

# ECHO

investment

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*Everything  
begins  
with you*





# Q1 2018 RESULTS AND OUTLOOK

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Warsaw, 29 May 2018

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# Agenda

I. Highlights

II. Segment update

III. Resi4Rent – Echo's new business line

IV. Financials

V. Appendix

## Successful beginning of 2018

### Residential



**Sale of 348**  
apartments



**Hand over**  
of 70 apartments

**R4R**

**Launch of Resi4Rent**  
platform

### Commercial



**Start of Face2Face**  
in Katowice



**Browary Warszawskie J**  
fully leased and under  
negotiations to divest



**Closing of West Link**  
transaction

### Financing



**Bond prospectus**  
approved for  
PLN 400 mln



**Issue of PLN 140 mln bonds**  
for institutional investors



**Issue of PLN 50 mln bonds**  
for individual investors

## Highlights

# Stable business performance under the Strategy of Profitable Growth

PLN mln	Q1 2018	Q1 2017
Revenue	64	73
Operating profit	81	90
Profit before tax	66	76
Net profit	51	63
Total assets	3,989	3,316
Net debt / Total assets	29%	28%

### Change of accounting rules:

- PLN 29 mln of revenue
- PLN 2.8 mln of profit moved back to 2017.

### Higher margin on residential sales:

- 28% in Q1 2018
- 19% in Q1 2017

**Q1 2017 included share of profit in EPP** (PLN 9 mln), which we no longer consolidated, showing instead dividends received (EUR 2,9 mln in Q2 2018)

**Stable** net debt ratio



## Highlights

# Main profit drivers in Q1 2018 and prospects for Q2-Q4 2018

Q1 2018	Q2-Q4 2018
<b>PLN 10 mln</b> Margin earned on sale of 70 residential units	Margin earned on sale of c.a 930 residential units
<b>PLN 98.6 mln</b> Fair value increase of commercial properties under construction: <ul style="list-style-type: none"><li>○ O3 Business Campus III, Kraków</li><li>○ Browary Warszawskie J, Warsaw</li><li>○ Libero, Katowice</li><li>○ Sagittarius, Wrocław</li><li>○ Others</li></ul>	Fair value increase of commercial properties under construction: <ul style="list-style-type: none"><li>○ Browary Warszawskie J and K, Warsaw</li><li>○ Libero, Katowice</li><li>○ O3 Business Campus III, Kraków</li><li>○ Sagittarius, Wrocław</li><li>○ Moje Miejsce II, Warsaw</li><li>○ Face2Face, Katowice</li><li>○ Others</li></ul>
	Dividend from EPP - half a year dividend of <b>EUR 2,9 mln</b> received in Q2 2018
	Valuation of equity interest in JV's e.g. Galeria Młociny





II.



# Segment update



Segment update

## Excellent progress on Browary Warszawskie



- Topping out of first office building Browary Warszawskie J
- The building is already fully leased to L'Oreal, EPAM and other reputable tenant
- Echo started negotiations with potential investors to sell Browary Warszawskie J
- Residential buildings A, B and C already 100% presold
- All buildings under construction in 2018
- Entire area including all functions and public squares to be ready in 2020

## We completed 3 office buildings

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**Sagittarius Business House**  
Wrocław

24,900 sqm GLA

Q2 2018 – planned closing of the transaction



**West Link**  
Wrocław

14,200 sqm GLA

Sold in Q2 2018 to Globalworth Poland for EUR 36 mln



**O3 Business Campus III**  
Kraków

19,000 sqm GLA

Presold to EPP | Q3 – planned closing of the transaction



## Face2Face new office project in Katowice



### Very promising prospects for Katowice

- Construction of the first building (20,100 sqm GLA) already started
- Construction of the 2nd building (26,100 sqm GLA) will start upon successful leasing of first building
- Very good location close to main Silesia highways
- Face2Face will have extended social and leisure area responding to new trends and ways of working
- The projects targets BPO sector with Millennial generation employees

## Plan for Q2-Q4 2018



### Completion of 4 projects:

- **COMPLETED AND SOLD**  
West Link, Wrocław  
(14,200 sqm GLA)
- **COMPLETED AND PRESOLD**  
O3 Business Campus III, Kraków  
(19,000 sqm GLA)
- **COMPLETED AND PRESOLD**  
Sagittarius, Wrocław  
(24,900 sqm GLA)
- **UNDER NEGOTIATIONS**  
Browary Warszawskie J, Warsaw  
(15,100 sqm GLA)

### Start of 6 projects:

- Face2Face, Katowice  
(20,100 sqm GLA)
- Browary Warszawskie K, Warsaw  
(15,100 sqm GLA)
- Browary Warszawskie G-H, Warsaw  
(23,100 sqm GLA)
- Moje Miejsce II, Warsaw  
(17,400 sqm GLA)
- Piłsudskiego, Łódź  
(14,100 sqm GLA)
- Solidarności I, Gdańsk  
(13,900 sqm GLA)



## Excellent results of Libero leasing



- Robust lease results (95% leased)
- Installation work in progress
- The grand opening in Q3 2018
- Successful leasing increased net operating income (NOI) from EUR 9 mln to EUR 9.3 mln
- Marketing to potential investors with good interest
- Modern format with a focus on food & entertainment zone



