

# Echo Investment

# Q3 2024

# results presentation

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# Agenda

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- I. Highlights
- II. Segments Outlook
- III. Key Financial Data
- IV. Living - Residential for Sale
- V. Living - Resi4Rent
- VI. Living - Student Housing
- VII. Commercial - Office and Retail
- VIII. ESG
- IX. Financials
- X. Q&A

# I. Highlights

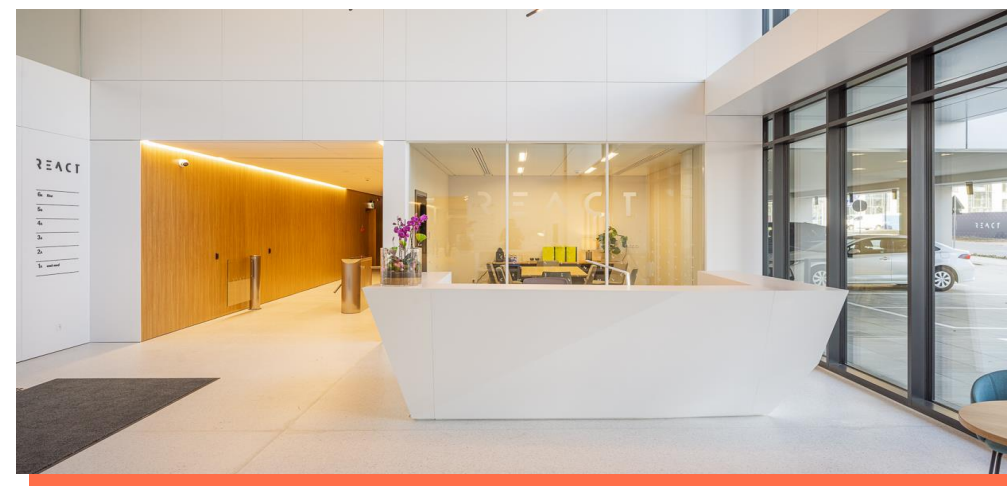
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# LODZ REACT

Sold for EUR 32.5m in Q4 2024

- Preliminary Sale Agreement signed for Lodz REACT with Estonian-based investment company SUMMUS Capital
- The offices are conveniently located in the city centre of Lodz and next to excellent public transportation options on al. Marszalka Jozefa Pilsudskiego
- The two-building project delivers over 15,000 sqm of GLA of comfortable workspace
- 100% of the space is leased up to Alorica Inc., Bank PeKaO, PeKaO Direct, Enel-Med, CitiSpace, Deles
- Transaction value reflected book value of the asset

Outstanding Lodz location in old city centre with **excellent exposure** and close to passenger transfer point



# Towarowa 22 – landmark destination project in Warsaw city centre

- T22 Office House ca. 32,500 sqm financed by Santander Bank and PeKaO is under advanced construction with approx. 70% already leased to international prime tenants including anchor from media sector
- Earthworks on construction of the first residential building by Archicom started in Q2'24 with 150 premium apartments of which 17% was sold in Q3
- Other parts of the project include:
  - commercial part with rental apartments (PRS), offices of around 130,000 sqm and residential for sale apartments of 14,300sqm co-owned by AFI Europe 70%/Echo 30%
  - residential for sale apartments of around 26,100 sqm to be developed 100% by Archicom
- Public park and historical landmark Dom Słowa Polskiego in the central part of the project planned to be opened till the end of 2025



# Student Space – 1,200 student beds under construction to be completed until September 2025

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- Construction started in prime locations in Krakow city centre:
  - on Wita Stwosza street for nearly 600 beds as a part of bigger destination project realized by Echo Investment and Archicom and
  - on 29 Listopada street for 630 beds, both to be delivered in Q3 2025
- Other buildings to be started:
  - 500 beds before Y2024 end and
  - further 2,000 beds in Y2025
- Buildings constructed in traditional monolithic manner as well as in prefabrication
- 3 other plots already secured in premium locations in Warsaw and Krakow for 2,000 units to be ready in 2026



# Commercial segments – office and retail

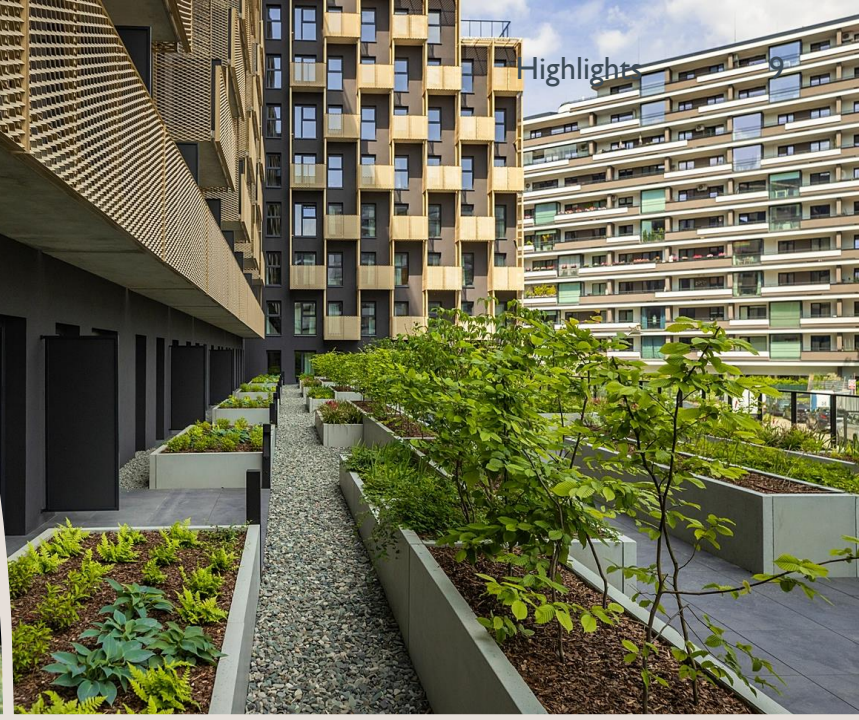
- Strong leasing status in all Echo’s office projects, 48,800sqm leased or under LOI in 2024
- Investor market is getting stronger and ongoing discussions on part of our office portfolio are in progress
- Stable retail turnovers and footfall in Galeria Mlociny Warszawa and Libero Katowice; many leases rolled-over or replaced
- Retail transactions are appearing on the market and more are expected in 2025; we look positively on investment market with our strong assets
- Focus on sale of assets to reduce debt and continue growing in the living sector





# Resi4Rent

- Strong project completion and leasing in Resi4Rent
- More than 6,200 apartments ready from the beginning of 2025
- Warsaw Brewery project is being sold as individual units to boost returns



# Residential for sale – market with stabilized sales

- Strong residential sales in Q3 2024 of 589 units with 19% increase y/y, while market declined by 44%
- Archicom with record quarterly sales and the best sales dynamics among listed developers
- Sale prices on residential market in Poland in stagnation or even a slight price correction due to discounts
- Archicom has already started this year sale of 2,784 apartments in 10 projects in Warsaw, Wroclaw, Krakow, Poznan and Lodz
- Focus on achieving 4,000 units sold annually in the coming years
- Prospects of 2025 interest rates cut to increase client creditworthiness and rise demand
- Focus on developing existing landbank in Warsaw and plots prepared under „lex developer” procedure



# Q3 2024 Highlights

Strong **Residential sales** of 589 apartments by Echo Group in Q3 2024 (492 in Q3 2023), 19% increase y/y

**338 apartments handed over** in the same period (179 in Q3 2023)



## Residential



## Finance



Echo Investment along with AFI Europe signed the financing agreement for the Towarowa 22 Office House in Warsaw for EUR 103.4m by consortium of Polish Banks - Santander and PeKaO and drew first tranche of the facility

Construction of two projects in Krakow for 1,200 beds started to be delivered in Q3 2025 within the Student Space platform launched by Echo Investment S.A. as 30% partner and Signal Capital Partners, along with Griffin Capital Partners



## Student Housing



## Finance



Echo rolled over for 4-5 years bonds' issues maturing in 2025; remaining PLN 50m will be paid off in January'25

# Post Q3 2024 Highlights

Strong residential sales in October and November till now

Commencement of sales of 2,784 units in 2024 in 11 projects

Archicom's entry into a new market and the launch of the MIKATO project in Katowice



**Residential**



**Office**



Preliminary Sale Agreement signed for Lodz REACT with Estonian-based investment company SUMMUS Capital

Echo signed in Q1-Q3 2024 on its office projects lease agreements or LOIs for 48,800sqm



**Office**



**Finance**

Repayment of PLN 209m of bonds expiring in Q3/Q4 2024 to reduce overall debt; no new issues planned for 2025

# II. Segments outlook

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# Living – Residential for Sale

## Current situation

- 9,200 units were sold in Q3 2024 on the 6 main Polish markets, 6% less comparing to Q2 2024
- The average prices of flats remaining on offer at the end of September 2024 increased slightly in all markets with the exception of Krakow. Quarterly changes in average prices ranged from -0.8% to 2.0%
- Over the last 12 months, Lodz (15.1%) saw the largest increase in prices, followed by Tri-City and Warsaw with rises of 14.0% and 11.5%, respectively. In the remaining markets, the annual increase in average prices ranged from 7.0% in Wroclaw to 9.2% in Poznan
- The residential market tends to consolidate smaller developers

## Echo/Archicom actions

- Strong residential sale in Archicom in Q3 2024 of 589 units 19% increase y/y
- Target of annual sales of 4,000 units in the coming years
- Building permits received in Q3 for the Warsaw Modern Mokotow 5 phase (113 apartments), for the Lodz Flow II (327), for the Katowice Mikato (347) and for the Wroclaw Gwarna (107)
- Focus on converting commercial zoning projects to residential ones under „lex developer” procedures
- Focus on receiving permits on Archicom’s residential landbank
- Starting many projects in central Warsaw and Wroclaw, Archicom home markets

# Living – Resi4Rent

## Current situation

- 19,400 apartments is the existing housing stock in the PRS sector in Poland in the H1 2024
- 14,500 apartments under construction on end of H1 2024
- This year has a chance to introduce a record number of new rental units to the market (over 7,000), the plans for the next two years include a total of 14,800 units
- The largest market is Warsaw, where 9,300 units are already in operation, and investment plans cover another 8,900 units
- Wroclaw, second in line, with 4,700 units in operation, with plans including further 4,700 units
- A special situation occurs in the Tri-City, where there are less than 1,100 operational units but plans are set for nearly 7,500 additional units

## Echo actions

- 4,700 units already under operation at the end of Q3, more than 4,200 units under construction
- Handover of over 2,100 units during 2024 will bring the portfolio of working assets to more than 6,200 units, 8,000 by 2025 and 10,000 by 2026
- 450 units in Warsaw Brewery are being sold unit-by-unit on the secondary market to benefit from strong residential market pricing
- R4R is leading the Polish PRS market with 26% market share (units under operation) as it continues growth of the portfolio with a high occupancy
- Resi4Rent is targeting to reach 11,000 operating units in 2026 with 10,500 already secured
- Focus on starting new, already prepared projects in Warsaw

