

Echo Investment

results presentation

HI 2023

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Agenda

- I. Key events
- II. Segments Outlook
- III. Highlights
- IV. Key Financial Data
- V. Residential
- VI. Resi4Rent
- VII. Commercial
- VIII. ESG
- IX. Financials



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investment

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I. Key events

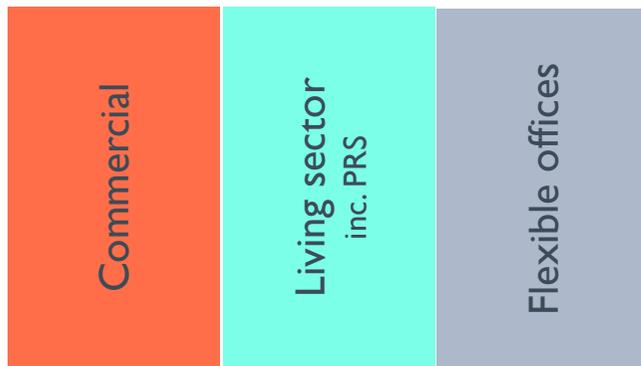
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Echo residential business consolidation in Archicom

business structure from August 1, 2023

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Segments: Commercial, including offices and F&B, flexible offices (City Space), Living sector - PRS (incl. R4R) and supporting Retail combined in Destination Projects

Markets: Warsaw and main regional cities

Continuation: Office (Warsaw, Krakow, Wroclaw)

Growth: Living sector - PRS

 **archicom**



Segment: Residential for sale projects

Markets: main regional cities where Archicom & Echo are present

Growth potential: main Resi markets, focus on Tricity and Krakow

II. Segments outlook

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Residential business consolidation and promising commercial outlook

- Echo Investment is maintaining strong balance sheet to stay flexible in the rapidly changing environment
- As a result:
 - **Echo sustains strong cash position** (> PLN 0.66bln of cash as at 30 June 2023)
 - **Strong landbank in the Group** with advanced permitting in most of the locations (~10,500 apartments) including 6,000 transferred to Archicom; additional landbank in Echo of around 2,400 units to be converted to residential
 - **Growing presence** of the Group in **Living sector** including Resi for sale and PRS
 - Strong tenant demand in both office and PRS market
 - Fully rented office buildings in Lodz and Wroclaw
 - **Increasing rents and footfall** in shopping Centers in Galeria Młociny Warszawa and Libero Katowice
 - Outstanding **Resi4Rent performance**, 4,100 units fully leased, with strong NOI, 4,125 units under construction with a great outlook for the next quarters
 - Another successful **Echo's 4 years PLN 50m** bond debt issue to individual investors in June
 - Focus on searching new plots and ongoing works connected with conversion Echo's commercial plots into residential
 - A detailed approach to construction costs management resulting in a reduction of project costs

Residential

Current situation

- 15,500 units were sold in Q2 2023 in the 6 main Polish markets, 36% higher comparing to Q1 2023 and 68% to Q2 2022
- Offer is decreasing to 40,600 apartments, as many project launches were postponed by developers
- At the end of June 2023, the average prices of units on offer reached record levels in each of the major markets. The average quarterly price increase in most cities was at the level of 4-5%.
- The market was most affected by fears of possible price increases and reduced offerings due to the announcement of an interest subsidy program to support first-time apartment buyers
- The residential market tends to consolidate smaller developers

Echo/Archicom actions

- Residential business of the Echo Group concentrated within Archicom starting from August 1, 2023
- Strong sales in H1 and great pipeline planned to start in H2 2023
- Strong cash position and new perspectives allowing to look for opportunities arising on the market even for huge multipurpose plots
- Focus on keeping high margins on projects
- Building permit received for the I stage of Modern Mokotów project in Warsaw (750 apartments)

Living Sector

Current situation

- ▶ 11,750 apartments is the existing housing stock in the PRS sector in Poland at the end of the second quarter of 2023
- ▶ Stabilisation of rents on main markets
- ▶ The average rent increase slowed down to one-digit number in Q2 comparing to Q1, the pressure on the rental market will weaken due to the return of Ukrainians to the country as well as impact on the market of the Safe Credit 2% Program
- ▶ Number of competitive projects not able to obtain financing due to an unproven track record
- ▶ Shortage of 220,000 rental units; over 51,000 gap in Warsaw creates potential demand for new projects
- ▶ 1,2 million students in Poland with the largest academic hub Warsaw 225,000 students on 80 universities)

* Data source: PKO BP, CBRE, JLL

Echo actions

- ▶ R4R on the leading position in the PRS market having 28% share
- ▶ More than 3,300 units already under operation at the end of Q2, 4,108 today
- ▶ Almost 4,125 units are under construction and more than 2,000 in preparation process
- ▶ Until 2025 R4R will build a portfolio of 10,000 units
- ▶ Active rent management increasing valuation of the entire portfolio
- ▶ Active search of plots for new projects for PRS and analysing potential of Student Housing
- ▶ 1,400 units in R4R sector still to be started this year

Office

Current situation

- By H1 2023 gross take-up amounted to 325,700 sqm in Warsaw (32% lower y/y) and 334,000 sqm on regional markets (2% lower y/y)
- Very limited number of new projects entering the market (only 135,000sqm in H1 2023)
- Vacancy rates remained stable and with the new remote working law coming into force by the end of H1 companies had to determine which working model they would choose, back to office trend visible
- Regional office market in Poland has not seen much investor interest in H1 2023, with all 6 office buildings sold being located in Warsaw (5 located outside the city centre)
- Fewer new projects started with a strong leasing demand

* Data source: JLL, PINK

Echo actions

- Echo will focus on starting new project in Wroclaw and Krakow in the coming quarters
- 18,000 sqm of GLA was leased in Echo Group buildings in H1 2023; additional 4,000 sqm of GLA under LOI/HoT
- Krakow Brain expected to be fully leased by year end with well known tenants
- Echo sold 1 building in Warsaw and actively looking for clients for other 3 ready to be disposed
- Active search of plots for new projects

Retail

Current situation

- The average footfall for shopping centres and retail parks in the second quarter of 2023 increased 8,6% on the first quarter and 3,0% year-on-year
- According to data from the Polish Council of Shopping Centres, the turnover of shopping centres in June 2023 was 7,7% higher than in June 2022
- The turnover in all shopping centres in Poland has exceeded pre-pandemic volumes
- Omnichannel is a new way of shopping
- Active management of increased service charge costs of owners of shopping malls

Echo actions

- Clear signals that many people prefer in-person shopping after two years of online and turnover together with foot fall still on rise, e.g. tenants turnover in Libero in Q2 2023 is higher by 13% and footfall 8% (comparing to Q2 2022)
- Good situation is observed in Galeria Młociny in Warsaw with an increase in turnover by 7% in comparison to Q2 2022. Footfall remains at the same level as in Q2 2022
- Echo set to stabilize both shopping malls (Mlociny and Libero) and achieve targeted NOI before disposal at a stronger investment market
- Optimization of tenants mix with best-selling brands

Construction

Current situation

- One of the factors reducing construction prices is the increased availability of construction companies due to lower developers' activity as proven by increased interest in tenders in H1 2023 vs. mid 2022
- Lower number of ongoing projects puts pressure on „unused resources” of construction companies to reduce margins, and construction prices are decreasing
- Despite high inflation and increased cost of energy construction costs started to decrease compared to the mid 2022
- Target to further decrease cost by 5-10% during the year, but If there is a recovery in the construction market, combined with an increase in wages and the costs of raw materials, an increase of construction cost can be expected in 2024

Echo actions

- Construction cost budgets decreased by 10% in last 6 months and another 5% drop expected in coming months
- Echo will focus on strong cost control using project packaging
- Effects of scale will drive Echo's project's optimization
- Standardized Echo procurement supports cost control and mitigates the impact of potential cost increases
- Echo is organizing tenders for construction of new projects to benefit from reduced costs

III. Highlights

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The logo for ECHO investment, featuring the word "ECHO" in a large, bold, dark blue sans-serif font, with the word "investment" in a smaller, dark blue sans-serif font directly below it. The logo is positioned in the bottom right corner of the slide, set against a background of several concentric, light gray circular lines that curve from the right edge towards the center.