## Galeria Młociny - a retail destination with a big focus of food and entertainment

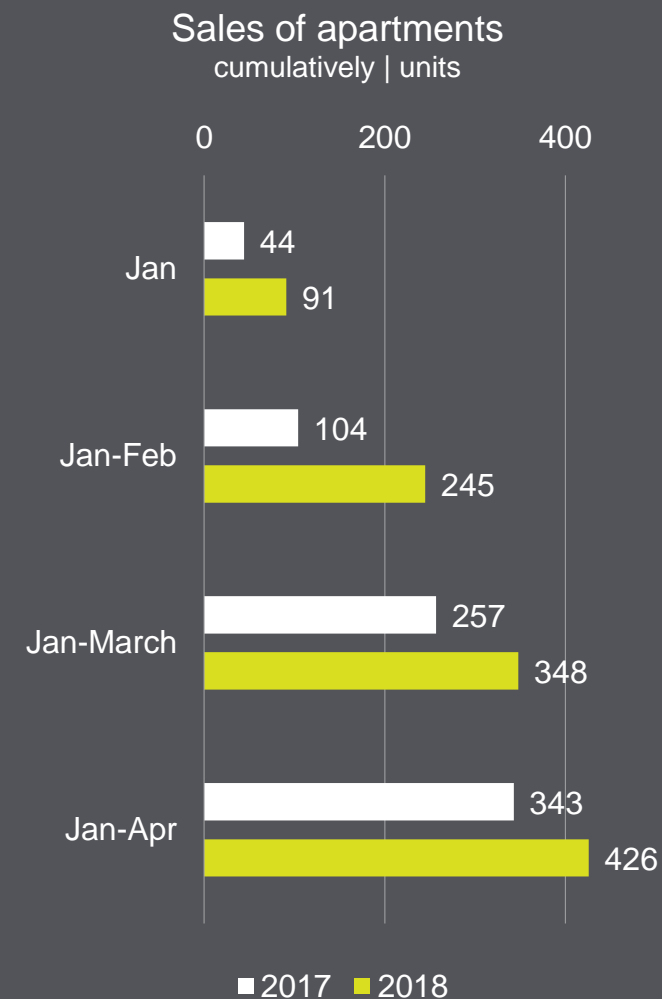


- Fantastic food and entertainment zone on the top floor exceeding 6,000 sqm
- Retail and office project with a leasable area of 82,000 sqm (75% leased)
- Offices space in the building under advanced negotiations
- Construction and leasing progress ahead of plan
- Excellent location - the Park&Ride hub in the north of Warsaw
- Grand opening in Q1/Q2 2019
- Solid partnership of Echo Investment and EPP

## Residential achievements



- 35% in increase of dynamics in sale of apartments, continuing in April
- 70 units handed over in Q1 2018
- Start of Rydla 32 in Kraków (95 units)
- Completion of Dom pod Wilgą II in Kraków (131 units)
- Higher margin on residential sales:
  - 28% in Q1 2018
  - 19% in Q1 2017



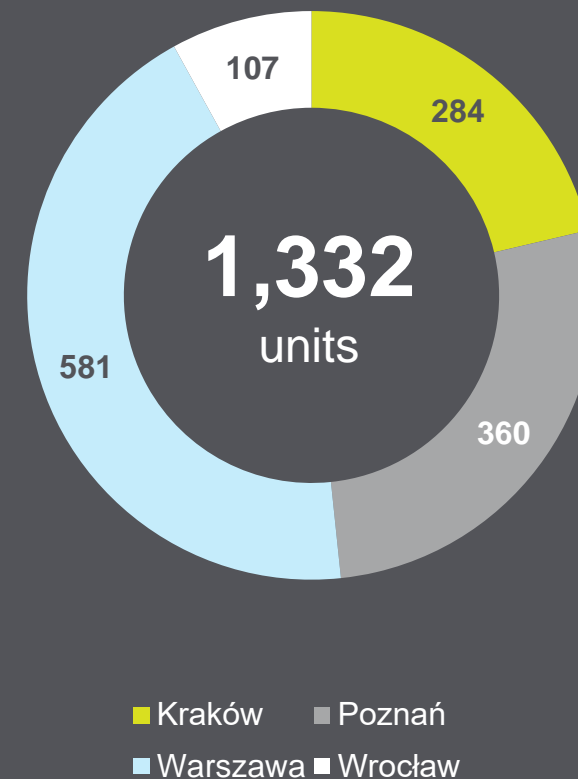


## Residential plan for the entire 2018

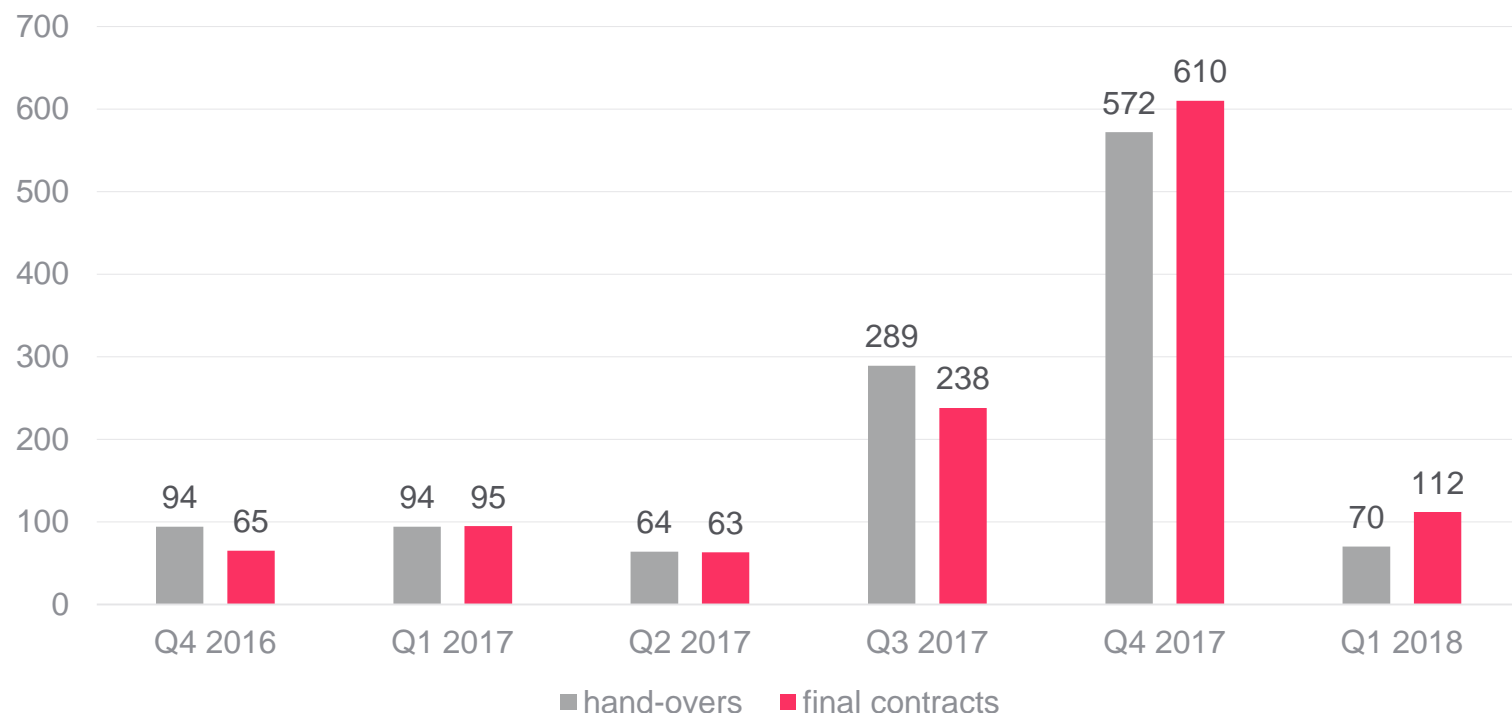


- Start of another 8 projects with over 1,300 units
- Sale target of 1,300-1,400 units
- Hand over of 1,000 units
- Increased focus on keeping margins due to increased construction cost leads to lower sales pace in projects.
- Targeted of 80% of the apartments sold at completion and the remaining apartments within 6 months after completion
- Smart-solutions - developing our competitive advantages with Somfy and other technology partners to build smart homes