# Living – Student Housing

## Current situation

- ▶ Poland is the fifth largest student market in Continental Europe with a student population of c. 1.2m (expected to reach 1.4 million by the end of the decade), with a 1,8% increase y/y, equal to 21,524 additional students in the 2023/2024 academic year
- ▶ Provision rates in all Polish cities including capital city Warsaw (0.6%) are well below European cities such as Madrid (6.35%), Berlin (10.83%), Barcelona (7.45%) and Paris (15.60%)
- ▶ Less than 12,000 apartments is the existing private student housing stock in Poland at the end Q3 2024
- ▶ Warsaw is identified as the city with the greatest potential, characterized by a large student population and a very low supply of both private and public dormitories
- ▶ Polish cities (Gdansk, Lodz, Krakow, Wroclaw) recorded the highest rental growth in the PBSA sector in 2023 among European cities
- ▶ Demand for high-quality accommodation has surged

## Echo actions

- ▶ Building a new PBSA Student Space platform with ultimate goal to become market leader within coming 3-5 years
- ▶ Creating new PBSA standards with strong focus on student's comfort, ESG and building's maintenance efficiency
- ▶ Construction of 1,200 beds started in H1'24 to be delivered to the market by September 2025
- ▶ Another 2,000 beds to be started 2024/early 2025 to have in operation over 3,000 beds by September 2026
- ▶ Approx. 5,000 beds to be developed in the coming 3-5 years out of which 3,400 is secured today in Krakow and Warsaw with a planned project start 2024/2025
- ▶ Search for plots for new projects with a focus on Warsaw, Krakow and Wroclaw



# Commercial - Office

## Current situation

- In Q1-Q3 2024 gross take-up amounted to 492,000 sqm in Warsaw and 509,500 sqm on regional markets; very limited number of new projects entering in Warsaw (only 3 buildings with 11,300 sqm in Q3 2024)
- Warsaw total new supply in 2024 is estimated at about 105,000 sqm (60% down on the 10-year average); over the next two years, it will be around 100,000 – 120,000 sqm
- In regional markets in 2024, not more than 110,000 sqm of new supply will be delivered, approx. 70% less than the average for 2016-2020. In coming years, it will be an average of about 75,000 sqm, with only 53,000 sqm expected in 2025
- Gap between investors' and developers' expectations becomes smaller, interest rates go down and make real estate investment more interesting
- Increasing upward rental pressure, due to low new supply and a decrease in the vacancy, as well as with the construction and fit-out costs

## Echo actions

- Echo signed in Q1-Q3 2024 lease agreements and LOI for 48,800 sqm, many ongoing discussions to be closed in Q4
- Leasing is strong in all our ongoing projects and all the completed projects are fully leased
- Focus on projects under development to meet shortage on market of new office space: T22 Warsaw, SPOT Wroclaw and WITA Krakow
- Lodz React I, Wroclaw City 2 and Krakow Brain Park fully leased with well-known tenants
- Preliminary Sale Agreement signed for Lodz REACT with Estonian-based investment company SUMMUS Capital
- Negotiations on sale of completed office buildings
- Search for new landbank in Warsaw to grow in the capital city

# Commercial - Retail

## Current situation

- Turnovers of shopping centres and retail parks in July and August 2024 increased by 3,8% and 4,4% vs July and August 2023; footfall in July and August 2024 changed -0,6% and +0,2% vs July and August previous year
- In the third quarter of 2024, 7 new projects were completed and 3 properties were expanded, totalling 103,000 sqm of modern retail space; at the end of September there were 337,600 sqm of retail space under construction
- Saturation rate with modern retail space in Q3 2024 he was 343 sqm/1,000 inhabitants
- In the third quarter of 2024 several brands made their debut in Poland: Arket (fashion) opened in Westfield Arkadia, Dreame (electronics) (Westfield Mokotów), Tissot (jewellery and accessories) (Złote Tarasy), The GAP brand (fashion) returned to Poland (Designer Outlet Warsaw), Bvlgari (accessories and jewellery) opened a boutique in central Warsaw, Uniqlo (fashion) (Westfield Arkadia)

## Echo actions

- Echo set to stabilize both shopping malls (Mlociny and Libero) and achieve targeted NOI before disposal at a stronger investment market
- Many new lease agreements signed headed by TK MAXX in Libero taking over the Media Mark space to further improve the tenant mix quality
- Tenants turnover in Libero in Q3 2024 was 3% higher and footfall was 5% lower comparing to Q3 2023
- Constant improvement is observed in Galeria Mlociny in Warsaw with an increase in turnover in Q3 2024 by 1% in comparison to Q3 2023. Mlociny footfall in Q3 2024 was 4% higher level that Q3 2023
- 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 data for Q1-Q3 2024 show a negative growth rate in the civil engineering sector (a real fall of 8.5% y/y, compared to a 9.1% decrease in H1)
- Construction climate index (GUS) slight fall in October 2024 – it was -5.9 in October vs. -3.9 in September, -2.8 in Aug and -2.2 in July, it remained at negative level, but the reading was one of the highest since September 2019 and higher y/y (-10.4 in Oct 2023)
- The annual growth rate of cement production for the 12-month rolling total was nearly 3% after September; Accordingly, domestic consumption grew by over 5%
- September 2024 was another month in a row in which construction materials price index declined y/y (PSB data: -0.8% y/y in Sep vs. -0.4% y/y in Aug, -0.9% y/y in July and -1.3% y/y in Jun), which supports margins of general contractors and developers

## Echo actions

- Construction cost budgets remained stable since several months
- Echo uses effects of scale to achieve additional savings
- In addition, construction works are divided into packages to receive better pricing and costs control
- In the closest future we see an opportunity for reduction of construction costs due to smaller number of projects in the market and greater determination by contractors to win contracts

# III. Key Financial Data

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# Q3 2024 results vs. PAP consensus

## Actual results [PLN m]

	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023
Revenue	806.8	650.5	317.8	193.6
Operating profit	57.1	99.9	32.9	67.9
Profit before tax and minority interest	51.7	85.3	5.7	48.0
<b>Net profit</b>	<b>24.0</b>	<b>45.2</b>	<b>-4.5</b>	<b>26.3</b>

## PAP Consensus

	Q3 2024 (average)	Q3 2024 (range)
Revenue	291.8	273.7 - 308.9
Operating profit	-	-
Profit before tax and minority interest	-	-
<b>Net profit</b>	<b>-8.7</b>	<b>(-17.7)-(-2.3)</b>

## OUR RESULTS IN Q1-Q3 2024

**PLN 806.8m**

Revenue in Q1-Q3 2024






**PLN 51.7m**

Profit before tax in Q1-Q3 2024

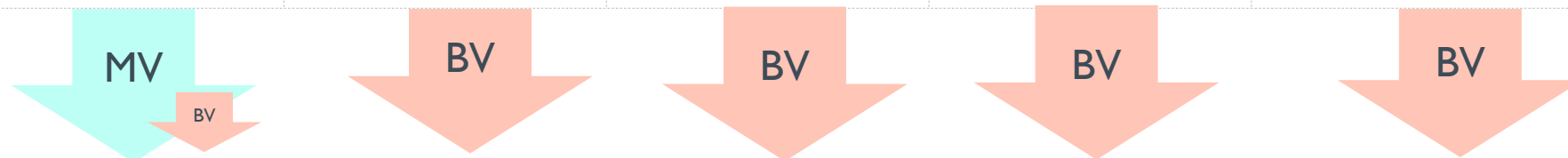
**PLN 24.0m**

Net profit in Q1-Q3 2024

# Echo Investment Group book value vs. assets market value

Resi for Sale	Resi4Rent	Student Space	Towarowa 22	Commercial	Total
incl. 74% of Archicom	30% JV	30% JV	commercial part in 30% JV	excl.T22 30% JV	
					

<b>Book value [k PLN]</b>	<b>478,322</b>	<b>322,106</b>	<b>28,081</b>	<b>56,391</b>	<b>807,150</b>	<b>1,692,049</b>
<b>BV per share [PLN]</b>	<b>1.16</b>	<b>0.78</b>	<b>0.07</b>	<b>0.14</b>	<b>1.96</b>	<b>4.10</b>



<b>Combined value [k PLN]</b>	<b>1,419,485</b>	<b>322,106</b>	<b>28,081</b>	<b>56,391</b>	<b>807,150</b>	<b>2,633,212</b>
<b>CV per share [PLN]</b>	<b>3.44</b>	<b>0.78</b>	<b>0.07</b>	<b>0.14</b>	<b>1.96</b>	<b>6.38</b>

**Valuation method comment**

Book value of Archicom net assets in Echo is replaced by a **current market value of Archicom shares on GPW**

Book value of Echo's share in JV Resi4Rent revalued at a regular basis as of 30 September, 2024

Book value of Echo's share in JV Student Space was not yet revalued as of 30 September, 2024, but it will be revalued on regular basis

Book value of Echo's Towarowa 22 revalued on a regular basis as of 30 September, 2024

Book value of Echo's commercial segment revalued on a regular basis as of 30 September, 2024

*Student Housing platform, commercial landbank to be converted to residential segment and T22 commercial part (after Masterplan was adopted) except for the first office building of T22 project were not yet revalued to market value as of September 30, 2024*

# IV. Living - Residential for Sale

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# Highlights



Sales of 589 apartments by Echo Group in Q3 2024 (cumulatively 1,471 in 2024)

Strong landbank of almost 9,800 units and 3,000 in offer, or about 1Y of sales, is ideal for the business



Sale target of Echo Group for 2025 (more than 3,000 units) is ca. 30% increase compared to 2024 with 2,500 units plan

Archicom is creating product targeted to 1st time buyers on market and to fit into potential new governmental program

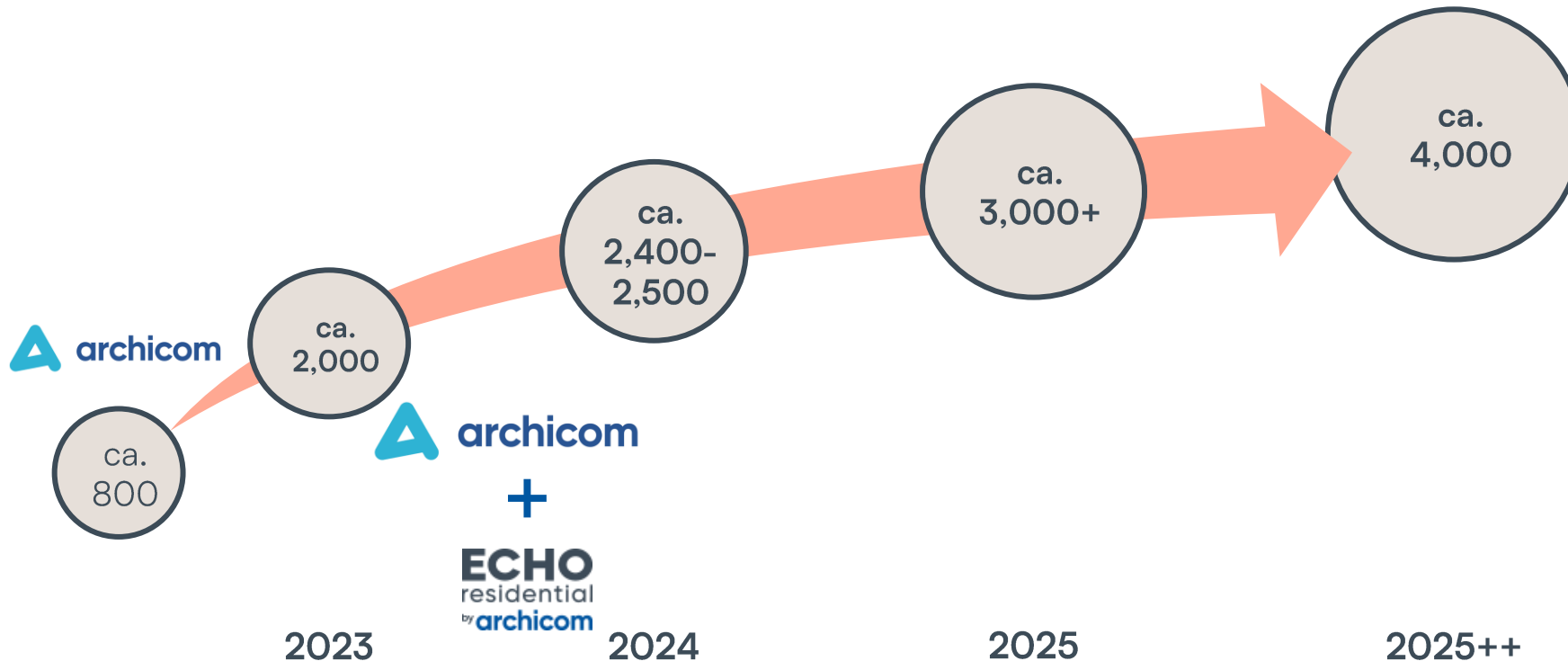






# Continued growth of the residential business

Sales of apartments (yearly)