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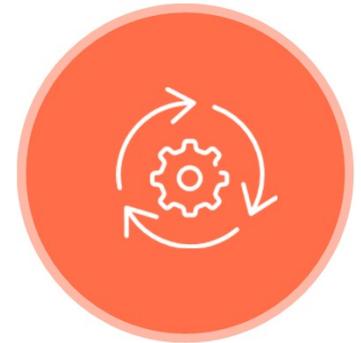
Highlights – current drivers of Echo Investment business

R4S

Living sector

Commercial

Landbank



Highlights

Focus on centrally located projects to increase sales driven both, by cash and returning credit customers

Stable rents consolidate valuation, strong NOI performance
10,000 units to be delivered until 2025

Focus on 3 new projects in Warsaw, Wroclaw and Krakow

Focus on converting commercial land to residential/PRS in non-central office locations to increase value

Q2 2023 Highlights

Residential sales of 822 apartments by Echo Group in H1 2023 (1,027 in H1 2022)

612 apartments handed over in the same period (755 in H1 2022)

Resi margin at the level of 35%



Residential



Destination



Start of construction works on the first stage of Swobodna project in Wroclaw

Continuation of works on the first office building of Towarowa 22 Project

Fully leased projects in Lodz – REACT and in Wroclaw – CITY2 ready to be sold and under refinancing



Commercial



Corporate

Echo issued first **PLN 50m** tranche within Prospectus program organized by DM PKO BP directed to individual investors

Post HI 2023 Highlights



Residential

Building permit obtained on first stage of Modern Mokotów project in Warsaw



Corporate

Echo contributed on August 1, 2023 its residential business to Archicom



Focus on leasing of office buildings under construction Warsaw Towarowa 22 and Wrocław Swobodna



Commercial



Corporate

Archicom paid remaining part of the dividend for 2022 in the **PLN 2,12** per share (full amount of dividend paid **PLN 82,4m** i.e. PLN 3,21 per share)



IV. Key Financial Data

HI 2023 Profit vs. PAP consensus

Actual results [PLN m]

PAP Consensus

	HI 2023	HI 2022	Q2 2023	Q2 2022	Q2 2023 (average)	Q2 2023 (range)
Revenue	457.0	598.1	246.9	314.5	216.8	215.0 – 219.4
Operating profit	32.0	159.3	6.8	50.9	-	-
Profit before tax and minority interest	37.3	104.0	16.4	31.1	-	-
Net profit attributable to equity holders of the parent entity	9.1	61.9	-2.4	10.4	-29.1	-32.3 – -25.5

OUR RESULTS IN HI 2023

PLN 457.0m

revenue in HI 2023

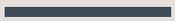
PLN 37.3m

Profit before tax in HI 2023

PLN 9.1m

net profit in HI 2023

V. Residential

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Highlights



Sales of 822 apartments by Echo Group (incl. Archicom) in H1 2023

2,737 apartments under construction and another approx. 2,500 planned to start this year



Current Echo's Group offer (1,042 apartments) reflects nearly 6 months of sales assuming sales level of 2,000 apartments per year

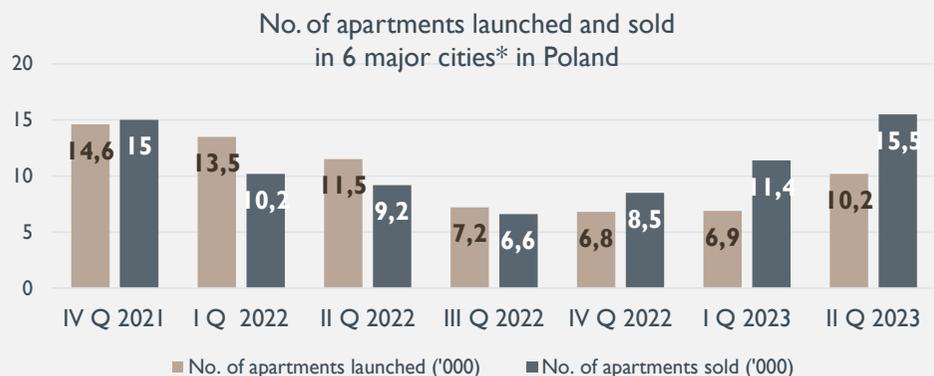
Developers with strong cash positions like Echo actively looking for new opportunities



Strong sales and limited supply increasing prices of apartments

Supply

- **10,200 apartments** were launched in Q2 2023 (approx. 11% less than in Q2 2022)
- Number of available units decreased to ca. **40,600** (6% less than at the end of Q2 2022)
- Smaller developers might suffer from increasing costs of projects already sold; due to that factor they are more focused on finishing construction than starting new projects, which has a **downward impact on supply**



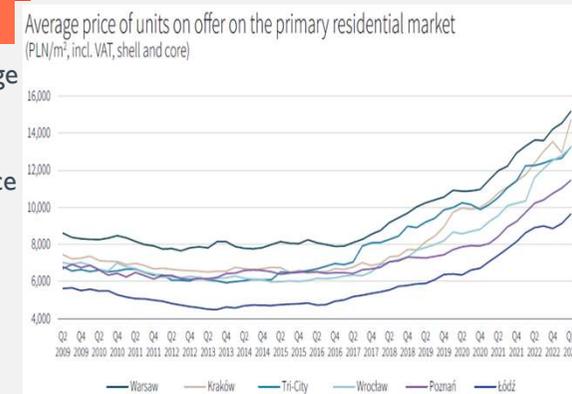
Source: JLL

Demand

- **15,500 apartments** were sold in Q2 2023 on the primary market in 6 major cities
- Number of apartments sold in Q2 2023 is **68% more** than in Q2 2022 and **36% more** compared to the last quarter
- Buyers have **bigger trust in larger developers** to complete projects that in supporting sales

Prices

- At the end of June 2023, the average prices of units on offer reached record levels in each of the major markets. The average quarterly price increase in most cities was at the level of 4-5%.



Echo maintains the strategy of profitable growth

with margins at 35%

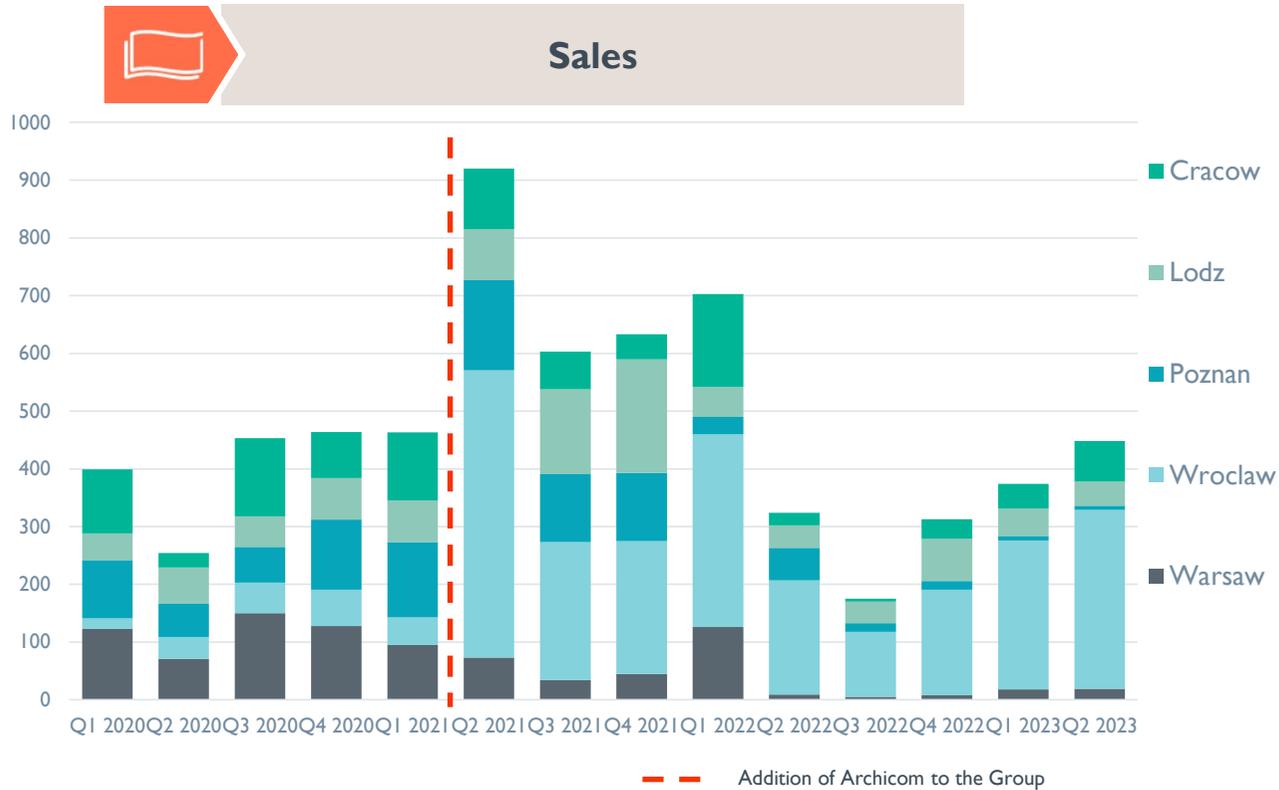
Company	Units sold in HI 2023
 DOM DEVELOPMENT	1.854
  ROBYG VANTAGE DEVELOPMENT	1.480
 MURAPOL	1.365
 DEVELIA	1.184
 ATAL	1.142
 VICTORIA DOM	883
  ECHO investment archicom	822

