

# ECHO

investment



---

*Everything  
begins  
with you*



# Q3 2020 RESULTS AND OUTLOOK

---

Warsaw, 25<sup>th</sup> November 2020

# Disclaimer

---

Neither this presentation (the “Presentation”), nor any copy of it, nor the information contained herein is being issued or may be distributed directly or indirectly to or into the United States, Canada, Australia or Japan.

This Presentation has been prepared by Echo Investment S.A. (the “Company”) solely for informational purposes and does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group (the “Group”) in any jurisdiction, including Poland and the United States, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its Group, or any other contract or commitment whatsoever. This Presentation does not constitute a recommendation or legal, tax, accounting or investment advice regarding any securities of the Company or its Group. We recommend that the recipient seek independent third party legal, regulatory, accounting and tax advice regarding the contents of this document.

The information contained in the Presentation does not purport to be comprehensive and has not been independently verified. To the extent permitted by law, no representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein.

This Presentation contains certain “forward-looking statements”. Forward-looking statements are generally identifiable by the use of certain words, including but not limited to: “may”, “will”, “should”, “plan”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “goal” or “target” or the negative of these words or other variations on these words or comparable terminology or refer to information relating to the current year and the future. Forward-looking statements are based on current expectations and assumptions and involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's or its industry's actual financial condition, results of operations or performance to be materially different from any future financial condition, results of operations or performance expressed or implied by such forward-looking statements. You should not place undue reliance on forward-looking statements and to the extent permitted by the applicable laws, the Company does not undertake to publicly update or revise any forward-looking statements that may be made herein, whether as a result of new information, future events or otherwise.

This Presentation contains certain statistical and market information. Such market information has been sourced from and/or calculated based on data provided by third-party sources identified herein or by the Company, if not attributed exclusively to third-party sources. Because such market information has been prepared in part based upon estimates, assessments, adjustments and judgments which are based on the Company's or third-party sources' experience and familiarity with the sector in which

the Company operates and has not been verified by an independent third party, such market information is to a certain degree subjective. While it is believed that such estimates, assessments, adjustments and judgments are reasonable and that the market information prepared appropriately reflects the sector and the market in which the Company operates, there is no assurance that such estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein. The data presented below take into account the influence of the current epidemiological situation on the economy, to the extent the Management Board is able to assess the effects at this point. In case impact of pandemic would be different to the currently expected, data presented may change.

This Presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or applicable regulations or which would require any authorisation, registration, notification or licensing within such jurisdiction. Persons into whose possession this Presentation, any part of it or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



# Agenda

---

- I. Highlights
- II. Financial Data
- III. Creating Destinations
- IV. Residential
- V. Resi4Rent
- VI. Office
- VII. Retail
- VIII. Landbank & Permitting
- IX. Investment & Construction
- X. Financials
- XI. Appendix





I.

---

# Highlights

# Highlights

Echo is focusing on best performing segments to **strengthen the business model**



## Residential

In Q3 2020 we have achieved highest quarterly **residential sales results** in Echo's history

Echo will continue **to grow residential part** of our business, both in R4R and R4S segments



## Office

Continuous **interest from large office tenants** looking for top quality, safe office space located in the city centers of major Polish cities

**Advanced sales negotiations** with institutional investors regarding office buildings



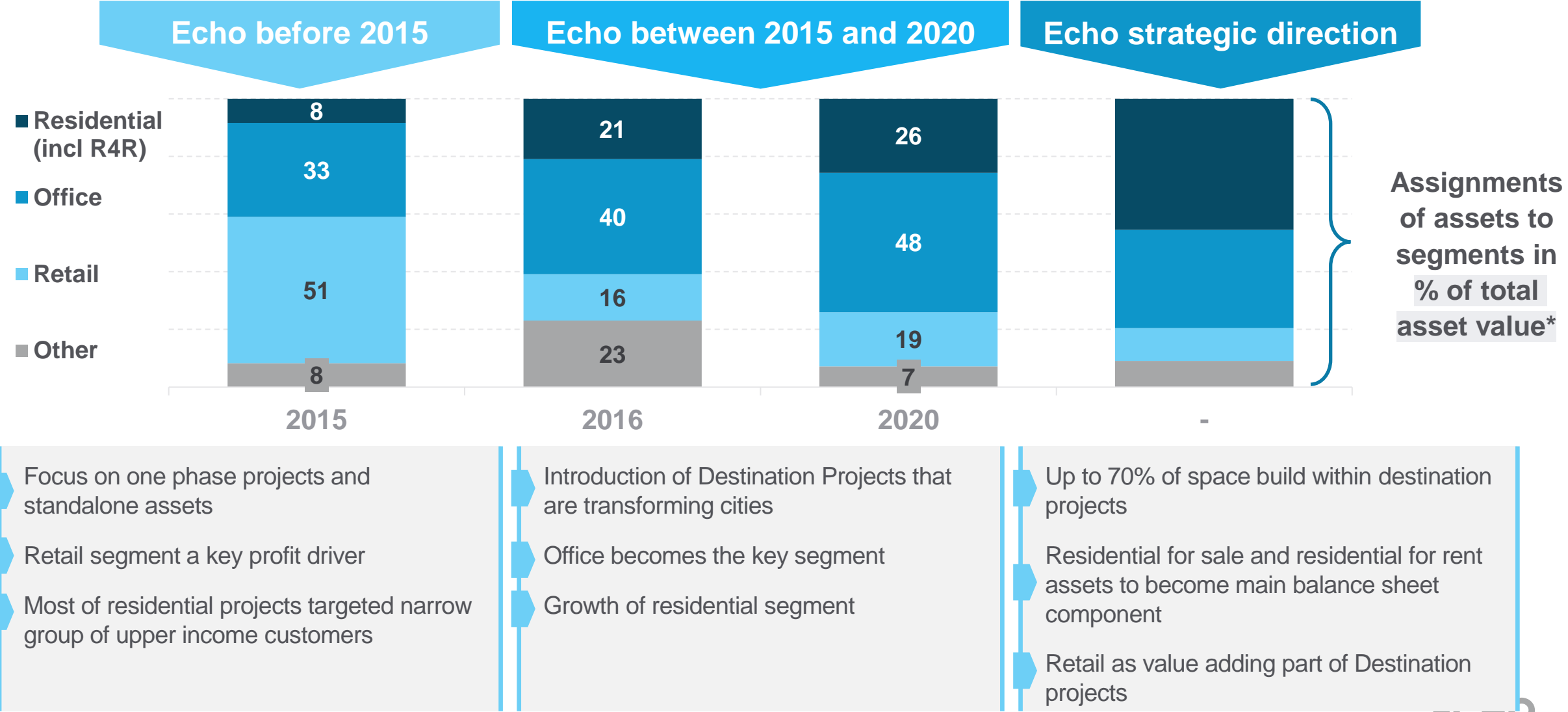
## Land Acquisition and permitting

Strong focus on permitting for destination projects secured in **Tesco landbank** acquisition

Building permits obtained for two office buildings in Cracow and Katowice

Echo will increase the focus on the **growth of the residential business**



# Strategy evolution of Echo Investment Group



\*based on book value; so office, retail and Resi4Rent assets under construction and completed are at fair value and residential assets for sale are at costs



# Q3 2020 and post Q3 events and activities

			
Residential	Commercial	Financial	Corporate
<p>Sale of <b>450 apartments</b> in Q3 2020, best quarterly result in Echo Investment history</p> <p>Handover of <b>301 apartments</b></p>	<p>Occupancy permit for <b>Brewery GH in Warsaw and West 4 in Wrocław</b> office building</p> <p><b>Building permits obtained</b> for two office projects: Falcon in Katowice and Brain Park in Cracow</p>	<p>Issuance of ordinary bearer coupon bonds in the total amount of <b>PLN 100,000,000</b> and <b>EUR 52,800,000</b></p> <p>Repayment of <b>PLN 100,000,000</b> bonds in November</p>	<p><b>Margaret Dezse and Slawomir Jedrzejczyk</b> appointed to the Supervisory Board of the Company</p>







II.

---

# Financial Data

## Q3 2020 profit in line with market expectations

### Actual results [PLN mln]

	Q3 2019	Q3 2020
Revenue	250.8	341.95*
Operating profit	88.0	73.8
Profit before tax	70.8	49.0
Net profit	49.1	36.2

### PAP Consensus

	Q3 2020 (average)	Q3 2020 (range)
Revenue	180.1	174.4 – 192.3
Operating profit	65.4	62.7 – 69.0
Profit before tax	-	-
Net profit	36.8	33.3 – 39.5

\*Revenue impacted by rent relief for tenants in office buildings and shopping centers that received rent reductions due to COVID (like restaurants and gyms)

Revenue from office tenants remained stable

## OUR RESULTS

**PLN 341.95 mln\***

total revenue in Q3 2020

Revenue includes PLN 154 mln due to disposal from R4R Warsaw Brewery to Resi4Rent

**PLN 36.2 mln**

total net profit in Q3 2020

**PLN 58.5 mln**

Total fair value gain in Q3 2020

**PLN 38.0 mln**

margin earned on handover of 301 residential units

## Main profit drivers in Q3 2020



\* see page 49 for details



III.

---

# Creating Destinations

## Destination projects create most of Echo's pipeline

### Destination

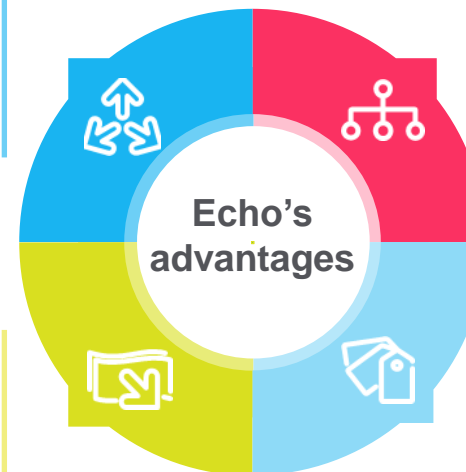
**Full public spaces:**  
roads, squares, green  
areas

**Mix of functions**  
in buildings

**Sustainable**  
city growth

Broad experience  
in all sectors

Lower acquisition  
and development  
costs



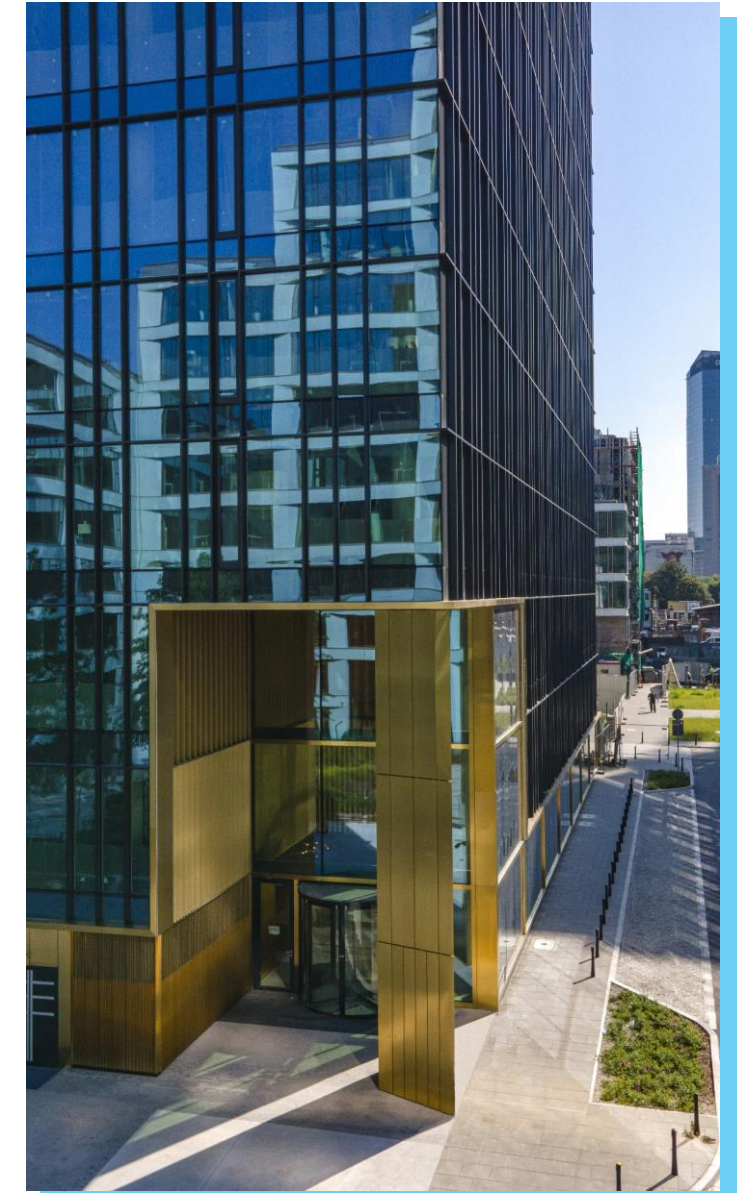
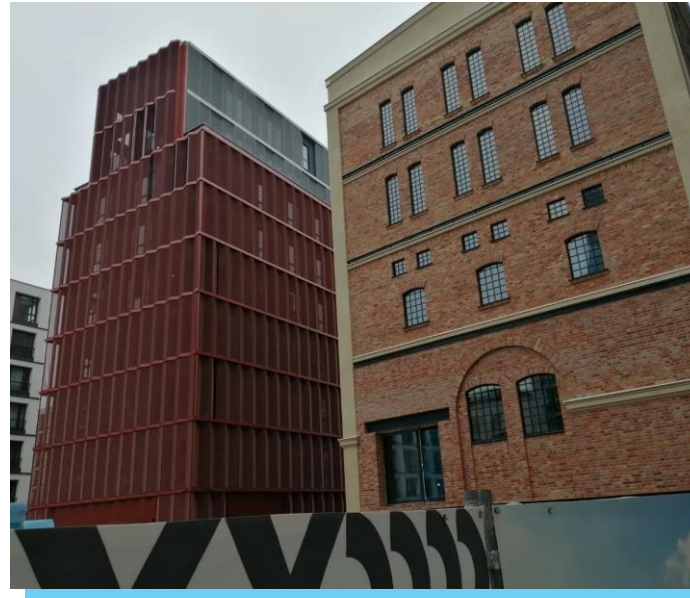
Flexibility, risk  
diversification and optimal  
utilisation of resources

