities acquired exceeds the consideration transferred by the Group, and therefore the Group assesses that the transaction is a bargain purchase.

Considering the specific requirements of IFRS 3 "Business Combinations" regarding the possibility of recognizing a possible gain on the bargain purchase, the Group reassessed the completeness of the identification of the acquired assets and liabilities

and the procedures used to determine their value. As a consequence of the procedures performed, the Group decided that it is justified to recognize the gain on the bargain purchase in the above amount under other operating activities in the consolidated statements on comprehensive income ("other operating income").

The Group considers that the occurrence of the bargain purchase gain on the transaction was due to a number of circumstances, the most important of which related to changes in the market situation regarding sales of apartments, which were favourable from the Company's point of view. The valuation of Archicom Group's assets showed the largest increase compared to the carrying amount in the group of residential properties where construction has already been completed and apartments have not yet been fully delivered to clients. The valuation of the Archicom Group trademark, whose value of PLN 66,704 thousand was confirmed by an independent expert, also had an impact on the gain on the bargain purchase transaction.

Sales revenue of Archicom S.A. from the sale date to June 30, 2021 amounted to PLN 97,194 thousand, while operating profit amounted to PLN 30,354 thousand.

If the sale had taken place on January 1, 2021, Archicom S.A.'s revenue from 1 January 2021 to 30 June 2021 would have amounted to PLN 560,207,498 thous., while operating profit would have amounted to PLN 83,135 thous.

In connection with the transaction, the Group incurred costs related to the purchase of shares and stocks of DKR in the current period in the amount of PLN 9,135 thousand, which were recognized as costs for the period under "general and administrative expenses" in the consolidated statement of profit or loss and other comprehensive income, and as a component of cash flows from operating activities in the consolidated statement of cash flows.

Material estimates and judgments of the Management Board of the Company

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

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

INVESTMENT PROPERTIES / INVESTMENT PROPERTIES UNDER CONSTRUCTION / ASSETS HELD FOR SALE

Investment real estate includes facilities leased to clients by companies which are part of the Group. The fair value of investment real estate is classified at level 3 in the fair value hierarchy. There were no transfers between the levels. After a change in the strategy of the Echo Investment Group, the Group most often measures properties at fair value during construction and / or commercialisation.

The property valuation is based on the income method using the discounted cash flow technique, which takes into account future proceeds from rent (including rent guarantees), the sale of real estate and other expenditure to be incurred. The yield used to determine residual values recognized in cash flows result from the Management Board's estimates based on preliminary agreements for the sale of real estate, letters of intent, external valuations of appraisers or their familiarity with the market. The rates used also take into account the risk, and the level of risk is assessed individually for each property subject to its status. The fair value of real estate properties which are almost 100% commercialised and generate a fixed income is determined by the unit according to the income method, using simple capitalization technique as the quotient of the project's net operating income (NOI) and the yield, or using the value resulting from external valuation, a preliminary contract for the sale of real estate, a letter of intent or a purchase offer, provided they exist.

According to the valuations prepared by the Group, the value of investment properties as at 30 June 2021 amounted to PLN 857,059 thous. It consisted of real estate measured at fair value (PLN 776,275 thousand) and other properties (PLN 80,784 thousand). The table below presents an analysis of investment properties carried at fair value in the consolidated statement of financial position according to the levels of the fair value hierarchy:

INVESTMENT PROPERTY – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
30.06.2021				
Retail	-	-	625 028	625 028
Office	-	-	111 957	111 957
Office - City Space	-	-	39 290	39 290
Total	-	-	776 275	776 275

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties measured using the income method are as follows:

INVESTMENT PROPERTY – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2021				
Retail	625 028	Income method	7,00%	6,50%
Office	105 801	Income method	6,50%-9,00%	6,50%-9,00%
Office - City Space	39 290	Income method	2,76%	-
Office	6 156	Other method	-	-
Total	776 275	-		

As at 31 December 2020, the value of investment properties was PLN 1,388,972 thous. It consisted of real estate measured at fair value (PLN 1,266,595 thous.) and other properties (PLN 122,377 thous.).

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

INVESTMENT PROPERTY – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
31.12.2020				
Retail	-	-	629 304	629 304
Office	-	-	593 084	593 084
Office - City Space	-	-	44 207	44 207
Total	-	-	1 266 595	1 266 595

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties measured using the income method are as follows:

INVESTMENT PROPERTY – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2020				
Retail	629 304	Income method	7,00%	6,50%
Office	593 084	Income method	7,62%-7,85%	7,12%-7,35%
Office - City Space	44 207	Income method	5,05%	-
Total	1 266 595			

The value of investment properties under construction as at 30 June 2021 amounted to PLN 986,652 thous. It consisted of real estate valued at fair value (PLN 544,682 thousand) and real estate valued at the value of expenditure (PLN 441,970 thous.).

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

PROPERTIES UNDER CONSTRUCTION – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
30.06.2021				
Retail	-	-	67 186	67 186
Office	-	-	477 496	477 496
Total	-	-	544 682	544 682

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties under construction measured using the income method are as follows:

PROPERTIES UNDER CONSTRUCTION – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2021				
Retail	67 186	Other method	-	-
Office	477 496	Income method	7,00% - 8,00%	6,50% - 7,50%
Total	544 682			

When calculating the valuation of the fair value of investment properties under construction, the Group companies take into account the valuation of the debt related to the debt incurred for the purpose of the implementation of a specific investment project.

As at 31 Decembe 2020, the value of investment properties under construction amounted to PLN 780,621 thous. It consisted of real estate valued at fair value (PLN 384,008 thousand) and real estate valued at the value of expenditure (PLN 396,613 thous).

The key input data and assumptions adopted for investment properties under construction measured using the income method are as follows:

INVESTMENT PROPERTIES UNDER CONSTRUCTION – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
31.12.2020				
Retail	-	-	67 022	67 022
Office	-	-	316 986	316 986
Total	-	-	384 008	384 008

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

The key input data and assumptions adopted for investment properties under construction measured using the income method are as follows:

INVESTMENT PROPERTY UNDER CONSTRUCTION – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2020				
Retail	67 022	Other method		
Office	316 986	Income method	7,00% - 8,00%	6,50% - 7,50%
Total	384 008			

Under the 'assets held for sale' item the Group presents the properties with reference to which a decision was made to sell them within 12 months. This item includes completed projects as well as ongoing projects and investment plots.

As at 30 June 2021, the value of assets held for sale amounted to PLN 1,606,929 and consisted of office buildings measured at fair value (PLN (1,557,608

thous.) and real estate valued at the value of expenditure (PLN 49,321 thous.).

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

ASSETS HELD FOR SALE – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
30.06.2021				
Office	-	-	1 557 608	1 557 608
Total	-	-	1 557 608	1 557 608

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

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

ASSETS HELD FOR SALE – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
30.06.2021				
Office	1 557 608	Income method	5,35%-7,90%	4,85% - 7,40%
Total	1 557 608			

As at 31 December 2020, the value of assets held for sale was PLN 1,269,329 thous. It consisted of office buildings measured at fair value (PLN 1,259,610 thousand) and real estate valued at the value of expenditure (PLN 9,719 thous).

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

ASSETS HELD FOR SALE – FAIR VALUE HIERARCHY LEVELS

	Level 1*	Level 2**	Level 3***	Fair value - total
31.12.2020				
Office	-	-	1 259 610	1 259 610
Total	-	-	1 259 610	1 259 610

* Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

** Level 2 - valuation techniques where the lowest level inputs that are relevant to the determination of fair value are directly or indirectly observable

*** Level 3 - valuation techniques where the lowest level inputs that are relevant to the measurement of fair value are unobservable.

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

ASSETS HELD FOR SALE – VALUATION TECHNIQUES

	Valuation	Valuation technique	Discount rate %	Capitalization %
31.12.2020				
Office	1 259 610	Income method	5,20% – 7,65%	4,70% – 7,15%
Total	1 259 610			

SECURING REVENUE FOR RENT-FREE PERIODS (MASTER LEASE)

When an investment property is selling, it occurs that buildings are not fully commercialized at the time of sale. The price is calculated based on the project's projected revenue (NOI) while the Group signs a contract securing the rent-free periods (master lease). Securing rental proceeds (master lease) is estimated on the basis of information obtained from the office project leasing team, accepted by the Member of the Management Board responsible for this segment of activity, concerning:

- terms of signed lease agreements,
- assumptions for vacant areas, such as expected transfer dates.

The following is calculated on this basis:

- for vacancies: the rent that would be paid by the potential future tenant, – for signed contracts: rental holidays (if any).

The estimate is made from the balance sheet date for the period of securing rental proceeds. In each calculated month:

- if a vacancy is expected on an area in a given month, the cost of securing rental revenue is a full rent which is provided for on this area;
- if it is expected that a given area will be transferred and the tenant has a rental holiday, the cost of securing the rental proceeds related to this area in a given month is equal to the value of rental holidays;
- if it is expected that the tenants' rental holidays are over in a given month, the cost of securing the rental proceeds is equal to zero.

The basic rent and the maintenance fees are calculated in this way, the exception being that there are no rental holidays on maintenance fees. The total of these values discounted as at the balance sheet date is the value of the reserve for securing rent-free periods (master lease). The reserve for securing rent-free periods (master lease) is calculated for projects sold.

As at 30 June 2021, the value of reserves established to secure rent free periods amounted to PLN 9,040 thousand.

As at 31 December 2020, the value of reserves established to secure rent free periods amounted to PLN 12,370 thousand.

PROFIT SHARE FROM SALE OF REAL ESTATE

A profit share is a share in the minority investor's profit. It results from concluded agreements according to which the investor is obliged to pay the capital constituting a share in the investment.

The capital is contributed to the entities which perform the project in the form of a loan or an issue participating bonds. At the time of the sale of the project, the capital is returned to the investor along with due profit share (calculated as the sale price - costs). The provision for the profit share is estimated for projects valued using the income method in proportion to the released profit on real estate. Therefore, the first provision for the profit share is created along with the first valuation of the project at fair value.

As at 30 June 2021, the value of reserves established to secure rent free periods amounted to PLN 38,931 thousand.

As at 31 December 2020, the value of reserves established to secure rent free periods amounted to PLN 46,283 thousand.

INVENTORY

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

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

Data regarding write-downs updating the value of inventories to the net value possible to obtain and reversing write-downs on this account are presented in note 9.

FINANCIAL INSTRUMENTS VALUED ACCORDING TO FAIR VALUE

The Group uses its judgment when selecting valuation methods and makes assumptions based on market conditions existing at each balance sheet date. In particular, concluded forward contracts and concluded option agreements are valued on the basis of valuations provided by banks, which use such data as current exchange rates, their historical volatility and interest rates on deposits (WIBOR, EURIBOR) when calculating them. As at 30 June 2021, the Group did not change the valuation principles for financial instruments, there were no changes in the classification or movements between levels of the fair value hierarchy.

There is no difference between the carrying value and the fair value of financial instruments.

