

# ECHO

investment



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*Everything  
begins  
with you*



# Q2 2018 RESULTS AND OUTLOOK

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Warsaw, 11th September 2018

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# Agenda

I. Echo Investment Key Facts

II. Q2 2018 Highlights

III. Creating Destinations

IV. Market and Projects Update

V. Financials

VI. Appendix

# About Echo Investment

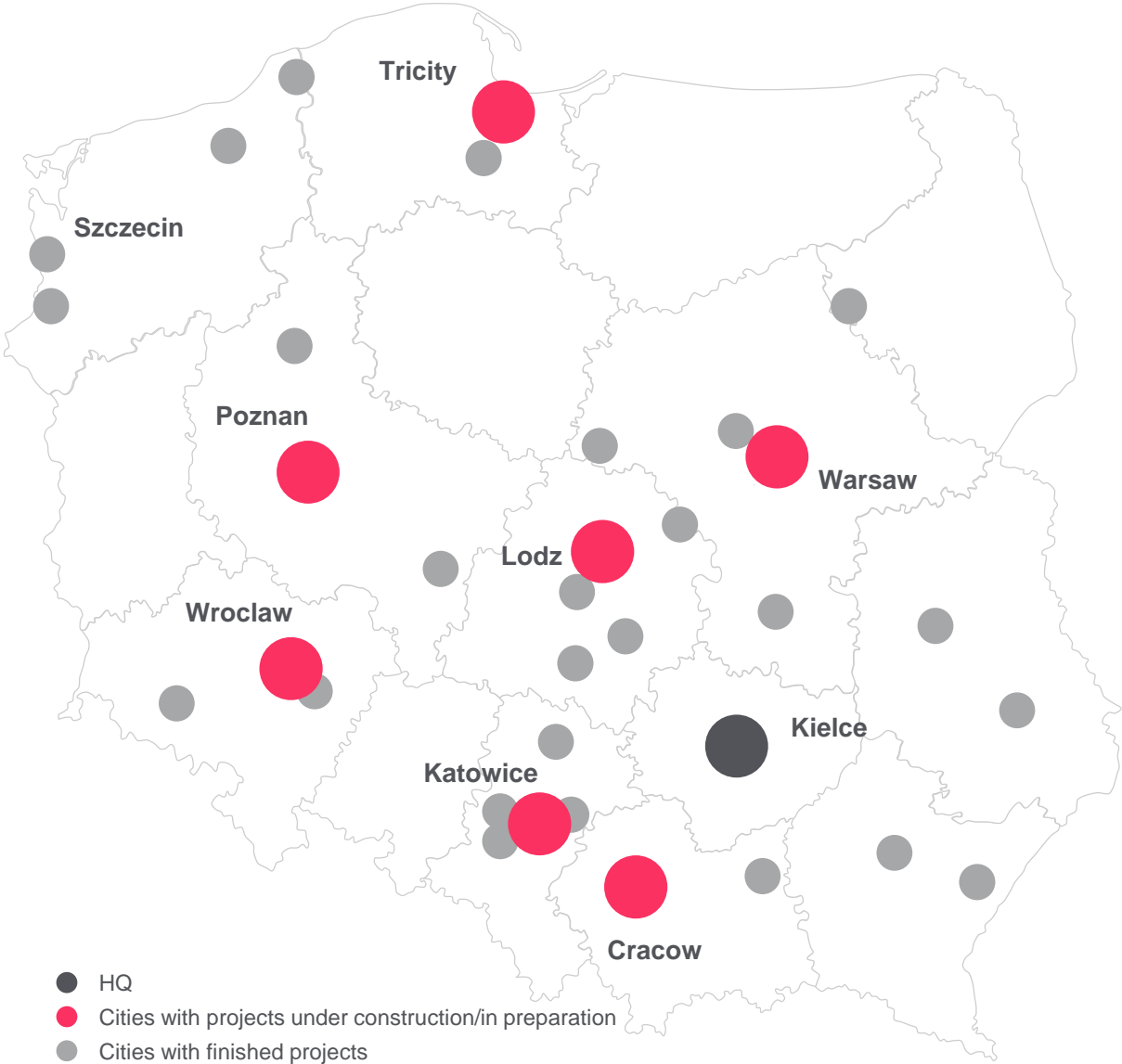
**22**  
years of experience

**149**  
completed projects

**1,490,000**  
sqm of finished projects

**80**  
projects under construction  
and in preparation

**1,100,000**  
sqm of projects under  
construction and in preparation



## The Management Board of Echo Investment S.A.

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**Nicklas Lindberg**

President of the Board,  
CEO



**Maciej Drozd**

Vice-President of the Board,  
CFO



**Piotr Gromniak**

Vice-President of the Board



**Artur Langner**

Vice-President of the Board



**Marcin Materny**

Member of the Board



**Rafał Mazurczak**

Member of the Board



**Waldemar Olbryk**

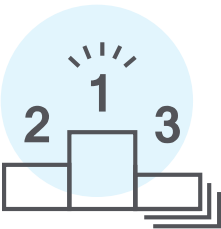
Member of the Board

# Strategy of Echo Investment Group



### Focus on Poland

- We buy land plots only in Poland's major cities
- Divestment of non-core assets substantially completed



### Leadership position

- Retention of leadership on office and retail markets
- A top 10 residential developer in Poland



### Achieving balance of risk & return

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



### Partnerships

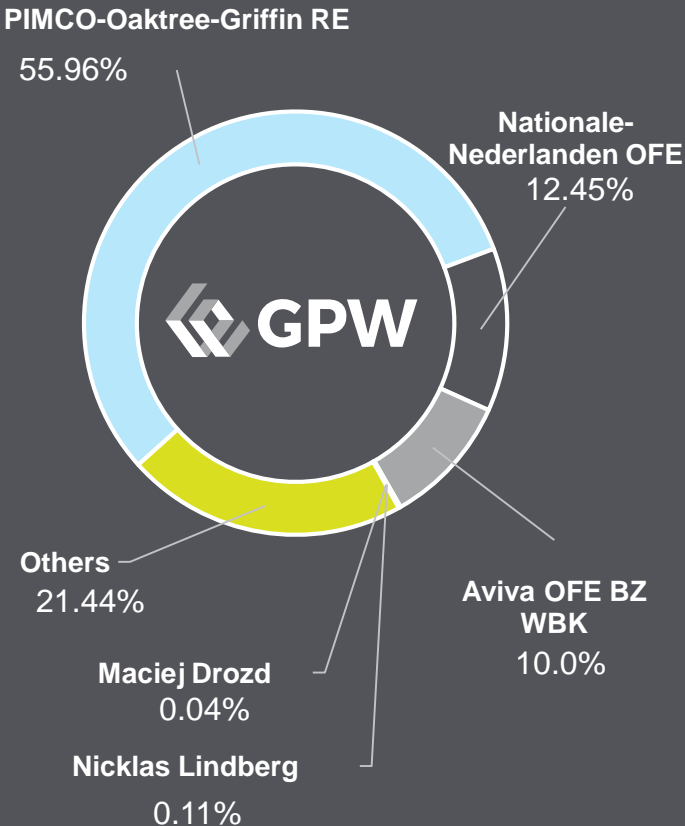
- Effective cooperation with reputable partners to deliver large-scale retail projects
- ROFO and JVs agreements
- Early sales to partners with a strong track record



