

# Echo Investment results presentation Q3 2023

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# Agenda

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

**ECHO**  
investment

# I. Key events

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# Implementation of the new strategy for Residential

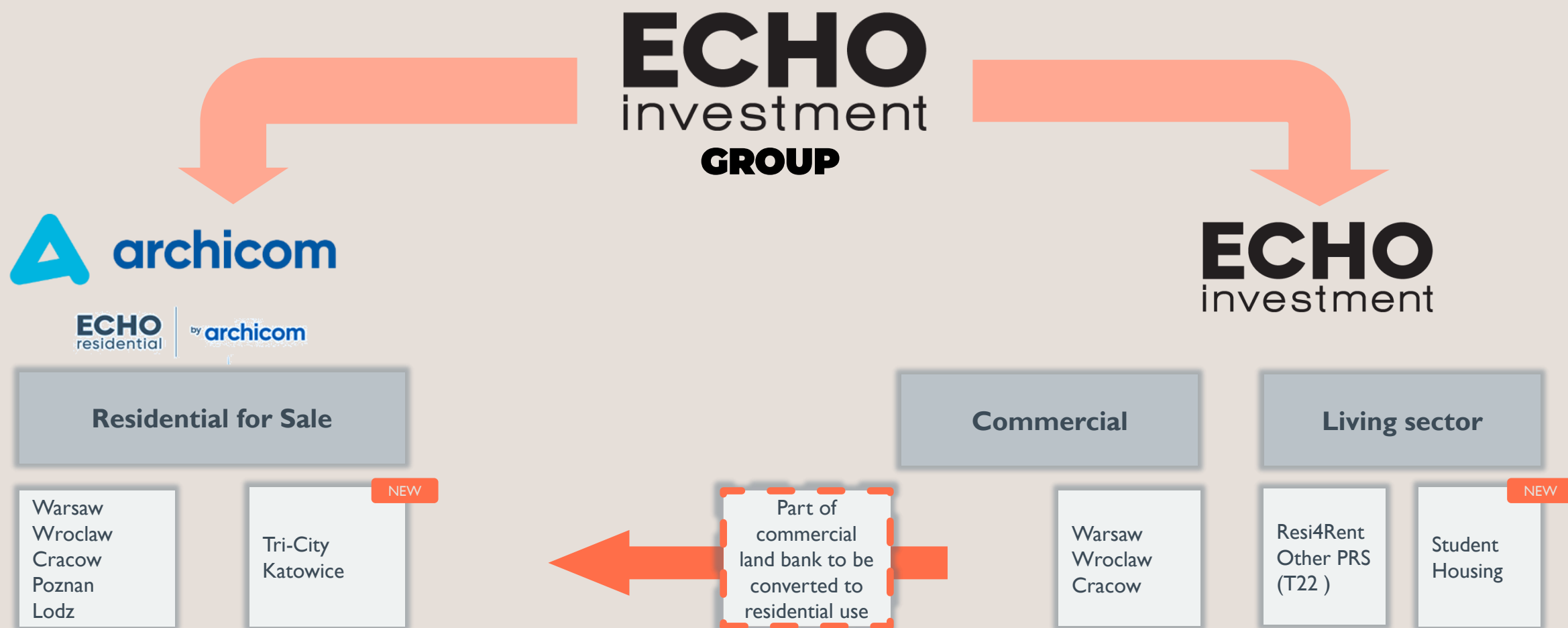


## 2023 in ARCHICOM

- Consolidation of Residential sector of Echo Group in Archicom
- PLN 220m equity raise in Archicom by ABB (Accelerated Book Building)
- PLN 210m bond issue with mBank S.A. (the highest in history of the Company)
- Securing new plots to increase sales volume
- Intensive work on turning part of present non-resi land bank of Echo group into residential

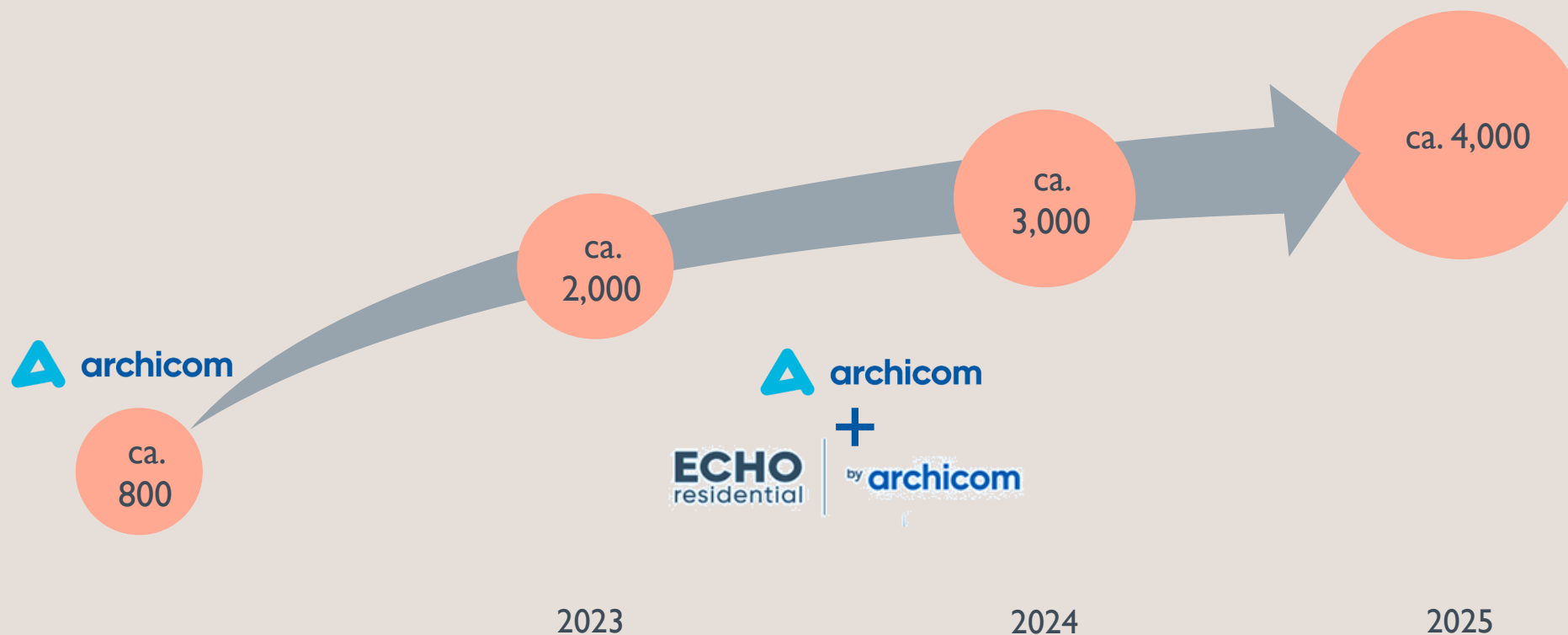


# New strategy of Echo Investment Group



# Continued growth of the residential business

Sales of apartments (yearly)



**Operational efficiency**

**Lower construction cost  
by a bigger volume**

**In-house construction  
experience**

**One of the leading  
Polish residential  
developers**

**Focus on growth based  
on big in-house  
competence**

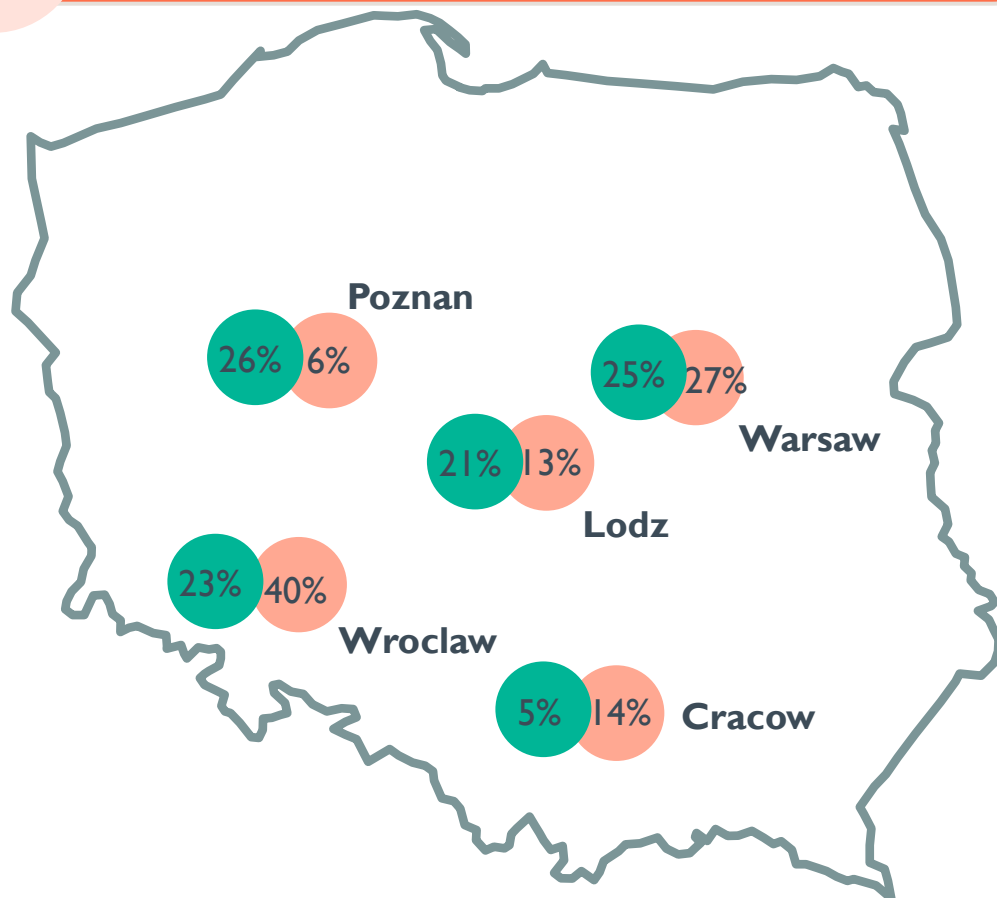


# Residential developer active on five markets

Portfolio of projects under construction as at 30.09.2023



Total apartments in 66 projects:  
under construction **3,171** and **8,917** in landbank



