FORTIM TRUSTED ADVISORS

An alliance member of BNP PARIBAS REAL ESTATE

RESEARCH

BUCHAREST OFFICE MARKET

IN A NUTSHELL Q3 2022

KEY FIGURES

4,07 M sqm	0 sqm	28,841 sqm	12,95%	€18.5/m²/mth
TOTAL OFFICE STOCK	NEW OFFICE SUPPLY Q3 2022	UNDER CONSTRUCTION T2-Q4 2022	VACANCY RATE	PRIME OFFICE RENT

In Q3 2022, Pre-leases increased in Q3 with 35% vs. Q2, from 6,043 sqm to 10,850 sqm.

- **Net office take-up was 44,441 sqm in Q3 2022 (contracting vs. Q2 2022 and Q3 2021)**
- **Overall, net office take-up in YTD was 166,549 sqm (+13% increase compared with the same period in 2021)**
- **Vacancy office rate decreases to 12,9% (from 13,18% in Q2 2022)**

DEMAND

75,759 sqm	44,441 sqm	15,563 sqm	10,850 sqm
TOTAL WITH RENEWALS	TOTAL WITHOUT RENEWALS	NEW DEMAND	PRE-LEASE

IN A NUTSHELL

In Bucharest, the vacancy office rate is 12,9%, a decrease of 1% since the beginning of the year.

The vacancy rate varies depending on the submarket area. Furthermore, the vacancy rate has decreased in the West submarket by over 4% from 16.1% in the last quarter to 11,9%.

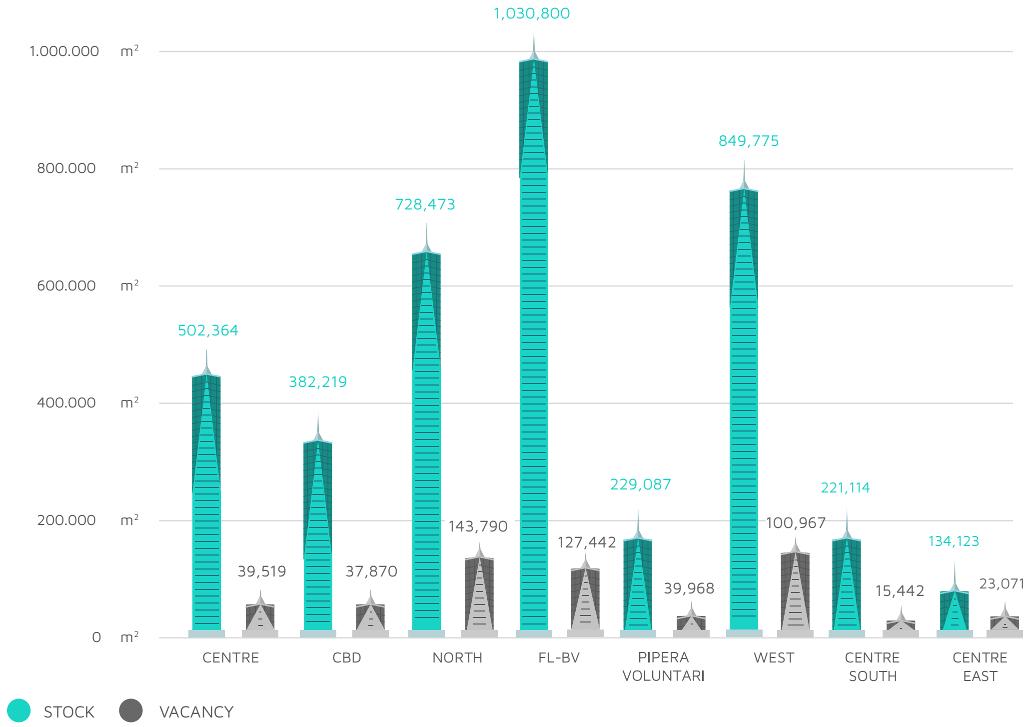
Take-up was strongest in the Western submarket.