Number of apartments  
to be started until 2018 YE



## Change of accounting principles to recognise sale upon handover and full payments by client



- We decided to change our accounting principles to be consistent with the prevailing market practice
- Recognition of revenue and profit conditions:
  - Previously: notarial transfer of ownership
  - Now: signature of the hand over protocol and payment of 100% of sales price by a client
- Negative impact on Q1 2018 result of PLN 2.8 mln net profit and PLN 29 mln of revenue moved back to 2017

## Building the future – extending landbank

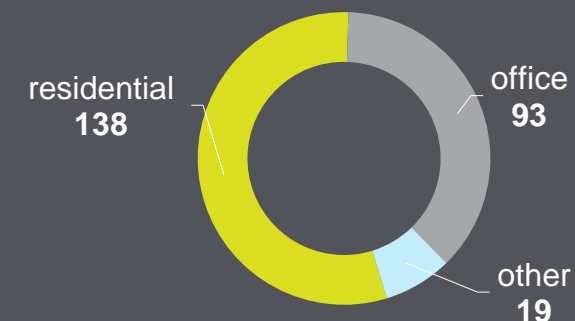
### Done in 2018

- **PLN 33 mln**  
value of plots acquired
- **PLN 742**  
land price per sqm of leasing/selling area
- **Kraków:**  
extension of our 'destination' project by  
22,500 sqm of office and residential area
- **Katowice:**  
22,000 sqm of office space

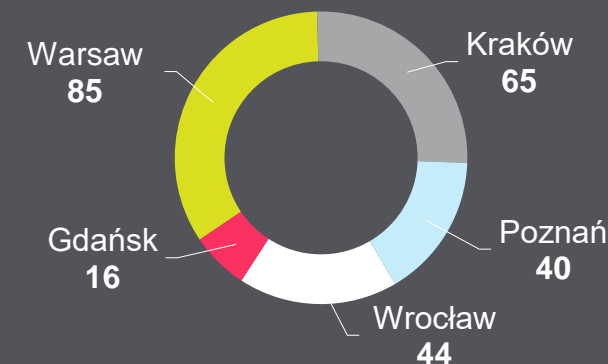
### Secured and under negotiations

- Prepared to buy land for around  
400,000 sqm of leasing / selling  
space subject to pricing and  
availability
- 250,000 sqm of potential space on  
plots which are secured or under  
advanced negotiations
- We are constantly monitoring  
the prices of land to make sure that  
future projects will deliver the  
expected return

Split by function [sqm thous.]



Split by location [sqm thous.]





III.



# **Resi4Rent**

– Echo's new business line

# Polish rental apartment market under-supplied and fast growing

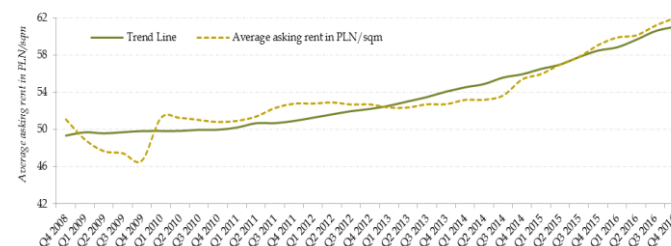
## FUNDAMENTALLY STRONG DEMAND FOR APARTMENTS

- Overcrowded households: 1.1 room per person while 1.8 average in Europe (OECD)
- Old stock: only 11% is modern

## RENTAL MARKET CHARACTERISTIC

- 1/3 of rental stock, which is 5% of all households, is occupied by tenants on market terms (Eurostat)
- Ca. 30% of new apartments bought in 2017 to be rented (Reas)
- Almost entire rental stock belongs to private individuals

## AVERAGE GROSS ASKING RENT IN BUILDINGS BUILT SINCE 2005 (PLN/SQM)



Source: Eurostat

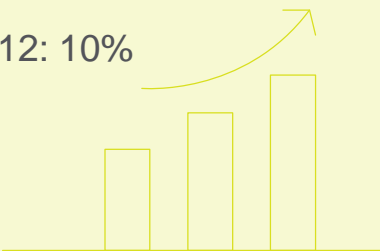


# Poland to catch up with global trends

## Increased mobility observed in Poland

Share of population changing the residence

- 2002 - 2007: 4%
- 2007 - 2012: 10%



Source: Eurostat

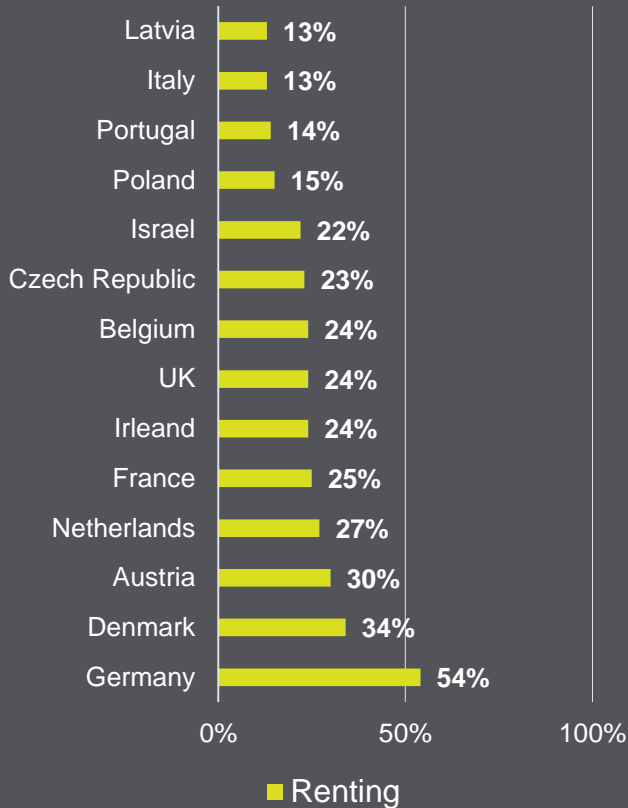
## Established market dominated by private individuals