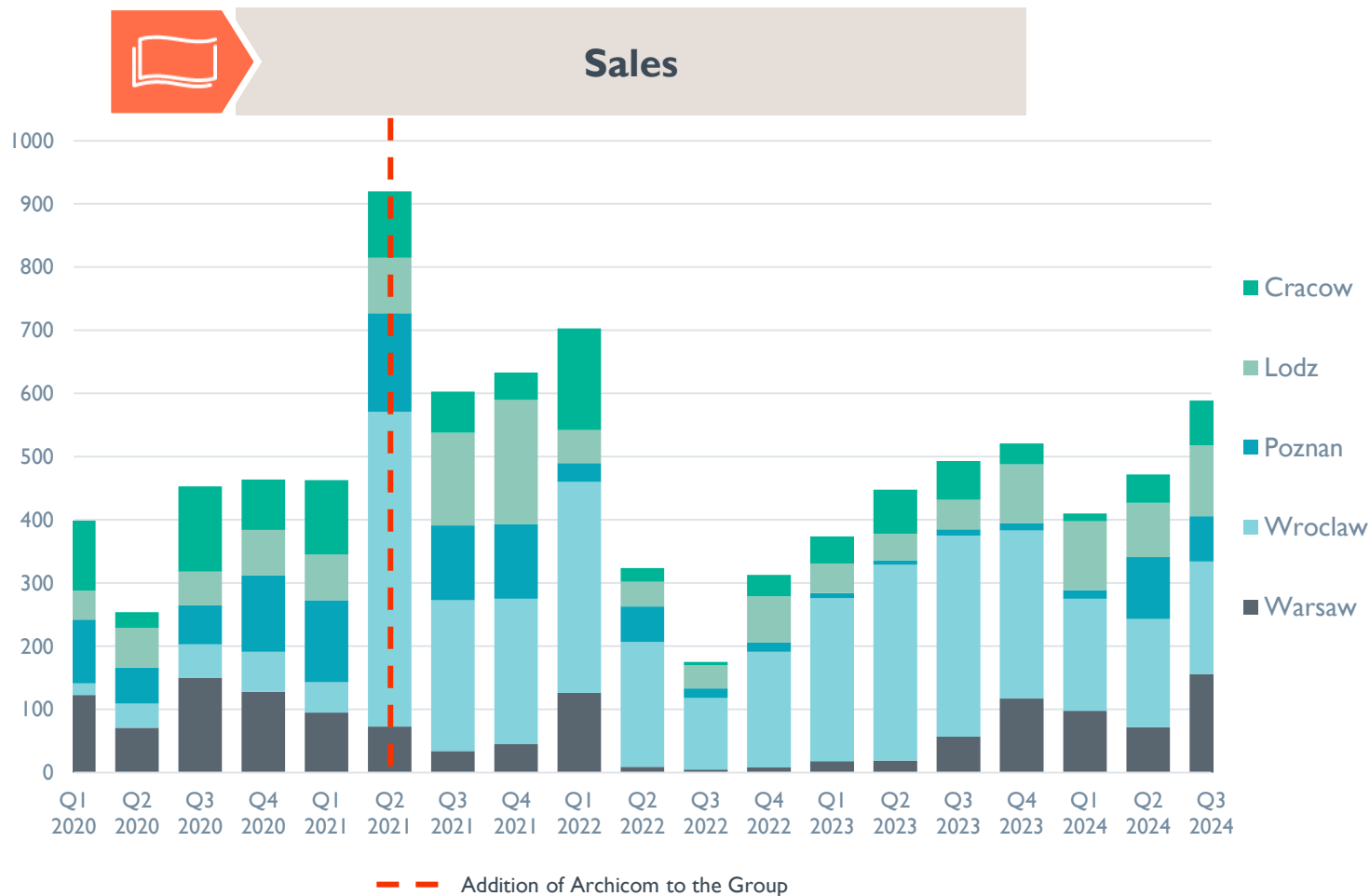


Q1-Q3 2024 in Resi:

- 1,471 units sold in Q1-Q3 with record result in Q3
- 5,0k units under construction
- Almost 10,000 units in the landbank
- 2024 land acquisitions will add to the landbank almost 4,500 units
- Almost 3,000 units in offer at the end of Q3 2024
- Strong profits due to great project execution
- 27 ongoing projects in Polish largest cities

*Increased focus on 1st time buyers as this is a big part of the market where significant growth is happening. 2025+ more than 50% of group residential sales will happen in this segment.*

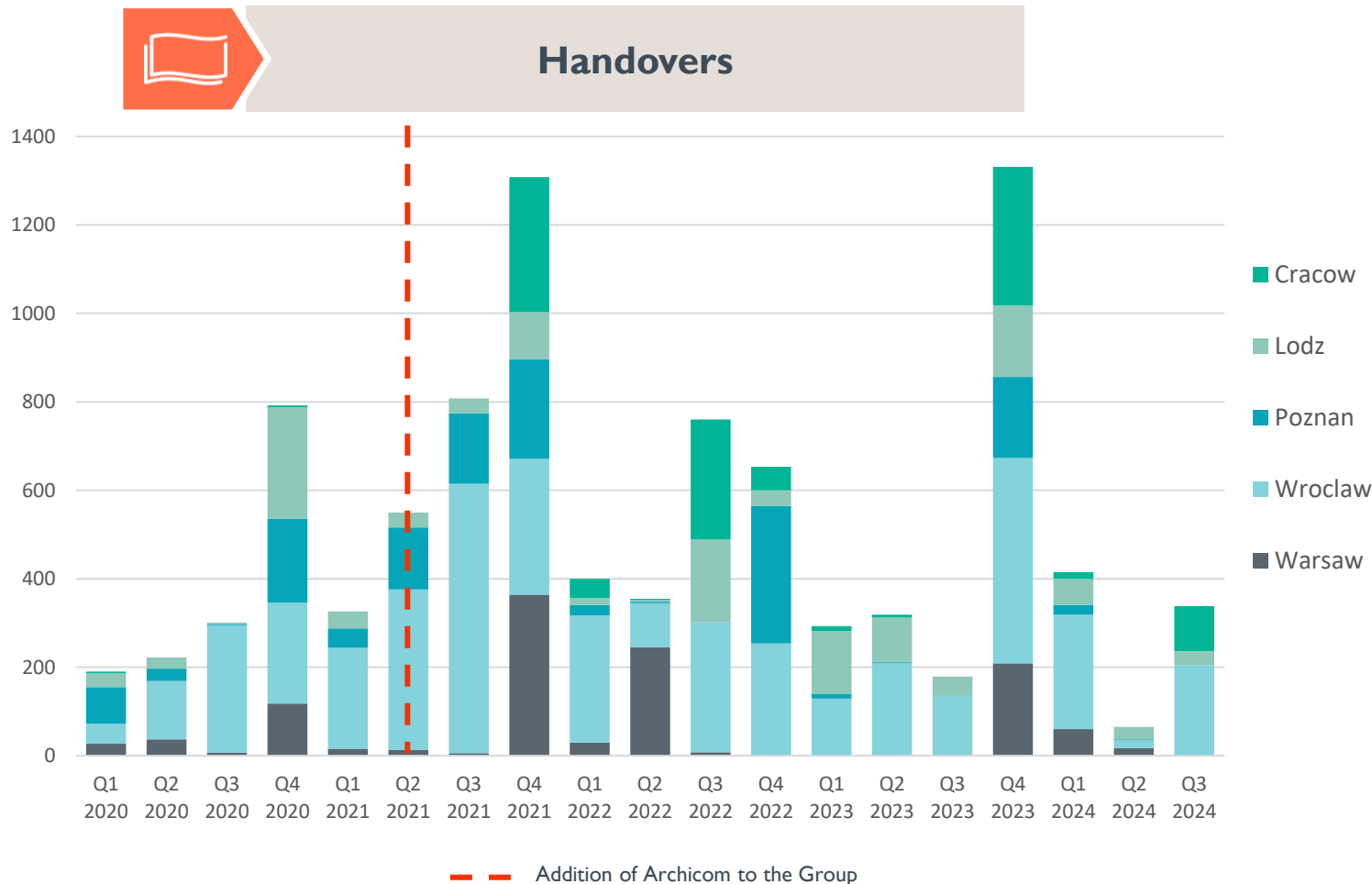
# Apartment sales of Echo Group



Sale of apartments	Q3 2023	Q3 2024	Main projects in Q3 2024
<b>Warsaw</b>	57	156	Modern Mokotów I and VI, Stacja Wola III
<b>Wrocław</b>	318	178	Przystań Reymonta, Gwarna, Południk 17, Sady nad Zieloną, Plany Raclawickie
<b>Poznan</b>	10	72	Wieża Jezyce II and V
<b>Łodz</b>	47	112	Zenit II and III, Boho, Flow I and II
<b>Krakow</b>	61	71	Wita Stwosza, Dąbrowskiego D3
<b>Total Echo Group</b>	<b>493</b>	<b>589</b>	

