

FINANCIAL REPORT OF ECHO INVESTMENT

Q3 2019



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Dear Shareholders, Partners and Clients,

It is with great pleasure that I present Echo Investment's financial report for the third quarter of 2019, highlighting our financial standing, explaining targets to be achieved until the end of the year and our ambitious expansion plans for coming years.

We are happy that the results for Q3 2019 were higher than the market expectations. The obtained net profit of PLN 49 million results from 515 apartments handed over to clients, increase in the value of office projects under construction, such as two buildings of Warsaw Brewery and Face2Face complex in Katowice, as well as the sale of O3 Business Campus III in Kraków.

In October, the main shareholders informed Echo Investment on their intention to sell all shares they possess to the Hungarian real estate company Wing. The transaction is subject to approval by the Polish antimonopoly authority. I am glad to share with you that Noah Steinberg, CEO of Wing, stated that they are happy with Echo Investment's strategy, management and development plans.

Multifunctional 'destination' projects

I am excited about the progress of Warsaw Brewery that will be finished and put into full operation next year. We devote a lot of attention to the squares, restaurants in the historical cellars creating a food hall and the greenery that will not only invite people to meet there but will also create a central point of Warsaw's Wola district. The news that historical malthouse in the centre of the project will turn into a restaurant was very well received, as Robert Lewandowski, a great football player and an internationally renowned ambassador of today's Poland is one of the restaurant's investors. I assure you that we have in our pipeline many more interesting news on the District of Meetings and Flavors that we are creating here. I warmly encourage you to visit the place already next year.

Construction works at Łódź-based Fuzja are proceeding according to the schedule. Its apartments' offer met with big interest from clients. In recent days we have received the building permit for the first office building in this complex and we intend to start the construction works already next year. Last summer, we started to revitalize the facade of the historic power plant which is the most precious heritage building of the whole area and will be the heart of this project.

Residential

The achievement of this year's company targets, meaning sales of 1,300 apartments and handovers of 1,250 apartments is close as until the end of October we sold 1,089 and handed over 841 units. In Q3 2019 Echo Investment sold 295 apartments which was over 80% more than in Q3 2018. We also handed over 515 to clients in this period – over two times more than in Q3 2018. It's worth emphasizing that at the same time we continue to keep a healthy margin on our projects. Higher sales comparing to the previous year are caused by regular extension of the offer. Since the beginning of the year, Echo Investment has launched nine projects with nearly 2,000 apartments.

To develop our residential business, since the beginning of 2019 Echo Investment has purchased land in Kraków, Wrocław, Poznań, Łódź and Warsaw, where about 2,000 apartments can be developed. One of them was a very attractive plot in Warsaw, near Kabaty metro station. A significant part of plots secured with preliminary agreements (mainly in Warsaw and Kraków) is also intended for residential project – we can build on them c.a. 2,500 units. They include, among others, a plot near Domaniewska, Wołoska and Postępu streets in Warsaw. The large scale of acquisitions shows our determination to strengthen even more our position on the market.

Resi4Rent

Our residential-for-rent platform made a breakthrough in Q3: the first project Rychtalska in Wrocław was granted an occupancy permit in September and in October another project - Wodna in Łódź - was also finished. Both projects are now in the process of leasing and enjoy great interest of prospective clients. At the beginning of 2020 the platform will receive an occupancy permit for the Kępa Mieszczańska project in Wrocław. After this Resi4Rent will manage over 790 ready units in those three locations.

The platform is growing and expanding its reach. From the beginning of the year, the company started construction of four projects with 1,063 units in total. The strategic goal of Resi4Rent is to develop a platform of 7,500 apartments for rent by 2024.

Office

At the end of the third quarter of 2019, Echo Investment had seven office buildings under construction with a total leasable area of 140,000 sqm. From the beginning of 2019, the company's Office Department has signed lease agreements for 60,000 sqm. The annual target of leasing amounts to c.a. 100,000 sqm and to fulfil the target, we have very negotiations with prospective tenants ongoing.

The construction works on the first phase of Face2Face Business Campus in Katowice are on the final stage and in January 2020 the first tenants will move into the building. Echo Investment has signed lease agreements with such companies as Medicover Polska, DAZN, Perform Stats and Honeywell, and the building is leased in almost 93%. The construction of the second building of the complex are carried according to the schedule and the building is commercialized in 50%. Advanced negotiations with potential tenants to lease out all remaining space are very promising.

Retail and entertainment

The most important and notable success of Echo Investment's retail property department in Q3 2019 was to enter into a lease agreement on the historic Malthouse building in Warsaw Brewery. Robert Lewandowski, the captain of the Polish national football team and his business partners will soon open a restaurant here. The interest of other potential tenants for remaining retail space of Warsaw Brewery is huge and we are in advanced discussions on all premises in this fantastic project.

The third quarter of 2019 was full of good news for clients of Galeria Młociny. The international retail chain Primark also confirmed in July its presence in Galeria Młociny and their store in our scheme will be their first location in Poland. Moreover, 40 new brands extended Galeria Młociny's offer in stores opened in August and September. The project is 97% leased which proves its value and potential.

Financial standing

Echo Investment enjoys a very stable financial situation and a low net asset-to-debt ratio, which as at 30 September 2019, was at 25%. The Group maintains a high cash balance: over PLN 500 million at the end of Q3.

The value of our projects under construction increased over the last four quarters by 18%, while increase of residential assets amounted to as much as 53%. This is in line with our strategy to increase the exposure to the residential market and to obtain a better diversification of the company's portfolio.

Thanks to the strong liquidity, we are able to enlarge our land bank to secure our future growth. Since the beginning of the year Echo Investment has acquired plots for over 170,000 sqm of the usable space at the value of almost 70 million EUR.

I encourage you to study in detail our financial report for the third quarter of 2019.

Yours sincerely



Nicklas Lindberg
CEO of Echo Investment

CHAPTER 1

MANAGEMENT REPORT



General information about the Company and its Group

1996

Incorporation of Echo Investment



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 23 July 1992. 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 Company was established for an indefinite period of time.

The Management Board of Echo Investment S.A

Nicklas Lindberg
President of the Board, CEO



Maciej Drozd
Vice-President of the Board,
CFO



Artur Langner
Vice-President of the Board



Marcin Materny
Member of the Board



Rafał Mazurczak
Member of the Board



Waldemar Olbryk
Member of the Board



Małgorzata Turek
Member of the Board



The Supervisory Board of Echo Investment S.A.



Karim Khairallah
Chairman of the Supervisory Board

Laurent Luccioni
Deputy Chairman of the Supervisory Board



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



Maciej Dyjas
Supervisory Board Member



Stefan Kawalec
Independent Supervisory Board Member
Chairman of the Audit Committee



Nebil Senman
Supervisory Board Member
Audit Committee Member



Sebastian Zilles
Supervisory Board Member

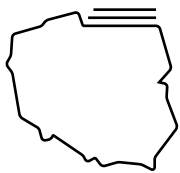


Strategy of Echo Investment Group

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

Echo Investment will accelerate the capital turnover and therefore generate higher returns for its shareholders. The Company intends to share profit in the form of regular dividends.

STRATEGY OF ECHO INVESTMENT



POLAND

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



LEADERSHIP

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



FOCUS ON DEVELOPMENT

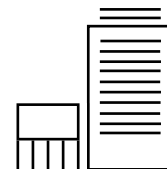
The focus of the adopted strategy model is on development activities, which include land acquisition, construction, lease, active management to increase the market value and then sale of finished project in optimal time for the possible return ratio, capital management, market expectations and trends.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



STRATEGIC COOPERATION WITH RELIABLE PARTNERS

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

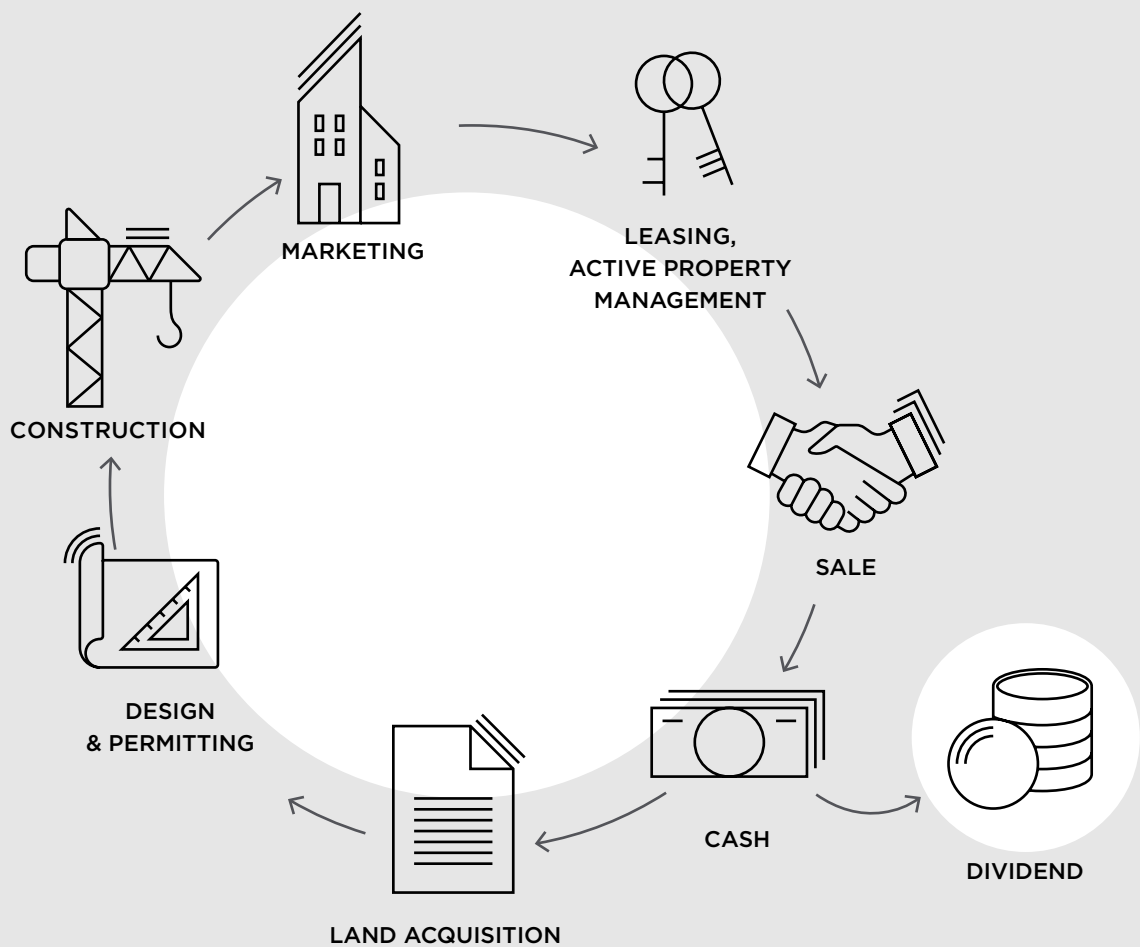
significant capital expenditures, providing its partners with services such as development, planning, leasing, accounting etc. Partners may also be offered by Echo with priority to acquire ready projects on market conditions. Material agreements between Echo Investment and its partners need to be discussed and approved by the Supervisory Board.



DESTINATION PROJECTS

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

Business model



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

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

Group falls into the following categories:

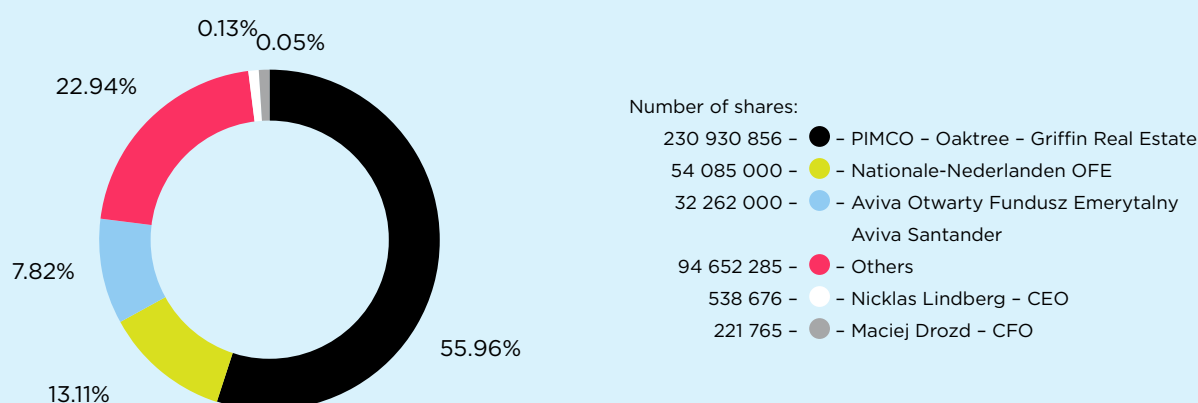
1. construction, lease, active property management to increase its value and sale of office buildings,
2. construction, lease, active property management to

increase its value and sale of retail buildings,

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

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

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



4.1 Description of shares

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

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

4.2 Shareholding structure

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

Echo Investment S.A. received notification from Echo Partners B.V. and WING IHC Zrt, that on 16 October 2019, entities entered into a preliminary share purchase agreement relating to the acquisition of 100% of the shares in Lisala sp. z o.o., which holds 230,930,856 shares in the Company constituting 55.96% of the share capital of the Company. Pursuant to the

notification, the completion of the Transaction is conditional on the obtainment of a decision of the President of the Office of Competition and Consumer Protection (Prezes Urzędu Ochrony Konkurencji i Konsumentów) granting consent to the carrying out of the concentration consisting of the Transaction.

Data concerning the shareholding structure as at the balance sheet day result from information on shareholders participating in the Ordinary General Meeting of Echo Investment S.A. of 25 June 2019 and notifications sent to the Company by members of the Management Board.

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

To the best of the Company's knowledge, among the persons in charge of Echo Investment S.A. management or supervisory functions, the shareholders of the Company are only Nicklas Lindberg, CEO and Maciej Drozd , CFO.

To the best of the Company's knowledge, none of the other members of the Management Board or the Supervisory Board is a shareholder of the Company directly or indirectly as at the date of publication of the report, none of them was a shareholder on 30 September 2019, as at the balance sheet day and since the beginning of 2019, and none of them concluded any transactions for shares in the Company.

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

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

Major events in Q1-Q3 2019



Fuzja Project in Łódź

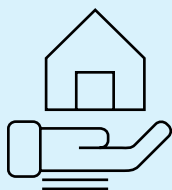
5.1 Starting the multifunctional project Fuzja on Tymienieckiego street in Łódź

Echo Investment has started construction of the new multifunctional project Fuzja in Łódź on Tymienieckiego street. It will be carried out at 7.7 hectares of land occupying the former textile factory of Karol Scheibler in Księży Młyn, which the company purchased in 2017. The city adopted a spatial development plan for this area in 2018, whereas a building permit for the first investment phase - two buildings with approx. 270 apartments became effective on January 2019. Their construction and sale started in April and until the end of November, Echo Investment has sold over 100 units in the project, what confirms its great potential. The first residents will be able to move in at the beginning of 2021. Simultaneously with the completion of the first phase, a public square will be built in front of the power plant and access from Tymienieckiego street. The heart of this area will be the building of the former heat and power plant, which will be adapted to new functions. The reconstruction works on this historical building started this summer.

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

complex will consist of 20 buildings, 14 of which are historical buildings, under conservation protection. The development plan precisely specifies conservation requirements, and at the same time it leaves great flexibility as to the future functions of the buildings. As part of the investment, there will also be city squares, common spaces and green areas, the total area of which will be almost 4 ha. Users of this area will have access to amenities such as parking spaces adapted to car sharing services, bicycle paths, bike service stations, parcel machines or publicly available electric loaders. The architectural design is being created in the Medusa Group studio. Fuzja project on Tymienieckiego street is another multifunctional investment after Warsaw Brewery and Moje Miejsce in Warsaw, in which Echo Investment can use experience in various sectors of the real estate market.

Fuzja Project in Łódź



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

The Company placed 188,315 J-series bonds and 150,000 J2-series bonds, which were issued on the basis of the Prospectus approved by the Polish Financial Supervision Authority on 16 April 2018. The total issue value of the placed bonds was PLN 33,831,500. The subscription for J-series bonds lasted from 18 February to 1 March 2019, while J2-series bonds from 18 February to 25 February 2019. The allocation of the bonds took place on 5 March 2019. The interest rate on J-series and J2-series bonds is based on the WIBOR 6M rate increased by a 3.4% margin. The bonds have a 4.5-year maturity. The offering was organized by Dom Maklerski PKO Banku Polskiego and the consortium of Noble Securities S.A., Michael / Ström Dom Maklerski S.A. and Dom Maklerski Bank Ochrony Środowiska S.A.

5.3 Completion of the sale of Gatehouse Offices - the first office building of the Warsaw Brewery complex

On 29 March 2019, GLL Real Estate Partners signed an agreement with Echo Investment for the purchase of Gatehouse Offices - the first office building of Warsaw Brewery. The final sale price of the office building will amount to EUR 76.8 million, after meeting certain conditions. According to the agreement, the sale price is to be paid in two tranches. The first tranche in the amount of EUR 38.6 million net was paid immediately after the conclusion of the agreement, while the remaining part of the price - after meeting the conditions set by the parties - on 3 July 2019. Together with the first tranche, the purchaser paid the amount of VAT on the entire sale price. Along with the sale agreement, the parties entered into agreements for quality guarantee of the building and rent guarantee, according to which the purchaser is compensated for the loss of operating income resulting from incentives for tenants. The Gatehouse office building received the occupancy permit in the fourth quarter of 2018. It offers 15,700 sqm of space, occupied mainly by L'Oréal Polska, EPAM Poland and WeWork.

Warsaw Brewery is an area between Grzybowska, Wronia, Chłodna and Krochmalna streets, which Echo Investment will reweave into the urban fabric. It will be a new urban quarter, open to all, formed by a potpourri of residential buildings, office buildings and public squares, rest and recreation places, cafes, restaurants and shops.

5.4 Issuance of bonds for institutional investors

As part of the Bond Issuance Programme of up to PLN 1 bln of 2011, which was signed with mBank, Echo Investment issued coupon bonds with a total value of PLN 100 mln on 11 April 2019. The nominal value and the issue price of one bond was PLN 10,000. The bonds were issued for the period ending on 11 April 2023. The interest rate on the bonds was determined based on the variable WIBOR 6M rate plus a margin for investors. The redemption of the bonds on the redemption date will be at the nominal value of the bonds. The interest will be paid semi-annually. The issued bonds are not secured. At the same time, the Company acquired 1,000 own bonds marked with the ISIN code PLECHPS00159 for redemption.

