

# ECHO

investment



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*Everything  
begins  
with you*

A decorative graphic on the left side of the slide consisting of several concentric circles in a light gray color, centered vertically and partially cut off by the left edge.

# Q1 2019 RESULTS AND OUTLOOK

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Warsaw, 30<sup>th</sup> May 2019

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# Agenda

I. Echo Investment Key Facts

II. Financial Data & Highlights

III. Creating Destinations

IV. Segment Achievements

- Residential & R4R
- Office
- Retail
- Landbank

V. Financials

VI. Appendix





I.



# Echo Investment Key Facts

# About Echo Investment

**23**

years of experience

**1,660,000**

sqm - total area  
of completed projects

**1.3 mln**

sqm - total area of projects\*

*\* standing, under construction,  
in preparation and in early stage,  
including 100% of JV projects*

**154**

completed projects

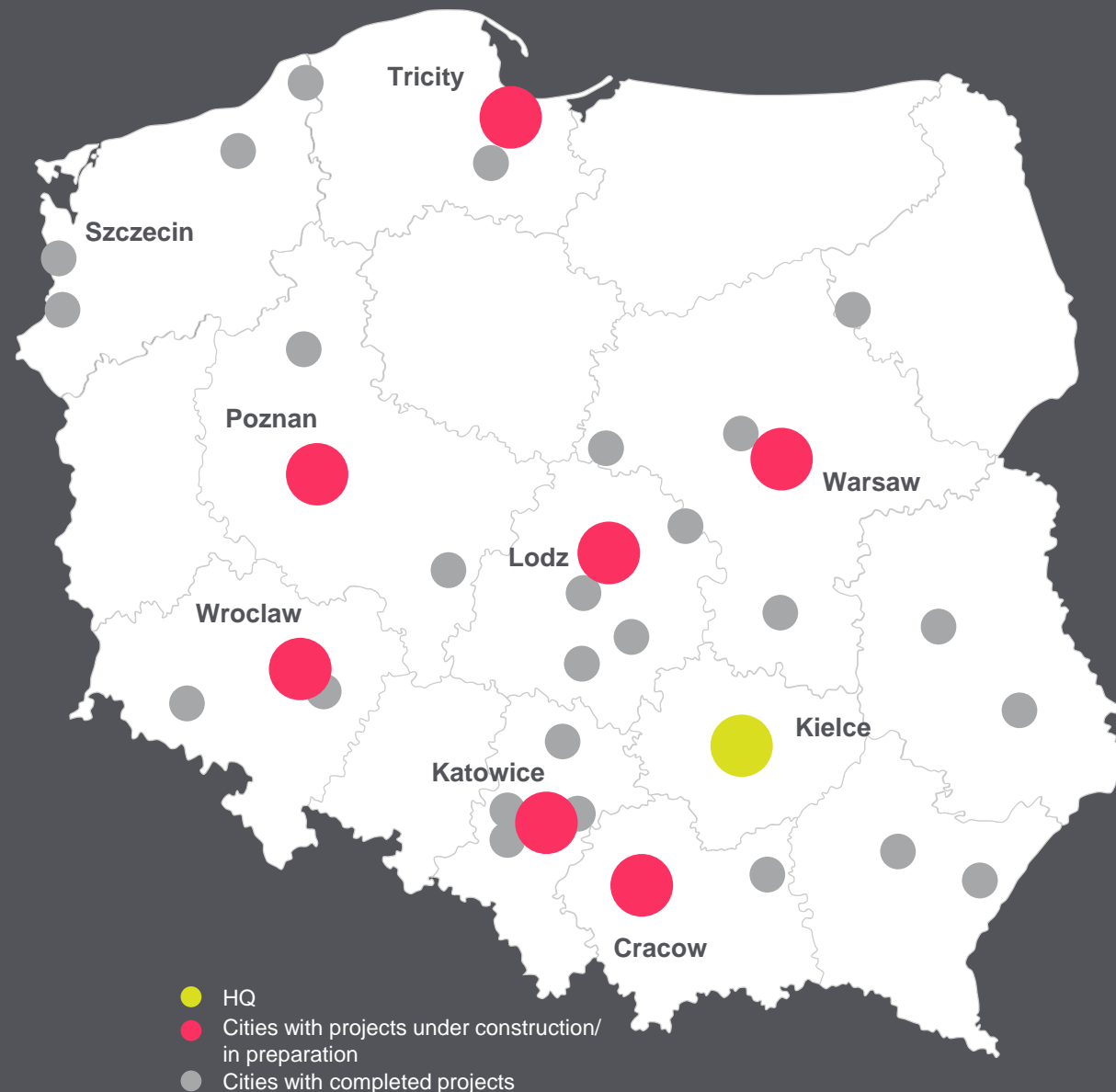
**80**

projects under construction  
and in preparation

**EUR 2.9 bn**

total GDV of projects\*\*

*\*\* standing, under construction, in preparation  
and in early stage, adjusted for Echo's share  
in the projects*

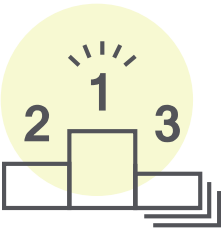


# Strategy of Echo Investment Group



## Focus on Poland

- We develop projects only in Poland within our core business
- Divestment of non-core assets substantially completed



## Leadership position

- A leader in returns from our projects due to effective organisation with inhouse competences
- Retention of leadership on office and retail markets
- A top 10 residential developer in Poland



## Achieving balance of risk & return

- Exit route for commercial properties under construction to optimize returns
- Mix of residential for sale and for rent stabilizing residential returns



## Partnerships

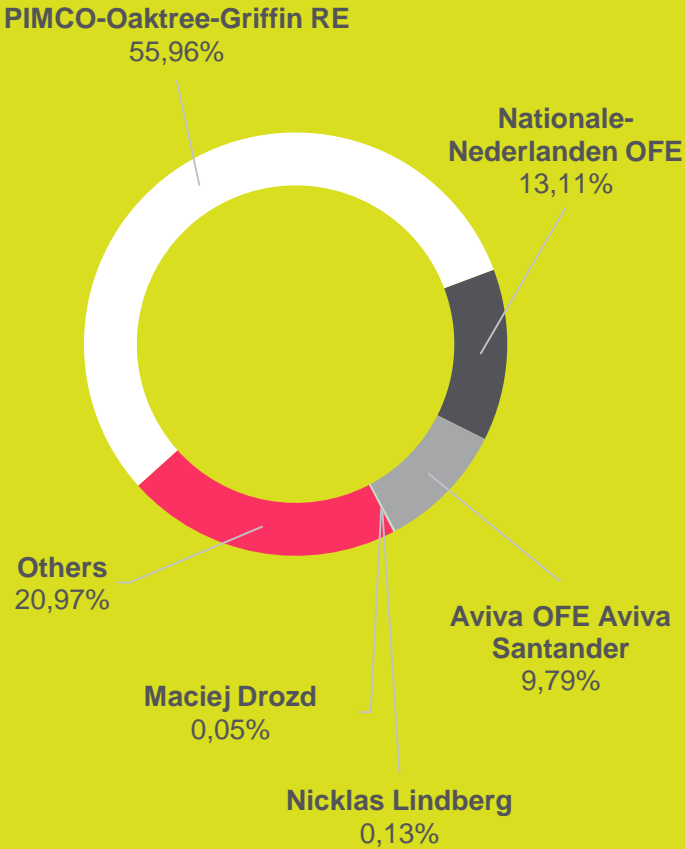
- Effective cooperation with reputable partners to deliver large-scale retail projects
- ROFO and JV agreements
- Early sales to partners with a strong track record



## Destination projects

- Launch of destination projects starting with Warsaw Brewery and Moje Miejsce
- Purchase of plots to create more destinations in regional cities – Łódź, Kraków, Wrocław

## Shareholding structure





II.



## Financial Data & Highlights

## Q1 2019 revenue and profit above PAP consensus

PLN mln	Actual results		PAP consensus	Diff.
	Q1 2019	Q1 2018	Q1 2019	Actuals vs. consensus
Revenue	69.4	64.4	48.2	21.2
Operating profit	52.1	81.3	22	30
Profit before tax	37.3	66	-	
Net profit	31.8	50.7	6.8	24.7

## OUR RESULTS

- Q1 2019 revenue grows 7.7% vs Q1 2018
- Q1 2019 revenue, 21.2 M above PAP consensus (+143%)
- Q1 2019 net profit, 24.7 M above PAP consensus (+467%)
- Q1 2019 net profit lower than in Q1 2018 due to lower fair value gain recorded in the quarter

# Main profit drivers in Q1 2019 and 2019 outlook

Q1 2019	Q2 - Q4 2019
<b>PLN 2.7 M</b> Margin earned on handover of 23 residential units	Margin earned on handover of ca. 1,250 residential units
<b>PLN 63.5 M*</b> Fair value increase of commercial properties: <ul style="list-style-type: none"> <li>○ O3 Business Campus III, Kraków</li> <li>○ Libero, Katowice</li> <li>○ Gatehouse Offices (Brewery J), Warsaw</li> <li>○ Villa Offices, Malthouse Offices (Brewery KGH), Warsaw</li> <li>○ Moje Miejsce I, Warsaw</li> <li>○ Face2Face I, Katowice</li> <li>○ Other</li> </ul>	Fair value increase of commercial properties: <ul style="list-style-type: none"> <li>○ Villa Offices, Malthouse Offices (Brewery K, G-H), Warsaw</li> <li>○ Libero, Katowice</li> <li>○ Moje Miejsce I &amp; II**, Warsaw</li> <li>○ Face2Face I &amp; II**, Katowice</li> <li>○ West4 Business Hub I**, Wrocław</li> <li>○ Powstańców Śląskich**, Wrocław</li> <li>○ React, Łódź**</li> <li>○ Other</li> </ul>
Rent from standing assets: O3 Business Campus III, Libero Katowice, Gatehouse Offices (Warsaw Brewery J)	Rent from standing assets: O3 Business Campus III, Libero Katowice, Galeria Młociny (30%)
	Valuation of equity interest in Galeria Młociny JV
	Valuation of equity interest in R4R

\* see page 50 for details

\*\* projects to be fair valued for the first time

# Q1 2019 Highlights

## Residential



Sale of **341** apartments



Starting the multi-functional, destination project **Fuzja** on Tymienieckiego street in Łódź



Starting by **R4R** two new projects in Warsaw with 601 units



Opening of **Galeria Młociny** shopping center on 23<sup>rd</sup> of May



Completion of the sale of Gatehouse Offices for **EUR 76.5 M**



**Securing loans** for West 4 in Wrocław and all office buildings in Warsaw Brewery



Placement of **PLN 134 M bonds** for individual and institutional investors



Expanding significantly land bank by **75,600 sqm** of potential GLA/PUM



# Successful opening of Galeria Młociny with 71 000 visitors on the first day

- **85,000 sqm of retail and office space** generating stabilized NOI of **EUR 22.1M**
- **Galeria Młociny** was so far the biggest single building project in Echo's history
- Project **leased in 97%** with an attractive tenant mix
- Fantastic **food & entertainment zone** on the top floor exceeding 6,000 sqm attracting clients and guests
- **InterCars** and **CitySpace** taking over the whole office space of 6,100 sqm in the project
- Warsaw remains **the strongest retail market in Poland**, with the highest purchasing power and c.a. 730 sqm of retail space per 1,000 inhabitants
- Solid **partnership** with EPP
- **Galeria Młociny** was visited by more than 220 000 visitors in the first 4 days







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MediaMarkt  
CCC  
SEPHORA  
ROSSMANN  
TKmaxx

Maurizio Dotti  
ZARA HOME  
ZARA  
PULL & BEAR



## Building our future: extending landbank

- Echo acquired 4 plots in Q1 2019 with potential to build **75,000 sqm** of residential and office space in Cracow and Wrocław at attractive prices
- Value of plots acquired: **PLN 94.8 mln** (vs. PLN 33 mln in Q1 2018)

### CRACOW

- 18,600 sqm of residential space (Aleja Pokoju)
- 12,000 sqm in 2 phases of residential space (Rydlówka)

### WROCŁAW

- 10,900 sqm of residential space (Swobodna)
- 23,200 sqm of office space (Swobodna)
- 11,000 sqm of residential space (Mińska)



# Starting 6 new projects

## Poznań



Residential | Esencja (260 units)