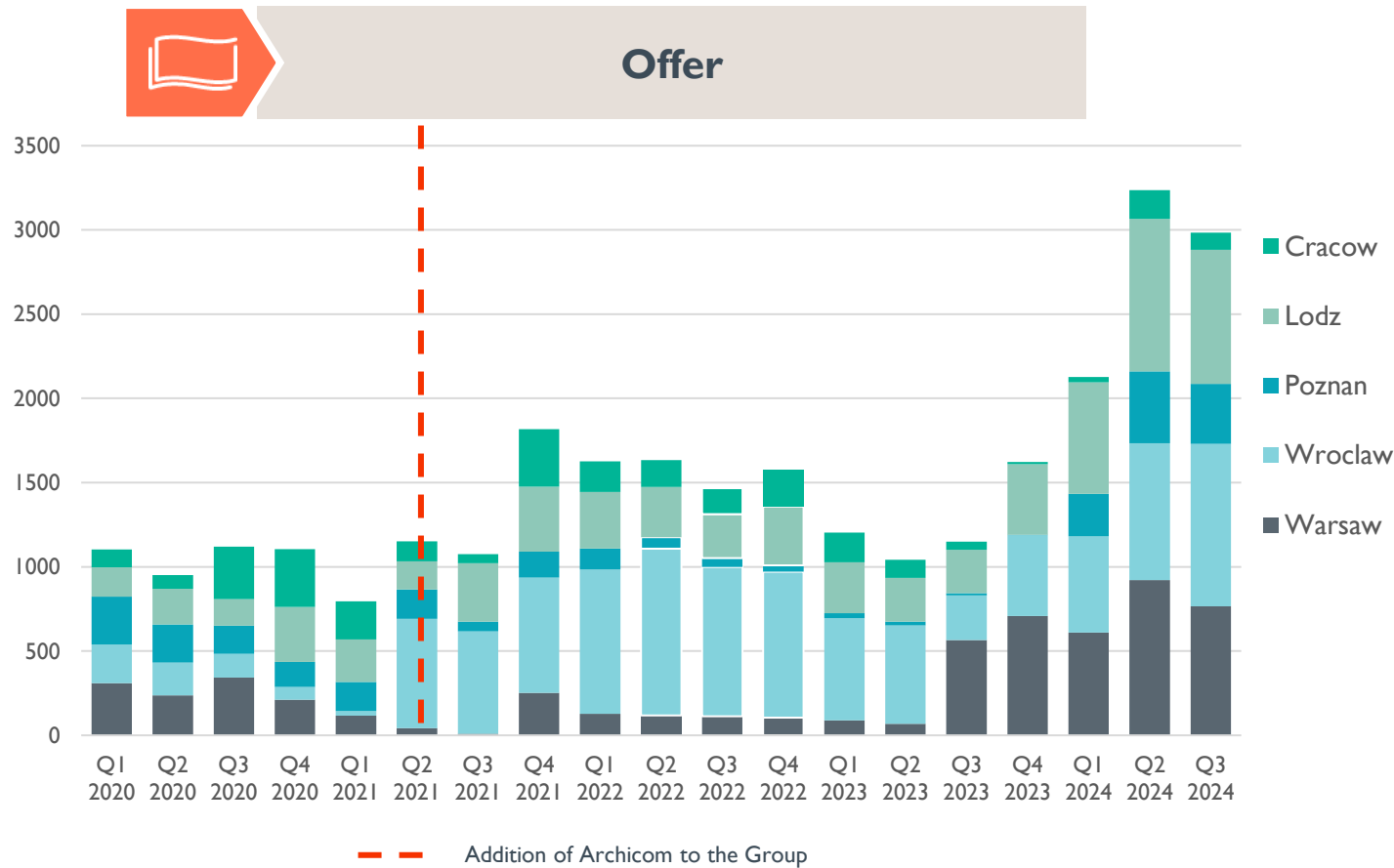
Echo maintains the strategy of profitable growth with average gross residential margin at 30%+

# Apartment handovers of Echo Group



Handovers	Q3 2023	Q3 2024	Main projects in Q3 2024
Warsaw	1	1	KEN Kabaty
Wroclaw	134	204	River Point 6, Plany Ractawickie
Poznan	0	0	-
Lodz	44	32	Boho, Fuzja A, B and F, Zenit I
Krakow	0	101	Rydlowka ZAM II
<b>Total Echo Group</b>	<b>179</b>	<b>338</b>	

# Current offer of Echo Group



Current offer	End of Q3 2024	Main projects
<b>Warsaw</b>	765	Modern Mokotów I and VI, Stacja Wola III, Apartamenty M7
<b>Wrocław</b>	965	Sady nad Zieloną, Południk 17, Przystań Reymonta, Gwarna, Powstańców 7D
<b>Poznań</b>	356	Wieża Jezyce II and V
<b>Łódź</b>	795	Flow I and II, Fuzja Lofty, Zenit II and II, Boho
<b>Krakow</b>	102	Wita Stwosza, Dąbrowskiego D3
<b>Total Echo Group</b>	<b>2,983</b>	

*Size of the Lodz offer correlated with the strong sales of Archicom on this market*

# Offer & Landbank as at Q3 2024 end

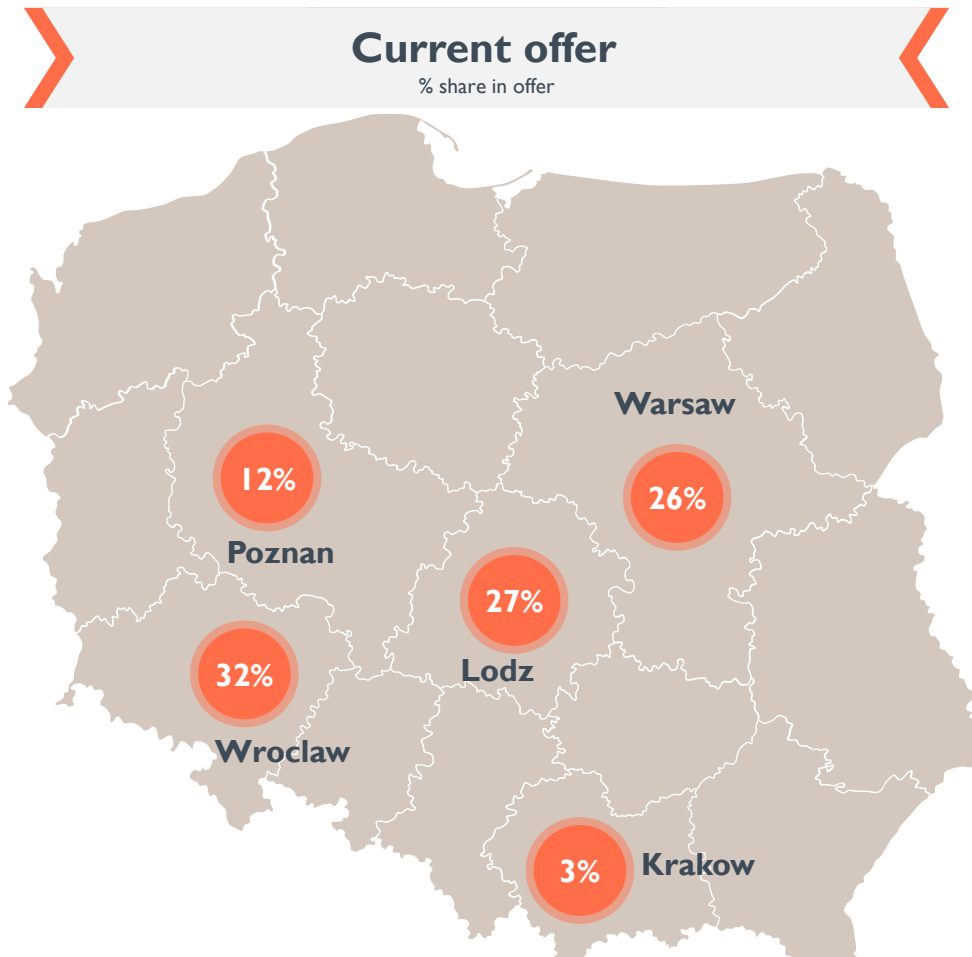
	Offer	Landbank	Total (as at 30.09.2024)
Archicom	2,323	9,768	12,091
Echo Investment	660	0	660



**12,751**

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

- Target to increase pipeline long term to 20 thousands units, to be able to sell 4,000+ units per year
- Group is actively searching for new residential project in main regional cities especially in Wroclaw, Warsaw and Krakow where the gap between supply and demand is the largest, including in popular segment



Advanced works on rezoning plots to add Krakow, Wroclaw and Warsaw projects to the resi landbank with approximately 2,300 units potential

# Residential developer active on five markets

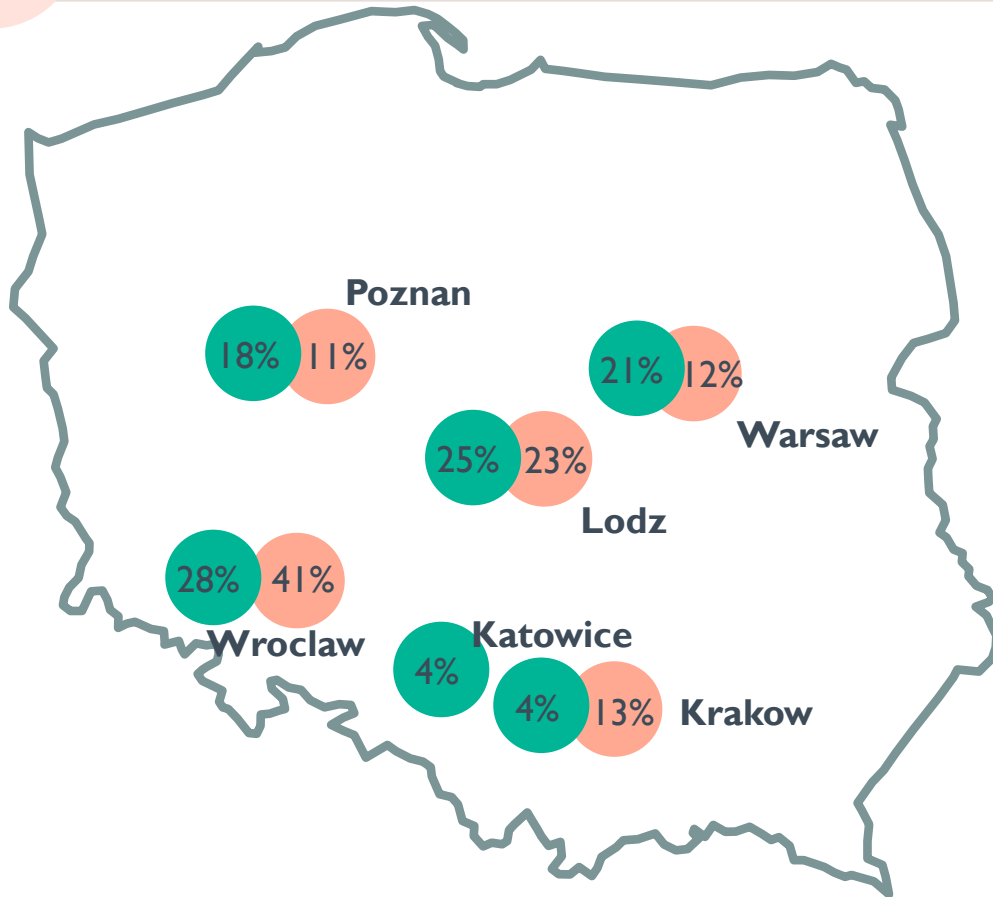
Portfolio of projects under construction and landbank as at 30.09.2024



Projects under construction



Total apartments in 77 projects:  
under construction **5,007** and **9,768** in landbank



% - share of apartments under construction/ apartments in landbank

City	# of projects		# of apartments	
	Archicom	Echo	Archicom	Echo
Wroclaw	13	-	2,047	-
Warsaw	2	1	412	184
Krakow	2	1	131	554
Lodz	4	2	798	344
Poznan	2	-	537	-
<b>Total</b>	<b>23</b>	<b>4</b>	<b>3,925</b>	<b>1,082</b>



Land Bank

City	# of projects		# of apartments	
	Archicom	Echo	Archicom	Echo
Wroclaw	15	-	2,720	-
Warsaw	11	-	2,066	-
Krakow	5	-	422	-
Lodz	11	-	2,438	-
Poznan	8	-	1,775	-
Katowice	1	-	347	-
<b>Total</b>	<b>51</b>	<b>-</b>	<b>9,768</b>	<b>-</b>

# V. Living – Resi4Rent

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# Highlights



Approx. 6,200 Resi4Rent units under operation at the beginning of 2025; additional over 2,000 units to be completed during 2025

450 units in Warsaw Brewery are being sold unit-by-unit as Echo is benefiting from strong residential market to generate the profit