Creating meeting spaces  
with green areas (in line  
with market trends)



# First restaurants and services opened in Warsaw Brewery

- Echo Investment is creating one of the capital's most exciting places to live, work and visit with a wide range of restaurants, greenery and public spaces
- **Resi4Rent** tower has been handed over to tenants and first residents have already moved in
- First **restaurant concepts** have begun operation ie. bakery and more are to be open in coming months
- The high-end Malthouse Apartments construction has completed and was positively received with **high demand for penthouses**
- Main office buildings (Villa and Malthouse Offices) obtained **occupancy permit** and first tenants took over premises
- Office leasing process is expected to be finalized by the end of the year with nearly **100% lease up level**
- As of November 2020, almost **100% of retail area** is leased





# Cornerstone ceremony for office buildings in Fuzja

Construction and revitalization works are transforming the city

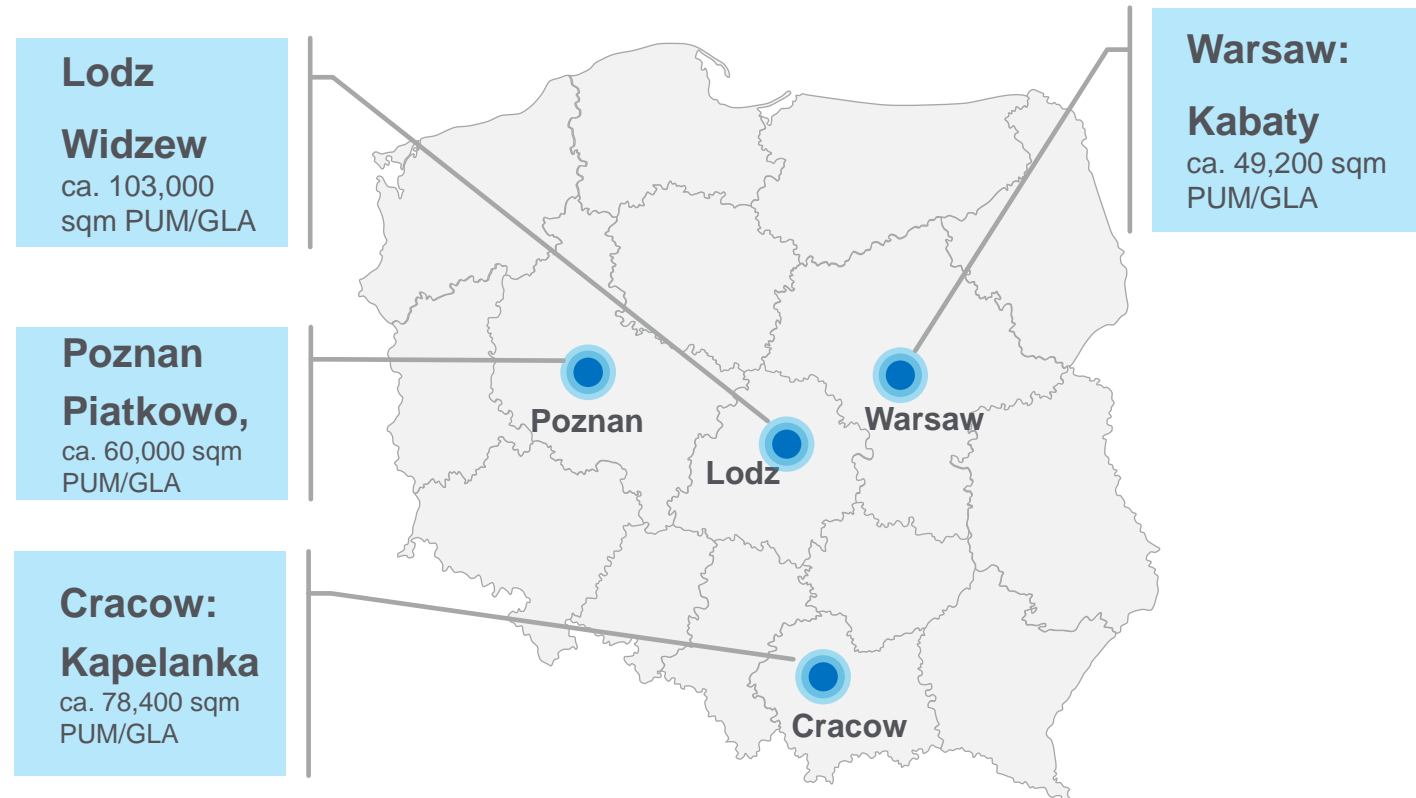
- **Cornerstone ceremony** of office buildings for global technology leader **Fujitsu** took place in **October 2020** to celebrate the commencement of construction
- Residential buildings of phase 1 will be ready for hand overs in December 2020
- Around 70% of **all apartments** in the phase 1 are sold
- Construction of residential building in **phase 2 started** in October
- Revitalization works on **historic power plant building** and **main square** are progressing according to schedule and will provide a lively combination of multi-functional space
- Powerplant and adjoining square will be the **heart of the Fuzja destination project** attracting tenants, customers and residents





# Revitalisation of first generation retail plots into new urban part of the cities

- In the last months Echo has identified a **market with great potential of growth** in large-scale destination projects
- Big retail schemes constructed in late 90s have become obsolete with new market demand but still retained a key **advantage of excellent location**
- Echo is one of the first companies to see the new trend and has **secured a portfolio** of attractively situated plots
- New acquisitions are in line with Echo's long term **strategy to focus on multi-phase mix use projects** that attract office, retail, long term residents and R4R tenants
- First transaction covered Tesco **plot in Kabaty** and was followed by a pre-SPA for **three additional plots** from Tesco in Cracow, Poznan and Lodz



4 plots will allow Echo Investment to develop 290,600 sqm

# Tesco Kabaty to be transformed into lively destination

- Revitalization of the plot located at the **heart of Kabaty** district is a **flagship Echo destination project**, creating a new quality of a local urban center
- This mix-use scheme will be located on a 5ha plot in the close proximity of the first M1 metro station
- The design fulfils all the criteria of a **destination project**, combining extensive green areas, commercial, residential and recreational space with restaurants and cafes
- One of the remarkable features of the project is a **linear park** in a form of a slope between the commercial and residential buildings
- **Kabaty Square** will become the center stage of the project and the meeting space for residents of southern Warsaw



Current state



Planned development



Planned development

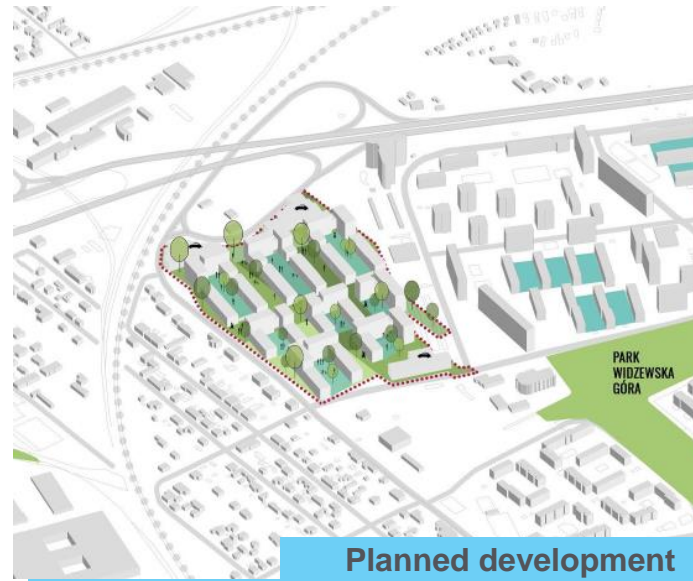


# Residential area revitalisation in Widzew, Lodz

- The design of the new project involves a **reconstruction of an orchard** historically located on site in Lodz Widzew
- Whole residential area will be oriented towards **creating local micro-communities** with the main common area consisting of a tree-studded alley along the linear park and will contain commercial points providing services for the whole neighbourhood
- **The park** will serve as an ideal location for future local initiatives such as garage sales, homemade goods and book fairs or open air exhibitions
- **Vehicle traffic will be forbidden** within the residential area with the exception of store deliveries



Current state



Planned development



Planned development

# Kapelanka, Cracow – perfect mix of urban living and working

- Centrally located **multi-use project** creating a synergy between a modern office space and a unique residential area
- The project is designed to mirror densely build-up urban area in the neighbourhood and **revitalise the city district**
- Proposed space offers a **new definition of urban living** with close proximity to city centre with all its amenities and at the same time providing more room for relaxation in common green areas, outdoor gym, playgrounds, infrastructure for cyclists or more spacious private balconies

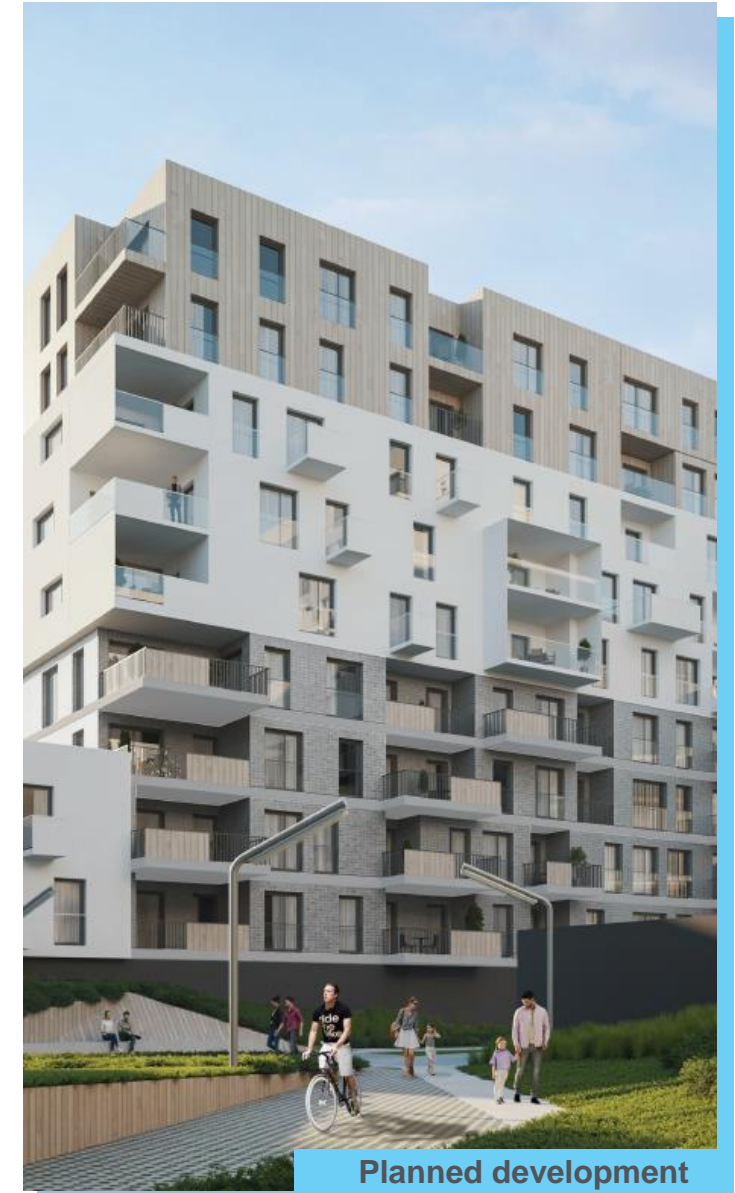
Kapelanka project will offer new  
quality of work-life balance



Current state



Planned development



Planned development



# Unique residential space on Opienskiego in Poznan

- Located in a **residential neighbourhood** yet still well connected with the city centre with every building located in close proximity to fast tram stop
- Unique residential scheme with **number of facilities** like a food truck area, skatepark, terraced garden with an amphitheatre and a playground
- The project **ambitiously revitalizes the green area** with an addition of new trees, an increase in the total biologically active area and a reduction of paved surfaces compared to current usage
- **Extensive outdoor amenities** will bring a unique quality to the project and will provide a meeting space for the neighbourhood



Current state



Planned development



Planned development



IV.