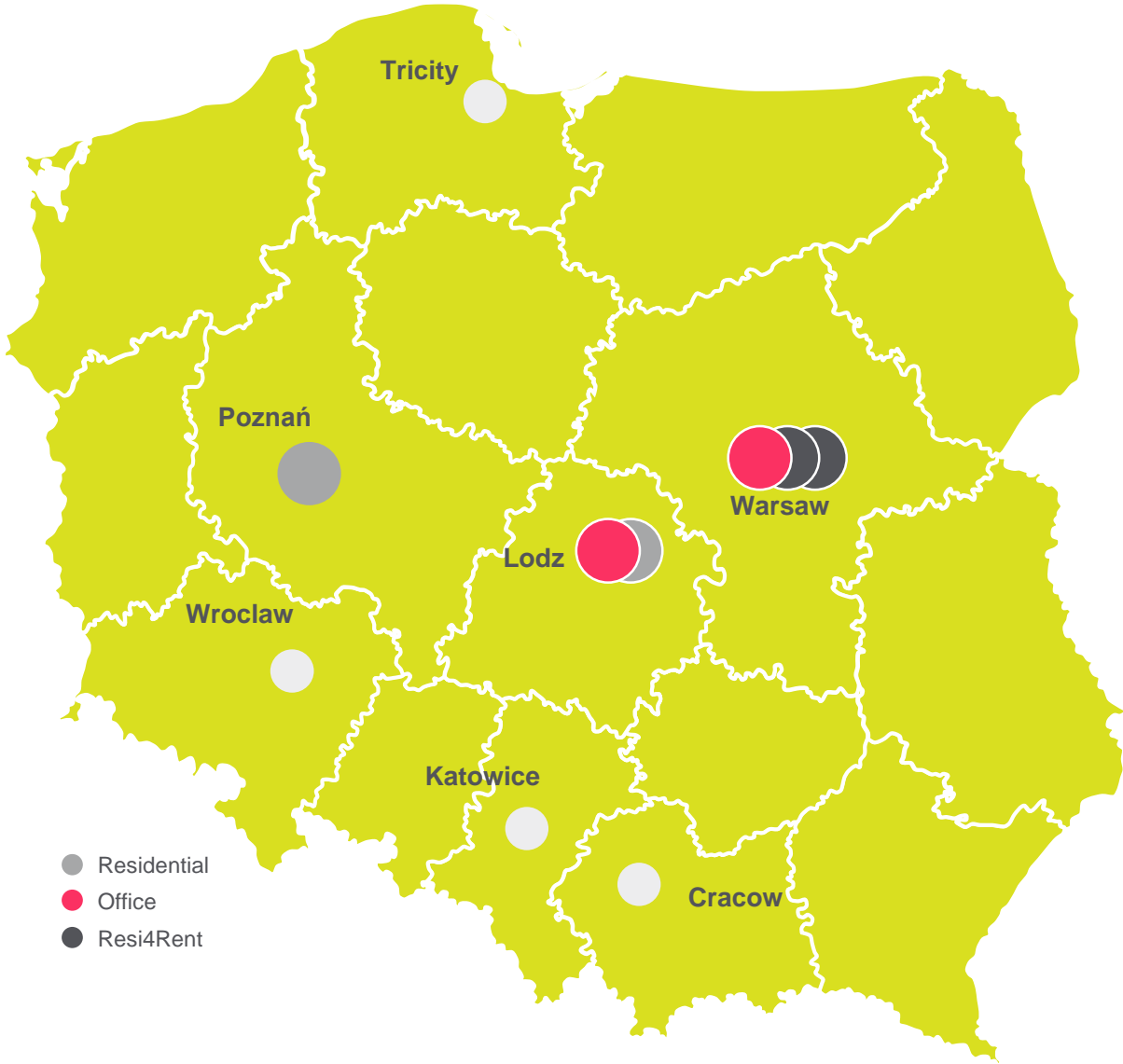
## Łódź



Office | React (15,000 GLA)



Residential | Fuzja I (282 units)



## Warsaw



Office | Moje Miejsce II (16,900 GLA)



Resi4Rent | Taśmowa (372 units)



Resi4Rent | Woronicza (229 units)



III.



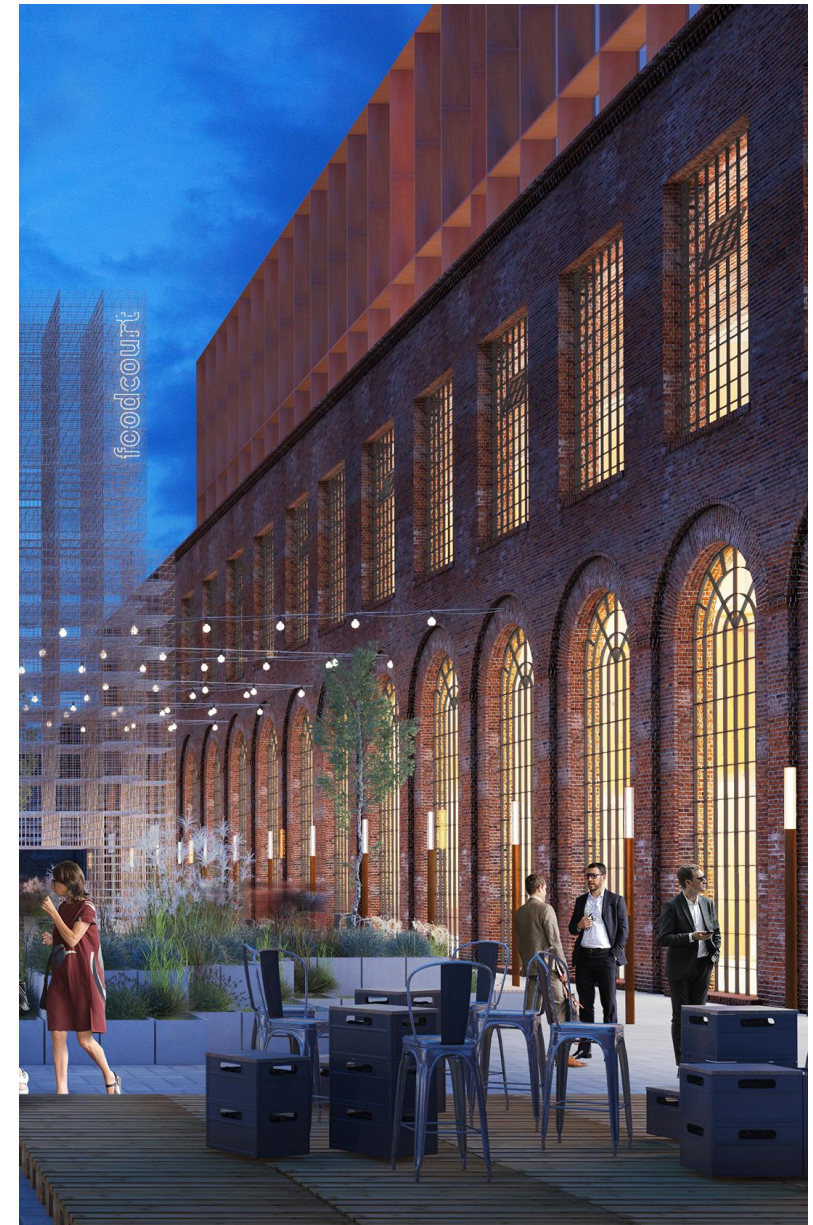
# Creating Destinations



## Creating Destinations

# Destination projects cover 42% of Echo's pipeline

- Destination is a mix of functions in buildings plus **full public space and infrastructure**: roads, squares, green areas
- Using our **broad experience** in residential, office, retail and hotel sectors
- Growing cities in a **sustainable way**
- **Flexibility, risk diversification and optimal utilisation** of resources
- Lower acquisition and development costs and shorter time to completion
- Our answer to needs and trends of modern people

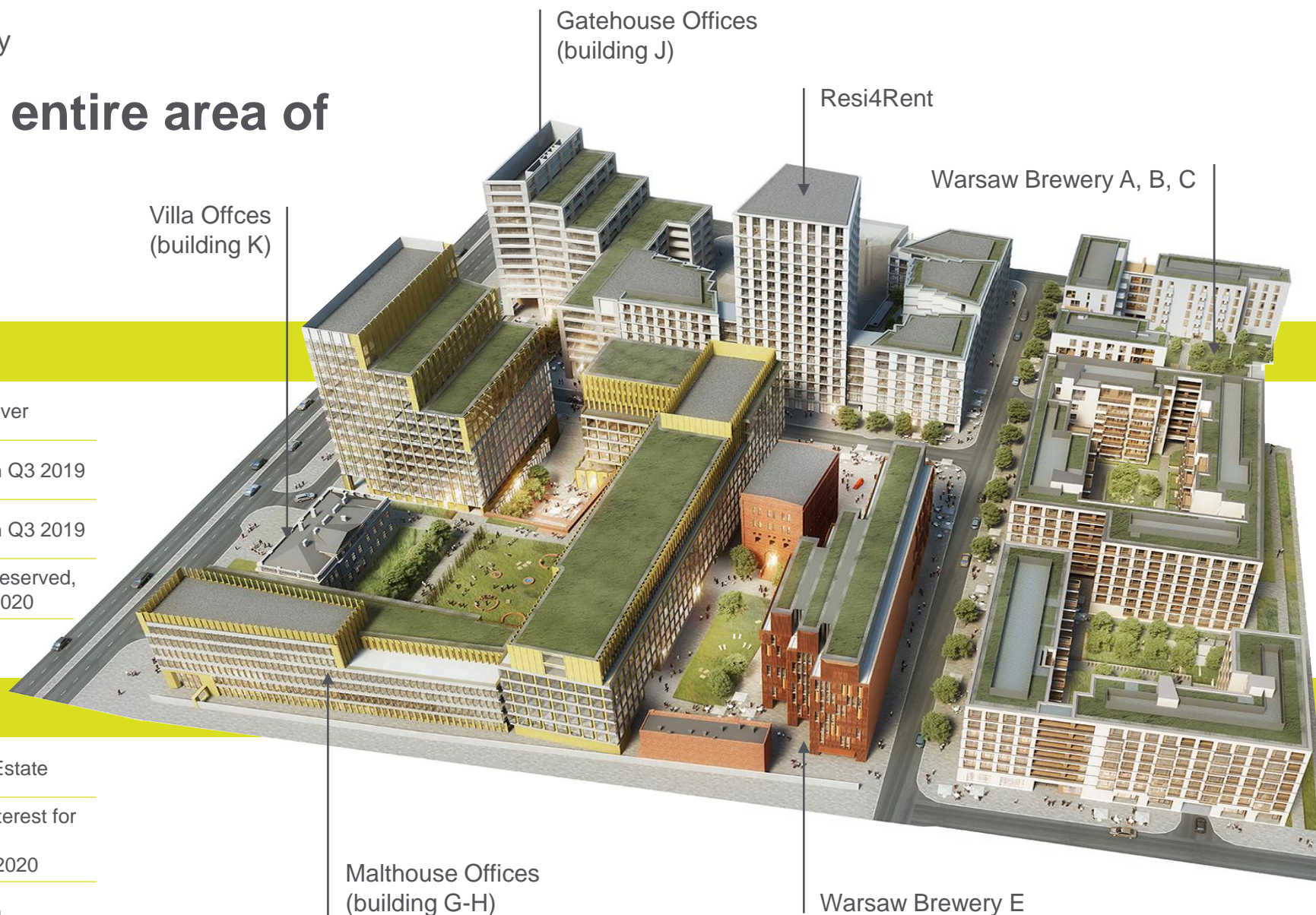




# High demand for the entire area of Warsaw Brewery under construction

RESIDENTIAL	UNITS	STATUS
Building A	98	Sold and handed over
Building B	190	Sold, completion in Q3 2019
Building C	114	Sold, completion in Q3 2019
Building E	82	25% units sold or reserved, completion in Q4 2020
Building R4R	451	Presold to R4R