Number of rental apartments in major Polish cities

- **Warsaw**  
90,000-110,000
- **Kraków**  
35,000-40,000
- **Łódź**  
35,000
- **Wrocław**  
30,000

Source: REAS estimation

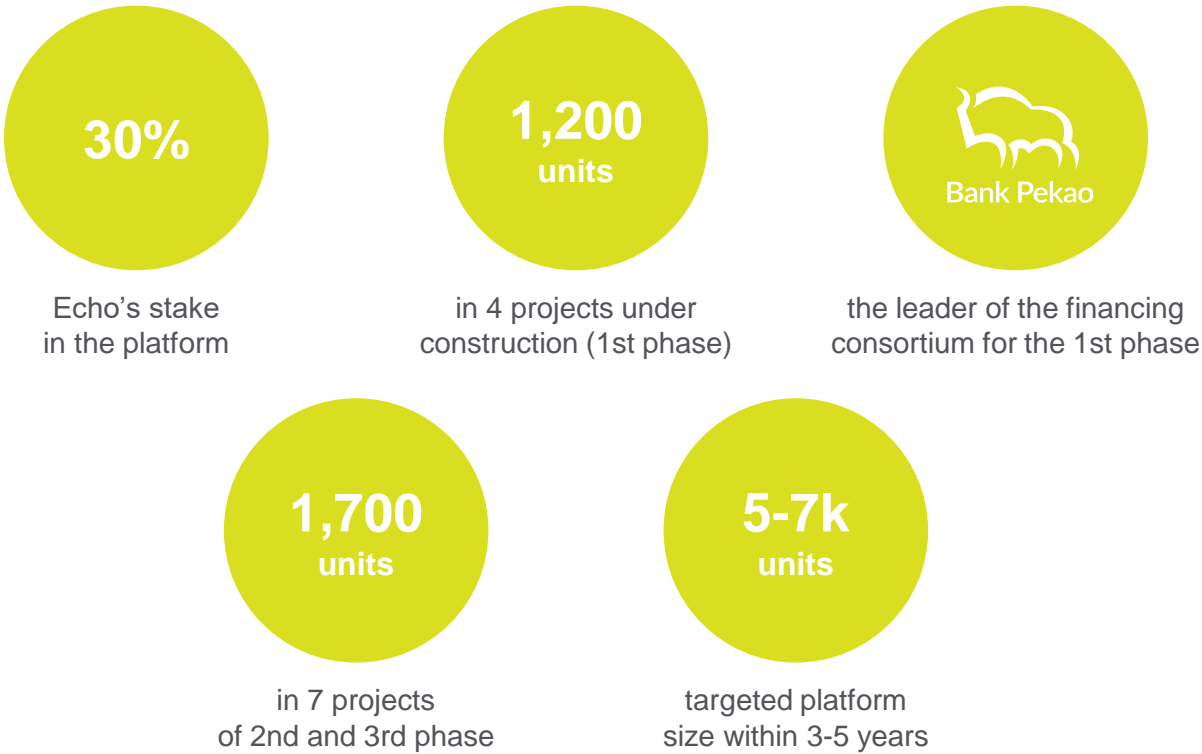
## Percentage of inhabitants living in rented apartments



Source: Deloitte

Echo's new business line

# Resi4Rent: the largest apartment rental platform in Poland





## Resi4Rent – the new business for Poland

- Young people rather prefer to rent than to buy – matter of flexibility and financial ability
- R4R is able to lease to companies entering the market for their employees
- Fully fitted apartments also available
- Dry cleaning, cinema room, coffee place and other services in the neighbourhood
- Long term security of institutional landlord
- At least 1-year contracts (no short-term clients)
- Promoting modern, urban lifestyle

### Targeting young professionals

- smaller apartments,
- popular segment,
- central locations,
- lower parking places ratio
- fully equipped - optional



## Rental platform: expected Echo's benefits

- Business less cyclical than residential for sale
- Increase of the size of Echo's residential business
- Complementary function to residential for sale that gives better usage of our mixed use destination plots
- Echo to provide development services for 6% development fee
- Targeted returns at single project level similar to commercial projects i.e. IRR of approx 20% .
- Expected yields on Polish market similar to yield levels observed in office sector
- Echo will consider its strategic options when the platform achieves its suitable size



## Prime yields on rental apartments in Europe (major cities)

- 1.50 - 3.25 % – Sweden
- 2.80 - 3.80 % – Germany
- 2.90 - 3.50 % – Austria
- 3.00 - 4.50 % – France
- 4.00 - 5.00 % – Netherlands
- 5.30 - 5.80 % – Czech Rep.
- 6.15 – 7.44 % – Poland

Source: Catella



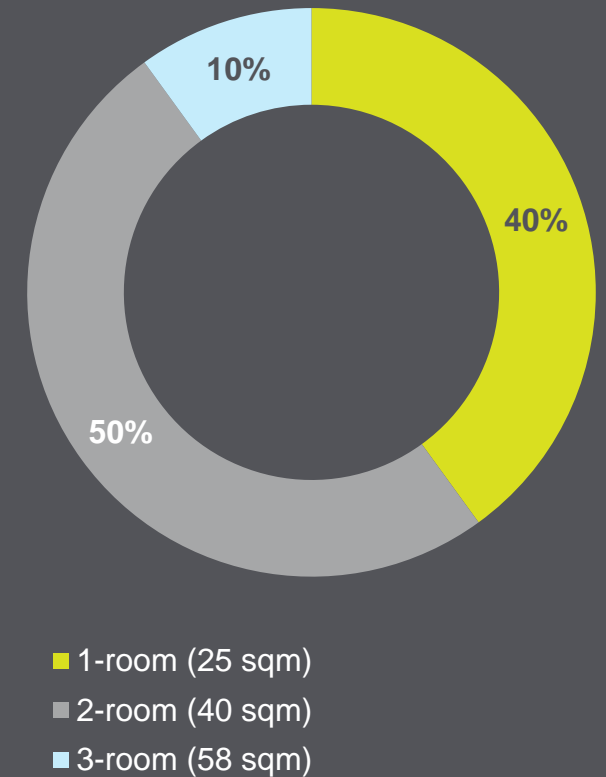
Echo's new business line

## Operational principles

- JV with an entity controlled by strong and reliable equity partner - one of the world's premier investment managers
- Echo Investment will provide development services to R4R: planning, designing, tendering and construction supervisory
- R4R will lead the operational management in-house
- The platform has already secured over 2,900 units
- Within 3-5 years R4R aims to operate 5,000-7,000 units offering its clients multiple choice of locations and cities
- That size is suitable for international long-term investors
- The final agreement is subject to antimonopoly consent