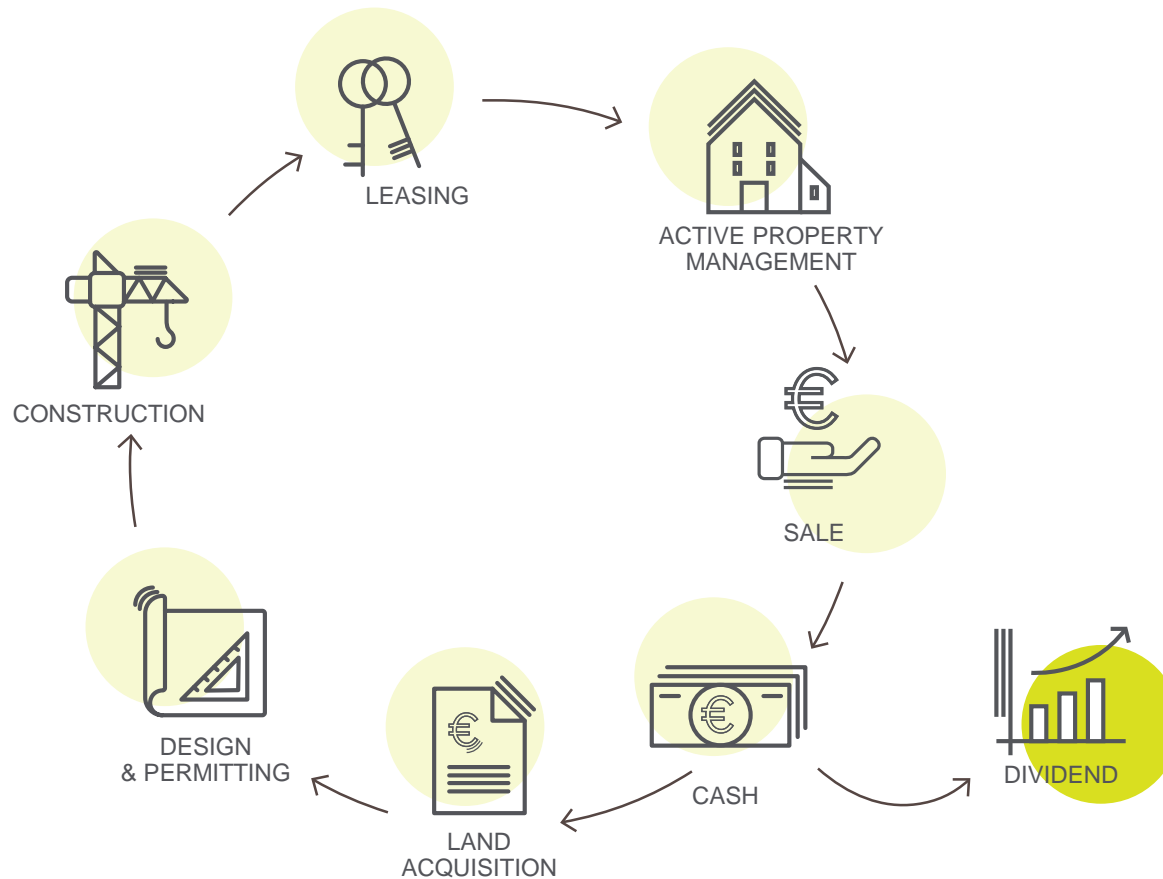
### Destination projects

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

## Shareholding structure



## Business model



- **Echo Investment** runs the entire investment process in-house, starting with acquisition of plot, through obtaining administrative permits, financing, oversight of construction, leasing, active management to increase value of property until sale of project. These steps are taken in most cases through the special purpose vehicles (SPV).
- The core business of Echo Investment Group falls into the following categories:
  - construction, lease, management and sale of office buildings,
  - construction, lease, management and sale of retail buildings,
  - construction of residential apartments for rent and for sale
  - provision of services (general contractor, managing contractor, leasing, consulting etc.)





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## Q2 2018 Highlights

# H1 2018 – main events

## Office



**Sale of West Link**  
for EUR 36 mln



**Start of construction**  
of Face2Face and Villa  
Offices (Brewery K)



**Further divestment**  
of Symetris II and  
Sagittarius

## Residential



**Sale of**  
**558 units**



**Hand over of**  
**174 units**

**R4R**

**Launch of**  
Resi4Rent platform

## Financing



**Bond prospectus**  
**approved**  
for PLN 400 mln



**Issue of PLN 190 mln bonds**  
for institutional and individual  
investors

**EPP**

**Sale of 35 mln shares in EPP**  
for approx. EUR 40 mln

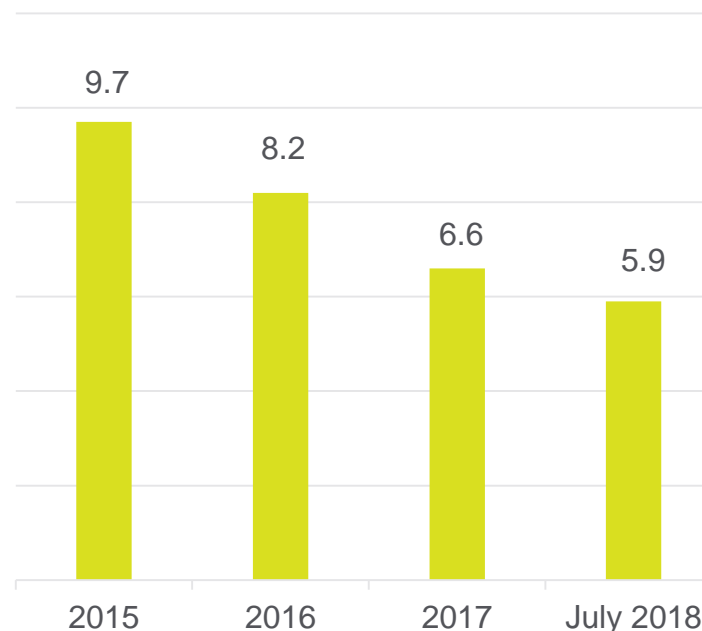
## Strong business performance under the Strategy of Profitable Growth

[PLN mln]	Q2 2018			Proforma results excluding EPP impact					
	Actuals	PAP consensus	Difference	Q2 2018	Q2 2017	Difference	H1 2018	H1 2017	Difference
Revenue	126	89	+42%	126	101	+25%	191	174	+10%
Operating profit	51	48	+6%	51	45	+13%	132	135	-2%
Profit before tax	108	55	+96%	96	40	+140%	162	106	+53%
Net profit	76	51	+49%	64	34	+88%	115	87	+32%

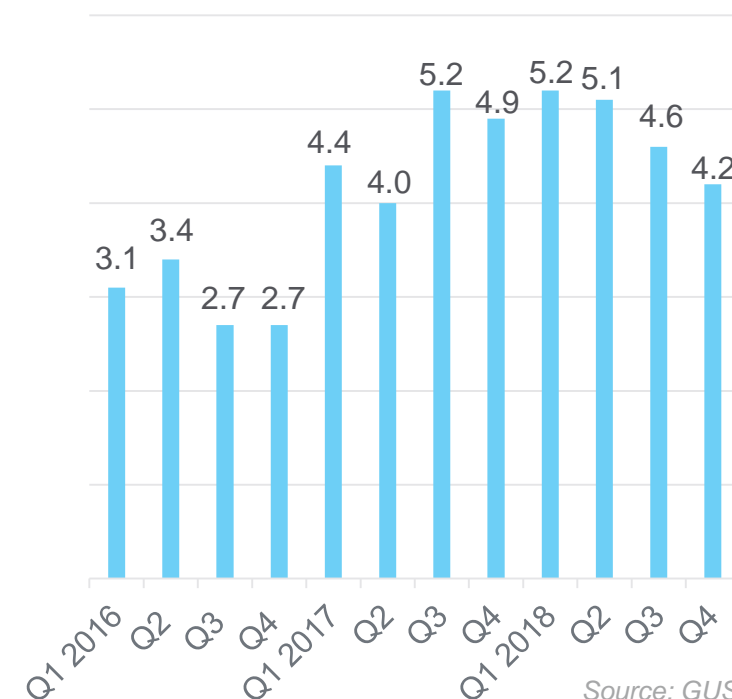
## Polish economy – strong growth, stable outlook

- Polish economy on a **growing trend**
- Growing private **consumption** + **4.9%** in Q2 2018
- **Low interest rates** with stable perspective
- **Stable inflation** estimated at 2.5% in 2018 (IMF)
- Salaries continue **to increase** + **7.5%** in June 2018 (yoy)

Registered unemployment in Poland (%)



Real GDP dynamics in Poland (% y/y)



Source: GUS



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# Creating destinations



Destinations | Warsaw Brewery

# The whole area under construction in 2018

Brewery Villa Offices  
(Brewery K)

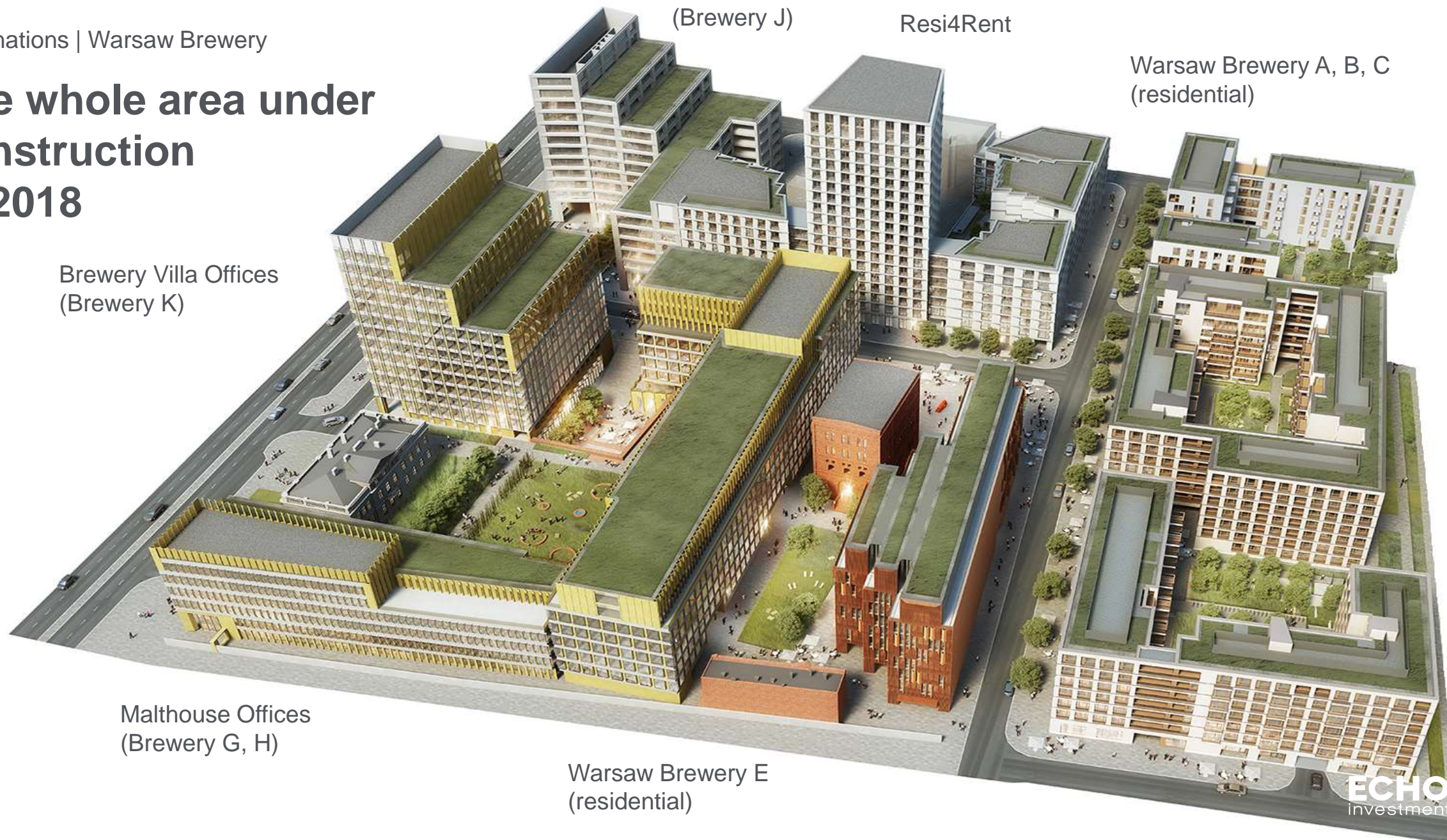
Gatehouse Offices  
(Brewery J)