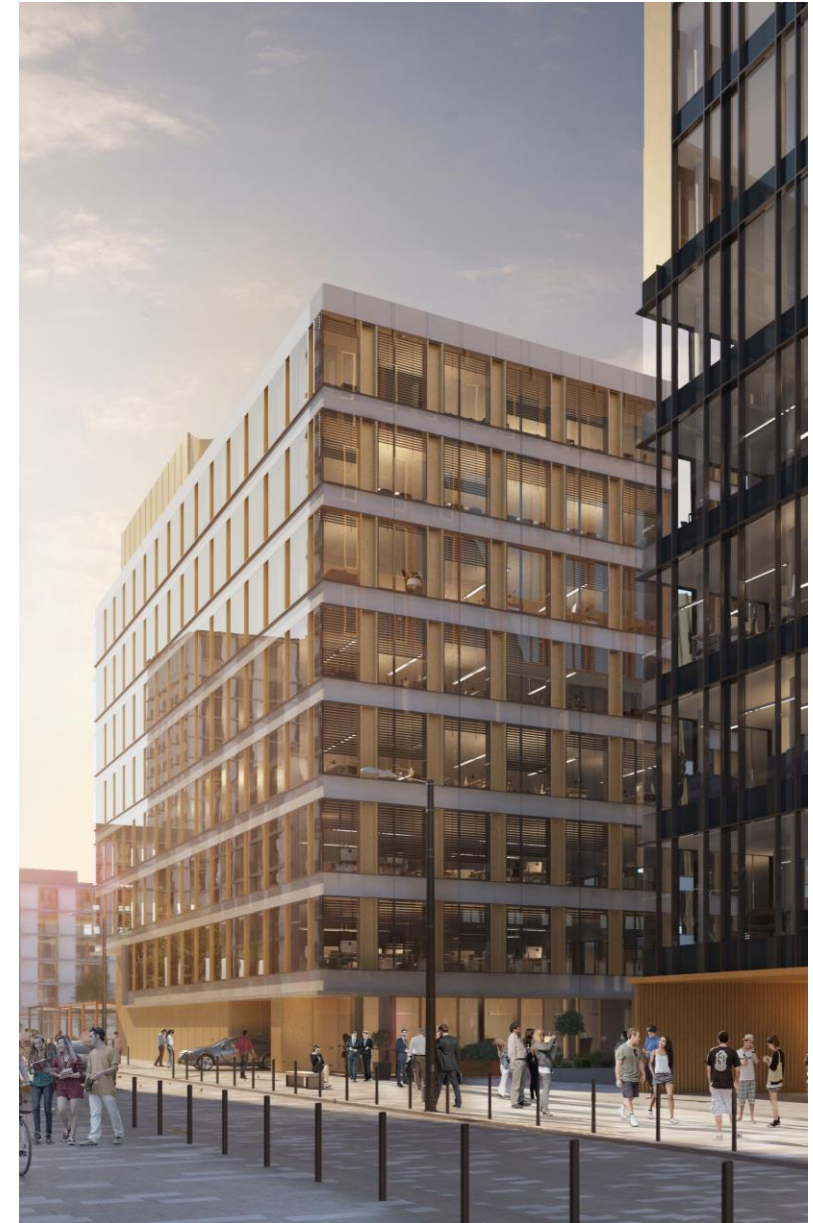
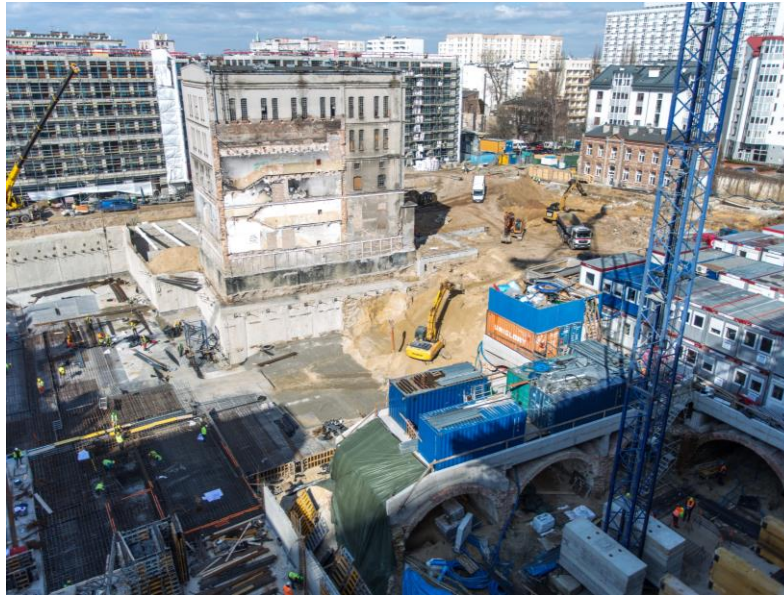
OFFICE	SPACE	STATUS
Gatehouse Offices (J)	15,700 sqm	Sold to GLL Real Estate
Villa & Malthouse Offices (K, G, H)	46,000 sqm	23% leased, big interest for remaining space. Completion in Q3 2020
Historical cellars	2,000 sqm	Under construction





## The whole project under construction at a full speed

- Five buildings with c.a. **100,000 sqm** of residential, office and services space currently **under construction**
- Fast implementation of the project: construction works will be finished in **only 4 years**
- First office and residential building **already sold** and handed over
- Bank Peko S.A. granted **EUR 87 mln** of construction loan for Villa Offices and Malthouse Offices
- Only c.a. 60 high-end apartments remain in offer





## Start of construction of Fuzja – new landmark in Łódź

- Project to **bring back 7.7 ha** to the city
- **90,000 sqm** of residential, office and service space to be built in total
- **Excellent location** in a very calm part of the city, but walking distance from Piotrkowska St.
- **Post-industrial architecture** with great urban design by Medusa studio
- 267 apartments put in the offer; **great interest** of potential buyers
- Promising talks with **potential office tenants** interested in having custom office space





# Towarowa 22 – creating the new Warsaw landmark

- Multifunctional project in the heart of the fastest growing district of the city
- World-famous studio **BIG Architects** working on the urban concept
- **230,000 sqm** of space with office, retail, residential, hotel, entertainment, gastronomy and culture functions
- **2-ha square** and a lot of **greenery** to make this place welcoming and open for visitors
- Close cooperation on the idea with the **city authorities**
- Find out more at: <http://youtu.be/GsxcicJli2k>







IV.



# **Segment Achievements**

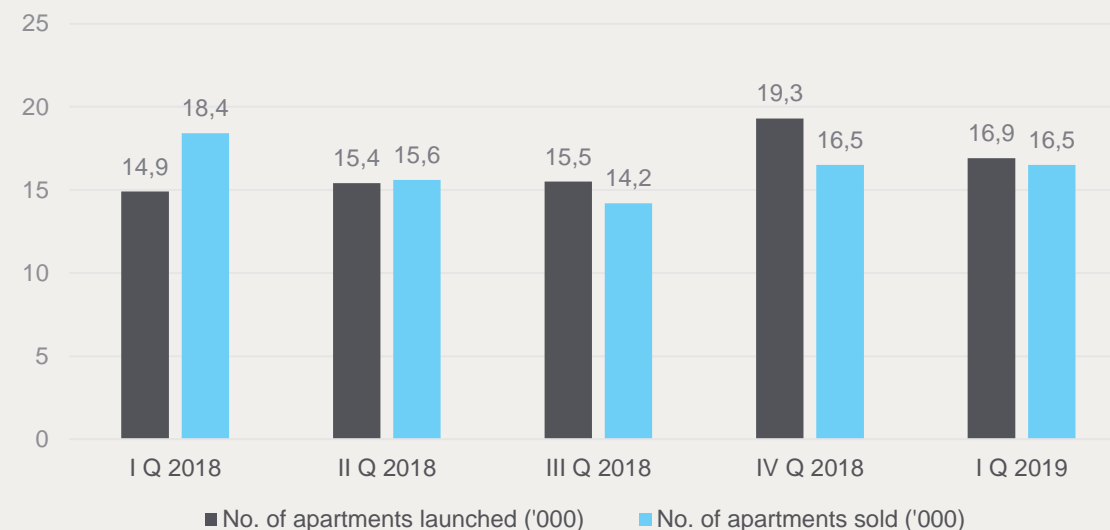
## Residential & R4R

## Robust market in Q1 2019

### Supply and demand in balance

- **16,900 apartments** were launched in Q1 2019, exceeding the result from Q1 2018 by 2 000 units
- **16,500 apartments sold in Q1 2019 on primary market in 6 major cities**
- Demand almost equaled supply, number of units available stabilized at 51,100
- Significant differences in supply between cities
- Highest growth Q1 2019/Q4 2018:  
**Cracow - 50% and Poznan - 30%**

No. of apartments launched and sold in 6 major cities\* in Poland



\* Warsaw, Cracow, Wrocław, Tri-City, Katowice, Łódź

## Strong start of 2019

### Price increase ongoing

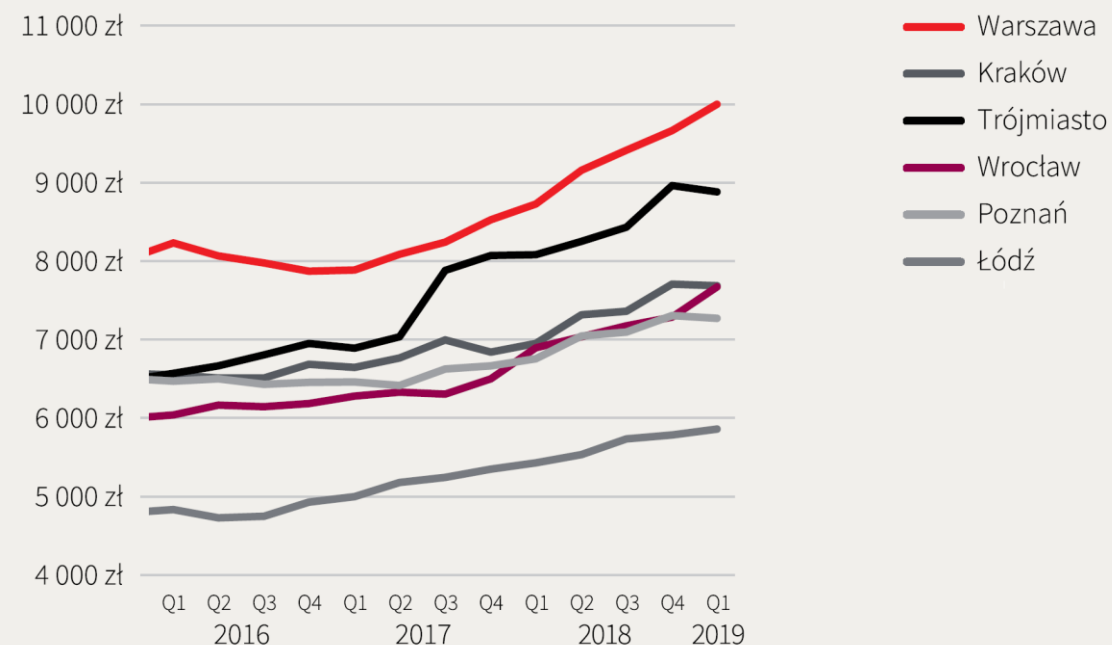
#### PRICES

- The sale prices increased in Q1 2019 by 12% on average compared to Q1 2018 and 1,6% compared to Q4 2018
- Wrocław and Warsaw noted the highest price growth (5.3% and 3.5% accordingly) – compared to Q4 2018
- Price in Cracow, Poznan and Tri City have slightly decreased compared to Q4 2018, after strong increases in 2018

#### DEMAND

- Highest growth rate in the number of sales on quarterly basis recorded in Poznan (36%) and Łódź (25%)
- Wrocław and Tri- City decreased 10% and 19% quarter on quarter, accordingly
- Fluctuation in demand between cities may reflect different stages of supply/demand cycle

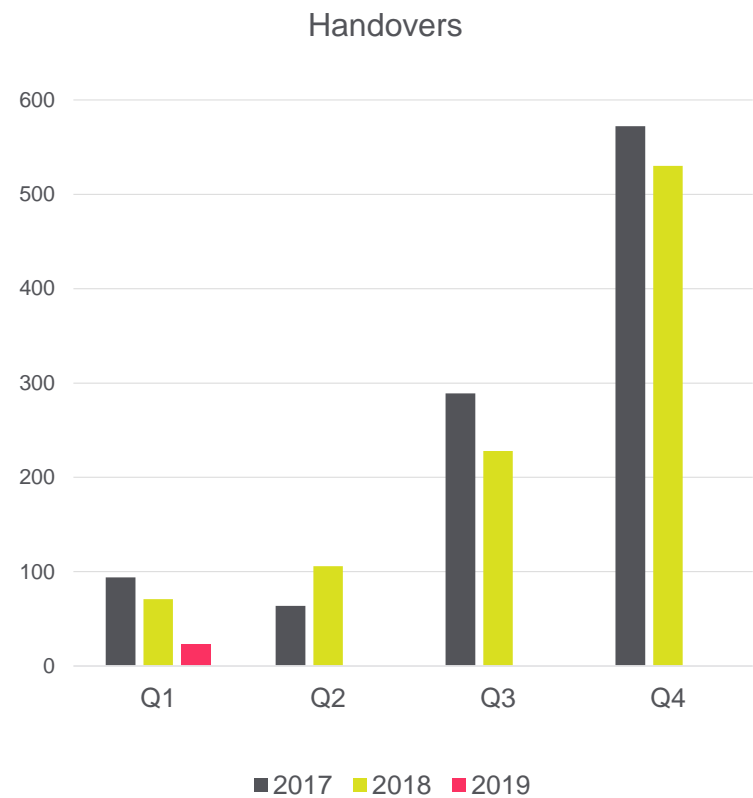
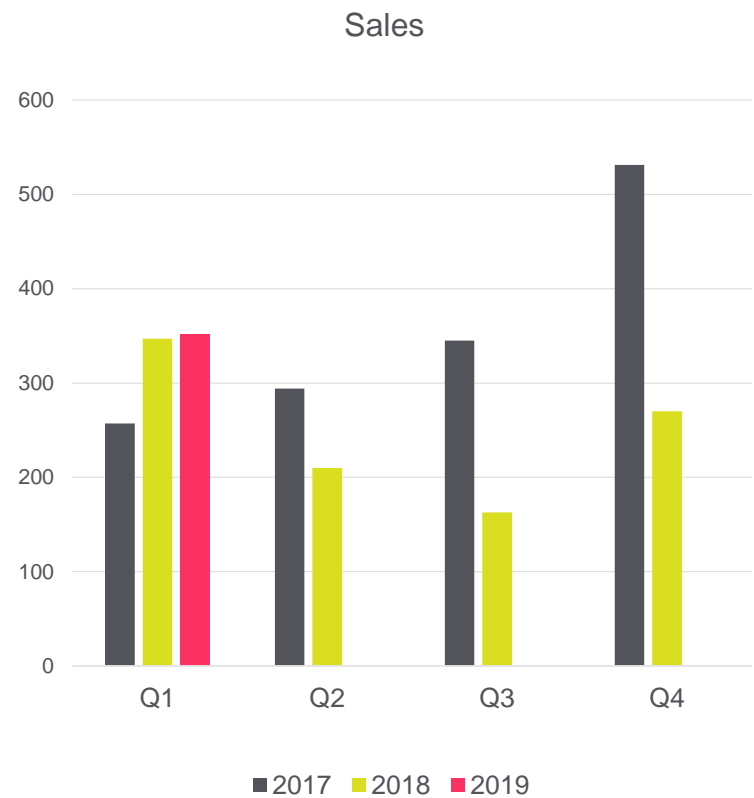
Average price of units on offer  
(PLN/sqm, incl. VAT, shell and core standard)