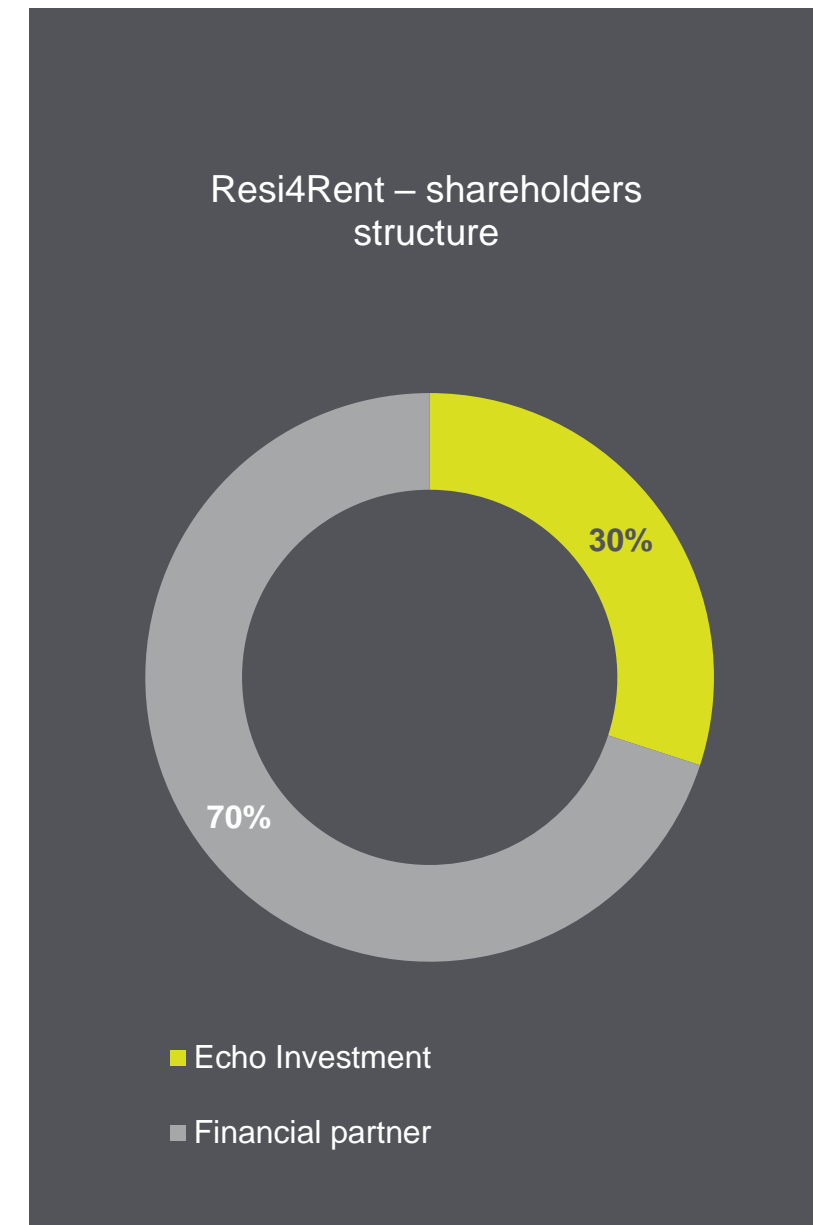


Targeted apartment split



## How will it work?

- Separately run company
- Platform to manage separate buildings fully used for long term rental
- Echo can provide Resi4Rent with attractive plots, complementary to Echo destination projects. Rental function will increase the efficiency of the plot and also attractiveness of the area
- In-house team to manage rental agreements, marketing etc.
- Stable leases for 1 year or more
- Targeting both individuals and also companies in the neighbouring area, that need to attract talent from Poland and abroad



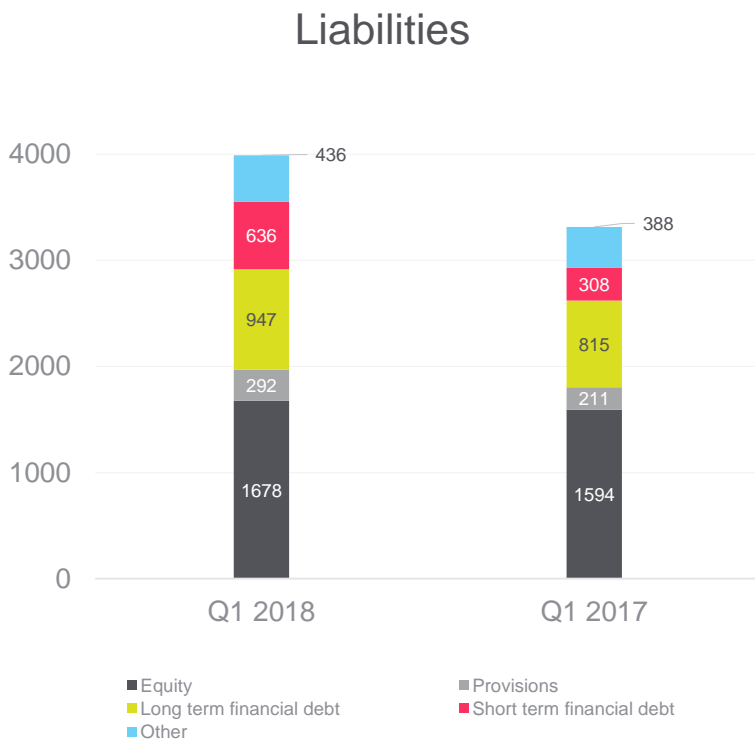
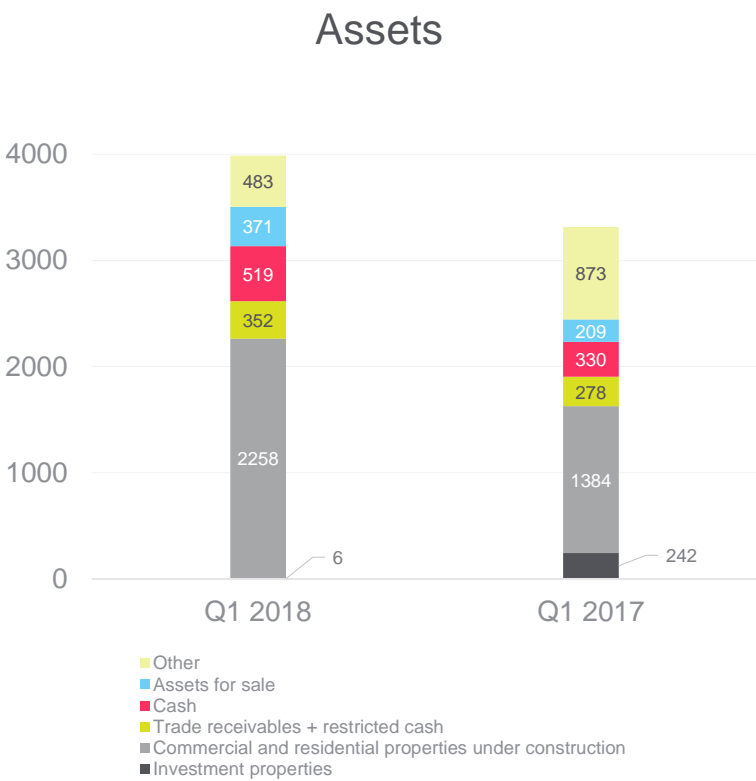