Resi4Rent

Warsaw Brewery A, B, C  
(residential)

Malthouse Offices  
(Brewery G, H)

Warsaw Brewery E  
(residential)





## Excellent progress on Warsaw Brewery

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- A 16,200 sqm office building Brewery Villa Offices (Brewery K) started in July
- Preparation of another building Malthouse Offices (Brewery G, H) to be started in September
- Based on excellent leasing of Gatehouse Offices (Brewery J) we are confident with tenants interest for the new buildings
- Echo in advanced negotiations with potential investor for Gatehouse Offices, which is fully leased to L'Oreal, Epam and WeWork
- Residential buildings already 100% presold, first handovers planned in Q4 2018

## Historical cellars to create unique food and entertainment concept

- Restoration works on **historical cellars** started
- Close cooperation with the city monument conservator
- Advanced negotiations to **restore beer tradition** on the area
- All Warsaw Brewery buildings under construction **in 2018**
- Entire area including all functions and public squares to be **ready in 2020**





## Masterplan for Tymienieckiego project in Łódź

- Masterplan allowing Echo to create the **destination project** has been finally approved by the City Council in August
- **80,000 sqm** of residential, office and service space to be built
- New **city squares** and **bicycle paths** connected to the city network
- Masterplan is **flexible** in terms of future functions and **precise** in terms of historical buildings protections
- Construction of the first residential buildings to be started in 2019





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# Market and projects update

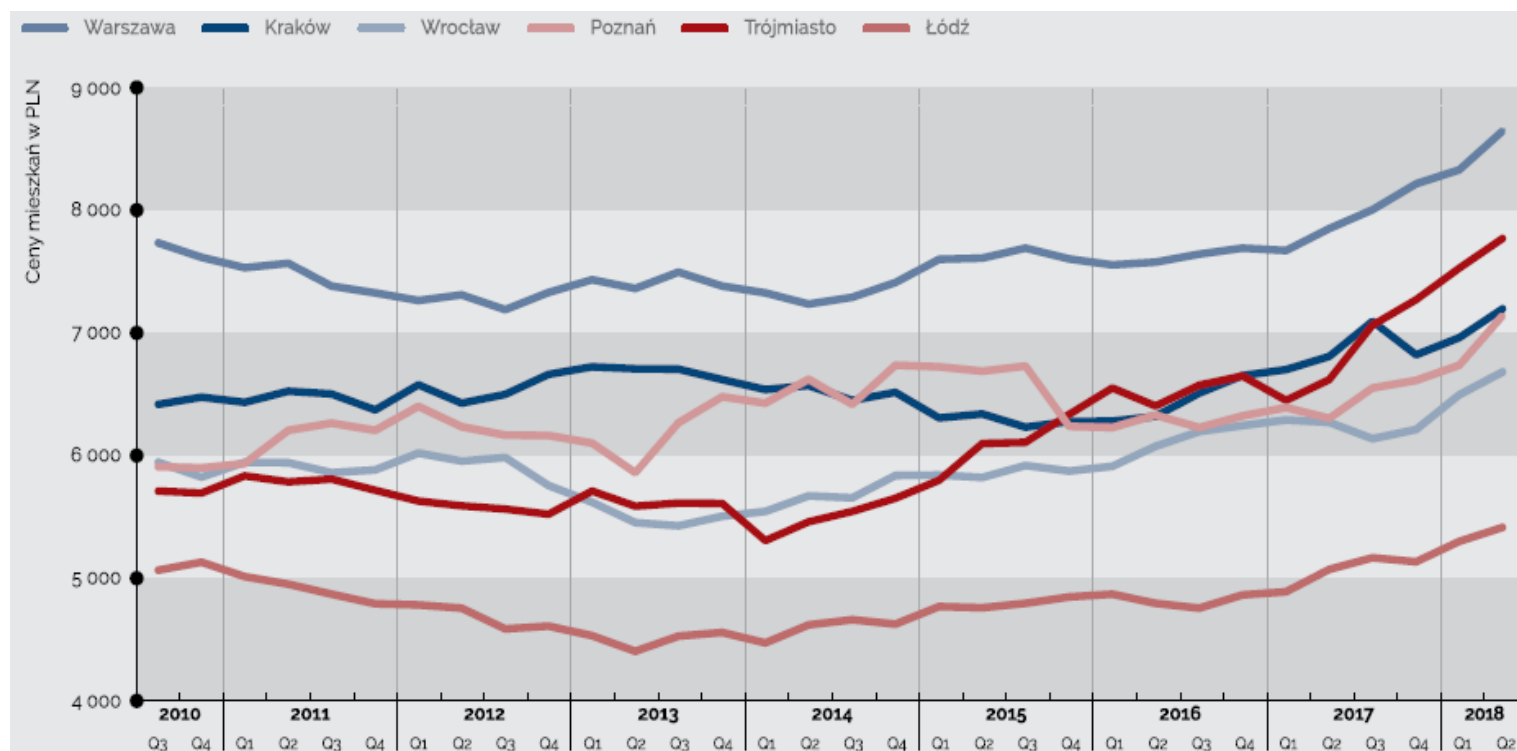
# Growing prices of apartments, high demand and limited offer



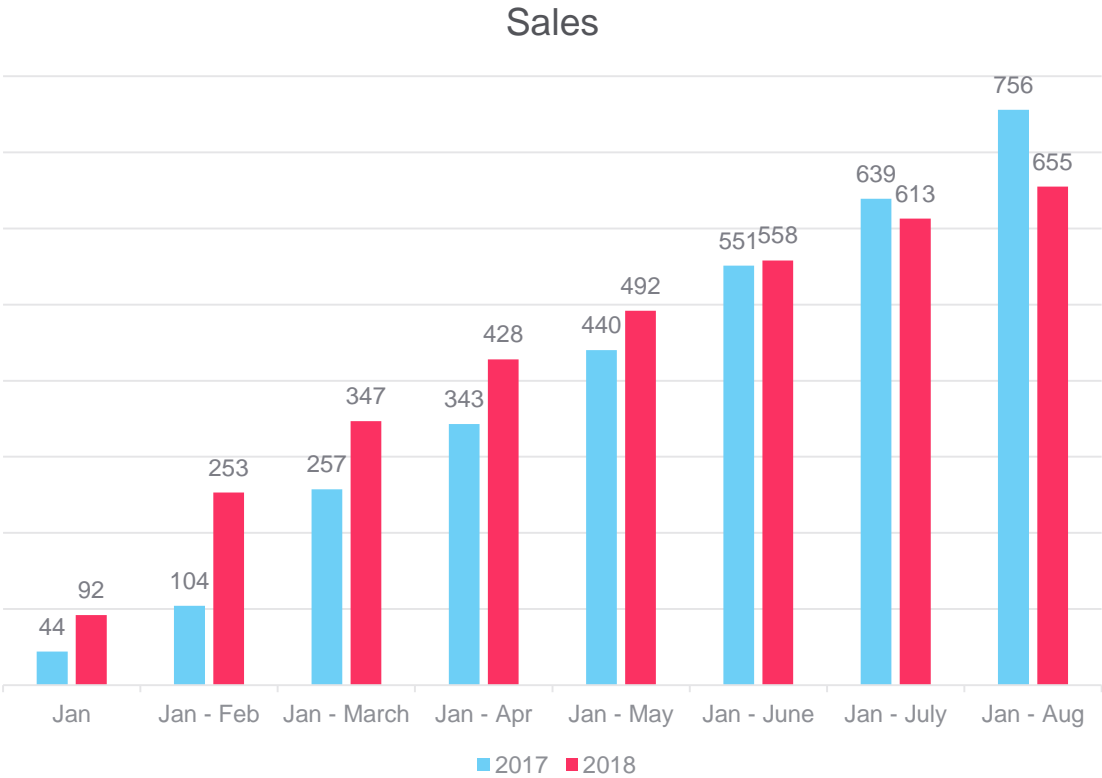
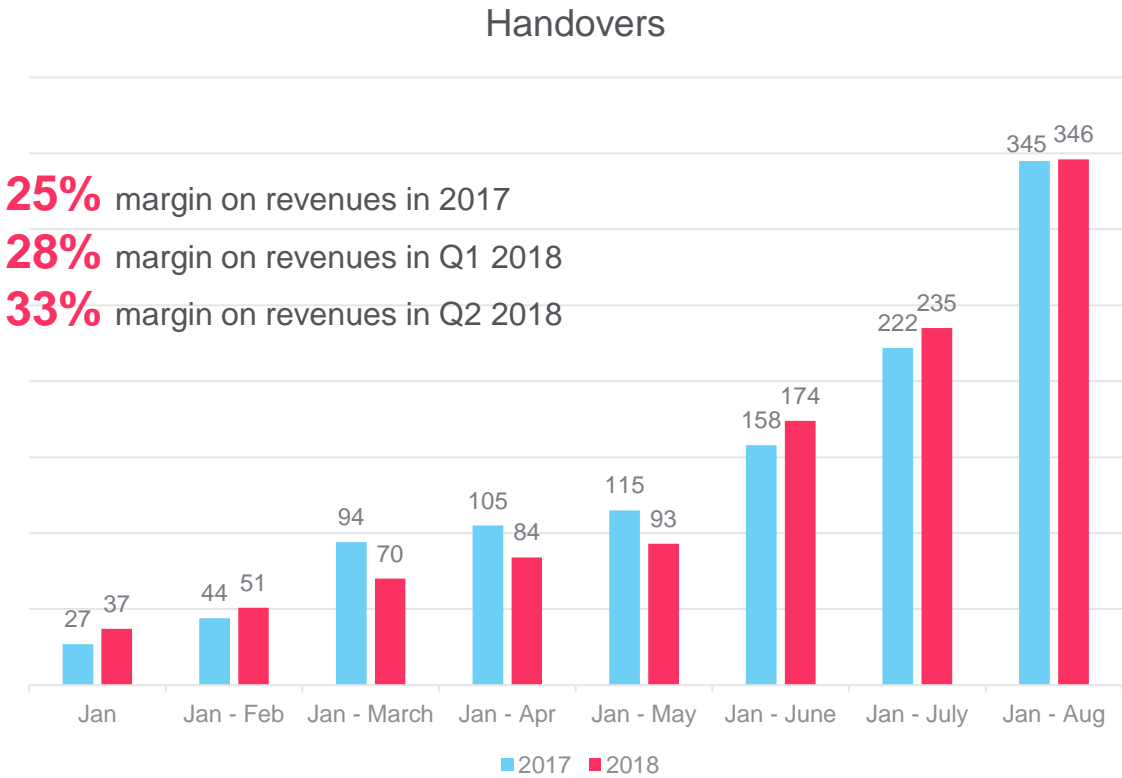
- Very **high demand for apartments** from clients on 6 major Polish markets
- **Average price grows** month by month: in Q2 new offer was **12%** more expensive than in Q1 2018
- **Developers limiting their offer:** 12% less apartments introduced to offer in Q2 2018 than in Q2 2017
- Total residential offer of new apartments **decreased by over 11%** compared to Q2 2017 and remains stable since the beginning of 2018
- Fast speed of sale and low number of ready apartments in offer