ASSET FROM DEFERRED INCOME TAX

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

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

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 2021 financial statements:

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

(approved in the EU on 13 January 2021)

The standard is effective for annual periods beginning on or after January 1, 2021.

Changed standards and interpretations, applicable for the first time in 2021, do not have a significant impact on the interim condensed consolidated financial statements of the Group.

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.

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)

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

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

The IFRS as endorsed 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”

The standard is effective for annual periods beginning on or after 1 January 2016. The European Commission has decided not to initiate the approval pro-

cess 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

The standard 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

The standard 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

The standard 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

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

Amendments to IAS 16 “Property, Plant and Equipment” – Revenue Earned Before Accepting the Fixed Assets Component for Use

The standard 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

The standard 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

The standard 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 venture and subsequent amendments

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 vocabulary (changes to IFRS 1, IFRS 9 and IAS 41

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

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.

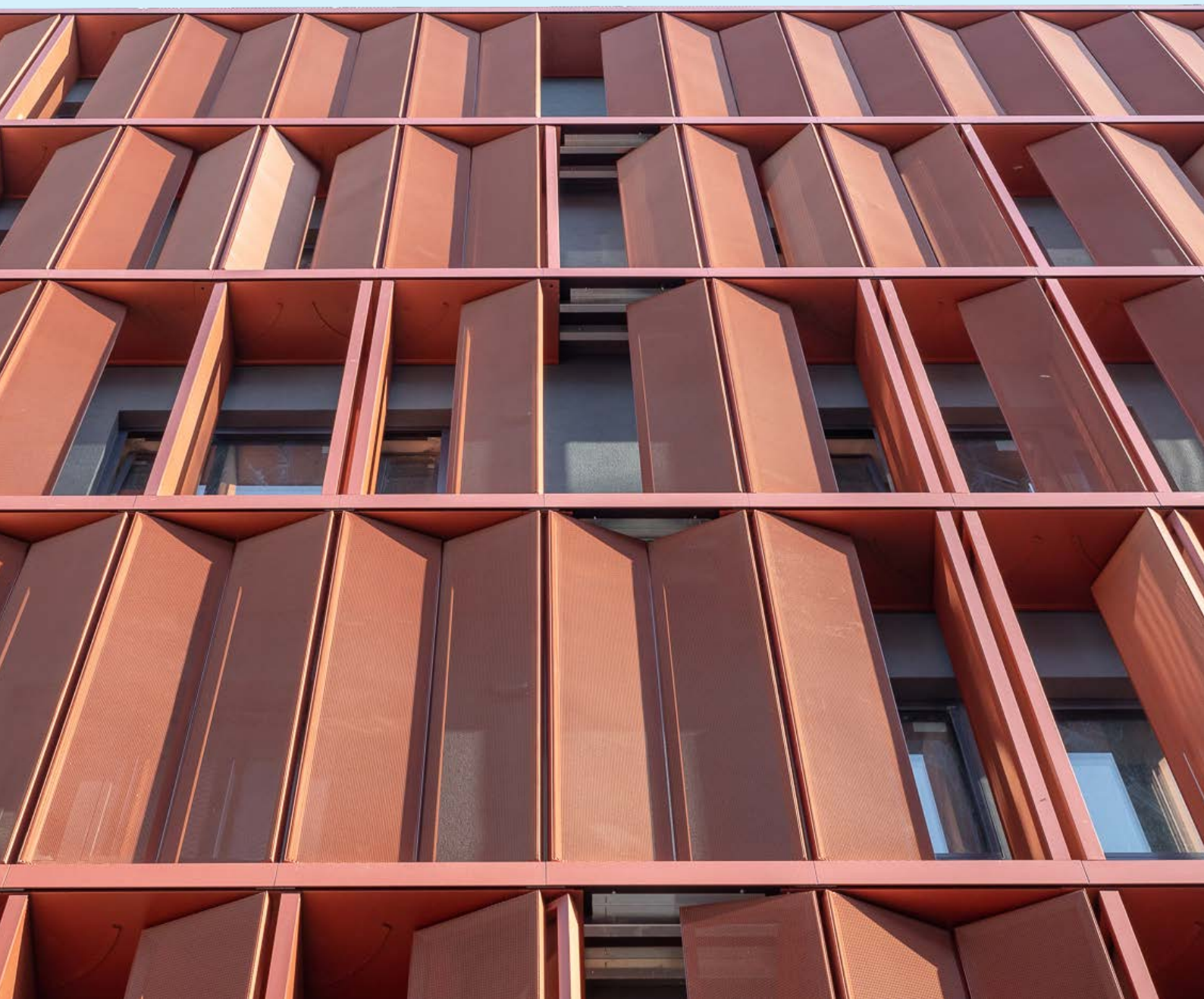
Hedge accounting of the portfolio of financial assets and financial liabilities, the principles of which have not been approved for use in the EU, still remain outside the regulations approved by the EU.

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.

The Group is currently analyzing how the implementation of the above standards and interpretations will affect the consolidated financial statements and the accounting policies applied by the Group.

CHAPTER 3

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



CONDENSED STANDALONE STATEMENT OF FINANCIAL POSITION
[PLN '000]

	Note	30.06.2021	31.12.2020
ASSETS			
Non-current assets			
Intangible assets		2 803	3 447
Property, plant and equipment	1	20 231	20 340
Investment property	2	445	2 212
Investment in subsidiaries, associates and joint ventures	3	1 496 213	1 073 287
Long-term financial assets	3	314 009	314 772
Borrowings granted	4	1 070 627	954 425
Deferred tax assets		5 843	-
		2 910 171	2 368 483
Current assets			
Inventory	6	151 058	198 504
Current tax receivables		574	205
Other taxes receivable		451	1 205
Trade and other receivables		70 231	83 979
Short-term financial assets	3	143 455	183 438
Derivative financial instruments	7	153 108	294 909
Other financial assets *		15 922	42 444
Cash and cash equivalents		106 587	107 437
		641 386	912 121
Assets held for sale		1 767	-
TOTAL ASSETS		3 553 324	3 280 604

* mainly deposits from residential clients on escrow accounts

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

	Nota	30.06.2021	31.12.2020
EQUITY AND LIABILITIES			
Equity			
Share capital		20 635	20 635
Supplementary capital		704 295	1 054 295
Dividend fund		490 703	186 051
Profit (loss) from previous years		-	-
Net profit		29 716	57 825
		1 245 349	1 318 806
Long-term liabilities			
Loans, borrowings and bonds	8	1 142 654	872 941
Deferred tax liabilities	5	19 520	19 534
Deposits and advances received	8	1 346	1 113
Lease liabilities	9	11 896	13 567
Derivative financial instruments		1 068	1 624
Other liabilities		5 696	
		1 182 180	908 779
Short-term liabilities			
Loans, borrowings and bonds	10	824 509	839 569
- including from subsidiaries		196 967	208 179
Current income tax payable	9	2	5
Other taxes liabilities	9	11 636	8 706
Trade payable	9	26 438	26 389
Deposits and advances received	9	111 028	89 791
Lease liabilities	9	7 170	9 530
Short-term provisions	11	9 179	11 304
Other liabilities	9	135 833	67 725
		1 125 795	1 053 019
TOTAL EQUITY AND LIABILITIES		3 553 324	3 280 604

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

	Note	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Revenue	13	166 868	155 363
Cost of sales		(131 276)	(125 376)
Gross profit		35 592	29 987
Profit (loss) on investment property		-	-
Administrative costs associated with project implementation		(4 556)	(4 475)
Selling expenses		(12 304)	(12 078)
General and administrative expenses		(43 655)	(31 107)
Other operating income	14	84 958	105 481
- including interests and amortised costs (SCN) from borrowings and bond		19 222	24 011
Other operating expenses		(4 664)	(1 845)
Operating profit		55 371	85 963
Financial income	15	14 861	10 533
Financial cost		(39 976)	(31 441)
Profit before tax		30 256	65 055
Income tax	16	(540)	(8 551)
Net profit		29 716	56 504
Net profit		29 716	56 504
Weighted average number of ordinary shares		412 690 582	412 690 582
Profit (loss) per one ordinary share (in PLN)		0,07	0,14
Weighted average number of ordinary shares		412 690 582	412 690 582
Profit per one ordinary share (in PLN)		0,07	0,14

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

	Note	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Net profit		29 716	56 504
Other comprehensive income for the year::		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income		29 716	56 504

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

Note	Share capital	Supplementary capital	Dividend fund	Profit (loss) from previous years	Profit for the current year	Equity total
As at 1 January 2021	20 635	1 054 295	186 051	57 825		1 318 806
Changes during the period:						
Distribution of the result from previous years		(350 000)	350 000	-	-	-
Dividend paid						-
Dividend approved for payment			(45 348)	(57 825)		(103 173)
Net profit for the period	-	-	-	-	29 716	29 716
Changes in total	-	(350 000)	304 652	(57 825)	29 716	(73 457)
As at 30 June 2021	20 635	704 295	490 703	-	29 716	1 245 349
As at 1 January 2020	20 635	1 054 295	164 639	21 412	-	1 260 981
Changes during the period:						
Distribution of the result from previous years	-	-	21 412	(21 412)	-	-
Net profit (loss) for the period	-	-	-	-	57 825	57 825
Changes in total	-	-	21 412	(21 412)	57 825	57 825
As at 31 December 2020	20 635	1 054 295	186 051	-	57 825	1 318 806