Source: JLL

# Stable Echo apartment sales in Q1 2019, in line with the annual target of selling 1300 apartments by the end of the year

## Handovers will boost in the H2 2019



**Recorded margin on revenues**  
(handed over apartments)

**25%** in 2017

**28%** in Q1 2018

**33%** in Q2 2018

**28%** in Q3 2018

**26%** in Q4 2018

**25%** in Q1 2019

## Echo strengthens its position in residential market, maintaining a high margin on the projects

No. of apartments sold			
Company	Q1 2019	Q1 2018	YoY change
Archicom	406	257	▲ 58.0%
Marvipol Development	302	200	▲ 51.0%
Dom Development	926	848	▲ 9.2%
Wikana	76	74	▲ 2.7%
Echo Investment	351	344	▲ 2.0%
Atal	717	703	▲ 2.0%
Murapol	939	926	▲ 1.4%
Budimex Nieruchomości	265	270	▼ -1.9%
Ronson	174	188	▼ -7.4%
Inpro	186	245	▼ -24.1%
J. W. Construction*	280	426	▼ -34.3%
Vantage Development	152	265	▼ -42.6%
Robyg	472	914	▼ -48.4%
Lokum Deweloper	89	304	▼ -70.7%
Total	5,335	5,964	▼ -11.0%

Source: PAP

\* incl. final agreements, pre-sale agreements and paid reservations

- Echo noted 2% increase in sales in Q1 2019 in comparison to Q1 2018
- Number of apartments sold placed Echo on 5th place among listed developers in terms of percentage change Q1 2019 / Q1 2018

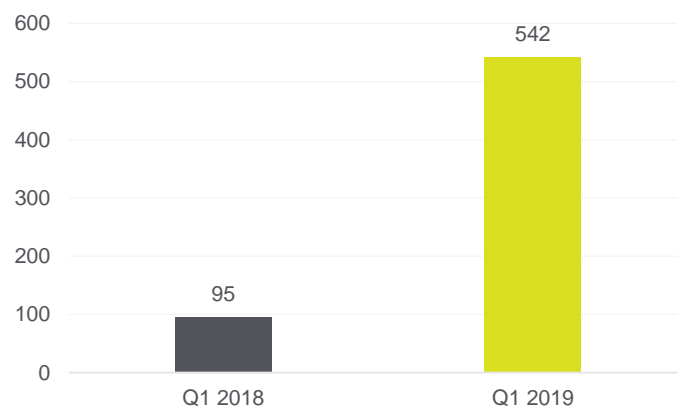




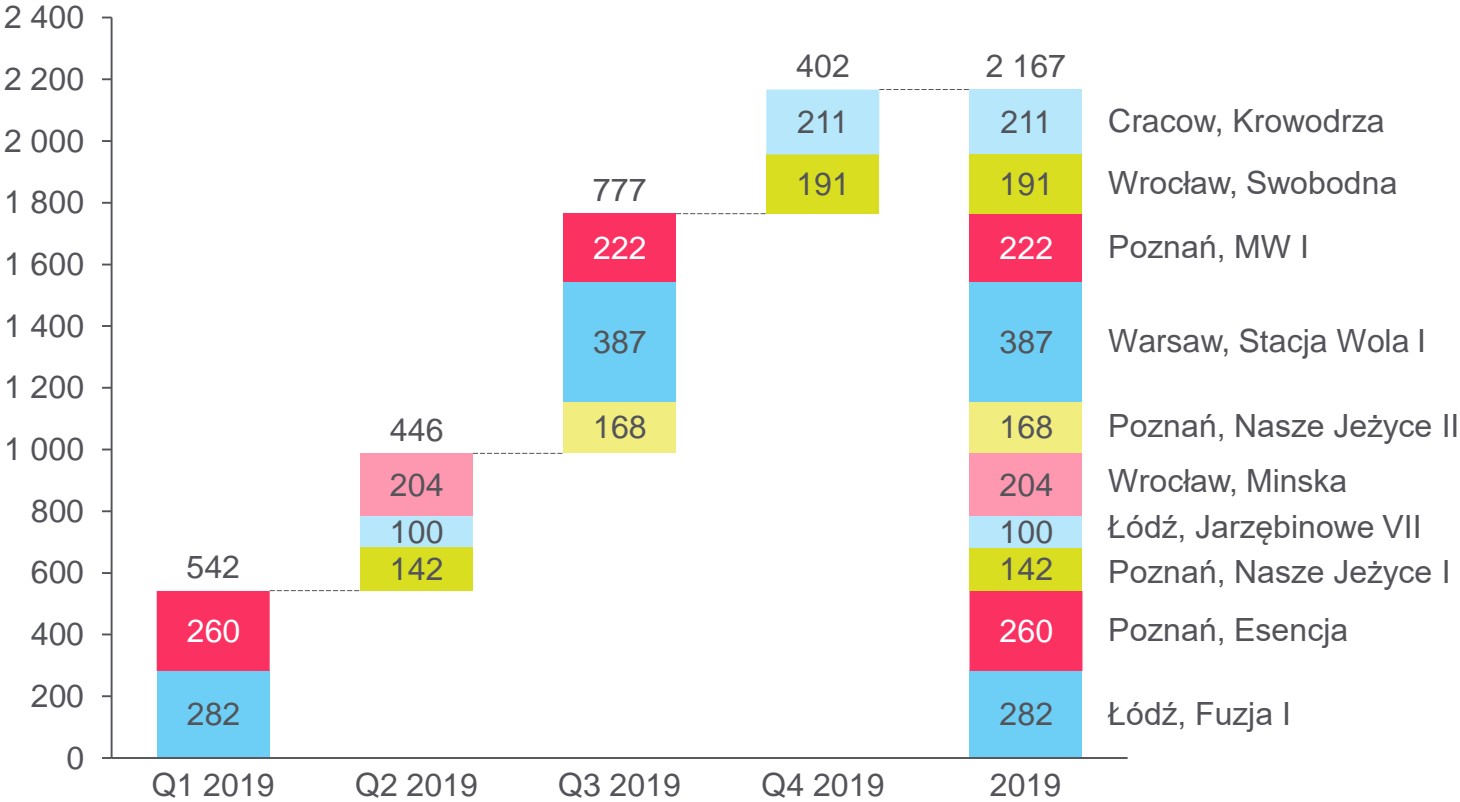
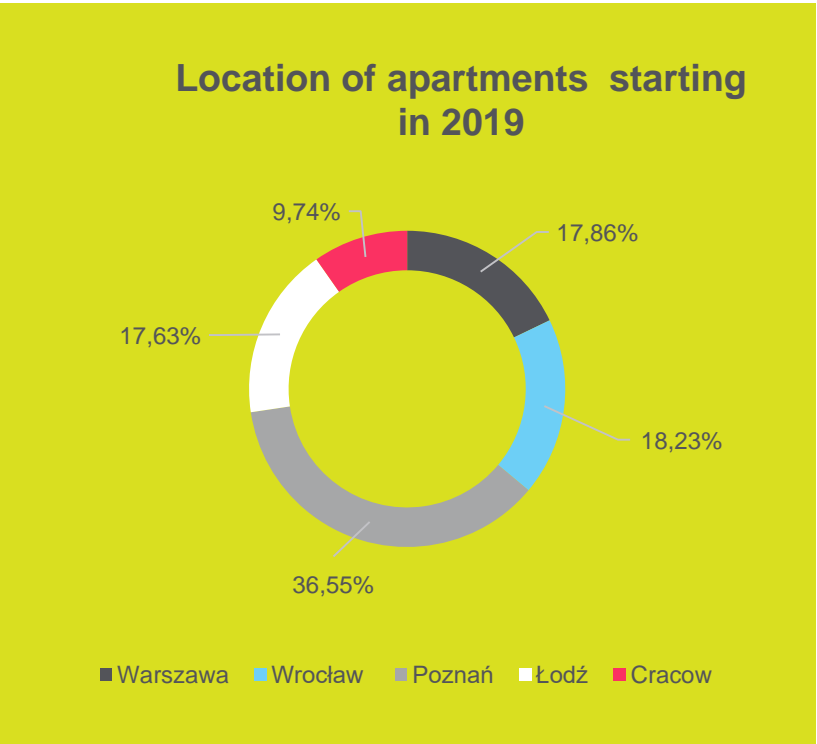
## 542 apartments launched in Q1 2019

- 542 units already put on offer  
(Fuzja in Łódź, Apartamenty Esencja in Poznań)
- Planned sales of 1,300 units
- Targeting to handover 1,250 units

Number of apartments  
launched in Q1 2019 and Q1 2018



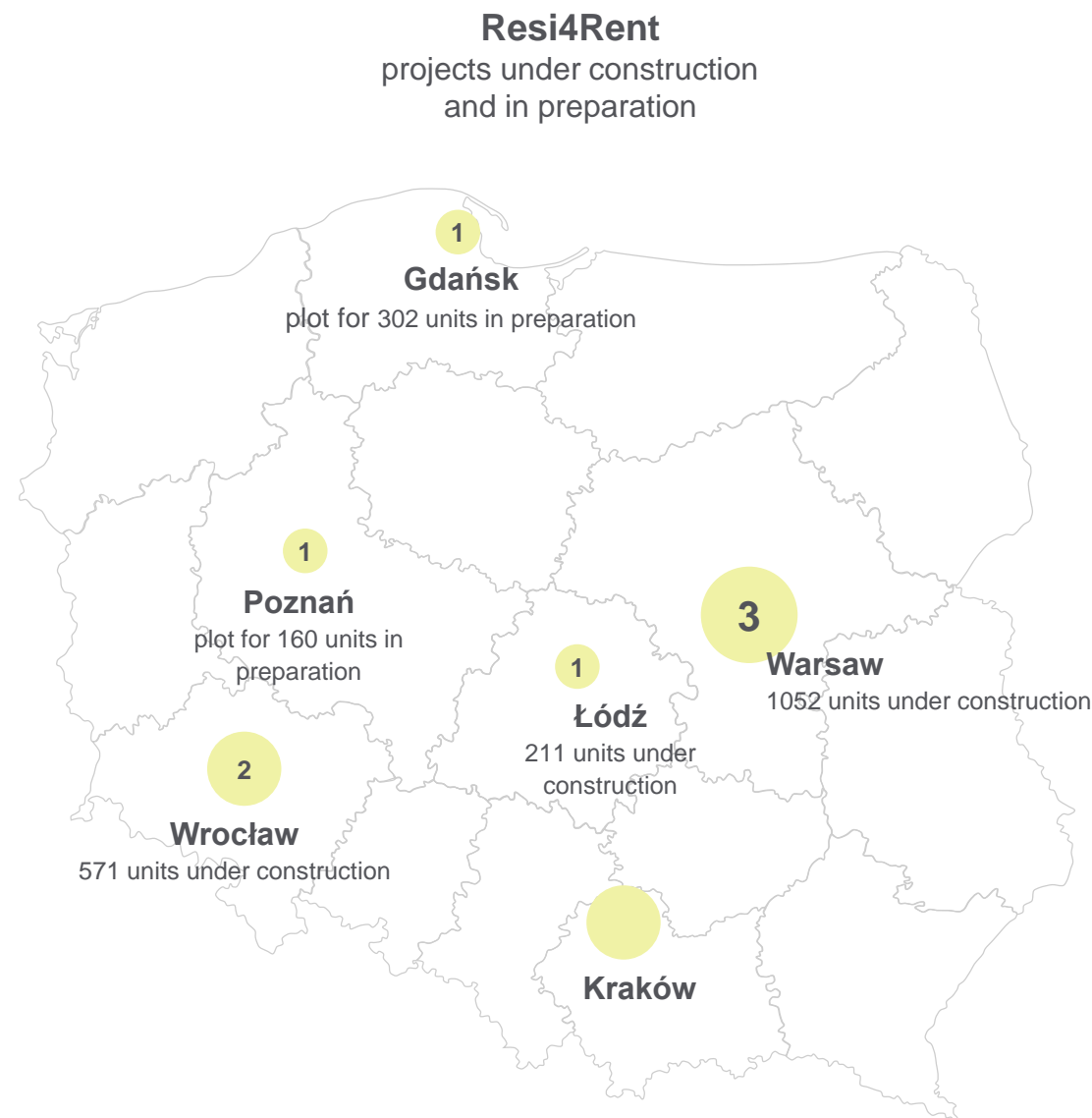
# New projects to add ca. 2,200 units to the offer in 2019





## Construction of 2 new Resi4Rent projects started in Warsaw

- Construction works of two new projects with 601 units commenced in Q1/Q2 2019 at Taśmowa and Woronicza in Warsaw
- 6 projects (**nearly 1,834 units**) under construction
- **2 projects** (Gdańsk and Poznań) with 462 units to be started in 2019
- The first projects with **over 500 units** in Wrocław and Łódź to be handed over and leased already in H2 2019
- Resi4Rent is in advanced negotiations to acquire plots for **c.a. 2,600 units** in Kraków, Warsaw and Wrocław
- Resi4Rent to develop and operate **5,000-7,000 units** by 2023, becoming the largest institutional rental platform in Poland
- Echo Investment **holds 30% stake** and provides exclusive **development services** to Resi4Rent





V.