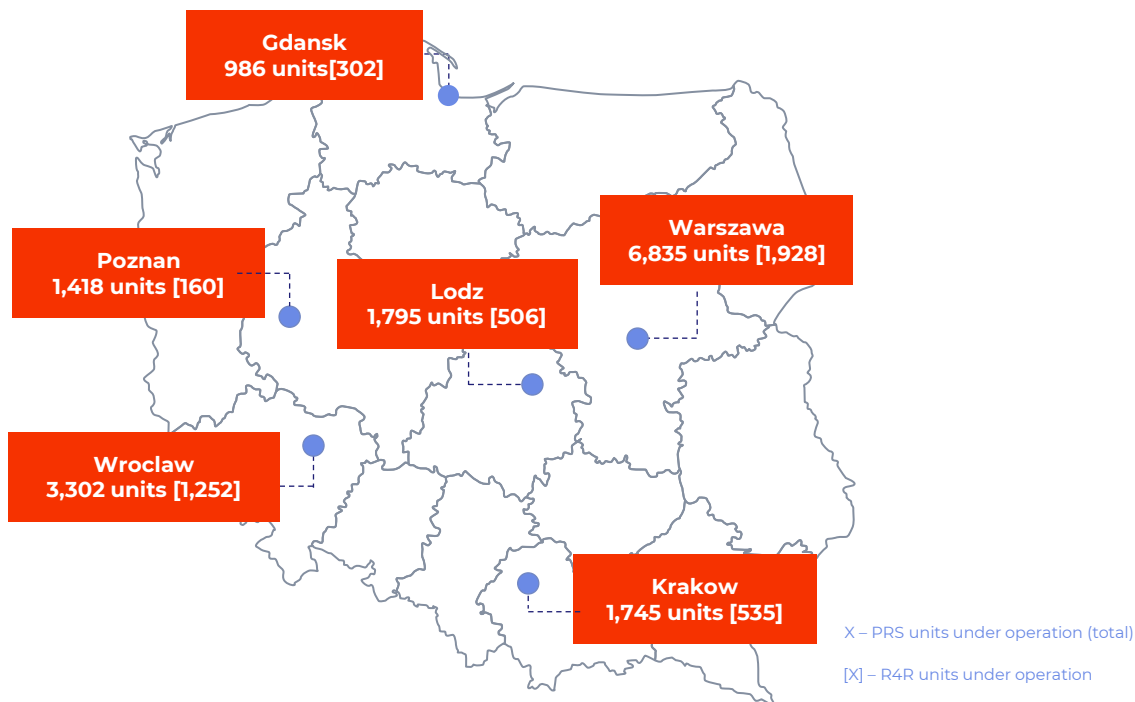
Strong leasing in Resi 4 Rent projects with 99% units rented

Construction of new 1,000 apartments planned to start in Q4 2024 and number of units in construction will reach ca. 5,500



# Institutional rental market in Poland

## PRS investments 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

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

**Institutional rental market in Poland**

**19,400**  
units under operation

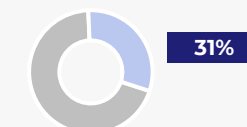
**14,500**  
units under construction

**Resi4Rent**

**4,984\***  
In operation

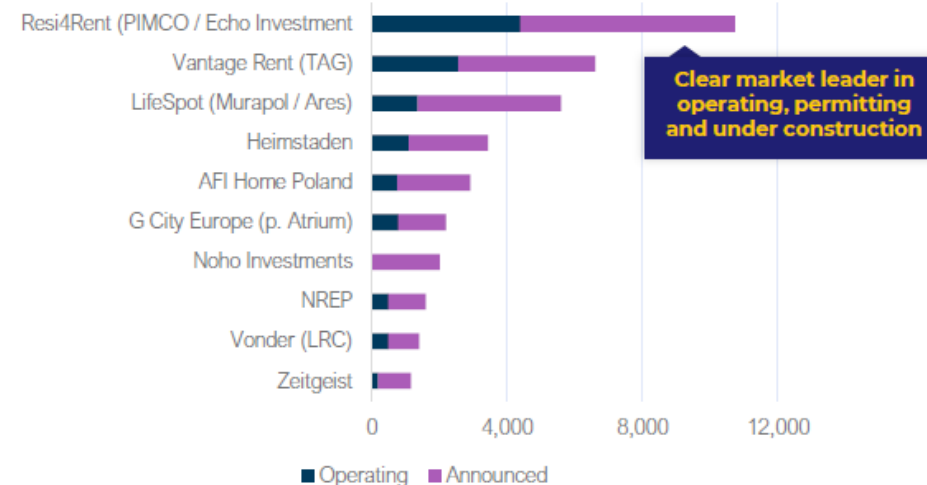
**4,524\***  
units under construction

**% market share**



\* as at Q3 2024 end

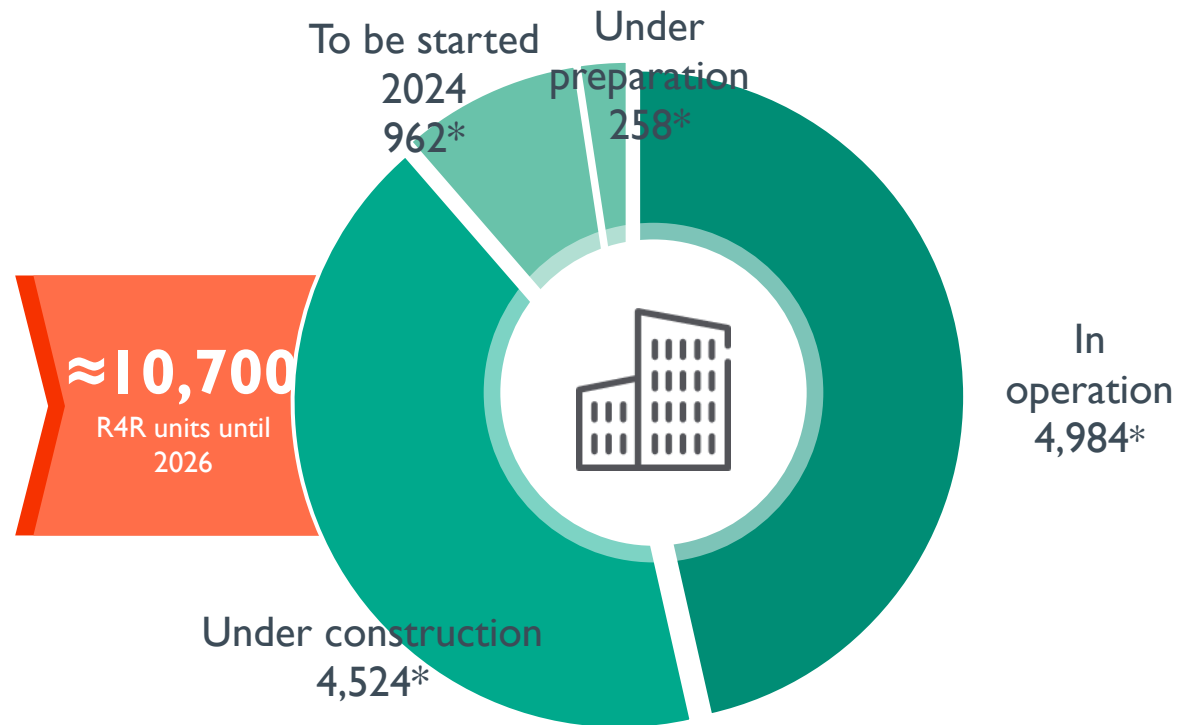
## Largest landlords of multifamily assets (expected to be delivered by 2026)



# Resi4Rent secured plots for over 10,700 units

- **4,984 units** are already completed in 17 projects including **878 units** delivered in 2024 (3 projects) and **1,192** ready units to be delivered to the working portfolio till the beginning of 2025
- Remaining projects under construction will deliver approx. **3,332 new units** in 2025-2026
- Construction of **962 units** will start still in 2024
- **258 units** are during intensive process of designing and permitting
- Over **10,700 units** completed and under construction planned at the end 2024 to become operational by 2026

Resi4Rent to develop and operate more than **10,700 units** until 2026:



\* as at 10.2024 end

# VI. Living – Student Housing

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# Student Housing Platform launched with Signal Capital Partners

- **Student Space** set-up as an independent platform, i.e. asset owner and operator with in-house management and development team
- Planned number of beds to be built for Student Space will be at least **5,000** within next 3 to 5 years (o/w 3,000 beds are secured, and **1,200 beds are already under construction**)
- Financing sources of the Project will be: (i) 45% financing from equity (ii) remaining 55% - bank debt
- Equity for financing acquisition and development of the projects is secured; Echo will engage up to EUR 30m in the implementation of the Platform, with JV partners contributing further EUR 70m
- **JV Partners:** Signal Capital Partners, a multi-euro-billion UK-based private asset management firm focusing on European real estate investments, along with Griffin Capital Partners
- The Parties mutually agreed not to implement projects similar to the Project in cooperation with other partners

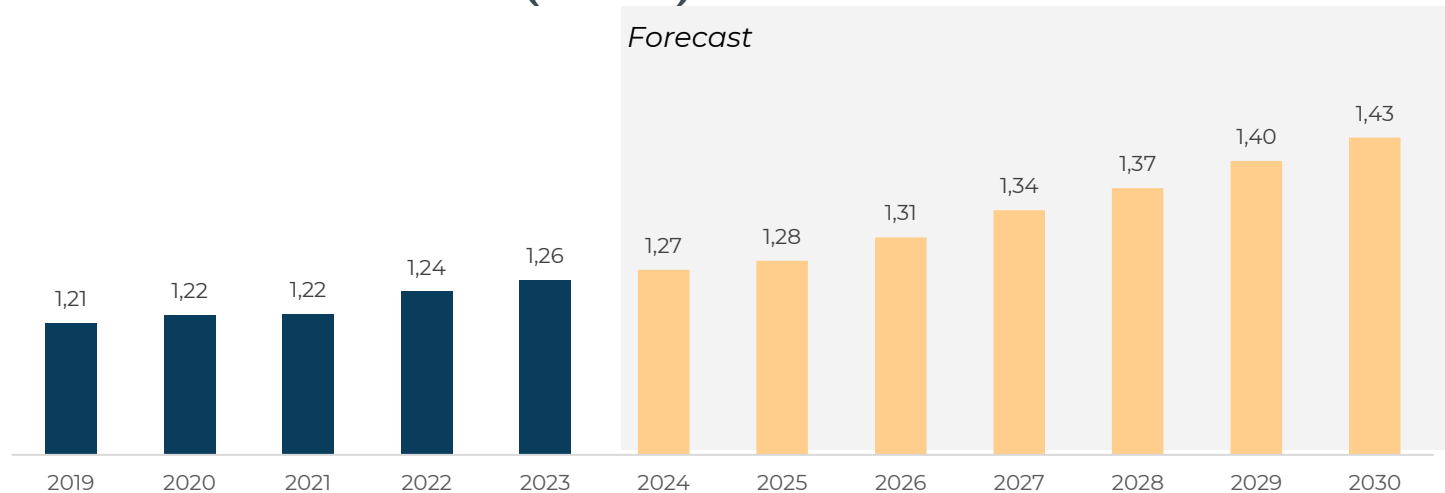


# Polish PBSA Market Overview I

One of the Europe’s largest student markets with one of the lowest city by city provision in student accommodation