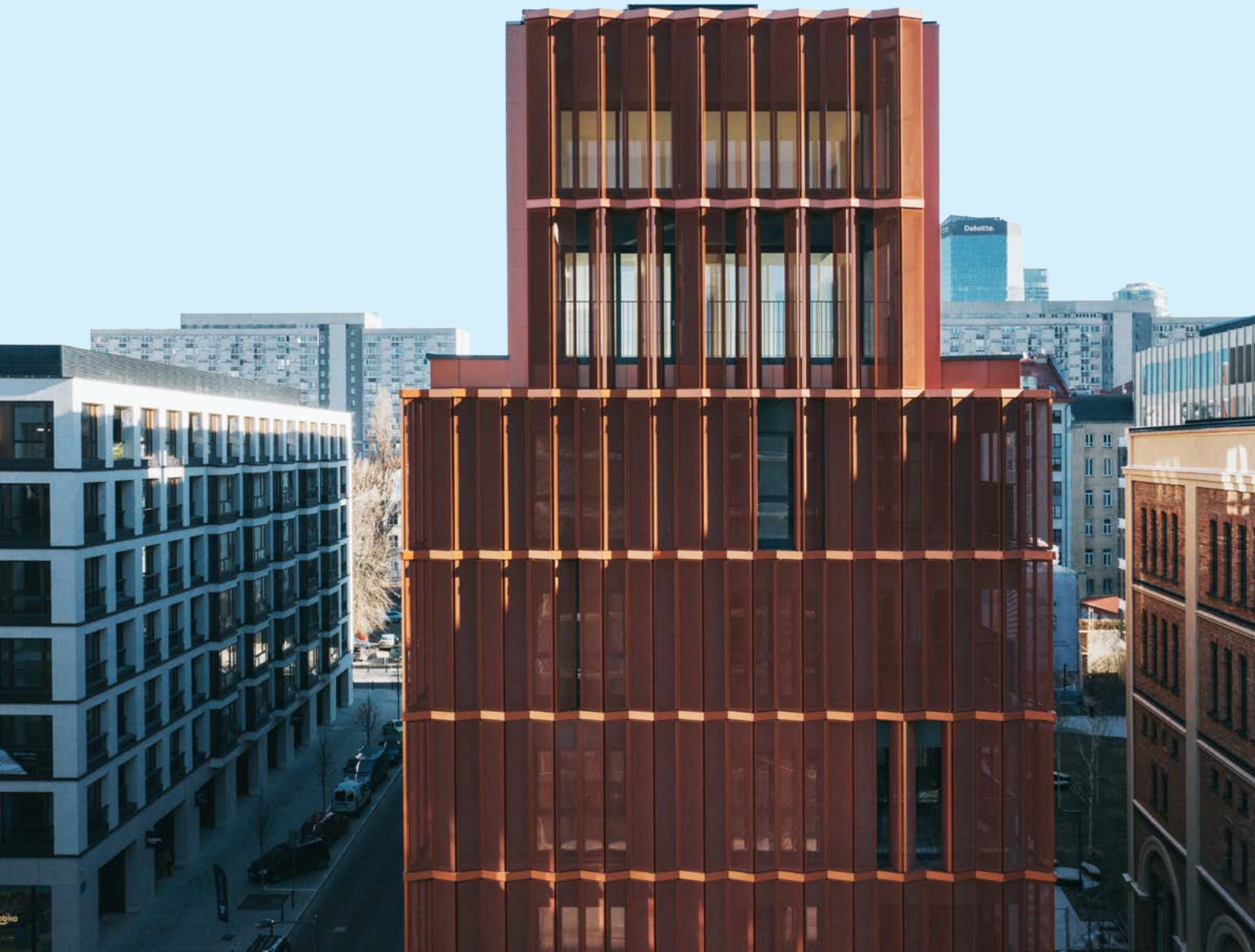
INTERIM STANDALONE CASH FLOW STATEMENT
[PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Operating cash flow – indirect method		
I. Profit before tax	30 256	65 055
II. Adjustments	(44 261)	(58 588)
Depreciation	4 431	4 436
FX gains / (losses)	(12 330)	8 326
Interest and profit sharing (dividends)	(46 536)	(75 256)
Profit / (loss) on revaluation of assets and liabilities	10 208	3 908
Profit / (loss) from the sale of fixed assets and investment real estate	(34)	(2)
III. Changes in working capital	80 942	(48 739)
Change in reserves	(2 125)	(1 903)
Change in inventories	44 745	1 830
Change in receivables	19 316	18 628
Change in short-term liabilities, except for loans and borrowings	(7 516)	(43 003)
Change in other financial assets	26 522	(24 291)
IV. Net cash generated from operating activities (I+/-II+/-III)	66 937	(42 272)
V. Income tax paid	(926)	(982)
VI. Net cash generated from operating activities (IV+/-V)	66 011	(43 254)
Cash flows from investing activities		
I. Inflows	370 093	128 209
Disposal of intangible assets and tangible fixed assets	22	3
Disposal of investments in property	-	-
From financial assets, including:	370 071	128 206
a) in related entities	370 071	128 206
- disposal of financial assets	-	9 301
- dividends and profit sharing	53 607	50 469
- repayment of loans granted	278 357	48 373
- interest	12 120	12 019
- purchase of certificates	702	3 752
- other proceeds from financial assets	25 285	4 292
b) in other entities	-	-
- disposal of financial assets	-	-
- repayment of loans granted	-	-
- interest	-	-
Other investment incomes	-	-
II. Outflows	(475 152)	(232 021)
Purchase of intangible assets and tangible fixed assets	(367)	(855)
Investment in property	-	-
For financial assets, including:	(474 785)	(231 131)
a) in related entities	(474 785)	(231 131)
- acquisition of financial assets	(257 786)	(5 943)
- borrowings granted	(216 999)	(225 188)
b) in other entities	-	-
- acquisition of financial assets	-	-
- borrowings granted	-	-
Other investment outflows	-	(35)
Net cash flow from investment activities	(105 059)	(103 812)

INTERIM STANDALONE CASH FLOW STATEMENT [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Cash flow from financing activities		
I. Inflows	246 088	262 472
Net proceeds from issuing shares (issue of shares) and other equity instruments and capital contributions	-	-
Loans and borrowings	51 088	112 472
Issue of debt securities	195 000	150 000
Other financial inflows	-	-
II. Outflows	(207 890)	(191 925)
Purchase of own shares	-	-
Dividends and other payments to equity holders	-	-
Profit distribution expenses other than payments to owners	-	-
Repayment of loans and borrowings	(16 188)	(47 397)
Redemption of debt securities	(155 000)	(106 940)
Due to other financial liabilities	-	-
Payments of leasing liabilities	(4 921)	(3 450)
Interest	(31 150)	(33 633)
Other financial expenses	(631)	(505)
Net cash flow from financing activities	38 198	70 547
Total net cash flows	(850)	(76 519)
Balance sheet change in cash, including:	(850)	(76 519)
- change in cash due to foreign exchange gains/losses		-
Cash and cash equivalents at the beginning of the period	107 437	232 147
Cash and cash equivalents at the end of the period	106 587	155 628

**EXPLANATORY NOTES
TO THE INTERIM
CONDENSED STANDALONE
FINANCIAL STATEMENT**



Explanatory notes to the statement of financial position

Note 1A

The Company did not make any impairment write-downs of tangible fixed assets in the periods under the financial statements. The Company has no collateral established on fixed assets.

PROPERTY, PLANT AND EQUIPMENT [PLN '000]

	30.06.2021	31.12.2020
PP&E, including:	20 231	20 340
- land	178	180
- buildings, premises, civil and water engineering structures	12 993	15 023
- plant and machinery	96	107
- means of transport	6 781	4 800
- other PP&E	183	230
PP&E under construction	-	-
Advances on PP&E under construction	-	-
Total PP&E	20 231	20 340

Note 1B

CHANGES IN PP&E – BY TYPES [PLN '000]

For the period 01.01.2020– 30.06.2021	Own land	Buildings and structures	Technical equipment and machines	Means of transport	Other PP&E	Total
Gross value of PP&E at the beginning of the period	193	23 201	3 499	10 952	3 557	41 401
Increases, due to	-	-	-	1 794	-	1 794
- purchase	-	-	-	-	-	-
- lease	-	-	-	1 794	-	1 794
Decreases, due to	-	-	(10)	(132)	(189)	(331)
- liquidation	-	-	-	-	-	-
- sale	-	-	(10)	(132)	(189)	(331)
Gross PP&E at the end of the period	193	23 201	3 489	12 614	3 368	42 864
Accumulated depreciation at the beginning of the period	(13)	(8 178)	(3 392)	(6 152)	(3 327)	(21 061)
Depreciation for the period	(2)	(2 030)	(1)	319	142	(1 572)
- depreciation	(2)	(129)	(11)	-	(47)	(189)
- sale	-	-	10	132	189	331
- lease	-	(1 901)	-	187	-	(1 714)
- liquidation	-	-	-	-	-	-
Accumulated depreciation at the end of the period	(15)	(10 208)	(3 393)	(5 833)	(3 185)	(22 633)
Accumulated depreciation at the end of the period	178	12 993	96	6 781	183	20 231
Including asset on leasing	-	9 621	-	6 781	-	16 402

No contractual liabilities related to PP&E.

CHANGES IN PP&E – BY TYPES [PLN ‘000]

For the period 01.01.2020– 30.06.2021	Own land	Buildings and struc- tures	Technical equipment and machines	Means of transport	Other PP&E	Total
Gross value of PP&E at the beginning of the period	193	20 503	3 496	9 465	3 730	37 386
- due to leasing as at 1 January 2019						
Gross value of PP&E at the beginning of the period	193	20 503	3 496	9 465	3 730	37 386
Increases, due to	-	2 698	25	1 487	-	4 210
- purchase	-	97	25	-	-	122
- inventory	-	-	-	-	-	-
- lease	-	2 601	-	1 487	-	4 088
Decreases, due to	-	-	(22)	-	(173)	(195)
- inventory	-	-	-	-	-	-
- liquidation	-	-	-	-	(44)	(44)
- sale	-	-	(22)	-	(129)	(151)
Gross PP&E at the end of the period	193	23 201	3 499	10 952	3 557	41 401
Accumulated depreciation at the beginning of the period	(11)	(4 351)	(3 347)	(4 633)	(3 376)	(15 717)
Depreciation for the period	(2)	(3 827)	(45)	(1 519)	49	(5 344)
- depreciation	(2)	(256)	(67)	(208)	(122)	(655)
- sale	-	-	22	-	127	149
- lease	-	(3 571)	-	(1 311)	-	(4 882)
- liquidation	-	-	-	-	44	44
Accumulated depreciation at the end of the period	(13)	(8 178)	(3 392)	(6 152)	(3 327)	(21 061)
Accumulated depreciation at the end of the period	180	15 023	107	4 800	230	20 340
Including asset on leasing	-	11 522	-	4 800	-	16 322

Note 2A

CHANGES IN INVESTMENT PROPERTY [PLN ‘000]

	1.01.2021- 30.06.2021	1.01.2020- 31.12.2020
Value of property investments at the beginning of the period	2 212	2 212
Increases	-	-
Decreases	(1 767)	-
- due to movement to assets held for sale	(1 767)	-
Value of property investments at the end of the period	445	2 212

The Company has no security established on real estate investment. As at 30 June 2021, the Company has no contractual obligations.