IV.



# Financials

# Focus on development (PLN mln)



29%

(net debt – cash) / (total assets – cash)  
(28% in Q1 2017)

PLN 519 mln

cash  
(PLN 330 mln in Q1 2017)

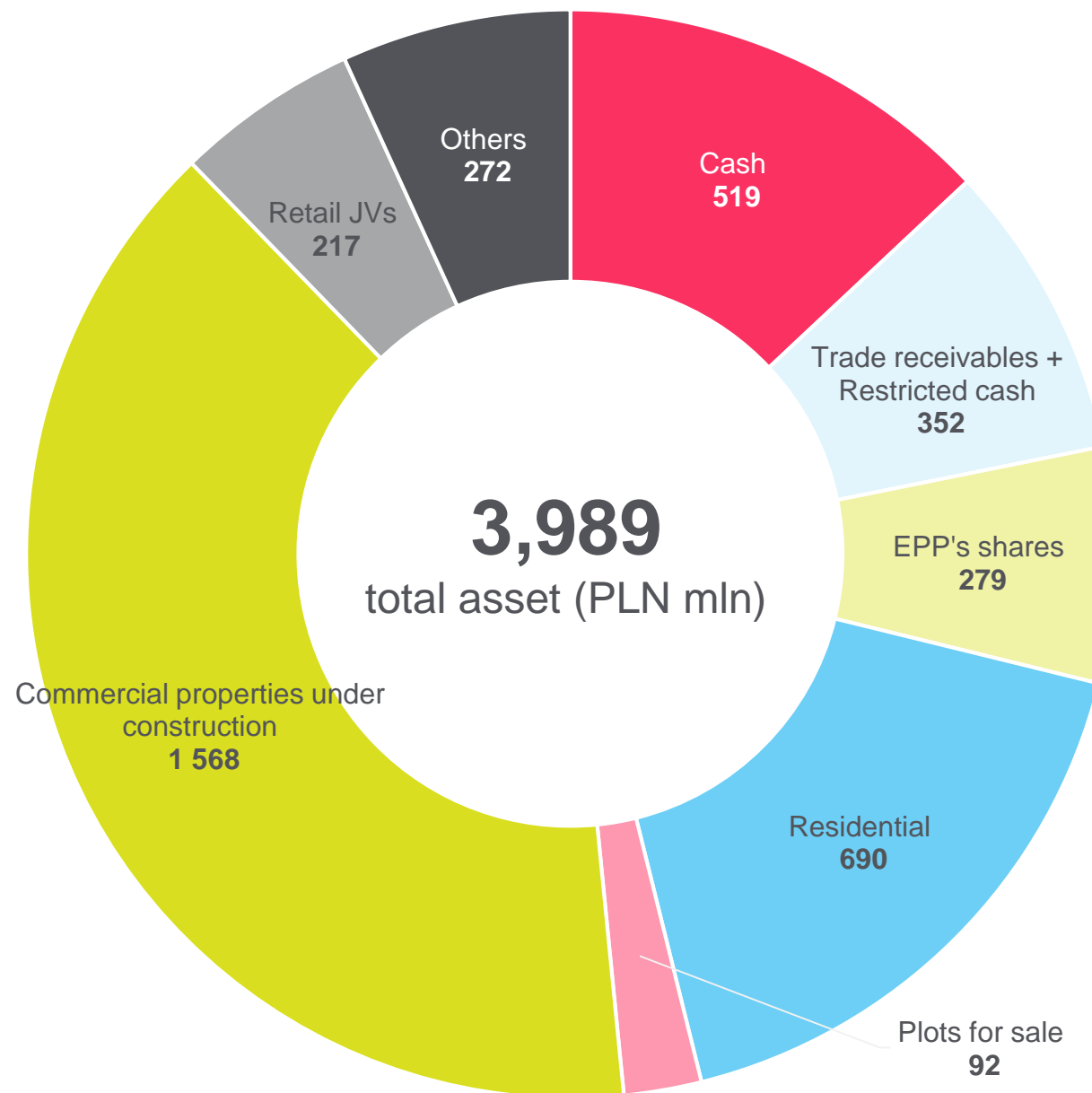
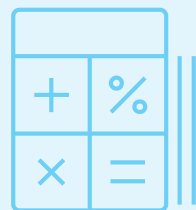
## Bonds 2018

Out of PLN 403 mln bonds to be redeemed in entire 2018 only PLN 80 mln remains to be redeemed. All other bonds has been refinanced

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

*Compared to Q1 2017*

- **20%** increase of total assets
- **117%** increase of commercial properties under construction
- **57%** increase of cash position
- **56%** decrease of properties held for sale





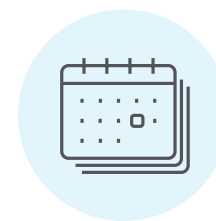
## Financial market trusts Echo Investment and its Strategy of Profitable Growth



**Bond prospectus for PLN 400 mln approved**



*New financing is used to grow the Company by land acquisitions and starting the new Resi4Rent businesses*



**Issue of approx. PLN 200 mln bonds planned for 2018**



**Issue of PLN 50 mln bonds for individual investors**



**Issue of PLN 140 mln bonds for institutional investors**



**Extension of working capital facilities by PLN 137 mln**

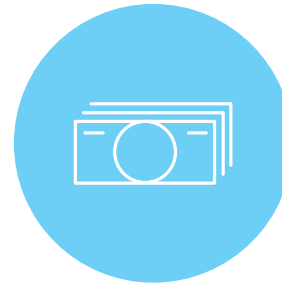
## Financials

# 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



V.