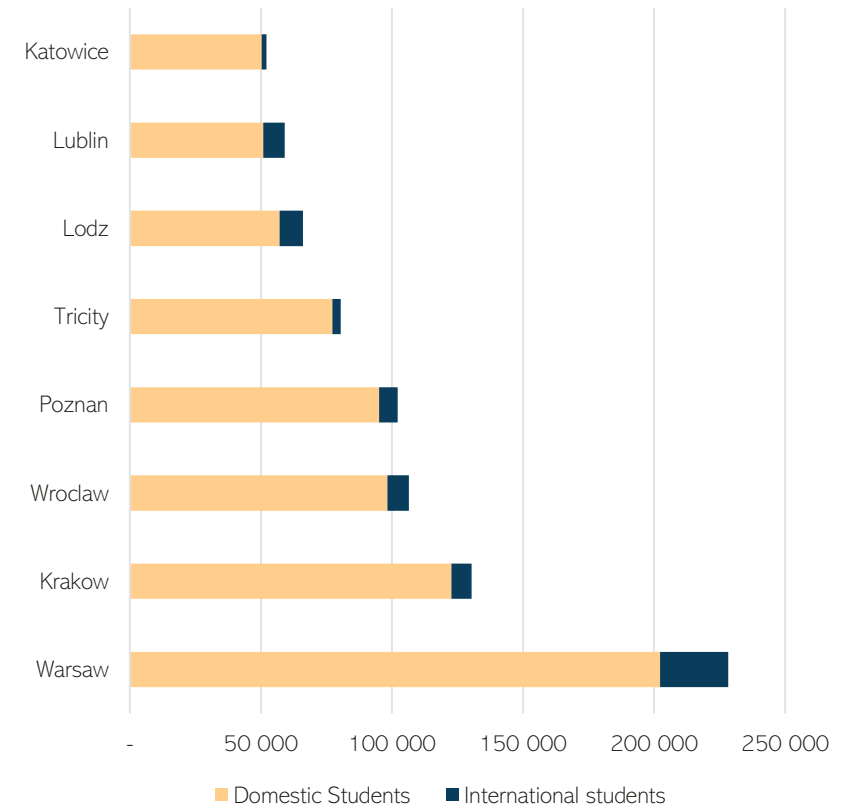
- Poland is the 5th largest student market in Continental Europe with a student population of c. 1.2m
- Provision rates in all Polish cities including capital city Warsaw (0.6%) are well below European cities such as Madrid (6.35%), Berlin (10.83%), Barcelona (7.45%) and Paris (15.60%).
- As most European markets are currently undersupplied, it is believed there is scope for the provision rate to exceed the current European average.

## Total number of students (million)



## Domestic student vs International students in 2024

- On average the number of international students in the EU grew between 2018 and 2023 by 5,5%.
- The domestic student number grew at the same time by only 0,7%.



Source – Savills 2022, Bonard 2022  
1) Private PBSA / FT Students

# Polish PBSA Market Overview II

- Foreign students in Poland often choose private dormitories due to risks in the residential market, limited institutional housing options, and the established role of PBSA in Western Europe
- **The number of foreign students in Poland grew by 36% from 2016 to 2021**
- **Public dormitories, generally low in quality and restricted to low-income students, offer around 75,000 beds across major cities, a number that is decreasing due to overcrowding adjustments**
- With European student housing in short supply, **Poland faces a large unmet demand of about 400,000 beds, the sixth highest deficit in Europe**

**1 221 938**  
Students

**785 598**  
FT Students (64%)

**#5**  
The fifth largest student market in the EU

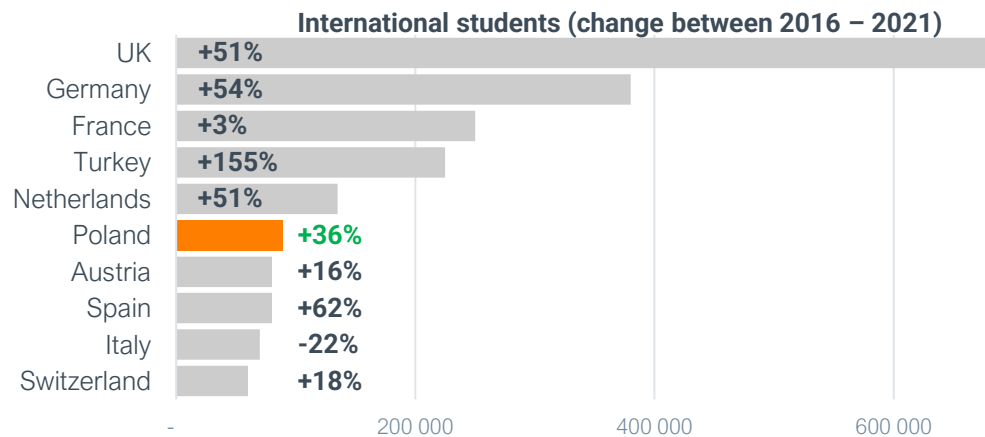
**681**  
English-taught programmes

**94**  
students for every private PBSA bed

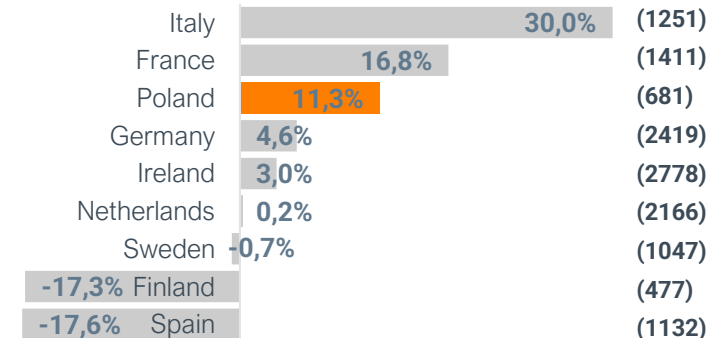
**130 656**  
PBSA beds across private and public providers in Poland

**1.7%**  
Bed provisions for total FT students in private PBSA

**12 980**  
# of modern private PBSA beds



**No. of English-taught on-campus Bachelor's & Master programs - (% change 2024 vs. 2019; number of courses in 2024)**





## Student Space starting projects – 1,200 beds under construction

- Five locations secured and confirmed by partners in premium locations in Warsaw and Krakow
- Construction of two projects in Krakow Wita Stwosza and 29 Listopada already started – 1,200 beds to be delivered in Q3 2025
- 2,500 more beds to be started in 2024/2025
- Buildings constructed in traditional manner as well as in prefabrication will be built within modern ESG requirements and Bream Certified at an Excellent level



# Student Housing construction status of 3 buildings in Krakow

## Three buildings under construction

- 2 buildings on WITA str. status:
  - A building
    - monolithic technology
    - basement slab and ceiling done
    - „zero” state in November’24
  - F building
    - monolithic technology
    - +1st floor ceiling done
    - walls of above-ground floors in progress
- 1 building on 29 Listopada str. status:
  - Prefabrication/monolithic technology
  - +2nd floor done
  - +1st floor ceiling in progress



WITA Student House Krakow

Student House Krakow 29 Listopada

# VII. Commercial - office and retail

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# Highlights



Towarowa 22 Office House leased almost 70% to prime tenants six months prior the completion

Preliminary Sale Agreement signed for Lodz REACT for EUR 32.5m with Estonian-based investment company SUMMUS Capital



Strong leasing interest in both Wroclaw and Krakow projects - 12,800sqm leased or under LOI in Q3 2024

Credit facility for Towarowa 22 Office House in Warsaw by consortium of Polish Banks - Santander and PeKaO



# Fewer new offices, mixed-use functions and more renovations

## Warsaw

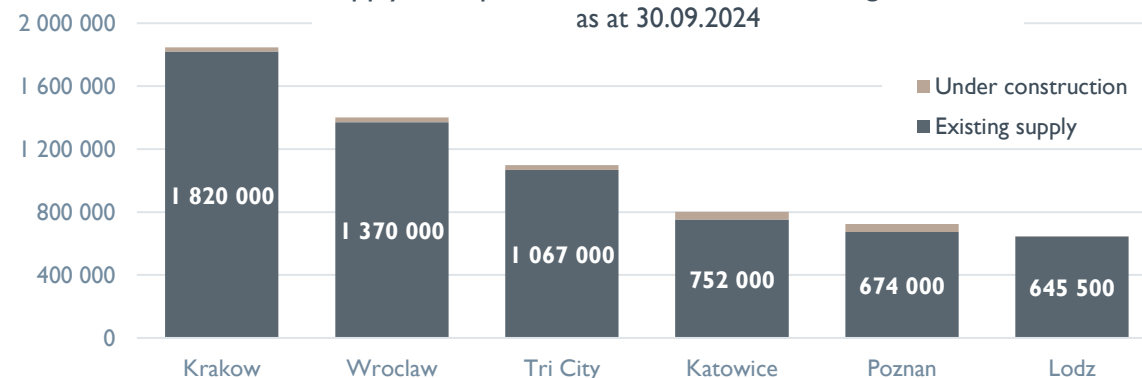
- **11,200 sqm** of new office space has been provided in Q3 2024, constituting 44% of the total new supply across Poland, (75,000sqm in 2024)
- **6.26 m sqm** - total supply of modern office space
- In Q3 2024 gross take-up result: **176,100 sqm**, in Q1-Q3'24 **492,000 sqm**
- **ca. 260,000 sqm** of office space under construction (the highest development activity was consistently recorded in the city centre)
- **10.7%** – at the end of Q3 2024 average vacancy saw a slight decrease in the vacancy rate by 0.2 pp q/q
- Selected last lease transactions on the Warsaw office market signed: Bank Santander (24,500 sqm), a company from media sector (over 10,000 sqm)

Towarowa 22, SPOT Wroclaw and WITA in Krakow attractive in an environment of low office development activity and strong leasing activity

## Regional markets

- **15,400 sqm** of new office space delivered to regional markets in Q3 2024
- **6.73 m sqm** - total supply of modern office space at the end of Q3 2024
- In Q1-Q3 2024 gross take-up result: **509,500 sqm**
- **190,000 sqm** of office space remain under construction
- **17.3%** – average vacancy rate, mirroring the figure from a year ago