Note 3A

INTERESTS AND SHARES [PLN '000]

	30.06.2021	31.12.2020
Investments in subsidiaries, joint ventures		
- in subsidiaries	1 369 860	951 898
- in joint-ventures	126 353	121 389
	1 496 213	1 073 287
Total interests and shares	1 496 213	1 073 287

Note 3B

CHANGES IN INTERESTS AND SHARES IN H1 [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 31.12.2020
Balance at the beginning of the period	1 073 287	1 021 440
- including shares and interests	1 073 287	1 021 440
Increases	457 076	78 385
- due to purchase of interests	452 112	11 113
- due to increase in capital	4 964	67 272
Decreases	(34 150)	(26 538)
- due to sale of interests	(19 215)	(15 029)
- due to capital decrease	(13 950)	(6 000)
- due to advances on capital increase	-	-
- due to subsidiary liquidation	(729)	-
- due to write-down on assets	(256)	(5 509)
Balance at the end of the period	1 496 213	1 073 287
- including shares and interests	1 496 213	1 073 287

CHANGES IN INTERESTS AND SHARES IN H1 2021

Change	Entity	Value [PLN '000]
Acquisition of interests	Echo - Arena Sp. z o.o.	1
	M2 Biura Sp. z o.o.	19 215
	DKR Echo Invest S.A.*	76 925
	DKR Echo Investment Sp. z o.o.*	355 971
Sale of interests	M2 Hotel Sp. z o.o.	19 215
	Projekt 5 - GE Sp. z o.o. SKA	-
	Projekt Echo - 104 Sp. z o.o.	-
Capital increase	R4R Poland Sp. z o.o.	4 964
Write-offs		
	Projekt Echo - 93 Sp. z o.o.	16
	Metropolis - Projekt Echo 121 Sp. z o.o. SKA	17
	Projekt CS Sp. z o.o.	24
	Taśmowa Projekt Echo 116 Sp. z o.o. SKA	11
	Projekt K-6 Sp. z o.o. SKA	0
	Projekt Echo - 116 Sp. z o.o.	30
	Projekt Echo - 127 Sp. z o.o.	30
	Projekt Echo - 136 Sp. z o.o.	30
	Bełchatów Grupa Echo Sp. z o.o. SKA	10
	Cornwall Investments Sp. z o.o.	12
	PPR Projekt Echo-77 Sp. z o.o. SKA	10
	Stranraer Sp. z o.o.	10
	Dagnall Sp. z o.o.	10
	Malta Office Park - GE Sp. z o.o. SKA	7
	Echo - Browary Warszawskie Sp. z o.o.	30
	Galeria Tarnów-Grupa Echo Sp. z o.o. SKA	9
Liquidation	Projekt 154 - PK 6 GE Sp. z o.o. SKA Sp.K.	-
	Projekt 148 - GE Sp. z o.o. Sp.K.	-
	Projekt 150 - PE 12 GE Sp. z o.o. SKA Sp.K.	-
	Projekt 151 - PE 13 GE Sp. z o.o. SKA Sp.K.	-
	Projekt 152 - PE 14 GE Sp. z o.o. SKA Sp.K.	-
	Projekt 153 - PE 21 GE Sp. z o.o. SKA Sp.K.	-
	Pod Klonami - GE Sp. z o.o. Sp.K.	-
	Echo-Kasztanowa Aleja Sp.K.	227
	Klimt House - GE Sp. z o.o. Sp.K.	452
Capital decrease	Echo - Browary Warszawskie Sp. z o.o. Sp.K.	13 950

* On April 22, 2021 Echo Investment concluded an agreement of indirect acquisition of 16,945,487 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 - through the acquisition of all interests in DKR Investment Sp. z o.o. and all shares of DKR Invest S.A. The sellers were the company founders Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki. The price for the shares amounted to PLN 429 million. Echo Investment paid 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. For the purchase of shares and interests Echo Investment paid tax on civil law transactions (PCC) in the amount of PLN 4,286 thous.

LONG-TERM AND SHORT-TERM FINANCIAL ASSETS [PLN '000]

	30.06.2021	31.12.2020
In associates	457 464	495 221
bonds	457 464	495 221
- long-term	314 009	311 783
- short-term	143 455	183 438
receivables for the repurchase of and interest sale	-	2 989
Total long-term and short-term financial assets	457 464	498 210

As at June 30, 2020 the Company estimated the value of an impairment loss on bonds in the amount of PLN 29 million PLN and at 31 December, 2021 – for 29 million PLN. In the view of the Management Board, through monitoring the operations of subsidiaries and periodical confirming the profitability of their projects, the Company has the opportunity to assess and identify receivables where the credit risk significantly increased. The Management Board the Company did not find such bonds. The Manage-

ment Board assessed the issued bonds in order to create a write-down due to expected credit losses based on the assessment of the credibility of the Echo Investment Capital Group. p. In accordance with the requirements of IFRS 9, a write-down was created in respect of expected credit losses. As at June 31st, 2020, the write-down amounted to PLN 214 thousand, and as at December 30th, 2020 - PLN 289 thousand.

KEY DATA ON BONDS AS AT 30 JUNE 2021 [PLN '000]

Contractor	Value	Interest	Redemption date	Classification by maturity
Swanage Sp. z o.o.	179 160	Wibor 6M + margin	28.12.2021	long-term and short-term
Strood Sp. z o.o.	154 781	EURIBOR 6M + margin	20.12.2021	długoterminowe
Taśmowa – Projekt Echo 116 Sp. z o.o. SKA	40 810	Wibor 6M + margin	10.09.2023	long-term
Echo – Galaxy Sp. z o.o. SKA	36 500	Wibor 6M + margin	14.12.2021	long-term
Projekt Beethovena – Projekt Echo 122 Sp. z o.o. SKA	34 975	Wibor 6M + margin	5.11.2023	short-term
Projekt Beethovena – Projekt Echo 122 Sp. z o.o. SKA	27 000	Wibor 6M + margin	1.01.2024	short-term
bonds without interest and write-offs	473 226			
interest	14 395			
write-offs	(30 157)			
Total bonds without interest and write-offs	457 464			

After the analysis the Management Board of the Company decided to correct the presentation of

long – term and short – term bonds. The classification of loans depends on the actual repayment date.

KEY DATA ON BONDS AS AT 31 DECEMBER 2020
[PLN '000]

Contractor	Value	Interest	Redemption date	Classification by maturity
Projekt Beethovena – Projekt Echo 122 Sp. z o.o. SKA	34 975	Wibor 6M + margin	05.11.2023	short-term
Projekt Beethovena – Projekt Echo 122 Sp. z o.o. SKA	27 000	Wibor 6M + margin	01.01.2024	short-term
Taśmowa – Projekt Echo 116 Sp. z o.o. SKA	40 810	Wibor 6M + margin	10.09.2023	long-term
Echo – Galaxy Sp. z o.o. SKA	47 500	Wibor 6M + margin	14.12.2021	long-term and short-term
Gosford Investments Sp. z o.o.	-	EURIBOR 6M + margin	27.12.2021	short-term
Strood Sp. z o.o.	154 781	EURIBOR 6M + margin	20.12.2021	long-term
Swanage Sp. z o.o.	197 560	Wibor 6M + margin	28.12.2021	long-term and short-term
bonds without interest and write-offs	502 626			
interest	21 788			
write-offs	(29 193)			
Total bonds without interest and write-offs	495 221			

Note 4

LONG-TERM LOANS GRANTED [PLN '000]

	30.06.2021	31.12.2020
In subsidiaries	845 097	755 590
In joint-ventures	224 990	198 835
In other	540	-
Total long-term loans granted	1 070 627	954 425

In accordance with the requirements of IFRS 9, a write-down was created in respect of expected credit losses; as at June 30th, 2020 in the amount of PLN 1 328 thousand, while as at December 30th, 2020 – PLN 1 481 thousand.

Note 4A

LONG -TERM LOANS GRANTED – BY CURRENCY [PLN '000]

	30.06.2021	31.12.2020
In Polish currency	1 033 087	917 134
In other currencies – after translation into Polish zloty	37 540	37 291
Total long-term loans granted	1 070 627	954 425

The note includes short-term loans with interest.

KEY DATA ON LONG-TERM BORROWINGS AS AT 30 JUNE 2021
[PLN '000]

Contractor	Amount	Interest rate	Repayment deadline
Projekt 12 – Grupa Echo Sp. z o.o. Sp.K.	122 718	Wibor 3M + margin	31.12.2023
Galeria Libero Sp. z o.o. Sp.K.	97 507	Wibor 3M + margin	10.10.2026
Fianar Investments Sp. z o.o.	70 466	Wibor 3M + margin	31.12.2023
Villea Investments Sp. z o.o.	68 375	Wibor 3M + margin	31.12.2023
Echo – SPV 7 Sp. z o.o.	67 970	Wibor 3M + margin	31.12.2023
R4R Poland Sp. z o.o.	61 518	margin	31.03.2029
Projekt Echo – 130 Sp. z o.o.	54 880	Wibor 3M + margin	31.12.2023
RPGZ IX S. z o.o.	47 465	Wibor 3M + margin	31.12.2023
Senja 2 Sp. z o.o.	43 533	Wibor 3M + margin	31.12.2023
Arena Sp. z o.o.*	40 000	Wibor 3M + margin	31.12.2023
R4R Poland Sp. z o.o.	37 803	margin	31.03.2030
Berea Sp. z o.o.	36 760	margin	31.12.2025
R4R Poland Sp. z o.o.	35 151	margin	30.09.2026
Midpoint 71 – Cornwall Investments Sp. z o.o. SKA*	35 080	Wibor 3M + margin	30.06.2026
Doxent Investments Sp. z o.o.*	30 845	Wibor 3M + margin	31.12.2023
Rosehill Investments Sp. z o.o.	25 703	Euribor 3M + margin	31.12.2025
Echo Aurus Sp. Z o.o.	25 098	Wibor 3M + margin	31.12.2021
Projekt Echo – 123 Sp. z o.o.	22 860	Wibor 3M + margin	31.12.2023
GRO Nieruchomości Sp. z o.o.	21 642	Wibor 3M + margin	31.12.2023
Perth Sp. z o.o.	13 111	Wibor 3M + margin	31.12.2023
RPGZ IX Sp. z o.o.	11 100	Wibor 3M + margin	31.12.2023
Elektrownia RE Sp. z o.o.	10 827	Wibor 3M + margin	31.03.2022
Strood Sp. z o.o.	9 890	Wibor 3M + margin	31.12.2023
City Space Management Sp. z o.o.	9 300	Wibor 3M + margin	31.03.2022
Berea Sp. z o.o.	7 869	Euribor 3M + margin	31.12.2025
Rondo 1 City Space – GP S. z o.o. Sp.K.	4 051	Wibor 3M + margin	20.09.2021
Echo – Property Poznań 1 Sp. z o.o.	2 330	Wibor 3M + margin	20.09.2021
GRO Nieruchomości Sp. z o.o.	2 010	Wibor 3M + margin	31.12.2023
Projekt Echo – 111 Sp. z o.o.	792	Wibor 3M + margin	30.09.2021
DKRA Sp. z o.o.*	535	Wibor 3M + margin	22.04.2026
Plac Unii City Space – GP Sp. z o.o. Sp.K.	499	Wibor 3M + margin	30.09.2021
142 – City Space – GP Sp. z o. o. Sp.K.	440	Wibor 3M + margin	30.09.2021
Borrowings without interest and write-offs	1 018 128		
Interest	71 842		
Write-offs	(19 343)		
Total borrowings without interests and write-offs	1 070 627		

* Borrowings granted in 2021.

Loans granted are presented in accordance with the actual repayment date.