Source: PAP, Rzeczpospolita

- Contribution of residential business to Archicom created one of the largest residential developers in Poland with high potential to implement new project in Polish regional cities
- Limited supply results in lower sales in 2022 and 2023 but great pipeline for 2024-2026 allows for positive expectations for upcoming years
- Modern Mokotów Warsaw (I stage) got building permit in Q3 2023 followed by projects that are expected to get BP in Q4 2023
- Margin in Q2 remained high at 35% level
- Offer in Echo will be improved by many new projects planned to be started before year end

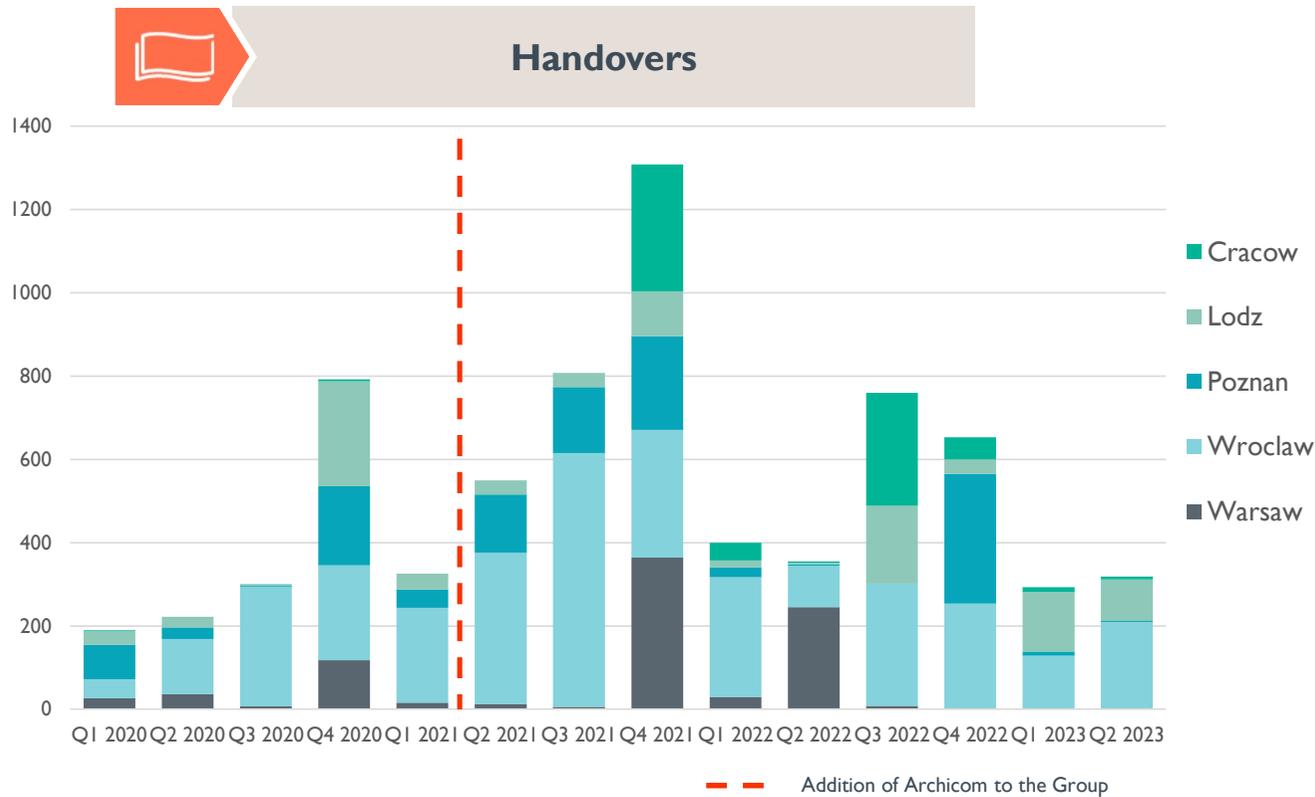


Apartment sales of Echo Group



Sale of apartments	Q2 2022	Q2 2023	Main Projects in Q2 2023
Warsaw	9	19	Rytm Kabaty
Wroclaw	198	310	Browary Wrocławskie, Olimpia Port, River Point
Poznan	56	7	Wieża Jezyce I
Lodz	39	42	Boho, Fuzja III, Fuzja Lofty I
Cracow	22	70	Bonarka Living II CD Os. ZAM II
Total Echo Group	324	448	

Apartment handovers of Echo Group



Handovers	Q2 2022	Q2 2023	Main projects in Q2 2023
Warsaw	245	1	Browary E
Wroclaw	100	209	Browary Wroclawskie, Olimpia Port, Planty Racławickie
Poznan	3	2	Esencja and Enter III
Lodz	4	100	Zenit I and Fuzja III
Cracow	3	7	Krk II and ZAM I
Total Echo Group	355	319	

Apartment handovers of Echo Group

Echo handed over 110 apartments and Archicom 209 units in Q2 2023

Margin on handed-over apartments in Q2 2023 was 27% in Echo and 39% in Archicom which resulted in 35% margin for the Group



Current offer of Echo Group



Current offer	End of Q2 2023	Main projects
Warsaw	69	Rytm Kabaty
Wrocław	583	River Point, Planty Raławickie, Olimpia Port
Poznań	23	Wieża Jezyce I,
Łódź	260	Boho, Fuzja Lofty i
Cracow	107	Bonarka II CD, ZAM II
Total Echo Group	1,042	

Current offer & Landbank over 10 thousand apartments with 50% in Warsaw and Wroclaw

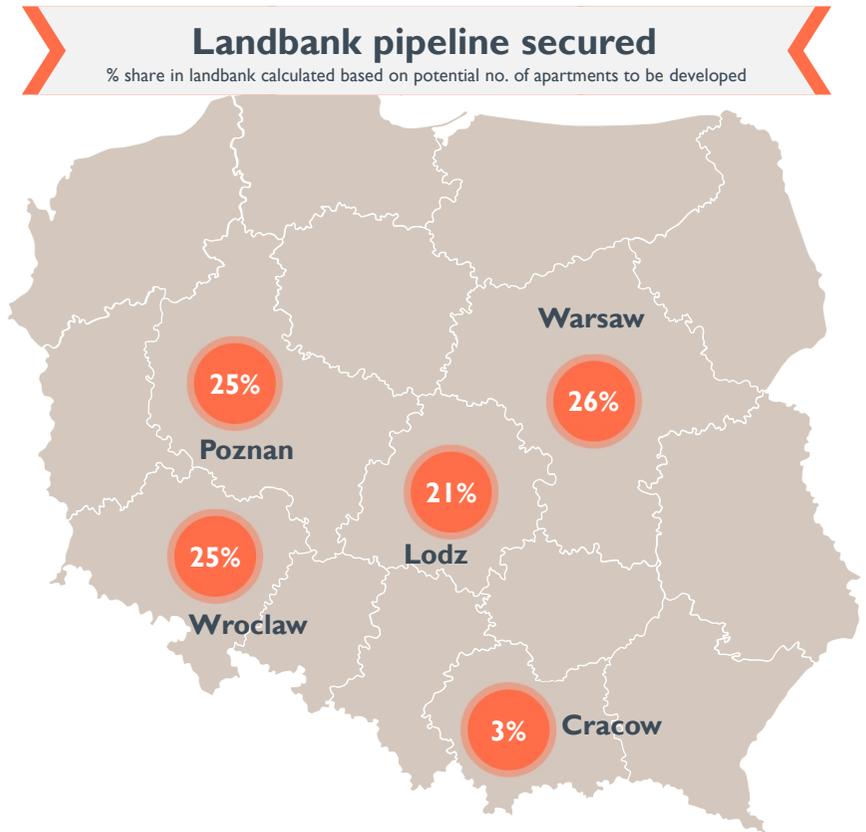
	Offer	Landbank	Total (as at 30.06.2023)
Echo Investment	460	6,110*	6,570
Archicom	583	3,379	3,962