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# Appendix

# Office buildings in operation

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Completion	Comments
<b>Symetris Business Park II</b> Łódź, ul. Piłsudskiego	9,700	73%	1.6	73.9	84%	Q4 2017	<i>ROFO agreement and preliminary sale agreement with EPP</i>
<b>O3 Business Campus III</b> Kraków, ul. Opolska	18,900	27%	3.2	120.3	74%	Q1 2018	<i>ROFO agreement and preliminary sale agreement with EPP</i>
<b>Total</b>	<b>28,600</b>		<b>4.8</b>	<b>194.2</b>			

# Office buildings under construction

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Comments
<b>Sagittarius</b> Wrocław, ul. Sucha	24,900	81%	4.5	177.8	83%	Q2 2016	Q2 2018	ROFO agreement with EPP, preliminary sale agreement with Warburg HIH
<b>West Link</b> Wrocław, ul. Na Ostatnim Groszu	14,200	100%	2.5	92.7	95%	Q3 2016	Q2 2018	Sold to Globalworth Poland (former Griffin Premium RE) in Q2 2018
<b>Browary Warszawskie J</b> Warsaw, ul. Grzybowska	15,400	44%	3.7	153.7	33%	Q2 2017	Q4 2018	ROFO agreement with Globalworth Poland
<b>Moje Miejsce I</b> Warsaw, ul. Beethovena	18,300	0%	3.1	132.3	30%	Q3 2017	Q1 2019	ROFO agreement with Globalworth Poland
<b>Total</b>	<b>72,800</b>		<b>13.8</b>	<b>556.5</b>				

## Appendix

# Office buildings in preparation (1/2)

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
<b>Face2Face I</b> Katowice, ul. Grundmanna	20,100	3.4	142.0	14%	Q2 2018	Q4 2019	
<b>Browary Warszawskie K</b> Warsaw, ul. Grzybowska	15,100	3.2	137.6	22%	Q2 2018	Q1 2020	
<b>Browary Warszawskie G i H</b> Warsaw, ul. Grzybowska	23,100	5.0	229.0	20%	Q2 2018	Q1 2020	
<b>Moje Miejsce II</b> Warsaw, ul. Beethovena	17,400	2.8	117.0	23%	Q4 2018	Q2 2020	<i>ROFO agreement with Globalworth Poland</i>
<b>Piłsudskiego</b> Łódź, ul. Piłsudskiego	14,100	2.4	91.0	12%	Q2 2018	Q4 2019	
<b>Solidarności I</b> Gdańsk, ul. Nowomiejska	13,900	2.3	95.0	11%	Q3 2018	Q1 2020	

## Office buildings in preparation (2/2)

Project / address	GLA [sqm]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion	Comments
<b>Powstańców Śląskich</b> Wrocław, ul. Powstańców Śląskich	37,400	6.6	274.3	17%	Q1 2019	Q1 2021	
<b>Face2Face II</b> Katowice, ul. Grundmanna	26,100	4.5	185.8	13%	Q2 2019	Q1 2021	
<b>Solidarności II</b> Gdańsk, ul. Nowomiejska	15,800	2.6	101.1	12%	Q1 2019	Q3 2020	
<b>Wita Stwosza</b> Kraków, ul. Wita Stwosza	25,900	4.5	195.5	18%	Q2 2020	Q2 2022	
<b>West 4 Business Campus I</b> Wrocław, ul. Na Ostatnim Groszu	21,200	3.6	140.6	13%	Q1 2019	Q4 2020	
<b>Total</b>	<b>230,100</b>	<b>40.9</b>	<b>1,708.9</b>				



## Appendix

# Retail projects under construction

Project / address	GLA [sqm]	Leasing [%]	NOI [EUR mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion	Comments
<b>Libero</b> Katowice, ul. Kościuszki	45,000	95%	9.3	349.3	42%	Q3 2016	Q3 2018	<i>ROFO agreement with EPP</i>
<b>Galeria Młociny</b> Warsaw, ul. Zgrupowania AK „Kampinos”	81,900	75%	21.0	1,167.6	56%	Q4 2016	Q2 2019	<i>Echo's joint-venture with EPP: 30% to 70%</i>
<b>Total</b>	<b>126,900</b>		<b>30.3</b>	<b>1,516.9</b>				

## Appendix

# Retail projects in preparation

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

## Residential projects under construction (1/3)

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 II</b> Kraków, ul. Spiska	8,800	131	95%	73.0	47.1	96%	Q2 2016	Q2 2018
<b>Dom pod Wilgą III</b> Kraków, ul. Spiska	4,600	63	92%	41.4	28.7	46%	Q2 2017	Q2 2019
<b>Apartamenty GO</b> Kraków, ul. Rakowicka	6,600	174	99%	59.6	40.6	85%	Q4 2016	Q3 2018
<b>Rydla 32</b> Kraków, ul. Rydla	5,700	95	22%	46.8	36.3	26%	Q1 2018	Q3 2019
<b>Osiedle Jarzębinowe IV</b> Łódź, ul. Okopowa	4,400	75	48%	21.2	16.2	80%	Q4 2016	Q2 2018
<b>Osiedle Jarzębinowe V</b> Łódź, ul. Okopowa	8,100	145	11%	42.0	34.0	22%	Q4 2017	Q3 2019

## Residential projects under construction (2/3)

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>Nowa Dzielnica</b> Łódź, ul. Wodna	5,300	87	13%	29.0	22.4	44%	Q3 2017	Q1 2019
<b>Osiedle Jaśminowe III</b> Poznań, ul. Sielawy	3,800	77	99%	21.1	16.0	65%	Q4 2016	Q3 2018
<b>Park Sowińskiego IV</b> Poznań, ul. Sowińskiego	5,100	89	99%	38.5	26.3	70%	Q4 2016	Q3 2018
<b>Osiedle Perspektywa I</b> Poznań, ul. Sielawy	8,200	169	91%	44.8	34.6	37%	Q4 2016	Q4 2018
<b>Osiedle Perspektywa II</b> Poznań, ul. Sielawy	4,600	94	79%	25.1	20.7	6%	Q4 2017	Q3 2019
<b>Osiedle Perspektywa III</b> Poznań, ul. Sielawy	5,600	105	60%	31.1	25.4	6%	Q4 2017	Q3 2019