---

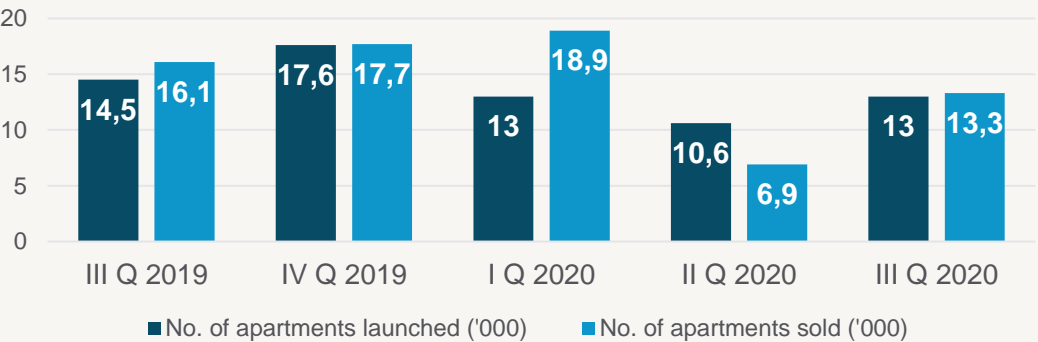
# Residential

# Supply and demand even out as big developers deliver new residential projects to the market

## Supply

- **13,000 apartments** were launched in Q3 2020 (23% more than in Q2 2020)
- Demand was slightly stronger than supply, number of units available decreased to **49,300** (1,3% lower than at the Q2 2020)
- Most of the supply came from larger developers
- Strong balance sheet of larger developers allows for growth in the residential segment

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



\* Warsaw, Cracow, Wroclaw, Tricity, Katowice, Lodz

Source: JLL

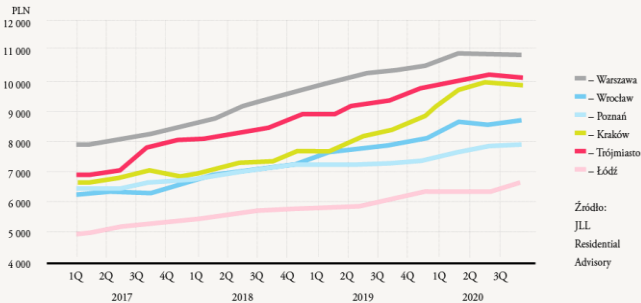
## Demand

- **13,300 apartments** sold in Q3 2020 on primary market in 6 major cities
- Number of apartments sold increased by 95% compared to Q2 2020
- Sales year on year have not recovered and are lower by 17% vs Q3 2019, mainly affecting smaller developers
- Demand for residential properties supported by low interest rates as an alternative to bank savings

## Prices

- None of the regional markets registered meaningful price decreases in Q3 2020
- Price variation quarter to quarter has been marginal but supply may shape the price in the upcoming months
- The highest supply is observed in Lodz and Wroclaw reaching 90% of the historical peaks

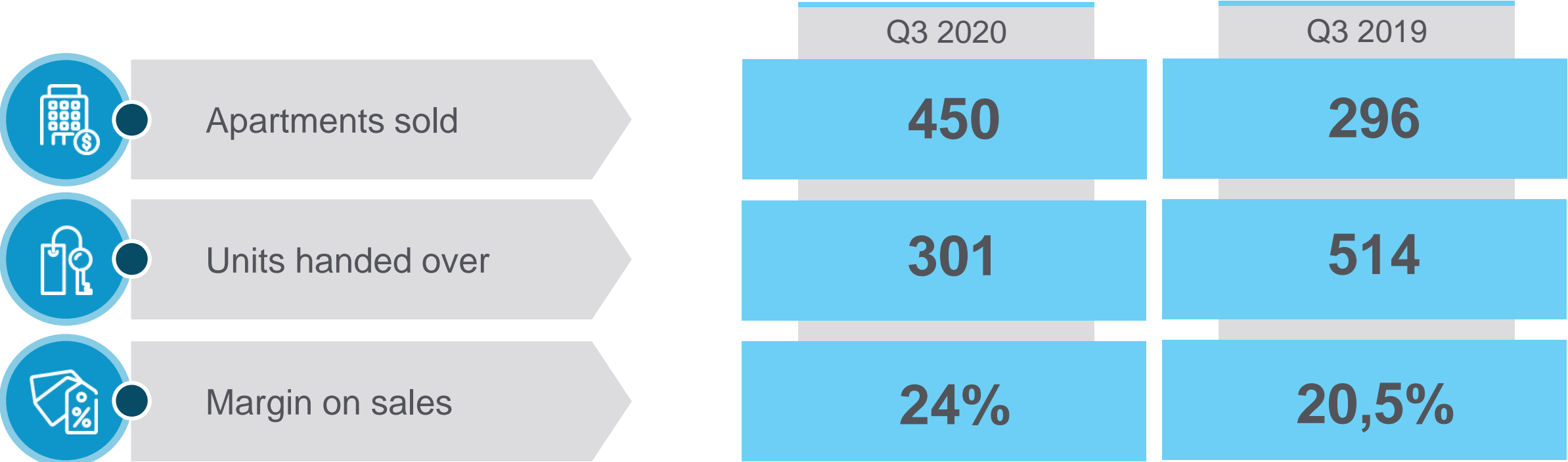
Average price of units on offer (PLN/sqm, incl. VAT, shell and core standard)



Źródło:  
JLL  
Residential  
Advisory



# Echo delivers a significant sales increase in Q3 2020 YoY



Echo will continue to focus on residential growth to increase market share while sustaining strong margins

Strong increases in sales in Q3 2020 are a good predictor of the whole year

# Apartment sales growth in Q3 2020 vs Q3 2019 exceeds most competitors

## No. of apartments sold

Company	Q3 2020	Q3 2019	YoY Change
Lokum Deweloper	206	64	▲ 221,9%
Echo Investment	450	295	▲ 52,5%
Atal	801	689	▲ 16,3%
Develia	358	310	▲ 15,5%
Dom Development	995	937	▲ 6,2%
Inpro	193	220	▼ -12,3%
Victoria Dom*	318	384	▼ -17,2%
Archicom	341	412	▼ -17,2%
Marvipol Development	160	198	▼ -19,2%
Robyg*	606	776	▼ -21,9%
Budimex Nieruchomości	383	555	▼ -31,0%
J. W. Construction	160	249	▼ -35,7%
<b>Total</b>	<b>4971</b>	<b>5089</b>	<b>▼ -2,3%</b>

Source: PARP

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

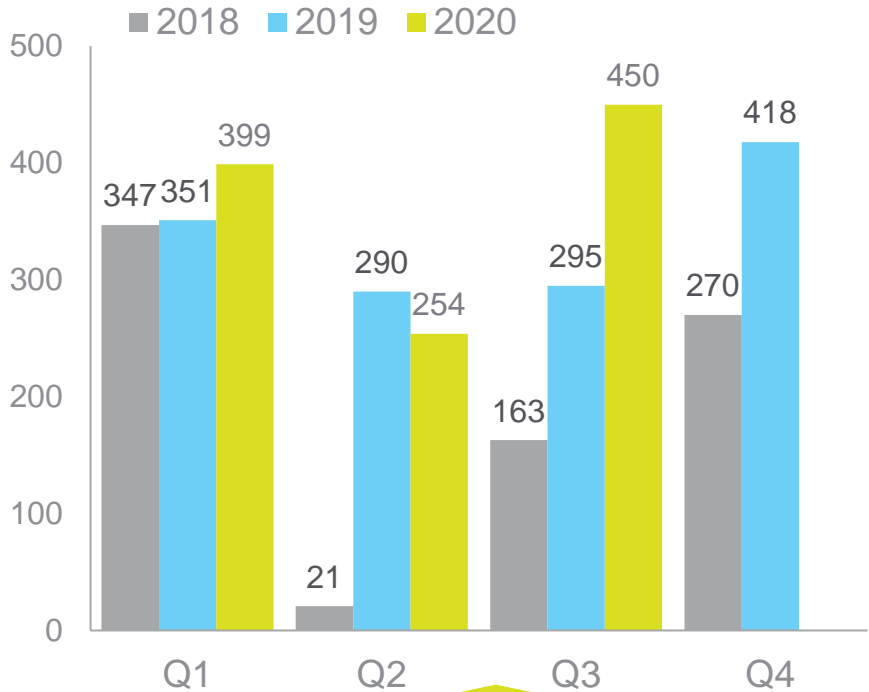
- Echo noted **53% increase** in sales in Q3 2020 compared to Q3 2019.
- Number of apartments sold placed Echo on **2<sup>nd</sup>** place among listed developers in terms of percentage change Q3 2020/ Q3 2019 and **4<sup>th</sup>** in terms of apartments sale



# Record quarter in Echo Investment history shows potential of our residential segment



## Sales

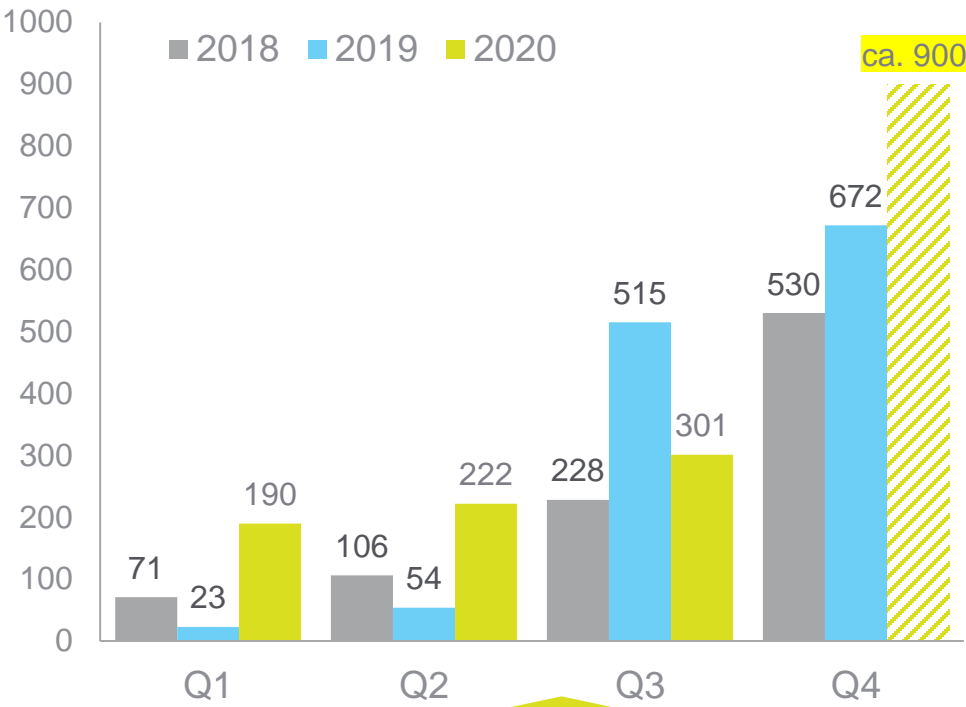


**Growth + 18%**

in YTD 2020 vs. YTD 2019



## Handovers



**Growth + 30%**

in YTD 2020 vs. YTD 2019

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

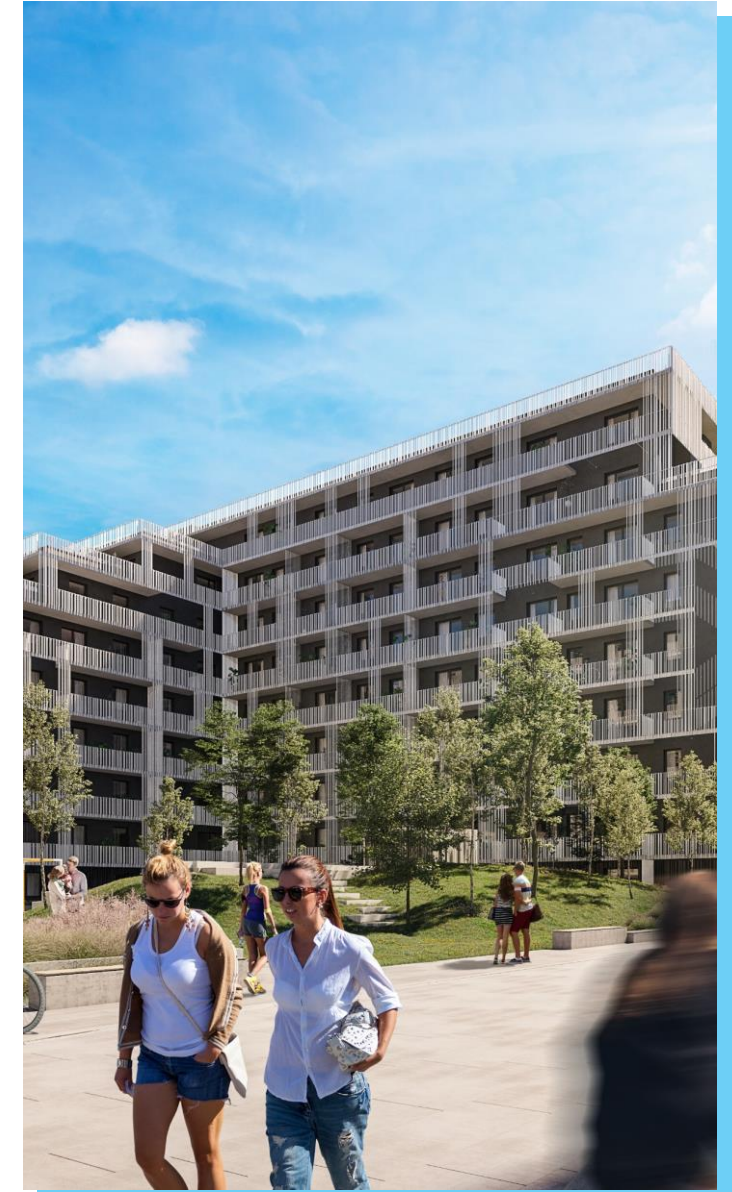
**24%**

in Q3 2020



# Sales target of ca. 1,650 apartments in 2021

- Echo aims to sell ca. **1,650 apartments** in 2021 with a goal to deliver highest sales result in company history and become one of the top residential developers in Poland
- Handover target of ca. **1,650 apartments**
- New projects to add ca. 2,500 units to the offer in 2021 which include:
  - 1820 apartments in plots already acquired and under preparations
  - ca. 700 apartments on plots under pre-SPA with building permits under preparation (Tesco projects, Sluzewiec, Przasynska)
- Acquisition of new plots is ongoing and across seven largest cities in Poland





V.