* Including 911 units landbank which stay in Echo balance sheet after consolidation of residential segment in Archicom



10,532 Total no. of apartments in landbank & in the offer (Echo & Archicom)

- Target to long term increase of landbank to 20 thousands units to be able to sell approximately 4,000 units per year
- Already acquired plots give Echo a competitive advantage as they were secured before recent sharp price increases



Echo residential business consolidation in Archicom

starting from August 1st, 2023

- Archicom becoming one of residential segment leading companies with a focus to grow on all main residential markets in Poland
- Integration of Group best practices and streamlined processes in one entity
- Financial transparency to stock market, facilitated benchmarking
- Maintaining strategic flexibility by creating an option to grow residential business benefiting from the status of listed entity
- Clearer division between the business streams create transparency and will be easier to measure
- Synergies drive costs down
- Focus on growing Krakow and Tricity markets



VI. Living sector

including R4R



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Highlights



3,342 Resi4Rent units in completed projects and 4,125 units under construction at the end of Q2 2023

Strong landbank with 95% of targeted 10,000 apartments already secured, new projects under due diligence



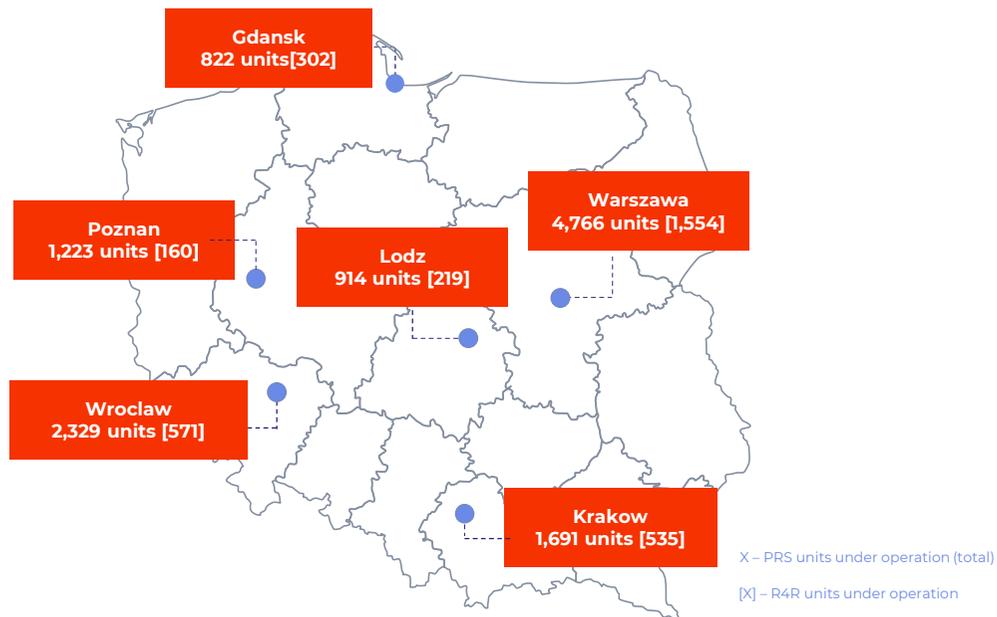
New project opened in Warsaw with 344 units in H1 2023

Construction of new 1,408 apartments will start in H2 of 2023 and amount of units in construction or operation will exceed 9,000 units

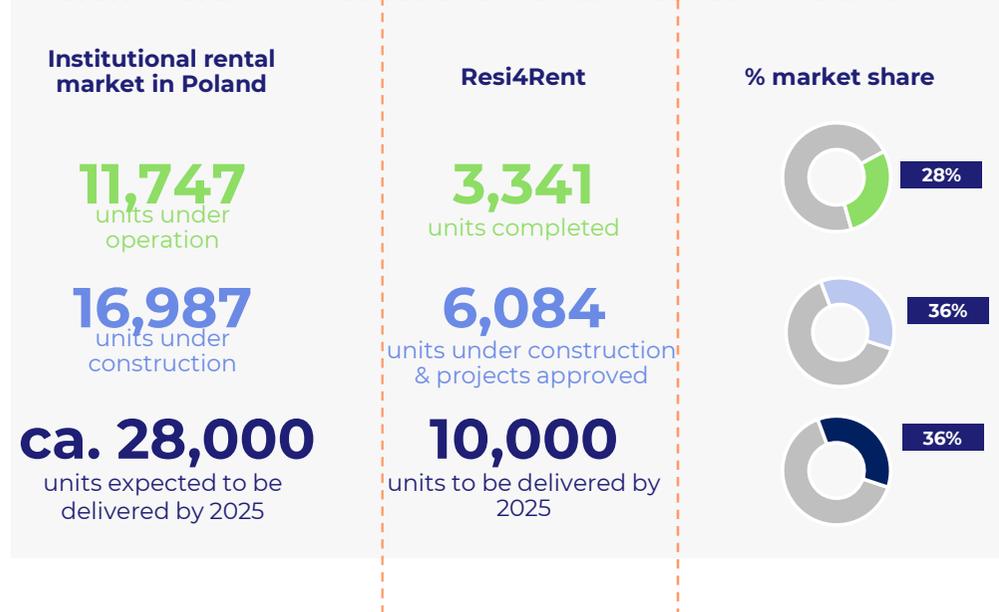


Institutional rental market in Poland

PRS investments in Poland



R4R's share in institutional rental market in Poland



Institutional rental market in Poland

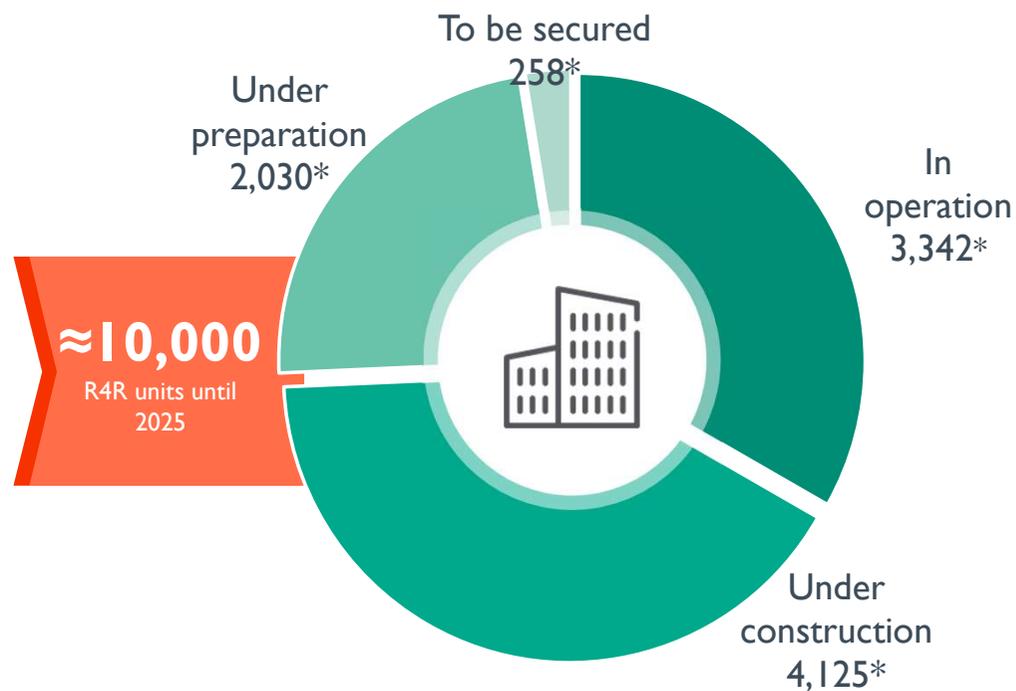
- With Poland being the largest CEE housing market, there is a significant rationale for this market to grow and mature
- Supply of the rental market in Poland is very limited and fragmented (average landlord owns 1.5 properties which leads to quality often being substandard)
- Higher accessibility to good quality and stable housing solutions will increase workforce mobility and have a positive effect on the general economic conditions of the country