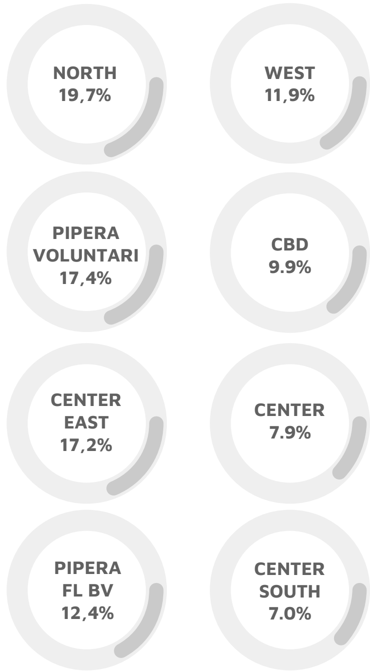
Decreases in the vacancy rate have also occurred in the CBD area (-1%) and the Center - South area (-1,8%).

In contrast, in the North area, the vacancy rate increased by 2% due to the relocation of some companies to other regions.

Our predictions are that the vacancy rate will decrease by the end of the year. The main reason is the lack of deliveries of new office buildings.

SUBMARKETS VACANCY MARKETS





DEMAND

In Q3 from the total demand of 75.759 sqm, the IT&C sector increased strongly, to 33.592 sqm representing 44% from the total take-up (from 25%, as it was in the second quarter). Among the IT&C companies that have rented new office spaces are Infineon Technologies Romania, Funcom, and Swissquote Tech Hub.

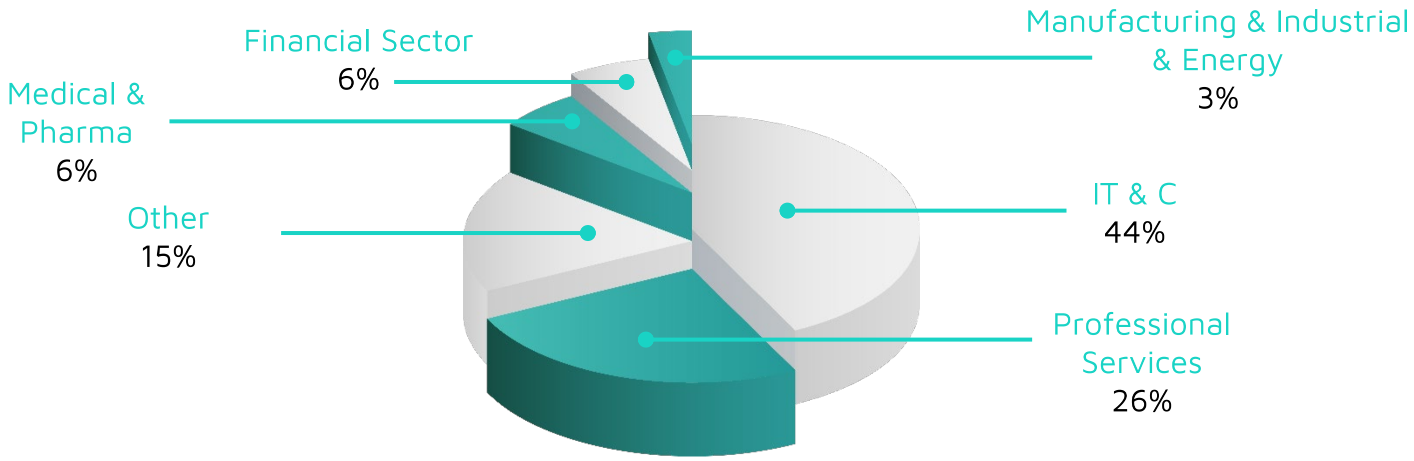
In this competitive labour market, a selling point in attracting the brightest employees within IT&C companies is to choose to relocate their offices in premium refurbished buildings from the CBD area – such as America House, or new A class office buildings, recently delivered or under construction.

The office buildings chosen by these companies are part of ESG trend: they are sustainable in terms of energy consumption, they are certified as green buildings, and they have amazing facilities for the tenants. All these features will create a more pleasant and comfortable working environment.

The Professional Services sector was the second driver of demand, representing 26% of total take-up, with 19.942 sqm, such as Horvath, Randstad and GTM which leased well-positioned spaces.

The Medical & Pharma sector has further declined from the total demand by tenant's activities of new office space, reaching only 6% in Q3 2022.

Net office take-up is slightly slowing down. Pre-lease activities showed that the demand is still strong.



INTO THE WEST

The Western submarket saw the most significant activity for new rentals and renegotiations. In Q3 2022, 48% of the total surface of office spaces leased in Bucharest was in the West area. All transactions, including renewals, amounted to 19.843 sqm in the West submarket.