# Segment Achievements Office

## Polish office market Q1 2019

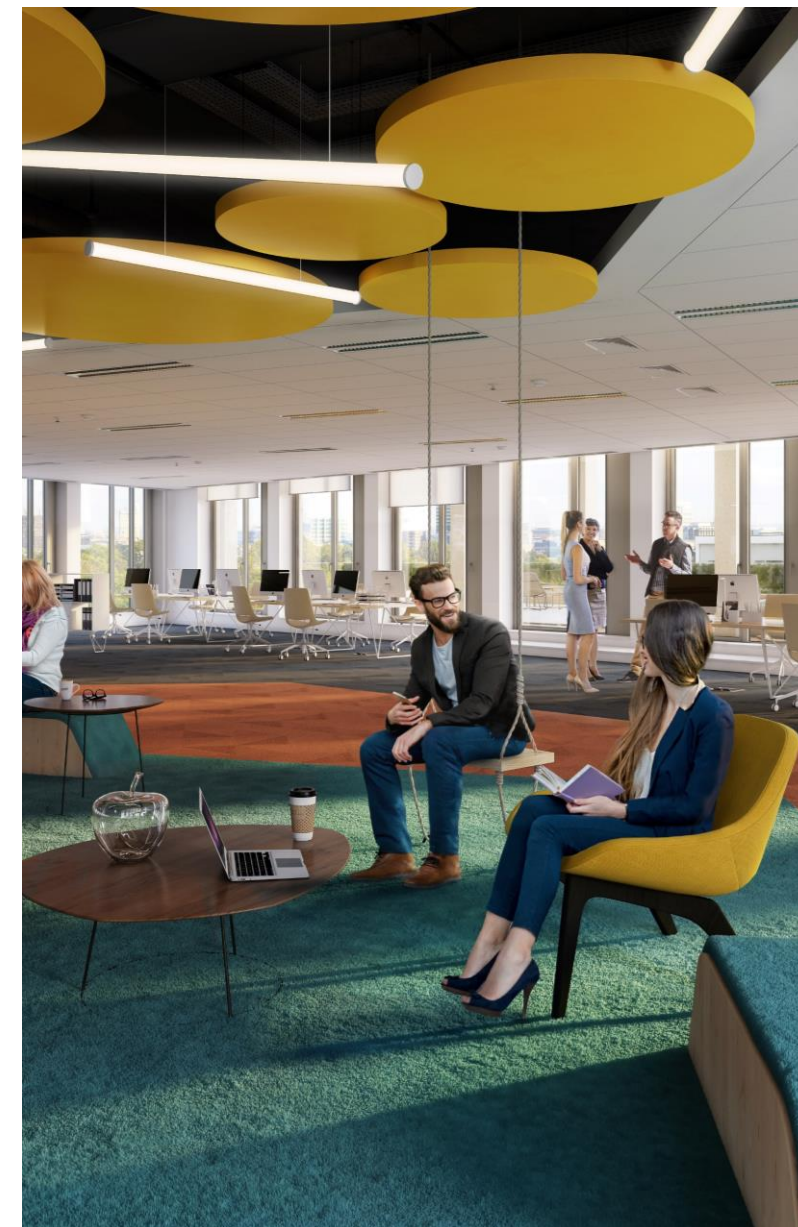
### WARSAW: MARKET REMAINING STRONG

- **20,200 sqm** –space delivered in 2019  
- only one significant office building opened
- **750,000 sqm** of office space under construction
- **9.1% – vacancy rate**, slight increase comparing to the end of the year but downward trend should be continued in 2019
- Persistent high demand and lack of immediately available space may cause **increase of rents** in the short-term
- One of the most significant transaction on polish office market signed: MBank signed a lease agreement for 40,000 sq m in Wola
- Historically low – **sub 5% yields** observed in recent transactions

### REGIONAL MARKETS OUTPERFORM WARSAW

- **122,000 sqm of new office space** delivered on regional markets in Q1 2019 – six times as much as in Warsaw
- **805,000 sqm** of office space remain **under construction**
- **9.4%** – average **vacancy rate**
- Rents **likely to grow** due to high demand
- Historically low – **sub 6% yields** observed in recent transactions

Source: CBRE, JLL, Colliers



## Strong beginning of the year for Echo Investment

### Warsaw

15,700 sqm



Disposal  
of **Brewery J**

18,700 sqm



Opening  
of **Moje Miejsce I**

### Wrocław

15,600 sqm



Start of **West 4**  
construction

23,200 sqm



Acquisition of a new  
plot in **Wrocław** at  
**Swoboda street**

### Łódź

15,000 sqm



**React** in **Łódź** launched



# Warsaw

## Hand over of Moje Miejsce I

### Moje Miejsce I

- Building use permit obtained for Moje Miejsce I
- Havas Media started operation in new office on 13th of May, 2019
- 64% of building's office space already leased
- Ongoing negotiations on all remaining space

### Moje Miejsce II

- Construction works of the 2nd phase have begun in April
- Advanced negotiations with tenants interested to lease the remaining space

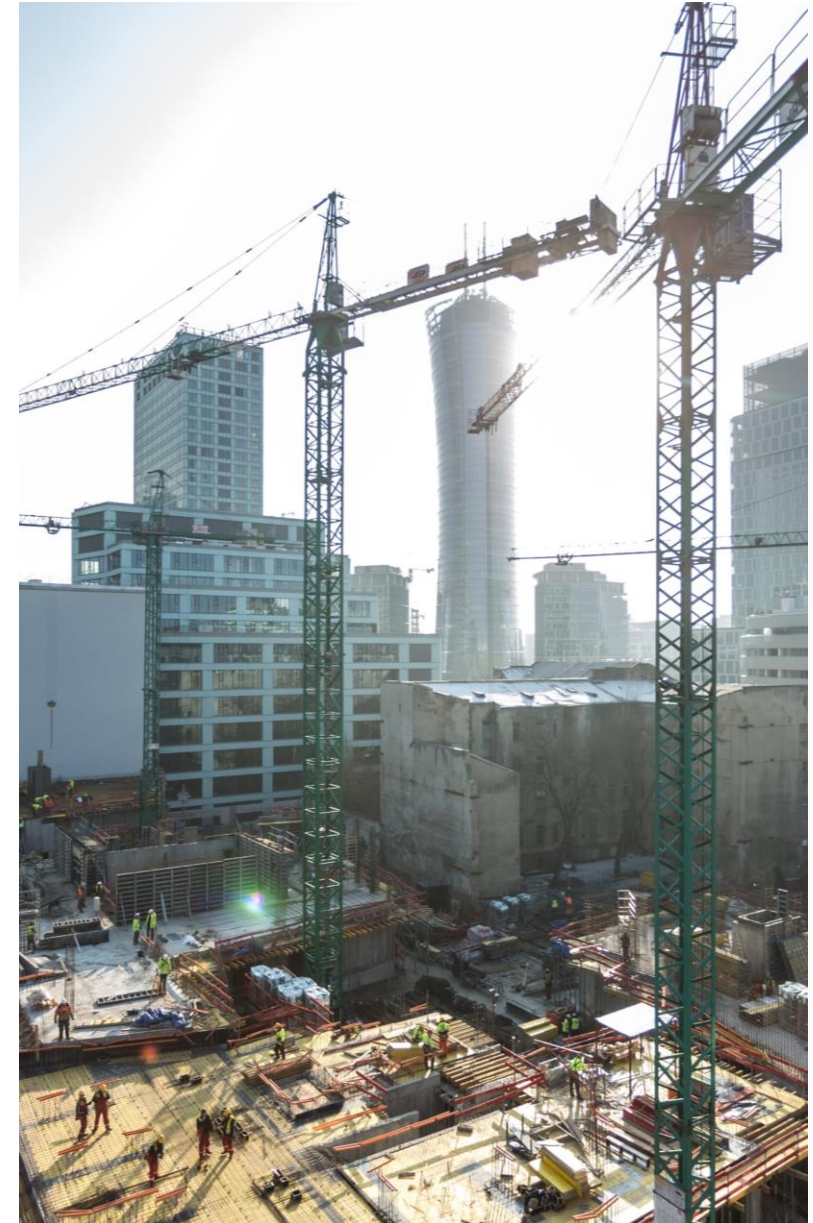
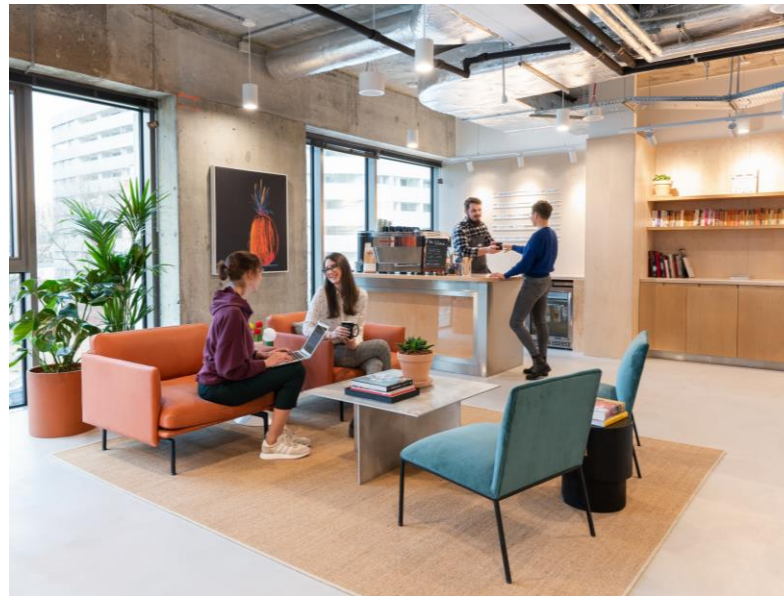
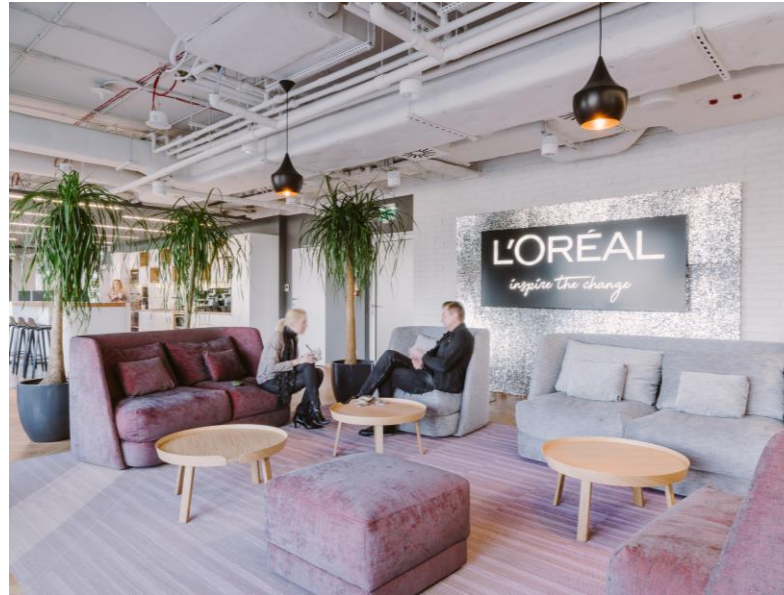




## Warsaw

### Continuation of Warsaw Brewery Project

- **Gatehouse Offices** (building J) disposal completed
- **Villa Offices** (building K) almost fully let - main tenant WeWork
- Ongoing discussion with tenants for the entire office space of GH buildings
- Bank Pekao S.A. has granted Echo a loan of **EUR 87 mln** for the construction of Villa Offices and Malthouse Offices





## Wrocław

Enhancing city potential  
with three new projects

- Construction of **West 4** has started in Q1 2019  
– the continuation of successful  
Echo Investments projects: West Gate  
and West Link
- Bank Millennium has concluded over  
EUR 20 milion loan for the construction  
of the West 4 Business Hub office building  
in Wrocław





## Wrocław

Enhancing city potential with three new projects

- **Mid Point 71** to be launched in Q2 2019, state of the art design will provide **36,900 sqm GLA**
- Echo acquired new plot in top notch location at **Swobodna Street** with up to **23,000 sqm** of GLA, just 200 metres away from Mid Point 71





## Katowice

### Strong tenants interest in Face2Face

- Two-buildings office complex Face2Face on Grundmanna street with **47,200 sqm GLA** in total is under construction
- 38% of Face2Face I leased but due to **very strong tenant demand** ca. 85% will be already leased in Q2/Q3 2019
- **Face2Face** will provide large, open to public green area with basketball field, hammocks and other attractions for local inhabitants, becoming a destination for work and relax at the same time
- Face2Face is currently the largest office building under construction in Katowice and constitute ca. **45% of supply under construction**





## Łódź

### React – another landmark project in Łódź

- After a succesful Symetris project, Echo started construction of new office scheme in Łódź - **React**
- **15,000 sqm building** will be located next to the main city street – Pilsudskiego avenue
- Project is located within walking distance to Piotrkowska street as well as Galeria Łodzka shopping mall and just 5 minutes ride to Łódź Fabryczna
- Works will also commence shortly on office building being a part of **Fuzja**





## Starting construction of nearly 100,000 sqm of office space by the end of 2019

- **Four office projects to be started in 2019:**
  - Moje Miejsce II, Warsaw (16,900 sqm) – construction started in Q2 2019
  - Solidarności, Gdańsk (30,600 sqm)
  - Mid Point 71, Wrocław (36,400 sqm)
  - React, Łódź (15,000 sqm)
- Construction **permits already obtained** or expected soon
- **Continuation of construction and leasing** of 126,000 sqm in 6 buildings: Warsaw Brewery (K,G,H), Moje Miejsce I, Face 2 Face I & II, West 4
- Scheduled hand overs in 2019:
  - Moje Miejsce I, May (already handed over)
  - Face 2 Face I, December
- Leasing plan for 2019: ca. 100,000 sqm





VI.