5.5 Obtaining the loan of EUR 87 mln for the construction of two office buildings at Warsaw Brewery

Bank Pekao has granted Echo Investment a loan of EUR 87 mln for the construction of Villa Offices and Malthouse Offices - two office buildings being developed at the Warsaw Brewery complex at Grzybowska street in Warsaw. According to the agreement signed on 25 April 2019, the loan is divided into two tranches. The first one amounts to EUR 54.8 mln of a construction loan and PLN 10 mln of a VAT loan, while the second one - to EUR 32.6 mln of a construction loan and PLN 7 mln of a VAT loan. The loan was granted for a period of 24 months from the date of commissioning, but no longer than until 31 December 2022. The construction loan, after completing the construction of projects, will be transformed into an investment loan of the same amount. It will be granted for 5 years from commissioning, however not longer than until 31 December 2027. Investment and construction loan amounts bear interest at a variable EURIBOR rate, increased by a margin, while a VAT loan - at a variable WIBOR interest rate plus a margin. The agreement provides for an obligation to meet conditions suspending a payment of loans, including establishing collateral that are standard in this type of transactions.

Villa Offices and Malthouse Offices, being financed by Bank Pekao, have a total of 46,000 sqm of leasable space, their construction started last year and their completion is scheduled for 2020.

EUR **76.8** mln

The target amount of the sale transaction of Gatehouse Offices

PLN **100** mln

The value of bonds placed for institutional investors in the second quarter of 2019



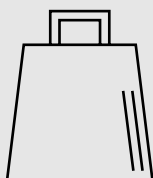
Gatehouse Offices building
of the Warsaw Brewery
complex in Warsaw



5.6 Loan agreement for the construction of West 4 Business Hub in Wrocław

Bank Millennium has concluded an investment loan agreement with Echo Investment in the amount of more than EUR 20 million for the construction of the West 4 Business Hub office building in Wrocław. West 4 Business Hub will be the continuation of West Gate and West Link office buildings that have already been developed at Na Ostatnim Groszu street and successfully leased and sold. The construction of the first office building of the West 4 complex was launched at the end of 2018. The new project West 4 will offer over 80,000 sqm of office space. The first building will have over 15,500 sqm of space. Its construction is in line with the schedule.

The first West 4 building is planned for use in the third quarter of 2020. The architectural office Maćków Pracownia Projektowa is responsible for the design. Echo Investment in Wrocław has been present for 12 years. The developer has built, leased and sold five office buildings here: Aquarius, Sagittarius, Nobilis, West Gate and West Link.

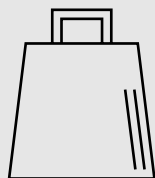


Grand opening of Galeria Młociny in Warsaw

5.7 Opening of Galeria Młociny in Warsaw

After three years of construction, on 23 May 2019, Echo Investment and EPP opened Galeria Młociny at Zgrupowania AK “Kampinos” street in Warsaw. The project has nearly 85,000 sqm of leasable space, of which 76,000 sqm for retail and gastronomy, and 6,000 sqm of office space that was leased by Inter Cars. The architectural design of Galeria Młociny was developed by two architectural design studios - Kuryłowicz & Associates and Chapman Taylor. The general contractor was Erbud, while the financing was provided by a consortium of banks Santander, PKO Bank Polski, mBank and Bank Gospodarstwa Krajowego. The complex includes 220 stores and nearly 50 restaurants and cafes, a medical centre and the first multiplex cinema in Bielany. Among renowned brands present in Galeria Młociny, it is worth mentioning Inditex group (Zara, Zara Home, Oysha, Massimo Dutti, Bershka, Stradivarius, Pull & Bear), H&M, Van Graff, TK Maxx, C & A, CCC, Media Markt and RTV Euro AGD. Brands such as Gagliardi, Sloggi or Mayoral Premiere stores also will open their stores. The international retail chain Primark also confirmed in July its presence in Galeria Młociny. The store at Galeria Młociny will be the first location in Poland. The chain has leased 5,700 sqm (of which 3,700 to be retail space).

Galeria Młociny was developed right next to the Młociny transport interchange - within easy reach of Warsaw, with direct access to the metro station, several tram lines, city, suburban and country bus lines, a bicycle station and a P&R car park. It is the most important transport hub of the northern part of the city and neighbouring towns that is used by over 24 mln passengers every year. Galeria Młociny's investors are EPP (70% of shares) and Echo Investment (30% of shares). EPP manages the newly-opened complex, while Echo Investment was fully responsible for the development and lease process.



5.8 Ordinary General Meeting of Shareholders

The Ordinary General Meeting of Shareholders (OGMS) of Echo Investment S.A. took place on 25 June 2019 in Warsaw. It was attended by shareholders holding in total 77.9% of shares and votes.

The agenda of the Ordinary General Meeting of Shareholders included the following items:

1. Review and approval of the Management Board Report on Operations of Echo Investment S.A. and its Group in 2018;
2. Review and approval of the financial statements for the financial year 2018;
3. Review and approval of the consolidated financial statements for the financial year 2018;
4. Decision on the allocation of the undistributed financial result (profit) from previous years;
5. Decision on the distribution of the profit for 2018;
6. Granting discharge to members of the Management Board and the Supervisory Board;
7. Determining the number of members of the Supervisory Board of the Company for the new term;
8. Appointment of the Supervisory Board.

In accordance with the proposed resolutions, the shareholders reviewed and approved the Management Report on the Operation of Echo Investment S.A. and its Group in 2018, the financial statements for the financial year 2018 and the consolidated financial statements for the financial year 2018.

The undivided financial result (profit) from previous years in the amount of PLN 2,243,582, resulting from the change in the accounting policy applied by the Company, was allocated by the Ordinary General Meeting of Shareholders to the Dividend Fund.

The net profit achieved in the completed financial year 2018 in the amount of PLN 42,431,650.15 was allocated to distribute among all shareholders on the following principles:

1. The profit allocated for distribution increased by PLN 163,913,640.85 from the Dividend Fund (PLN 206,345,291 in total) was allocated for distribution among all shareholders of the Company as the dividend.
2. The amount of PLN 206,345,291 paid by the Company on 19 December 2018 as an advance for dividend for the financial year was included on the dividend basis.

As the dividend corresponded to the amount of the dividend advance payment, the shareholders decided that the Company would not pay any additional funds from the profit for the financial year 2018.

The Ordinary General Meeting of Shareholders granted discharge to all members of the Management Board and Supervisory Board and then determined the number of members of the Supervisory Board of the new term to be seven and appointed all members of the Supervisory Board of the previous term of office for the new term of office.

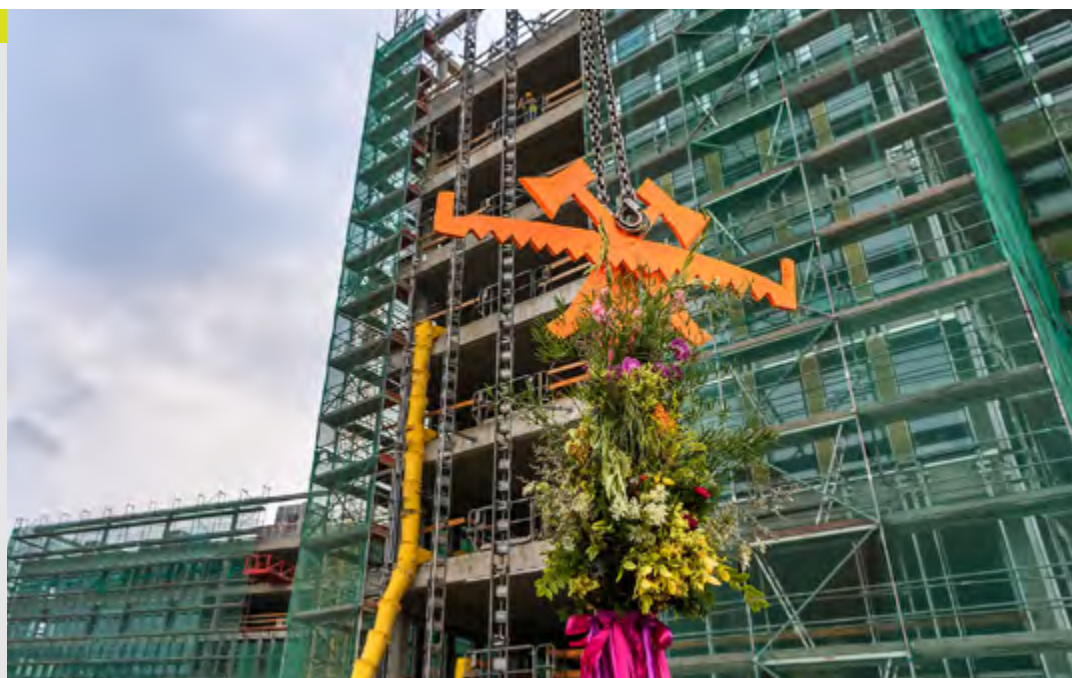
5.9 The loan for the construction of the Face2Face Business Campus office complex in Katowice

On 3 July 2019, Bank Pekao granted Echo Investment nearly EUR 65 million in construction and investment loans and PLN 18 million in VAT loans. Pursuant to the agreement, the total financing period ends on 31 December 2023. Amounts of the investment and construction loans bear interest according to the variable EURIBOR interest rate, while the VAT loan amount bears interest according to the variable WIBOR interest rate.

The construction work at the Face2Face Business Campus office complex in Katowice at Grundmann street is carried out in line with the work schedule. In July, the first building reached its maximum height and its leasing comes to the end. Tenants will move into the first Face2Face building in the fourth quarter of 2019. The advancement of the lease and the interest of companies decided that in the fourth quarter of 2018 Echo Investment began the construction of the second phase, which will be ready a year in Q4 2020. Ultimately, around 5,000 people will work in both buildings of the complex.

Face2Face Business Campus is another - after A4 Business Park - the Echo Investment's office complex, which is being built in Katowice. It consists of two office buildings - a 7-storey building with an area of 20,000 sqm and a 15-storey tower with an area of 26,000 sqm. The distinguishing feature of this project is the multifunctional and customised development of outdoor areas, where there will be, among others, a basketball court, a dinner zone or a relaxation zone.

Construction of Face2Face
Business Campus office complex
in Katowice



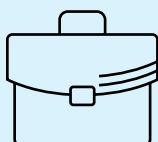
5.10. The loan for the construction of the first React office building in Łódź

On 31 July 2019, Echo Investment obtained a loan for the construction of the first office building of the React complex, which is being built in Łódź at the corner of Piłsudskiego avenue and Kilińskiego street. The project is financed by BNP Paribas Bank Polska.

Pursuant to the loan agreement signed, the bank granted Echo Investment a EUR 19.2 million construction loan as well as a PLN 4 million VAT loan. The total financing period ends 1 December 2022.

The construction of the first phase of the React office complex at the corner of Kilińskiego street and Piłsudskiego avenue in Łódź, with an area of nearly 15,000 sqm, was started this spring. The entire office complex will offer nearly 50,000 sqm, and the first employees will start working in new offices in the second half of 2020.

React office building
in Łódź



5.11 Implementation of Risk Management Policy

As part of improving corporate governance standards, in July 2019, the Echo Investment Group implemented a Risk Management Policy. The policy describes the objectives of risk management, its place within the management system, and the responsibility and the rights of people involved in the process. The Management Board of Echo Investment S.A. is responsible for the overall risk management, in cooperation with the Supervisory Board and the Audit Committee.

The main goal of the Risk Management Policy is to provide sustainable and stable economic growth of the Group and to promote a proactive approach to reporting, estimating and managing risks related to the Group's operations. The Risk Management Policy formalises and presents in a structured manner the approach to risk management in the Echo Investment Group expected by the Management Board.

Works related to updating the existing risk management procedures in the Echo Investment Group to the guidelines of the Risk Management Policy were started in the second quarter of 2019 and will be continued in 2019 and 2020. Currently, the Group is working on updating IT management systems to expand the functionality of existing systems reporting and assessing risks being identified connected to the implementation of development projects.

5.12 Conditional real estate purchase agreement in Warsaw

On 14 August 2019, Echo Investment signed preliminary contracts for the purchase of perpetual usufruct rights to land and ownership of buildings, constituting a separate object of ownership, located in Warsaw near Domaniewska, Wołoska and Postępu streets. The properties are dedicated to residential development. MBP 1 Sp. z o.o. and MBP 2 Sp. z o.o., which

are part of the Immofinanz group are the sellers. The total area of land properties that are the subject of the transaction is about 50,000 sqm. The total net price will be at least PLN 208 million. The conclusion of promised agreements should take place no later than in 2020 and 2021, after meeting the conditions reserved in the preliminary contracts.

5.13 Sale of O3 Business Campus III office building in Kraków

EPP and Henderson Park on 11 September 2019, have purchased from Echo Investment the third building of O3 Business Campus located in Krakow and are now the owner of the whole complex. The joint venture paid for the building EUR 40,3 mln upon closing. Targeted selling price will amount to EUR 47,2 mln (increased by VAT), and will reflect a reduction by the value of certain fit-out works remaining to be completed within the tenants' areas as stated in the signed lease agreements, the value of technical defects, and the value of transaction costs. Echo Investment may obtain additional payments related to the completion of fit-out works within the tenants' areas and with the removal of technical defects in the total amount of nearly EUR 7 million plus VAT.

O3 Business Campus III occupies an area of 18.9 thousand square meters. Its office space is occupied by the Polish operator of serviced offices City Space, the Lux Med medical centre, EPAM Systems Poland, Danish Crown and Mota Engil. Talks about additional rentals are in the advanced stage.

The sale of the O3 Business Campus III office location is the result of a preliminary agreement signed in 2016 in which EPP purchased 7 office buildings from Echo Investment with a total lease area of 112 thousand square meters. Two of the three buildings in the O3 Business Campus became part of EPP's portfolio in 2016 and 2017. In June 2019 they became part of a portfolio owned by a joint venture between Henderson Park and EPP.

EUR **47,2** mln

Targeted value of O3 Business
Campus III sale transaction

O3 Business Campus complex in
Kraków



5.14 Advanced dividend from the 2019 profit

The Management Board of Echo Investment adopted on 11 September 2019 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2019 to its shareholders. The total amount of the advance dividend amounts to PLN 206.3 million, i.e. PLN 0.5 per share. It did not exceed half of the Company's profit generated after the end of the previous financial year, as published in the financial report dated 30 June 2019, increased by a reserve capital created in order to pay dividend or an advance payment towards the dividend and reduced by uncovered losses and value of own shares. The advance dividend was paid on 21 October 2019 to those shareholders who held shares on 14 October 2019, i.e. 7 days before the payment date.

0,50 PLN

**Value of advanced dividend paid
per share from the 2019 profit.**

Major events after the balance sheet day

Preliminary sale agreement of majority stake in Echo Investment to the Hungarian company Wing

The Management Board of Echo Investment S.A. announced that on 14 March 2019, it was notified by its majority direct and indirect shareholder, Lisala sp. z o.o. and Echo Partners B.V. that both entities have decided to undertake a review of the potential strategic options in relation to their investment in the Company and the further development of the Company's business. On 16 October, 2019, owners of Lisala informed Echo Investment on the signing of the preliminary agreement to sale Lisala's shares to the Hungarian developer Wing.

Wing is Hungary's leading real estate company, a long-term regional strategic

investor that sees great potential in Echo Investment. The new investor intends to continue growing the business consistent with the Strategy of Profitable Growth established in 2016. This strategy has been executed by Echo Investment management team with whom the new shareholder Wing will work with the goal of continuing to develop the company and its properties. The transaction is subject to approval by the Polish antimonopoly authority.

Wing is one of the largest privately owned Hungarian real estate companies and a leading Hungarian developer and investor. Wing has developed over 1 million

square meters of buildings in Hungary in the 20 years since it was founded. Currently the company owns a large development and investment portfolio as well as subsidiaries specialising in asset management, property & facility management and architectural design. The company was established in 1999 and today has a development pipeline of approximately 325,000 sqm and owns a standing portfolio of 740,000 sqm. The company is active in all segments of the real estate market including office, retail, industrial, hotel and residential. Wing was the first real estate company which bonds are listed on Budapest stock exchange.

Residential segment – market outlook and Echo Investment business activities

Perspectives of each market sectors in coming 12 months:

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

7.1 Residential market in Poland

↑ Residential market on even-keel

In Q3 2019, the take-up for apartments in the six largest residential markets in Poland exceeded the number of apartments marketed. While this situation is repeated, there is still little difference between supply and take-up. JLL's analysts describe the situation as stable. From July to September 2019, developers marketed 14,500 new apartments. The number of units sold exceeded the number of units put on sale by about 1600 units. The mentioned difference was the main factor of further increase in prices of apartments. In the third quarter of this year, prices increased by approximately 2.1% compared to prices recorded in Q2.

Between July and September, 14,500 apartments were added to the portfolio, i.e. 3% less than in the last quarter. It is worth noting, although this has been the lowest number of apartments marketed quarterly since 2016, that the number of apartments put on sale within 12 months is higher than the number of apartment sold. As a result, a range of apartments in major Polish cities decreased by 2% quarter-on-quarter and grew by 7.1% year-on-year. At the end of September, 50,200 residential units were available on the market. In contrast to the second quarter of this year, the number of new residential premises marketed in Wrocław and Łódź slowed down. After the last outstanding quarter, when increases in the number of newly marketed apartments reached about 35% in both markets, in summer nearly 50% less was put into service in Wrocław and nearly 20% less in Łódź. A reverse trend was noted in Poznań and Kraków. Both cities were characterized by a very small number of

apartments marketed in the first half of the year, but they positively surprised in the third quarter (quarterly growth by nearly 60% in Kraków and 40% in Poznań). In total, in the last four quarters, the supply in the six largest Polish cities amounted to 65,700 apartments and was 1,400 higher than the take-up.

All the markets recorded increases in prices of available apartments. The average growth remained at the same level as in the last quarter, i.e. around 2.1%. The highest quarterly increases were recorded in Kraków (3.7%), as in the previous quarter. In the same period, the growth slowed down in the Tri-City and amounted to approximately 2.3% (compared to 3.4% growth in Q2 / Q1 2019). Lower growth than in the Tri-City were recorded in Wrocław (2%), Warsaw (1.5%) and Poznań (1%). Kraków was also characterized by the highest growth dynamics (14.5%) on an annual basis. In the Tri-City, Poznań and Wrocław, annual growth rates ranged from 10.3% to 11.4%, while in Łódź and Poznań amounted to 6.3% and 3.4%, respectively.

After the weaker second quarter of 2019, when sales amounted to 15,100 apartments, the third quarter recorded a 6.3% increase. Sales growth was observed in all markets except Wrocław. The most dynamic increase in a volume of transactions compared to the previous quarter was recorded in Poznań (23.9%) and Kraków (22.1%). In the Tri-City and Warsaw, sales were almost the same and increased only by 1.8% and 1.3%. In total, in the last four quarters developers sold 64,300 apartments in the six largest agglomerations.

APARTMENTS SOLD AND PUT UP FOR SALE AND OFFER SIZE [THOUS.]