Companies have chosen A class office buildings such as One Cotroceni Park, The Bridge, The Light, Orhideea Towers, and Bucharest Business Garden.

The following places as a market share in term of transactions are the following: Floreasca-Barbu Vacarescu area, Pipera area, CBD area, and South area.

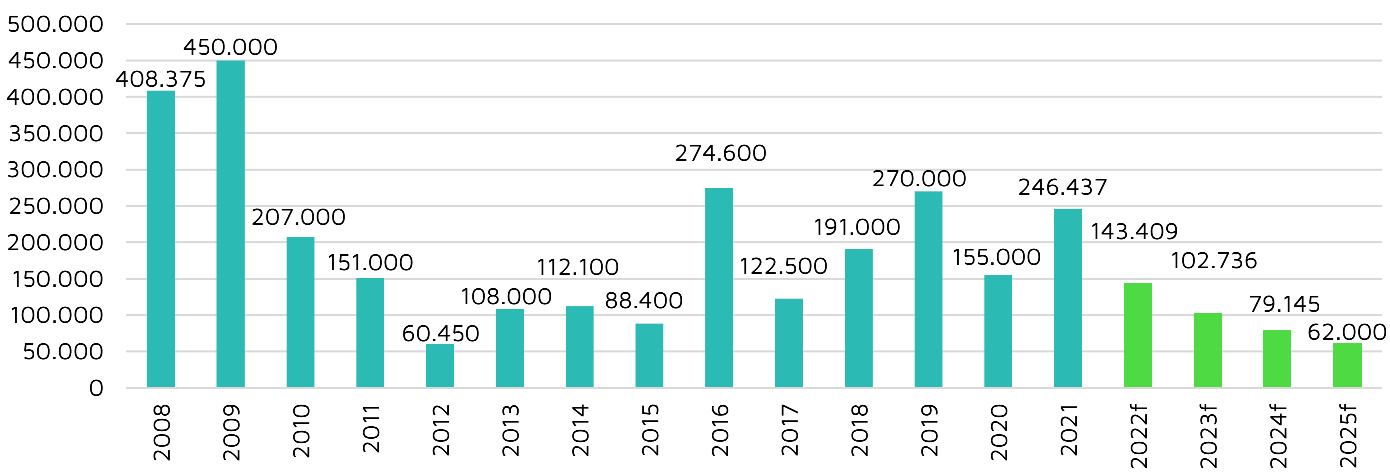
On the other hand, the North and East areas have attracted the fewest tenants.

SUPPLY

Without office buildings delivered in Q3, the current stock of office space stayed at a total area of 4,077,955 sqm since the beginning of July 2022.

In Q4, we expect delivery of just one building, ONE COTROCENI Phase 2, in the Central WEST area, with 35,000 sqm.

ANNUAL OFFICE SUPPLY IN BUCHAREST 2008 – 2025F (m^2)