---

**Resi4Rent**



# Resi4Rent planning ambitious growth

Resi4Rent has **opened 4 project** with **1240 apartments** up to date and **229 more** are targeted until the end of 2020

**Two new plots acquired** in Q3 2020, Jana Pawla II in Cracow and Jaworska in Wroclaw, adding 695 new apartments

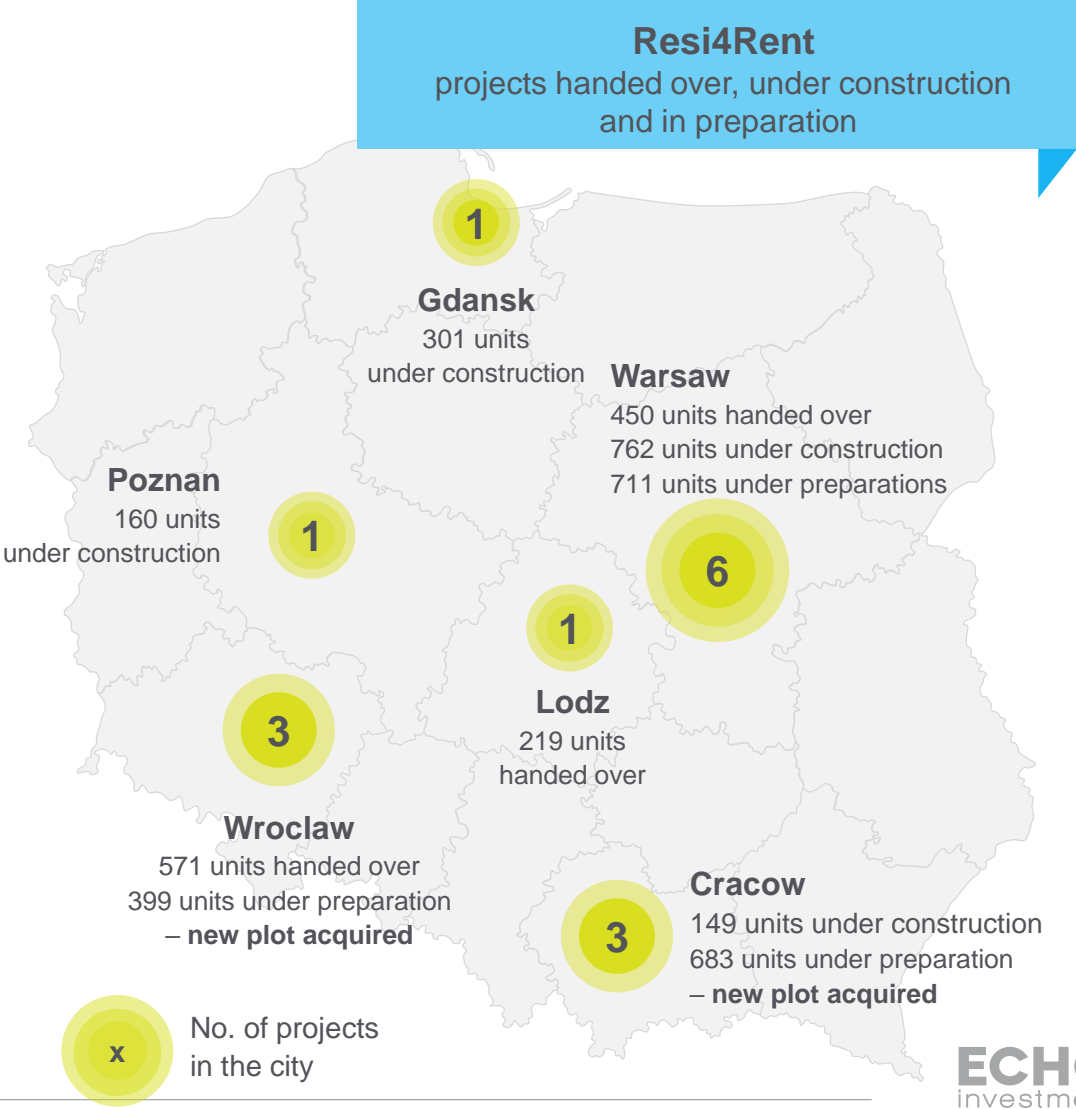
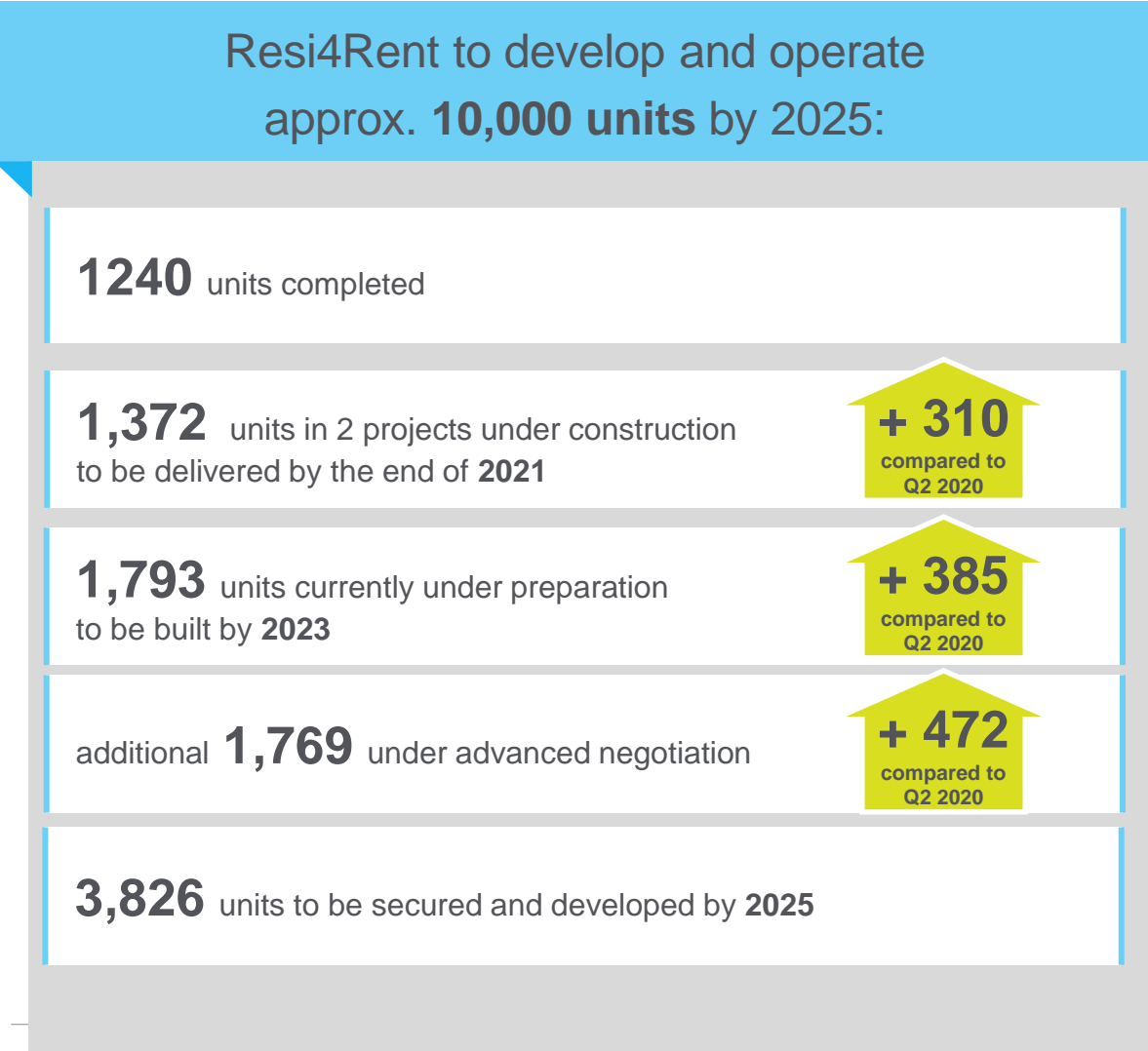
Resi4Rent plans to open **3 new projects** in 2021 – Tasmowa (Warsaw), Kolobrzaska (Gdansk) and Szczepanowskiego (Poznan)

**Starting construction of ca. 2000** new units

Due to outstanding performance, **strategic targets** for 2025 have been **increased to 10,000 units**

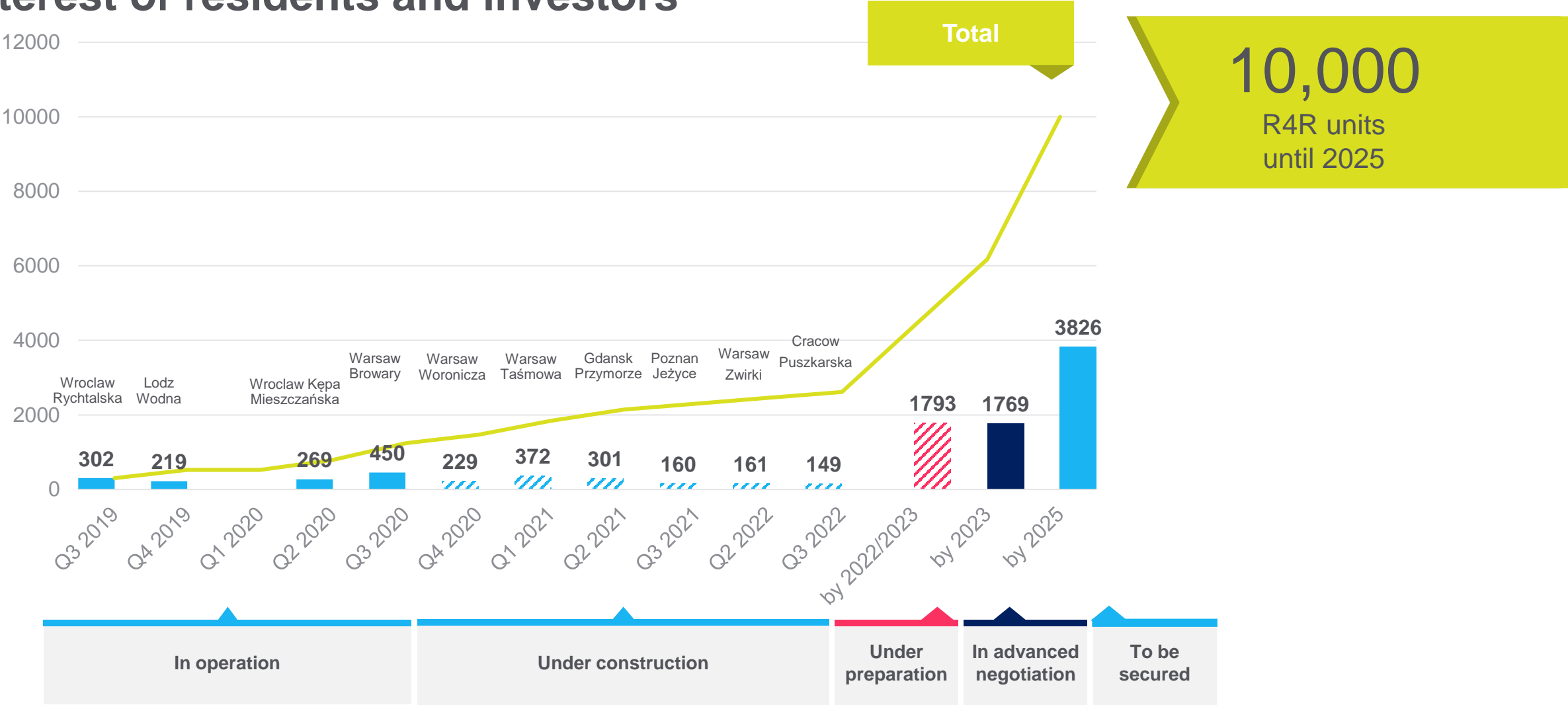


# Resi4Rent projects portfolio







# Target 10,000 of Resi4Rent units to be delivered until 2025 due to strong interest of residents and investors




# Construction of new Resi4Rent projects picks up faster pace

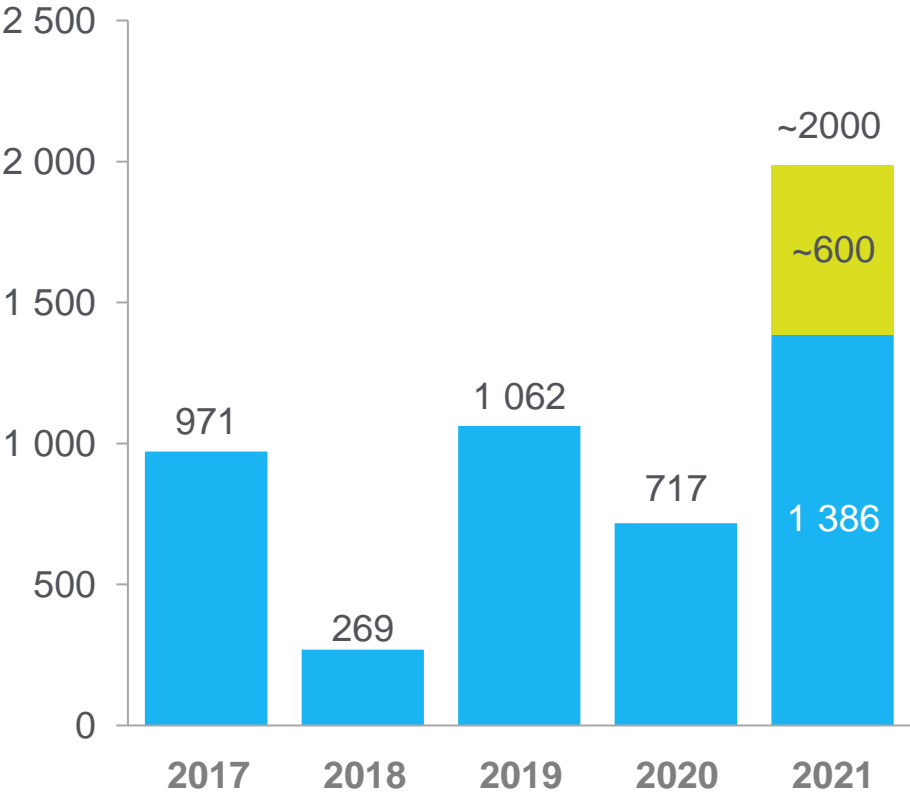
 By the end of 2020 **R4R will have 3019 units** across 11 projects either under management or construction