% - share of apartments under construction/ apartments in landbank

## Projects under construction

City	# of projects		# of apartments	
	Archicom	Echo	Archicom	Echo
Wroclaw	10		1,289	
Warsaw	1	1	288	554
Cracow	3		430	
Lodz		2		404
Poznan	1		206	
<b>Total</b>	<b>15</b>	<b>3</b>	<b>2,213</b>	<b>958</b>

## Land Bank

City	# of projects		# of apartments	
	Archicom	Echo	Archicom	Echo
Wroclaw	14		2,063	
Warsaw	9		2,185	
Cracow	4	1	280	184
Lodz	9	1	1,702	171
Poznan	10		2,332	
<b>Total</b>	<b>46</b>	<b>2</b>	<b>8,562</b>	<b>355</b>



## 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 670m of cash as at 30 September 2023)
  - **Strong landbank in the Group** with advanced permitting and advanced new plots in negotiations; additional landbank in Echo of around 2,200 units to be converted to residential to accelerate growth
  - **Growing presence** of the Group in **Living sector** including Resi for sale, PRS and Student Housing to be up to 75% of the combined Echo/Archicom business
  - Strong tenant demand in both office and PRS markets
  - **Fully rented office buildings** in Lodz, Wroclaw and Krakow
  - **Increasing rents and footfall** in shopping Centers in Galeria Młociny Warszawa and Libero Katowice
  - Outstanding **Resi4Rent performance**, 4,107 units operated, with strong NOI, ca. 4,350 units under construction with a great outlook for the next quarters

# Residential

## Current situation







- 16,400 units were sold in Q3 2023 in the 6 main Polish markets, 6% higher comparing to Q2 2023 and 148% to Q3 2022
- Offer is decreasing to 34,300 apartments, as many project launches were postponed by developers
- The average prices of units remaining on offer at the end of the quarter have increased the most in the past three months in the Tri-City (9%) and Warsaw (8%), while the least, not surprisingly, in Łódź (3%).
- The market was most affected by fears of possible price increases and reduced offerings due to implementation 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 planned for Q4 and great pipeline planned to start in Q4 2023 and Q1 2024
- 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 Widzewska II B project in Łódź (120 apartments) and for Loft G02 project in Łódź (171 apartments)
- Start of sales of a new investment located in Warsaw's Mokotów district, the first stage contains 554 apartments

# Living Sector

## Current situation

-  13,800 apartments is the existing housing stock in the PRS sector in Poland at the end of the third quarter of 2023
-  17,000 apartments under construction of which 3,300 being developed in Warsaw and 3,800 in Wrocław
-  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
-  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

## Echo actions

-  R4R on the leading position in the PRS market having 30% share
-  More than 4,100 units already under operation at the end of Q3
-  Almost 4,300 units are under construction and more than 1,000 to be started this year
-  Resi4Rent is targeting to reach 11,000 units in 2026 with 10,400 already secured
-  Active rent management increasing valuation of the entire portfolio
-  Active search of plots for new projects for PRS (focus on Warsaw) and analysing potential of Student Housing

# Office

## Current situation

- By Q3 2023 gross take-up amounted to 496,500 sqm in Warsaw (18% lower y/y) and 532,000 sqm on regional markets (19% higher y/y)
- Very limited number of new projects entering the market (only 20,300 sqm in Q1-Q3 2023)
- Vacancy rates remained stable and with the new remote working law coming into force in HI 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 Q1-Q3 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

## Echo actions

- Echo will focus on developing new project in Warsaw, Wroclaw and Krakow in the coming quarters
- 29,000 sqm of GLA was leased in Echo Group buildings in Q1-Q3 2023; additional 16,000 sqm of GLA planned for Q4
- Krakow Brain expected to be fully leased by year end with well known tenants
- Echo actively looking for buyers for other 3 projects ready to be disposed
- Active search of plots for new projects

# Retail

## Current situation

- The average footfall of shopping centres and retail parks in August 2023 increased 4.2% vs. August 2022
- According to data from the Polish Council of Shopping Centres, the turnover of shopping centres in August 2023 was 8,4% higher than in August 2022
- High purchasing power and low unemployment - a increasing of the minimum wage in 2023 and again in 2024.
- High inflation has forced changes in shopping habits - an increasing share of discount stores
- Large retail chains are reducing their sales areas, especially in the electronics and home furnishings sectors
- An increasing impact of ESG factors on real estate.

## Echo actions

- Optimization of tenants mix with best-selling brands with particular emphasis on discount brands
- Tenants turnover in Libero in Q3 2023 is higher by 9% and footfall 9% (comparing to Q3 2022)
- Further improvement is observed in Galeria Młociny in Warsaw with an increase in turnover by 8% in comparison to Q3 2022. Footfall increased by 2% as in Q3 2022
- Echo set to stabilize both shopping malls (Mlociny and Libero) and achieve targeted NOI before disposal at a stronger investment market
- Constant marketing based on buy and get campaigns – promoting all retail destinations as the best choice to do shopping and get money back

# Construction

## Current situation

- Construction output grew 2.3% in real terms in the first nine months of the year on the back of strong data for September
- After a 3.4% decrease in August, the cement market's output declined by 6.2% y-o-y in September. The annual growth rate of cement production for the 12-month rolling total was at -13% after September.
- 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 Q1-Q3 2023 vs. mid 2022
- Despite high inflation and increased cost of energy, construction costs started to decrease compared to the mid 2022

\* Data source: Spectis

## 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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**ECHO**  
investment

# 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, strong NOI performance, more than 10,400 units to be in R4R portfolio until 2025

Focus on leasing 3 new projects in Warsaw, Wroclaw and Krakow

Focus on buying new resi plots and converting commercial land to residential

# Q3 2023 Highlights

**Residential sales** of 1,315 apartments by Echo Group in Q1-Q3 2023 (1,202 in Q1-Q3 2022)

**791 apartments handed over** in the same period (1,515 in Q1-Q3 2022) catching up in Q4



**Residential**



**Residential**



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

Start of construction of the office building SPOT Wrocław Swobodna



**Commercial**



**Corporate**

Archicom paid remaining part of the dividend for 2022 i.e. **PLN 2.12** per share (full amount of dividend paid was **PLN 82.4m** i.e. PLN 3.21 per share)

# Post Q3 2023 Highlights

Introducing 396 apartments for sale and starting subsequent stages of the investment Avipolis, Sady nad Zielona, Planty Racławickie, Zenit



## Residential



## Finance



Archicom successfully increased its share capital raising **PLN 220m** from the stock market in October

Historically the largest issue of Archicom bonds raised **PLN 210m** in November

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

Fully leased projects in Łódź – REACT and in Wrocław – CITY2 refinanced (equity release) and ready to be sold



## Commercial



## Finance

Echo successfully issued **EUR 43m** bonds to institutions to refinance 2024 bonds issue and **PLN 50m** within PKO Prospectus program to individuals

Echo paid in November advanced dividend for 2023 year in amount of 90.8 million i.e. **PLN 0.22 per share**

## IV. Key Financial Data

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# Q3 2023 Profit vs. PAP consensus

## Actual results [PLN m]

## PAP Consensus

	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022	Q3 2023 (average)	Q3 2023 (range)
Revenue	650.5	1,023.7	193.6	425.5	140.6	110.0 – 165.8
Operating profit	99.9	269.5	67.9	110.1	-	-
Profit before tax and minority interest	85.3	203.0	48.0	99.0	42.3	33.0 – 54.2
<b>Net profit</b> attributable to equity holders of the parent entity	<b>33.2</b>	<b>124.8</b>	<b>24.1</b>	<b>62.9</b>	<b>2.7</b>	<b>1.5 – 3.4</b>