- Despite the number of transactions which have been done by international PRS operators like Heimstaden and TAG Immobilien in recent months, R4R remains the clear leader in terms on number of operating, permitting and under construction projects
- We are seeing increased interest from foreign operators to enter the market primarily through acquisitions of projects from developers on a forward funding basis
- Also acquisitions of Polish developers are partly aimed to provide PRS pipeline for acquiring parties

Resi4Rent on track to deliver 10,000 units

- **3,342 units** are completed including 344 units delivered in HI 2023
- Projects under construction will deliver approx. **4,125 new units** in coming years
- Over **4,100 operating units** in the R4R portfolio today
- **10,000 units** completed and under construction planned at the end of 2023 to become operational by 2025

Resi4Rent to develop and operate approx. **10,000 units** until 2025:

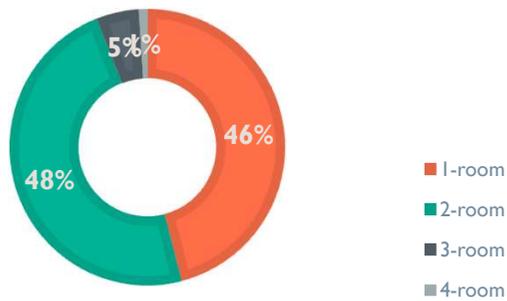


* as at the end of HI 2023

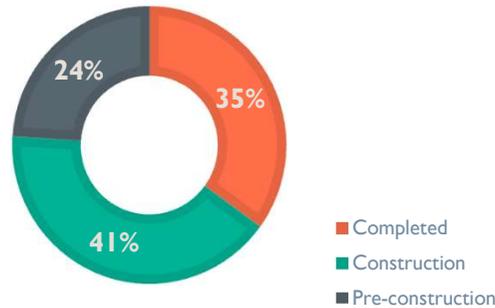
Portfolio breakdown

The existing portfolio has ca. **9,425 units across 26 projects**

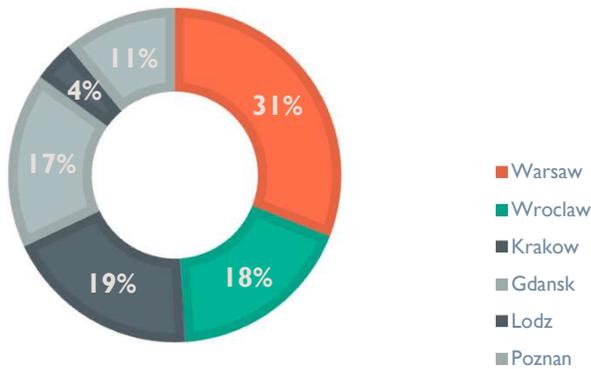
Actual portfolio breakdown
by types of flats



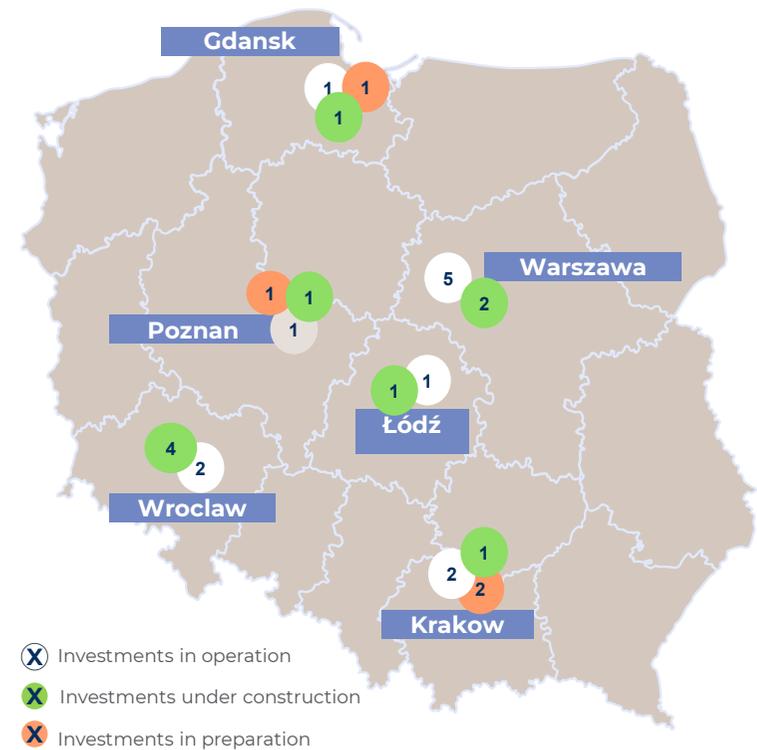
Actual portfolio breakdown
by construction stage (% units)



Actual portfolio breakdown
by location(% units)



Investment map



* as at the end of HI 2023

Stable rents and fully leased projects

Units in operation (3,342 units)*

Under construction (4,125 units)*

In preparation (2,030** units)*

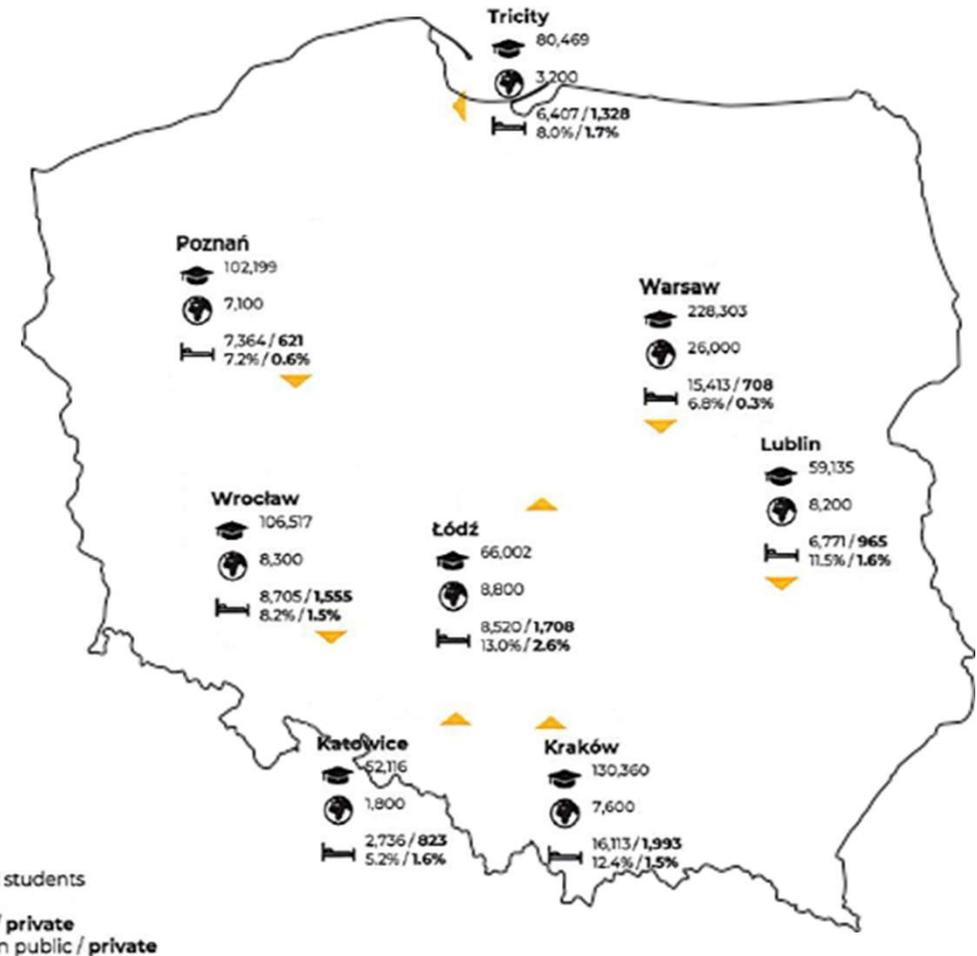
<p>R4R Wroclaw, Kepa</p>  <p>100% units leased</p>	<p>R4R Wroclaw, Rychalska</p>  <p>100% units leased</p>	<p>R4R Lodz, Wodna</p>  <p>100% units leased</p>	<p>R4R Warsaw, Brewery</p>  <p>100% units leased</p>	
<p>R4R Warsaw, Tasmowa</p>  <p>100% units leased</p>	<p>R4R Warsaw, Woronicza</p>  <p>100% units leased</p>	<p>R4R Gdansk, Kolobrzaska</p>  <p>100% units leased</p>	<p>R4R Poznan, Szczepanowskiego</p>  <p>100% units leased</p>	
<p>R4R Krakow, Puskarska 149</p>  <p>100% leased</p>	<p>R4R Warsaw, Zwirki i Wigury (1) 161 units</p>	<p>R4R Krakow, 3 maja 387 units</p>	<p>R4R Warsaw, Zwirki i Wigury (2) 344 units</p>	
<p>R4R Wroclaw II, 290 units</p>	<p>R4R Warsaw, Wilanowska 375</p>	<p>R4R Wroclaw Grabiszyńska, 358 units</p>	<p>R4R Krakow 4, 873 units</p>	<p>R4R Gdansk ECS I, 277 units</p>
<p>R4R Wroclaw, Park Zach. 301 units</p>	<p>R4R Lodz, 283 units</p>	<p>R4R Wroclaw, Jaworska 391 units</p>	<p>R4R Poznan 3, 411 units</p>	<p>R4R Gdansk ECS II, 287 units</p>
<p>R4R Warsaw 2, 279 units</p>				
<p>R4R Krakow, JP II 293 units</p>	<p>R4R Poznan 4, 672 units</p>			
<p>R4R Gdansk Zielony Trójkąt, 736 units</p>	<p>Wroclaw Bardzka 622 units</p>			