 Due to dynamic growth and planned expansion till 2025, 4 new projects have already been scheduled to start in 2021 with ca. **1,386 units** to be added to R4R portfolio:

- Cracow,  
3 maja
- Warsaw,  
Pohoskiego
- Cracow, Jana  
Pawla II
- Wroclaw,  
Jaworska

 Additionally, advanced negotiations are ongoing to acquire plots for new projects with construction planned for 2021 which would add **ca. 600 units**

Pace of acquisition and construction will remain steady to maintain a yearly growth of **2,000 units**



 Starts of constructions on plots to be acquired  
 Starts of constructions on owned plots

# Opening of flagship Resi4Rent building in Warsaw Brewery

Eye catching design by JEMS

- Resi4Rent opened its first project in Warsaw and its biggest in Poland to date
- Out of 450 total apartments, 7 two-storey penthouses will be on the top floors in high end finishing standard
- All apartments in the project offer an increased fit out standard with wide windows and air conditioning
- Exceptional design by JEMS brings to life a Manhattan inspired tower in an urban setting
- High demand for centrally located residential space translates into remarkably fast leasing, above of R4R targets







VI.



Office

# Q3 2020 – Investors focus on core assets in Warsaw, while regional cities attract big corporate tenants

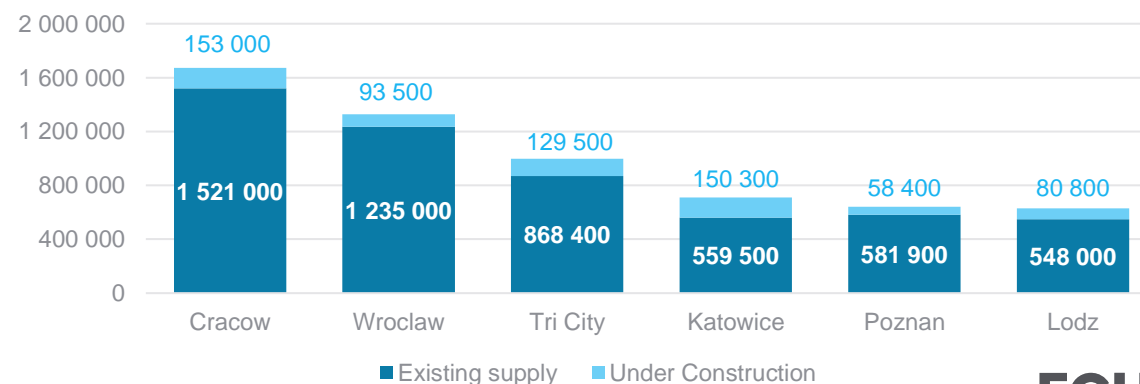
## WARSAW

- **238,000 sqm** of office space has been provided between Q1-Q3 2020, more than half of it (131,500 sqm) in Q3 2020
- **5,8 mln sqm** - total supply of modern office space
- Q1-Q3 2020 gross take up result: **447,000 sqm** (35% lower than in the same period in 2019)
- **ca. 650,000 sqm** of office space under construction (ca. 50,000 sqm less than in the last few quarters)
- **9.6%** – av. vacancy rate (8,40% in CBD), increase comparing to the end of H1 2020 by 1.7 p.p.,
- Investors very active and looking for core assets with stable tenants which Echo is offering
- Warsaw became the first choice of investors looking for assets on the Polish market
- Selected transactions on Warsaw office market signed: (6,200 sqm Medcover in Equator II, Santander and DLA Piper Atrium 2)

## REGIONAL MARKETS

- **305,000 sqm** of new office space delivered on regional markets between Q1-Q3 2020, 129,500 sqm in Q3 2020 only
- **5,7 mln sqm** - total supply of modern office space
- Q1-Q3 2020 gross take up result: **446,000 sqm** (10% lower than in the same period in 2019)
- **ca. 700,000 sqm** of office space remain under construction
- **11.9%** – average vacancy rate (1.7 p.p higher comparing to the end of June 2020)
- Growing interest in consolidation from large tenants

Supply and space under construction in regional cities  
as at 30.09.2020



## Opening of next phases in core asset projects (Face2Face, MM II)

- Building permits have been obtained in Q3 2020 for two office projects – Falcon in Katowice and Aleja Pokoju in Cracow
- Next phase of **West 4 Business Campus in Wroclaw** has been inaugurated in **October**
- Next phases of projects in **Warsaw (Moje Miejsce II)** and **Katowice (Face2Face)** are to be opened by the **end of 2020**
- **Cornerstone ceremony** marked the beginning of construction in **Fuzja, Lodz**

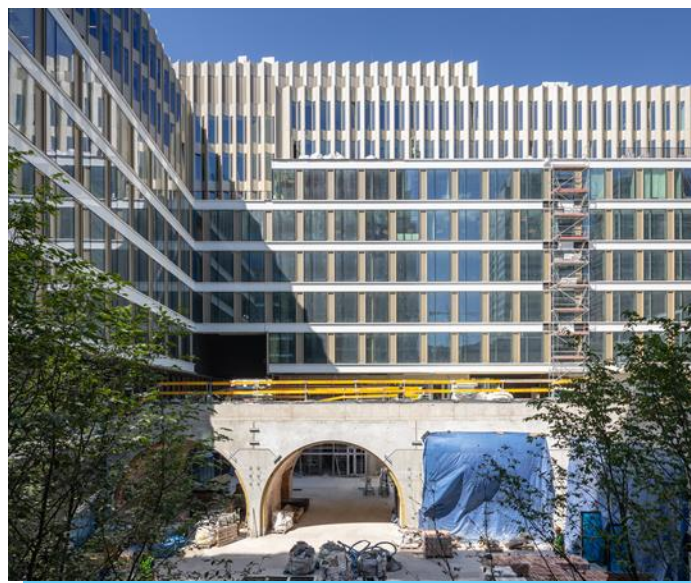




# Opening of Warsaw Brewery Villa & Malthouse Offices

- **Brewery K (Villa Offices)** has obtained occupancy permit in May 2020
- Advanced negotiation are in progress to lease up to 100% of the GLA in operating buildings
- **Brewery GH (Malthouse Offices)** has obtained a building occupancy permit in September 2020
- In September first tenants including **Grupa Żywiec** and **Allan&Overy** moved in
- Both buildings attract interest of investors (LOI signed for Malthouse Offices)
- Mix nature of the project and wide offer of restaurants and services attracts interest of prospective tenants

**Entire office space** in both buildings is either leased or in advanced negotiation as of September 2020





# Katowice Face2Face

## progress in leasing

Office market in Katowice attracts **interest from tenants** looking for large spaces

- Face2Face Business Campus combines multifunctional courtyard with beautiful green areas, relaxing patio with hammocks, lunch zone and active area with basketball court
- Phase I with 20,400 sqm has been completed in Q4 2019, all tenants took over their space and the campus is becoming lively
- Phase II with 26,200 sqm is **very advanced in construction** and will be finished by the end of 2020
- **New lease agreement with City Space** allows to reach above 90% lease-up in phase II
- Other tenants include: Capgemini, Honeywell, Orange, Deloitte, Perform DAZN and Medcover





# Wrocław

## West 4 Business Campus

for creative and demanding tenants

- West 4 Business Hub (**83,000 sqm GLA**) in Wrocław is creating a new benchmark for modern style offices that are perceived by tenants as the most employee friendly
- First building obtained occupancy permit and has opened its doors for tenants in October 2020 with **15.600 GLA**
- Business Complex location **attracts blue-chip tenants** looking for outstanding, modern infrastructure in established business area
- **IT tenant (Sii)** is moving into the complex on February 2021 while **entire remaining area is under advanced negotiations**

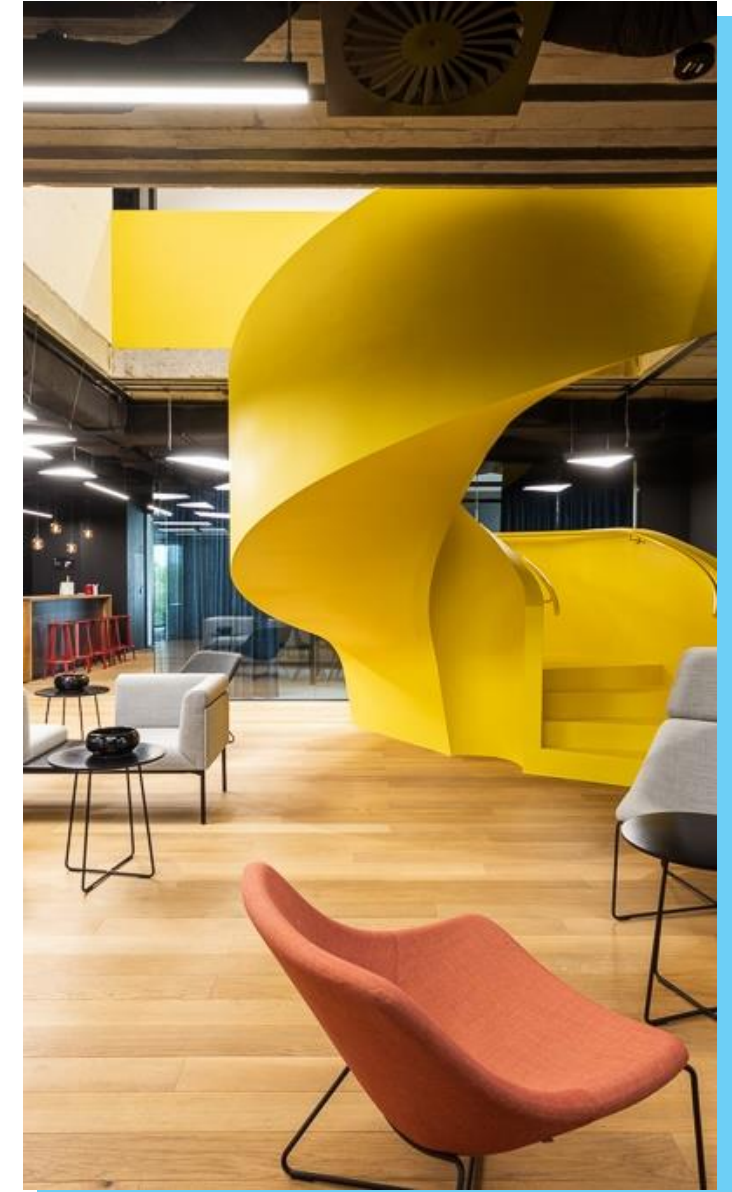




## Flexible offices- new add-on service for long-term tenants

**CitySpace** provides safe solutions in uncertain markets

- **Flexible working arrangements** are growing in popularity among remote workers looking for occasional use of office amenities at close proximity to where they live
- **CitySpace drives synergy by enabling Echo to offer** agile adaptation of working space to our long-term office tenants
- **CitySpace** has witnessed a **strong demand** from various sectors in most of the locations
- Strategic decisions have been taken to expand CitySpace office offering to West4 and Face2Face





# CitySpace will open two new locations

**12** in 2021  
locations in Poland

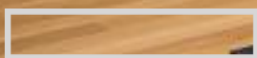


**2,300**  
workplaces



**2,200**  
sqm space increase  
in existing locations in 2020



CITY  SPACE





VII.