## OUR RESULTS IN Q3 2023

**PLN 193.6m**

revenue in Q3 2023

**PLN 48.0m**

Profit before tax in Q3 2023

**PLN 24.1m**

net profit in Q3 2023

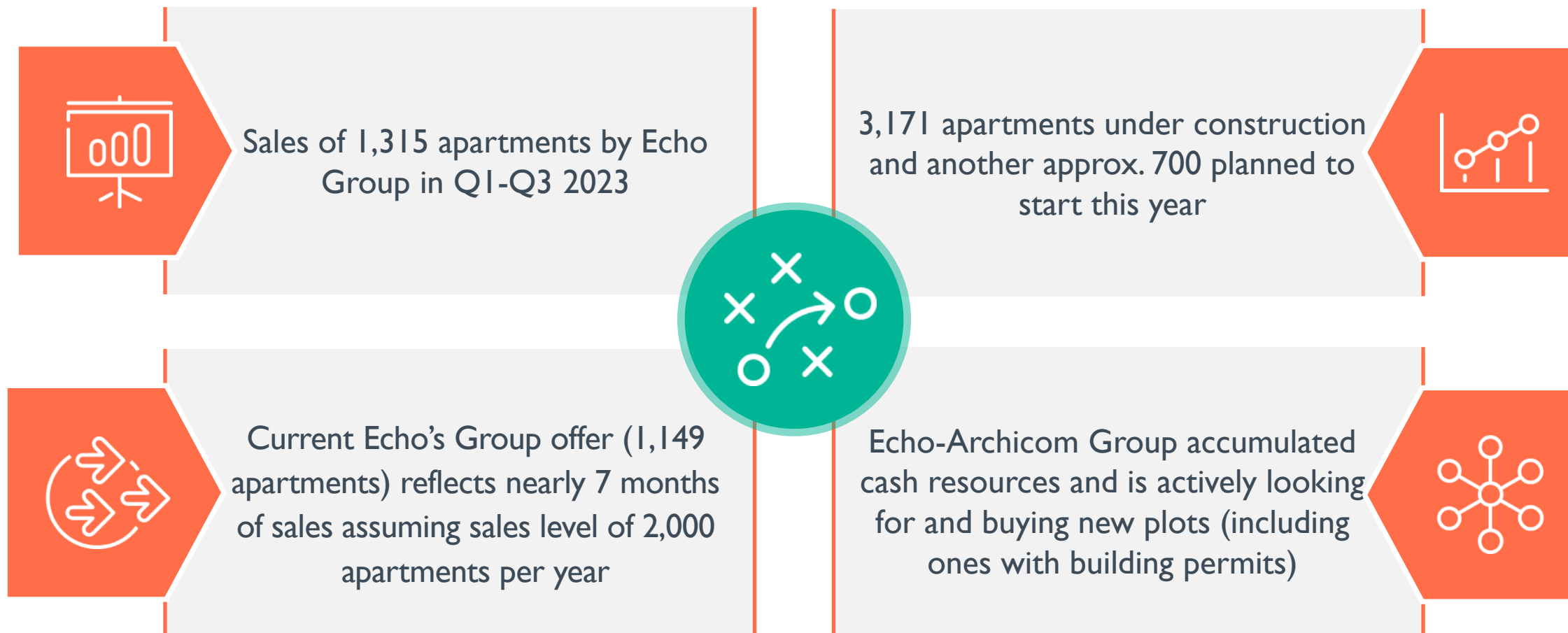
# V. Residential

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**ECHO**  
investment



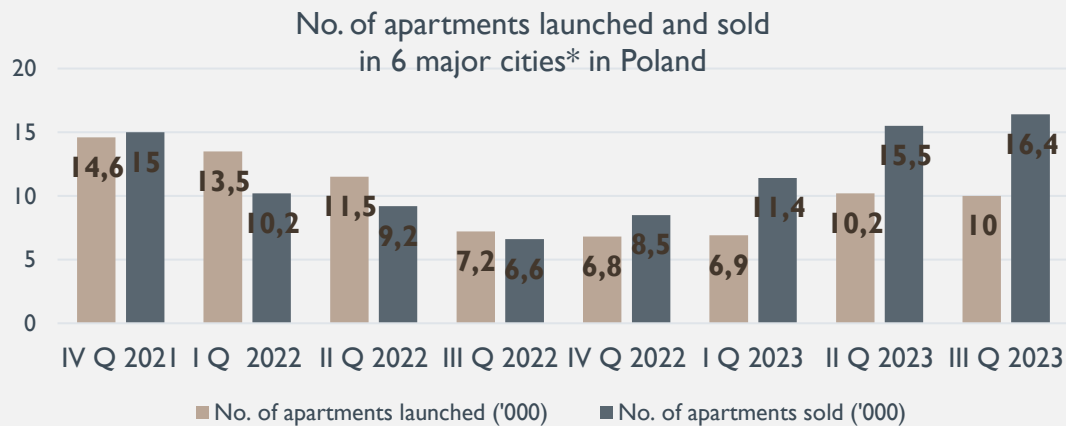
# Highlights



# Strong sales and limited supply increasing prices of apartments

## Supply

- **10,000 apartments** were launched in Q3 2023 (approx. 39% more than in Q3 2022)
- Number of available units decreased to ca. **34,300** (33% less than at the end of Q3 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

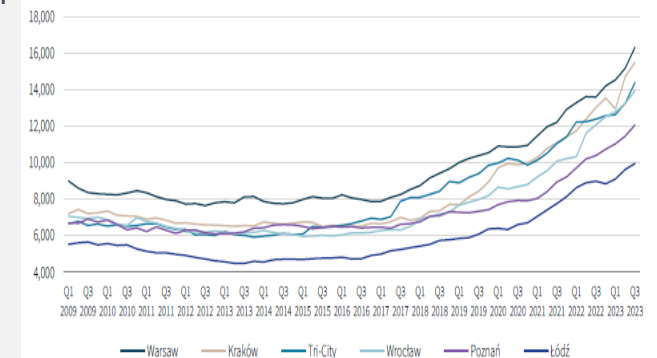
## Demand

- **16,400 apartments** were sold in Q3 2023 on the primary market in 6 major cities
- Number of apartments sold in Q3 2023 is 148% more than in Q3 2022 and 6% more compared to the last quarter
- Buyers have **bigger trust in larger developers** to complete projects that in supporting sales

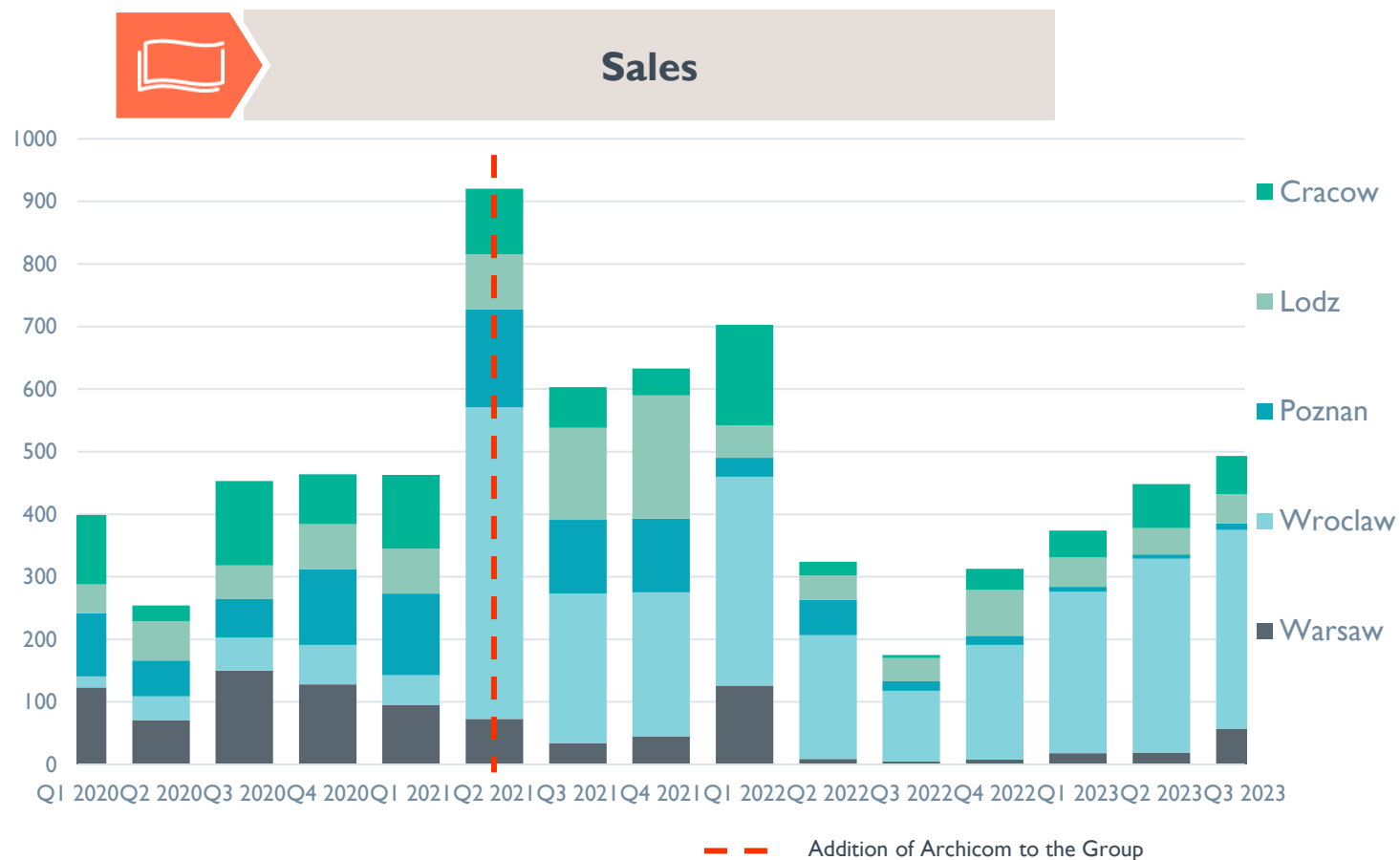
## Prices

- The average prices of units remaining on offer at the end of the quarter have increased the most in the past three months in the Tri-City (9%) and Warsaw (8%), while the least, not surprisingly, in Łódź (3%).

Average price of units on offer on the primary residential market (PLN/m<sup>2</sup>, incl. VAT, shell and core)