# Segment Achievements

## Retail



## Entertainment and gastronomy to drive future of large retail projects

- **Only 38,000 sqm of retail space** delivered to the market across Poland in Q1 2019
- **Low volume of new space to be opened in Poand in 2019**  
c.a. 231,000 sqm (Galeria Młociny constitute 1/3 of total supply)
- **Growing demand for retailtainment**
- **New formats of shops:** eObuwie in Młociny
- Growing employment, salaries and consumption
- **Rent stable but most likely to grow** due to high demand, currently top headline rents in Warsaw up to 130 eur/sqm
- **Shopping centers in secondary cities** are becoming more liquid: Atrium in Lublin and Koszalin sold

Source: CBRE, JLL, Colliers





## Opening of lively new urban meeting place in front of Libero

- After its opening in November 2018, Libero successfully built its recognition on Silesian market
- The **modern and exciting city square** was opened last weekend in front of the project, making it even more attractive for people to visit
- **4700 sqm** of an open area will be accessible for visitors all year round, providing space for exhibitions, open-air live concerts or themed fairs
- The square will also be an area of active recreation with **sports fields** in the summer months and an **ice rink** in winter
- Thanks to **‘Square to Joy’** Libero is becoming a more vibrant and attractive **destination to visit, combining shopping and outdoors entertainment**
- The shopping center is fully leased to reputable tenants with stabilized net operating income (NOI) amounting to **EUR 9.5 mln**





## Galeria Młociny - a new retail destination opened in Q2 2019

- Successful grand opening on **23rd May**
- The project **addressed retail and entertainment needs** of North Warsaw citizens
- **85,000 sqm of retail and office space** generating stabilized NOI of **EUR 22,1 mln** (3,6% of NOI is generated by office space)
- **Galeria Młociny** was so far the biggest single building project in Echo's history
- Building **leased in 97%** with an attractive tenants mix
- Fantastic **food & entertainment zone** on the top floor exceeding 6,000 sqm attracting clients and guests
- Warsaw remains **the strongest retail market in Poland**, with the highest purchasing power and c.a. 730 sqm of retail space per 1,000 inhabitants
- Solid **partnership** with EPP







VII.  
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# Segment Achievements

## Landbank

## Building the future – extending landbank

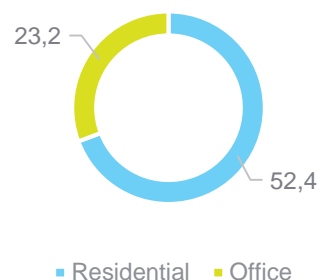
**PLN 94,8 mln**

value of plots acquired in Q1 2019

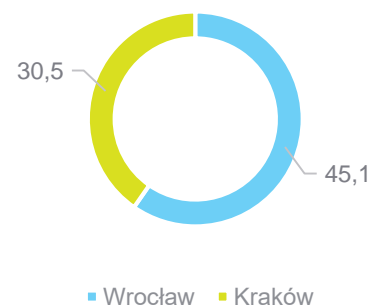
**PLN 1,314**

average land price per 1 sqm  
of leasing/selling area

Split by function (sqm '000)



Split by location (sqm '000)



### Acquired & Secured Land Bank in Q1 2019

**75,700 sqm of office & residential space**

#### Cracow:

- 18,600 sqm of residential space (Aleja Pokoju)
- 12,000 sqm of residential space (Rydlowka)

#### Wroclaw:

- 10,900 sqm of residential space (Swobodna)
- 23,200 sqm of office space (Swobodna)
- 11,000 sqm of residential space (Mińska)

Value of plots acquired: **PLN 94,8 mln**  
(vs. PLN 33 mln in Q1 2018)

# Building the future – landbank under negotiation

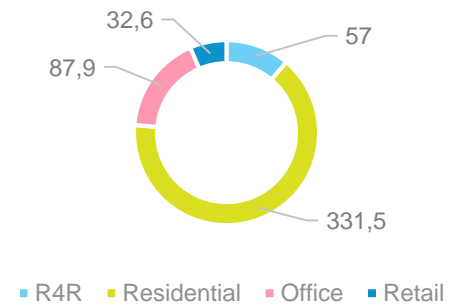
**518,000 sqm**

of GLA/PUM to be built on plots under advanced negotiations – vast majority for residential projects

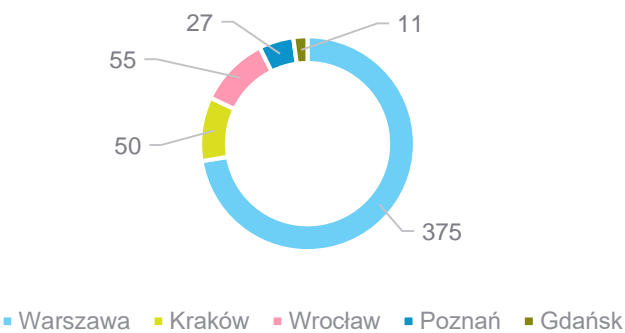
**980,000 sqm**

area of potential plots under negotiation

Split by function (sqm '000)



Split by location (sqm '000)







VIII.



# Financials

## Increasing revenues from growing development business

PLN mln	Actual results		PAP consensus
	Q1 2019	Q1 2018	Q1 2019
Revenue	69.4	64.4	48.2
Operating profit	52.1	81.3	22
Profit before tax	37.3	66	-
Net profit	31.8	50.7	6.8

### Revenues

(PLN mln)

	Q1 2019	Main source of revenue
Office	22.8	Rents, fit-out
Retail	21.6	Rents
Residential	10.6	Apartments sale
Other	14.4	Sales
<b>Total</b>	<b>69.4</b>	

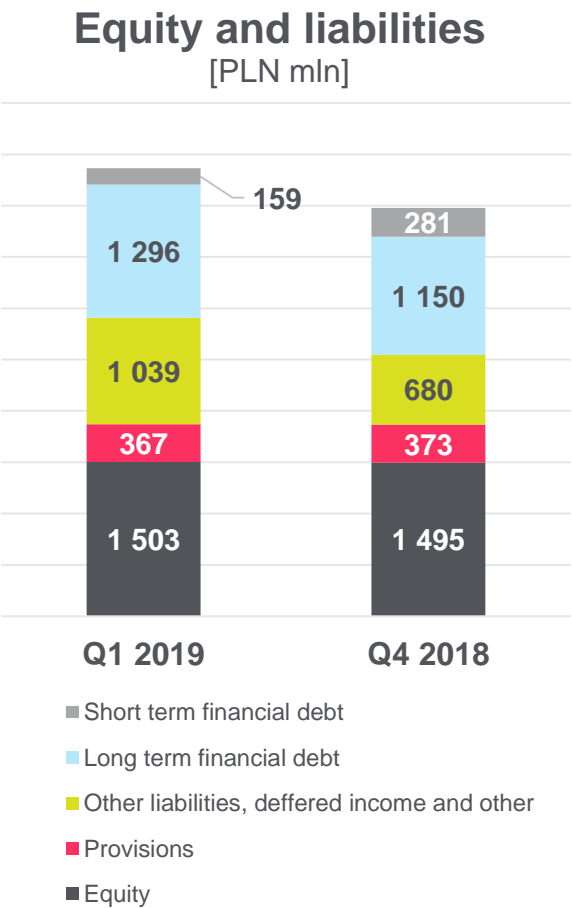
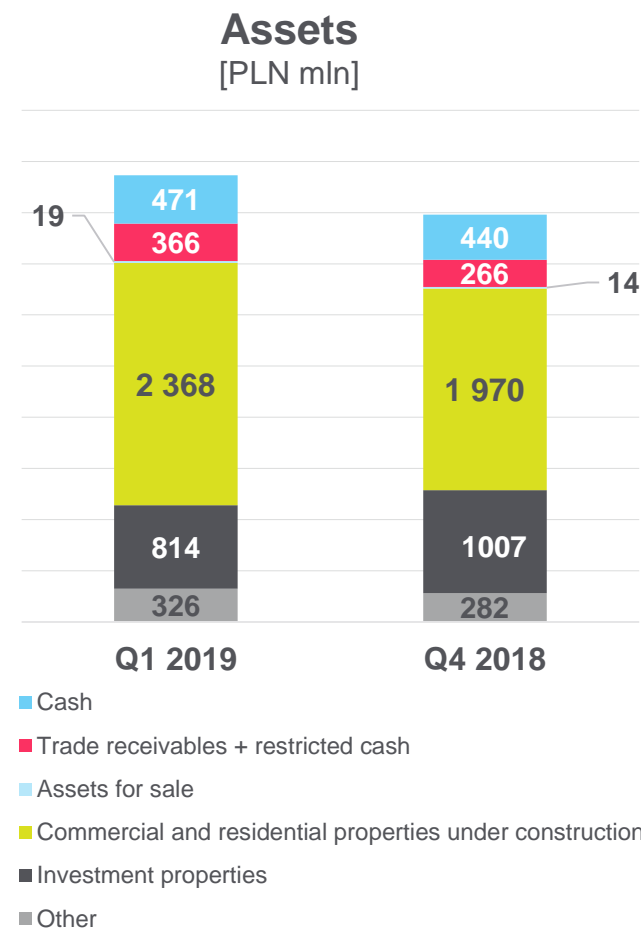
### Fair value gain on investment properties

(PLN mln)

	Q1 2019	Accum.
Villa and Malthouse Offices	25.3	128.7
Moje Miejsce I	14.6	29.7
Gatehouse Offices	12.2	119.3
Face2Face Phase I	7.5	12.8
O3 Business Campus III	5.5	48.2
Libero	0.6	184
Other	-2.2	
<b>Total</b>	<b>63.5</b>	<b>509.9</b>



# Focus on development, debt level remains low at 25% ratio



**PLN 4.364 bn**

total assets value as of 31.03.2019  
(9,7% growth compared to Q4 2018)

**PLN 385 mln**

total assets increase (Q1 2019/Q4 2018),  
47% of increase due to IFRS 16 impact

**PLN 359 mln**

increase of other liabilities (Q1 2019/Q4 2018),  
50% of increase due to IFRS 16 impact

**PLN 159 mln**

Short-term debt  
(43,5% less than as of 31 December 2019)