**Retail**



# Retail adjustment to new government regulations

- Echo-owned retail centres have **rebuild their footfall** back to 90% of the pre-lockdown level in **Q3 2020** following the reopening activity for all tenants
- As a result of new lockdown regulations, the **shopping centres remain open** for a select stores and service providers (groceries, pharmacies, banks, barbers, bookstores)
- In line with procedures defined in Q2 2020, tenants have been exempt from payment of rent for the time of closure of premises
- Entertainment is the highest impacted industry, including cinemas which are limited by restrictions and lack of new products and served-at-the-table restaurants
- Reopening of shopping malls is currently scheduled for **28<sup>th</sup> of November**
- **PRCH** representing retail asset owners is soliciting a rebate from the government to compensate for business restrictions imposed as part of lockdown



# Echo prompt response to second partial closure of shopping malls

- Echo proactively introduced a **set of initiatives** aimed at reducing the operating cost of maintenance (lighting, heating, cleaning services, technical maintenance)
- Continuous contact with tenants **to support the reopening** after restrictions lift
- **Number of marketing optimization initiatives** undertaken including suspension of ongoing campaigns and all on-site activities
- Redefinition of new marketing campaigns to focus on **attracting customers** of operating tenants and maintaining the existing loyalty programmes
- Planning of upcoming campaigns for reopening of shops on **28<sup>th</sup> of November**





## Strong campaigns aimed at engaging local community

- Marketing campaigns across retail business focused on increasing local community engagement and attracting customers to Echo manage shopping malls
- Main initiatives include:
  - Branded food truck distributing meals around the closes neighbourhoods at discounted prices
  - Organizing and marketing special pick-up points on the premises to facilitate online shopping delivery
  - Engaging events with coffee, cookies and hot chocolate being distributed to residents in the neighbourhoods of shopping malls
  - Special offers of Christmas trees for customers spending more than a set amount in any of our shopping centres
  - Loyalty programs targeted at Fashion category shoppers with up to 10% cashback from selected tenants
  - Holiday themed lottery with prizes for kids such as LEGO bricks, toys etc

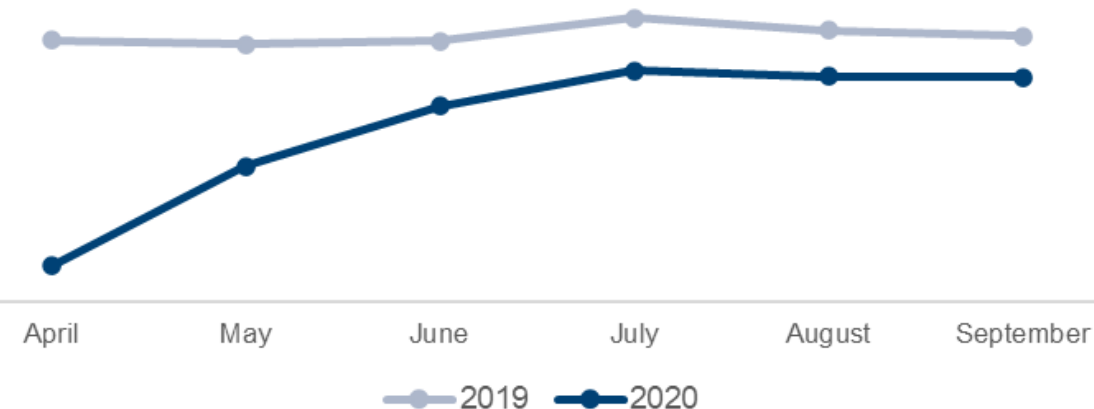




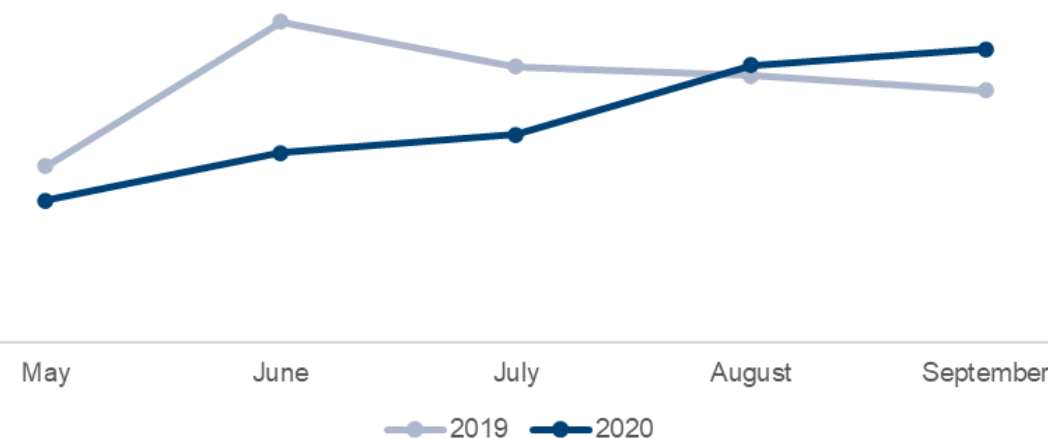
## Strong footfall recovery in Q3 2020 allows for quick rebound expectation after reopening

- During the previous restrictions imposed in Spring 2020 Echo engaged in marketing activities aimed at rebuilding footfall
- Observed rebound in visits reaching up to 90% of pre-restrictions activity indicate that Echo-owned shopping malls are an attractive destination for shoppers and shows **high interest in retail in-person shopping** and allows for prediction of a solid rebound after reopening
- Average spending per one visit has increased YoY bringing higher income despite slightly lower footfall
- Due to the success of previous marketing campaigns, Echo is actively **rolling out new initiatives to engage customers**
- Marketing campaigns across retail business is focused on **increasing turnover** as soon as regulations allow for full operation of our tenants
- Long term focus of 2021 will be on strengthening footfall across the retail portfolio assets

Footfall in Libero



Footfall in Galeria Mlociny





VIII.

---

# Landbank & Permitting

# Building the future – acquired plots in the largest cities to secure growth in residential business



**PLN 291 mln**

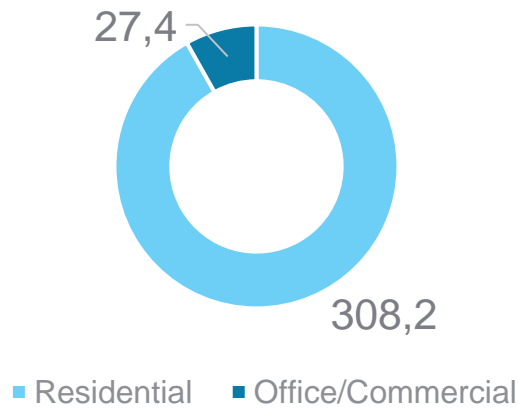
value of plots acquired and secured in 2020



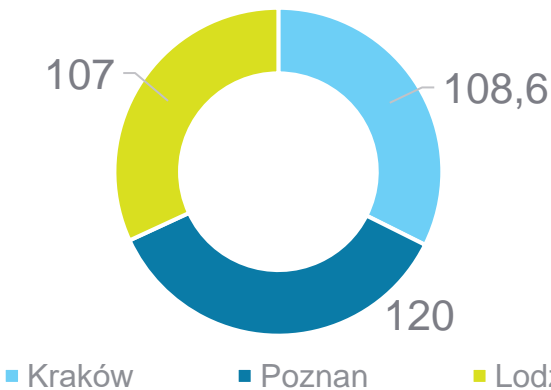
**PLN 866**

average land price per 1 sqm of leasing/selling area of plots acquired and secured in 2020

Split by function (sqm '000)



Split by location (sqm '000)



## Acquired Land Bank in 2020

29,900 sqm of office & residential space

Cracow:

- 29,900 sqm of residential/commercial space (Puszkarska)

Value of plots acquired: PLN 39 mln

## Secured Land Bank in 2020

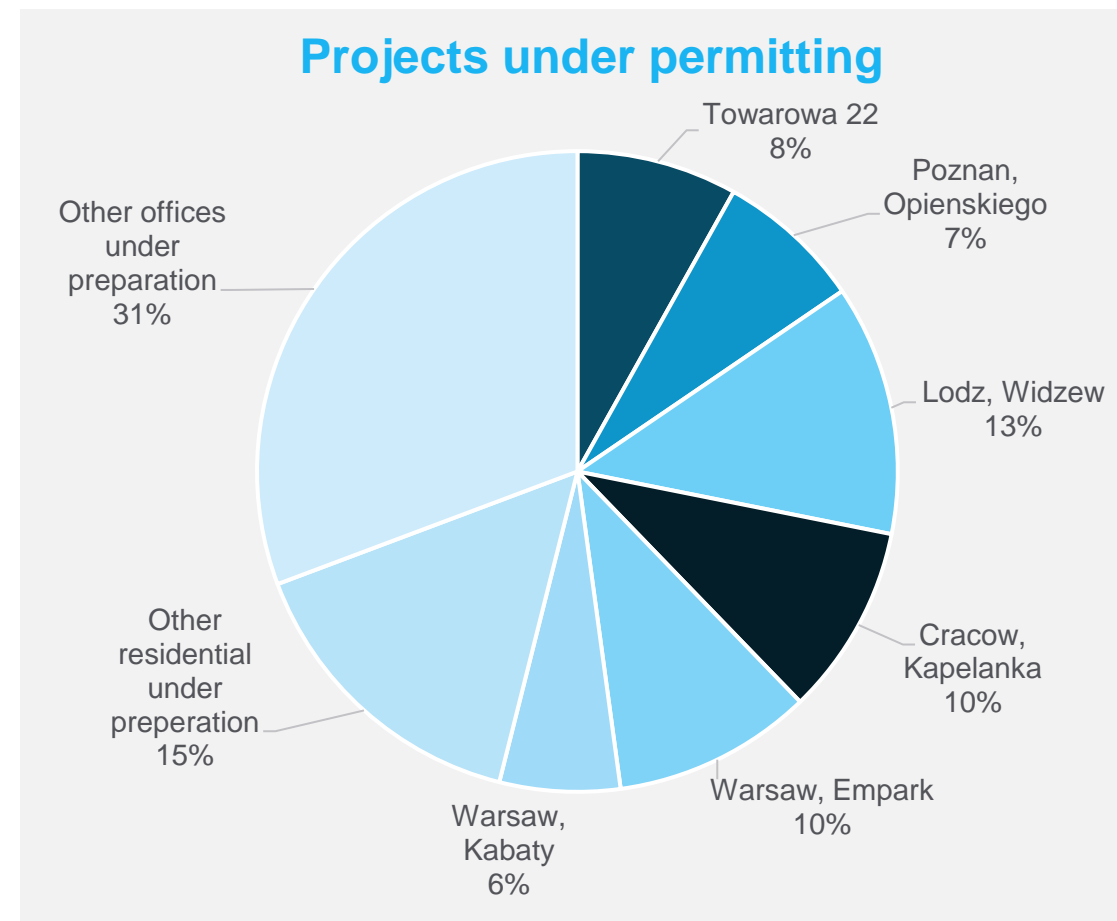
305,700 sqm of office & residential space in Cracow, Poznan, Lodz

Value of plots secured: PLN 252 mln



## Spotlight on permitting processes to strengthen 2021 pipeline

- 2020 has brought progress in the process of obtaining relevant permits for multi-phase projects, including three in Warsaw (Towarowa 22, Kabaty, Sluzewiec) and plots acquired as part of Tesco portfolio transaction in Q1 2020
  - Environmental decisions applications were submitted for projects with **sqm 315 000** PUM/GLA
  - WZ decision has been requested for **41 000 sqm** of PUM/GLA
  - **114 000 sqm** of PUM/GLA has obtained a master plan or WZ decision
  - Building permits have been obtained for projects with **285 000 sqm** of total PUM/GLA
- Constant monitoring on potential acquisitions to make the best decisions once market stabilizes
- Constant monitoring of the market for potential land portfolio acquisitions and consolidation of the real estate development market



**800,000 sqm**

PUM/GLA to be delivered upon obtaining the above mentioned permits for projects



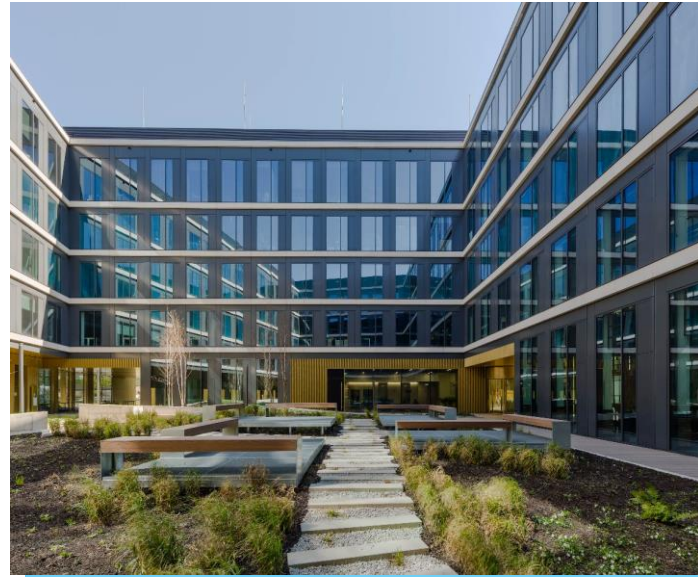
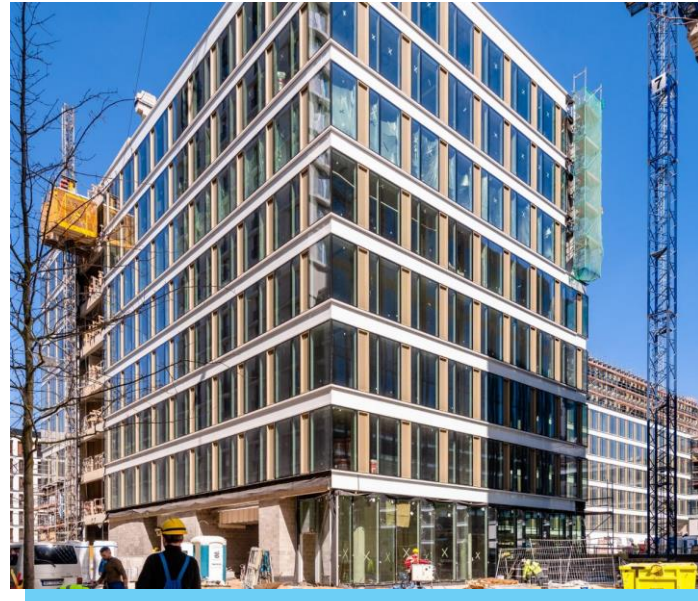
IX.