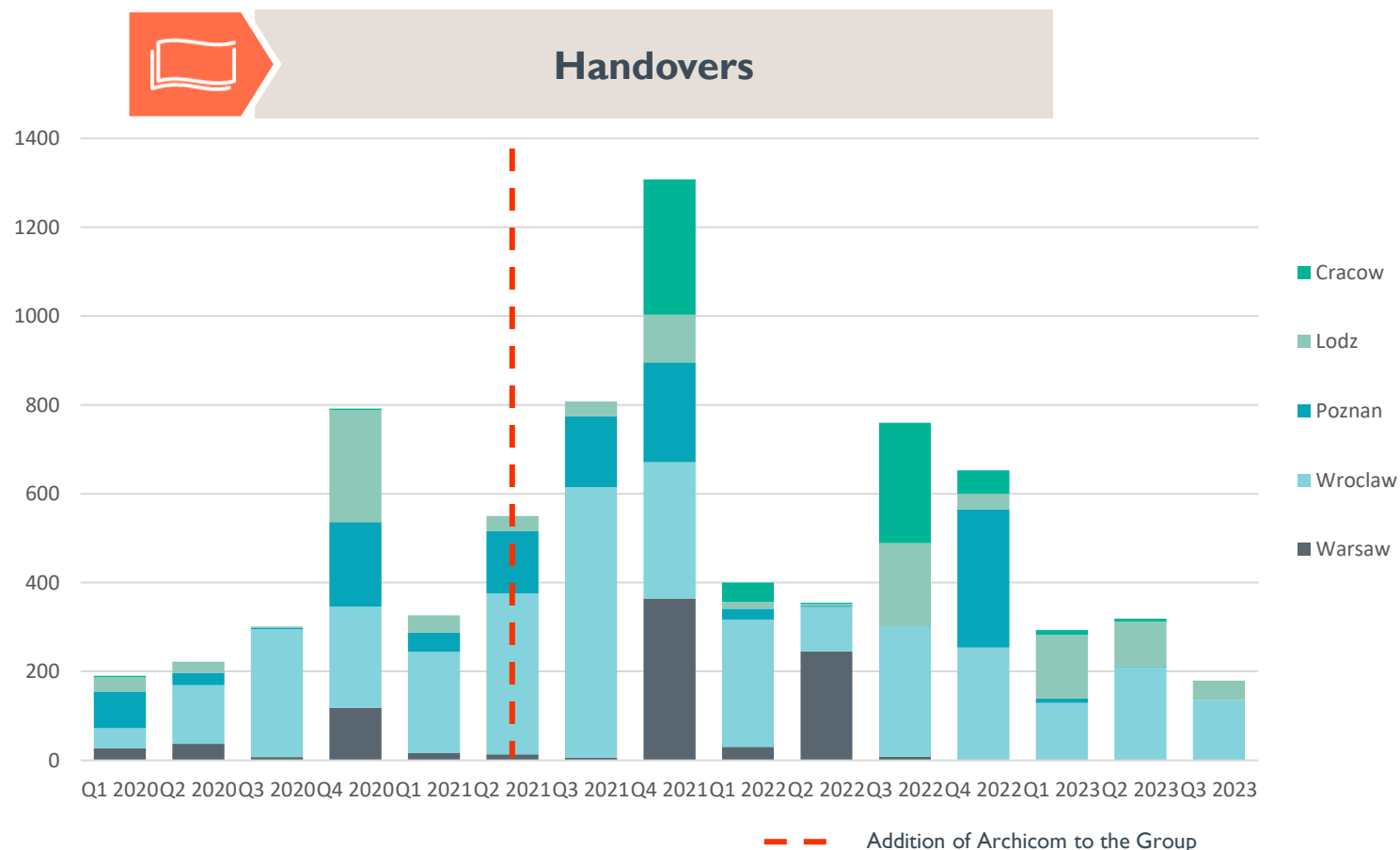
# Apartment sales of Echo Group



Sale of apartments	Q3 2022	Q3 2023	Main Projects in Q3 2023
Warsaw	5	57	Empark, KEN Kabaty
Wroclaw	113	318	Browary Wrocławskie, Olimpia Port, River Point, Planty Racławickie, Awipolis, Sady nad Zieloną
Poznan	15	10	Apator II
Lodz	37	47	Boho, Fuzja Lofty
Cracow	5	61	Puszkarska 2C, Puszkarska 2D, Rydlówka II
<b>Total Echo Group</b>	<b>175</b>	<b>493</b>	

Echo maintains the strategy of profitable growth with average gross margin at 30%+

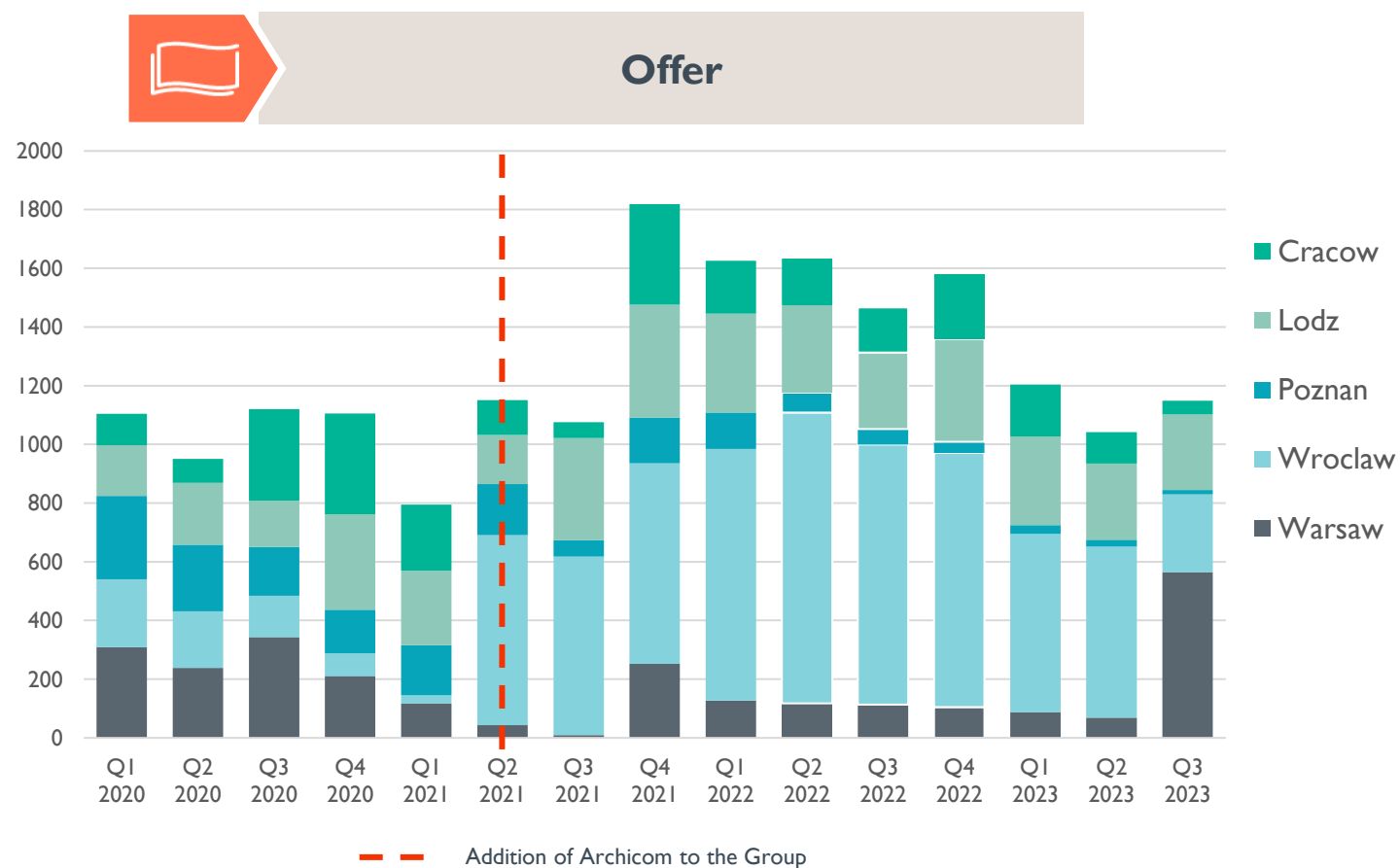
# Apartment handovers of Echo Group



Handovers	Q3 2022	Q3 2023	Main projects in Q3 2023
Warsaw	8	1	Browary IV
Wroclaw	294	134	Browary Wrocławskie, Olimpia Port,
Poznan	0	0	-
Lodz	187	44	Fuzja II and III, Widzewska I
Cracow	271	0	-
<b>Total Echo Group</b>	<b>760</b>	<b>179</b>	

Echo Group Q3 handovers realized according to the plan, Q4 will show large increase

# Current offer of Echo Group



Current offer	End of Q3 2023	Main projects
Warsaw	565	Empark I, KEN Kabaty, Ordona II and III
Wroclaw	265	River Point, Planty Racławickie, Olimpia Port
Poznan	14	Apator I and Enter III
Lodz	258	Boho, Fuzja Lofty
Cracow	47	Rydlówka I and II, Puskarska 2C and 2D
<b>Total Echo Group</b>	<b>1,149</b>	

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

	Offer	Landbank	Total (as at 30.09.2023)
Archicom	386	8,562	8,948
Echo Investment	763	355	1,118



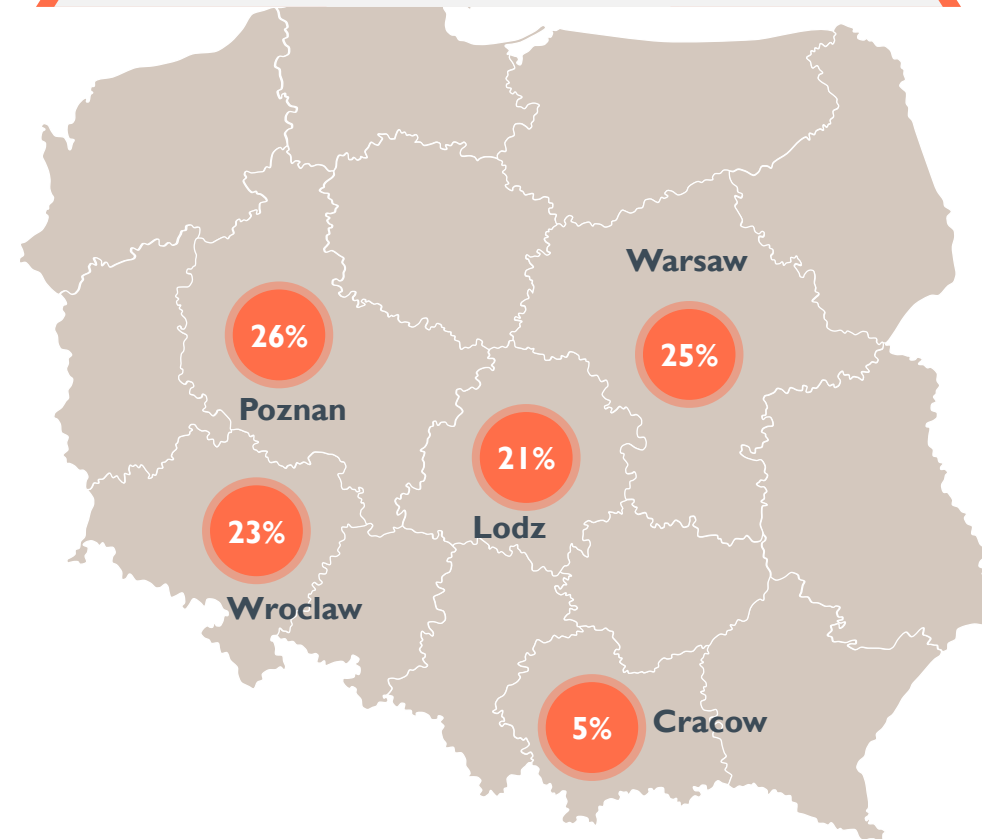
**10,066**

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

- Target to long term increase of pipeline to 20 thousands units to be able to sell approximately 4,000 units per year
- Already acquired plots and preliminary agreements to buy new ones give Archicom a competitive advantage as they were secured before recent sharp price increases
- Group is actively searching for new residential project in main regional cities and works on conversion Echo's commercial plots into residential

## Landbank pipeline secured

% share in landbank calculated based on potential no. of apartments to be developed



# VI. Living sector

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**ECHO**  
investment

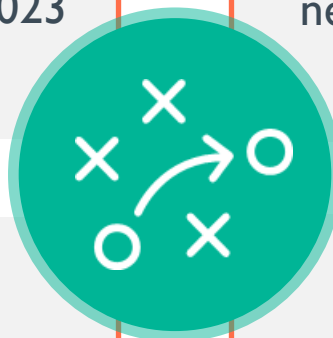


# Highlights



4,107 Resi4Rent units in completed projects and 4,300 units under construction at the end of Q3 2023