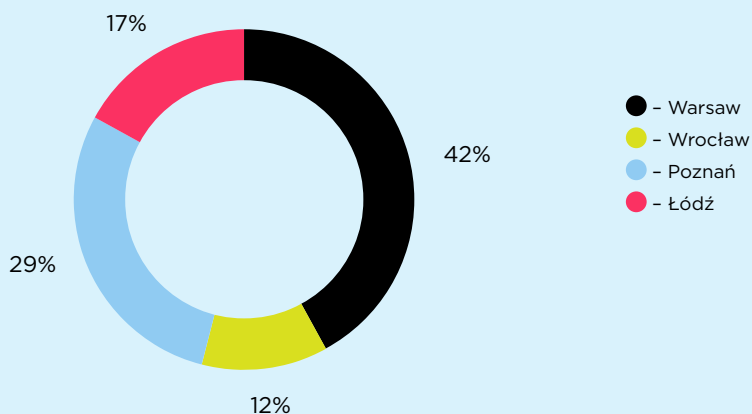


7.2 Echo Investment's activities connected with apartments for sale

The achievement of this year's company targets, sales of 1,300 apartments and handovers of 1,250 apartments, seems to be easily reachable. After Oc-

tober, the first target was achieved in 84% and the second one in 67%.

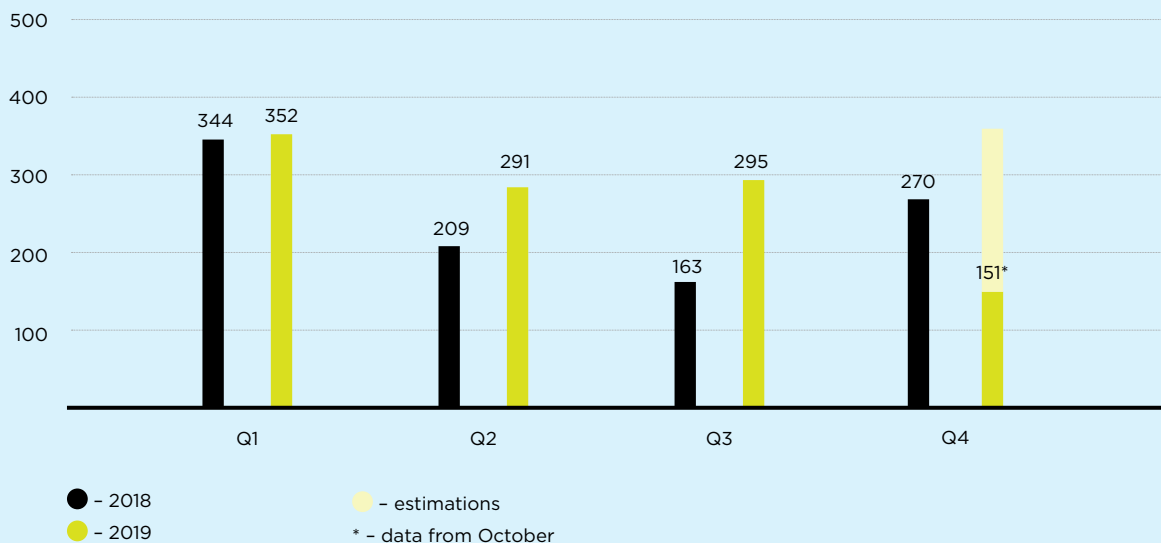
ECHO INVESTMENT'S APARTMENTS UNDER CONSTRUCTION - BY CITIES [UNITS]



Echo Investment sold 295 apartments and handed over 515 to clients in Q3. Higher sales comparing to the previous year are caused by regular updating of the portfolio. Since the beginning of the year, Echo

Investment has launched nine projects with nearly 2,000 apartments.

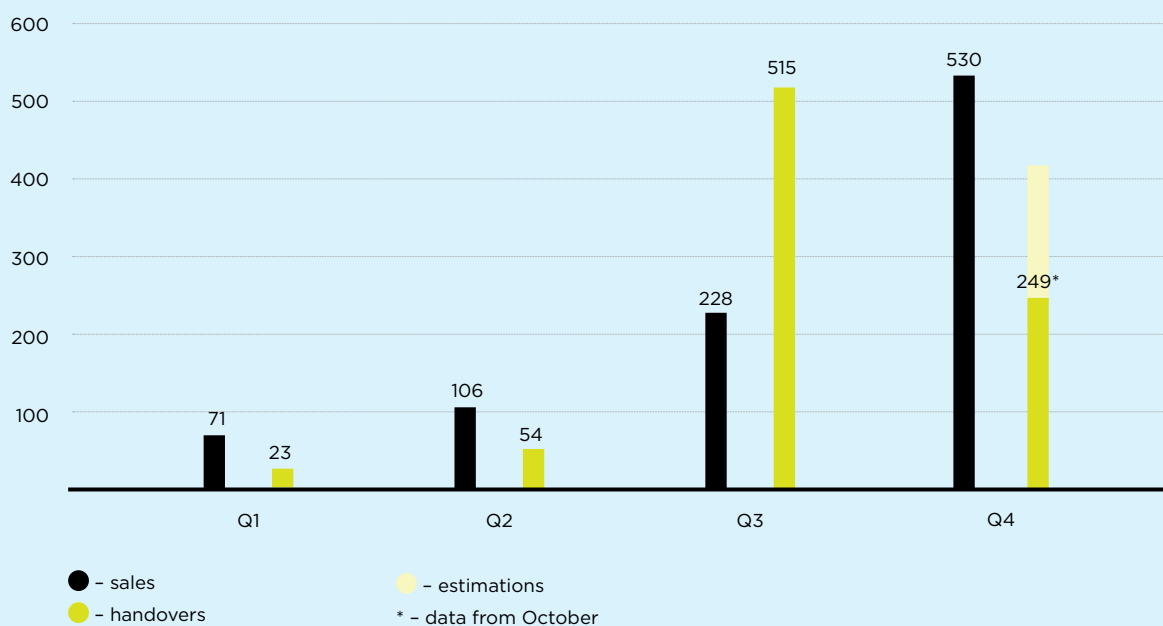
SALES OF APARTMENTS BY ECHO INVESTMENT [UNITS]



From the beginning of the year to the end of October, Echo Investment handed over 841 apartments to its clients, which means over 60% growth compared to the same period of 2018. Echo Investment handed over keys to 515 apartments to its clients in Q3. Due to the specific nature of the construction industry, obtaining occupancy permits and residential handovers are accumulated in the second half of the year, which requires high organizational efficiency.

As planned, the company has already obtained occupancy permits for all projects which were scheduled to complete in 2019 and apartments are being handed over to clients at present, mainly in Rydla 32 in Kraków, Browary Warszawskie and Osiedle Reset in Warsaw.

HANDOVERS OF APARTMENTS BY ECHO INVESTMENT [UNITS]



To develop the residential business, Echo Investment has purchased land intended for this segment in Kraków, Wrocław, Poznań, Łódź and Warsaw since the beginning of 2019, where about 105,000 sqm of apartments can be developed. A significant part of

plots secured with preliminary agreements (mainly in Warsaw and Kraków) is also to be used as residential properties. They include, among others, a plot near Domaniewska, Wołoska and Postępu Streets in Warsaw, which is purchased from the Immofinanz Group.

7.3 Echo Investment's activities in the sector of apartments for rent

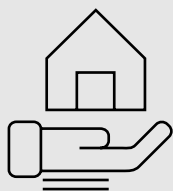
At the beginning of 2020 the platform will also receive an occupancy permit for the project in Wrocław - Kępa Mieszcząńska at Dmowskiego street, where 269 residential units will be offered.

The Resi4Rent residential for rent platform is growing and expanding its reach. From the beginning of the year, the company started construction of four projects with 1,063 units in total: buildings located on Taśmowa and Woronicza street in Warsaw, Szczepanowskiego street in Poznań and Kołobrzaska street in Gdańsk.

On 26 June 2019, a bank consortium of Santander Bank Polska and Helaba (Landesbank Hessen-Thüringen) granted Resi4Rent PLN 198 million of a construction loan for four projects, which together will offer approximately 1,060 apartments for rent. They are located in Poznań at Szczepanowskiego street, Warsaw at Taśmowa street and Woronicza street as well as in Gdańsk at Kolobrzaska street. The construction loan will be converted into an investment loan of up

to PLN 230 million after the projects are completed and settled. Projects financed by Santander Bank Polska and Helaba will be ready by the end of 2020 and in 2021. Last year, the financing of the first four Resi4Rent projects located in Warsaw, Wrocław and Łódź was provided by a consortium headed by Bank Pekao.

Resi4Rent is an institutional platform of mid-market apartments, dedicated exclusively to long-term rental, that offers finished premises, equipped with basic furniture and appliances, or completely furnished as requested. The platform was established in 2018. It is a joint venture of Echo Investment, which owns 30% of shares, and one of the leading international fund management companies, which controls 70%. Echo Investment is a project developer for Resi4Rent and provides services for the platform, such as site search and acquisition. The strategic goal of Resi4Rent is to develop a platform of 7,500 apartments by 2024.



Recently handed over project in Łódź

Office segment – market outlook and Echo Investment business activities

Perspectives of each market sectors in coming 12 months:

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

8.1. Office market in Poland

↑ Warsaw

In the first three quarters of 2019, the cumulative take-up reached its highest level ever amounting to 689,000 sqm. The third quarter resulted in 284,000 sqm was also characterized by the best results compared to the same quarters of the last 5 years. Nearly two thirds of the space was leased in non-central zones.

The largest lease agreements include 45,600 sqm leased by mBank and renegotiations of the lease agreement with Orange (approx. 45,000 sqm).

With the record-breaking quarter, the vacancy rate in Warsaw fell to 8.2%. The level of vacant space in the city centre remained similar, i.e. 5.5%. The Warsaw market recorded slight increases in prime rents and a reduction in incentives for tenants. Rents vary between EUR 23.5 - 24 per sqm in the central district, while in non-central districts they do not exceed EUR 16.

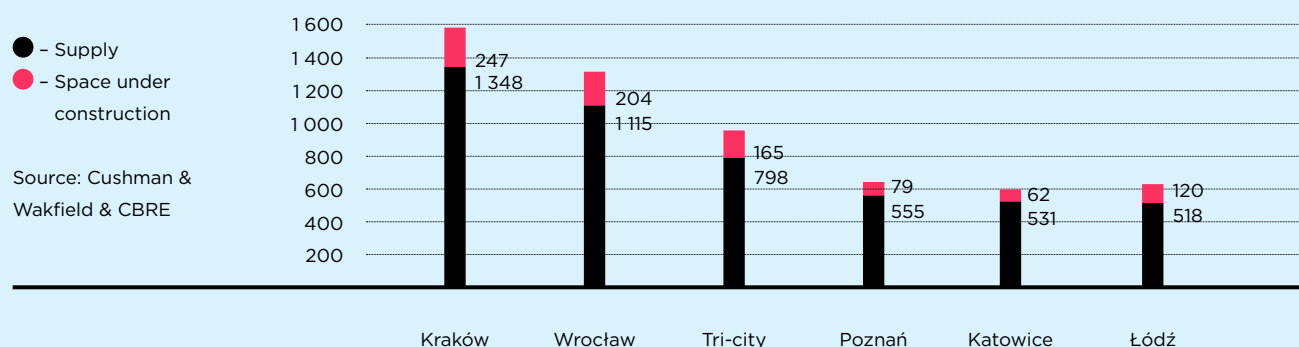
Developers put nearly 62,000 sqm of office space into use in Q3. Since the beginning of the year, approximately 142,000 sqm of office space has been provided in 15 office projects. By the end of the year, approximately 89,000 sqm is to be put into use. Currently, 709,000 sqm of office space is under construction. Between 2020 and 2021 a record supply is expected, which is most likely to exceed 800,000 sqm.

↑ Regional markets

In Q3 2019, approximately 76,000 sqm was put into service in 13 projects. In total 315,000 sqm was commissioned since the beginning of the year. The regional market featured by the largest supply was Wrocław, where 4 office projects with a total area of 43,400 sqm were put into use, with the largest project constituting less than 50% of the total supply. A slightly larger area is still under construction than in Warsaw, i.e. 801,000 sqm.

The take-up for office space in regional cities turned out to be very high. During three months, about 197,000 sqm. of office space was leased. It is worth noting that nearly 50% of the result is generated by lease agreements signed in Kraków. Among the largest contracts concluded in this city there are agreements with UBS (19,300 sqm) and Sabre (16,000 sqm). Among regional cities, the lowest vacancy rate was noted in Tri-City (4.9%) at the end of the third quarter and the highest in Łódź (12.1%). At the same time, the average vacancy rate in the largest Polish cities amounts to 9%. Small increases in rents were recorded, which vary between EUR 10 and 15.5 per sqm per month depending on a city and a location.

SUPPLY OF OFFICE SPACE IN REGIONAL CITIES AT THE END OF Q3 2019 [THOUS. SQM.]



8.2 Echo Investment's activities in the office sector

At the end of the third quarter of 2019, Echo Investment held office buildings under construction with a total leasable area of 140,000 sqm. In May, the construction of the first office building of Moje Miejsce in Warsaw was completed (it was the largest building put into service in the second quarter in Warsaw) and the construction of the second phase of this complex was started. Tenants, including Havas Media, are already working in the first building. The construction of the React office building in Łódź started in the same month.

The construction works on the first phase of Face2Face Business Campus in Katowice are on the final stage and in January 2020 the first tenants will move into the building. Echo Investment has signed lease agreements with such companies as Medicover Polska, DAZN, Perform Stats and Honeywell, and the building is almost 93% leased. The construction of the second phase of the Face2Face complex are carried according to the schedule and the building is 50% leased. Negotiations with potential tenants are very promising.

From the beginning of 2019, Echo Investment's Office Department has signed lease agreement for

c.a. 60,000 sqm. In the third quarter of 2019, a big transaction in Warsaw Brewery was signed: Żywiec, one of the largest beer producer in Poland, will move its headquarter to 4,400 sqm in Malthouse Offices building. Another building of the complex - Villa House Offices - reached its target 16-storey height in the summer. The building is undergoing fit-out works. Talks with potential tenants for office space in Warsaw Brewery are very promising.

Further office buildings developed by Echo Investment are gaining the trust of banks. In the third quarter of 2019, BNP Paribas Bank Polska granted Echo Investment over EUR 19 million in loan for the construction of the React office building in Łódź. Previously, in April, Bank Pekao signed a loan agreement amounting to EUR 87 million for the construction of the Villahouse Offices and the Malthouse Offices and Bank Millennium granted over EUR 20 million in loan for the construction of West 4 Business Hub in Wrocław. These contracts confirm the quality of Echo Investment's projects and the trust of the investor.

Construction of Midpoint 71 in Wrocław and the office building in Gdańsk at Nowomiejska street is planned to start by the end of the year.

Retail segment - market outlook and Echo Investment business activities

Perspectives of each market sectors in coming 12 months:

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

→ 9.1 Retail real estate market in Poland

After the prosperous first half of the year, when 237,000 sqm of retail space was delivered, in the third quarter only 54,000 sqm was added to this amount due to three new projects and three extensions. The retail space total supply in Poland comes to 14.5 million sqm. According to JLL analysts, the Polish retail market is already mature, which means that the number of new shopping centres in major agglomerations in Poland is relatively limited. It should be convenience noted, that it is not applicable to facilities in convinience centres and projects offering an exceptionally wide range of catering and entertainment.

JLL analysts have provided the results of Statistica analyses, which show that an e-commerce share will increase to 5.5% by 2022. It is worth also noting, that the growth will go together with the increase in the retail sales volume. What is more, the most recent research shows that the average volume of visitors to 120 shopping centres in Poland increased by 0.5% YoY and the turnover in these facilities increased by 1% in the same period.

Several new brands started their activities in Poland in Q3. New stores were opened by 10Days from the Netherlands and LG Brand store from Korea. Italian premium brands, i.e. Corneliani and Fabiana Filipii, also developed their presence. Both monobrands were opened at Trzech Krzyży Square in Warsaw. The H&M Group also decided to further develop the Moni brand in Poland by opening a new store in Kraków. Vacant spaces in the largest Polish cities increased slightly compared to last year and amounts to 3.8%. The highest rate was recorded in Poznań (6.7%) and the lowest in Warsaw (below 3%).

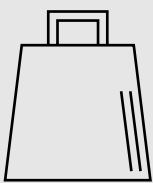
Rents in retail premises remain at a very similar level. Depending on the city size and the popularity of shopping centres, rents vary from EUR 40 in regional cities to EUR 130 in the best shopping centres in Warsaw.

9.2 Echo Investment's activities in the retail sector

The third quarter of 2019 was full of good news for clients of Galeria Młociny. The international retail chain Primark also confirmed in July its presence in Galeria Młociny. The store at Galeria Młociny will be the first location in Poland. The chain has leased 5,700 sqm (of which 3,700 to be retail space), the premises has already been taken over by the tenant. Moreover, 40 news brands extended Galeria Młociny's offer in new stores opened in August and September.

Galeria Młociny was opened on 23 May and that was the most important event on the Polish retail market. This is confirmed by a number of awards received, such as the Best Retail Project and Green Building of the Year by Property Forum or the Best Retail Project in CiJ Awards 2019 competition. The facility has gathered more than 220 stores and service outlets, comfortable offices, a medical centre, children's play areas, a fitness club and nearly 50 restaurants, cafes and dining spots, as well as the first multi-screen cinema in Bielany. In line with trends in the retail space sector, approximately 20% of space of the centre has been dedicated to a non-commercial offer - services,

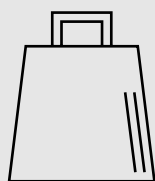
entertainment and food court. The restaurant and entertainment space - occupying the entire +2 level and connected to the green roof garden - was designed by architects from the renowned Broadway Malyan studio. The centre was developed just next to the Młociny transport hub - in one of the best transit locations in Warsaw, with easy access to the metro station, numerous tram lines and city, suburban and country bus lines, a bicycle station and a P&R car park. It is the most important transport interchange of the northern part of the city and neighbouring towns, that is used by over 24 million passengers every year. Galeria Młociny's investors are EPP (70% of shares) and Echo Investment (30% of shares). While the former manages the newly opened complex, the latter was fully responsible for the development process and leasing. Among renowned brands present in Galeria Młociny, it is worth mentioning Inditex group (Zara, Zara Home, Oysha, Massimo Dutti, Bershka, Stradivarius, Pull & Bear), H&M, Van Graff, TK Maxx, C & A, CCC, Media Markt and RTV Euro AGD. Brands such as Gagliardi, Sloggi or Mayoral Premiere stores also will open their stores.



In few months Malthouse will receive a new life and will become an important destination in Warsaw.