Supply and space under construction in regional cities as at 30.09.2024



# Towarowa 22 – status of destination project

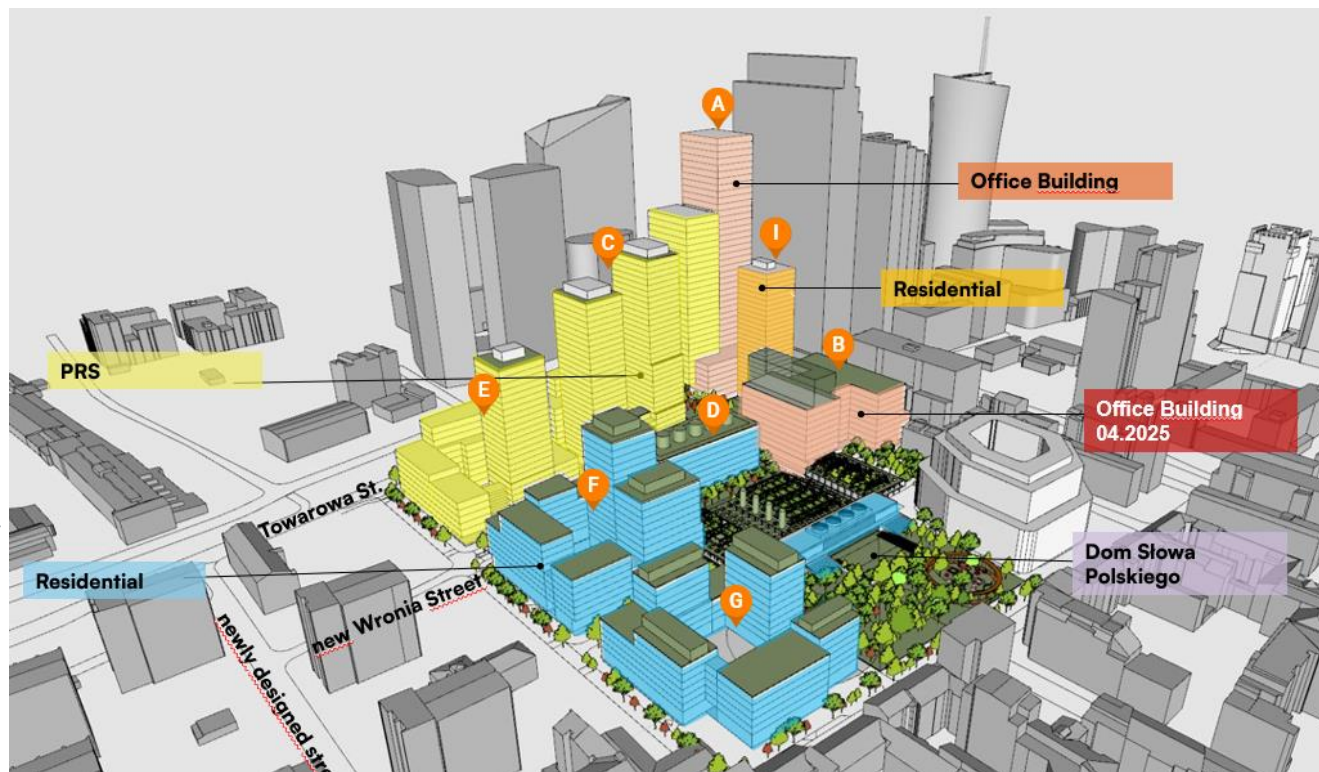
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- Office building ca. 32,500 sqm is topped, installations and fit-outs are in progress
- Construction of residential I phase with 150 premium apartments by Archicom started in Q2'24
- Public park and historical landmark Dom Słowa Polskiego in the central part of the project planned to be opened till the end of 2025 for the citizens of the capital city
- The main part including rental apartments (PRS), offices but also residential for sale apartments of around 150,000 sqm is co-owned by AFI Europe 70%/Echo 30%



# Towarowa 22 – binding Master Plan for 190k sqm mixed-use project

- **Master Plan for the whole plot has become binding**, start of the development of all parts of the Project is envisioned in the coming quarters
- Ready to start construction in 2025-2026 of the remaining part:
  - two phases of PRS with **51,100 sqm**
  - **53,200 sqm** office tower and
  - **14,300sqm** of residential apartments for sale co-owned by AFI Europe 70%/Echo 30%,
  - two more phases of residential apartments with **26,100 sqm** (100% owned by Archicom)
- Planned completion of the Towarowa 22 Project - 2028



## EXIT:

- Sale of commercial quarters (Office A & B and PRS C & E) upon completion of the assets to our JV partner
- Residential quarters (I, D, F & G) to be sold on the market

Assets	Ownership	sqm
<b>A B</b>	JV Echo/AFI	~85,700
	Echo share	30%
<b>I</b>	JV Echo/AFI	14,300
	Echo share	30%
<b>C E</b>	JV Echo/AFI	~51,100
	Echo share	30%
<b>D F G</b>	Archicom	~38,400
	Echo share	74%

Assets	Use	sqm
<b>A B</b>	Office / Residential for Sale	~85,700
<b>I</b>	Residential for Sale	14,300
<b>C E</b>	PRS	~51,100
<b>D F G</b>	Residential for Sale	~38,400

# Construction and leasing ongoing – SPOT Wroclaw and WITA Krakow

- 1 phase of the project (16,000 sqm GLA) under development
- Exceptional office project in premium quality, in the centre of Wroclaw
- 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



- 18,700 sqm of office area together with residential apartments (184 units) and student house (approx. 600 beds) surrounded by a wide range of services, culture and gastronomy
- New and first destination project in Krakow City Centre, outstanding location on the crossroads of main transit paths in Old Town District
- The proximity of nature and greenery in the parks and gardens of the old town
- Up-to-date functionality of the project including electric vehicle charging stations, parking spaces and bicycle infrastructure, parking lot operated by phone application, air purification system

# WITA Krakow – destination project under construction



Student House

Office Buildings

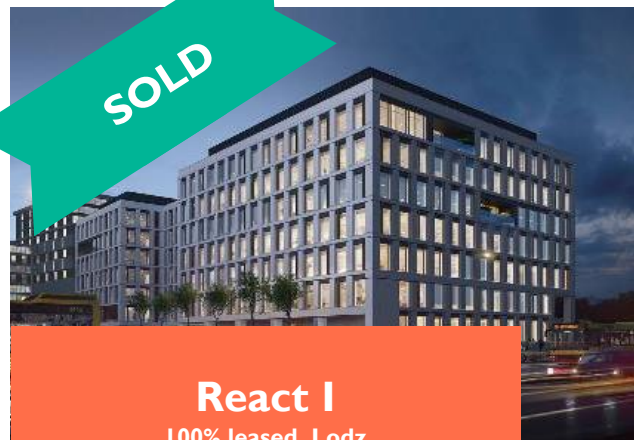
Student House

Resi for Sale

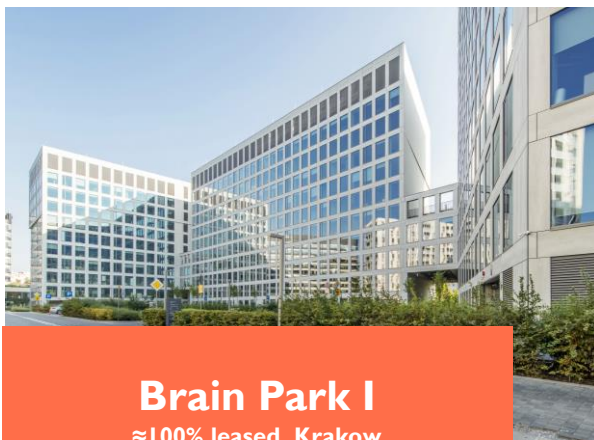


# Modern buildings in core locations with all ESG criteria in place

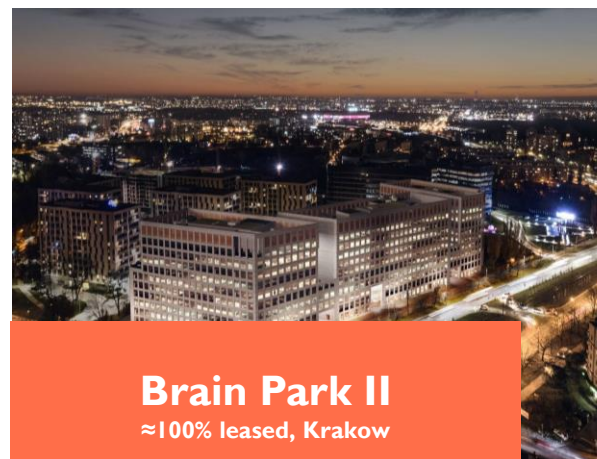
**SOLD**



**React I**  
100% leased, Lodz



**Brain Park I**  
≈100% leased, Krakow

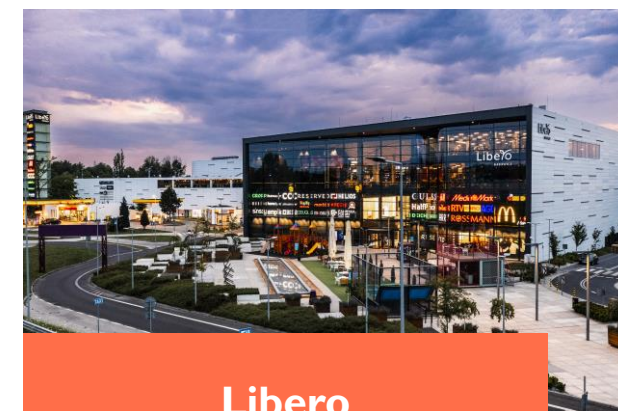


**Brain Park II**  
≈100% leased, Krakow



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

**Assets sold and targeted to be sold  
in 2025**



**Libero**  
≈100% leased, Katowice

# CitySpace opens a new Office in a prestigious location in Warsaw

**12** (end of Q3 2024)

locations in Poland



**4,209**

workplaces



## Galeria Libero - retail centre with a stabilized market position in Katowice

- Libero shopping mall noted another quarter of strong performance
- Positive trend started in 2021 with further growth in demand for retail compared to previous periods
- **Turnover** in Q3 2024 was **3% higher** than in Q3 2023, its **footfall** was **5% lower**
- Improved Libero tenant mix in Q3 2024 when TK Maxx replaced Media Markt significantly increasing the attractiveness of the project
- Growth is supported by the optimization of tenant mix and number of activities organized for customers
- New attractions for children: playground, slides and indoor sliding tube



# Galeria Mlociny with a stable position on the Warsaw market

- Shopping Mall is becoming the **leading shopping destination and a popular meeting point in northern Warsaw**, thanks to its strong retail and entertainment offer
- Great performance of the project confirmed by **96% occupation rate**
- **Turnover** in Q3 2024 was **1% higher** than in Q3 2023
- Mlociny **footfall** in Q3 2024 was **4% higher** than in Q3 2023
- Long leases guarantee stable cash flow while indexation creates potential for future growth of NOI
- New attractions for children: playground, basketball court, slides and indoor sliding tubes
- EPP and Echo Investment obtained in H1'24 a new loan for the refinancing of Galeria Mlociny in the amount of EUR 145.2m; first retail financing transaction compliant with EU Taxonomy



# VIII. ESG

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## ESG in Echo Group in 2024

- We are focused on **effectively implementing the ESG Strategy** of Echo Investment Group, that's why we realise **individual tasks by all our employees**
- We **measure emissions** of our reference buildings from office, residential and Resi4Rent sectors to set **the target of reducing carbon footprint**
- ESG Echo Investment Group report for 2023 available on our [Polish](#) or [English](#) web site



# IX. Financials

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# Q3 2024 profit

## margin and fair value gain

### Actual results [PLN m]

### PAP Consensus

	Q1-Q3 2024	Q1-Q3 2023	Q3 2024	Q3 2023	Q1-Q3 2024 (average)	Q1-Q3 2024 (range)
Revenue	806.8	650.5	317.8	193.6	291.8	273.7 - 308.9
Operating profit	57.1	99.9	32.9	67.9	-	-
Profit before tax and minority interest	51.7	85.3	5.7	48.0	-	-
<b>Net profit</b>	<b>24.0</b>	<b>45.2</b>	<b>-4.5</b>	<b>26.3</b>	<b>-8.7</b>	<b>(-17.7)-(-2.3)</b>

### Revenues and margin in Q3 2024 (PLN m)

	Sales	Margin	Margin %	Main source of revenue
Residential	233.3	72.5	31%	Apartments sale
Commercial & other	84.5	29.9	35%	Rents, fit-out, sale to R4R
<b>Total</b>	<b>317.8</b>	<b>102.4</b>	<b>32%</b>	