**25% net debt ratio**

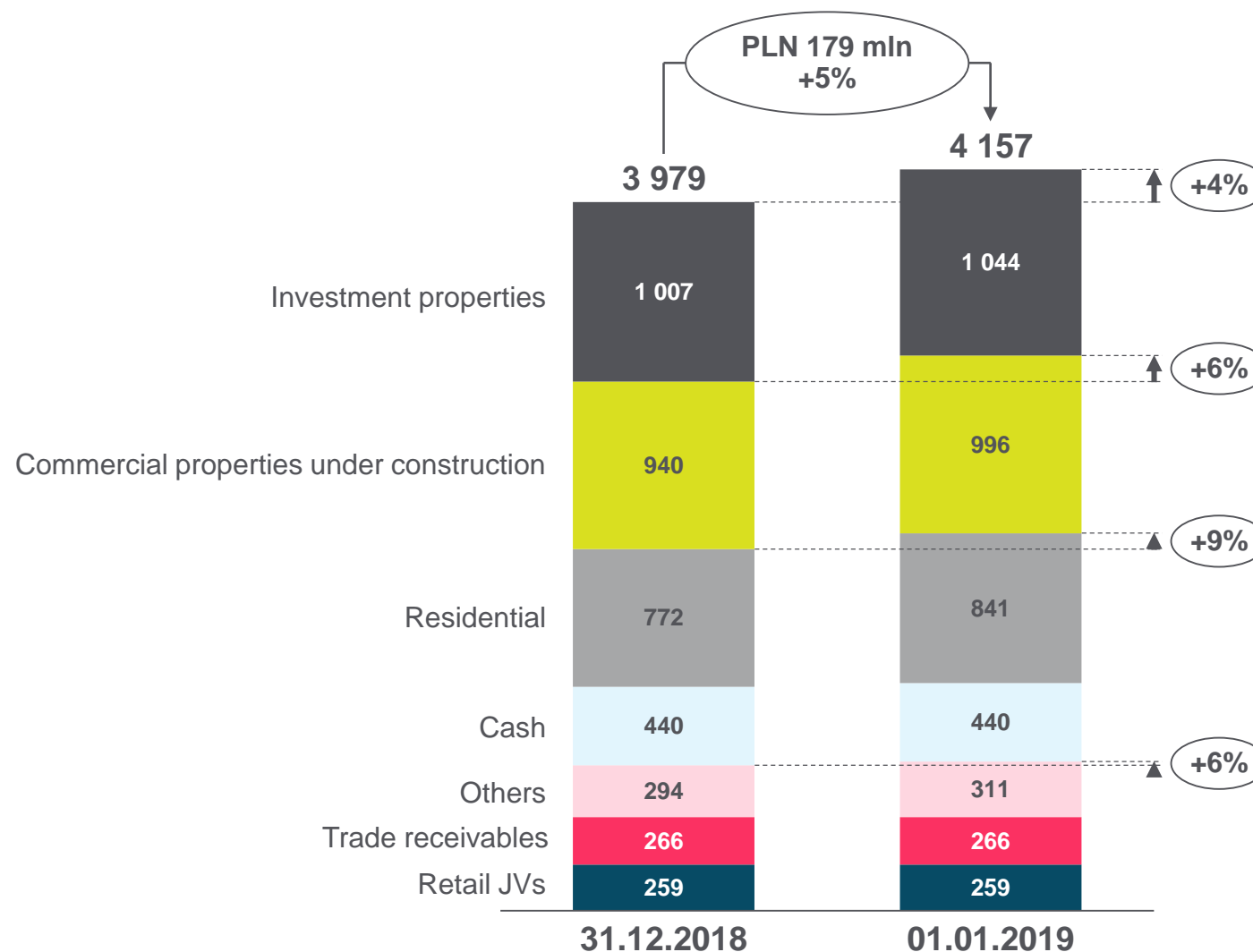
(net debt) / (total assets – cash)  
compared to 28% in Q4 2018

**PLN 471 mln**

cash (PLN 440 mln in Q4 2018)

## Asstet's structure- impact of IFRS 16

- Echo has implemented IFRS 16 leases since 1st January 2019
- The impact of the implementation of IFRS 16 resulted in recognition of an asset due to the right of use in amount of PLN 179 mln
- Significant impact on residential inventories (PLN 70 mln)

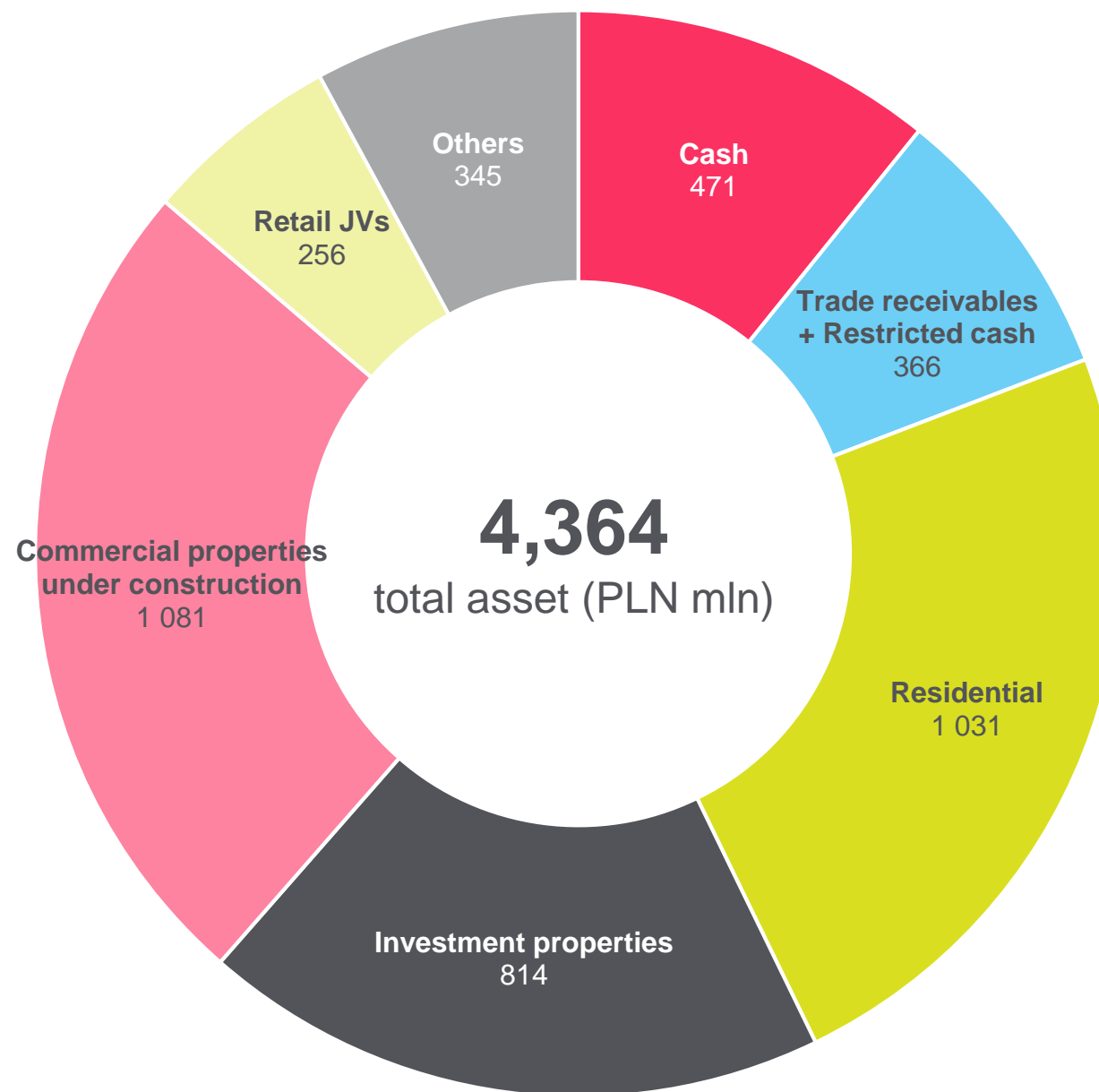


## Assets' structure - focus on development and liquidity

Compared to 01.01.2019:

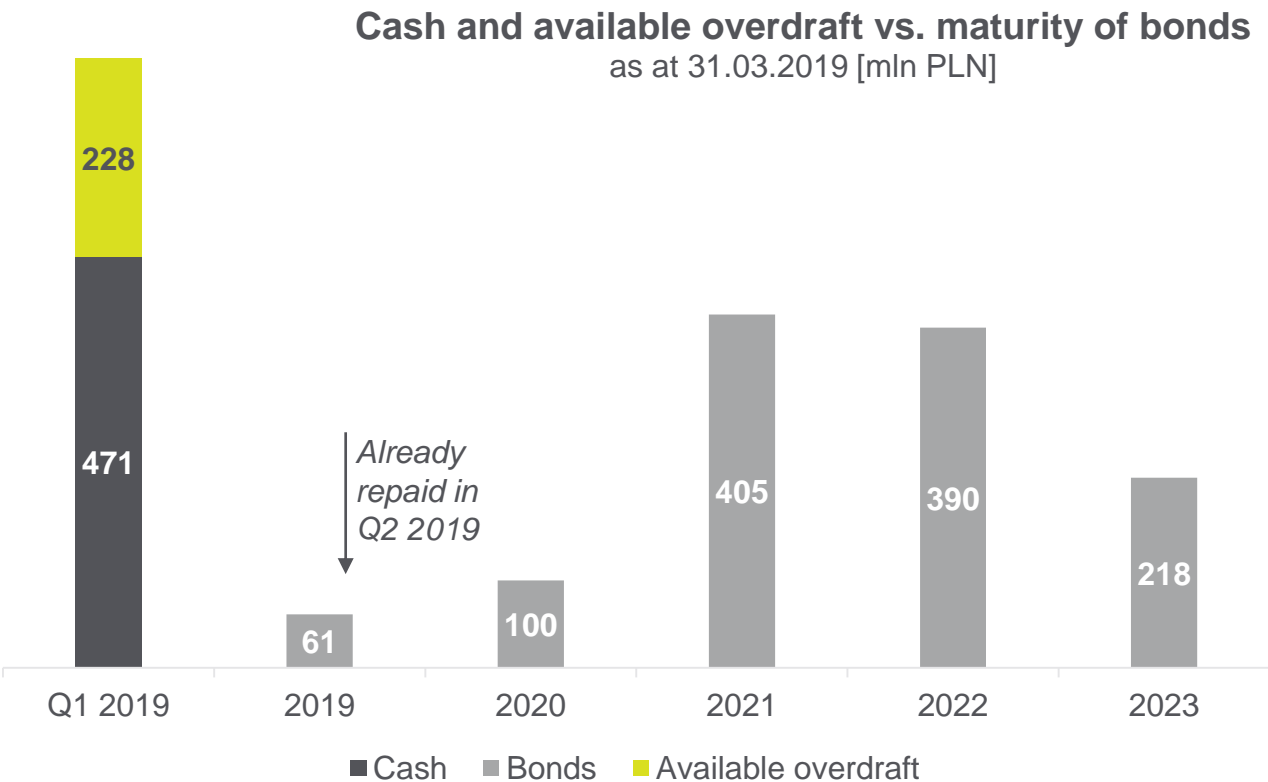
- **5%** increase of total assets
- **22,6%** increase of residential properties
- **8,5%** increase of commercial properties
- **-22%** decrease of investment properties\*

\* Sale of Gatehouse Offices





# Stable cash position, low amount of bonds maturing until 2021



**Repayment of PLN 110 mln** bonds in Q1 2019



**Issue of PLN 134 mln** bonds for institutional and individual investors



**Secured loans** for West 4 in Wrocław and Warsaw Brewery in total amount of **EUR 107 mln**

## Echo paid advanced dividend of PLN 0.5 per share from 2018 profit in December thanks to stable results and financial position

### DIVIDEND POLICY



**UP TO 70%**  
of annual profit  
To be paid as dividend  
for 2018 and later



**OVER 30%**  
reinvested  
In the Company's  
future growth

- Echo Investment has decided to pay **advanced dividend** towards the profit earned in 2018
- The dividend was paid on **19 December 2018**
- The total amount of the dividend amounts to PLN 206 mln – **PLN 0.5 per share**

# Analysts recognise potential of Echo's shares

- Regular quarterly meetings with the market
- 6 recommendations since the begining of 2019: 3 BUY and 3 HOLD/NEUTRAL
- 21% - average price upside level for recent recommendations

## Recent recommendations

Date	Institution	Recommendation	Target price [PLN]	Market price at the day of recommendation [PLN]
23.05.2019	Wood & Co	HOLD	4,80	3,69
08.04.2019	Wood & Co	HOLD	4,80	4,30
14.03.2019	Kempen	BUY	4,30	3,83
25.02.2019	Santander Biuro Maklerskie	BUY	4,07	3,36
12.02.2019	PKO Securities	BUY	4,59	3,44
05.02.2019	DM BOŚ Bank	HOLD	3,95	3,40







V.