Strong landbank with more than 10,400 apartments already secured, new projects under due diligence



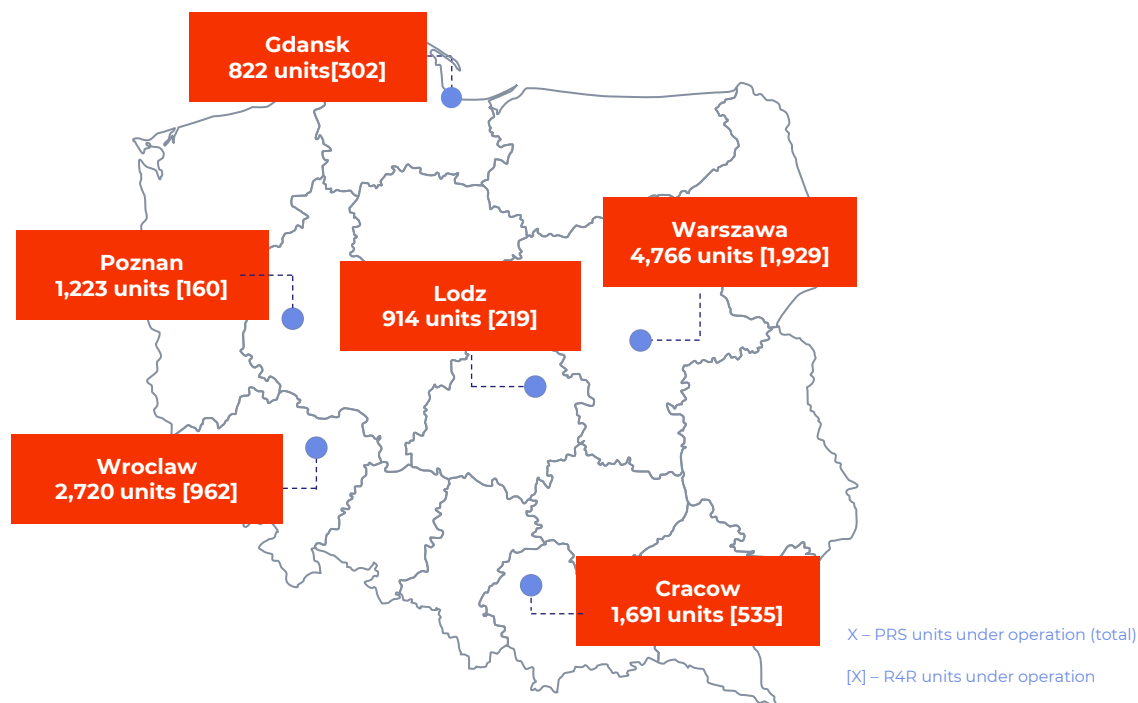
New 3 projects opened in Warsaw and Wroclaw with 1,110 units in Q3 2023

Construction of new 1,000 apartments starts in Q4 of 2023 and amount of units in construction or operation will reach ca. 9,500

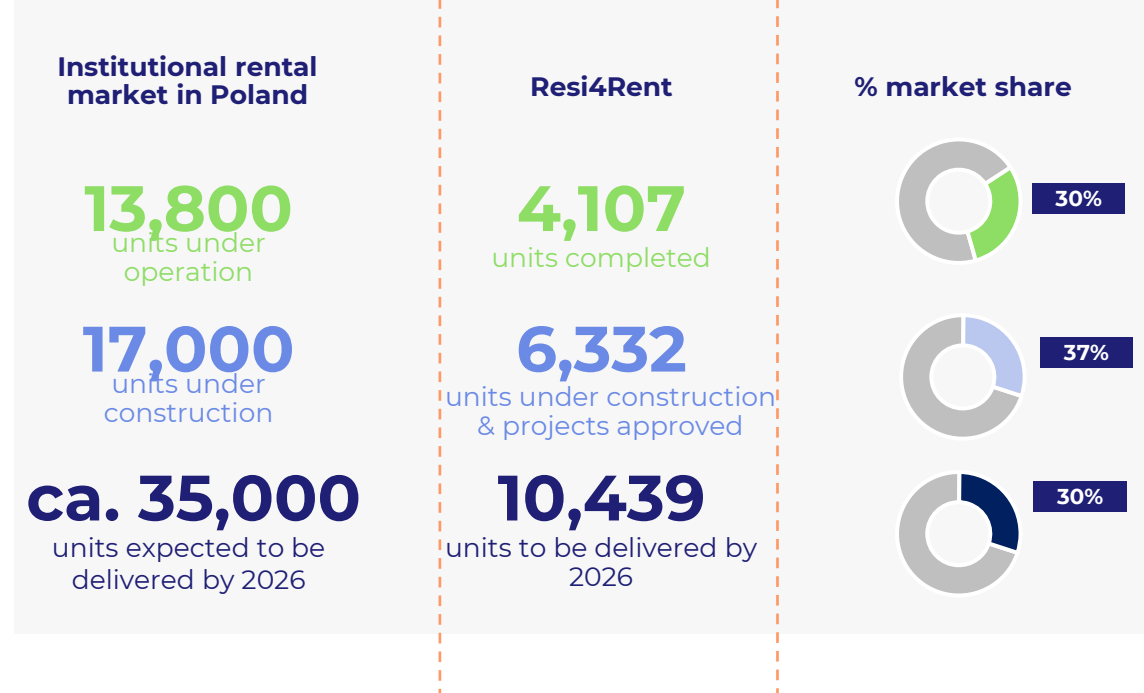


# Institutional rental market in Poland

## PRS investments in Poland



## R4R's share in institutional rental market in Poland



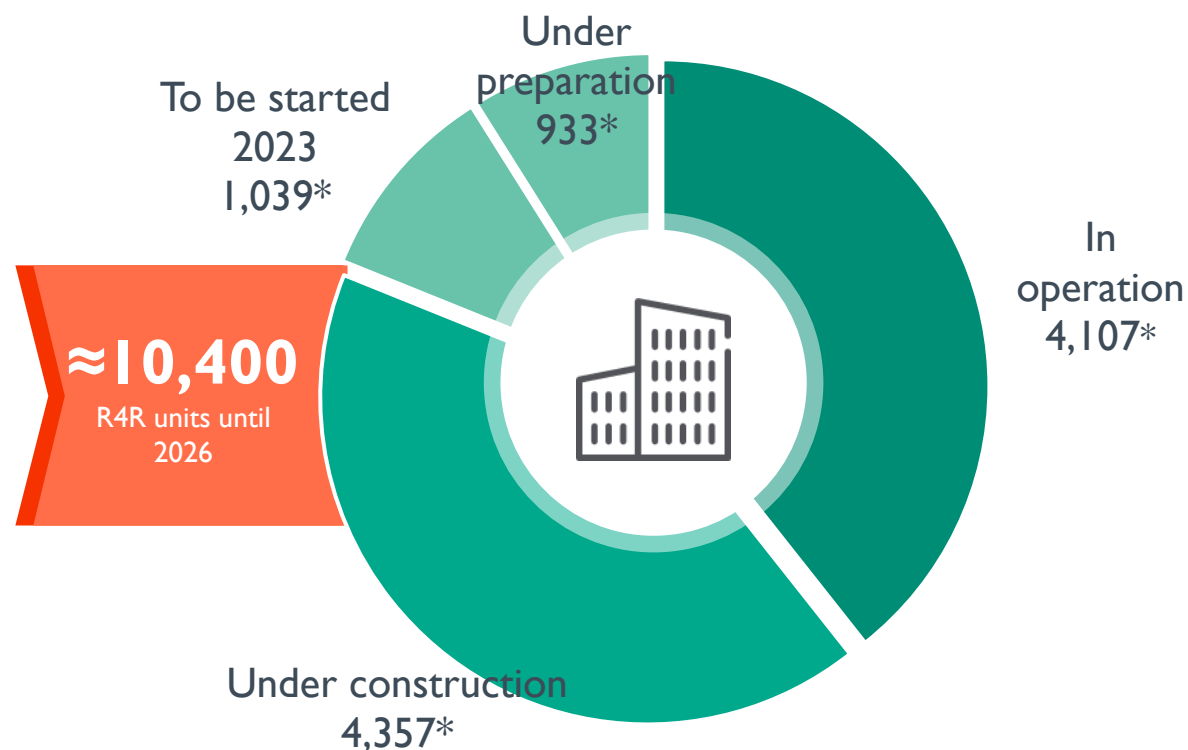
## Institutional rental market in Poland

- 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 secured plots for over 10,400 units

- **4,107 units** are completed including 1,110 units delivered in Q3 2023
- Projects under construction will deliver approx. **4,360 new units** in coming years
- Construction of more than **1,000 units** to be started in Q4 2023
- **10,400 units** completed and under construction planned at the end of 2023 to become operational by 2026

Resi4Rent to develop and operate more than **10,400 units** until 2026:

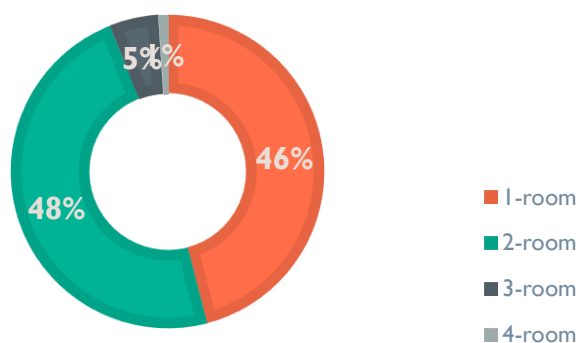


\* as at the end of Q3 2023

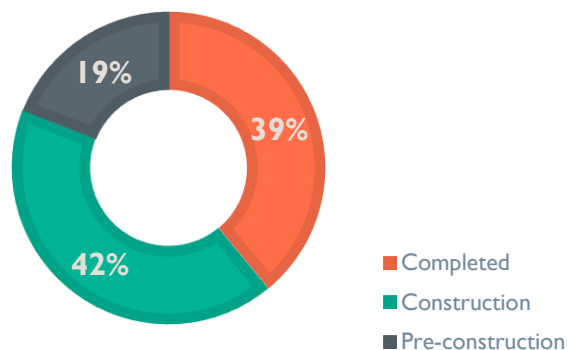
# Portfolio breakdown

The existing portfolio has above **10,400 units across 28 projects**

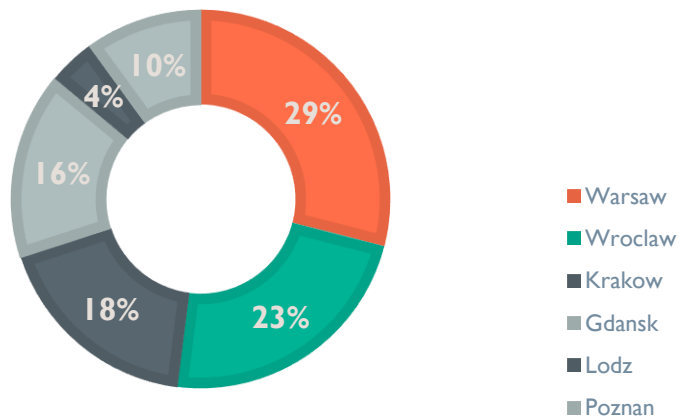
Actual portfolio breakdown  
by types of flats