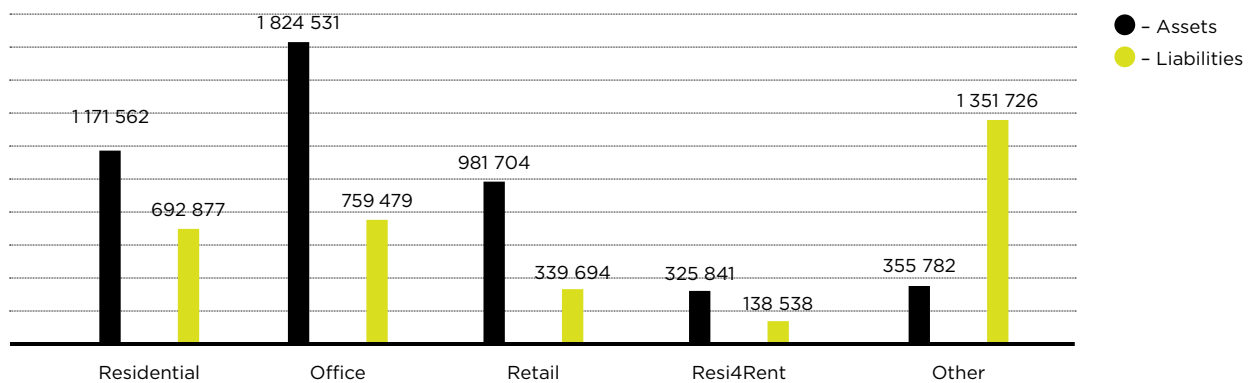
In the spring, the first cut of the spade took place on the site of the former Karol Scheibler factory at ul. Tymienieckiego in Łódź, and thus construction of Fuzja was started - another city-forming project carried out by Echo Investment. The retail department is working on the concept of commercialisation of service and restaurant spaces of this project.

Galeria Mlociny, Warsaw



The Groups segments - financial structure

**ASSIGNMENT OF ASSETS AND LIABILITIES TO SEGMENTS
AS AT 30.09.2019 [‘000 PLN]**



ASSIGNMENT OF ASSETS TO SEGMENTS [‘000 PLN]

	30.09.2019	30.09.2018
Residential	1 171 562	1 074 601
Office	1 824 531	1 140 859
Retail	981 704	840 304
Resi4Rent	325 841	-
Other	355 782	737 644
Total	4 659 421	3 793 408

PLN **4 659** mln

Total value of assets as at
30.09.2019

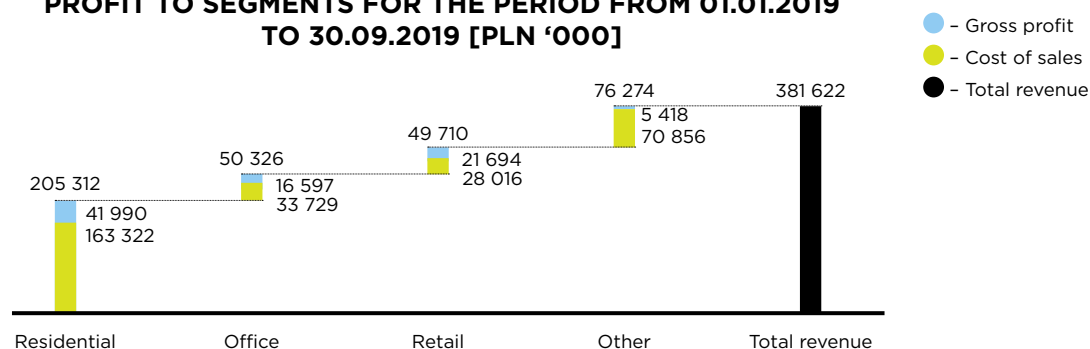
PLN **3 282** mln

Total value of liabilities as at
30.09.2019

ASSIGNMENT OF LIABILITIES TO SEGMENTS ['000 PLN]

	30.09.2019	30.09.2018
Residential	692 877	385 740
Office	759 479	389 684
Retail	339 694	222 129
Resi4Rent	138 538	-
Other	1 351 726	1 240 572
Total	3 282 314	2 238 125

ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS PROFIT TO SEGMENTS FOR THE PERIOD FROM 01.01.2019 TO 30.09.2019 [PLN '000]



PLN **85.7** mln

Gross profit for Q1-Q3 2019

ASSIGNMENT OF REVENUE, COST OF SALES AND GROSS PROFIT TO SEGMENTS FOR THE PERIOD FROM 01.01.2019 TO 30.09.2019 [PLN '000]

	Revenues	Cost of sales	Gross profit
Residential	205 312	163 322	41 990
Office	50 326	33 729	16 597
Retail	49 710	28 016	21 694
Other	76 274	70 856	5 418
Total	381 622	295 923	85 699

RESIDENTIAL SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	203 433	159 415	44 018
Rents	676	353	323
Maintenance of the project in preparation and construction	1 203	1 217	(14)
Costs of projects completed in previous years	-	2 337	(2 337)
Total	205 312	163 322	41 990

OFFICE SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Rents	25 049	13 347	11 702
Services (fit-outs)	24 768	19 181	5 587
Maintenance of the project in preparation and construction	509	1 201	(692)
Total	50 326	33 729	16 597

RETAIL SEGMENT [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	6 692	5 153	1 539
Rents	37 715	18 380	19 335
Services (development)	5 115	3 747	1 368
Maintenance of the project in preparation and construction	188	736	(548)
Total	49 710	28 016	21 694

OTHER [PLN '000]

	Revenues	Cost of sales	Gross profit
Sales	68 295	65 908	2 387
Rents	674	737	(63)
Services	7 305	4 211	3 094
Total	76 274	70 856	5 418

Portfolio of properties

11.1 Residential

Definitions:

Sales level - the item exclusively concerns preliminary contracts

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

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

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Osiedle Jarzębinowe VI Łódź, ul. Okopowa	3 300	52	69%	20,0	15,7	69%	Q4 2018	Q1 2020
Osiedle Jarzębinowe VII Łódź, ul. Okopowa	6 100	105	34%	35,6	28,4	21%	Q2 2019	Q4 2020
Fuzja I Łódź, ul. Tymienieckiego	14 200	282	36%	104,7	80,9	25%	Q1 2019	Q4 2020
Osiedle Jaśminowe IV Poznań, ul. Sielawy	5 300	103	100%	32,5	24,4	68%	Q2 2018	Q1 2020
Apartamenty Esencja I Poznań, ul. Grabary	12 500	260	46%	114,9	86,6	29%	Q1 2019	Q4 2020
Osiedle Perspektywa III Poznań, ul. Sielawy	5 600	105	100%	30,9	25,4	74%	Q4 2017	Q4 2019
Nasze Jeżyce I Poznań, ul. Szczepanowskiego	7 500	142	58%	57,7	44,4	30%	Q2 2019	Q1 2021
Nasze Jeżyce II Poznań, ul. Szczepanowskiego	8 200	162	5%	63,7	48,9	17%	Q3 2019	Q2 2021
Widoki Mokotów Warsaw, ul. Puławska	4 800	79	51%	69,3	50,3	71%	Q4 2017	Q2 2020
Warsaw Brewery B Warsaw, ul. Grzybowska	10 500	190	99%	125,6	78,2	89%	Q4 2017	Q3 2019

RESIDENTIAL PROJECTS UNDER CONSTRUCTION

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Warsaw Brewery C Warsaw, ul. Grzybowska	6 900	114	100%	91,9	51,6	94%	Q4 2017	Q3 2019
Warsaw Brewery E Warsaw, ul. Grzybowska	5 700	81	57%	113,4	72,1	41%	Q4 2018	Q4 2020
Osiedle Reset I Warsaw, ul. Taśmowa	7 300	159	93%	66,6	55,3	84%	Q4 2017	Q4 2019
Osiedle Reset II Warsaw, ul. Taśmowa	12 200	255	80%	118,1	95,9	56%	Q4 2018	Q4 2020
Moje Miejsce Warsaw, ul. Beethovena	13 300	251	75%	131,2	96,5	62%	Q3 2018	Q2 2020
Grota - Roweckiego 111 etap III Wrocław, ul. Grota-Roweckiego	2 600	53	96%	16,2	12,7	77%	Q4 2018	Q4 2019
Ogrody Graua Wrocław, ul. Gdańska	4 000	57	65%	44,4	32,5	52%	Q4 2018	Q2 2020
Stacja 3.0 Wrocław, ul. Mińska	12 000	204	0%	96,6	70,6	20%	Q2 2019	Q4 2020
Total	142 000	2 654		1 333	970			

RESIDENTIAL PROJECTS UNDER PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Wita Stwosza I Kraków, ul. Wita Stwosza	13 700	217	132,2	82,6	18%	Q1 2021	Q4 2022
Wita Stwosza II Kraków, ul. Wita Stwosza	12 400	196	121,7	73,9	18%	Q1 2021	Q4 2022
Osiedle ZAM I (Rydłówka I) Kraków, ul. Rydlówka	6 200	115	58,6	44,9	24%	Q1 2020	Q3 2021
Osiedle ZAM I (Rydłówka II) Kraków, ul. Rydlówka	6 000	119	56,5	42,1	26%	Q4 2020	Q2 2022
Osiedle Krk I Kraków, ul. Zapolskiej	9 800	218	89,0	66,4	40%	Q4 2019	Q2 2021
Osiedle Krk II Kraków, ul. Zapolskiej	9 700	211	89,4	68,1	29%	Q2 2020	Q4 2021
Osiedle Jarzębinowe VIII Łódź, ul. Okopowa	6 100	101	36,2	28,9	12%	Q2 2020	Q4 2021
Fuzja II Łódź, ul. Tymienieckiego	12 400	240	95,3	69,4	9%	Q3 2020	Q1 2022
Fuzja III Łódź, ul. Tymienieckiego	8 600	149	70,4	48,8	9%	Q1 2021	Q3 2022
Apartamenty Esencja II Poznań, ul. Garbary	6 300	136	60,5	46,7	23%	Q3 2020	Q1 2022
Osiedle Enter I Poznań, ul. Sielawy	12 400	222	79,2	59,1	5%	Q1 2020	Q3 2021
Osiedle Enter II Poznań, ul. Sielawy	8 500	153	55,0	40,3	4%	Q3 2020	Q1 2022

RESIDENTIAL PROJECTS UNDER PREPARATION

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
Osiedle Enter III Poznań, ul. Sielawy	9 600	159	62,2	45,3	4%	Q3 2021	Q1 2023
Stacja Wola I Warsaw, ul. Ordonia	20 100	387	193,9	139,8	27%	Q4 2019	Q3 2021
Stacja Wola II Warsaw, ul. Ordonia	28 800	535	283,3	199,4	26%	Q2 2020	Q2 2023
Total	170 600	3 158	1 484	1 056			

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

RESIDENTIAL PROJECTS FOR RENTAL PLATFORM RESI4RENT UNDER CONSTRUCTION

Project / address	Leasing area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion	Comments
Rychtalska Wrocław, ul. Zakładowa	11 400	302	8,4	76,8	Q4 2017	Q3 2019	Preliminary sale agreement of the building from Echo Investment to Resi4Rent
Warsaw Brewery Warsaw, ul. Grzybowska	19 000	450	16,6	187,6	Q4 2017	Q3 2020	Preliminary sale agreement of the building from Echo Investment to Resi4Rent
Wodna Łódź, ul. Wodna	7 900	219	4,9	52,4	Q4 2017	Q4 2019	Preliminary sale agreement of the building from Echo Investment to Resi4Rent
Kępa Mieszczańska Wrocław, ul. Dmowskiego	9 300	269	6,8	76,3	Q2 2018	Q1 2020	Preliminary sale agreement of the building from Echo Investment to Resi4Rent
Taśmowa Warsaw, ul. Taśmowa	13 000	372	10,9	113,4	Q1 2019	Q4 2020	Plot owned by Resi4Rent
Woronicza Warsaw, ul. Woronicza	7 900	229	6,3	61,8	Q2 2019	Q1 2021	Plot owned by Resi4Rent
Szczepanowskiego Poznań, ul. Szczepanowskiego	5 000	160	3,8	42,9	Q3 2019	Q3 2021	Plot owned by Resi4Rent
Kołoברzeska Gdańsk, ul. Kołoברzeska	10 200	302	8,8	90,3	Q3 2019	Q3 2021	Plot owned by Resi4Rent
Total	83 700	2 303	67	702			

RESIDENTIAL PROJECTS FOR RENTAL PLATFORM RESI4RENT IN PREPARATION

Project / address	Leasing area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Targeted start	Targeted completion	Comments
3- Maja Kraków, ul. 3- Maja	12 192	387	9,5	108,5	Q3 2020	Q1 2022	Plot owned by Resi4Rent
Total	12 192	387	10	109			

11.3 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	18 700	70%	3,4	150,1	92%	39	Q2 2019	ROFO agreement with Globalworth Poland
Total	18 700		3,4	150,1		39		

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
Face 2 Face I Katowice, ul. Grundmanna	20 400	79%	3,7	152,2	57%	29	Q2 2018	Q4 2019	
Villahouse Offices and Malthouse Offices (Warsaw Brewery K, GH) Warsaw, ul. Grzybowska	45 900	50%	11,1	504,3	34%	240,9	Q3 2018	Q3 2020	
West 4 Business Hub I Wrocław, ul. Na Ostatnim Groszu	15 600	0%	2,6	112,8	33%	-	Q4 2018	Q3 2020	
Face 2 Face II Katowice, ul. Grundmanna	26 400	48%	4,7	199,1	17%	11,4	Q4 2018	Q4 2020	
Moje Miejsce II Warsaw, ul. Beethovena	16 900	0%	3,0	134,0	31%	-	Q2 2019	Q4 2020	ROFO agreement with Globalworth Poland
React I Łódź, al. Piłsudskiego	15 000	14%	2,6	102,4	18%	-	Q2 2019	Q3 2020	
Total	140 200		27,6	1 204,8		281,3			

OFFICE BUILDINGS IN PREPARATION

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
	27 400	4,7	201,4	11%	Q4 2019	Q4 2021
Midpoint 71 Wrocław, ul. Powstańców Śląskich	36 100	6,7	292,3	18%	Q4 2019	Q3 2021
Wita Stwosza Kraków, ul. Wita Stwosza	29 600	5,2	234,8	13%	Q3 2020	Q2 2022
Al. Pokoju (etap I i II) Kraków, ul. Fabryczna / Al. Pokoju	45 600	8,2	390,8	20%	Q2 2020	Q1 2022
Swobodna Wrocław, ul. Swobodna	33 100	5,6	289,4	16%	Q2 2021	Q2 2023
React II Łódź, al. Kilińskiego / Piłsudskiego	26 600	4,5	180,4	6%	Q2 2020	Q4 2021
React III Łódź, al. Kilińskiego / Piłsudskiego	12 700	2,2	91,5	5%	Q4 2021	Q1 2023
Fuzja C i D Łódź, ul. Tymienieckiego	19 900	3,4	153,2	8%	Q2 2020	Q4 2021
Piotra Skargi Katowice, ul. P. Skargi	26 600	4,5	181,5	6%	Q2 2020	Q1 2022
West 4 Business Hub II Wrocław, ul. Na Ostatnim Groszu	22 400	3,8	150,2	12%	Q3 2020	Q1 2022
West 4 Business Hub III Wrocław, ul. Na Ostatnim Groszu	33 300	5,6	218,3	13%	Q3 2021	Q1 2023
West 4 Business Hub IV Wrocław, ul. Na Ostatnim Groszu	11 500	2,0	84,6	11%	Q2 2023	Q3 2024
Total	324 800	56,2	2 468,2			

11.4 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 PROJECT IN OPERATION

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expen- diture incurred [%]	Recogni- zed fair value gain [PLN mln]	Com- pletion	Comments
Libero Katowice, ul. Kościuszki	44 900	99%	9,3	385,9	100%	178,4	Q4 2018	ROFO agreement with EPP
Galeria Młociny Warsaw, ul. Zgrupowania AK "Kampinos"	84 300	97%	22,1	1 276,2	97%	74,7	Q2 2019	30% JV with EPP holding 70%
Total	129 200		31,4	1 662,0		253,1		

11.5 Towarowa 22

Definitions:

GLA – gross leaseable area

Joint-venture with EPP. Echo Investment Group will own 30% shares in the project. Start of construction is expected in 2021/2022.

TOWAROWA 22, WARSAW

Function	Usable space [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]
Retail, services and entertainment	116 500	39,1	1 933,1	16%
Office	60 700	14,7	780,7	14%
Hotel	18 900	5,1	288,6	12%
Total	196 100	58,9	3 002,4	

TOWAROWA 22, WARSAW

Function	Usable space [sqm]	Number of apartments	Targeted revenues [PLN mln]	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]
Apartments for sale	18 400	261	324,5	-	216,5	13%
Apartments for lease	16 300	444	-	14,7	144,5	18%
Total	34 700	705	324,5	14,7	361,0	

11.6 Land Bank

EARLY STAGE PROJECTS

Project / address	Plot area [sqm]	Potential of le- asing/sales area [sqm]	Comments
Łódź, ul. Tymienieckiego	32 100	37 400	Plot for office and services
Warsaw, ul. Chłodna/Wronia	600	1 100	Plot for residential
Poznań, ul. Hetmańska	65 300	80 000	Plot for office and residential
Kraków, Al. Pokoju	4 000	18 500	Plot for hotel
Poznań, Naramowice	58 100	49 700	Plot for residential
Warsaw, ul. Antoniewska	14 100	10 000	Plot for residential
Katowice, ul. Jankego	26 200	22 800	Plot for residential
Total	200 400	219 500	

INVESTMENT PROPERTIES

Property	Plot area [sqm]	Comments
Poznań, Pamiątkowo	874 200	Preliminary sale agreement for part of the plot
Poznań, Naramowice	55 300	
Koszalin, ul. Krakusa i Wandy	39 300	Preliminary sale agreement for part of the plot
Poznań, Sołacz	17 300	
Zabrze, ul. Miarki	8 100	
Warsaw, ul. Konstruktorska	7 200	
Radom, Beliny	6 300	
Warsaw, ul. Woronicza	5 100	Plot for the Student House dormitory
Total	1 012 800	

Main investments in Q1-Q3 2019 - acquisition of properties

PROPERTIES ACQUIRED BY ECHO INVESTMENT IN 2019

Date of transaction	Address	Legal form	Area	Capacity
Q1 2019	Wrocław, ul. Swobodna	perpetual usufruct	7,900 sqm	33,100 sqm of office and services space
Q1 2019	Wrocław, ul. Mińska	ownership	8,900 sqm	11,000 sqm of residential space
Q1 2019	Kraków, ul. Rydlówka	ownership	9,100 sqm	12,000 sqm of residential space
Q1 2019	Kraków, Al. Pokoju 2	perpetual usufruct	4,000 sqm	18,500 sqm of residential space
Q2 2019	Poznań, ul. Garbary	perpetual usufruct	2,900 sqm	5,000 sqm of residential space
Q2 2019	Kraków, Krowdrza	perpetual usufruct	7,800 sqm	19,300 sqm of residential space
Q2 2019	Warsaw ul. Antoniewska	ownership	14,400 sqm	10,200 sqm of residential space
Q4 2019	Warsaw, Al. KEN	ownership	40,100 sqm	49,200 sqm of residential and commercial space
Q4 2019	Gdansk, ul. Kołobrzaska	ownership	5,900 sqm	12,200 sqm of residential space

PROPERTIES ACQUIRED BY R4R IN 2019

Date of transaction	Address	Legal form	Area	Capacity
Q3 2019	Krakow, 3 maja	ownership	8,700 sqm	12,200 sqm of residential space
Q3 2019	Gdańsk, Kołobrzaska	ownership	7,200 sqm	10,300 sqm of residential space

pln **1.723**

Average land price in 1 sqm of leasable or sellable space possible to build on plots acquired in 2019 (excl. R4R).