KEY DATA ON LONG-TERM BORROWINGS AS AT 31 DECEMBER 2020 [PLN '000]

Contractor	Amount	Interest rate	Repayment deadline
Projekt 12 - Grupa Echo Sp. z o. o. Sp.K.	122 718	Wibor 3M + margin	30.09.2021
Galeria Libero Sp. z o. o. Sp.K.	97 507	Wibor 3M + margin	10.10.2026
Echo - SPV 7 Sp. z o. o.	72 875	Wibor 3M + margin	31.12.2021
Fianar Investments Sp. z o. o.	71 360	Wibor 3M + margin	31.12.2021
Villea Investments Sp. z o. o.	68 375	Wibor 3M + margin	31.03.2021
R4R Poland Sp. z o. o.	61 518	margin	31.03.2029
RPGZ IX Sp. z o. o.	47 465	Wibor 3M + margin	31.12.2021
Senja 2 Sp. z o. o.	43 052	Wibor 3M + margin	31.03.2021
Echo Aurus Sp. z o. o.	42 029	Wibor 3M + margin	31.12.2021
R4R Poland Sp. z o. o.	35 151	margin	30.09.2026
Perth Sp. z o. o.	25 990	Wibor 3M + margin	31.12.2021
Projekt Echo - 130 Sp. z o. o.	25 860	Wibor 3M + margin	30.09.2021
Rosehill Investments Sp. z o. o.	25 703	Euribor 3M + margin	31.12.2025
Berea Sp. z o. o.	24 550	margin	31.12.2025
Projekt Echo - 123 Sp. z o. o.	22 700	Wibor 3M + margin	30.06.2021
GRO Nieruchomości Sp. z o. o.	21 642	Wibor 3M + margin	31.12.2021
Berea Sp. z o. o.	20 079	Euribor 3M + margin	31.12.2025
Projekt Echo - 135 Sp. z o. o. Sp.K.	19 000	Wibor 3M + margin	30.09.2021
Park Rozwoju III - Projekt Echo - 112 Sp. z o. o. Sp.K.	17 000	Wibor 3M + margin	30.09.2021
R4R Poland Sp. z o. o.	16 128	margin	31.03.2030
Strood Sp. z o. o.	9 890	Wibor 3M + margin	30.06.2021
RPGZ IX Sp. z o. o.	1 900	Wibor 3M + margin	30.09.2021
GRO Nieruchomości Sp. z o. o.	1 590	Wibor 3M + margin	31.03.2021
Borrowings without interest and write-offs	894 082		
Interest	59 234		
Write-offs	1 109		
Total borrowings without interests and write-offs	954 425		

MOVEMENT IN DEFERRED TAX ASSETS/PROVISION [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 31.12.2020
Deferred tax assets/provision at the beginning of the period	(19 534)	(4 639)
financial instruments	308	-
investment property	513	513
receivables and liabilities due to borrowings	(12 586)	(7 167)
liabilities due to loans and bonds	(2 546)	(405)
tax loss	2 461	4 816
Inventories	(83)	2 163
leasing	26	72
other	(7 627)	(4 631)
Increases	3 143	308
financial instruments	-	308
liabilities due to loans and bonds	657	-
Inventories	540	-
leasing	60	-
other	1 886	-
Decreases	(3 129)	(15 203)
financial instruments	(830)	-
receivables and liabilities due to borrowings	(2 255)	(5 419)
liabilities due to loans and bonds	-	(2 141)
tax loss	(44)	(2 355)
Inventories	-	(2 246)
leasing	-	(46)
other	-	(2 996)
Deferred tax assets/provision at the end of the period	(19 520)	(19 534)
financial instruments	(522)	308
investment property	513	513
receivables and liabilities due to borrowings	(14 841)	(12 586)
liabilities due to loans and bonds	(1 889)	(2 546)
tax loss	2 417	2 461
Inventories	457	(83)
leasing	86	26
other	(5 741)	(7 627)

The amount of the tax loss for 2019 and 2020, from which the asset was not created is PLN 9 390 thousand. The right to tax reduction for tax loss expires in 2025.

Note 6A**INVENTORY [PLN '000]**

	30.06.2021	31.12.2020
Semi-finished products and work-in-progress	129 937	145 824
- land-use right asset	2 397	5 098
Finished products	21 121	52 680
Goods	-	-
Total	151 058	198 504

Note 6B**INVENTORIES – INFLUENCE ON THE RESULT [PLN '000]**

	30.06.2021	31.12.2020
Inventories write-offs recognised as cost in the period	-	-
Value of the reversal of write-offs, that decrease the value of inventory recognized as a cost of sales adjustment for the period	143	11 574
Change in write-down on inventory	143	11 574

The change in the write-down of inventories in 2021 concerns, inter alia, Nowa Dzielnica and Resi4Rent Wodna projects in Łódź.

Note 7A

SHORT-TERM LOANS GRANTED [PLN '000]

	30.06.2021	31.12.2020
In subsidiaries		
- loans granted	153 108	294 909
	153 108	294 909
In joint-ventures		
- loans granted	-	-
	-	-
Total	153 108	294 909

In accordance with the requirements of IFRS 9, a write-down was created in respect of expected credit losses: as at June 30th, 2020 in the amount of PLN

1 328 thousand, while as at December 30th, 2020 – PLN 1 481 thousand. Borrowings granted are presented in accordance with the actual repayment date.

Note 7B

SHORT-TERM LOANS GRANTED
- CURRENCY STRUCTURE [PLN '000]

	30.06.2021	31.12.2020
in the Polish currency (PLN)	153 108	244 063
in foreign currencies (after translation into PLN)	-	50 846
Total short-term loans granted	153 108	294 909

The note includes short-term loans with interest.

KEY DATA ON SHORT-TERM BORROWINGS
AS AT 31 JUNE 2021 [PLN '000]

Contractor	Amount	Interest rate	Repayment deadline
Echo - SPV 7 Sp. z o.o.	41 027	Wibor 3M + marża	31.12.2021
ZAM - Projekt Echo - 127 Sp. z o. p. Sp.K.	35 882	Wibor 3M + marża	31.12.2021
Gosford Investments Sp. z o.o.	23 197	Wibor 3M + marża	30.09.2021
Aurus Sp. z o.o.	16 931	Wibor 3M + marża	31.12.2021
ZAM - Projekt Echo - 127 Sp. z o.o. Sp.K.	16 920	Wibor 3M + marża	31.03.2022
Elektrownia RE Sp. z o.o.	6 109	Wibor 3M + marża	31.03.2022
Echo - Advisory Services Sp. z o.o.	3 397	Wibor 3M + marża	30.06.2022
Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	170	Wibor 3M + marża	31.12.2021
Shanklin Sp. z o.o.*	101	Wibor 3M + marża	31.03.2022
Projekt K-6 SKA*	85	Wibor 3M + marża	31.03.2022
Projekt 13 SKA*	70	Wibor 3M + marża	31.03.2022
City Space Management Sp. z o.o.	29	Wibor 3M + marża	30.09.2021
Projekt Echo - 144 Sp. z o.o.	25	Wibor 3M + marża	30.09.2021
Projekt Echo - 141 Sp. z o.o.	25	Wibor 3M + marża	30.09.2021
Projekt Echo - 142 Sp. z o.o.	25	Wibor 3M + marża	30.09.2021
Projekt Echo - 143 Sp. z o.o.	25	Wibor 3M + marża	30.09.2021
Projekt Echo - 145 Sp. z o.o.	25	Wibor 3M + marża	30.09.2021
Borrowings without interest and write-offs	144 043		
Interest	18 337		
Write-offs	(9 272)		
Total borrowings without interests and write-offs	153 108		

* Borrowings granted in 2021.

Loans granted are presented in accordance with the actual repayment date.

**KEY DATA ON SHORT-TERM BORROWINGS
AS AT 31 DECEMBER 2021 [PLN '000]**

Contractor	Amount	Interest rate	Repayment deadline
Pudsey Sp. z o.o.	49 402	Euribor 3M + margin	30.06.2021
Gosford Investments Sp. z o.o.	46 397	Wibor 3M + margin	30.09.2021
Projekt 144 - Grupa Echo Sp. z o.o. Sp.K.	43 770	Wibor 3M + margin	13.03.2021
Echo - SPV 7 Sp. z o.o.	36 122	Wibor 3M + margin	13.12.2021
ZAM - Projekt Echo - 127 Sp. z o.o. Sp.K.	35 882	Wibor 3M + margin	13.12.2021
Elektrownia RE Sp. z o.o.	33 102	Wibor 3M + margin	13.12.2021
ZAM - Projekt Echo - 127 Sp. z o.o. Sp.K.	16 190	Wibor 3M + margin	13.12.2021
Pudsey Sp. z o.o.	9 740	Wibor 3M + margin	30.06.2021
City Space Management Sp. z o.o.	6 500	Wibor 3M + margin	30.06.2021
Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	5 945	Wibor 3M + margin	13.12.2021
Projekt Naramowice Sp. z o.o. SKA	5 400	Wibor 3M + margin	30.09.2021
Rondo 1 City Space - GP Sp. z o.o. Sp.K.	4 051	Wibor 3M + margin	30.09.2021
Echo - Advisory Services Sp. z o.o.	3 397	Wibor 3M + margin	30.06.2021
Echo - Property Poznań 1 Sp. z o.o.	2 070	Wibor 3M + margin	30.09.2021
Projekt Echo - 111 Sp. z o.o.	620	Wibor 3M + margin	30.09.2021
Plac Unii City Space - GP Sp. z o.o. Sp.K.	499	Wibor 3M + margin	30.09.2021
142 - City Space - GP Sp. z o.o. Sp.K.	440	Wibor 3M + margin	30.09.2021
City Space Management Sp. z o.o.	29	Wibor 3M + margin	30.09.2021
Projekt Echo - 141 Sp. z o.o.	15	Wibor 3M + margin	30.09.2021
Projekt Echo - 142 Sp z o.o.	15	Wibor 3M + margin	30.09.2021
Projekt Echo - 143 Sp. z o.o.	15	Wibor 3M + margin	30.09.2021
Projekt Echo - 144 Sp. z o.o.	15	Wibor 3M + margin	30.09.2021
Projekt Echo - 145 Sp. z o.o.	15	Wibor 3M + margin	30.09.2021
Borrowings without interest and write-offs	299 631		
Interest	10 326		
Write-offs	(15 048)		
Total borrowings without interests and write-offs	294 909		

Note 8A

**LONG-TERM LIABILITIES
WITHOUT INCOME TAX PROVISION [PLN '000]**

	30.06.2021	31.12.2020
Due to subsidiaries	-	-
- loans and borrowings	-	-
- securities issued	-	-
	-	-
Wobec pozostałych jednostek		
- leasing	11 896	13 567
- deposits and advanced payments received	1 346	1 113
- loan	-	-
- financial derivative instruments IRS	1 068	1 624
- due to issue of debt securities	1 142 654	872 941
- bonuses for management	5 696	
	1 162 660	889 245
Total long-term liabilities	1 162 660	889 245
Interest rates used to discount the expected cash flows from the lease:	od 1,77% do 5,73%	od 1,77% do 3,03%

According to the best information and data of the Company, there were no breaches of terms of loan agreements and established security levels during

the financial year and until the date of signing of the financial statements.