Source: REAS

Average price of apartments introduced to offer in each quarter  
(PLN/sqm including VAT, shell and core standard)



# Residential handovers in line with 2017 results and high margin



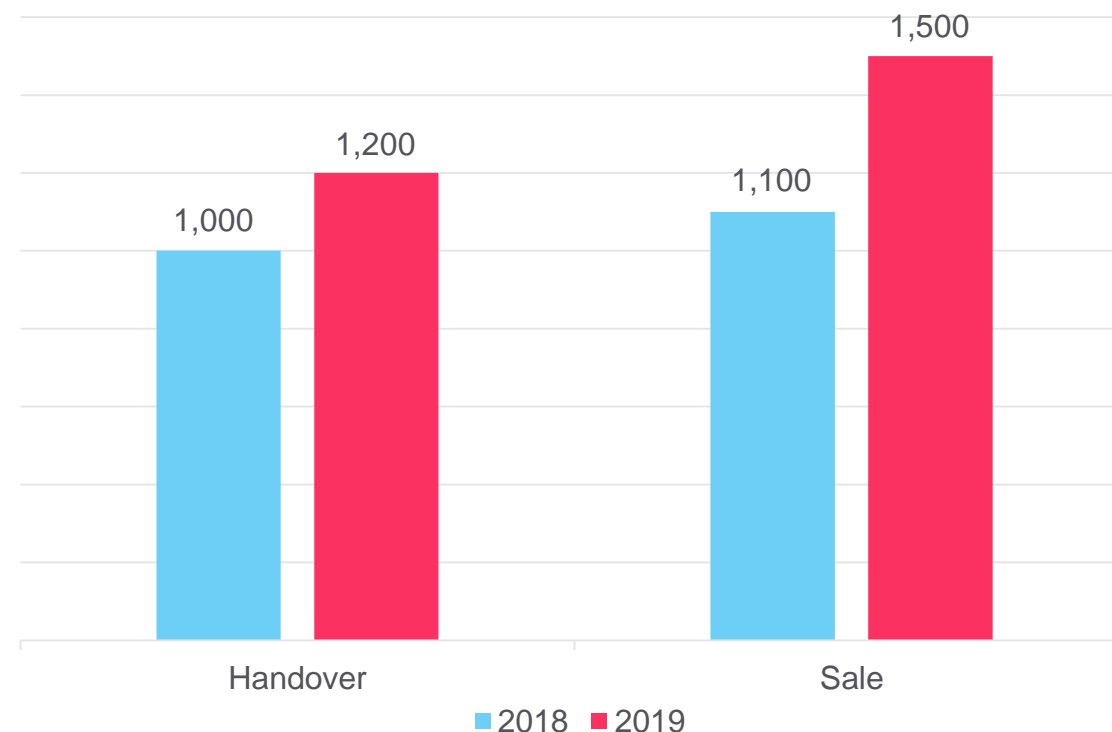


## Sales strategy

80% sold before completion  
and 6 months after completion fully sold out

- **3,300** units currently under construction – 2,100 units for sale and 1,200 for Resi4Rent platform
- **2,000** units started since beginning of the year
- Target of 80% of the apartments sold at completion and the remaining apartments within 6 months after completion
- **1,100 units** – annual sale target for 2018 to keep margins on high level (so far the target completed in 60%)
- Approximately **1,000 units** to be handed over in 2018 (so far the target completed in 35%)
- **2,000 units** – targeted stabilized sale level from 2020
- Starting construction of **750** apartments in H2 2018

### Targeted handovers and sale of apartments



## Resi4Rent platform growing quickly to hit the target of 5,000 apartments latest by 2023

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- **EU consent** to create Resi4Rent platform obtained
- Shareholders' agreement regulating corporate governance of Resi4Rent signed on 20 July
- Resi4Rent to be a JV with a reputable global fund manager with **30% of Echo's stake**
- Echo Investment will provide the platform with permitting, procurement and development **services**
- Landbank for 3,000 units already secured, target to grow the platform to c.a. 5,000 units
- Construction of **1,235 units** for the platform started
- Construction of another **1,700 units** to be started until the end of 2019
- Financing for the first phase of the project in place
- Resi4Rent is establishing its management and functions



## Launch of apartments sale and office leasing at Moje Miejsce

- **Destination** project with office and residential functions being created on Dolny Mokotów
- Great interest from residential buyers
- **The first leasing agreements** for office building about to be signed
- 50% of space in the first office building to be leased out by the end of 2018
- Start of the second office building scheduled for **Q1 2019**





# Office demand growing on all major markets in Poland

## WARSAW RENTS START TO GROW

- 173,000 sqm of new office space in H1 2018  
+ **35%** compared to H1 2017
- 425,000 sqm – total space leased in H1 2018  
+ **9%** compared to H1 2017
- 190,000 sqm – net absorption  
– much **higher than expected**
- 11% – **vacancy rate**, systematically falling since 2016
- High demand and lack of new buildings  
in central location cause **increase of rents**  
by c.a. 1 EUR/sqm/month
- Historically low – **sub 5% yields** observed in recent  
transactions

## FALLING VACANCY ON REGIONAL MARKET

- 256,000 sqm of new office space in H1 2018  
+ **36%** compared to H1 2017
- **Kraków and Wrocław are leaders** in terms of office  
space demand: respectively 77,000 and 58,000 sqm
- **9.3%** – average **vacancy rate**:  
slightly lower than at the end of 2017
- **+ 22%** – **expected growth** of employment in BPO/SSC  
sector until Q1 2020

Source: CBRE, JLL, ABSL





## Successful sale of West Link, Wrocław

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- Globalworth Poland acquired the project for EUR 35.8 mln
- 6.873% - transaction yield
- 14,200 sqm of modern office space
- The building was 100% leased to reputable companies such as Nokia and Hilti for c.a. 6 years
- Preliminary agreement signed in March 2017
- West Link was completed in April 2018 and sold in June 2018



## Continuation of successful office divestment



### Symetris Business Park II Łódź

9,700 sqm GLA

94% of space leased to Philips Polska  
and Office Bistro

EUR 21,4 mln - transaction price

7.5% - transaction yield

Sold in Q3 2018 to EPP



### Sagittarius Business House Wrocław

25,600 sqm GLA

90% leased to BNY Mellon and EY

EUR 74,5 mln - transaction price

6.175% - transaction yield

Sold in Q3 2018 to Warburg-HIH Invest



### Biura przy Bramie (Browary J) Warsaw

15,400 sqm GLA

100% of office space leased to L'Oreal,  
Epam and WeWork

Advanced negotiations

Q3 2018 – targeted preliminary agreement  
singing



### O3 Business Campus III Kraków

18,800 sqm GLA

30% of space leased, remaining space  
under advanced negotiations

Presold to EPP

Q4 – planned closing of the transaction

## Latest retail trends - creating destinations



- Food and entertainment growing from 5% historically to **15-20%** in new centres
- Meeting place **with attractions and center square** like Libero
- Warsaw remains the **most attractive retail market** in Poland, despite of rental being three times more expensive than in the other major cities
- New retail formats containing **more service and entertainment functions** displacing older 1st and 2nd generation schemes on the market
- Extensions and remodeling of older schemes to amount c.a. **20% of new retail space** in coming years
- **Lower volume of new space:** c.a. 480,000 sqm to be opened in 2018 while 10-years average amounts to 660,000 sqm
- **15 new retail chains** on the market in H1 2018, including Bebe, TEDI, Dealz
- Growing employment, salaries and consumption
- Further **decrease of average vacancy** rate to 3,2%
- 2% - current vacancy rate in Warsaw
- 3.6% - vacancy rate in Katowice area
- 500,000 sqm – retail space under construction