In first three quarters of 2019 and in Q4 until result report publication Echo Investment has acquired land properties for approximately 170,600 sqm of residential and office space. The total value of this transactions amounted to PLN 293,3 mln. In addition, plots for 209,800 sqm of residential, residential for rent, office and retail space has been secured by preliminary agreements. Within the same period Resi4Rent has acquired two plots for ca. 22,500 sqm of residential area for rent.

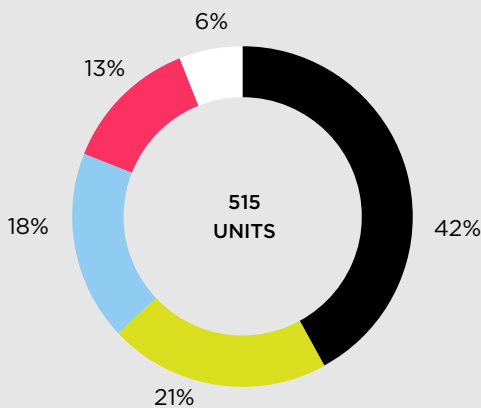
The potential of purchased real properties is estimated based on planning documents and guidelines valid at the date of purchase. Ultimately, the use of each property is determined at a later stage of project preparation, taking into account current planning documents, arrangements, market potential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

Factors which influenced the Group's financial results in Q3 2019

Factors which influenced the Group's financial results in Q3 2019

a. Revenue resulting from hand overs of 515 housing units.

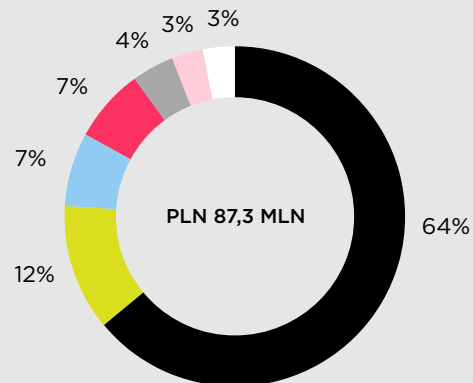
RESIDENTIAL PROJECTS SHARES IN THE TOTAL NUMBER OF FINAL CONTRACTS [UNITS]



- - Zebra, Wrocław
- - Osiedle Jarzębinowe V, Łódź
- - Osiedle Perspektywa II, Poznań
- - Nowa Dzielnica, Łódź
- - Other

b. Profit on investment property amounting to PLN 87,3 mln.

PROFIT ON INVESTMENT PROPERTY BY ASSETS [MLN PLN]



- - Villahouse Offices and Malthouse Offices (Warsaw Brewery K, GH), Warsaw
- - Face2Face I, Katowice
- - Face2Face II, Katowice
- - O3 Business Campus III, Kraków
- - Libero, Katowice
- - Moje Miejsce I, Warsaw
- - Other

a. Costs of sales and overheads.

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

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

d. Measurement and settlement of FX hedging instruments.

e. 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

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

- a. Revenues from hand overs of apartments, mainly in the projects:
 - Dom pod Wilgą III and Rydla 32 in Kraków;
 - Osiedle Jarzębinowe V and Nowa Dzielnica in Łódź;
 - Osiedle Perspektywa II and III in Poznań;
 - Warsaw Brewery B and C, Reset I in Warsaw;
 - Zebra in Wrocław.
- b. Revaluation of the fair value of the properties owned by the Group, which are in the course of leasing and construction:
 - Face 2 Face I & II in Katowice;
 - Villa Offices and Malthouse Offices (Warsaw Brewery KGH) in Warsaw.
- c. The first valuations to the fair value of the office buildings under construction:
 - React I in Łódź;
 - Moje Miejsce II in Warsaw;
 - West 4 Business Hub I in Wrocław;
 - Mid Point 71 in Wrocław.
- d. Valuation and sale of completed projects:
 - Moje Miejsce I in Warsaw,
 - Libero in Katowice.
- e. Valuation of interests entities accounted for using the equity method:
 - Galeria Młociny in Warsaw;
 - Towarowa 22 in Warsaw;
 - Resi 4 Rent.
- f. Sale and administrative costs.
- g. Valuation of liabilities on account of bonds and loans, at amortized cost.
- h. Valuation of loans and cash on account of changes in exchange rates of foreign currencies.
- i. Valuation and implementation of hedging financial instruments for foreign currencies.
- j. Interest on deposits and loans granted.
- k. Discounts and interest on credits, bonds and loans.

Seasonal or cyclical nature of operations

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

contractor services, sales of commercial investments and trade in property may be irregular. Due to seasonal nature of construction process, completion of vast majority of residential projects is scheduled for the second half of a given year. Due to this fact Echo Investment hands over ready apartments to clients and also

recognizes revenue and profit earned on them in third and fourth quarters, and in H1 number of apartments hand over is relatively low.

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

Information on dividend

16.1 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 Cap-

ital Group as well as their development strategy, in particular:

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

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

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

16.2 Advance dividend from the 2018 profit

The Management Board of Echo Investment adopted on November 8, 2018 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2018 to its shareholders. The total amount for the payment of the advance dividend amounted to PLN 206.3 mln, i.e. PLN 0.5 per share. The amount of the dividend payment did not exceed half of the Company's net profit from the end of the previous accounting year, increased by the reserve capital created for the purpose of further payment of dividend or advances for dividend and reduced by uncovered losses and own shares. The advance dividend was to be paid on December 19, 2018 to those shareholders who hold shares on December

12, 2018, i.e. 7 days before the payment date. The advance dividend was paid subject to the approval of the Supervisory Board (obtained on November 15, 2018) and confirmation by the audit of the financial statements of Echo Investment S.A. for the period from January 1, 2018 to June 30, 2018, by an expert auditor of Ernst & Young Audyt Polska, in which the assumed net profit of the Company achieved from the end of the previous accounting year (the condition fulfilled on November 16, 2018).

Pursuant to the resolution of the Ordinary General Meeting of Shareholders of Echo Investment S.A. of 25 June 2019, the net profit achieved by the company

0,50 pln

Amount of advanced dividend paid for one share from 2018 profit

in the completed financial year 2018 in the amount of PLN 42,431,650.15 was allocated for distribution to all shareholders on the following principles:

1. The profit increased by the amount of PLN 163,913,640.85 from the Dividend Fund (in total PLN 206,345,291) was allocated for distribution to all shareholders of the company as the dividend.
2. The amount of PLN 206,345,291 paid on 19 December 2018 as an advance for dividend for the financial year was credited to the dividend.

Because the dividend corresponded to the amount of dividend advance paid, the shareholders decided that the company would not pay additional funds from the profit for the financial year 2018.

The shareholders also decided that the undistributed financial result (profit) from previous years in the amount of PLN 2,243,582, created in connection with the change of the accounting policy applied by the company, the Ordinary General Meeting of Shareholders allocated to the Dividend Fund.

16.3 Advanced dividend from the 2019 profit

The Management Board of Echo Investment adopted on 11 September 2019 a resolution on conditional payment of the advance payment for the dividend for the accounting year 2019 to its shareholders. The total amount of the advance dividend amounts to PLN 206.3 million, i.e. PLN 0.5 per share. It did not exceed half of the Company's profit generated after the end of the previous financial year, as published

in the financial report dated 30 June 2019, increased by a reserve capital created in order to pay dividend or an advance payment towards the dividend and reduced by uncovered losses and value of own shares. The advance dividend was paid on 21 October 2019 to those shareholders who held shares on 14 October 2019, i.e. 7 days before the payment date.

0,50 PLN

**Amount of advanced dividend
paid from 2019 profit**

Financial liabilities of the Company and its Group

17.1 Bonds

COMPANY'S LIABILITIES DUE TO BONDS ISSUED AS AT 30.09.2019 [PLN '000]

Series	ISIN code	Bank	Nominal value	Maturity	Interest rate	Guarantees / securities	Quotation market
Bonds for institutional investors							
1/2016	PLECHPS00209	mBank S.A.	100 000	18.11.2020	WIBOR 6M + margin 3,0%	-	ASO CATALYST
1/2017	PLECHPS00225	mBank S.A.	155 000	31.03.2021	WIBOR 6M + margin 2,9%	-	ASO CATALYST
2/2017	PLECHPS00258	mBank S.A.	150 000	30.11.2021	WIBOR 6M + margin 2,9%	-	ASO CATALYST
1/2018	PLECHPS00282	mBank S.A.	140 000	25.04.2022	WIBOR 6M + margin 2,9%	-	ASO CATALYST
1/2019	PLECHPS00308	mBank S.A.	100 000	11.04.2023	WIBOR 6M + margin 4,25%	-	ASO CATALYST
Total			645 000				
Bonds for individual investors							
E-series	PLECHPS00217	DM PKO BP S.A.	100 000	06.07.2021	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
F-series	PLECHPS00233	DM PKO BP S.A.	125 000	11.10.2022	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
G-series	PLECHPS00241	DM PKO BP S.A.	75 000	27.10.2022	WIBOR 6M + margin 2,9%	-	regulated market CATALYST
H-series	PLECHPS00266	DM PKO BP S.A.	50 000	22.05.2022	WIBOR 6M + margin 2,8%	-	regulated market CATALYST
I-series	PLECHPS00274	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%	- regulated market CATALYST
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%	- regulated market CATALYST
Total			433 832				
Total bonds			1 078 832				

17.2 Kredyty

INVESTMENT LOANS OF ECHO INVESTMENT GROUP AS AT 30.09.2019 [‘000]

Project	Borrower	Bank	Contractual amount of loan	Outstanding loan amount	Interest rate	Repayment deadline
Libero	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	57 778 EUR	Margin + EURIBOR 3M	10.04.2026
			12 000 PLN	0 PLN	Margin + WIBOR 1M	10.07.2021
Galeria Młociny	Berea Sp. z o.o.*	Santander Bank Polska S.A., PKO BP S.A., Bank Gospodarstwa Krajowego	**56 100 EUR	53 735 EUR	Margin + EURIBOR 3M	30.04.2025
			10 350 PLN	6 987 PLN	Margin + WIBOR 1M	30.04.2020
Moje Miejsce I and II	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. SKA	PKO BP S.A.	50 280 EUR	22 369 EUR	Margin + EURIBOR 3M	30.09.2023
			16 000 PLN	0 PLN	Margin + WIBOR 1M	31.03.2021
Villahouse Offices and Malthouse Offices (Warsaw Brewery K, GH)	Dellia Investments - Projekt Echo 115 Sp. z o.o. Sp.K.	Bank Polska Kasa Opieki S.A.	87 386 EUR	957 EUR	Margin + EURIBOR 3M	31.12.2027
			17 000 PLN	0 PLN	Margin + WIBOR 1M	31.12.2022
West 4 Business Hub I	Projekt 17 - Grupa Echo Sp. z o.o. SKA	Bank Millennium S.A.	20 630 EUR	0 EUR	Margin + EURIBOR 3M	30.06.2023
			4 000 PLN	0 PLN	Margin + WIBOR 1M	30.06.2021
Face 2 Face I and II	Face2Face - Stranraer Sp. z o.o. SKA	Bank Polska Kasa Opieki S.A.	64 997 EUR	4 246 EUR	Margin + EURIBOR 3M	31.12.2023
			18 000 PLN	0 PLN	Margin + WIBOR 1M	31.12.2021
React I	React - Dagnall Sp. z o.o. SKA	BNP Paribas Bank Polska S.A.	19 200 EUR	0 EUR	Margin + EURIBOR 3M	01.12.2022
			4 000 PLN	0 PLN	Margin + WIBOR 1M	01.12.2022
Total			366 159 EUR	139 085 EUR		
			81 350 PLN	6 987 PLN		

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

** After fulfilment specified conditions the construction loan will be converted into an investment loan of a value of EUR 56.7 million.

Security for the loans listed above: mortgages, registered and financial pledges, authorisation to bank account, subordination agreement, submission to enforcement proceedings, transfer of rights and claims of selected agreements.

CREDIT FACILITIES OF ECHO INVESTMENT S.A. AS AT 30.09.2019 [‘000]

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

*The available loan amount as on 30 September 2019 is decreased by the guarantees issued and amounts to PLN 66.3 million

** Under the credit limit of PLN 100 million, the Company has been granted a sublimit for current loan up to PLN 75 million and a sublimit up to PLN 25 million for guarantees. As at 30 September 2019, the limit for guarantees was used in the amount of PLN 24.2 million.

***On 30 September 2019, the available loan amount is reduced by the issued guarantees and amounts to nearly PLN 60 million.

Off balance sheet liabilities

18.1 Guarantee agreements

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2019

Issuer	For	Value ['000 PLN]	Validity	Description
Echo Investment S.A.	Horta Sp. z o.o.	21 868	until 02.07.2020	Performance bond for the final sale agreement of the Aquarius Business House I office building in Wrocław. Issued in EUR.
Echo Investment S.A.	Skua Sp. z o.o.	26 242	until 30.07.2021	Performance bond for the final sale agreement of the Aquarius Business House I office building in Wrocław. Issued in EUR.
Echo Investment S.A.	IREEF – Stryków Propco Sp. z o.o.	420 000	until 15.12.2019	Construction work quality guarantee related to the Q22 office building in Warsaw.
PKO BP S.A. commissioned by Echo Investment S.A.	IREEF – Stryków Propco Sp. z o.o.	1 024	until 31.08.2019	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.10.2016. Issued in EUR.
Echo Investment S.A.	Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A.	57 928	until 22.11.2019	Surety bond for costs overrun of the project of Libero in Katowice. Issued in EUR.
Echo Investment S.A.	Santander Bank Polska S.A., PKO BP S.A., Bank Gospodarstwa Krajowego and mBank S.A.	40 674	to the date of construction loan conversion into investment loan	Surety bond for costs overrun of the project of Galeria Młociny in Warsaw and liabilities of Berea Sp. z o.o. resulting from the agreement on 17.10.2017. Issued in EUR.
Echo Investment S.A.	Nobilis - Projekt Echo - 117 Sp. z o.o. Sp. K.	40 000	until 31.10.2026	Construction work quality guarantee related to the Nobilis office building in Wrocław.
PKO BP S.A. commissioned by Echo Investment S.A.	Novaform Polska Sp. z o.o.	4 616	until 28.02.2020	Guarantee securing the execution of liabilities of Duże Naramowice – Projekt Echo – 111 Sp. z o.o. S.K.A. resulting from the agreement of 8.01.2018.
Echo Investment S.A. and PKO BP S.A. commissioned by Echo Investment S.A.	IB 14 FIZAN	89 846	until 24.05.2024	Performance bond for liabilities resulting from the final sale agreement of the West Link office building in Wrocław. Issued in EUR.
Echo Investment S.A.	A 19 Sp. z o.o.	26 242	until termination of the agreement concluded on 4.07.2018	Guarantee securing the execution of liabilities of Projekt 22 Grupa Echo Sp. z o.o. SKA, resulting from the agreement concluded on 4.07.2018. Issued in EUR.
Echo Investment S.A.	PeKao S.A.	14 147	until 30.06.2029	Guarantee securing costs overrun of the residential projects for Dellia Investments – Projekt Echo – 115 Sp. z o.o. Sp. K.
Echo Investment S.A.	R4R Wrocław Kępa Sp. z o.o./SO SPV 103 Sp. z o.o./R4R Warszawa Browary Sp. z o.o.	151 895	until 31.07.2021	Guarantee of deposit refund.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2019

Issuer	For	Value ['000 PLN]	Validity	Description
Echo Investment S.A.	IB 6 FIZAN / GPF 3 FIZAN	136 321	until 31.10.2021	Guarantee securing the execution of liabilities of Rosehill Investments Sp. z o.o., resulting from framework agreement concluded on 31.08.2017. Issued in EUR.
Echo Investment S.A.	Tryton Business Park Sp. z o.o.	554	until 31.01.2020	Guarantee securing the execution of liabilities of Tryton City Space - GP Sp. z o.o. Sp.k. resulting from the lease agreement of 12.06.2018. Issued in EUR.
Echo Investment S.A.	DH Supersam Katowice Sp. z o.o. Sp.k.	369	until 31.01.2020	Guarantee securing the execution of liabilities of Supersam City Space - GP Sp. z o.o. Sp.k. resulting from the lease agreement of 28.02.2017. Issued in EUR.
Santander Bank Polska S.A. commissioned by Echo Investment S.A.	City of Katowice	758	until 15.01.2020	Performance bond for liabilities of Galeria Libero - Projekt Echo - 120 Sp. z o.o. Sp.K. resulting from the agreement of 16.06.2016 on a road construction project.
Echo Investment S.A.	PKO BP S.A.	36 000	until 30.06.2023	Cost overrun guarantee agreement regarding Moje Miejsce office project in Warsaw.
PKO BP S.A. commissioned by Echo Investment S.A.	LUX Europa III S.a.r.l.	6 450	until 25.03.2020	Guarantee securing the execution of liabilities of Dellia Investments - Projekt Echo - 115 Sp z o.o. Sp.k. resulting from quality guarantee agreement on 27.03.2019.
Echo Investment S.A.	LUX Europa III S.a.r.l.	95 957	till 31.12.2024	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. resulting from the sale agreement of Gatehouse Offices, one of office buildings of Warsaw Brewery complex in Warsaw. Partially issued in EUR.
Echo Investment S.A.	LUX Europa III S.a.r.l.	15 027	till 30.06.2029	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. resulting from the sale agreement of Gatehouse Offices, one of office buildings of Warsaw Brewery complex in Warsaw. Partially issued in EUR.
Echo Investment S.A.	LUX Europa III S.a.r.l.	163 550	till 30.06.2030	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. resulting from the sale agreement of Gatehouse Offices, one of office buildings of Warsaw Brewery complex in Warsaw. Partially issued in EUR.
Echo Investment S.A.	LUX Europa III S.a.r.l.	48 110	till 03.03.2027	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp.K. resulting from the sale agreement of Gatehouse Offices, one of office buildings of Warsaw Brewery complex in Warsaw. Partially issued in EUR.
PKO BP SA commissioned Echo Investment S.A.	LUX Europa III S.a.r.l.	376	till 30.06.2020	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 sp. Z.o. Sp.k. resulting from master lease agreement.
Echo - Aurus Sp. z o.o.	Echo - Park Rozwoju Sp. z o.o. Sp.K.	773	until 28.02.2027	Performance bond for liabilities of Projekt 133 - City Space GP Sp. z o.o. Sp.K., resulting from lease agreement concluded on 4.11.2016. Issued in EUR.
Echo - Aurus Sp. z o.o.	Nobilis - Projekt Echo 117 Sp. z o.o. Sp.K.	774	until 31.07.2027	Performance bond for liabilities of Projekt 137 - City Space GP Sp. z o.o. Sp.K., resulting from lease agreement concluded on 28.02.2017. Issued in EUR.
Echo - Aurus Sp. z o.o.	Ventry Investments Sp. z o.o. Sp.K.	1 216	until 09.04.2027	Performance bond for liabilities of City Space - GP Sp. z o.o., resulting from lease agreement concluded on 12.10.2016. Issued in EUR.
Raiffeisen Bank S.A.	Agentia Nationala de Administrare Fiscala	2 158	until 02.09.2019	Performance bond for liabilities of S.C. Echo Investment Project 1 S.R.L. Issued in RON.
Echo - Aurus Sp. z o.o.	Sagittarius - Projekt Echo 113 Sp. z o.o. Sp.K.	51	until 31.01.2024	Performance bond for liabilities of Echo Investment S.A., resulting from lease agreement concluded on 22.06.2018. Issued in EUR.
Sagittarius-Projekt Echo - 113 Sp.z o.o. Sp.k./Echo - SPV 7 Sp. z o.o./Echo - Aurus Sp. z o.o.	Warburg-HiH Invest Real Estate GmbH	211 704	until 31.10.2028	Construction work quality guarantee related to the Sagittarius office building in Wrocław. Partially issued in EUR.
Echo-SPV 7 Sp. z o.o.	Ventry Investments Sp. z o.o. Sp.K.	43	until 90 days after lease agreement expiry	Performance bond for liabilities of Echo Investment S.A., resulting from lease agreement concluded on 24.11.2017. Issued in EUR.
Echo Investment S.A.	PKO BP S.A.	69 884	to the date of construction loan conversion into investment loan	Cost overrun guarantee agreement related to the office project in Warsaw Brewery complex in Warsaw. Issued in EUR.