* as at the end of H1 2023

** preparation on plots bought with final agreement

Student Housing

- Poland is the fifth largest student market in Continental Europe with **student population of above 1,2 mln**
- Provision rates of beds per student in all Polish cities, including Capital Warsaw are well below European cities (e.g. in Madrid 6,35%, Berlin 10,83%, Paris 15,6% vs Warsaw 0,3% beds in private dormitories)
- To achieve 5,5% provision rate of private beds in Poland, more than 30 thousand beds need to be developed
- **High interest from investment market**, low yields in student housing transactions in Europe (recent transaction: portfolio of three operating assets in Italy – yield 4,2%)



Market review – students in Poland

Key facts

1,218,000

Total number of students in academic year 2021/2022 in Poland.

362

Universities functioning in academic year 2021/2022 in Poland.

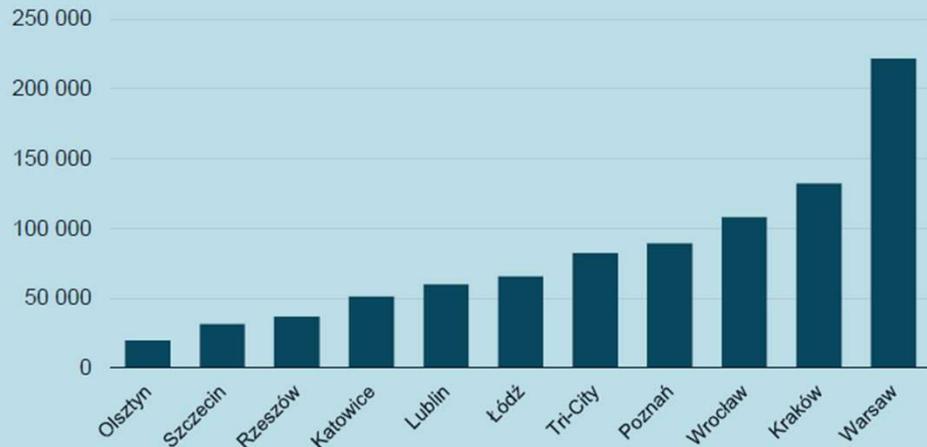
2.9k

More students than in academic year 2020/2021.

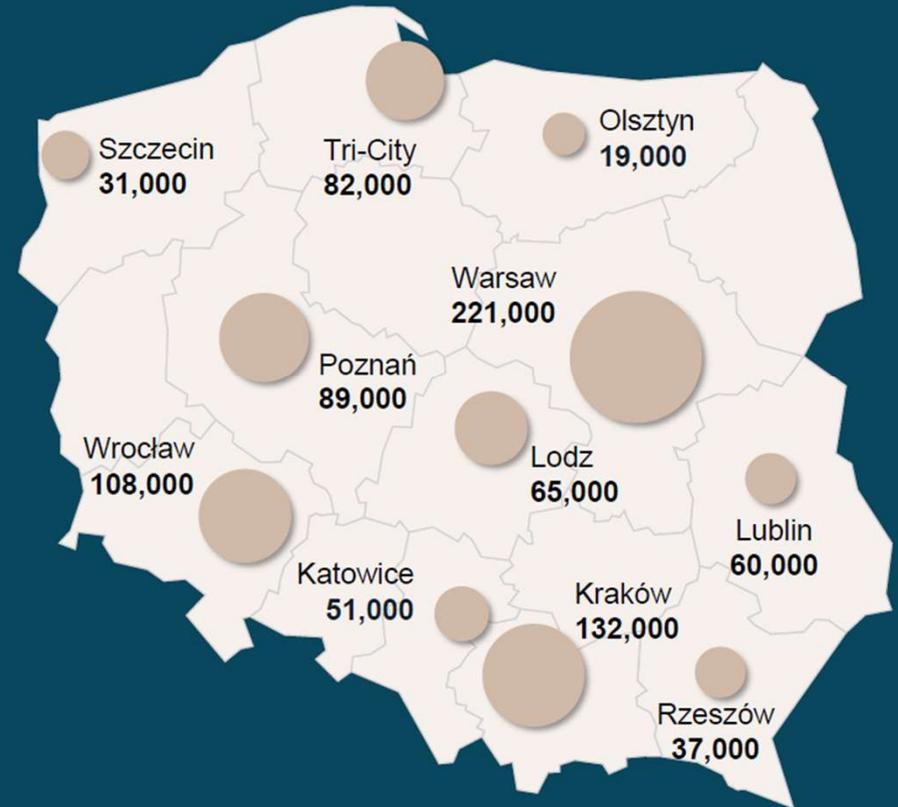
297,000

Total number of graduates in 2021 in Poland.

Number of students in main academic cities



Student population in Poland Academic cities



Source: <https://studia.gov.pl>, academic year 2021/2022

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Student Housing business in Echo

- Echo is investigating the market of Student Houses in Poland
- Analyses regarding existing commercial landbank to be used for Student Housing
- A natural step forward based on PRS expansion and growing student rooms market in Poland



VII. Commercial

including office and retail

The logo for ECHO investment, featuring the word "ECHO" in a bold, dark blue, sans-serif font, with the word "investment" in a smaller, lighter blue, sans-serif font directly below it. The logo is positioned in the bottom right corner of the slide, set against a background of several concentric, light gray circular lines that curve across the right side of the page.

ECHO
investment

Highlights



React in Lodz leased in 100%

Strong demand from tenants and rental rates growth in Warsaw and all regional markets



Towarowa 22 and Swobodna Wroclaw construction process started, Wita Krakow prepared for the start
Echo only focused on city centre locations in 3 biggest Polish cities

New buildings benefit from higher quality, design and ESG elements not available for existing stock



Towarowa 22 B office building - construction and leasing discussions underway

Towarowa 22 B

- Leasable area of the building 31,400sqm
- Construction started in June 2023 and expected to be completed in Q2 2025
- Advanced negotiations for over 20,000sqm with reputable tenants from different areas of business

ESG Strategy for the Building B:

- Friendly and safe environment for tenants
- Design of community management programs
- Design of social initiatives with the participation of tenants
- Implement tenant app
- Support healthy lifestyle and wellness activity
- Create amenities for tenants
- Support green travel with bicycle parking spaces



Towarowa 22 – Echo/AFI Europe destinations project

- Mixed use destination project in the heart of Warsaw
- **Municipality released draft of masterplan** for that part of Warsaw Wola district
- Commercial part including rental apartments (PRS) and offices at around 150,000 sqm co-owned by AFI Europe 70%/Echo 30%
- Towarowa 22 will include 2 hectares public park for the citizens of the capital city in the central part of the project and historical landmark Dom Słowa Polskiego
- Ca. 40,000sqm of residential apartments to be developed in 100% by Archicom