Source: CBRE, C&W, BNP Paribas RE





## Libero fully leased at rents above expectations

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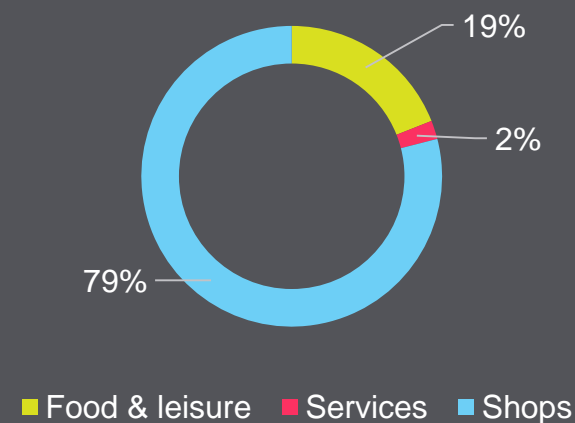
- Grand opening planned in October
- Over 95% of tenants took over their space – fit-out works in progress
- Successful leasing increased net operating income (NOI) from EUR 9 mln to EUR 9.5 mln
- Modern format with a focus on food & entertainment zone
- Creating a new shopping destination in that area of the city with a high spending power - Katowice is a market with one of the highest purchasing powers in Poland

## Galeria Młociny – 87% leased with unique tenant mix creating a new Warsaw retail destination



- Project leased in 87% half a year ahead of completion
- InterCars leased entire offices space
- Annual NOI increased to EUR 21.7 mln
- Fantastic food & entertainment zone on the top floor exceeding 6,000 sqm
- Construction progress ahead of plan
- Grand opening in Q1/Q2 2019
- Solid partnership with EPP

Retail tenant mix

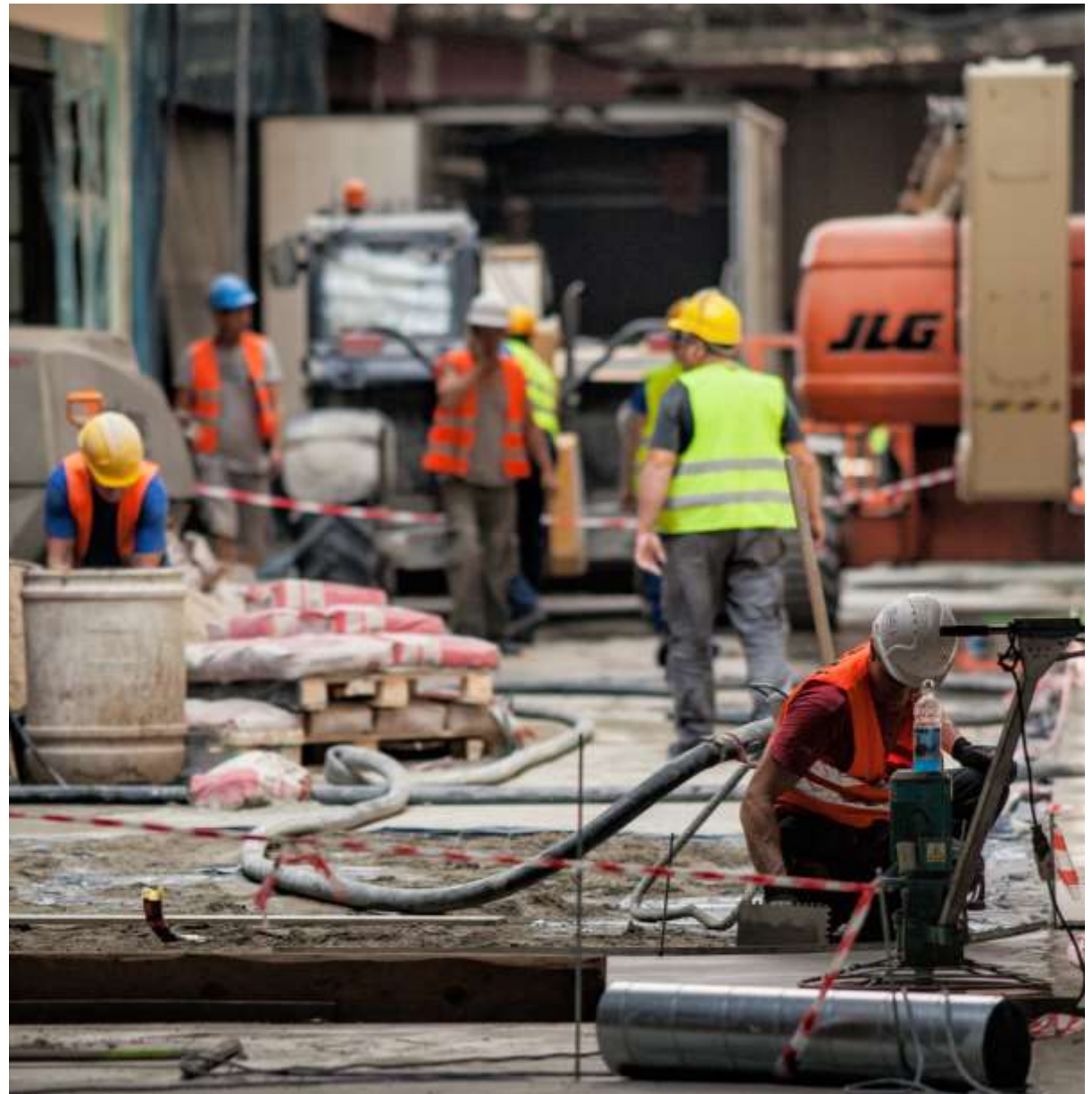




## Active management of construction costs

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- In-house competence to **manage risks** on construction sites
- Working on **standards, packages and industrialization** in procurement
- **Optimization** and standarization of projects
- Benefits of having **strengthened the construction function** in the Company over the last 2 years
- Strong **economies of scale**: being a general contractor we buy directly from suppliers
- **Packaging of orders** on all projects including residential to sped up construction start and manage costs



## Building the future – extending landbank

**PLN 53 mln**

value of plots acquired in 2018

**PLN 779**

average land price  
per 1 sqm of leasing/selling area

### Acquired & Secured Land Bank 112,000 sqm of office & residential space

**Kraków:**  
extension of our „destination” project  
by 25,000 sqm of office and residential area

**Katowice:**  
22,000 sqm of office space

**Poznań:**  
21,000 sqm of residential space

**Wrocław:**  
44,000 sqm of office and residential area

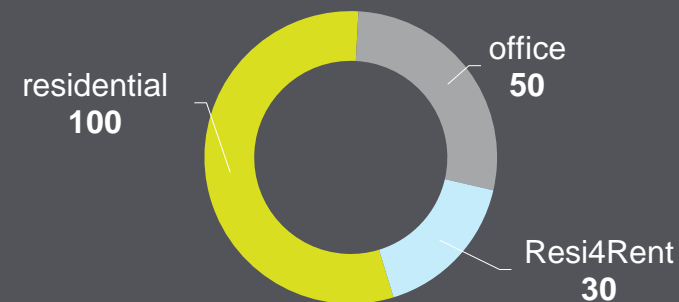
### Under negotiations

180,000 sqm of potential space  
on plots under advanced negotiations – vast  
majority for residential projects

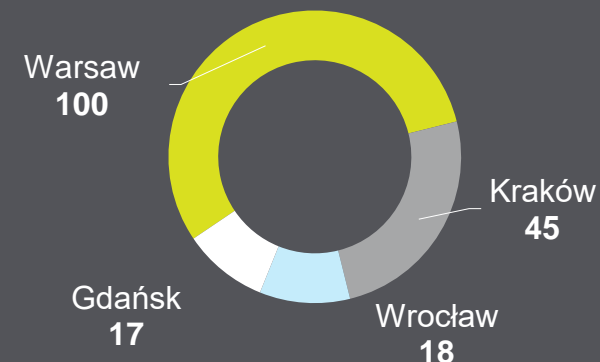
300,000 sqm of leasing / selling space –  
acquisition plan for 2018

### Plots under negotiations split of 180,000 sqm

Split by function [sqm thous.]



Split by location [sqm thous.]