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# Appendix

## Appendix

### Residential Projects Under Construction [1/2]

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
<b>Dom pod Wilgą III</b> Kraków, ul. Spiska	4,600	63	98%	41.8	28.7	99%	Q2 2017	Q1 2019
<b>Rydla 32</b> Kraków, ul. Rydla	5,700	95	98%	48.5	36.5	66%	Q1 2018	Q3 2019
<b>Osiedle Jarzębinowe V</b> Łódź, ul. Okopowa	8,100	145	78%	43.0	34.0	71%	Q4 2017	Q3 2019
<b>Osiedle Jarzębinowe VI</b> Łódź, ul. Okopowa	3,300	52	17%	20.0	15.7	38%	Q4 2018	Q1 2020
<b>Nowa Dzielnica</b> Łódź, ul. Wodna	5,300	87	66%	29.7	22.8	87%	Q3 2017	Q2 2019
<b>Fuzja I</b> Łódź, ul. Tymienieckiego	14,300	282	1%	104.0	79.0	10%	Q1 2019	Q4 2020
<b>Osiedle Jaśminowe IV</b> Poznań, ul. Sielawy	5,300	103	80%	32.4	23.4	38%	Q2 2018	Q1 2020
<b>Osiedle Perspektywa II</b> Poznań, ul. Sielawy	4,600	94	99%	24.8	20.7	56%	Q4 2017	Q3 2019
<b>Osiedle Perspektywa III</b> Poznań, ul. Sielawy	5,600	105	100%	30.9	25.4	38%	Q4 2017	Q4 2019
<b>Apartamenty Esencja</b> Poznań, ul. Garbary	12,500	260	22%	114.8	86.8	19%	Q1 2019	Q4 2020
<b>Warsaw Brewery B</b> Warsaw, ul. Grzybowska	10,500	190	99%	125.0	79.4	65%	Q4 2017	Q3 2019

## Appendix

### Residential Projects Under Construction [2/2]

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
<b>Warsaw Brewery C</b> Warsaw, ul. Grzybowska	6,900	114	100%	91.8	54.1	68%	Q4 2017	Q3 2019
<b>Warsaw Brewery E</b> Warsaw, ul. Grzybowska	6,100	82	17%	118.9	78.0	18%	Q4 2018	Q4 2020
<b>Widoki Mokotów</b> Warsaw, ul. Puławska	4,800	87	40%	69.1	50.3	54%	Q4 2017	Q1 2020
<b>Osiedle Reset I</b> Warsaw, ul. Taśmowa	7,300	164	83%	66.2	55.3	71%	Q4 2017	Q4 2019
<b>Osiedle Reset II</b> Warsaw, ul. Taśmowa	12,200	255	41%	117.8	95.9	34%	Q4 2018	Q4 2020
<b>Moje Miejsce I</b> Warsaw, ul. Beethovena	13,300	251	46%	131.2	96.5	46%	Q3 2018	Q3 2020
<b>Zebra</b> Wrocław, ul. Zakładowa	11,300	233	97%	76.0	55.3	71%	Q3 2017	Q2 2019
<b>Grota 111 etap III</b> Wrocław, ul. Grota-Roweckiego	2,600	53	74%	16.2	12.6	38%	Q4 2018	Q4 2019
<b>Ogrody Graua</b> Wrocław, ul. Gdańska	4,000	57	26%	44.1	32.5	30%	Q4 2018	Q2 2020
<b>Total</b>	<b>148,300</b>	<b>2,772</b>		<b>1,346.2</b>	<b>982.9</b>			



## Appendix

### Residential Projects in Preparation [1/2]

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>Wita Stwosza I</b> Kraków, ul. Wita Stwosza	13,700	217	132.2	82.6	17.0%	Q3 2020	Q1 2022
<b>Wita Stwosza II</b> Kraków, ul. Wita Stwosza	12,400	196	121.7	73.9	16.7%	Q3 2021	Q1 2023
<b>Rydlówka I</b> Kraków, ul. Rydlówka	5,900	107	53.8	41.0	16.4%	Q1 2020	Q4 2021
<b>Rydlówka II</b> Kraków, ul. Rydlówka	6,000	119	55.4	41.4	16.3%	Q2 2020	Q4 2021
<b>Osiedle Jarzębinowe VII</b> Łódź, ul. Okopowa	6,100	100	35.9	28.8	12.4%	Q2 2019	Q4 2020
<b>Osiedle Jarzębinowe VIII</b> Łódź, ul. Okopowa	6,100	101	36.2	28.4	12.1%	Q1 2020	Q4 2021
<b>Nasze Jeżyce I</b> Poznań, ul. Szczepanowskiego	7,500	142	57.6	44.5	15.7%	Q2 2019	Q1 2021
<b>Nasze Jeżyce II</b> Poznań, ul. Szczepanowskiego	8,000	168	61.6	47.2	13.6%	Q3 2019	Q3 2021
<b>Stacja Wola I</b> Warsaw, ul. Ordona	20,000	387	191.0	137.8	25.6%	Q3 2019	Q3 2021
<b>Stacja Wola II</b> Warsaw, ul. Ordona	28,800	535	280.7	196.4	25.4%	Q3 2020	Q4 2022
<b>Swobodna</b> Wrocław, ul. Swobodna	10,900	191	95.8	66.3	18.0%	Q4 2019	Q2 2021

## Appendix

### Residential Projects in Preparation [2/2]

Project / address	Sales area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>Mińska</b> Wrocław, ul. Mińska	11,000	204	88.2	64.6	19.7%	Q2 2019	Q4 2020
<b>Fuzja II</b> Łódź, ul. Tymienieckiego	11,700	212	90.0	64.1	9.1%	Q2 2020	Q4 2021
<b>Fuzja III</b> Łódź, ul. Tymienieckiego	8,600	152	70.4	47.6	6.2%	Q1 2021	Q4 2022
<b>18 MW I</b> Poznań, ul. Sielawy	12,000	222	76.3	55.8	4.5%	Q3 2019	Q3 2021
<b>18 MW II</b> Poznań, ul. Sielawy	8,500	153	54.7	39.5	3.6%	Q1 2020	Q4 2021
<b>18 MW III</b> Poznań, ul. Sielawy	9,600	168	61.9	44.4	3.1%	Q1 2021	Q4 2022
<b>Total</b>	<b>186,800</b>	<b>3,374</b>	<b>1,563</b>	<b>1,104.3</b>			

## Appendix

### Residential Projects for Rental Platform Resi4Rent Under Construction

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Start	Targeted completion	Comments
<b>Rychtalska</b> Wrocław, ul. Zakładowa	11,400	302	8.4	76.8	Q4 2017	Q3 2019	preliminary sales contract from Echo Investment to Resi4Rent
<b>Browary Warszawskie</b> Warsaw, ul. Grzybowska	19,000	451	16.6	187.6	Q4 2017	Q3 2020	preliminary sales contract from Echo Investment to Resi4Rent
<b>Wodna</b> Łódź, ul. Wodna	7,900	211	4.9	52.4	Q4 2017	Q4 2019	preliminary sales contract from Echo Investment to Resi4Rent
<b>Kępa Mieszczańska</b> Wrocław, ul. Dmowskiego	9,300	269	6.8	76.3	Q2 2018	Q1 2020	preliminary sales contract from Echo Investment to Resi4Rent
<b>Taśmowa</b> Warsaw, ul. Taśmowa	13,000	372	10.9	113.4	Q1 2019	Q4 2020	property of Resi4Rent
<b>Woroniczna</b> Warsaw, ul. Woronicza	7,900	229	6.3	61.8	Q1 2019	Q1 2021	preliminary sales contract from Echo Investment to Resi4Rent
<b>Total</b>	<b>68,500</b>	<b>1,834</b>	<b>53.9</b>	<b>568.3</b>			

### Residential Projects for Rental Platform Resi4Rent in Preparation

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Targeted start	Targeted completion	Comments
<b>Szczepanowskiego</b> Poznań, ul. Szczepanowskiego	5,000	160	3.8	42.9	Q3 2019	Q3 2019	preparation for sales contract from Echo Investment to Resi4Rent
<b>Total</b>	<b>5,000</b>	<b>160</b>	<b>3.8</b>	<b>42.9</b>			



## Appendix

### Office Buildings in Operation

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Completion	Recognized fair value gain [PLN mln]	Comments
<b>O3 Business Campus III</b> Kraków, ul. Opolska	18,800	39%	3.3	115.3	73%	Q1 2018	48.2	preliminary sales contract to EPP
<b>Total</b>	<b>18,800</b>		<b>3.3</b>	<b>115.3</b>			<b>48.2</b>	

### Office Buildings Under Construction

Project / address	GLA [sqm]	Leasing [%]	Targeted NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain [PLN mln]	Comments
<b>Moje Miejsce I</b> Warsaw, ul. Beethovena	18,700	64%	3.4	149.0	71%	Q3 2017	Q2 2019	29.7	Completed in Q2 2019. ROFO agreement with Globalworth Poland.
<b>Face 2 Face I</b> Katowice, ul. Grundmanna	20,400	38%	3.6	151.8	30%	Q2 2018	Q4 2019	12.8	
<b>Villa Offices and Malthouse Offices (Brewery G, H, K)</b> Warsaw, ul. Grzybowska	44,900	23%	10.9	500.6	22%	Q3 2018	Q3 2020	128.7	
<b>West 4 Business Hub I</b> Wrocław, ul. Na Ostatnim Groszu	15,600	0%	2.6	112.6	15%	Q4 2018	Q3 2020	-	
<b>Face 2 Face II</b> Katowice, ul. Grundmanna	26,400	0%	4.6	195.4	16%	Q4 2018	Q4 2020	-	
<b>Total</b>	<b>126,000</b>		<b>25.1</b>	<b>1,109.4</b>				<b>171.2</b>	

## Appendix

### Office Buildings in Preparation

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
<b>Moje Miejsce II</b> Warsaw, ul. Beethovena	16,900	2.9	128.8	23%	Q2 2019	Q3 2020	ROFO agreement with Globalworth Poland
<b>React</b> Łódź, ul. Piłsudskiego	15,000	2.5	101.9	13%	Q2 2019	Q3 2020	
<b>Solidarności</b> Gdańsk, ul. Nowomiejska	30,600	5.1	211.1	11%	Q4 2019	Q4 2021	
<b>Midpoint 71</b> Wrocław, ul. Powstańców Śląskich	36,400	6.4	285.7	18%	Q2 2019	Q2 2021	
<b>Wita Stwosza</b> Kraków, ul. Wita Stwosza	29,600	5.2	234.8	13%	Q2 2020	Q2 2022	
<b>Al. Pokoju</b> Kraków, ul. Fabryczna	38,500	7.0	323.5	24%	Q1 2020	Q1 2020	
<b>Swobodna</b> Wrocław, ul. Swobodna	23,300	4.1	185.9	12%	Q2 2022	Q1 2021	
<b>Total</b>	<b>190,300</b>	<b>33.3</b>	<b>1,471.6</b>				

## Appendix

### Retail Project in Operation

Project / address	GLA [sqm]	Leasing [%]	Targeted NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Completion	Recognized fair value gain [PLN mln]	Comments
<b>Libero</b> Katowice, ul. Kościuszki	44,900	99%	9.5	379.7	99%	Q4 2018	184.0	ROFO agreement with EPP
<b>Total</b>	<b>44,900</b>		<b>9.5</b>	<b>379.7</b>			<b>184.0</b>	

### Retail Project Under Construction

Project / address	GLA [sqm]	Leasing [%]	Targeted NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain* [PLN mln]	Comments
<b>Galeria Młociny</b> Warsaw, ul. Zgrupowania AK „Kampinos”	84,800	97%	22.1	1,280.8	84%	Q4 2016	Q2 2019	72,5*	Opened in Q2 2019; Echo's joint-venture with EPP: 30%:70%
<b>Total</b>	<b>84,800</b>		<b>22.1</b>	<b>1,280.8</b>				<b>72.5*</b>	

\* 30% of net profit of SPVs



Appendix

Towarowa 22  
Commercial

Function	GLA [sqm]	Targeted NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]
Retail	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  
Residential

Function	Residential area [sqm]	Number of units	Targeted revenues [PLN mln]	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]
Residential for sale	18,400	261	324.5	-	216.5	13%
Residential for Rental Platform Resi4Rent	16,300	444	-	14.7	144.5	18%
Total		34,700	705	324.5	14.7	361.0

Appendix

Early Stage Projects

Project / address	Plot area [sqm]	Potential of leasing / sales area [sqm]	Comments
Łódź, ul. Tymienieckiego	59,800	55,400	Plot for office & services
Wrocław, ul. Na Ostatnim Groszu	32,300	55,000	Plot for office
Warsaw, ul. Chłodna / Wronia	600	1,100	Plot for residential
Łódź, ul. Kilińskiego	9,500	35,000	Plot for office
Katowice, ul. Piotra Skargi	3,700	22,000	Plot for office
Poznań, ul. Hetmańska	65,300	80,000	Plot for office & residential
Kraków, al. Pokoju	4,000	18,000	Plot for residential
Total	175,200	266,500	

Land Bank

Project / address	Plot area [sqm]	Comments
Poznań, Pamiątkowo	874,200	Preliminary sale agreement for part of the plot
Poznań, Naramowice	230,300	
Koszalin, Krakusa i Wandy	39,300	Preliminary sale agreement
Katowice, Jankego	26,200	
Poznań, Sołacz	17,300	
Zabrze, Miarki	8,100	
Warsaw, ul. Konstruktorska	7,200	
Radom, Beliny	6,300	
Warsaw, ul. Woronicza	5,100	Plot for the Student House dormitory
Total	1,214,000	



## Appendix

# Definitions

### The estimated budget includes:

- Value of land,
- Cost of design,
- Construction and external supervision.

### It does not include:

- Interest costs or activated financial costs, marketing and total personnel costs related to the project, which in total are estimated by the Company to equal 7% for office & retail and 6% for residential projects' targeted budgets.
- Costs reducing sales revenue (price):
  - Rent-free periods
  - Profit share on ROFO projects
  - Master lease

### Resi4Rent

Estimated budget of R4R projects includes:

- value of land,
- cost of design, construction and external supervision,
- development services
- financial costs.

It does not include costs of the platform operation and marketing.

**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

**FAIR VALUE** includes currency differences on investment loans.

Presented data are for **100%** of each project. Echo has 75% of profit on ROFO projects and holds 30% of shares in JV's





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