BUCHAREST INVESTMENT MARKET Q3 2022

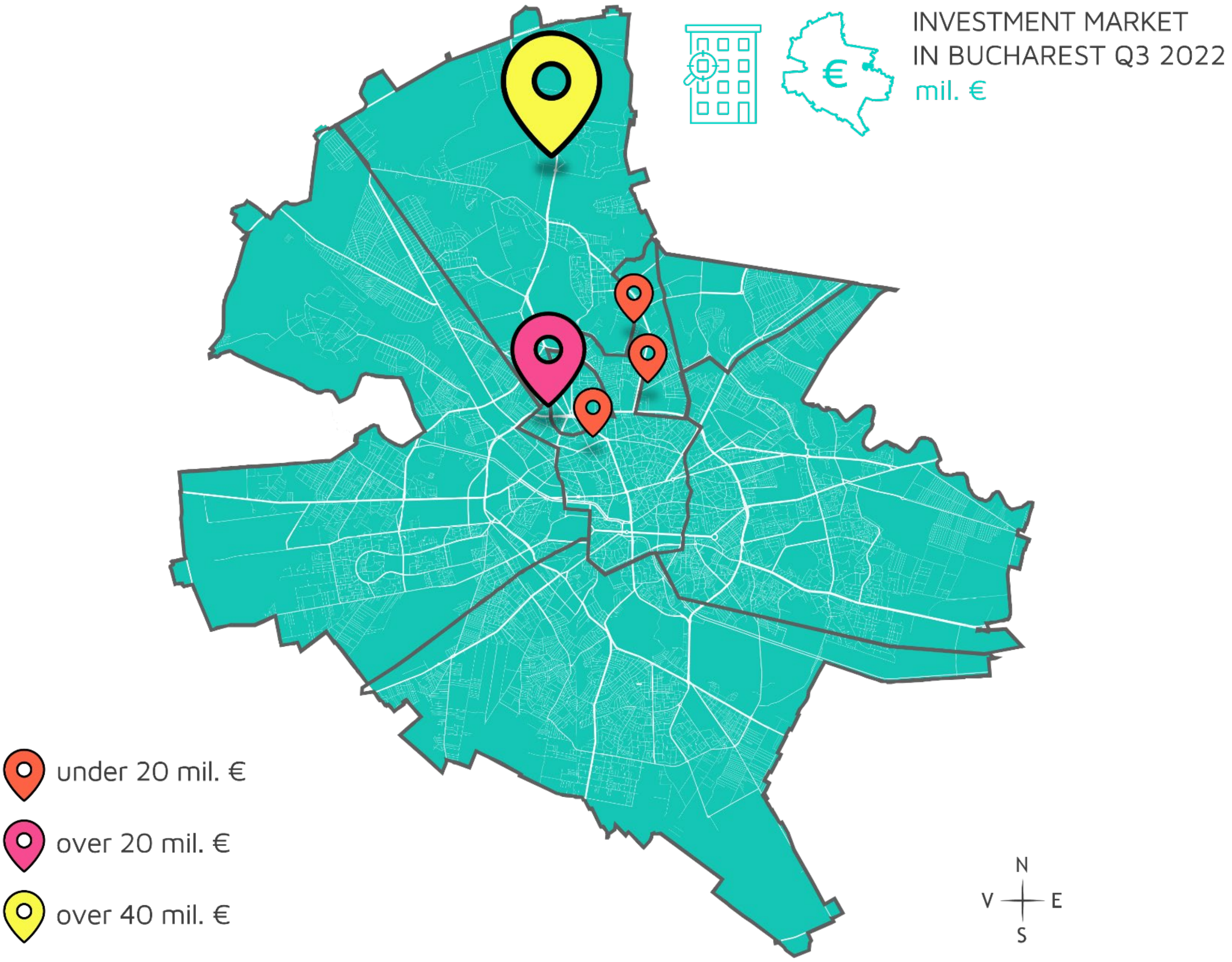
Two transactions above 20 million Euro have been concluded in Bucharest: 75% of the MIRO project, located in the North area, was bought by Hili Property, and One Victoriei Plaza, located in the CBD area, was bought by One United Properties, Romanian REIT.

The total value of investments in Bucharest was 101 million Euro, representing 68% of the entire Investments made in Romania.

The office market recorded transactions of 95.8 million Euro. The largest transaction was the purchase of 75% of the MIRO office building, for 45 million Euro, by Hili Properties (Maltese REIT), from Belgian Developer Speedwell.

Buyers were property companies & REITs.

During Q3 2022, attention is focused on a couple of large Core/Core+ office transactions currently in negotiations.



ROMANIA INVESTMENT MARKET Q3 2022

The total value of investments in Romania was 148.2 million Euro, the majority in the office sector in Bucharest.

Investors bought four office buildings in Bucharest, with a total value of EUR 95 million: One Victoriei Plaza, 75% of MIRO, Cascade Office Building, Romproiect, and Floreasca Lake Office.

Although during Q3 2022, there were almost no transactions with retail properties, the deals done during previous quarters exceeded 2021 total value by 30%, reaching 254.7M Euro.

In the industrial sector, we notice several transactions, accounting for about 24% of the 47.4M Euro Q3 volume, representing acquisitions of warehouses and small industrial units by their current users, the rest being accounted by WDP, who acquired several projects.

During Q4 2022, attention is focused on a couple of large Core/Core+ office transactions currently in negotiations. Their closing will provide a new benchmark and set the trend in the current changing environment.

Yield compression seems to be over, and we expect that the yields will increase in the following quarters.