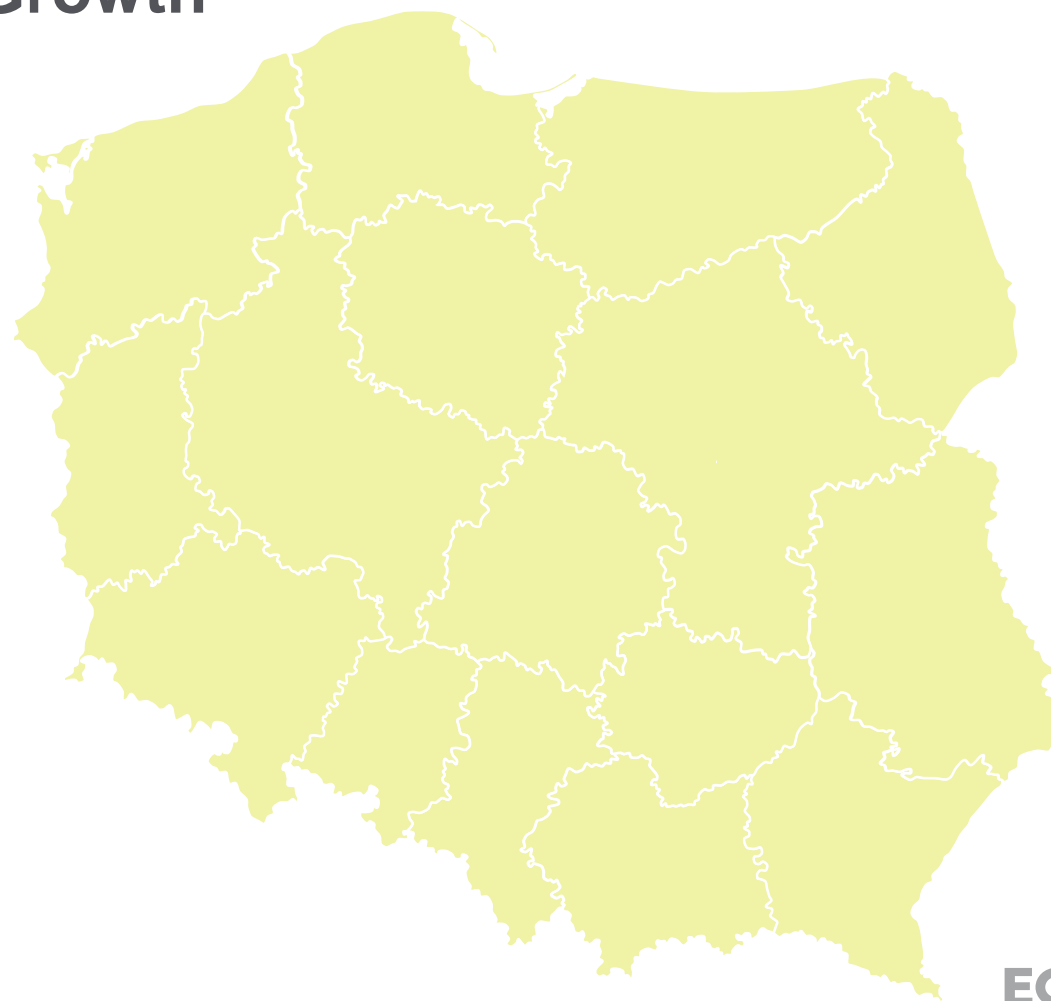


## Non-core asset divestment completed in line with the Strategy of Profitable Growth

# PLN 97 mln

total value of non-core plots sale transactions in 2018

- After sale of properties in Kiev (Ukraine), Brasov (Romania) and Budapest (Hungary) Echo Investment has no longer real estate assets abroad
- In 2018 the Company sold also properties in Szczecin, Słupsk, Lublin and Warsaw
- Poznań, Koszalin, Zabrze and Radom - plots for further divestment







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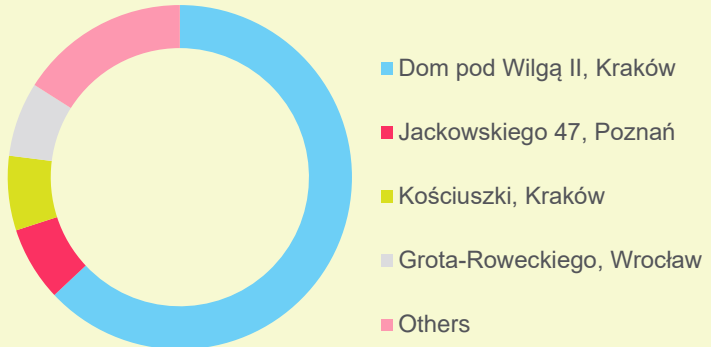
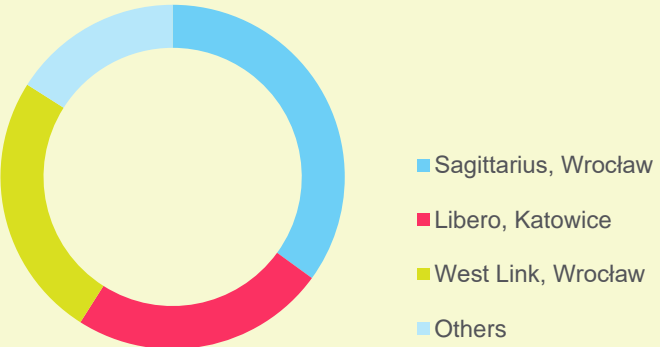
# Financials

## Growing development profit

PLN mln	Actual results				PAP consensus	Proforma results excluding EPP impact			
	Q2 2018	Q2 2017	H1 2018	H1 2017	Q2 2018	Q2 2018	Q2 2017	H1 2018	H1 2017
Revenue	126	101	191	174	89	126	101	191	174
Operating profit	51	45	132	135	48	51	45	132	135
Profit before tax	108	133	174	208	55	96	40	162	106
Net profit	76	127	127	189	51	64	34	115	87
Cash position	343	305							

Proforma results excluding EPP impact are calculated based on actual Echo Investment's results excluding accounting impact of valuation and sale of EPP shares, dividend paid by EPP to Echo Investment and share of EPP results allocated to Echo Investment.

## Main profit drivers in Q2 2018 and prospects for H2 2018

Q1 2018	Q2 2018	Q3-Q4 2018
<b>PLN 10 mln</b> Margin earned on handover of 70 residential units (mostly Poznań, Wrocław)	<b>PLN 33 mln</b> Margin earned on handover of 104 residential units  <ul style="list-style-type: none"> <li>Dom pod Wilgą II, Kraków</li> <li>Jackowskiego 47, Poznań</li> <li>Kościuszki, Kraków</li> <li>Grota-Roweckiego, Wrocław</li> <li>Others</li> </ul>	Margin earned on handover of c.a 800 residential units (mostly Poznań, Kraków, Warszawa,)
<b>PLN 99 mln</b> Fair value increase of commercial properties: <ul style="list-style-type: none"> <li>○ O3 Business Campus III, Kraków</li> <li>○ Brewery Villa Offices (Brewery K), Warsaw</li> <li>○ Libero, Katowice</li> <li>○ Sagittarius, Wrocław</li> <li>○ Others</li> </ul>	<b>PLN 88 mln</b> Fair value increase of commercial properties  <ul style="list-style-type: none"> <li>Sagittarius, Wrocław</li> <li>Libero, Katowice</li> <li>West Link, Wrocław</li> <li>Others</li> </ul>	Fair value increase of commercial properties: <ul style="list-style-type: none"> <li>○ Gatehouse Offices, Brewery Villa Offices, Malthouse Offices (Brewery J, K, G-H), Warsaw</li> <li>○ Libero, Katowice</li> <li>○ O3 Business Campus III, Kraków</li> <li>○ Moje Miejsce I, Warsaw</li> <li>○ Face2Face, Katowice</li> <li>○ Others</li> </ul>
	<b>PLN 12 mln</b> - dividend from EPP	Dividend from EPP
	<b>PLN 44 mln</b> - valuation of equity interest in Galeria Młociny JV	Valuation of equity interest in Galeria Młociny JV

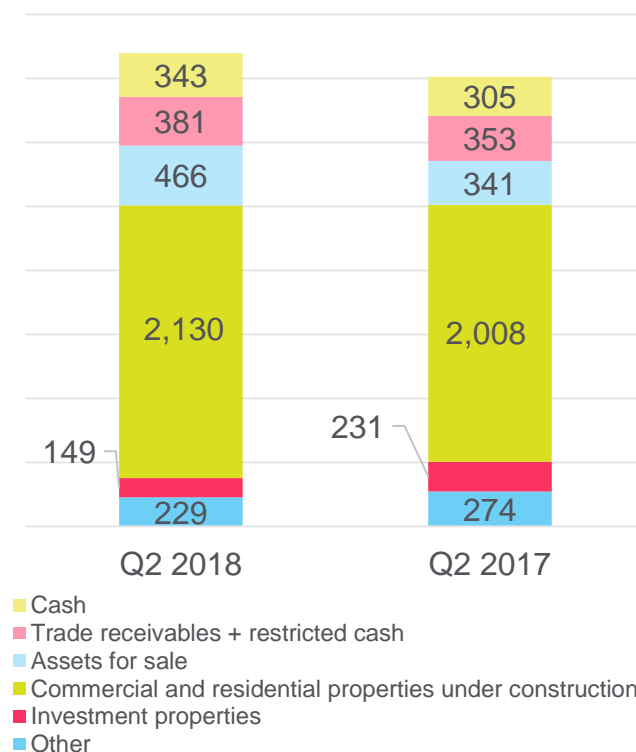
## Divestment of the EPP shares

- Echo sold **35 mln of the EPP shares** in June (c.a 4.5% of total number of shares) to several financial institutions
- The total value of transactions amounted to approximately **EUR 40 mln**
- Echo still owns 15 mln of shares (c.a. 1.9%) **valued at PLN 71 mln** as at 30 June, 2018
- The shares remain **financial asset for sale**