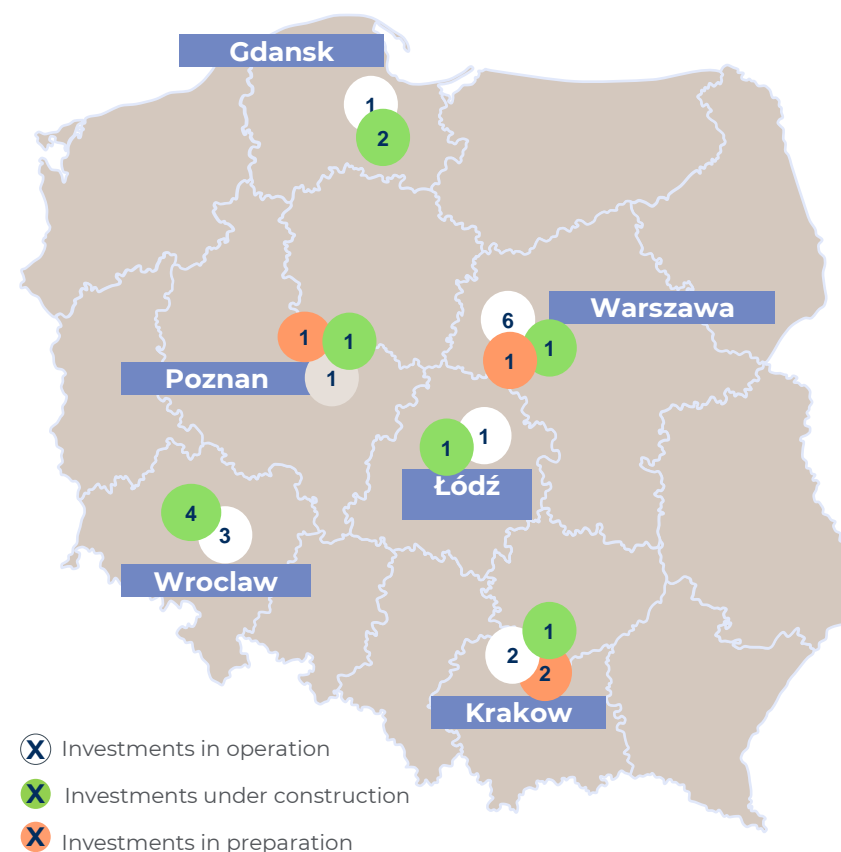
Actual portfolio breakdown  
by construction stage (% units)



Actual portfolio breakdown  
by location (% units)



Investment map



\* as at the end of Q3 2023









# Stable rents and fully leased projects

Units in operation (4,107 units)\*

Under construction  
(4,357 units)\*

To be started 2023  
(1,039 units)\*

In preparation  
(933 units)\*

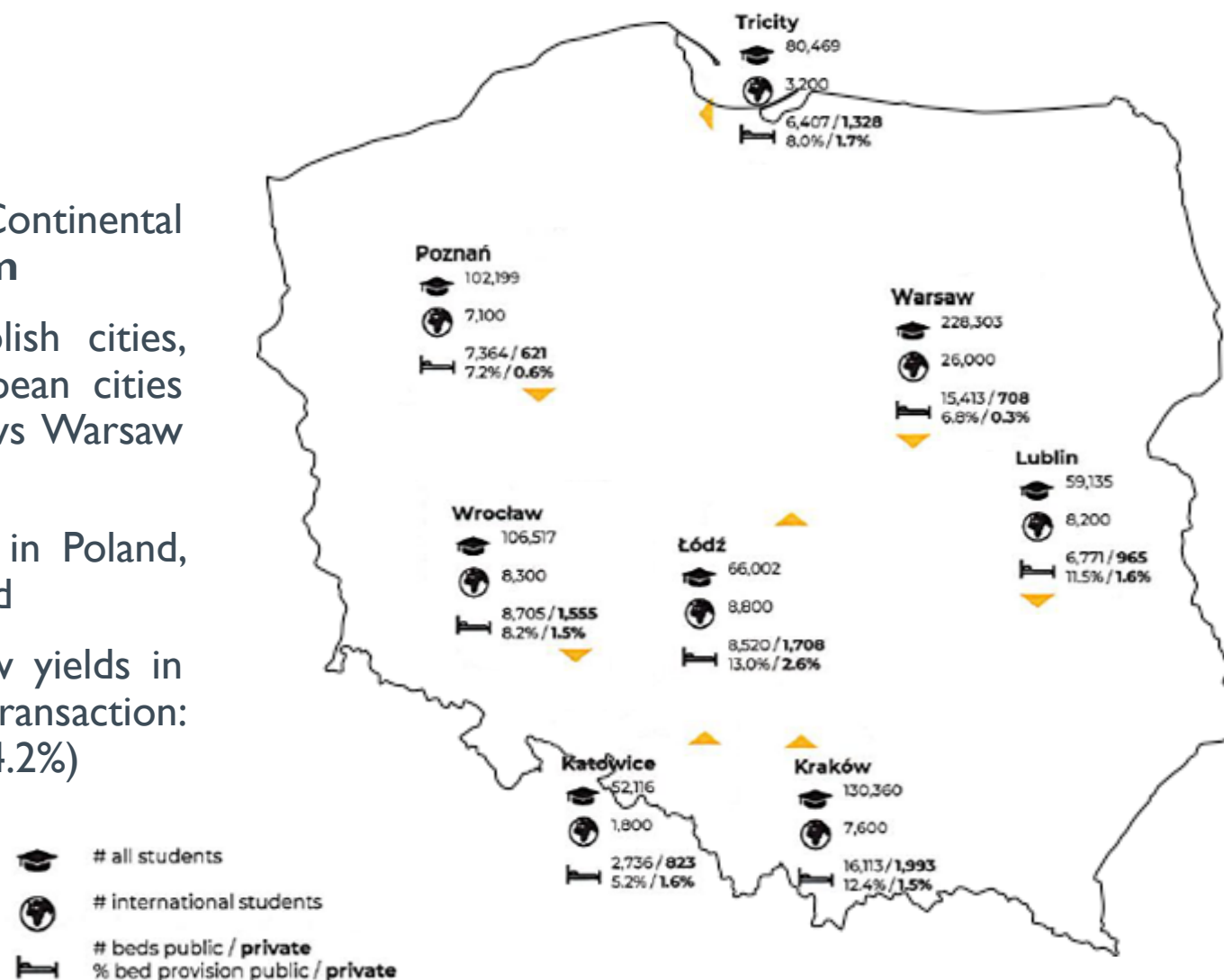
<b>R4R Wroclaw, Kepa</b>  100% units leased	<b>R4R Wroclaw, Rychtalska</b>  100% units leased	<b>R4R Lodz, Wodna</b>  100% units leased	<b>R4R Warsaw, Brewery</b>  100% units leased
<b>R4R Warsaw, Tasmowa</b>  100% units leased	<b>R4R Warsaw, Woronicza</b>  100% units leased	<b>R4R Gdansk, Kolobrzaska</b>  100% units leased	<b>R4R Poznan, Szczepanowskiego</b>  100% units leased
<b>R4R Krakow, Puskarska 149</b>	<b>R4R Warsaw, Zwirki i Wigury (1) 161 units</b>	<b>R4R Krakow, 3 maja 387 units</b>	<b>R4R Warsaw, Zwirki i Wigury (2) 344 units</b>
<b>R4R Wroclaw, Jaworska 391 units</b>	<b>R4R Warsaw, Wilanowska 375</b>		
<b>R4R Wroclaw II, 290 units</b>	<b>R4R Warsaw 2, 279 units</b>	<b>R4R Wroclaw Grabiszyńska, 358 units</b>	<b>R4R Krakow 4, 873 units</b>
<b>R4R Wroclaw, Park Zach. 301 units</b>	<b>R4R Lodz, 283 units</b>	<b>Wroclaw Bardzka 622 units</b>	<b>R4R Poznan 3, 411 units</b>
<b>R4R Gdansk Zielony Trójkąt II, 367 units</b>	<b>R4R Poznan 4, 672 units</b>		<b>R4R Warsaw Pohoski, 281 units</b>
			<b>R4R Gdansk Zielony Trójkąt I, 369 units</b>
<b>R4R Krakow, JP II 293 units</b>	<b>R4R Warsaw X 382 units**</b>	<b>R4R Krakow X 258 units**</b>	

\* as at the end of Q3 2023

\*\* plots on PSPA to be bought

# Student Housing

- Poland is the fifth largest student market in Continental Europe with **student population of above 1.2m**
- 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 – 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.