Note 8B

**LONG-TERM LIABILITIES WITHOUT INCOME TAX PROVISION
WITH REMAINING MATURITIES FROM THE BALANCE SHEET
DATE [PLN '000]**

	30.06.2021	31.12.2020
between 1 to 3 years	515 479	466 750
between 3 to 5 years	647 073	422 292
beyond 5 years	108	203
Total long-term liabilities	1 162 660	889 245
Interest rates applied for discounting the expected cash flows	4,52%	4,25%

Long-term liabilities in nominal value were presented by the Company in note 8E.

Note 8C

**LONG-TERM LIABILITIES WITHOUT INCOME TAX PROVISION
- CURRENCY STRUCTURE [PLN '000]**

	30.06.2021	31.12.2020
in the Polish currency (PLN)	981 700	712 900
in foreign currencies (after translation into PLN)	180 959	176 345
Long-term liabilities in total	1 162 659	889 245

According to the best information and data of the Company, there were no breaches of terms of loan agreements and established security levels during the financial year and until the date of signing of the financial statements.

LONG-TERM LIABILITIES – CHANGE DUE TO LEASING
[PLN ‘000]

	30.06.2021	31.12.2020
Opening balance	13 567	12 645
Change in the period	(1 671)	922
- new purchases	2 243	922
- financial costs	143	-
- payment	(904)	-
- completion of the project / sale	(3 153)	-
Closing balance	11 896	13 567

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 30 JUNE 2021
[‘000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
PKO BP S.A. *	75 000	63 417	Wibor 1M + margin	29.10.2021
Alior Bank S.A.	45 000	45 000	Wibor 3M + margin	12.05.2022
Santander Bank Polska S.A.**	100 000	70 221	Wibor 1M + margin	30.11.2022
Total	220 000	178 638		

* The available loan amount as on 30 June 2021 is decreased by the guarantees issued and amounts to PLN 2,7 million PLN.

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at 30 June 2021, the whole guarantee limit is used.

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 30 DECEMBER 2020
[‘000]

Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
PKO BP S.A.*	75 000	63 458	WIBOR 1M + margin	31.10.2022
Alior Bank S.A.	35 000	35 000	WIBOR 3M + margin	14.04.2021
Santander Bank Polska S.A.**	100 000	39 523	WIBOR 1M + margin	30.11.2022
Total	210 000	137 981		

* The available loan amount as on 31 December 2020 is decreased by the guarantees issued and amounts to PLN 1,9 million PLN.

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at 31 December 2020, the whole guarantee limit is available.

Note 8F

Change of business and economic conditions had no significant effect on the financial obligations' fair value.

All bonds were created in the Krajowy Depozyt Papierów Wartościowych S.A. All, except 2P/2020 series, are launched on Giełda Papierów Wartościowych in Warsaw. All liabilities are unsecured.

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 30 JUNE 2021 [PLN '000]

BONDS ISSUED FOR INSTITUTIONAL INVESTORS

Series	ISIN code	Bank / brokerage house	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 i 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%
			728 060		

BONDS ISSUED FOR INDIVIDUAL INVESTORS

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	

*redeemed in the redemption date.

BONDS ISSUED BY ECHO INVESTMENT S.A. FOR THE SELLERS OF ARCHICOM S.A. SHARES [PLN '000]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1P/2021	PLO017000053	Michael / Ström Dom Maklerski S.A. as an agent	188 000	22.10.2024	Fixed interest 5%
			Total	188 000	

On 21 April 2021 the Management Board of the Company adopted a resolution on the issue of unsecured bearer bonds with a total nominal value of PLN 188 million, bearing an annual interest rate of 5%. The bonds were offered for purchase to the founders of Archicom S.A. - Dorota Jarodzka-Śródka, Kazimierz Śródka and Rafał Jarodzki as part of the price for the indirect purchase of a block of shares in Archicom S.A., which constitute approximately 66.01% of the share capital and entitle to approximately 65.99% of the total vote on GMS.

The purchase of Archicom shares was carried out through the purchase of 100% interest in DKR Investment Sp. z o.o. and 100% of shares in the company

DKR Invest S.A. The bonds were issued and acquired by investors on 22 April 2021. The price of the bonds was equal to their nominal value. The issue was not subject to the requirement to prepare a prospectus or information memorandum. The bond redemption date is 22 October 2024. The bonds were registered in the deposit kept by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) and introduced to trading in the alternative trading system organized by the ASO Catalyst and operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), in accordance with the terms of the issue corresponding to the current bond issues issued by the Company.

BONDS FOR INSTITUTIONAL INVESTORS IN EUR [EUR '000]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	23.10.2024	Fixed interest 4.5%
2P/2020*	PLO017000038	Michael / Ström Dom Maklerski S.A.	12 800	31.10.2021	Fixed interest 6%
Total			52 800		

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

BONDS REDEEMED BY ECHO INVESTMENT IN 2021 ['000 PLN]

Series	Date	Nominal value
Bonds for institutional investors - 1/2017-series	17.03.2021 and 31.03.2021	155 000

BONDS ISSUED BY ECHO INVESTMENT S.A. IN 2021 [PLN '000]

Series	Date	Nominal value
Obligacje dla inwestorów instytucjonalnych - seria 1/2021	17.03.2021	195 000
Emisja prywatna - seria 1P/2021	22.04.2021	188 000
Total		383 000

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 30.12.2020 [PLN '000]

OBLIGACJE DLA INWESTORÓW INSTYTUCJONALNYCH

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1/2017	PLECHPS00225	mBank S.A.	155 000	31.03.2021	WIBOR 6M + margin 2,9%
2/2017	PLECHPS00258	mBank S.A.	139 950	30.11.2021	WIBOR 6M + margin 2,9%
1/2018	PLECHPS00282	mBank S.A.	46 600	25.04.2022	WIBOR 6M + margin 2,9%
1/2019	PLECHPS00308	mBank S.A.	96 510	11.04.2023	WIBOR 6M + margin 4,25%
1/2020	PLO017000012	mBank S.A.	150 000	31.05.2024	WIBOR 6M + margin 4,50%
1P/2020	PLO017000020	PKO TFI Parasolowy oraz Michael / Ström Dom Maklerski S.A. jako agent	100 000	05.08.2024	WIBOR 6M + margin 4,50%
Total			688 060		

OBLIGACJE DLA INWESTORÓW INDYWIDUALNYCH

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			1 121 892		

BONDS FOR INSTITUTIONAL INVESTORS DENOMINATED IN EUR [EUR '000]

Series	ISIN code	Bank / brokerage house	Nominal value	Maturity	Interest rate
1E/2020	PLECHPS00316	Bank Pekao S.A.	40 000	23.10.2024	fixed interest 4,5%
2P/2020*	PLO017000038	Michael/Ström DM	12 800	31.10.2021	fixed interest 6%
Total			52 800		

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

SHORT-TERM TRADE LIABILITIES, TAXES, SECURITY DEPOSITS RECEIVED, ADVANCES RECEIVED AND OTHER - WITHOUT PROVISIONS [PLN '000]

	30.06.2021	31.12.2020
Trade, due to subsidiaries, with maturity:	5 211	1 937
- up to 12 months	5 211	1 937
Trade, due to other companies, with maturity:	21 227	24 452
- up to 12 months	21 227	24 452
Total short-term trade liabilities	26 438	26 389
Advances received (contractual liability)	102 709	83 253
Security deposits received	8 319	6 538
Total security deposits and advances received	111 028	89 791
Other taxes	11 636	8 706
Current portion of income tax	2	5
Liabilities due to taxes in total	11 638	8 711
Leasing liabilities	7 170	9 530
Total leasing liabilities	7 170	9 530
Other liabilities	135 833	67 725
- payroll	8	4
- other (due to)	135 825	67 721
- dividend	103 173	-
- cash on escrow account	15 922	42 444
- acquisition of shares	-	-
Other, including:	16 730	25 277
- bonuses for Management and employees	5 901	6 572
Total other short-term liabilities	135 833	67 725
Short- term trade liabilities, taxes, security deposits received, advances received and other in total	292 107	202 146
Interest rates used to discount the expected cash flows	from 1,77% to 5,73%	from 1,77% to 6,94%

The fair value of trade and other liabilities does not differ materially from their carrying value.

SHORT-TERM LIABILITIES – CHANGE DUE TO LEASING [PLN '000]

	30.06.2021	31.12.2020
Opening balance	9 530	13 274
Changes in the period	(2 360)	(3 744)
- new purchases	-	4 916
- financial costs	118	955
- payment	(2 478)	(6 841)
- completion of project or its sale	-	(2 774)
Closing balance	7 170	9 530

SHORT-TERM LOANS, BORROWINGS AND BONDS [PLN '000]

	30.06.2021	31.12.2020
Due to subsidiaries		
- borrowings	196 967	208 179
	196 967	208 179
Due to other parties		
loans and borrowings	178 638	137 981
due to issue of debt securities	448 904	493 409
	627 542	631 390
Short- term loans, borrowings and bonds in total	824 509	839 569

According to the best information and data of the Company, there were no breaches of terms of loan agreements and established security levels during the financial year and until the date of signing of the financial statements.

SHORT-TERM LOANS, BORROWINGS AND BONDS - CURRENCY STRUCTURE [PLN '000]

	30.06.2021	31.12.2020
In the Polish currency (PLN)	560 941	572 321
In foreign currencies (by currency and after translation into PLN)	263 568	267 248
Short- term loans, borrowings and bonds in total	824 509	839 569

KEY DATA ABOUT SHORT-TERM BORROWINGS AS AT 30 JUNE 2021 [PLN '000]

Contractor	Value	Interest rate	Repayment rate
Projekt Echo – 129 Sp. z o.o.	186 911	Wibor 3M + margin	30.09.2021
Loans without interest and write-offs	186 911		
Interest	10 056		
Loans with interest	196 967		

KEY DATA ABOUT SHORT-TERM BORROWINGS AS AT 31 DECEMBER 2021 [PLN '000]

Contractor	Value	Interest rate	Repayment rate
Projekt Echo – 129 Sp. z o.o.	192 666	Wibor 3M + margin	30.09.2021
Loans without interest and write-offs	192 666		
Interest	15 513		
Loans with interest	208 179		

**MOVEMENT IN SHORT-TERM PROVISIONS
– DUE TO [PLN ‘000]**

	30.06.2021	31.12.2020
At the beginning of the period		
- provisions for penalties	2 000	2 000
- provisions for guarantees	590	514
- provisions for repair	794	-
- court proceedings	272	-
- provision for costs	7 648	12 993
	11 304	15 507
Increases, due to		
- provisions for guarantees	-	76
- provisions for repair	-	794
- provision for costs	-	1 333
- court proceedings	228	272
	228	2 475
Utilisation, due to		
- provision for costs	-	-
- court proceedings	-	-
	-	-
Release, due to		
- provision for costs	(1 333)	(6 678)
- provisions for guarantees	(64)	-
- provisions for penalties	(770)	-
- provisions for repair	(186)	-
	(2 353)	(6 678)
At the end of the period		
- provisions for penalties	1 230	2 000
- provisions for repair	608	794
- provisions for guarantees	526	590
- court proceedings	500	272
- provision for costs	6 315	7 648
	9 179	11 304

OFF-BALANCE ITEMS [PLN '000]

	30.06.2021	31.12.2020
Contingent liabilities		
For related parties, due to	2 242 820	1 968 163
- guarantees and sureties granted	2 242 820	1 968 163
	2 242 820	1 968 163
Other, due to		
- court proceedings against Echo Investment	447	664
	447	664
Total	2 243 267	1 968 827

In accordance with IFRS 9 requirements, the provision due to expected credit losses was created and amounted to PLN 526 thousand as at June 30th,

2021 and PLN 590 thousand as at December 31th, 2020.