ROMANIAN INVESTMENTS, TOP SECTORS, Q1-Q3 2022

<table>
<tr><th>Sector</th><th>Value (mil. EUR)</th><th>Total (mil. EUR)</th></tr>
<tr><td>Office</td><td>316.1</td><td rowspan="5">715,1</td></tr>
<tr><td>Retail</td><td>254.7</td></tr>
<tr><td>Industrial</td><td>101,9</td></tr>
<tr><td>Hotels</td><td>38,9</td></tr>
<tr><td>Public</td><td>3,5</td></tr>
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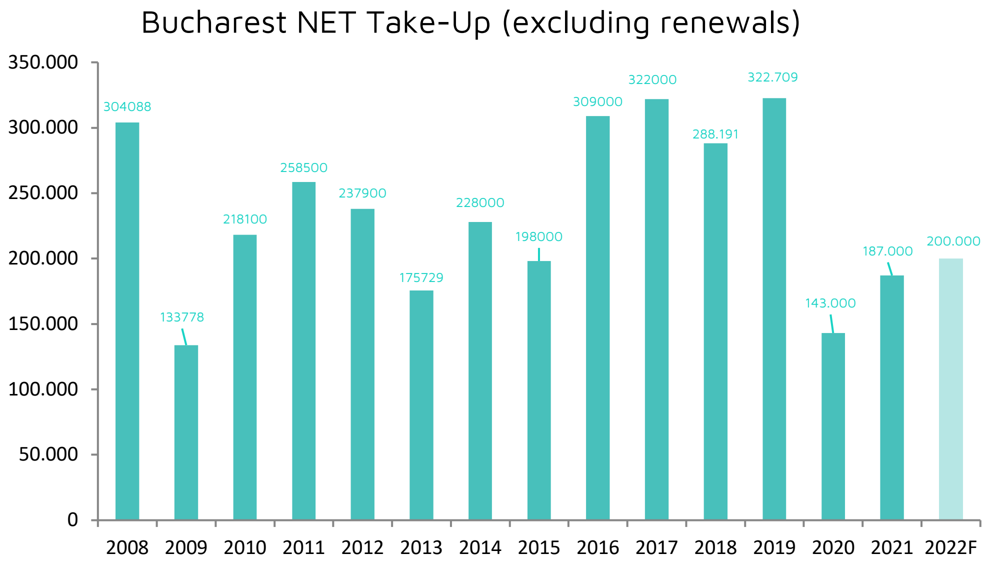
IN A NUTSHELL Q3 2022

BUCHAREST OFFICE MARKET

OFFICE NET TAKEUP 2008-2022



SELECTION OF MAIN LEASES CONCLUDED IN Q3 2022

TENANT	BUILDING	LEASED AREA (SQM)	TYPE OF TRANSACTION	GEOGRAPHICAL AREA
Confidential	One Cotroceni Ph 2	10500	Pre-lease	West
NXP	Campus 6.1	9900	Renewal/ Renegotation	West
Infineon Technologies Romania	Novo Park	7500	Renewal/ Renegotation	Pipera
DBH	Equilibrium 1	5100	New Demand	North
Confidential	Campus 6.1	3177	Renewal/ Renegotation	West
Infineon Technologies Romania	Novo Park	2500	Expansion	Pipera
Teva	The Grand Offices	2476	Renewal/ Renegotation	West
Kruk	TN Offices 2	1800	Renewal/ Renegotation	South
HCL	TN Offices 1	1690	New Demand	South
ON Air Entertainment	The Bridge 3	1600	New Demand	West

CONTACTS

Costin Nistor
Managing Director
Romania
costin.nistor@fortim.ro

Nicolae Ciobanu
Managing Partner
Head of Advisory
nicolae.ciobanu@fortim.ro

Bogdan Cange
Managing Partner
Business Development
bogdan.cange@fortim.ro

Stefan Oană
Head of Capital Markets
Romania
stefan.oana@fortim.ro

Dorin Caplea
Senior Consultant
Office Agency
dorin.caplea@fortim.ro

Doinita Ilie
Retail Consultant
Agency
doinita.ilie@fortim.ro

Stefania Zafiu
Leasing Specialist
Office Agency
stefania.zafiu@fortim.ro

Maria Neda
Deputy Head PR & Research
Romania
maria.neda@fortim.ro

FORTIM TRUSTED ADVISORS SA
America House, West Wing
4-8 Nicolae Titulescu Blvd.
Bucharest, 011141, Romania
Tel.: +40 21 312 7000
www.fortim.ro
www.linkedin.com/in/fortim

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