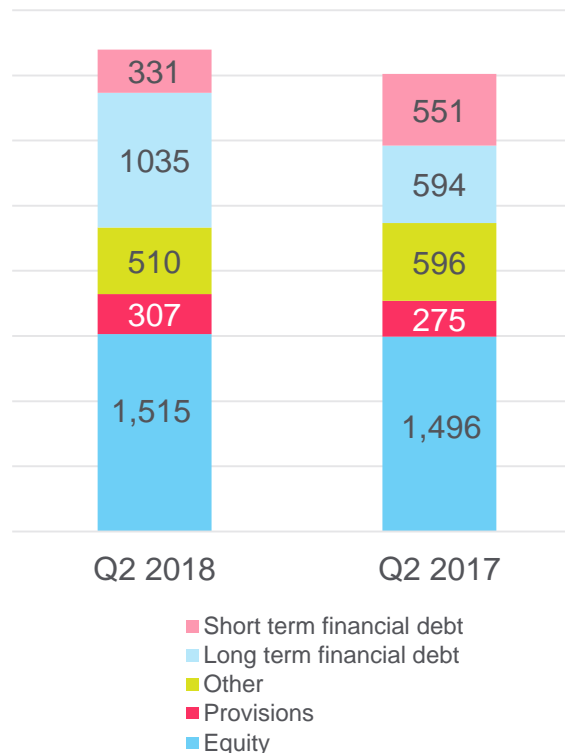


## Focus on development with a low debt level (PLN thousand)

Assets



Equity and liabilities



**PLN 3,698 bn**

total assets value as at 30.06.2018

**29% net debt ratio**

(net debt) / (total assets – cash)  
compared to 25% in Q2 2017

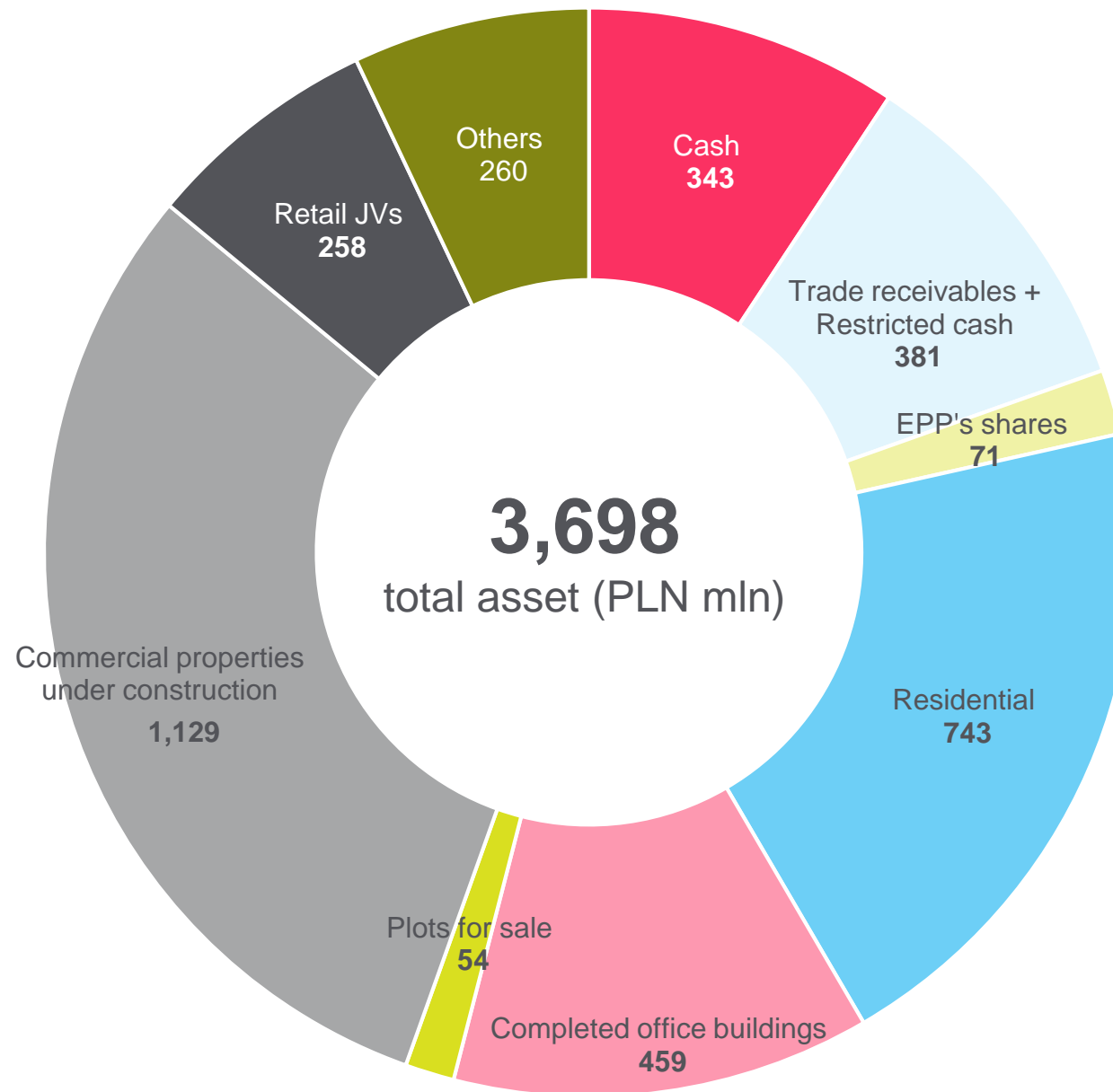
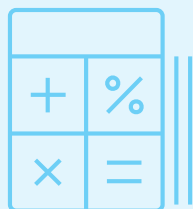
**PLN 343 mln**

cash  
(PLN 305 mln in Q2 2017)

## Assets' structure - focus on development and liquidity (PLN mln)

Compared to Q2 2017:

- **5%** increase of total assets
- **5%** increase of commercial properties under construction (incl. JVs)
- **13%** increase of cash position



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

Cash and maturity of bonds as at 30.06.2018 (PLN mln)



**Repayment of PLN 403 mln bonds** in H1, no more bond liabilities in 2018



**Bond prospectus** for PLN 400 mln approved, PLN 350 mln to be yet issued



**Issue of PLN 190 mln bonds** for individual and institutional investors in H1

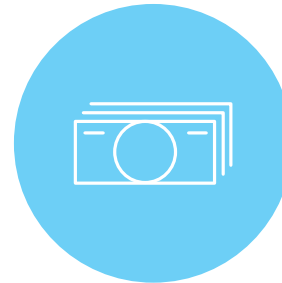
## Financials

# Dividend policy with attractive return to shareholders and safe growth for Echo



**PLN 0.50**  
per share

Amount of dividend  
already paid for 2017



**UP TO 70%**  
of annual profit

To be paid as dividend  
for 2018 and later



**OVER 30%**  
reinvested

In the Company's  
future growth

Dividend policy in respect of profits earned





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# Appendix

# Residential Projects Under Construction [1/2]

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>Dom pod Wilgą III</b> Kraków, ul. Spiska	4,600	63	100%	41.8	28.7	54.0%	II Q 2017	I Q 2019
<b>Apartamenty GO</b> Kraków, ul. Rakowicka	6,600	174	100%	60.4	40.6	94.7%	IV Q 2016	III Q 2018
<b>Rydla 32</b> Kraków, ul. Rydla	5,700	95	51%	48.4	36.5	31.2%	I Q 2018	III Q 2019
<b>Osiedle Jarzębinowe V</b> Łódź, ul. Okopowa	8,100	145	26%	42.8	34.0	32.9%	IV Q 2017	III Q 2019
<b>Nowa Dzielnicą</b> Łódź, ul. Wodna	5,300	87	20%	29.7	22.4	51.4%	III Q 2017	II Q 2019
<b>Osiedle Jaśminowe III</b> Poznań, ul. Sielawy	3,800	77	100%	21.4	15.8	86.6%	IV Q 2016	III Q 2018
<b>Park Sowińskiego IV</b> Poznań, ul. Sowińskiego	5,100	89	100%	38.1	26.3	81.8%	IV Q 2016	III Q 2018
<b>Osiedle Perspektywa I</b> Poznań, ul. Sielawy	8,200	169	96%	44.9	37.4	49.7%	IV Q 2016	IV Q 2018
<b>Osiedle Perspektywa II</b> Poznań, ul. Sielawy	4,600	94	89%	24.9	20.7	14.8%	IV Q 2017	III Q 2019

# 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>Osiedle Perspektywa III</b> Poznań, ul. Sielawy	5,600	105	81%	31.2	25.4	5.6%	IV Q 2017	III Q 2019
<b>Osiedle Jaśminowe IV</b> Poznań, ul. Sielawy	5,200	103	0%	30.8	23.0	11.8%	II Q 2018	II Q 2020
<b>Warsaw Brewery A</b> Warsaw, ul. Grzybowska	5,200	98	100%	55.4	39.9	88.6%	IV Q 2016	IV Q 2018
<b>Warsaw Brewery B</b> Warsaw, ul. Grzybowska	10,500	190	94%	122.0	78.0	45.7%	IV Q 2017	II Q 2019
<b>Warsaw Brewery C</b> Warsaw, ul. Grzybowska	6,900	114	73%	88.8	53.0	41.1%	IV Q 2017	II Q 2019
<b>Widoki Mokotów</b> Warsaw, ul. Puławska	4,800	87	33%	66.0	48.4	35.0%	IV Q 2017	I Q 2020
<b>Osiedle Reset I</b> Warszawa, ul. Taśmowa	7,300	164	54%	66.5	54.8	46.6%	IV Q 2017	IV Q 2019
<b>Zebra</b> Wrocław, ul. Zakładowa	11,300	233	89%	75.9	55.6	40.7%	III Q 2017	II Q 2019
<b>Total</b>	<b>108,800</b>	<b>2,087</b>		<b>889.0</b>	<b>640.5</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>Wita Stwosza I</b> Kraków, ul. Wita Stwosza	11,700	284	101.6	75.1	22.2%	I Q 2020	IV Q 2022
<b>Wita Stwosza II</b> Kraków, ul. Wita Stwosza	10,800	240	93.4	68.3	22.2%	I Q 2020	IV Q 2022
<b>Osiedle Jarzębinowe VI</b> Łódź, ul. Okopowa	3,300	52	19.9	15.5	11.4%	IV Q 2018	II Q 2020
<b>Garbary</b> Poznań, ul. Garbary	12,600	260	110.9	84.6	18.1%	I Q 2019	I Q 2021
<b>Szczepanowskiego I</b> Poznań, ul. Szczepanowskiego	7,500	142	53.4	40.8	37.5%	I Q 2019	I Q 2021
<b>Moje Miejsce</b> Warsaw, ul. Beethovena	13,400	251	127.3	96.5	22.5%	III Q 2018	IV Q 2020
<b>Warsaw Brewery E</b> Warsaw, ul. Grzybowska	6,100	82	101.8	68.0	17.8%	IV Q 2018	II Q 2020
<b>Osiedle Reset II</b> Warsaw, ul. Taśmowa	12,200	253	109.6	95.4	21.2%	III Q 2018	III Q 2020