GUARANTEES ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2019

Issuer	For	Value ['000 PLN]	Validity	Description
Echo Investment S.A.	Bank Milenium S.A.	8 045	to the date of construction loan conversion into investment loan	Cost overrun guarantee agreement related to the office project West 4 Business Hub in Wrocław.
Echo Investment S.A.	Bank Milenium S.A.	4 680	to the date of construction loan conversion into investment loan	Guarantee securing rental income during construction of West 4 Business Hub in Wrocław. Issued in EUR.
Echo Investment S.A.	Echo-Opolska Business Park Sp. z o.o. Sp.k.	1 035	until 30.06.2020	Performance bond for liabilities of 132 - City Space - GP Sp. z o.o. Sp.K. resulting from leasing agreement signed on 4.06.2019. Issued in EUR.
Echo Investment S.A.	PeKaO S.A.	70 000	until 29.12.2023	Performance bond for liabilities of Face2Face - Stranraer Sp. z o.o. Sp.k. resulting from loan agreement. Issued in PLN.
Echo Investment S.A.	BNP Paribas Bank Polska S.A.	10 499	until 1.12.2022	Cost overrun guarantee agreement regarding React office project in Lodz.
Echo Investment S.A.	EPP Development 6 Sp. z o.o.	35 281	until 9.08.2028	Performance bond for liabilities of Echo-Opolska Business Park sp. z o.o. sp.k. resulting from construction guarantee.
PKO BP SA commissioned Echo Investment S.A.	Director of the Tax Administration Chamber in Kielce	873	until 10.02.2021	Lottery guarantee for Galeria Libero - Projekt Echo - 120 Sp. z o.o. SK
Echo Investment S.A.	Flaxton Investments Sp. z o.o.	16 698	until 27.07.2021	Construction guarantee related to sale of the Symetris phase II in Lodz. Issued in EUR.
Total		1 831 667		

The total value of current guarantee agreements in force received by the Group as at 30 September 2019 is as follows:

- under lease agreements concluded: PLN 2 120 158, EUR 3 405 195,73;
- on account of project implementation: PLN 87 281 026,58, EUR 2 486 530,56, USD 22 107,80.

Due to the fact, that provisions for liabilities on rent free period are already presented in the consolidated balance sheet, liabilities for that item are not presented above

CHANGES IN GUARANTEE AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP IN Q3 2019

Change	Issuer	For	Date of change	Value [‘000 PLN]	Description
Expiry	PKO BP	Warburg-HiH Invest Real Estate GmbH	20.08.2019	8 000	Guarantee for the liabilities related to construction work quality of Sagittarius office building in Wrocław
Expiry	Echo Investment S.A.	PKO BP	28.08.2019	107 418	Performance bond for liabilities of Echo-Opolska Business Park sp. z o.o. sp.k. resulting from loan agreement. Issued in EUR
Issue	Echo Investment S.A.	EPP Development 6 Sp. z o.o.	11.09.2019	35 281	Guarantee securing execution of liabilities of Echo-Opolska Business Park Sp. z o.o.Sp.K. resulting from construction agreement
Issue	Echo Investment S.A.	Bank Polska Kasa Opieki SA	03.07.2019	70 000	Performance bond for liabilities of Face2Face - Stranraer Sp. z o.o. Sp.k. resulting from loan agreement. Issued in PLN.
Issue	Echo Investment S.A.	BNP Paribas Bank Polska S.A.	31.07.2019	10 499	Cost overrun guarantee agreement regarding React office project in Lodz.
Issue	PKO BP SA commissioned Echo Investment S.A.	LUX Europa III S.a.r.l.	03.07.2019	376	Performance bond for liabilities of Dellia Investments - Projekt Echo - 115 sp. Z.o. Sp.k. resulting from master lease agreement.
Issue	PKO BP SA commissioned Echo Investment S.A.	Director of the Tax Administration Chamber in Kielce	05.09.2019	873	Lottery guarantee for Galeria Libero - Projekt Echo - 120 Sp. z o.o. SK
Prolongation/ change in amount	PKO BP SA commissioned Echo Investment S.A.	IREEF - Stryków Propco Sp. z o.o.	30.07.2019	1 024	Guarantee securing the execution of liabilities of Echo Investment S.A. resulting from the lease agreement of 24.10.2016. Issued in EUR.
Prolongation	Raiffeisen Bank S.A.	Agentia Nationala de Administrare Fiscala	28.08.2019	2 158	Performance bond for liabilities of S.C. Echo Investment Project 1 S.R.L. Issued in RON.

18.2 Surety agreements

SURETY AGREEMENTS ISSUED BY ECHO INVESTMENT GROUP AS AT 30.09.2019 [PLN '000]

Issuer	For	Value ['000 PLN]	Validity	Description
Echo Investment S.A.	Bletwood Investments Sp. z o.o.	1 471	Entire validity period of the lease and three months following its termination date	Surety for liabilities of Cogl II Poland Limited Sp. z o.o. as a collateral of liabilities resulting from the lease agreement of 06.11.2015. Issued in EUR.
Echo Investment S.A.	HPO AEP Sp. z o.o. Sp. J.	10 934	Until the date of issuance of the occupancy permit for the projects but no later than 07.12.2031.	Surety for liabilities of Echo - Browary Warszawskie Sp. z o.o. Sp.K. and Dellia Investments - Projekt Echo - 115 Sp. z o.o. Sp. K. j as a collateral of liabilities resulting from the lease agreement of 07.12.2016. Mutual surety issued in EUR.
Echo Investment S.A.	Human Office Polska Sp. z o.o.	100	Until the expiry of obligations under leasing agreement	Surety for liabilities of Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp.K. resulting from the leasing agreement
Echo-Aurus Sp. z o.o.	Human Office Polska Sp. z o.o.	340	until 27.09.2021	Surety for liabilities of Projekt 137 - City Space - GP Sp. z o.o Sp.K. resulting from leasing agreement of 27.09.2017.
Echo-Aurus Sp. z o.o.	PKO Leasing S.A.	312	until 06.12.2020	Surety for liabilities of Projekt 137 - City Space - SPV 1 Sp. z o.o resulting from leasing agreement of 06.12.2017
Echo-Aurus Sp. z o.o.	Grenkeleasing Sp. z o.o.	297	until 22.11.2022	Surety for liabilities of Echo Innovations - City Space - GB Sp. z o.o. resulting from leasing agreement of 22.11.2018.
Echo-Aurus Sp. z o.o.	PEAC (Poland) Sp. z o.o.	513	until 05.02.2024	Surety for liabilities of Aquarius - City Space - GP Sp. z o.o. Sp.K. resulting from leasing agreement of 5.02.2019.
Total		13 967		

The total value of current guarantee agreements in force received by the Group as at 30 June 2019 is as follows:

- under lease agreements concluded: PLN 2,688,352, EUR 3,433,414;
- on account of project implementation: PLN 95,310,457, EUR 1,391,687, USD 22,108.;
- under lease agreements concluded: PLN 1 109 635,37, EUR 319 447 943,68, USD 300 000

- on account of project implementation: EUR 8 500 000.

- others: PLN 15 000 000

Due to the fact, that the loan liabilities are already presented in the consolidated balance sheet, off-balance sheet commitments related to the loans (that would be duplicated) are not included above.

Influence of the results disclosed in the report for Q3 2019 on fulfilment of result forecasts

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

Court, arbitration or public administration proceedings

Between 1 January and 30 September 2019, there were no proceedings pending in court, a competent arbitration authority or a public administration authority concerning liabilities or claims of Echo Investment S.A. or its subsidiary the value, of which equaled at least 10% of the Company's equity.

Material transactions concluded by the Company or its subsidiary with related parties on terms other than market terms

In the period of Q1-Q3 2019,, no material transactions were concluded between Echo Investment S.A. and its subsidiaries, and related parties on terms other than market terms.

CHAPTER 2

FINANCIAL STATEMENTS



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL
STATEMENT AS OF AND
FOR THE PERIOD ENDED
30 SEPTEMBER 2019**



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

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.09.2018 - end of quarter
ASSETS			
Non-current assets			
Intangible assets	3 144	2 468	1 610
Property, plant and equipment	18 520	8 938	8 339
Investment property	848 243	1 007 716	152 595
Investment property under construction	1 290 833	940 427	1 328 323
Investment in associates and joint ventures valued using the equity method	262 990	258 531	254 755
Long-term financial assets	158 536	84 590	75 911
Deferred tax asset	54 688	52 493	60 194
	2 636 954	2 355 163	1 881 727
Current assets			
Inventory	1 199 730	771 836	784 375
Current tax assets	519	3 381	1 537
Other taxes receivable	45 799	87 177	50 322
Trade and other receivables	119 508	211 142	281 978
Short-term financial assets	21 222	42 190	58 552
Other restricted financial assets	100 839	54 719	116 008
Cash and cash equivalents	515 833	439 532	521 519
	2 003 450	1 609 977	1 814 291
Assets held for sale	19 017	13 500	13 500
Financial assets held for sale	-	-	83 890
Total assets	4 659 421	3 978 640	3 793 408

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

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.09.2018 - end of quarter
EQUITY AND LIABILITIES			
Equity			
Equity attributable to equity holders of the parent	1 377 229	1 495 573	1 555 393
Share capital	20 635	20 635	20 635
Supplementary capital	1 259 252	1 420 922	1 420 922
Revaluation capital	-	-	(4 357)
Retained earnings	96 469	45 543	125 091
Foreign currency translation reserve	873	8 473	(6 898)
Non-controlling interest	(121)	(114)	(110)
	1 377 108	1 495 459	1 555 283
Provisions			
Long-term provisions	152 368	125 559	71 194
Short-term provisions	125 530	135 988	154 751
Deferred tax liabilities	107 231	111 303	77 690
	385 129	372 850	303 635
Long-term liabilities			
Debt liabilities	1 479 874	1 149 693	1 011 716
Leasing and perpetual usufruct conversion fee liabilities	117 476	-	-
Other liabilities	14 648	28 089	73 917
Deferred income	108 357	57 851	-
	1 720 355	1 235 633	1 085 633
Short-term liabilities			
Debt liabilities	57 493	280 729	277 007
Derivative financial instruments	14 504	8 859	1 005
Income tax payable	39 509	8 400	4 443
Other taxes liabilities	173 428	234 623	175 592
Dividend payable	206 345	-	-
Leasing and perpetual usufruct conversion fee liabilities	53 850	-	-
Other liabilities	110 566	78 590	158 270
Deferred income	521 134	263 497	232 540
	1 176 829	874 698	848 857
Total equity and liabilities	4 659 421	3 978 640	3 793 408
Book value	1 377 229	1 495 573	1 555 393
Number of shares	412 690 582	412 690 582	412 690 582
Book value per one share (in PLN)	3,34	3,62	3,77

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

	3 quarters - from 01.01.2019 - to 30.09.2019	3 quarters - from 01.01.2018 to 30.09.2018	Quarter - from 01.07.2019 to 30.09.2019	Quarter - from 01.07.2018 to 30.09.2018
Revenues	381 622	439 431	250 821	248 667
Cost of sales	(295 923)	(374 763)	(202 684)	(219 517)
Gross profit	85 699	64 668	48 137	29 150
Profit (loss) on investment property	218 072	259 826	87 268	73 883
Administrative costs associated with project implementation	(17 779)	(27 738)	(7 449)	(7 411)
Selling expenses	(15 433)	(20 186)	(6 823)	(8 488)
General and administrative expenses	(70 662)	(73 747)	(21 097)	(24 173)
Other operating income	29 383	27 006	5 047	7 802
Other operating expenses	(36 454)	(28 500)	(17 052)	(1 288)
Operating profit	192 826	201 329	88 031	69 475
Financial income	21 210	28 658	5 077	2 854
Financial cost	(49 273)	(47 392)	(15 022)	(12 172)
Profit (loss) on FX derivatives	899	(2 621)	(196)	(171)
Foreign exchange gains (losses)	(4 864)	11 037	(8 722)	(826)
Share of profit (loss) of associates and joint ventures accounted for the equity method	(394)	36 512	1 606	(5 839)
Profit before tax	160 404	227 523	70 774	53 321
Income tax	(43 408)	(69 769)	(21 677)	(22 054)
- current tax	(47 208)	(37 282)	(16 286)	(27 165)
- deferred tax	3 800	(32 487)	(5 391)	5 111
Net profit (loss), including:	116 996	157 754	49 097	31 267
Profit attributable to equity holders of the parent	117 003	157 757	49 099	31 268
Loss of non-controlling interest	(7)	(3)	(2)	(1)
Profit attributable to equity holders of the parent	117 003	157 757	49 099	31 268
Weighted average number of ordinary shares (in '000) without shares held	412 691	412 691	412 691	412 691
Profit (loss) per one ordinary share (in PLN)	0,28	0,38		
Diluted profit (loss) per one ordinary share (PLN)	0,28	0,38		

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

	3 quarters - from 01.01.2019 - to 30.09.2019	3 quarters - from 01.01.2018 to 30.09.2018	Quarter - from 01.07.2019 to 30.09.2019	Quarter - from 01.07.2018 to 30.09.2018
Profit for the year	116 996	157 754	49 097	31 267
Components of other comprehensive income that may be reclassified to profit or loss in later periods				
- exchange differences on translation of foreign operations	(7 600)	3 578	107	(3 704)
- revaluation gains	-	10 393	-	12 650
Other comprehensive income for the year, net of tax	(7 600)	13 971	107	8 946
			-	
Total comprehensive income for the year, including:	109 396	171 725	49 204	40 213
Comprehensive income attributable to shareholders of the parent company	109 403	171 728	49 206	40 214
Comprehensive income attributable to non-controlling interest	(7)	(3)	(2)	(1)

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

	Share Capital	Supple- mentary- capital	Reva- luation capital	Accumula- ted retained earnings	Currency translation differences	Equity attributable to equity holders of the parent	Capital of non-contro- lling interests	Equity total
For the period from 1 January 2019 to 30 September 2019								
Opening balance	20 635	1 420 922	-	45 543	8 473	1 495 573	(114)	1 495 459
Impact of implementation MSSF 16 on 1st January 2019				(21 402)		(21 402)		(21 402)
Opening balance, with restated figures	20 635	1 420 922	-	24 141	8 473	1 474 171	(114)	1 474 057
Distribution of previous years' profit/loss	-	44 675	-	(44 675)	-	-	-	-
Dividend approved for payment	-	(206 345)	-	-	-	(206 345)	-	(206 345)
Other comprehensive income	-	-	-	-	(7 600)	(7 600)	-	(7 600)
Profit (loss) for the period	-	-	-	117 003	-	117 003	(7)	116 996
Closing balance	20 635	1 259 252	-	96 469	873	1 377 229	(121)	1 377 108
For the period from 1 January 2018 to 30 September 2018								
Opening balance	20 635	1 192 117	(49 676)	435 150	(10 476)	1 587 750	(107)	1 587 643
Changes in accounting principles				2 260		2 260		2 260
Opening balance, with restated figures	20 635	1 192 117	(49 676)	437 410	(10 476)	1 590 010	(107)	1 589 903
Distribution of previous years' profit/loss	-	228 805	-	(228 805)	-	-	-	-
Dividend paid	-	-	-	(206 345)	-	(206 345)	-	(206 345)
Other comprehensive net income	-	-	-	-	3 578	3 578	-	3 578
Results of financial investment's revaluation (EPP shares)	-	-	10 393	-	-	10 393	-	10 393
Results of financial investment's saler (EPP shares)	-	-	34 926	(34 926)	-	-	-	-
Net profit (loss) for the period	-	-	-	157 757	-	157 757	(3)	157 754
Closing balance	20 635	1 420 922	(4 357)	125 091	(6 898)	1 555 393	(110)	1 555 283

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT [PLN '000]

3 quarters
- from 01.01.2019
to 30.09.2019

3 quarters
- from 01.01.2018
to 30.09.2018

A. Operating cash flow – indirect method	3 quarters - from 01.01.2019 to 30.09.2019	3 quarters - from 01.01.2018 to 30.09.2018
I. Profit (loss) before tax	160 403	227 523
II. Total adjustments		
Share in net (profit) loss of associates and joint ventures recognized using the equity method	395	(36 512)
Depreciation of PP&E	7 155	2 744
Foreign exchange (gains) losses	(5 264)	616
- result on the liquidation of Echo Prime Asstes BV	(7 210)	-
Interest and profit sharing (dividends)	24 966	21 922
(Profit) loss on revaluation of assets and liabilities	(244 924)	(276 731)
(Profit) loss on revaluation of assets and liabilities	-	(136)
	(217 672)	(288 097)
III. Changes in working capital		
Change in provisions	16 351	(1 047)
Change in inventories	(329 196)	(126 862)
Change in receivables	134 217	20 583
Change in short-term liabilities, except for loans and borrowings	211 290	249 812
Change in restricted cash	(46 121)	(61 241)
	(13 459)	81 245
IV. Net cash generated from operating activities (I+II+III)	(70 728)	20 671
Income tax paid	(38 700)	(41 889)
V. Net cash generated from operating activities	(109 428)	(21 218)
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	879	757
Sale of investments in property	579 669	346 014
From borrowings and financial investments	8 174	129 363
Sale of investments	-	163 614
	588 722	639 748
II. Outflows		
Purchase of intangible assets and PP&E	(7 400)	(2 453)
Investment in property	(404 048)	(426 864)
On loans and financial investments	(55 137)	(80 363)
	(466 585)	(509 680)
III. Net cash flow from investing activities (I+II)	122 137	130 068

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

	3 quarters - from 01.01.2019 to 30.09.2019	3 quarters - from 01.01.2018 to 30.09.2018
C. Cash flow from financing activities		
I. Inflows		
Loans and borrowings	218 085	408 099
Issue of debt securities	133 832	190 000
Other financial inflows	899	136
	352 816	598 235
II. Outflows		
Dividends and other payments to equity holders	-	(206 345)
Repayment of loans and borrowings	(84 543)	(212 019)
Redemption of debt securities	(170 500)	(402 900)
Interest paid	(34 181)	(40 636)
	(289 224)	(861 900)
III. Net cash flow from financing activities (I+II)	63 592	(263 665)
D. Total net cash flows (A.III+B.III+C.III)	76 301	(154 815)
E. Change in the balance of cash in consolidated statement of financial position, including:	76 301	(154 815)
- incl. change in cash due to foreign exchange gains/losses		-
F. Cash and cash equivalents at the beginning of the period	439 532	676 334
G. Cash and cash equivalents at the end of the period (F+D)	515 833	521 519

OFF-BALANCE SHEET ITEMS [PLN '000]

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.09.2018 - end of quarter
Off-balance sheet liabilities	1 845 634	1 231 418	1 350 037
Total	1 845 634	1 231 418	1 350 037

INFORMATION ON FINANCIAL STATEMENTS OF ECHO INVESTMENT GROUP

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

The condensed interim consolidated financial statements of the Echo Investment Group for the period of 9 months ended on 30 September 2019 and comparative data for the period of 9 months ended on 30 September 2018.