**CHANGES IN SURETIES ISSUED BY ECHO INVESTMENT S.A.
IN H1 2021 [PLN '000]**

In H1 2021 there were no changes in sureties issued by Echo Investment S.A.

CHANGES IN GUARANTIES ISSUED BY ECHO INVESTMENT S.A. IN H1 2021 [PLN '000]

Change	Entity receiving guarantee	Beneficiary	Date of change	Value [PLN '000]	Description
Issue	Santander Bank Polska S.A. (within the credit limit of Echo Investment S.A.)	Galerii Libero - projekt Echo 120 Sp. z o.o. SK	20.01.2022	758	Security under the warranty and the quality guarantee for the obligations of Galeria Libero - Projekt Echo 120 Sp. z o.o. Sp.K. resulting from the agreement on performing the road project concluded on 16.06.2016.
Issue	Echo Investment S.A.	APAK Grundstücks-gesellschaft mbH & Co KG	11.03.2021	48 131	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, as well as under the side letter. Issued in EUR and PLN.
Issue	Echo Investment S.A.	APAK Grundstücks-gesellschaft mbH & Co KG	11.03.2021	72 638	Security for the proper performance of obligations arising under rental guarantee related to the office space in the Villa Offices (building K), being a part of the Warsaw Brewery complex. Issued in EUR. 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.	APAK Grundstücks-gesellschaft mbH & Co KG	11.03.2021	5 715	Security for the proper performance of obligations arising under rental guarantee related to the retail space in the Villa Offices (building K), being a part of the Warsaw Brewery complex. Issued in EUR. 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.	APAK Grundstücks-gesellschaft mbH & Co KG	11.03.2021	96 611	Security for the proper performance of obligations arising under quality guarantee agreement regarding to 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.	APAK Grundstücks-gesellschaft mbH & Co KG	11.03.2021	20 792	Security for the proper performance of liabilities arising under the fit-out agreement regarding the Villa Office building in the Warsaw Brewery complex. Issued in EUR.
Issue	Echo Investment S.A.	R4R Gdańsk Stocznia sp. z o.o.	18.03.2021	26 000	Conditional guarantee to secure repayment of the advance made by the buyer under the preliminary contract of sale of the real estate.
Issue	Park Rozwoju - Projekt Echo 112 Sp. z o.o. Sp.K.	Kaufland Polska Mar-kety Sp. z o.o. Sp.J.	22.03.2021	2 500	Conditional guarantee of the payment of the contractual penalty resulting from the lease agreement for premises at Pasaż Opieńskiego shopping centre in Poznań.
Issue	Projekt - 16 Grupa Echo Sp. z o.o. SKA	Wentel Sp. z o.o.	2.04.2021	26 000	Conditional guarantee securing the reimbursement of the advance payment made by a company from the Student Depot group under the preliminary purchase agreement of real estate in Gdańsk from the Echo Investment group.
Issue	Echo Investment S.A.	City of Poznań represented by City Roads Office in Poznań	23.04.2021	3 384	Guarantee of proper performance of the contract.
Issue	Echo Investment S.A.	Kraków Municipality - ZDM Kraków	11.05.2021	282	Guarantee of proper performance of the contract.
Issue	Projekt 146 - CitySpace - GP Sp. z o.o. Sp.K.	Face2Face - Stran-raer Sp. z o.o. SKA	26.05.2021	710	Security for liabilities resulting from the lease agreement concluded on 30.09.2020. Issued in EUR.
Issue	Echo Investment S.A.	City of Warsaw	1.06.2021	25 000	Guarantee securing obligation to performance of the accompanying investment under the special housing act - building a primary school and transferring it to the City of Warsaw.
Expiry	PKO BP S.A. (commissioned by Echo Investment S.A.)	Tax Administration Office Director in Kielce	10.02.2021	873	Lottery guarantee for Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K.

CHANGES IN GUARANTIES ISSUED BY ECHO INVESTMENT S.A. IN H1 2021
[PLN '000]

Change	Entity receiving guarantee	Beneficiary	Date of change	Value [PLN '000]	Description
Expiry	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	25.06.2021	4 837	Guarantee securing rent proceeds during the performance of the West 4 Business Hub office project in Wrocław. Issued in EUR.
Expiry	Echo Investment S.A.	LUX Europa III S.a.r.l.	30.06.2021	24	Security of the liabilities arising from the rental guarantee contract. The maximum amount of the liability will be successively reduced as the amount of the liability that is secured by the guarantee decreases.
Expiry	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.	30.06.2021	14 147	Guarantee securing exceeding the costs of performing Resi4REnt projects: Łódź Wodna, Wrocław Rychtalska, Warsaw Brewery, Wrocław Kępa.
Extension	Echo Investment S.A.	Tryton Business Park Sp. z o.o.	29.01.2021	1 220	Security for the liabilities arising from the lease contract concluded on 12.06.2018. Issued in EUR.
Extension and increase of value	Echo Investment S.A.	DH Supersam Katowice Sp. z o.o. Sp.K.	31.01.2021	383	Security for the liabilities arising from the lease agreement concluded on 28.02.2017. Issued in EUR.
Increase of value	Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K	Warburg-HiH Invest Real Estate GmbH	27.04.2021	966	Security of the liabilities arising from the rental guarantee contract. The maximum amount of the liability will be successively reduced as the amount of the liability that is secured by the guarantee decreases.

Explanatory notes to profit and loss account

Note 13

REVENUE STRUCTURE – TYPES OF ACTIVITIES [PLN ‘000]

	01.01.2021- 30.06.2021	01.01.2020- 30.06.2020
REVENUE FROM AGREEMENTS WITH CUSTOMERS	166 674	154 805
Sale of residential and commercial area	95 475	103 604
from related parties	-	46 465
- from joint-ventures	-	46 465
Property development services	33 883	34 910
From related parties	33 835	34 910
from subsidiaries	25 613	31 556
from joint-ventures	8 222	3 354
Sale of plots	18 418	4 477
From related parties	18 416	-
- from joint-ventures	9 845	-
- from subsidiaries	8 571	-
Legal, accounting, consulting and IT services	1 378	1 221
From related parties	1 378	1 221
- from subsidiaries	1 378	1 221
Financial, marketing, securing services and other revenue	17 520	10 593
From related parties	16 133	8 630
- from subsidiaries	15 195	8 047
- from joint ventures	932	583
- from key staff	6	-
REVENUES FROM LEASE	194	558
Leasing services	194	558
From related parties	15	15
- from subsidiaries	15	15
Total revenue	166 868	155 363
From related parties	69 777	91 241
- from subsidiaries	60 617	40 839
- from joint ventures	9 154	50 402
- from key personnel	6	-

The company did not sign agreements with affiliated entities on terms other than market terms. The agreements regarding significant transactions with affiliated entities implemented in H1 2021 were presented by the Company in additional explanations.

REVENUE - SUBLEASING [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Leasing services	-	364
Total	-	364

REVENUE RELATED TO DEVELOPMENT SERVICES AS AT JUNE 2021
[PLN '000]

Project	Targeted completion	Targeted revenue	Total value deferred revenue related to liabilities resulting from concluded agreements	Received advanced payments
Osiedle Bonarka Living I, Kraków	4 Q 2021	68 801	68 801	19 926
Osiedle Jarzębinowe VII, Łódź	completed	36 843	3	1
Osiedle Jarzębinowe VIII, Łódź	4 Q 2021	40 700	40 700	28 732
Nowa Dzielnica, Łódź	completed	30 264	951	34
Grota - Roweckiego 111 phase III, Wrocław	completed	16 232	44	-
Nasze Jeżyce, Poznań	completed	57 873	6 213	3 536
Nasze Jeżyce II, Poznań	3 Q 2021	64 399	64 399	48 805
Apartamenty Esencja, Poznań	completed	116 418	9 519	448
Ogrody Graua, Wrocław	completed	44 982	6 810	460
Other projects		2	2	357
Total		476 515	197 441	102 299

REVENUE RELATED TO DEVELOPMENT SERVICES AS AT 31 DECEMBER 2020
[PLN '000]

Project	Targeted completion	Targeted revenue	Total value deferred revenue related to liabilities resulting from concluded agreements	Received advanced payments
Osiedle Bonarka Living I, Kraków	IV Q 2021	68 400	68 400	6 363
Puszkarska R4R, Kraków	IQ 2021 - sale of land plot	5 969	5 969	5 969
Osiedle Jarzębinowe V, Łódź	completed	43 911	6	0
Nowa Dzielnica, Łódź	completed	30 200	1 535	1
Osiedle Jarzębinowe VII, Łódź	completed	36 661	4 857	2 690
Osiedle Jarzębinowe VIII, Łódź	IV Q 2021	39 302	39 302	12 111
Grota - Roweckiego 111 etap III	completed	16 232	60	0
Nasze Jeżyce, Poznań	II Q 2021	57 829	57 829	21 361
Nasze Jeżyce II, Poznań	II Q 2021	64 200	64 200	18 059
Apartamenty Esencja, Poznań	completed	116 366	38 110	15 204
Ogrody Graua, Wrocław	completed	47 207	19 094	1 333
Other projects		2	2	162
Total		526 279	299 364	83 253

Total value of revenues to be recognized in the future related to obligations to perform the contract sale of residential and commercial space resulting from contracts signed as at the balance sheet amount of June 30, 2021 amounts to PLN 197,441 thousand, of which the Company received, by the balance sheet date,

advances in the amount of PLN 102 299 thousand. These revenues will remain recognized at the time of issue to the real estate buyer, upon completion of construction and obtaining the necessary administrative decisions as follows on average after a period of about 1 to 3 months after completion construction.