## 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>Grota III</b> Wrocław, ul. Grota	2,600	53	15.0	13.0	9.0%	III Q 2018	II Q 2020
<b>Ogrody Graua</b> Wrocław, ul. Gdańska	4,100	59	40.5	32.1	19.3%	IV Q 2018	III Q 2020
<b>Total</b>	<b>84,300</b>	<b>1,676</b>	<b>773.4</b>	<b>589.4</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]	Expenditure incurred [%]	Start	Targeted completion
<b>Rychtalska</b> Wrocław, ul. Zakładowa	11,400	303	8	76	36%	IV Q 2017	III Q 2019
<b>Warsaw Brewery</b> Warsaw, ul. Grzybowska	19,000	451	17	186.9	25%	IV Q 2017	II Q 2020
<b>Nowa Dzielnica</b> Łódź, ul. Wodna	7,800	211	4.9	52.2	27%	IV Q 2017	IV Q 2019
<b>Kępa Mieszczańska</b> Wrocław, Kępa Mieszczańska	9,300	270	6.5	76	19%	II Q 2018	I Q 2020
<b>Total</b>	<b>47,500</b>	<b>1,235</b>	<b>36.3</b>	<b>391.1</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]	Expenditure incurred [%]	Start	Targeted completion
<b>Woronicza</b> Warsaw, ul. Woronicza	8,000	228	5.9	55.1	20%	IV Q 2018	III Q 2020
<b>Taśmowa</b> Warsaw, ul. Taśmowa	13,300	363	10.3	110.6	15%	IV Q 2018	IV Q 2020
<b>Szczepanowskiego</b> Poznań, ul. Szczepanowskiego	5,300	143	4	40.2	15%	II Q 2019	II Q 2021
<b>Wita Stwosza I</b> Kraków, ul. Wita Stwosza	7,100	198	5.1	50.8	15%	I Q 2020	IV Q 2021
<b>Wita Stwosza II</b> Kraków, ul. Wita Stwosza	7,000	190	5.1	50.5	15%	I Q 2020	IV Q 2021
<b>Total</b>	<b>40,700</b>	<b>1,122</b>	<b>30.3</b>	<b>307.2</b>			

# Office Buildings in Operation

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Completion	Recognized fair value gain [PLN mln]	Comments
<b>Symetris Business Park II</b> Łódź, ul. Piłsudskiego	9,700	94%	1.6	73.1	87%	IV Q 2017	12.8	sold to EPP in Q3 2018
<b>O3 Business Campus III</b> Kraków, ul. Opolska	18,800	27%	3.2	121.5	64%	I Q 2018	47.8	preliminary sales contract to EPP
<b>Sagittarius</b> Wrocław, ul. Sucha	25,600	83%	4.6	177.8	86%	II Q 2018	77.2	sold to Warburg HIH in Q3 2018
<b>Total</b>	<b>54,100</b>		<b>9.4</b>	<b>372.4</b>			<b>137.8</b>	



# Office Buildings Under Construction

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain [PLN mln]	Comments
<b>Gatehouse Offices (Brewery J)</b> Warsaw, ul. Grzybowska	15,400	94%	3.7	154.0	44%	II Q 2017	IV Q 2018	54,7	ROFO agreement with Globalworth Poland
<b>Moje Miejsce I</b> Warsaw, ul. Beethovena	18,700	9%	3.3	148.9	35%	III Q 2017	I Q 2019		ROFO agreement with Globalworth Poland
<b>Face 2 Face I</b> Katowice, ul. Grundmanna	20,400	0%	3.6	151.0	14%	II Q 2018	IV Q 2019		
<b>Total</b>	<b>54,500</b>		<b>10.6</b>	<b>453.9</b>					

# Office Buildings in Preparation [1/2]

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Comments
<b>Brewery Villa Offices (Brewery K)</b> Warsaw, ul. Grzybowska	16,200	3.6	155.9	20%	III Q 2018	I Q 2020	
<b>Malthouse Offices (Brewery G-H)</b> Warsaw, ul. Grzybowska	26,700	5.5	270.2	18%	III Q 2018	II Q 2020	
<b>Moje Miejsce II</b> Warszawa, ul. Beethovena	16,900	2.9	128.6	22%	I Q 2019	IV Q 2020	ROFO agreement with Globalworth Poland
<b>Piłsudskiego</b> Łódź, ul. Piłsudskiego	15,600	2.6	107.6	11%	IV Q 2018	II Q 2020	
<b>Solidarności</b> Gdańsk, ul. Nowomiejska	30,600	5.0	211.1	9%	I Q 2019	I Q 2021	
<b>Powstańców Śląskich</b> Wrocław, ul. Powstańców Śląskich	36,700	6.4	278.7	18%	I Q 2019	I Q 2021	
<b>Face 2 Face II</b> Katowice, ul. Grundmanna	26,800	4.6	196.7	13%	II Q 2019	IV Q 2020	

# Office Buildings in Preparation [2/2]

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Comments
<b>Wita Stwosza</b> Kraków, ul. Wita Stwosza	25,900	4.5	195.5	18%	II Q 2020	II Q 2022	
<b>West 4 Business Campus I</b> Wrocław, ul. Na Ostatnim Groszu	14,700	2.5	102.4	13%	IV Q 2018	II Q 2020	
<b>Total</b>	<b>210,100</b>	<b>37.6</b>	<b>1,646.7</b>	<b>210,100</b>			

# Retail Projects Under Construction

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Recognized fair value gain [PLN mln]	Comments
<b>Libero</b> Katowice, ul. Kościuszki	45,000	95%	9.5	354.6	53%	III Q 2016	IV Q 2018	147,9	ROFO agreement with EPP
<b>Galeria Młociny</b> Warsaw, ul. Zgrupowania AK "Kampinos"	84,300	78%	21.7	1,218.7	59%	IV Q 2016	II Q 2019	80,0*	Echo's joint-venture with EPP: 30%:70%
<b>Total</b>	<b>129,300</b>		<b>31.2</b>	<b>1,573.3</b>				<b>227,9</b>	

\*30% of the project value

# Retail Projects in Preparation

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Comments
<b>Towarowa 22</b> Warsaw, ul. Towarowa	105,000	34.0	1,720.3	25%	2020/2021	Echo's joint-venture with EPP: 30%:70%
<b>Total</b>	<b>105,000</b>	<b>34.0</b>	<b>1,720.30</b>			



## Appendix

# Early Stage Projects

Project / address	Plot area [sqm]	Potential of leasing /sales area [sqm]	Comments
Łódź, ul. Tymienieckiego	77,200	80,000	Plot for residential and office
Wrocław, ul. Na Ostatnim Groszu	32,300	65,000	Plot for office
Warsaw, ul. Ordon	24,900	49,300	Plot for residential
Warsaw, ul. Chłodna/Wronia	600	1,100	Plot for residential
Łódź, ul. Kilińskiego	9,500	35,000	Plot for office
Warsaw, Towarowa 22		45,000	Plot for residential, hotel and office
Katowice – Piotra Skargi	3,700	22,000	Plot for office
Poznań, ul. Sielawy, Naramowice	32,200	25,300	Plot for residential
Poznań, ul. Szczepanowskiego	6,100	8,200	Plot for residential
<b>Total</b>	<b>105,000</b>	<b>34.0</b>	

## Appendix

# Investment Properties [1/2]

Project / address	Plot area [sqm]	Comments
Poznań, Pamiątkowo	874,200	
Poznań, Naramowice	259,300	Preliminary sale agreement for a part of the plot
Występa k. Kielc	156,800	
Budapest pl. Bośniak	67,700	Property sold in 3Q 2018
Słupsk, ul. Krzywoustego	65,700	Property sold in 3Q 2018
Poznań, Hetmańska	65,300	
Koszalin, Krakusa i Wandy	39,300	
Katowice, Jankego	26,200	
Poznań, Sołacz	17,300	
Szczecin, Struga	11,000	Property sold in 3Q 2018

# Investment Properties [2/2]

Project / address	Plot area [sqm]	Comments
Łódź, Okopowa	9,800	
Zabrze, Miarki	8,100	
Warsaw, Nowy Mokotów	7,200	
Radom, Beliny	6,300	
Lublin, Nałkowskich	4,700	Property sold in 3Q 2018
Warsaw, Woronicza	5,100	Plot for the Student House dormitory
<b>Total</b>	<b>1,624,000</b>	



## Appendix

# Definitions

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### 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 leasing 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.



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