Unless indicated otherwise, all financial data in the Company's financial statements has been presented in thousand PLN. The financial statements have been drawn up in accordance with the historical cost principle with the exception of investment property, which was measured at fair value.

As at 30 September 2019 the Capital Group consisted of 137 entities consolidated according to the full method, and 18 entities consolidated according to the equity method.

DECLARATION OF CONFORMITY

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

ASSUMPTION OF CONTINUITY IN OPERATIONS

The Groups' consolidated financial statements for Q3 2019 have been drawn up according to the going concern principle as there are no circumstances indicating a threat to continued activity by the Group's companies.

APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved for publication by the Management Board on 27 November 2019.

Echo Investment Group

2.1 Composition of the Group

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

investment tasks, including those resulting from the construction process of a concrete development project. As at 30 September 2019 the Capital Group included 137 subsidiaries consolidated according to the full method and 18 jointly controlled companies consolidated according to the equity method.

SUBSIDIARIES

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

SUBSIDIARIES

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

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
59	Projekt 1 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
60	Projekt 12 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
61	Projekt 13 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
62	Projekt 132 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
63	Projekt 133 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
64	Nobilis - City Space GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
65	Projekt 14 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
66	React - Dagnall Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
67	Projekt 16 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
68	Projekt 17 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
69	Projekt 18 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
70	Cinema Asset Manager - Grupa Echo sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
71	Face2Face - Stranraer Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
72	Projekt 21 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
73	Projekt 22 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
74	Projekt 5 - Grupa Echo Sp. z o.o. S.k.a.	Szczecin	100%	Echo Investment S.A.
75	Projekt Beethovena - Projekt Echo - 122 Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
76	Projekt CS Sp. z o.o.	Kielce	100%	Echo Investment S.A.
77	Projekt Echo - 104 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
78	Projekt Echo - 108 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
79	Projekt Echo - 111 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
80	Projekt Echo - 112 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
81	Projekt Echo - 113 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
82	Projekt Echo - 115 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
83	Projekt Echo - 116 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
84	Projekt Echo - 119 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
85	Projekt Echo - 120 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
86	Projekt Echo - 121 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
87	Projekt Echo - 122 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
88	Projekt Echo - 123 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
89	Projekt Echo - 127 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
90	Projekt Echo - 128 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
91	Projekt Echo - 129 Sp. z o.o.	Kielce	100%	Selmer Investments Sp. z o.o. Sp. k.
92	Projekt Echo - 130 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
93	Projekt Echo - 131 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
94	Projekt Echo - 132 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
95	Projekt Echo - 135 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
96	Projekt Echo - 135 Sp. z o.o. Sp. k.	Kielce	100%	Perth Sp. z o.o.
97	Projekt Echo - 136 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
98	Projekt Echo - 136 Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.

SUBSIDIARIES

No	Subsidiary	Registered office	% of capital held	Parent entity
99	Projekt Echo - 137 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
100	Projekt 139 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Perth Sp. z o.o.
101	Projekt 140 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
102	Aquarius - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
103	142 - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
104	Beethovena - City Space - GP Sp. z o.o. Sp. k.	Warsaw	100%	City Space Management Sp. z o.o.
105	Projekt 144 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo - Arena Sp. z o.o.
106	Projekt 145 - City Space - GP Sp. z o.o. Sp. k.	Kielce	100%	City Space Management Sp. z o.o.
107	Projekt 146 - City Space - GP Sp. z o.o. Sp. k.	Kielce	100%	City Space Management Sp. z o.o.
108	Projekt 147 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
109	Projekt 148 - Grupa Echo Sp. z o.o. Sp. k.	Kielce	100%	Echo Investment S.A.
110	Projekt Echo - 93 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
111	Projekt Echo - 99 Sp. z o.o.	Kielce	100%	Echo Investment S.A.
112	Projekt K-6 - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
113	Projekt Naramowice - Grupa Echo Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
114	Projekt Saska Sp. z o.o.	Kielce	95%	Echo Investment S.A.
115	Pudsey Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
116	Pure Systems Sp. z o.o.	Kraków	100%	Echo Investment S.A.
117	Q22 - Projekt Echo - 128 Sp. z o.o. Sp. k.	Kielce	100%	Potton Sp z o.o.
118	Sagittarius - Projekt Echo - 113 Sp. z o.o. Sp. k.	Kielce	100%	Doxent Investments Sp. z o.o.
119	Seaford Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
120	Selmer Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
121	Selmer Investments Sp. z o.o. Sp. k.	Warsaw	100%	Echo Investment S.A.
122	Senja 2 Sp. z o.o.	Warsaw	100%	Echo - Browary Warszawskie Sp. z o.o.
123	Shanklin Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
124	Stranraer Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
125	Strood Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
126	Swanage Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
127	Symetris - Projekt Echo - 131 Sp. z o.o. Sp. k.	Warsaw	100%	Gosford Investments Sp. z o.o.
128	Taśmowa - Projekt Echo - 116 Sp. z o.o. S.k.a.	Kielce	100%	Echo Investment S.A.
129	ZAM - Projekt Echo - 127 Sp. z o.o. Sp. k.	Warsaw	100%	Perth Sp. z o.o.
130	Villea Investments Sp. z o.o.	Warsaw	100%	Echo Investment S.A.
131	Bowen Sp. z o.o.	Warsaw	100%	Echo - Browary Warszawskie Sp. z o.o. S.K.
132	RPGZ IX Sp. z o.o.	Kraków	100%	Echo Investment S.A.
133	Projekt 150 - Projekt 12 - Grupa Echo SP. z o.o. SKA SK	Kielce	100%	Echo Investment S.A.
134	Projekt 151 - Projekt 13 - Grupa Echo Sp. z o.o SKA SK	Kielce	100%	Echo Investment S.A.
135	Projekt 152 - Projekt 14 - Grupa Echo Sp. z o.o SKA SK	Kielce	100%	Echo Investment S.A.
136	Projekt 153 - Projekt 21 - Grupa Echo Sp. z o.o SKA SK	Kielce	100%	Echo Investment S.A.
137	Projekt 154 - Projekt K-6 - Grupa Echo Sp. z o.o SKA SK	Kielce	100%	Echo Investment S.A.

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

JOINT-VENTURES

No	Joint-venture	Registered office	% of capital held	Parent entity	Project
1	Rosehill Investments Sp. z o.o.	Warsaw	30%	Echo Investment S.A.	Galeria Młociny
2	Berea Sp. z o.o.	Warsaw	30%	Rosehill Investments Sp. z o.o.	Galeria Młociny
3	Projekt Echo - 138 Sp. z o.o. Sp.K.	Warsaw	45,26%	Strood Sp. z o.o.	Towarowa 22
4	Projekt Echo - 138 Sp. z o.o.	Warsaw	30%	Echo Investment S.A.	Towarowa 22
5	R4R Poland Sp. z o.o.	Warsaw	30%	Echo Investment S.A.	Resi4Rent
6	R4R Łódź Wodna Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
7	R4R Wrocław Kępa Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
8	R4R Wrocław Rychtalska Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
9	R4R Warszawa Browary Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
10	R4R Leasing Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
11	R4R Poznań Szczepanowskiego Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
12	R4R Warszawa Taśmowa Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
13	R4R Warszawa Woronicza Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
14	R4R Gdańsk Kołobrzeska Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
15	R4R RE Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
16	R4R Kraków 3 Maja Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
17	R4R Warszawa Wilanowska Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent
18	R4R RE Wave 3 Sp. z o.o.	Warsaw	30%	R4R Poland Sp. z o.o.	Resi4Rent

2.2 Changes in the structure of the capital group in Q3 2019

INCREASE OF THE GROUP

No	Entity	Action	Date	Share capital
1	PROJEKT 153 - Projekt 21 - Grupa Echo Sp. z o.o SKA SK	Registration by the Regional Court in Kielce	14.08.2019	5 000 PLN
2	PROJEKT 154 - Projekt K-6 - Grupa Echo Sp. z o.o SKA SK	Registration by the Regional Court in Kielce	14.08.2019	5 000 PLN
3	PROJEKT 150 - Projekt 12 - Grupa Echo Sp. z o.o. SKA SK	Registration by the Regional Court in Kielce	14.08.2019	5 000 PLN
4	PROJEKT 151 - Projekt 13 - Grupa Echo Sp. z o.o SKA SK	Registration by the Regional Court in Kielce	23.08.2019	5 000 PLN
5	PROJEKT 152 - Projekt 14 - Grupa Echo Sp. z o.o SKA SK	Registration by the Regional Court in Kielce	23.08.2019	5 000 PLN

OTHER CHANGES

No	Entity	Action	Date
1	Projekt 145 - Grupa Echo Sp. z o.o. Sp. K	Zmiana firmy spółki na Projekt 145 - City Space - GP Sp. z o.o. Sp. k.	02.07.2019
2	Projekt 146 - Grupa Echo Sp. z o.o Sp. K	Zmiana firmy spółki na Projekt 146 - City Space - GP Sp. z o. o. Sp. k.	04.07.2019
3	Projekt 15 - Grupa Echo Sp. z o.o. S.k.a.	Zmiana firmy spółki na React - Dagnall Spółka z ograniczoną odpowiedzialnością - Spółka komandytowo - akcyjna	30.07.2019
4	Projekt 20 - Grupa Echo Sp. z o.o. Sp.K.A.	Zmiana firmy spółki na Face2Face - Stranraer Spółka z ograniczoną odpowiedzialnością - Spółka komandytowo - akcyjna	31.07.2019
5	Projekt 22 - Grupa Echo Sp. z o.o. Sp.K.A.	Zmiana komplementariusza - zbycie praw i obowiązków w spółce z Grupa Echo Sp. z o.o. na Cornwall Investments Sp. z o.o. z siedzibą w Warszawie	31.07.2019
6	Cornwall Investments Sp. z o.o. SK	Zmiana firmy spółki na React - City Space - GP spółka z ograniczoną odpowiedzialnością spółka komandytowa	06.08.2019
7	Projekt 12 - Grupa Echo Sp. z o.o. S.K.A.	Zmiana komplementariusza - zbycie praw i obowiązków w spółce Projekt 150 - Projekt 12 - Grupa Echo Sp. z o.o. Sp. K.A Sp. Komandytowa na Shanklin Sp. z o.o. z siedzibą w Warszawie	20.08.2019
8	Projekt Echo 129 Sp. z o.o.	Umowa sprzedaży udziałów w spółce Echo Investment S.A. na Selmer Investments Sp. z o.o. SP. K. z siedzibą w Warszawie	20.08.2019
9	Tryton - Projekt Echo - 127 Sp. z o.o. SK	Zmiana firmy spółki na ZAM - Projekt Echo - 127 Spółka z ograniczoną odpowiedzialnością - spółka komandytowa	26.09.2019

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

The following standards and changes in standards became effective on 1 January 2019:

IFRIC 23 Uncertainty related to income tax recognition

The interpretation explains how to recognise and measure income tax in accordance with IAS 12 if there is uncertainty about its recognition. It does not apply to taxes or fees that do not fall within the scope of IAS 12, or it does not cover interest and penalty requirements related to the uncertain recognition of income tax. The interpretation applies in particular to:

- separate consideration of uncertain tax treatment by the entity;
- assumptions made by the entity concerning the inspection of tax treatment by tax authorities;
- how the entity determines taxable income (tax loss), the tax base, unused tax losses, unused tax credits and tax rates;
- how the entity the entity reflects changes in facts and circumstances.

The entity must determine whether it considers each uncertain tax treatment separately or in combination with one or more other uncertain tax treatment. The approach, which better provides for resolution of uncertainty, should be followed. The interpretation has no significant impact on the interim condensed financial statements of the Company and its Group

Amendments to IFRS 9 Contracts with prepayment features with negative compensation

In accordance with IFRS 9, a debt instrument may be measured at amortized cost or at fair value through other total income, provided that contractual cash flows are only the principal repayments and interest on the outstanding principal amount (the SPPI criterion) and the instrument is held under the appropriate

business model for this classification. Amendments to IFRS 9 specify that a financial asset meets the SPPI criterion regardless of any event or circumstance that cause early termination of the contract and regardless of which party pays or receives reasonable compensation for early termination.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

Amendments to IAS 19 Plan amendments, curtailments, and settlements

The amendments to IAS 19 specify that in the event of the plan amendment, curtailment or settlement in the annual reporting period, the entity is obligated to determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using actuarial assumptions used to remeasure the net defined benefit liability (asset) that reflects the plan benefits and the plan assets after the event.

The entity is also obligated to determine net interest for the remainder of the period following the plan amendment, curtailment or settlement using the defined benefit obligation (asset) reflecting the plan benefits and the plan assets after that event, and the discount rate used for remeasurement of net liability (asset) for the defined benefits.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

Amendments to IAS 28 Long-term interests in associates and joint ventures

The amendments specify that the entity applies IFRS 9 to long-term interests in an associate or joint ven-

ture to which the equity method is not applied, but as a rule they form part of the entity's net investment in the associate or joint venture (long-term interests). This explanation is important because it suggests that the expected credit loss model in IFRS 9 is applied to such long-term interests.

The amendments also specify that when applying IFRS 9, an entity does not take into account losses of an associate or joint venture or any losses due to impairment of net investment in the associate or joint venture that result from the application of IAS 28 Investments in associates.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and the Group.

Amendments resulting from the review of IFRS 2015-2017:

IFRS 3 Business combinations

The amendments explain that when an entity gains control over the entity that is a joint operation, it applies the requirements for a business combination in stages, including to re-measure previously owned interests in the joint operation at fair value. In this way, the acquirer reassesses all previously held interests in the joint operation.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

IFRS 11 Joint arrangements

The amendments specify that a party that participates in a joint operation but does not exercise joint control over it may obtain joint control over the joint operation in which the activities of the joint operation is a business as defined in IFRS 3. In such cases, previously held interests in the joint operation are not subject to revaluation.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

IAS 12 Income tax

The amendments specify that the tax consequences of dividend payments are more directly related to past transactions or events that led to distributable profits than to payments to owners. Therefore, the entity recognises the tax consequences of dividend payments in profit or loss, other total income or equity, depending on where the entity recognised these past transactions or events.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

IAS 23 Borrowing costs

The amendments specify that the entity treats all loans originally contracted to produce a qualifying asset as part of general loans when, in principle, all activities necessary to prepare the asset for its intended use or sale are completed.

The amendments do not have a significant impact on the interim condensed financial statements of the Company and its Group.

The Company has not decided to apply earlier any standard, interpretation or amendment that was published but has not yet entered into force in the light of European Union regulations.

All these amendments introduced were analysed by the Group's Management Board. In addition to introducing changes resulting from the application of IFRS 16 Leases (explained below), which the Group has applied since 1 January 2019, the Management Board of the Group believes that other amendments do not have a material impact on the financial position, results of operations of the Group or the scope of information presented in to these interim condensed consolidated financial statements.

Changes to the Group's accounting policy introduced as a result of the adaption of IFRS 16

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

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

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

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

If lease and non-lease components are identified in a contract, the Group chooses a practical solution according to which it recognises each lease component and any accompanying non-lease components as a single lease component.

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

The duration of a lease contract is defined as the irrevocable duration of the lease contract including also possible periods of renewal of the lease contract if the lessee is reasonably certain that the lessee will use this option and possible periods of notice for the lease contract if the lessee is reasonably sure that this option will not be used.

At the time of the first recognition, the Group recognises the lease liability measured at the current value of lease payments due to the lessor over the lease period discounted at the marginal lending rate typical for a given asset. Lease payments include:

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

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

After initial recognition, the Group recognises a lease liability by:

- increasing the carrying amount to reflect interest on a lease liability,
- reducing the carrying amount to reflect lease payments paid, and
- updating the valuation of the carrying amount to take account of any reassessment or change in the lease or to account for substantially constant lease payments.

After the date of commencement of the lease, the asset under the right of use is measured at cost less

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

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

IFRS 14 Regulatory Deferral Accounts

- effective for financial years beginning on or after 1 January 2016 (issued on 30 January 2014). The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard. Not yet endorsed by EU at the date of approval of these financial statements;

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

- (issued on 11 September 2014). The endorsement process of these Amendments has been postponed by EU. The effective date was deferred indefinitely by IASB;

IFRS 17 Insurance Contracts

- effective for financial years beginning on or after 1 January 2021 (issued on 18 May 2017). Not yet endorsed by EU at the date of approval of these financial statements;

Amendments to the Conceptual Framework References contained in the International Financial Reporting Standards

- applicable to annual periods beginning on or after 1 January 2020 (issued on 29 March 2018). Until the date of approval of these financial statements, not approved by the EU;

Amendment to IFRS 3 Business combinations

- applicable to annual periods beginning on or after 1 January 2020 (issued on 22 October 2018). Until the date of approval of these financial statements, it has not been approved by the EU;

Amendments to IAS 1 and IAS 8 Definition of Materiality

- applicable to annual periods beginning on or after 1 January 2020 (issued on 31 October 2018). Until the date of approval of these financial statements, not approved by the EU.

Amendments to IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures” - Reforma referencyjnej stopy procentowe

- effective for annual periods beginning on or after 1 January 2020.

The effective dates are set out in the standards issued by the International Financial Reporting Interpretations Committee. The dates of application of the standards in the European Union may differ from the dates of application resulting from the content of the standards and are announced at the moment of the approval for application by the European Union.

The Group is in the process of analysing the impact of the above standards on the financial statements.