Modern buildings in core locations with all ESG criteria in place

Assets targeted
to be sold in 2024



React I

100% leased, Lodz



Brain Park I

70% leased with many ongoing negotiations, Krakow



Brain Park II

construction to be finish on 2023/2024, Krakow



City II

100% leased
Developed by Archicom, Wroclaw



Libero

≈100% leased, Katowice

Office market perspectives for 2024/2025

- Slowdown in office investments because of the uncertain market situation
- In 2023/early 2024 :
 - the return of employees to offices,
 - the resumption of company relocation processes,
 - strong tenant demand and
 - requirement for ESG compliant buildingswill lead to a supply gap in 2024 and 2025
- Currently, just over 360,000 sqm is being built in Warsaw, and in 2022/2023 only three new investments were launched here (The Bridge, Studio I and The Park B9)
- In the following quarters, the new supply of office space will decrease dramatically, it is expected that in 2024 and IH 2025 developers will deliver a total of only 200-250 thousand sqm to the Warsaw's office market
- The supply gap will be less noticeable in regional cities, where developer activity remains at a relatively high level



Q2 2023 - another quarter with strong demand from tenants

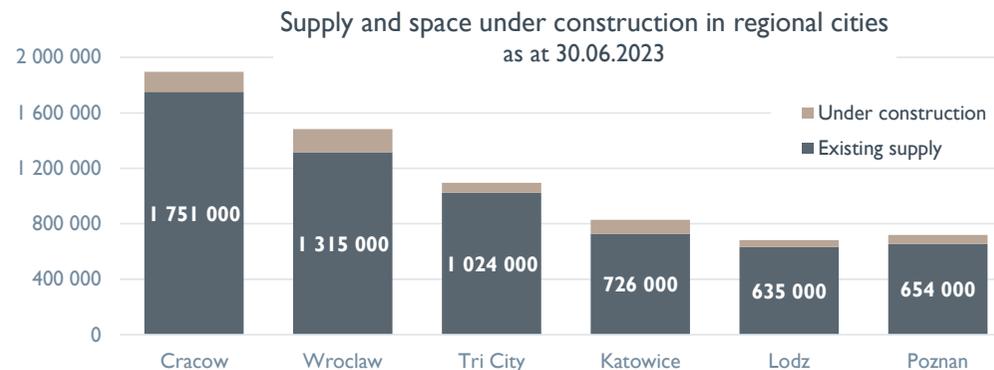
Warsaw

- **18,700 sqm** of new office space has been provided in H1 2023, new building planned for H2 2023 will deliver a total of **53,000 sqm** and another **115,000 sqm** in 2024
- **6.25 mln sqm** - total supply of modern office space
- H1 2023 gross take-up result: **325,700 sqm** (-32% y-o-y)
- **ca. 231,000 sqm** of office space under construction (despite a slight increase q/q, this is still one of the lowest results recorded in recent years)
- **11.4%** – at the end of Q2 2023 average vacancy rate remained stable compared to the previous quarter and was 0,5 pp lower compared to the Q2 2022
- Selected lease transactions on the Warsaw office market signed: Accenture (8,800 sqm), Lionbridge (7,100 sqm), and confidential tenant from the BSS (6,000 sqm)

Low construction activity in the Warsaw office market and strong leasing activity support Echo's actions to start construction of Towarowa 22

Regional markets

- **116,300 sqm** of new office space delivered to regional markets in H1 2023
- **6.52 mln sqm** - total supply of modern office space at the end of Q2 2023
- At the end of H1 2022, for the first time, the total supply of modern office space in 8 major regional markets exceeded the level of stock in the capital city
- H1 2023 gross take-up result: **334,00 sqm** (-2.0% y-o-y)
- **ca. 500,000 sqm** of office space remain under construction
- **16.8%** – average vacancy rate (1.6 p.p. higher compared to the Q2 2022)



CitySpace is opening new office in Łódź

13 (end of Q2 2023)
locations in Poland



3,800
workplaces



CITY SPACE



Galeria Libero - the fastest growing destination centre in Katowice

- Libero shopping mall noted another quarter of great performance after reopening of retail activity
- Positive trend started in 2021 with further growth in demand for retail compared to previous periods
- **Turnover** in Q2 2023 was **13% higher** than in Q2 2022 and 97% higher than in Q2 2021
- Its **footfall** was respectively **8%** and **61%** higher
- Echo-owned shopping mall is an attractive destination for shoppers demonstrating **renewed post-covid popularity of in-person shopping** and a change in customer behaviour
- Growth is supported by the optimization of tenant mix and number of activities organized for customers



Galeria Młociny strengthens its position in Warsaw

- Great performance of the project confirmed by 97% occupation rate
- Shopping Mall is becoming the **leading shopping destination and a popular meeting point in northern Warsaw**, thanks to its strong retail and entertainment offer
- Turnover in Q2 2023 was 7% **higher** than in Q2 2022 and 83% **higher** than in Q2 2021
- Młociny footfall in Q2 2023 remains at the same level as in Q2 2022 and was 56% **higher** than in Q2 2021
- With the strong start of 2022, we observe **further increases in footfall year on year**, with the current number of visitors that is comparable with the Christmas period results in previous years
- New brands in tenant - mix like Samsung, Sinsay, Half Price, Sports Direct and Gudi Home



X. Financials

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HI 2023 profit

margin and fair value gain

Actual results [PLN mln]

PAP Consensus

	HI 2023	HI 2022	Q2 2023	Q2 2022	Q2 2023 (average)	Q2 2023 (range)
Revenue	457.0	598.1	246.9	314.5	216.8	215.0 – 219.4
Operating profit	32.0	159.3	6.8	50.9	-	-
Profit before tax and minority interest	37.3	104.0	16.4	31.1	-	-
Net profit attributable to equity holders of the parent entity	9.1	61.9	-2.4	10.4	-29.1	-32.3 – -25.5

Revenues and margin in Q2 2023 (PLN m)

	Sales	Margin	Margin %	Main source of revenue
Residential	196	69,3*	35%	Apartments sale
R4R	49	0.7	13%	Sale of Services to R4R
Commercial & other	46	11.0	24%	Rents, fit-out
Total	247	81	33%	

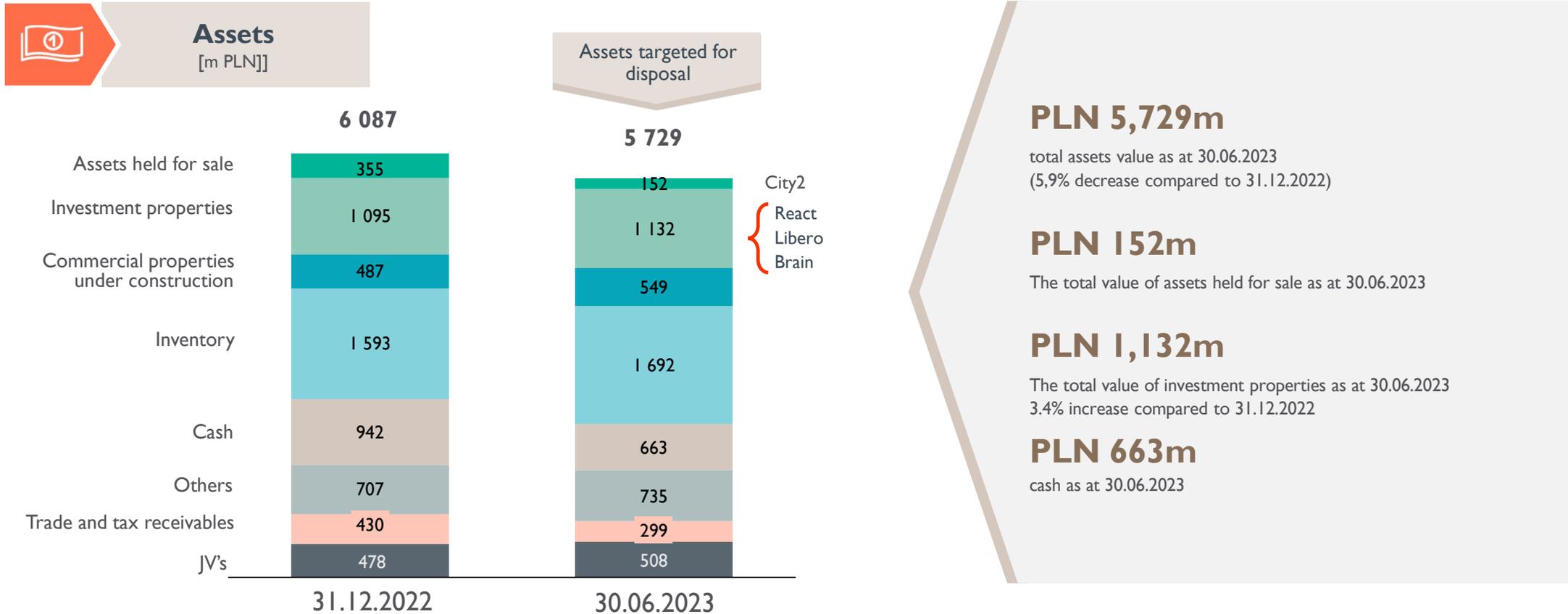
* Incl. PPA impact

Fair value gain on investment properties (PLN m)