REVENUES - GEOGRAFIC STRUCTURE [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Poland	166 868	155 363
- including from related entities	69 777	91 241
Abroad	-	-
- including from related entities	-	-
Net revenue from sale of products	166 868	155 363
- including from related entities	69 777	91 241

OTHER REVENUE [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Released provisions	2 124	1 903
- due to receivables	-	-
- due to expected costs	2 124	1 903
Other, including:	9 175	185
- contractual penalties	-	183
- profit from sale of debt	9 015	-
- revenue from sale of non-financial non-current assets	34	2
- other	126	-
Interest and actualization of borrowings and bonds	19 222	24 011
From related parties, including:	19 222	24 011
- from subsidiaries	15 446	21 847
- from joint-ventures	3 776	2 164
Other interests	-	39
From other entities	-	39
Total	30 521	26 138

OTHER OPERATING INCOME FROM DIVIDENDS AND SHARES IN PROFITS [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
From related parties including:	54 437	79 343
- from subsidiaries	54 437	79 343
Total	54 437	79 343

Note 15A

FINANCIAL INCOME FROM INTEREST [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Other interest		
- from other entities	-	55
Total	-	55

Note 15B

OTHER FINANCIAL INCOME [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Foreign exchange gains	4 215	8 769
Profit on sale of interests	6 278	-
Profit on interests redemption and certificate	-	1 709
Revaluation of derivative financial instruments	4 368	
Total	14 861	10 478

Note 16

INCOME TAX - EFFECTIVE TAX RATE [PLN '000]

	1.01.2021- 30.06.2021	1.01.2020- 30.06.2020
Profit before tax	30 256	65 055
Income tax according to the national rates 19%	5 749	12 360
Dividends received	(8 740)	(9 589)
Distribution of profit from limited partnerships (S.K.)	(1 603)	(5 486)
Company's tax burden relative to the result of limited partnerships (subsidiaries)	146	5 664
Representation costs and other non-deductible costs during the year	4 569	6 933
Provision for expected cost	(404)	(361)
Measurement of interests of a subsidiary representing a permanent difference	23	622
Write-downs on loans granted and bonds purchased due to which deferred tax was not recognised	400	(324)
Movements in the measurement of other items	400	(1 268)
Charges on the financial result due to income tax	540	8 551

INFORMATION ON FINANCIAL INSTRUMENTS [PLN '000]

Type of instrument	Note	Classification according to IFRS 9	Balance value	
			at 30.06.2021	at 31.12.2020
FINANCIAL ASSETS				
Long-term and short-term financial assets				
Bonds		amortized cost	457 464	495 221
Borrowings and receivables			1 251 626	1 288 686
Long-term borrowings	4	amortized cost	1 070 627	954 425
Short-term borrowings	7	amortized cost	153 108	294 909
Trade payables		amortized cost	26 880	38 342
Leasing		amortized cost	1 010	1 010
Cash and other monetary assets			122 509	149 881
Other financial assets		amortized cost	15 922	42 444
Cash and cash equivalents		amortized cost	106 587	107 437
FINANCIAL LIABILITIES				
Other financial liabilities			2 012 667	1 761 996
Liabilities due to issue of debt securities	8,10	amortized cost	1 591 558	1 366 350
Trade liabilities	9	amortized cost	26 438	26 389
Borrowings	8,10	amortized cost	196 967	208 179
Loans	8,10		178 638	137 981
Leasing	9	amortized cost	19 066	23 097

IFRS 9, which replaced IAS 39, defines three categories of financial assets, depending on the business model in terms of asset management and the characteristics of cash flows resulting from the agreement:

- assets measured after initial recognition at amortized cost - if financial assets are held according to the business model, the purpose of which is to maintain financial assets to obtain cash flows arising from the agreement and the contractual terms relating to those financial assets give rise to cash flows that are only repayment of the principal and the interest;

- assets measured after initial recognition at fair value through other comprehensive income - if financial assets are held according to the business model, the purpose of which is both to maintain financial assets to obtain contractual cash flows and to sell financial assets and the contractual terms relating to those financial assets give rise to cash flows, which are only repayment of the principal and the interest;
- assets measured at fair value through the profit and loss account - all other financial assets.

The fair values of financial instruments do not differ significantly from their carrying amounts.

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

In response to the expected reform of the reference rates (IBOR reform) Rada ds. Międzynarodowych Standardów Rachunkowości published a second part of the amendments to MSSF 9, MSR 39, MSSF 7, MSSF 4 and MSSF 16. The amendments relate to issues accountants, that will appear the moment, when IBOR- based financial instruments will switch to new interest rates. The changed introduce a number of guidelines and exemptions, especially practical simplification in case of modification of contracts required by the reform to be captured by updating the effective interest rate, exemption from the obli-

gation to complete accounting security, temporary relief from necessity identification of the risk component as well as the obligation posting additional disclosures. These changes have been reviewed by the Management Board of the Company and have no significant impact on the financial situation and results the activities of the Company, or the scope of information presented in the interim condensed financial statements. The company has not made a decision about early application of any of the standard, interpretation or amendment, that has been published, but has not yet entered into force.

Note 18

Due to the specificity of the Echo Investment group, the impact of the COVID - 10 pandemic on Echo Investment S.A. should be viewed from the perspective of the whole group. The impact of the pandemic on the group's operations is described in part 22 of the Report of the Management Board "Impact of the COVID - 19 pandemic on the operations of Echo Investment Group".

INFORMATION ON FINANCIAL STATEMENT OF ECHO INVESTMENT S.A.



DECLARATION OF CONFORMITY

The condensed standalone financial statement of Echo Investment S.A. presenting financial data for the first half of 2021, covering the period from 1 January 2021 to 30 June 2021 have been drawn up in accordance with IAS 34 "Interim Financial Reporting" endorsed for use in the European Union.

The condensed standalone financial statement of Echo Investment S.A. presents financial data for the 6-month period ending on 30 June 2021 and comparative data for the 12-month period ending on 31 December 2020 and for the 6-month period ending on 30 June 2020.

This financial statement was prepared with the historical cost principle with the exception of investment property, which was measured at fair value. The reporting currency in the financial statements and the functional currency of Echo Investment S.A. is Polish zloty (PLN). Unless indicated otherwise, all financial data in the Company's financial statements has been presented in thousand zlotys (PLN).

ASSUMPTION OF CONTINUITY IN OPERATIONS

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

The estimate of net working capital (current assets less current liabilities) for Echo Investment S.A. as at 30 June 2021 is negative and amounts to PLN -484 million. However, the Management Board does not identify any risks that may affect the Company's ability to continue its activities. This calculation is only to technically indicate this item. The Company's stability should always be considered in relation to the situation of the entire Echo Investment Group, i.e. including subsidiaries that perform a significant part of the Group's activities and, as a result - with regard to the possibility of distributing profits from subsidiaries to Echo Investment S.A.

By adjusting current assets for the distribution of funds from the sale of the Malthouse Offices in the Warsaw Breweries complex, and taking into account possible distributions of funds related to projects for sale in 2021 (My Place, Face 2 Face), and considering a planned rollover of bonds and working capital loans maturing within the next year, the Company can easily achieve a positive multi-million net working capital.

APPROVAL OF FINANCIAL STATEMENTS

The Company drew up the Separate Financial Statement for the half year ended 30 June 2021, which was approved for publication on 22 September 2021. The Management Board of the Company has used its best judgment regarding the application of standards and interpretations, as well as the methods and principles of measurement of individual items of separate financial statements.

Significant contracts concluded with related entities

02

According to the Echo Investment S.A. Group's strategy for building shopping centres, office buildings and selected residential buildings through a sepa-

rate subsidiary, a large portion of Echo Investment's transactions is concluded with related parties.

MATERIAL AGREEMENTS CONCLUDED WITH RELATED ENTITIES AND PERFORMED IN H1 2021 ['000 PLN]

Subject of the contract - liability of Echo Investment S.A.	Contractor – investor	Contractual amount
Investment project management agreement - construction of the office complex Biura przy Warzelni, in Warsaw on ul. Grzybowska, GH Office Building	Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K.	2 631
Financial intermediation agreement	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.K.	7 422
Comprehensive project management and provision of advisory services in all matters related to the construction of the building Face2Face II in Katowice	Face2Face - Stranraer Sp. z o.o. SKA	1 463
Investment project management agreement - construction of office project with underground parking in Warsaw on ul. Beethovena	Projekt Beethovena-Projekt Echo - 122 Sp. z o.o. SKA	2 007
Investment project management agreement - construction of residential complex Stacja Wola I in Warsaw on ul. Ordonia	Projekt Echo 136 Sp. z o.o. Sp.K.	1 332
Comprehensive project management - construction of office complex MidPoint71 in Wroclaw on ul. Powstańców Śląskich	Midpoint 71 - Cornwall Investments Sp. z o.o. SKA	3 575
Investment project management agreement - construction of residential complex KRK II in Cracow on ul. Zapolska	RPGZ IX Sp. z o.o.	1 124
Investment project management agreement - construction of residential complex Stacja Wola II in Warsaw on ul. Ordonia	Projekt Echo 136 Sp. z o.o. Sp.K.	1 223
Financial intermediation agreement	Galeria Nova - Grupa Echo Sp. z o.o. SKA	1 270
Investment project management agreement - construction of office project Fuzja CD in Łódź on ul. Tymienieckiego	Projekt Echo 130 Sp. z o.o.	1 869
Agreement on the transfer of the right of perpetual usufruct of real estate located in Poznań on ul. Garbary	Gosford Investments Sp. z o.o.	8 571
Comprehensive project management - construction of office complex Brain Park in Krakow on al. Pokoju	Echo - Arena Sp. z o.o.	1 236
Investment project management agreement - construction of residential complex Fuzja A in Łódź on ul. Tymienieckiego	Elektrownia RE Sp. z o.o.	1 084

Listed above transactions with related entities concern subsidiaries.

TRANSACTION WITH RELATED ENTITIES AS AT 30 JUNE 2021
['000 PLN]

Related entity	Sales	Purchase	Receivables	Write-down	Liabilities
Subsidiaries	60 617	7 788	16 964	2	5 211
Joint-ventures	9 154	11 692	2 600	-	-
Shareholders	-	8 331	-	-	1 899
Management Board	6	-	-	-	-
Total	69 777	27 811	19 564	2	7 110

TRANSACTION WITH RELATED ENTITIES AS AT 31 DECEMBER 2020
['000 PLN]

Related entity	Sales	Purchase	Receivables	Write-down	Liabilities
Subsidiaries	85 201	12 406	25 432	6	1 937
Joint-ventures	56 453	863	2 600	-	-
Shareholders	-	14 800	-	-	1 517
Management Board	1	-	-	-	-
Total	141 655	28 069	28 032	6	3 454

Methods of determining the financial result

03

Methods for determining the financial result as at 30 June 2021 are not changed compared to the last audited financial report as of 31 December 2020.

Estimates of the Company's management board

04

Estimates of the Company's management board as at 30 June 2021 are not changed compared to the last audited financial report as of 31 December 2020.

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, 22 September 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 H1 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 Management Board of Echo Investment S.A. declares that the entity authorised to audit financial statements, auditing the annual financial statements for H1 2021, was selected in accordance with the laws. This entity and the statutory auditors conducting the audit fulfilled the conditions required to express an unbiased and independent opinion on the audited annual financial statements, pursuant to the applicable laws and professional standards.

The document is signed with qualified electronic signature

Nicklas Lindberg
President of the Board, CEO

Maciej Drozd
Vice-President of the Board, CFO

Artur Langner
Vice-President of the Board

Rafał Mazurczak
Member of the Board

Małgorzata Turek
Member of the Board

Kielce, 22 September 2021

CONTACT

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00-844 Warsaw

ECHO
investment



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