---

# Investment & Construction

# Strong interests from investors for Echo's buildings

- **Core assets in Warsaw** are attracting the biggest interest from investors wanting exposure to Polish market
- Lack of investment product in Warsaw will refocus interests in the regions in a short period, especially at the beginning of 2021
- Currently Echo Investment is in a disposal process of **5 buildings** (with ca. 110,000 sqm):
  - Villa Offices (Warsaw Brewery K)
  - Malthouse Offices (Warsaw Brewery GH)
  - Face2Face I & II, Katowice
  - Moje Miejsce I, Warsaw
- Three office projects are currently under advanced disposal negotiations which proves strong interests in office buildings





# Opportunities for savings as construction market observes lower prices

- In recent months, there is a **noticeable decrease in construction activity** on the market. In the first three quarters of the year, the real dynamics of the construction market amounted to -1.6%
- Further decreases of construction activity are predicted for Q4 2020 and the whole year is expected to conclude with a **correction of approx. 4-5%** in real terms.
- Construction industry results are influenced mainly by:
  - adjustment of public procurement
  - decrease of 6% YoY of newly contracted residential projects by 16 leading developers
  - 5% decrease in non-residential contracts (including 17% decrease of demand for office construction)
- Potential savings on newly started projects are predicted to be up to **10%** of construction cost





X.

---

# Financials

# Net profit in line with PAP consensus

## Actual results [PLN mln]

	Q3 2019	Q3 2020
Revenue	250.8	342.0
Operating profit	88.0	73.8
Profit before tax	70.8	49.0
Net profit	49.1	36.2

## PAP Consensus

	Q3 2020 (average)	Q3 2020 (range)
Revenue	180.1	174.4 – 192.3
Operating profit	65.4	62.7 – 69.0
Profit before tax	-	-
Net profit	36.8	33.3 – 39.5

## Revenues

(PLN mln)

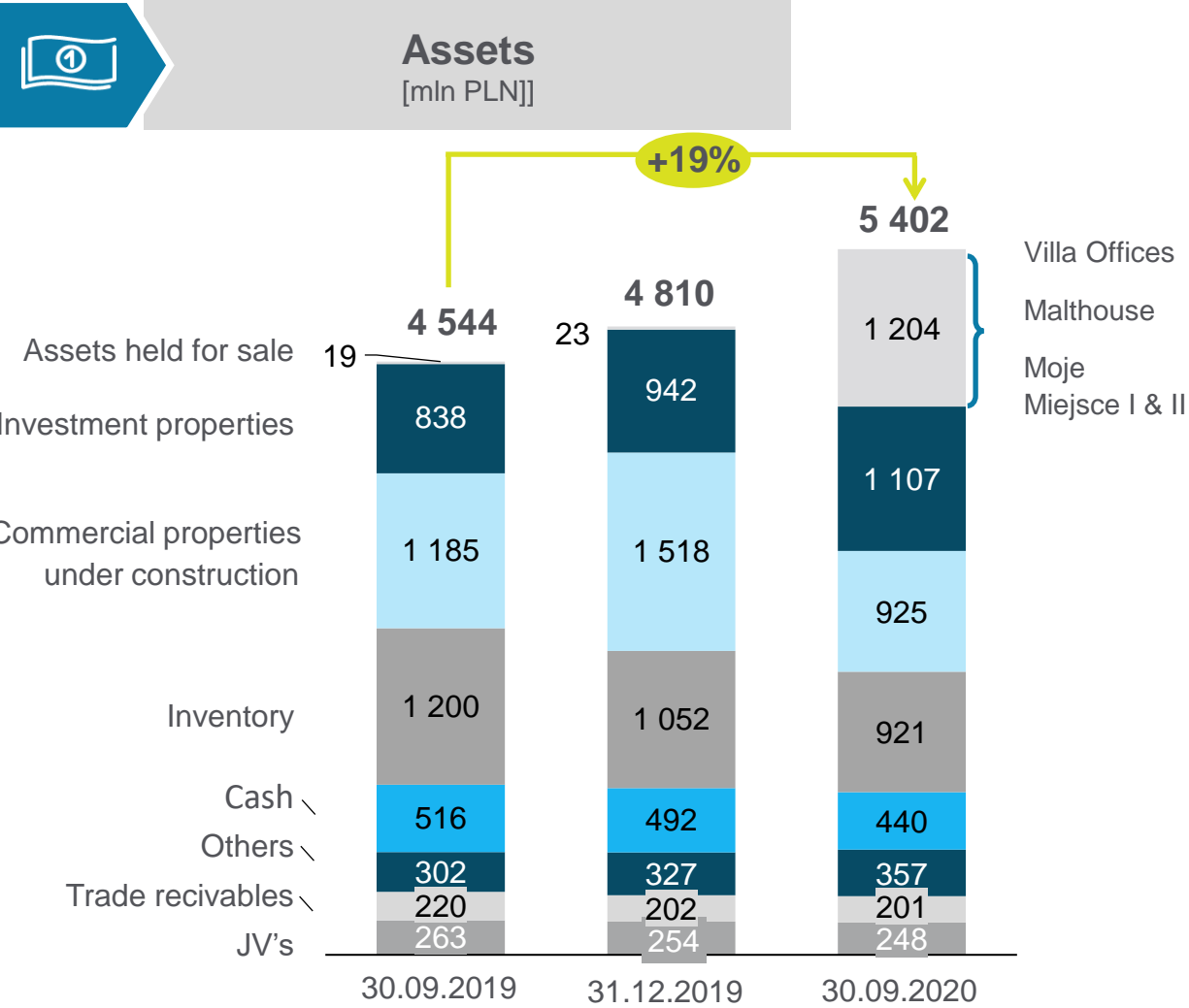
	Q3 2020	Margin	Main source of revenue
Office	16.83	21.2%	Rents, fit-out
Retail	9.35	46.8%	Rents
Residential	158.97	23.9%	Apartments sale
R4R	156.12	3.5%	Sale of Brewery to R4R
Other	0.68	-21.5%	Other services
<b>Total</b>	<b>341.95</b>	<b>15.0%</b>	

## Fair value gain on investment properties (PLN mln)

	Q3 2020	Accum.
Villa and Malthouse Offices	17.3	444.2
Moje Miejsce I	3.7	30.7
Moje Miejsce II	2.8	16.9
MidPoint 71	8.3	73.8
Face2Face I	7.6	56.3
Face2Face II	10.9	50.7
Libero	6.3	178.2
React I	-1.3	14.8
West IV Business Hub I	-0.65	23.5
Fuzja CD	5.2	14.0
Other	-1.65	
<b>Total</b>	<b>58.5</b>	



# Strong focus on disposal of properties



**PLN 5.402 bn**

total assets value as at 30.09.2020  
(19% growth compared to 30.09.2019)

**PLN 859 mln**

total assets increase compared to 30.09.2019

**PLN 1.204 mln**

total value of assets held for sale as at 30.09.2020, which include Moje Miejsce I & II, Villa Offices and Malthouse in Brewery

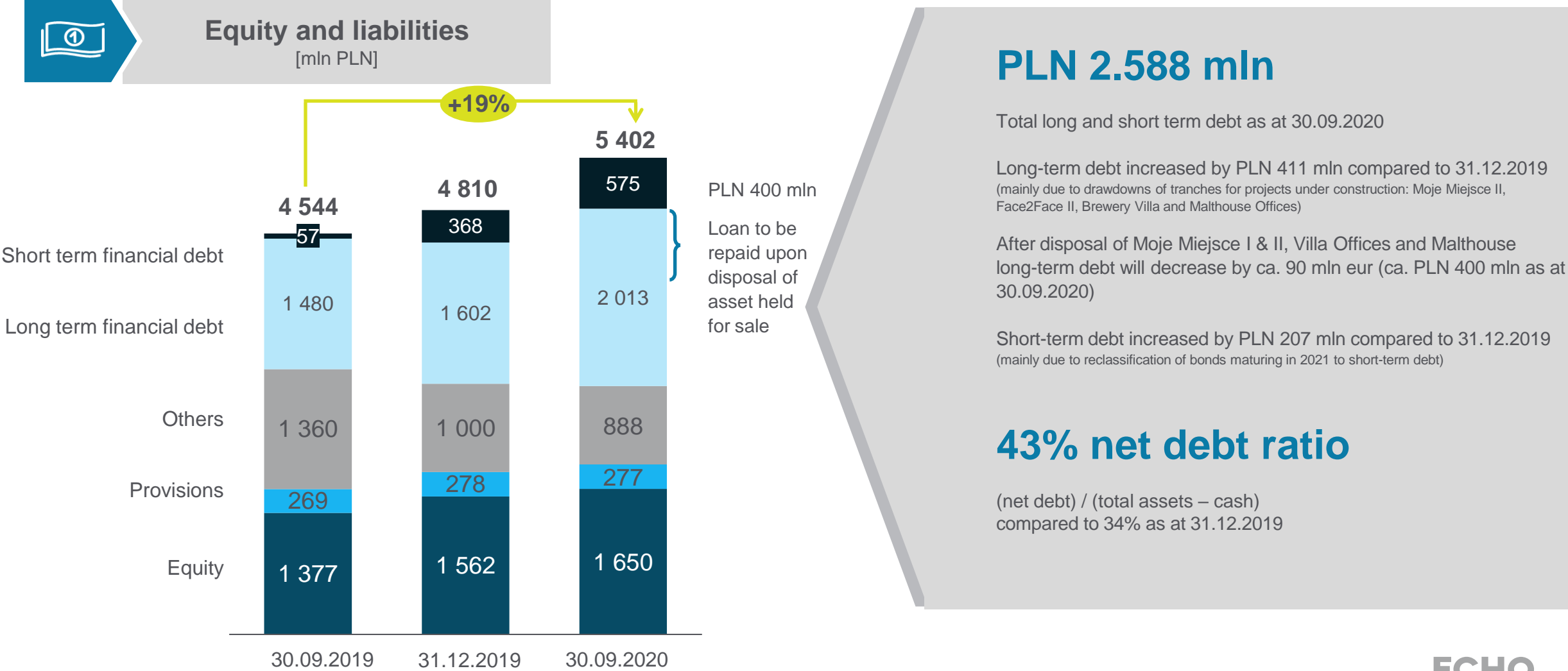
**PLN 1.107 bn**

total value of investment properties as at 30.09.2020  
(32% growth compared to 30.09.2019 due to completion of projects like F2F)

**PLN 440 mln**

cash (PLN 516 mln as at 30.09.2019)

# Sustainable debt level enabling strong growth

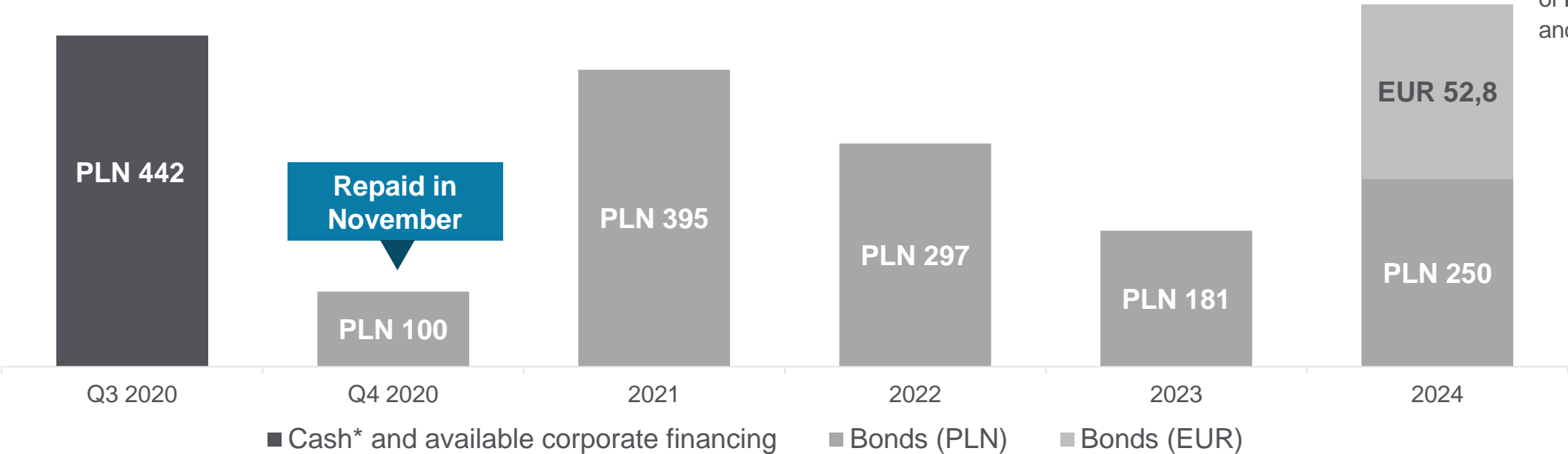


# Successful issuance of bonds

Cash and available overdraft vs. maturity of bonds  
as at 30.09.2020 [mln PLN/EUR]

Bonds issued in  
Q3 and Q4 2020

Issuance of ordinary  
bearer coupon bonds  
in the total amount  
of **PLN 100,000,000**  
and **EUR 52,800,000\***



\* Does not include restricted cash





---

**Thank you**



---

# Q & A



XI.

---

# Appendix



# Residential Projects Under Construction [1/2]

The following data on the projects in the presentation – particularly in preparation - are based on Echo Investment's plans and resources and the Management Board's expectations towards market trends and economic conditions. The data presented below take into account the influence of the current epidemiological situation on the economy, to the extent the Management Board is able to assess the effects at this point. In case impact of pandemic would be different to the currently expected, data presented may change.