Effects of changing the principles of accounting used

Change of accounting policy

Interim condensed consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies applied by the Group in these Interim Condensed Consolidated Financial Statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2018, except the application of the new standards, changes to the standards and amendments which became effective as of 1 January 2019.

Application of IFRS 16 Leases for the first time

The Group has implemented IFRS 16 Leases since 1 January 2019. The standard introduced one model of lease recognition in the lessee's accounting books - in general, IFRS 16 assumes recognition of all lease agreements in a model similar to the financial leasing approach in line with IAS 17. The new IFRS 16 standard Leases replaces IAS 17, as well as interpretations IFRIC 4, SIC 15 and SIC 27. The Group applied IFRS 16 retrospectively, with reference to the cumulative effect of the first application of this standard, as an adjustment to the opening balance of retained earnings as at 1 January 2019. In accordance with IFRS 16, a contract is a lease or it includes a lease if it delegates the right to control an identified asset for a given period in exchange for remuneration. As at the date of transition to IFRS 16, the Group recognised the asset due to the right of use and the lease liability. The Company separately recognises the cost of interest and depreciation.

When applying this standard retrospectively, the Company made use of the following exemptions:

- The Group does not apply this Standard to contracts that have not previously been identified as leasing agreements in accordance with IAS 17 and IFRIC 4;
- The Group will apply a single discount rate to the portfolio of leases of a similar nature;
- Operating lease agreements, with the remaining leasing period shorter than 12 months on 1 January 2019, were treated as short-term leases and thus recognition of these contracts will not change;
- Operating lease agreements for which the underlying asset is of low value (e.g. office equipment) have not been recalculated and their recognition has not changed;
- The Company did not separate lease and non-lease components.

On 1 January 2019, the Group, as the lessee, recognised lease liabilities measured at the current value of other lease payments, discounted according to marginal Group interest rates, and recognised assets due to the right of use in the amount equal to lease liabilities.

The Group decided to present assets under the right of use under the same item, in which the relevant underlying assets would be represented if they were the property of the Group (the lessee).

As a real estate developer, the Group presents leasing liabilities:

- related to the inventory item - short-term liabilities,
- related to investment property, office space and cars - long-term liabilities.

The Group classifies assets related to rights to use, resulting from agreements signed and decisions issued, to the following balance sheet items and applies appropriate accounting policies for certain items:

Agreement type and presentation in the balance sheet	Measurement method as at the balance sheet date	Impact on the profit and loss statement
Office space lease agreements:		
- investment properties, or	Fair value measurement	Yes
- fixed assets	Depreciation	Yes
Lease agreements on means of transport:		
- fixed assets	Depreciation	Yes
Perpetual usufruct of land:		
- investment properties, or	Fair value measurement *	Yes
- investment properties under construction, not measured at fair value, or	Depreciation with simultaneous capitalisation of depreciation costs in the value of investment property under construction	No
- fixed assets, or	Depreciation	Yes
- inventory	Depreciation with simultaneous capitalisation of depreciation costs in inventory	No

* Fair value of the asset due to the right to use, resulting from the right of perpetual usufruct of land, is determined in the amount of the lease liability calculated as at the given balance sheet date.

Lease liabilities are covered by IFRS 9 with respect to determining when these liabilities meet the criteria for removing them from the balance sheet. In accordance with IFRS 9 paragraph B.3.31 – B.3.34, the liability is removed from the balance sheet when it is settled, expired or the debtor was legally released from debt, for example by transferring the debt to another party. A special case is the right of perpetual usufruct of land, in relation to which the Group is legally released from debt resulting from obligations to pay fees for perpetual usufruct or conversion fees only at the time of legal (notarial) transfer to the buyer of a share in the land belonging to the premises sold. Therefore, until the transfer of the above land ownership, lease liabilities as well as corresponding assets due to the right to use land in perpetual usufruct, remain included in the balance sheet, despite the fact that, in accordance with the policies described in the section “Methods for determining the financial result”, revenues from the sale of residential premises and services are recognised when the property is handed over to the buyer.

For this reason, when the premises is handed over to the buyer (which is also the moment when the proceeds from the sale of the premises are recognised), a part of the lease asset related to the premises is transferred from inventory to receivables from the

buyer, in the amount corresponding to the recognised lease liability on a given land. Until the transfer (notarial) to the purchaser of the property, both the receivable and the liability are presented as short-term, because they will be settled by transfer to the buyer during the “operating cycle”. On the date of the transfer of ownership to the buyer, the land lease liability and the receivable from the purchaser of the premises are derecognised through the cost of sales.

The impact of the implementation of IFRS 16 on 1 January 2019 resulted in recognition of an asset due to the right of use in the amount of PLN 177 495 thousand and lease liabilities in the amount of PLN 204 904 thousand, of which PLN 69 572 thousand relates to inventories, PLN 56 877 thousand to investment property, PLN 71 883 thousand to office space, and PLN 6 572 thousand to cars.

The Group recognised deferred tax assets in the amount of PLN 27 980 thousand and a provision for deferred tax in the amount of PLN 25 513 thousand. After offsetting, the Group disclosed in the Financial Statements the asset for deferred tax in the amount of PLN 2 467 thousand. The impact of the application of IFRS 16 for the first time on the result of previous years amounted to PLN 21 402 thousand.

IMPACT OF THE IMPLEMENTATION OF IFRS 16 AS AT 1 JANUARY 2019 [PLN '000]

Approved financial
report 31 December
2018

IFRS 16 adjustments

1 January 2019

Assets			
Non-current assets	2 355 163	104 871	2 465 552
Fixed assets	8 938	14 651	23 589
Investment property	1 007 716	51 398	1 044 109
Investment property under construction	940 427	36 355	997 304
Deferred tax asset	52 493	2 467	54 960
Current assets	1 609 977	69 573	1 679 550
Inventory	771 836	69 573	841 409
Assets held for sale	13 500	5 518	19 018
Total assets	3 978 640	179 962	4 158 602
Equity and liabilities			
Equity	1 495 459	(21 402)	1 474 057
Retained earnings	45 543	(21 402)	24 141
Provisions			
Long-term provisions	125 559	(2 909)	122 650
Short-term provisions	135 988	(631)	135 357
Long-term liabilities			
Other liabilities	28 089	135 332	163 421
Short-term liabilities			
Other liabilities	78 590	69 572	148 162
Total equity and liabilities	3 978 640	179 962	4 158 602

**CONDENSED INTERIM STANDALONE
FINANCIAL STATEMENT OF ECHO
INVESTMENT S.A. AS OF AND FOR THE
PERIOD ENDED 30 SEPTEMBER 2019**



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

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.09.2018 - end of quarter
Assets			
Non-current assets			
Intangible assets	3 110	2 445	1 574
Property, plant and equipment	14 716	5 284	5 015
Investment property	2 212	2 212	2 212
Investments in subsidiaries, jointly controlled entities and associates	866 517	975 449	953 623
Long-term financial assets	788 621	796 125	1 155 122
Loans granted	343 796	221 504	137 391
Deferred tax assets	-	-	11 172
	2 018 972	2 003 019	2 266 109
Current assets			
Inventory	242 219	201 445	201 713
Current tax assets	58	-	
Other taxes receivable	1 114	248	2 962
Trade and other receivables	107 616	109 224	135 050
Loans granted	332 604	265 621	283 878
Other restricted financial assets	11 635	7 389	25 564
Cash and cash equivalents	90 740	181 977	178 744
	785 986	765 904	827 911
Total assets	2 804 958	2 768 923	3 094 020

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

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.09.2018 - end of quarter
Equity and liabilities			
Equity			
Share capital	20 635	20 635	20 635
Supplementary capital	1 054 295	1 054 295	1 054 295
Dividend fund	164 639	326 309	532 654
Accumulated profit	39 539	44 675	26 578
	1 279 108	1 445 914	1 634 162
Provisions			
Provisions for short-term liabilities	11 442	17 317	23 610
Deferred tax provision - long-term	5 212	1 468	-
	16 654	18 785	23 610
Long-term liabilities			
Loans, borrowings and bonds	1 037 924	903 448	862 322
Leasing	10 686	-	-
Deposits and advances received	733	746	870
	1 049 343	904 194	863 192
Short-term liabilities			
Loans, borrowings and bonds	52 583	267 725	448 875
- from subsidiaries:	-	-	182 844
Income tax payable	58	1 219	702
Other taxes liabilities	2 086	1 678	1 498
Trade payable	27 555	32 595	32 241
Deposits and advances received	131 630	74 795	49 421
Other liabilities	245 940	22 018	40 319
- including dividend payable	206 345	-	-
	459 853	400 030	573 056
Total equity and liabilities	2 804 958	2 768 923	3 094 020
Book value	1 279 108	1 445 914	1 634 162
Number of shares	412 690 582	412 690 582	412 690 582
Book value per share (in PLN)	3,10	3,50	3,96

OFF-BALANCE SHEET ITEMS [PLN '000]

	As at 30.09.2019 - end of quarter	As at 31.12.2018 - end of previous year	As at 30.06.2018 - end of quarter
Off-balance sheet receivables	-	-	-
Off-balance sheet liabilities	2 576 670	1 215 751	1 065 950
Total	2 576 670	1 215 751	1 065 950

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

	Quarter - from 01.07.2019 to 30.09.2019	Quarter - from 01.07.2018 to 30.09.2018	3 quarters - from 01.01.2019 - to 30.09.2019	3 quarters - from 01.01.2018 - to 30.09.2018
Revenues	95 728	208 856	192 343	357 525
Cost of sales	(69 832)	(165 452)	(124 146)	(258 394)
Gross profit	25 896	43 404	68 197	99 131
Profit / (loss) on investment property	-	-	-	-
Administrative costs associated with project implementation	(2 358)	(4 221)	(4 133)	(9 976)
Selling expenses	(5 762)	(4 839)	(12 994)	(13 579)
General and administrative expenses	(20 360)	(18 999)	(66 326)	(64 596)
Other operating income	2 591	36 539	91 185	110 013
Other operating expenses	(5 378)	(18 838)	(8 754)	(28 131)
Operating profit	(5 371)	33 046	67 175	92 862
Financial income	20 009	74 779	24 511	78 130
Financial cost	(9 143)	(99 445)	(46 929)	(136 602)
Profit before tax	5 495	8 380	44 757	34 390
Income tax	(2 962)	(1 213)	(5 218)	(10 055)
Net profit	2 533	7 167	39 539	24 335
Net profit (annualised)			647 700	603 829
Weighted average number of ordinary shares			412 690 582	412 690 582
Profit per one ordinary share (in PLN)			1,57	1,46
Diluted weighted average number of ordinary shares			412 690 582	412 690 582
Diluted profit per one ordinary share (PLN)			1,57	1,46

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

	Share Capital	Supplementary capital	Dividend fund	Accumulated profit (loss)	Total equity
For 3 quarters (current year)					
Period from 01.01.2019 to 30.09.2019					
As of beginning of the period, after reconcilia- tion with comparable data	20 635	1 054 295	326 309	44 675	1 445 914
Changes in the period:					
Distribution of previous years' profit/loss	-	-	44 675	(44 675)	-
Dividend paid	-	-	(206 345)	-	(206 345)
Profit (loss) for the period	-	-	-	39 539	39 539
Total changes	-	-	(161 670)	(5 136)	(166 806)
As of the end of the period	20 635	1 054 295	164 639	39 539	1 279 108
For the previous year					
Period from 1.01.2018 to 31.12.2018					
As of beginning of the period	20 635	839 054	319 579	634 661	1 813 929
Changes in accounting principles	-	-	-	2 243	2 243
As of beginning of the period, after reconcilia- tion with comparable data	20 635	839 054	319 579	636 904	1 816 172
Changes in the period:					
Distribution of previous years' profit/loss	-	215 241	213 075	(428 316)	-
Dividend paid	-	-	(206 345)	(206 345)	(412 690)
Dividend approved	-	-	-	-	-
Profit (loss) for the period	-	-	-	42 432	42 432
Total changes	-	215 241	6 730	(592 229)	(370 258)
As of end of the period	20 635	1 054 295	326 309	44 675	1 445 914
For 3 quarters (previous year)					
Period from 01.01.2018 to 30.09.2018					
As of beginning of the period	20 635	839 054	319 579	634 661	1 813 929
Adjustments to previous years' profit/loss	-	-	-	2 243	2 243
As of beginning of the period, after reconcilia- tion with comparable data	20 635	839 054	319 579	636 904	1 816 172
Changes in the period:					
Distribution of	-	215 241	213 075	(428 316)	-
Dividend paid	-	-	-	(206 345)	(206 345)
Dividend approved	-	-	-	-	-
Profit for the period	-	-	-	24 335	24 335
Total changes	-	215 241	213 075	(610 326)	(182 010)
As of end of the period	20 635	1 054 295	532 654	26 578	1 634 162

CONDENSED INTERIM STANDALONE CASH FLOW STATEMENT [PLN '000]

	3 quarters - from 01.01.2019 - to 30.09.2019	3 quarters - from 01.01.2018 - to 30.09.2018
A. Operating cash flow – indirect method		
I. Profit before tax	44 757	34 390
II. Adjustments	(63 012)	23 409
Depreciation	6 085	1 823
Foreign exchange gains / (losses)	(3 842)	612
Interest and profit sharing (dividends)	(59 728)	17 384
Profit / (loss) on revaluation of assets and liabilities	(3 556)	3 350
Profit (loss) on sale of fixed assets and investment properties	(1 971)	240
III. Changes in working capital	34 484	32 680
Change in provisions	(5 875)	(21 061)
Change in Inventory	(40 774)	16 274
Change in receivables	16 759	66 739
Change in short-term liabilities, except for loans and borrowings	68 620	(24 479)
Change in restricted cash	(4 246)	(4 793)
IV. Net cash generated from operating activities (I +/- II +/- III)	16 229	90 479
V. Income tax paid	(2 695)	(6 689)
VI. Net cash generated from operating activities (I +/- II)	13 534	83 790
B. Cash flows from investing activities		
I. Inflows		
Disposal of intangible assets and tangible fixed assets	626	-
Sale of investments in property and intangible assets	-	-
From financial assets	208 433	918 430
Other inflows from financial assets	-	-
	209 059	918 430
II. Outflows		
Purchase of intangible assets and PP&E	(2 747)	(2 551)
Investment in property and intangible assets	(1)	-
On financial assets	(313 245)	(768 122)
Other investment outflows	(495)	(243)
	(316 488)	(770 916)
III. Net cash flow from investment activities	(107 429)	147 514

CONDENSED INTERIM STANDALONE CASH FLOW STATEMENT CONT. [PLN '000]

	3 quarters - from 01.01.2019 - to 30.09.2019	3 quarters - from 01.01.2018 - to 30.09.2018
C. Net cash flow from financing activities (I - II)		
I. Inflows		
Loans and borrowings	159 936	381 675
Issue of debt securities	133 832	190 000
	293 768	571 675
II. Outflows		
Dividends and other payments to equity holders	-	(206 345)
Repayment of loans and borrowings	(80 000)	(200 000)
Redemption of debt securities	(170 500)	(402 900)
Payments of liabilities under leasing agreements	(3 965)	-
Interests	(34 326)	(42 338)
Other investment outflows	(2 319)	(730)
	(291 110)	(852 313)
III. Net cash flow from financing activities (I - II)	2 658	(280 638)
D. Total net cash flows (A.VI +/- B.III +/- C.III)		
	(91 237)	(49 335)
Balance sheet change in cash, including	(91 237)	(49 335)
- change in cash due to foreign exchange gains/losses	-	(612)
F. Cash and cash equivalents at the beginning of the period	181 977	228 079
G. Cash and cash equivalents at the end of the period	90 740	178 744

INFORMATION ON FINANCIAL STATEMENTS OF ECHO INVESTMENT S.A.

Effects of adopted changes in accounting principles

Change of accounting policy

Interim condensed standalone financial statements were prepared in accordance with IAS 34 Interim Financial Reporting.

The accounting policies applied by the Company in these Interim Condensed Standalone Financial Statements are the same as those applied by the Company in its separated financial statements for the year ended 31 December 2018, except the application of the new standards, changes to the standards and amendments which became effective as of 1 January 2019.

Application of IFRS 16 Leases for the first time

The Company has implemented IFRS 16 Leases since 1 January 2019. The standard introduced one model of lease recognition in the lessee's accounting books - in general, IFRS 16 assumes recognition of all lease agreements in a model similar to the financial leasing approach in line with IAS 17. The new IFRS 16 standard Leases replaces IAS 17, as well as interpretations IFRIC 4, SIC 15 and SIC 27. In accordance with IFRS 16, a contract is a lease, or it includes a lease if it delegates the right to control an identified asset for a given period in exchange for remuneration. As at the date of transition to IFRS 16, the Group recognised the asset due to the right of use and the lease liability. The Company separately recognises the cost of interest and depreciation. When applying this standard retrospectively, the Company made use of the following exemptions:

- The Company does not apply this standard to contracts that have not previously been identified as leasing agreements in accordance with IAS 17 and IFRIC 4;

- The Company will apply a single discount rate to the portfolio of leases of a similar nature;
- Operating lease agreements, with the remaining leasing period shorter than 12 months on 1 January 2019, were treated as short-term leases and thus recognition of these contracts will not change;
- Operating lease agreements for which the underlying asset is of low value (e.g. office equipment) have not been recalculated and their recognition has not changed;

The Company did not separate lease and non-lease components.

On 1 January 2019, the Group, as the lessee, recognised lease liabilities measured at the current value of other lease payments, discounted according to marginal Group interest rates, and recognised assets due to the right of use in the amount equal to lease liabilities. The Group decided to present assets under the right of use under the same item, where the relevant underlying assets would be presented if they were the property of the Group (the lessee). The impact of the implementation of IFRS 16 on 1 January 2019 resulted in recognition assets due to the right of use and lease liabilities in the amount of PLN 23 891 thousand, of which PLN 7 894 thousand relates to inventories, PLN 6 439 thousand to office space, and PLN 6 439 thousand to cars.

The application of IFRS 16 for the first time did not affect the result from previous years of the Company.

IMPACT OF THE IMPLEMENTATION OF IFRS 16 ON THE STANDALONE FINANCIAL STATEMENT AS AT 1 JANUARY 2019 [PLN '000]

	Approved financial report 31 December 2018	IFRS 16 adjustments	1 January 2019
Assets			
Fixed assets	5 284	14 333	19 617
Inventory	201 445	9 558	211 003
Total assets		23 891	
Long-term liabilities			
Leasing liabilities	-	14 333	14 333
Short-term liabilities			
Other liabilities	22 018	9 558	31 576
Total liabilities		23 891	

The document is signed with qualified electronic signature

Nicklas Lindberg

President of the Board, CEO

Maciej Drozd

Vice-President of the Board, CFO

Artur Langner

Vice-President of the Board

Marcin Materny

Member of the Board

Rafał Mazurczak

Member of the Board

Waldemar Olbryk

Member of the Board

Małgorzata Turek

Member of the Board

Anna Gabryszewska-Wybraniec

Chief Accountant

Kielce, 27 November 2019

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