\* Incl. PPA impact

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

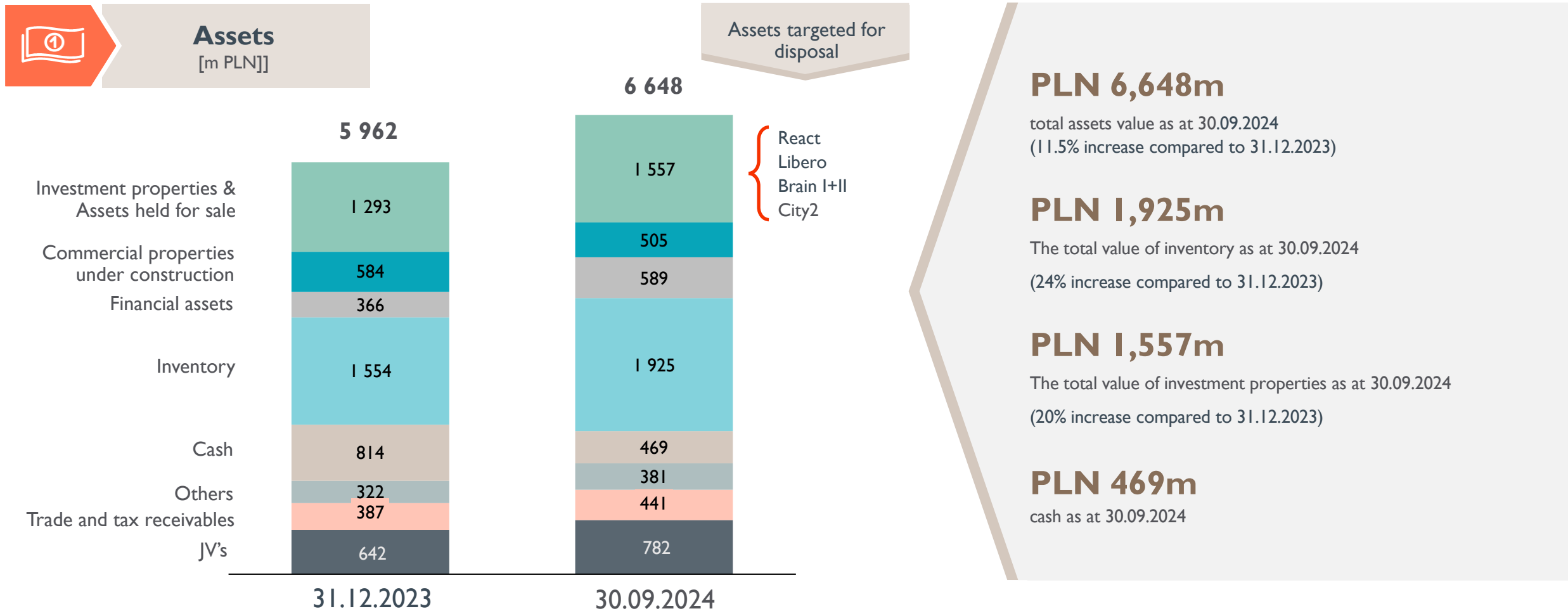
	Q3 2024	Accum.
Brain Park I&II	-0.3	42.6
Libero	-3.1	116.8
Lodz React	0.4	6.4
Citi 2 (Archicom)	-1.1	84.7
Other	-3.9	-
<b>Total</b>	<b>-8.0</b>	

Negative impact of EUR FX – PLN 10,3m



# Stable balance sheet

## with fully leased assets ready for disposal



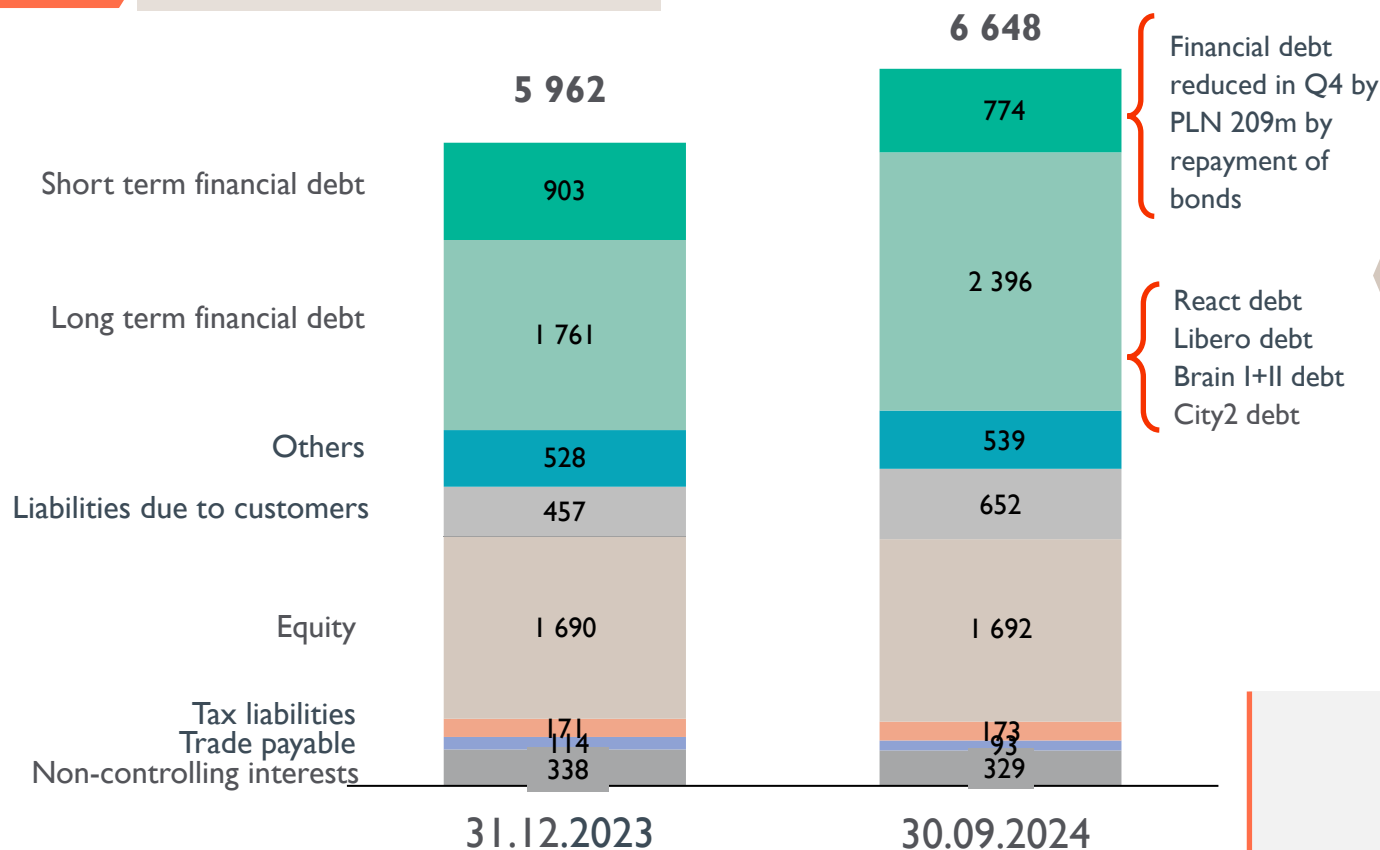
# Debt with extended maturity

## raised to cover 2024 and 2025 expiry



### Equity and liabilities

[m PLN]



### PLN 3,171m

Total long and short-term debt as at 30.09.2024

**Long-term debt** increased by PLN 635m compared to 31.12.2023, including debt raised to **cover 2024 and 2025 expiring debt**, no further bonds to be issued in 2025

**Short-term debt** decreased by PLN 129m compared to 31.12.2023

- Maturing bonds will be repaid to reduce indebtedness

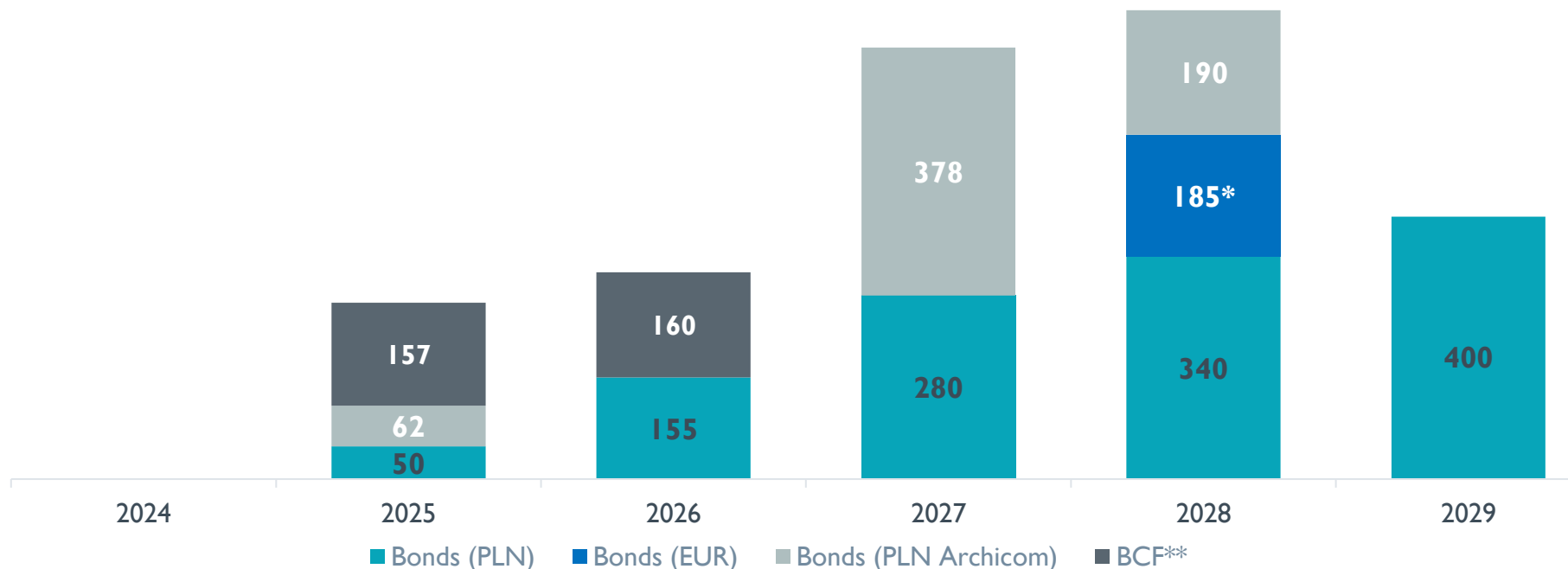
### 43,7% net debt ratio

(net debt) / (total assets less cash)

Repayment of maturing bonds and sale of REACT for EUR 32.5m will decrease gross debt in Q4 2024 by ca. **PLN 265m**  
Disposals of commercial assets will be followed by further decrease of indebtedness during 2025

# Bonds rollover done for 2024/2025

**Maturity of corporate debt**  
as of 01.11.2024 [m PLN]



\* PLN equivalent of EUR bonds as at 01.11.2024

\*\* BCF – Bank corporate financing as at 01.11.2024

## Bonds in 2024

### Echo Investment:

- issued PLN **400m** in three **5Y** bond tranches in Feb, May and Aug and
- issued **PLN 200m** for **4Y** in three bond tranches to individual investors within Prospectus program (PLN 300m) in Jan, Feb and Apr of 2024
- repaid PLN **625m** and EUR **8m**

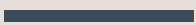
### Archicom:

- issued two PLN tranches of bonds for **358m** in Feb and Jun and
- repaid **PLN 61m** in Mar

Echo bonds maturing in 2025 will be repaid from existing funds and **no further bonds to be issued in 2025**

BCF debt facilities maturing in 2025 will be extended in 2025 for 1-2Y

# X. Q & A



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