	Q2 2023	Accum.
Brain Park II	-1.2	10.0
Lodz React	-4.4	11.8
Brain Park I	-9.7	37.7
Libero	-27.9	145.5
Citi 2 (Archicom)	0.4	51.5
Sold projects (master lease, price increase)	17.1	<i>sold</i>
Other	0.4	-
Total	-25.2	

Negative impact of EUR FX - PLN-59,2m

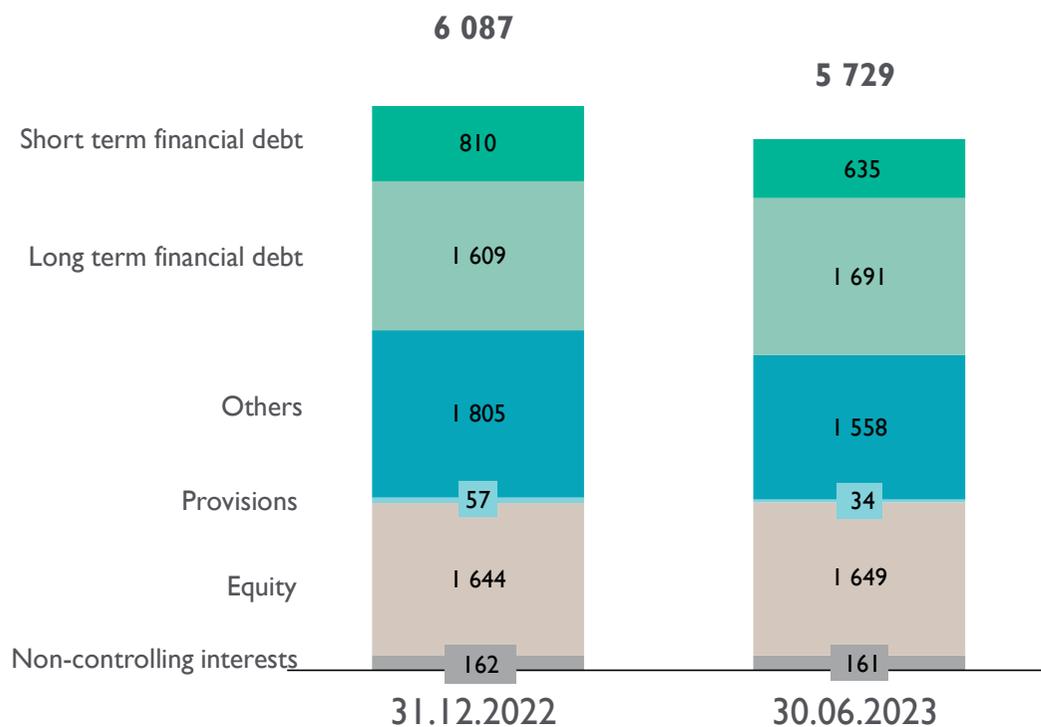
Strong balance sheet with ongoing assets disposals



Assets disposals reduce debt



Equity and liabilities [m PLN]



PLN 2,326m

Total long and short-term debt as at 30.06.2023 with extended maturity

Long-term debt decreased by PLN 26m compared to 31.12.2022

Short-term debt decreased by PLN 9m compared to 31.12.2022

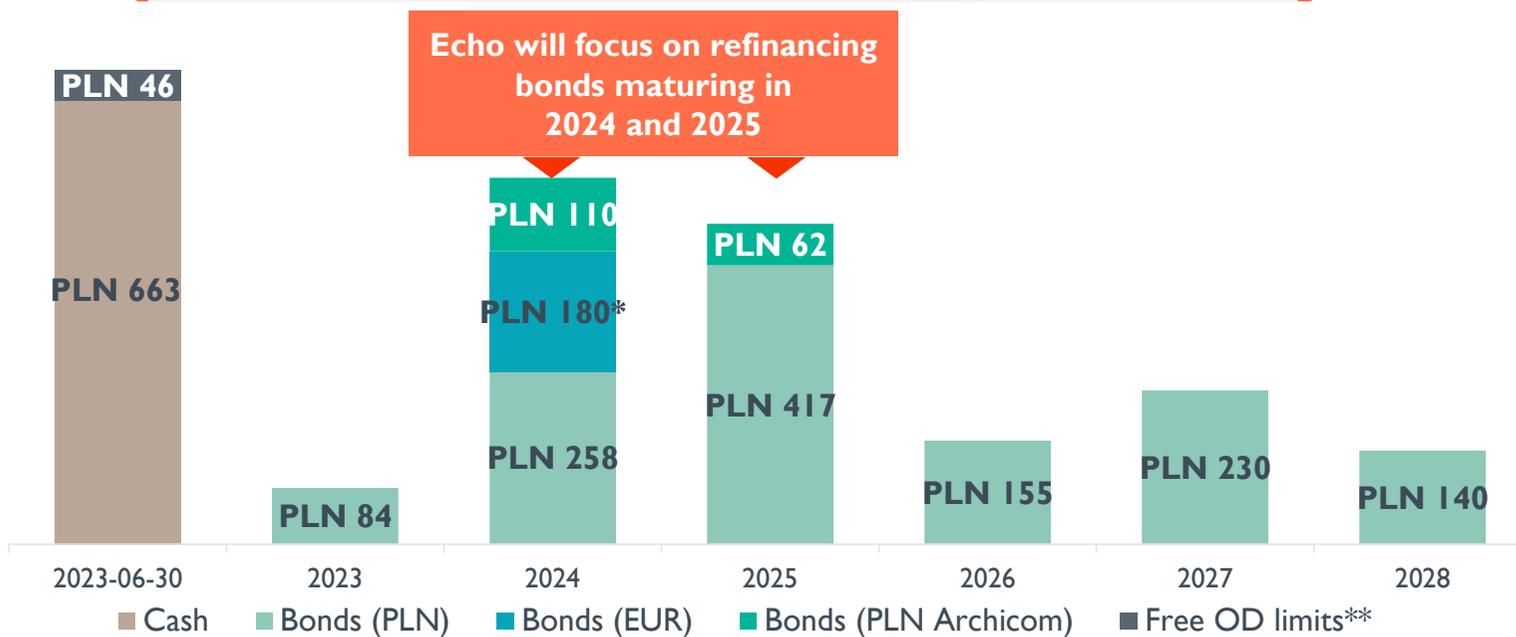
- Maturing bonds will be either repaid or refinanced to transfer the debt to long-term

29,0% net debt ratio

(net debt) / (total assets)
in line with target

Strong cash position

Cash and available overdraft vs. maturity of bonds
as at 30.06.2023 [mln PLN/EUR]



* PLN equivalent of EUR 40m as at 30.06.2023

** OD - overdrafts

Bonds in 2023

In H1 2023:

Echo Investment:

- issued **PLN 140m 5Y** bond tranche with Ipopema Securities in May
- issued **PLN 50m 4Y** bond tranche to individual investors within Prospectus program (PLN 300m) in June
- repaid **PLN 96,5m** in April

Archicom:

- issued one series of bonds for **PLN 62m** and 2 years maturity with mBank S.A. in March
- repaid **PLN 60m** in June

Dividend paid in 2023

**Total dividend amount
in 2023**



PLN 0.22*
per share

- On **December 23, 2022** Management Board took the resolution on payment of advanced dividend for 2022 year in amount of 90,8 million i.e. **PLN 0.22** per share, which was paid on February 2, 2023
- No additional payment in respect of 2022 profit was done

* Including advanced dividend payment in February 2023

Q & A

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ECHO INVESTMENT

al. Solidarności 36

Kielce, Poland

www.echo.com.pl

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