## Residential projects under construction (3/3)

Project / address	Sales area [sqm]	Number of units	Sales level [% of units]	Targeted revenues [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>Browary Warszawskie A</b> Warsaw, ul. Grzybowska	5,200	98	100%	55.4	38.9	70%	Q4 2016	Q4 2018
<b>Browary Warszawskie B</b> Warsaw, ul. Grzybowska	10,500	190	93%	121.8	78.0	37%	Q4 2017	Q2 2019
<b>Browary Warszawskie C</b> Warsaw, ul. Grzybowska	6,900	114	59%	87.6	52.9	29%	Q4 2017	Q2 2019
<b>Widoki Mokotów</b> Warsaw, ul. Puławska	4,800	87	28%	65.7	47.8	32%	Q4 2017	Q4 2019
<b>Osiedle Reset I</b> Warsaw, ul. Taśmowa	7,300	164	39%	66.5	54.8	32%	Q4 2017	Q4 2019
<b>Zebra</b> Wrocław, ul. Zakładowa	11,300	233	80%	75.9	55.6	37%	Q3 2017	Q2 2019
<b>Total</b>	<b>116,800</b>	<b>2,190</b>		946.4	676.4			

## 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%	Q4 2018	Q4 2020
<b>Wita Stwosza II</b> Kraków, ul. Wita Stwosza	10,800	240	93.4	68.3	22%	Q3 2019	Q3 2021
<b>Osiedle Jaśminowe IV</b> Poznań, ul. Sielawy	5,200	103	28.7	21.8	12%	Q2 2018	Q4 2019
<b>Garbary</b> Poznań, ul. Garbary	12,600	257	104.8	75.7	20%	Q3 2018	Q2 2020
<b>Moje Miejsce</b> Warsaw, ul. Beethovena	13,400	252	114.6	83.9	25%	Q2 2018	Q1 2020
<b>Browary Warszawskie E</b> Warsaw, ul. Grzybowska	6,100	82	93.8	62.6	19%	Q4 2018	Q2 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>Osiedle Reset II</b> Warsaw, ul. Taśmowa	11,900	247	101.0	79.5	26%	Q3 2018	Q3 2020
<b>Grota-Roweckiego III</b> Wrocław, ul. Grota-Roweckiego	2,200	48	11.6	10.1	11%	Q3 2018	Q1 2020
<b>Ogrody Graua</b> Wrocław, ul. Gdańska	4,200	59	38.3	28.4	21%	Q2 2018	Q1 2020
<b>Total</b>	<b>78,100</b>	<b>1,572</b>	<b>687.8</b>	<b>505.5</b>			



## Residential projects for rental platform Resi4Rent under construction

Project / address	Sales area [sqm]	Number of units	Targeted annual sta- bilized rents [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Start	Targeted completion
<b>Rychtalska</b> Wrocław, ul. Zakładowa	11,400	303	7.8	80.0	30%	Q4 2017	Q3 2019
<b>Browary Warszawskie</b> Warsaw, ul Grzybowska	19,000	451	16.1	187.0	25%	Q4 2017	Q2 2020
<b>Wodna</b> Łódź, ul. Wodna	7,800	211	4.4	53.0	21%	Q4 2017	Q4 2019
<b>Total</b>	<b>38,200</b>	<b>965</b>	<b>28.3</b>	<b>320.0</b>			

## Residential projects for rental platform Resi4Rent in preparation (1/2)

Project / address	Sales area [sqm]	Number of units	Targeted annual sta- bilized rents [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>Kępa Mieszczańska</b> Wrocław, ul. Dmowskiego	9,300	270	6.8	77.0	20%	Q2 2018	Q4 2019
<b>Taśmowa</b> Warsaw, ul. Taśmowa	13,300	363	9.3	106.0	15%	Q4 2018	Q3 2020
<b>Woronicza</b> Warsaw, ul. Woronicza	8,000	229	5.4	54.0	20%	Q3 2018	Q3 2020
<b>Wita Stwosza I</b> Kraków, ul. Wita Stwosza	7,100	198	4.2	50.0	15%	Q4 2019	Q3 2021

## Residential projects for rental platform Resi4Rent in preparation (2/2)

Project / address	Sales area [sqm]	Number of units	Targeted annual sta- bilized rents [PLN mln]	Targeted budget [PLN mln]	Expenditure incurred [%]	Targeted start	Targeted completion
<b>Wita Stwosza II</b> Kraków, ul. Wita Stwosza	7,000	190	4.1	49.0	15%	Q4 2019	Q3 2021
<b>Ordona</b> Warsaw, Ordona	9,600	265	6.9	87.0	20%	Q2 2019	Q2 2021
<b>Total</b>	<b>54,300</b>	<b>1,515</b>	<b>36.7</b>	<b>423.0</b>			

## Appendix

# Early stage projects (1/2)

Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Łódź, ul. Tymienieckiego	77,200	80,000	<i>Plot for residential and office functions</i>
Wrocław, ul. Na Ostatnim Groszu	32,300	58,800	<i>Plot for office function</i>
Warsaw, ul. Ordona	18,100	38,200	<i>Plot for residential and Resi4Rent functions</i>
Warsaw, ul. Chłodna / Wronia	600	1,100	<i>Plot for residential function</i>
Łódź, ul. Kilińskiego	9,500	35,000	<i>Plot for office function</i>
Warsaw, Towarowa 22		45,000	<i>Plot for office, hotel and residential function</i>

## Appendix

# Early stage projects (2/2)

Project / address	Plot area [sqm]	Potential of leasing/ sales area [sqm]	Comments
Katowice, ul. Piotra Skragi	3,700	22,000	<i>Plot for office function, acquired in Q2 2018</i>
Łódź, ul. Okopowa (Jarzębinowe VI)	3,200	3,300	<i>Plot for residential function</i>
Poznań, Sielawy (Naramowice 18MW)	32,200	25,300	<i>Plot for residential function</i>
<b>Total</b>	<b>176,800</b>	<b>308,700</b>	





## Appendix

# Definitions

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### The estimated budget includes:

- The 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



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