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>Osiedle KRK I</b> Kraków, ul. Zapolskiej	9 800	218	67%	96,6	71,4	43%	I Q 2020	III Q 2021
<b>Osiedle Krk II</b> Kraków, ul. Zapolskiej	9 900	218	35%	95,1	68,3	33%	III Q 2020	I Q 2022
<b>Bonarka Living I</b> Kraków, ul. Puszkarska	8 000	143	34%	67,9	48,3	25%	III Q 2020	VI Q 2021
<b>Fuzja I</b> Łódź, ul. Tymienieckiego	14 200	282	67%	105,1	80,5	74%	II Q 2019	IV Q 2020
<b>Osiedle Jarzębinowe VII</b> Łódź, ul. Okopowa	6 100	105	92%	36,4	28,4	73%	II Q 2019	IV Q 2020
<b>Osiedle Jarzębinowe VIII</b> Łódź, ul. Okopowa	6 100	101	46%	38,8	28,7	28%	II Q 2020	IV Q 2021
<b>Apartamenty Esencja</b> Poznań, ul. Grabary	12 500	260	84%	116,8	87,4	75%	I Q 2019	IV Q 2020
<b>Nasze Jeżyce I</b> Poznań, ul. Szczepanowskiego	7 500	142	88%	57,8	44,5	61%	III Q 2019	I Q 2021
<b>Nasze Jeżyce II</b> Poznań, ul. Szczepanowskiego	8 200	162	60%	63,9	49,0	42%	III Q 2019	II Q 2021
<b>Osiedle Enter I a</b> Poznań, ul. Naramowice	6 400	118	64%	41,3	30,7	41%	I Q 2020	IV Q 2021

# 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>Browary Warszawskie E</b> Warsaw, ul. Grzybowska	5 700	81	78%	113,4	72,3	88%	IV Q 2018	IV Q 2020
<b>Osiedle Reset II</b> Warsaw, ul. Taśmowa	12 200	255	99%	119,3	95,9	92%	IV Q 2018	III Q 2020
<b>Stacja Wola I</b> Warsaw, ul. Ordonia	20 000	387	73%	201,7	141,8	52%	IV Q 2019	III Q 2021
<b>Stacja Wola II</b> Warsaw, ul. Ordonia	13 700	249	20%	135,4	95,4	28%	III Q 2020	II Q 2022
<b>Stacja 3.0</b> Wrocław, ul. Mińska	12 000	242	48%	91,1	69,0	80%	III Q 2019	IV Q 2020
<b>Total</b>	<b>152 300</b>	<b>2 963</b>		<b>1 380,6</b>	<b>1 011,6</b>			

# 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>Bonarka Living II</b> Kraków, ul. Puskarska	17 900	330	155,6	109,4	18%	III Q 2021	II Q 2023
<b>Rydlówka ZAM I</b> Kraków, ul. Rydlówka	6 300	115	61,7	44,9	29%	IV Q 2020	II Q 2022
<b>Rydlówka ZAM II</b> Kraków, ul. Rydlówka	5 400	98	59,4	45,2	22%	IV Q 2021	II Q 2023
<b>Fuzja II</b> Łódź, ul. Tymienieckiego	12 400	240	92,3	68,6	12%	IV Q 2020	II Q 2022
<b>Fuzja III</b> Łódź, ul. Tymienieckiego	9 000	152	74,3	53,3	10%	II Q 2021	IV Q 2022
<b>Wodna 17-19</b> Łódź, ul. Wodna	12 900	234	84,3	62,7	11%	II Q 2021	IV Q 2022



# 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>Apartamenty Esencja II</b> Poznań, ul. Garbary	6 500	130	63,3	49,0	18%	III Q 2021	I Q 2023
<b>Osiedle Enter I b</b> Poznań, ul. Sielawy	6 000	104	37,6	28,4	14%	IV Q 2020	IV Q 2021
<b>Osiedle Enter II</b> Poznań, ul. Sielawy	9 400	157	60,6	43,3	12%	I Q 2021	IV Q 2022
<b>Osiedle Enter III</b> Poznań, ul. Sielawy	9 600	159	62,2	45,2	11%	III Q 2021	II Q 2023
<b>Stacja Wola III</b> Warsaw, ul. Ordona	14 900	270	147,8	103,0	27%	II Q 2021	I Q 2023
<b>Kabaty</b> Warsaw, al. KEN	17 500	299	213,2	152,0	28%	IV Q 2021	III Q 2023
<b>Total</b>	<b>127 800</b>	<b>2 288</b>	<b>1 112,3</b>	<b>804,9</b>			

# Residential Projects for Rental Platform Resi4Rent Completed

Project / address	Residential area [sqm]	Number of units	Targeted annual rental revenues [PLN mln]	Targeted budget [PLN mln]	Completion	Comments
<b>Rychtalska</b> Wrocław, ul. Zakładowa	11 400	302	8.4	76.8	III Q 2019	Project owned by Resi4Rent
<b>Wodna</b> Łódź, ul. Wodna	7 800	219	4.9	52.4	IV Q 2019	Project owned by Resi4Rent
<b>Kępa Mieszczańska</b> Wrocław, ul. Dmowskiego	9 300	269	6,8	76,3	II Q 2020	Project owned by Resi4Rent
<b>R4R Warszawa Browary</b> Warszawa, ul. Grzybowska	19 000	450	16,6	187,6	III Q 2020	Preliminary sale agreement from Echo Investment to Resi4Rent
<b>Total</b>	<b>47 500</b>	<b>1 240</b>	<b>36,7</b>	<b>393,1</b>		

# 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>Taśmowa</b> Warsaw, ul. Taśmowa	13 000	372	11,1	111,9	I Q 2019	I Q 2021	Plot owned by Resi4Rent
<b>Woronicza</b> Warsaw, ul. Woronicza	7 900	229	6,2	60,6	II Q 2019	IV Q 2020	Plot owned by Resi4Rent
<b>Szczepanowskiego</b> Poznań, ul. Szczepanowskiego	5 000	160	3,8	42,2	III Q 2019	III Q 2021	Plot owned by Resi4Rent
<b>Kołobrzeska</b> Gdańsk, ul. Kołobrzeska	10 200	301	8,9	90,2	III Q 2019	II Q 2021	Plot owned by Resi4Rent
<b>Zwirki i Wigury</b> Warszawa, ul. Zwirki i Wigury	5 200	161	5,0	52,7	III Q 2020	III Q 2022	Plot owned by Resi4Rent
<b>Puszkarska</b> Kraków, ul. Puszkarska	5 000	149	3,5	37,0	III Q 2020	II Q 2022	Preliminary sale agreement from Echo Investment to Resi4Rent
<b>Total</b>	<b>46 300</b>	<b>1 372</b>	<b>38,5</b>	<b>393,2</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>3-maja</b> Kraków, ul. 3-go maja	12 100	387	9,8	106,1	I Q 2021	III Q 2022	Plot owned by Resi4Rent
<b>Wilanowska</b> Warsaw, al. Wilanowska	12 400	407	11,5	129,4	IV Q 2020	IV Q 2022	Plot owned by Resi4Rent
<b>Pohoskiego</b> Warsaw, ul. Pohoskiego	8 600	304	8,3	90,1	II Q 2021	I Q 2023	Plot owned by Resi4Rent
<b>Jana Pawła II</b> Krakow, al. Jana Pawła II	9 400	296	7,2	77,0	II Q 2021	II Q 2023	Project bought by Resi4Rent in III Q 2020
<b>Jaworska</b> Wroclaw, ul. Jaworska	12 900	399	10,4	110,2	III Q 2021	II Q 2023	Preliminary sale agreement from Echo Investment to Resi4Rent
<b>Total</b>	<b>55 400</b>	<b>1 793</b>	<b>47,2</b>	<b>512,8</b>			

# Office Projects in Operation

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Recognized fair value gain [PLN mln]	Completion	Comments
<b>Moje Miejsce I</b> Warszawa, ul. Beethovena	18 900	92%	3,4	159,1	97%	30,7	II Q 2019	ROFO agreement with Globalworth Poland
<b>Face 2 Face I</b> Katowice, ul. Grundmanna	20 400	88%	3,7	153,2	88%	56,3	IV Q 2019	
<b>West 4 Business Hub I</b> Wrocław, ul. Na Ostatnim Groszu	15 600	43%	2,7	115,7	79%	23,5	III Q 2020	
<b>Malthouse (Brewery GH)</b> Warszawa, ul. Grzybowska	29 500	57%	7,2	336,1	75%	268,4	III Q 2020	
<b>Villa (Brewery K)</b> Warszawa, ul. Grzybowska	16 600	65%	4,1	181,0	85%	175,8	II Q 2020	
<b>Total</b>	<b>101 000</b>		<b>21,1</b>	<b>945,1</b>		<b>554,7</b>		

# Office Projects 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
<b>Face 2 Face II</b> Katowice, ul. Grundmanna	26 200	92%	4,6	204,3	76%	50,7	IV Q 2018	IV Q 2020	
<b>Moje Miejsce II</b> Warsaw, ul. Beethovena	17 100	21%	3,1	145,8	69%	16,9	II Q 2019	IV Q 2020	ROFO agreement with Globalworth Poland
<b>React I</b> Łódź, ul. Piłsudskiego	15 000	23%	2,6	109,2	47%	14,8	II Q 2019	III Q 2021	
<b>Wrocław, Midpoint 71</b> Wrocław, ul. Powstańców Śląskich	36 200	22%	6,7	292,3	27%	73,8	IV Q 2019	IV Q 2021	
<b>Solidarności</b> Gdańsk, ul. Nowomiejska	25 400	0%	4,3	189,0	16%		IV Q 2019	II Q 2023	
<b>Fuzja C &amp; D,</b> Łódź, ul. Tymienieckiego	19 900	82%	3,4	148,9	9%	14,0	III Q. 2020	I Q 2022	
<b>Total</b>	<b>119 900</b>		<b>24,7</b>	<b>1 089,5</b>		<b>170,2</b>			



# Office Projects in Preparation

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>Wita Stwosza</b> Kraków, ul. Wita Stwosza	51 500	9,0	443,7	7%	III Q 2022	IV Q 2024
<b>Brain Park I &amp; II (Al. Pokoju)</b> Kraków, ul. Fabryczna / Al. Pokoju	44 700	8,4	393,0	20%	I Q 2021	I Q 2023
<b>Swobodna</b> Wrocław, ul. Swobodna	46 000	8,5	382,7	12%	II Q 2022	III Q 2024
<b>React II</b> Łódź, ul. Kilińskiego/Piłsudskiego	25 900	4,4	183,8	7%	III Q 2022	I Q 2024
<b>React III</b> Łódź, ul. Kilińskiego/Piłsudskiego	13 000	2,2	97,2	6%	IV Q 2021	II Q 2023
<b>Fuzja I, J</b> Łódź, ul. Tymienieckiego	10 200	1,7	81,2	7%	I Q 2021	IV Q 2022
<b>Skargi</b> Katowice, ul. P. Skargi/Sokolska	26 600	4,6	177,9	8%	III Q 2021	I Q 2023
<b>West 4 Business Hub II</b> Wrocław, ul. Na Ostatnim Groszu	23 100	4,0	168,6	12%	II Q 2021	IV Q 2022
<b>West 4 Business Hub III</b> Wrocław, ul. Na Ostatnim Groszu	33 100	5,7	236,5	12%	II Q 2022	II Q 2024
<b>West 4 Business Hub IV</b> Wrocław, ul. Na Ostatnim Groszu	11 500	2,0	87,1	11%	III Q 2024	III Q 2025
<b>Total</b>	<b>285 600</b>	<b>50,5</b>	<b>2 251,7</b>			

# Retail Projects in Operation

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mIn]	Budget [PLN mIn]	Expenditure incurred [%]	Recognized fair value gain [PLN mIn]	Completion	Comments
<b>Libero</b> Katowice, ul. Kościuszki	44 900	99%	9,3	390,4	100%	178,2	IV Q 2018	ROFO agreement with EPP
<b>Galeria Młociny</b> Warsaw, ul. Zgrupowania AK „Kampinos”	84 300	95%	22,4	1 285,5	97%	26,9	II Q 2019	30% JV with EPP holding 70%
<b>Total</b>	<b>129 200</b>		<b>31,7</b>	<b>1 675,9</b>		<b>205,1</b>		

# Early Stage Projects

Project / address	Plot area [sqm]	Potential of GLA / PUM [sqm]	Comments
<b>Łódź</b> , ul. Tymienieckiego	19 200	21 600	plot for office and service functions
<b>Poznań</b> , ul. Hetmańska	65 300	80 000	plot for office and residential functions
<b>Kraków</b> , al. Pokoju	4 000	18 500	plot for hotel function
<b>Warsaw</b> , al. KEN	29 700	32 000	plot for retail, service and entertainment functions
<b>Warsaw</b> , ul Towarowa	64 900	230 000	plot for office, residential, retail and service functions. 30% JV with EPP holding 70%
<b>Warsaw</b> , ul. Antoniewska	14 100	10 000	plot for residential function
<b>Total</b>	<b>197 200</b>	<b>392 010</b>	



# Investment Properties

Project / address	Plot area [sqm]	Comments
<b>Poznań</b> , Naramowice	77 500	
<b>Katowice</b> , ul. Rzepakowa / Jankego	26 200	Preliminary sale agreement
<b>Zabrze</b> , Miarki	8 100	
<b>Radom</b> , Beliny	6 300	Preliminary sale agreement
<b>Warsaw</b> , ul. Konstruktorska	7 200	Plot with education functions
<b>Total</b>	<b>125 300</b>	

# 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 leasable 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



© Echo Investment S.A.

**ECHO INVESTMENT**

al. Solidarności 36  
Kielce, Poland

[www.echo.com.pl](http://www.echo.com.pl)

**ECHO**  
investment