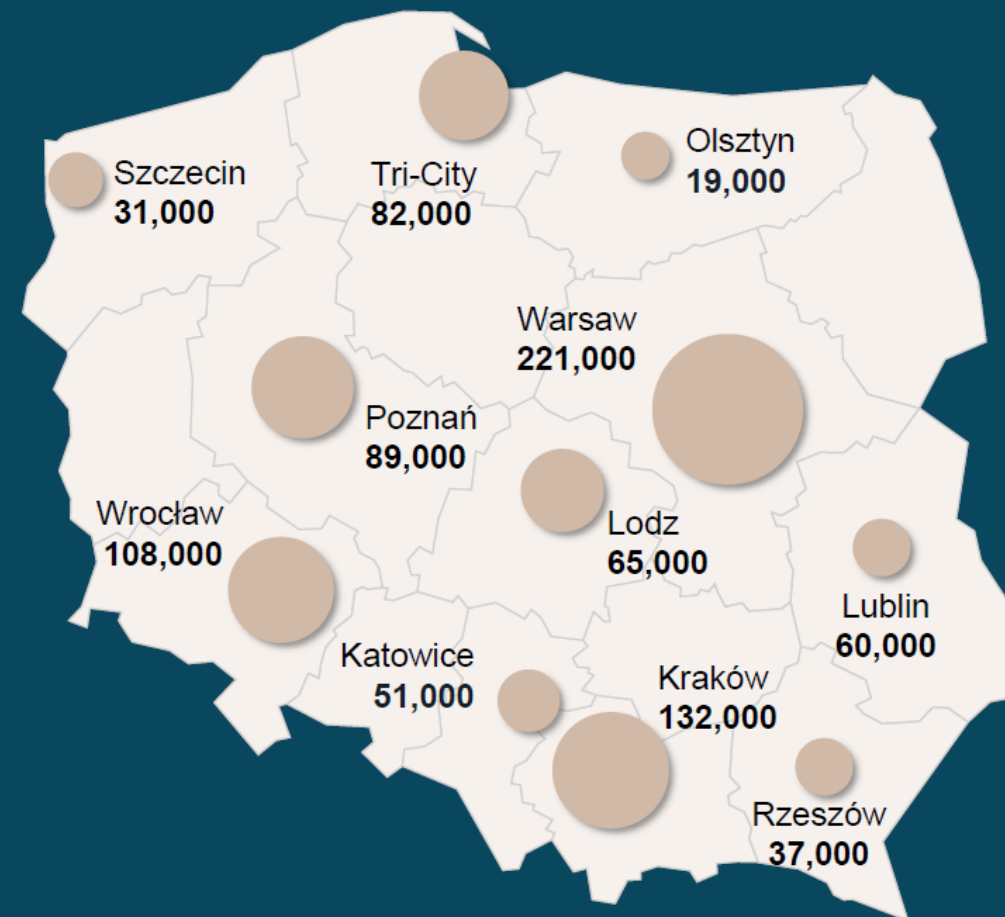
**297,000**

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



# Positive analysis of Student Housing business

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- Internal identification of plots from Echo Investment land bank perfect for Student Housing project in Polish regional cities
- Analyses regarding potential of existing plots and recognition of new real estate ready to be acquired for student dormitories
- Analyses ongoing about the best way to enter the market



# VII. Commercial

including office and retail

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**ECHO**  
investment

# Highlights





# Towarowa 22 – Echo/AFI Europe destinations project

- Mixed use destination project in the heart of Warsaw
- Construction of the first building by Archicom out of ca. 40,000 sqm of residential area should start in coming quarters
- 2 hectares public park and historical landmark Dom Słowa Polskiego in the central part of the project planned to be opened till the end of 2025 for the citizens of the capital city
- Commercial part including rental apartments (PRS) and offices of around 150,000 sqm co-owned by AFI Europe 70%/Echo 30%





# SPOT Wrocław - construction start and leasing underway

- Exceptional office project in premium quality, in the centre of Wrocław.
- Latest technologies and green certificates
- Flexible spaces – full freedom in arranging office
- Project comfortably surrounded by greenery, in close proximity to cafes and restaurants – unique Swobodna Spot patio
- In line with sustainable development and nature-friendly ESG solutions





# 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 finished in 2023/2024, Krakow



**City II**  
100% leased  
Developed by Archicom, Wroclaw



**Libero**  
≈100% leased, Katowice

# Office market perspectives for 2024/2025

## Strong leasing market

- 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 270,000 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 vacancy remains at a relatively high level



We expect the investment market will come back in H2 2024 as interest rates stabilised which will create more certainty on the market.

# Q3 2023 – slow rising quarter, limited choice

## Warsaw

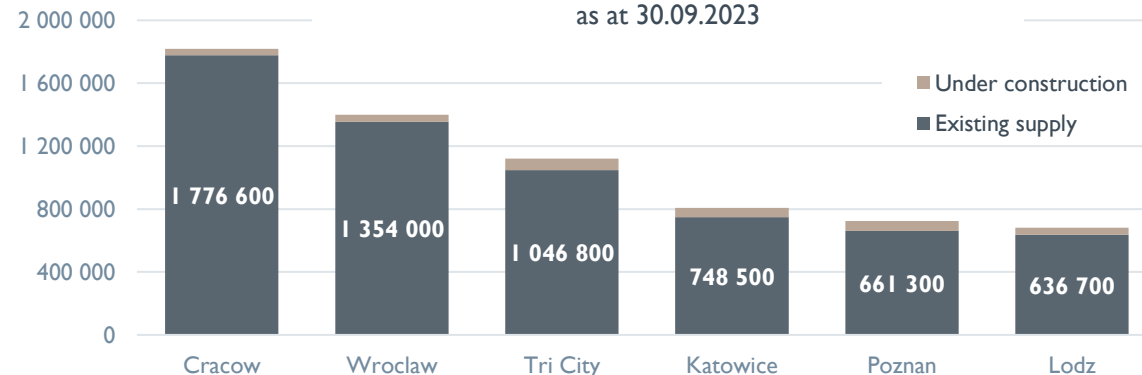
- **20,300 sqm** of new office space has been provided in Q1-Q3 2023 period, new building planned for Q4 2023 will deliver a total of **46,000 sqm** and another **115,000 sqm** in 2024
- **6.21 m sqm** - total supply of modern office space
- Q1-Q3 2023 gross take-up result: **496,500 sqm** (-18% y/y)
- **ca. 271,000 sqm** of office space under construction (despite a slight increase q/q, this is still one of the lowest results recorded in recent years)
- **10.6%** – at the end of Q3 2023 average vacancy marginally decreased by 0.8 pp q/q and was 1,5 pp lower compared to the Q3 2022
- Selected last lease transactions on the Warsaw office market signed: Elavon (5,500 sqm), Johnson&Johnson (4,800 sqm), and Sii (4,700 sqm)

Low office development activity and strong leasing activity support Echo's actions to continue Towarowa 22 and start construction of SPOT Wrocław

## Regional markets

- **235,900 sqm** of new office space delivered to regional markets in Q1-Q3 2023
- **6.63 m sqm** - total supply of modern office space at the end of Q3 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
- Q1-Q3 2023 gross take-up result: **532,000 sqm** (+19% y/y)
- **ca. 330,000 sqm** of office space remain under construction
- **17.3%** – average vacancy rate (0.5 p.p. higher compared to the Q2 2023)

Supply and space under construction in regional cities  
as at 30.09.2023





# CitySpace in 13 locations all over the Poland

# 13

(end of Q3 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 Q3 2023 was **9% higher** than in Q3 2022 and 29% higher than in Q3 2021
- Its **footfall** was respectively **9%** and **32%** higher
- NOI growth over the year of **9%** with potential of growth based on long-lasting leases
- 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 Q3 2023 was **8% higher** than in Q3 2022 and **34% higher** than in Q3 2021
- Młociny footfall in Q3 2023 was **2% higher** than in Q3 2022 and **15% higher** than in Q3 2021
- NOI growth over the year of **13%**
- Long leases guarantee stable cash flow while indexation creates potential for future growth of NOI
- 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 Nike, Fielman, Laurella and Topcase



# X. Financials

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# Q3 2023 profit

## margin and fair value gain

### Actual results [PLN m]

	Q1-Q3 2023	Q1-Q3 2022	Q3 2023	Q3 2022	Q3 2023 (average)	Q3 2023 (range)
Revenue	650.5	1,023.7	193.6	425.5	140.6	110.0 – 165.8
Operating profit	99.9	269.5	67.9	110.1	-	-
Profit before tax and minority interest	85.3	203.0	48.0	99.0	42.3	33.0 – 54.2
<b>Net profit</b> attributable to equity holders of the parent entity	<b>33.2</b>	<b>124.8</b>	<b>24.1</b>	<b>62.9</b>	<b>2.7</b>	<b>1.5 – 3.4</b>

### PAP Consensus

### Revenues and margin in Q3 2023 (PLN m)

	Sales	Margin	Margin %	Main source of revenue
Residential	124	48.6*	39%	Apartments sale
R4R	13	9.0	69%	Sale of Services to R4R
Commercial & other	57	13.9	24%	Rents, fit-out
<b>Total</b>	<b>194</b>	<b>71.5</b>	<b>37%</b>	

\* Incl. PPA impact

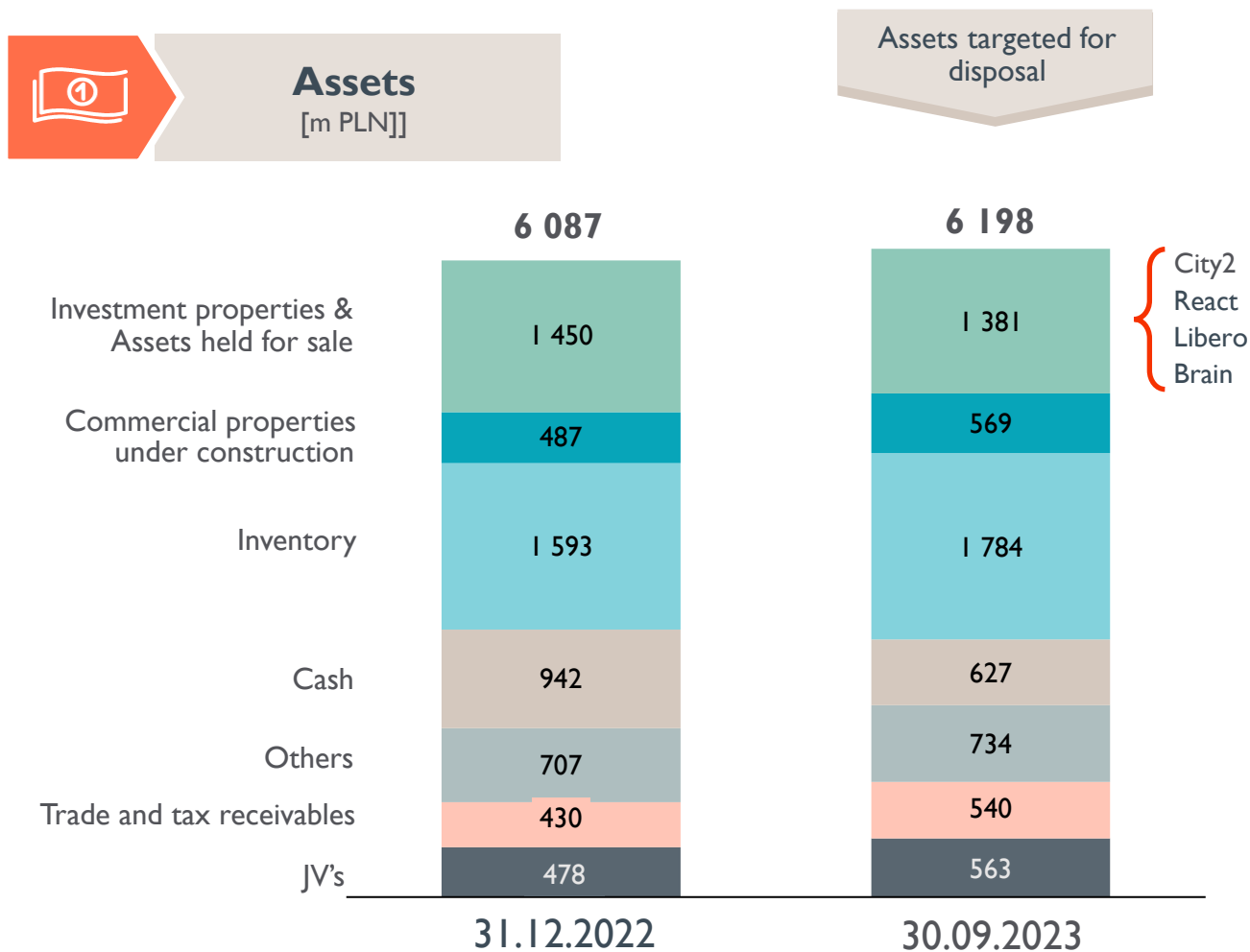
### Fair value gain on investment properties (PLN m)

	Q3 2023	Accum.
Brain Park II	-7.9	2.2
Lodz React	12.2	23.3
Brain Park I	13.8	51.4
Libero	24.3	169.8
Citi 2 (Archicom)	6.7	58.2
Other	4.5	-
<b>Total</b>	<b>53.6</b>	

Positive impact of EUR FX – PLN 55,4m



# Strong balance sheet with fully leased assets ready for disposal



**PLN 6,198m**

total assets value as at 30.09.2023  
(1.8% increase compared to 31.12.2022)

**PLN 1,784m**

The total value of inventory as at 30.09.2023

**PLN 1,381m**

The total value of investment properties as at 30.09.2023

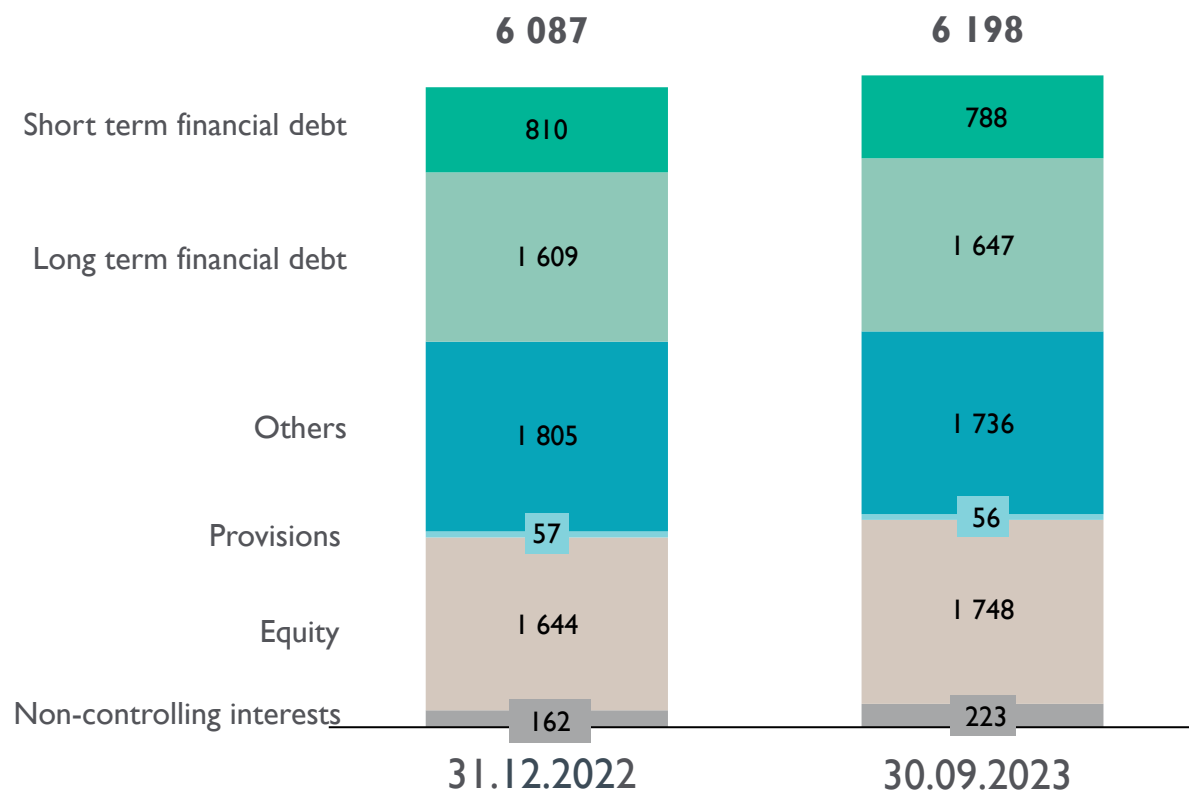
**PLN 627m**

cash as at 30.09.2023

# Assets disposals reduce debt



## Equity and liabilities [m PLN]



## PLN 2,435m

Total long and short-term debt as at 30.09.2023 with extended maturity

**Long-term debt** increased by PLN 38m compared to 31.12.2022

**Short-term debt** decreased by PLN 22m compared to 31.12.2022

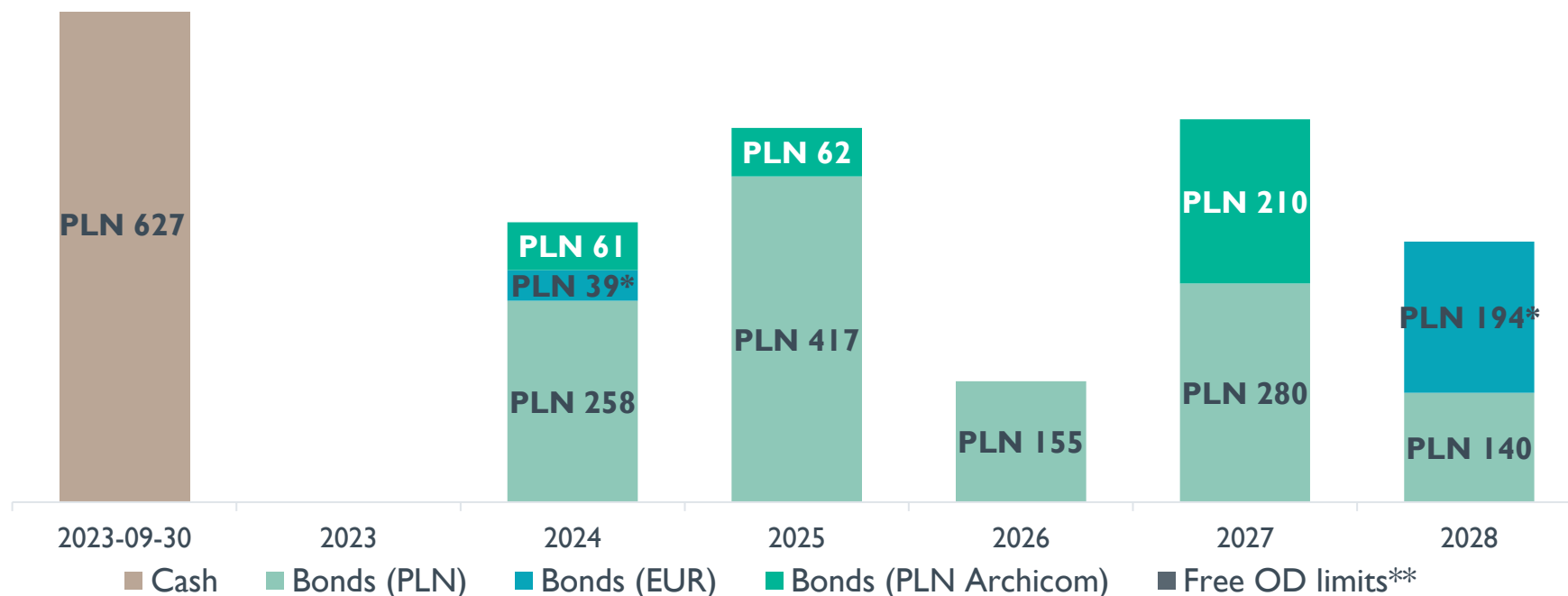
- Maturing bonds will be either repaid or refinanced to transfer the debt to long-term

## 29,2% net debt ratio

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

# Strong cash position

## Cash and available overdraft vs. maturity of bonds as at 28.11.2023 [m PLN]



\* PLN equivalent of EUR as at 30.09.2023

\*\* OD – overdrafts

## Bonds in 2023

Echo Investment:

- issued **PLN 140m 5Y** bond tranche with Ipopema Securities in May
- issued **PLN 100m 4Y** in two bond tranches to individual investors within Prospectus program (PLN 300m) in June and November
- issued **EUR 43m 5Y** bond tranche with Ipopema Securities in October to refinance bonds maturing in 2024
- repaid **PLN 180m** in April, September and November

Archicom:

- issued two series of bonds for **PLN 62m 2Y** in March and the highest in history **PLN 210m 3Y+** with mBank S.A.
- repaid **PLN 60m** in June



# Dividend paid in 2023

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Total dividend amount  
paid in 2023



**PLN 0.44\***  
per share

- On **February 2**, Echo paid advanced dividend for **2022 year** in amount of 90.8 million i.e. **PLN 0.22** per share
- On **November 10**, Echo paid advanced dividend for **2023 year** in amount of 90.8 million i.e. **PLN 0.22** per share

\* Including advanced dividend payment for 2022 and 2023

# Q & A

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**ECHO**  
investment

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