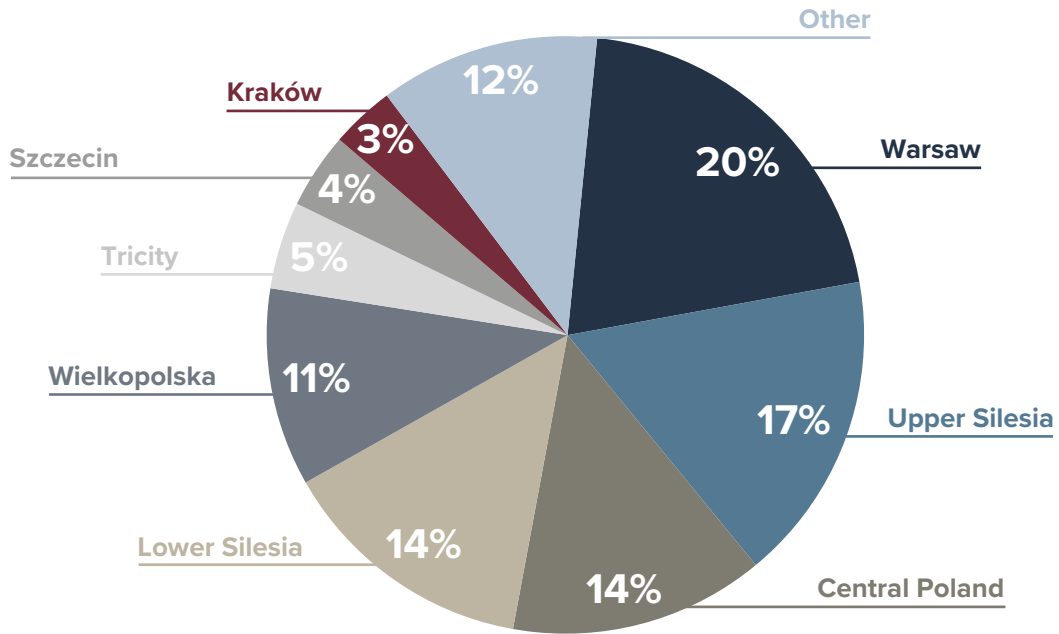




Warehouse market in Tricity Q1 2024

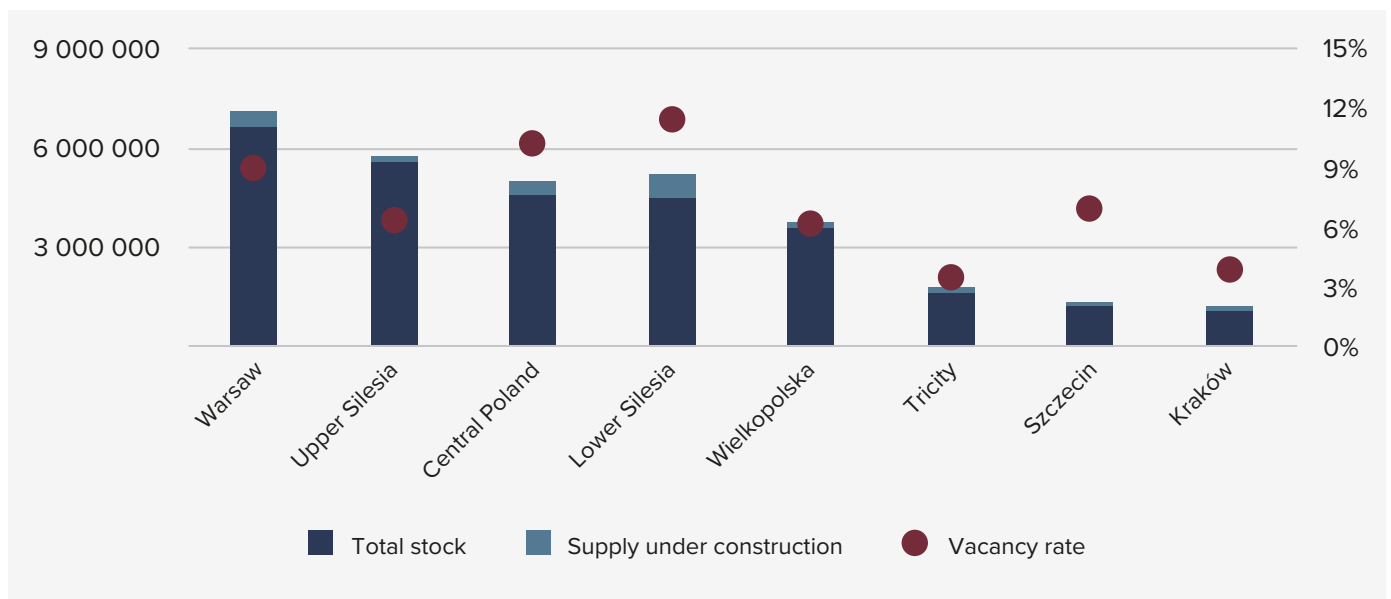
The total warehouse stock in Poland exceeded 32.7 million sq m at the end of Q1 2024. The vast majority of this supply is concentrated in key developed areas, including Tricity, which has 1.4 million sq m. Consequently, Tricity ranks as the third smallest market in terms of supply, following Szczecin and Kraków. Due to its strategic location, well-developed road infrastructure, and access to a seaport, Tricity is regarded as one of the most essential warehouse hubs. Approximately 75% of the region's warehouse stock is situated near the airport and seaport.

Warehouse stock in Poland by location (Q1 2024)



The low supply delivered in Tricity in 2023, amounting to 72,000 sq m, has already been offset by the results for Q1 2024, with 167,000 sq m completed, marking the second-highest figure in Poland (after Lower Silesia). Approximately 170,000 sq m was under construction, suggesting that the year 2024 could turn out to be a record-breaking year in terms of new supply. Notably, nearly half of this space is being developed on a speculative basis. Similar to Kraków and Lower Silesia regions, the majority of the currently under construction space has already been pre-leased.

Total warehouse stock, supply under construction (sq m) and vacancy rate (Q1 2024)

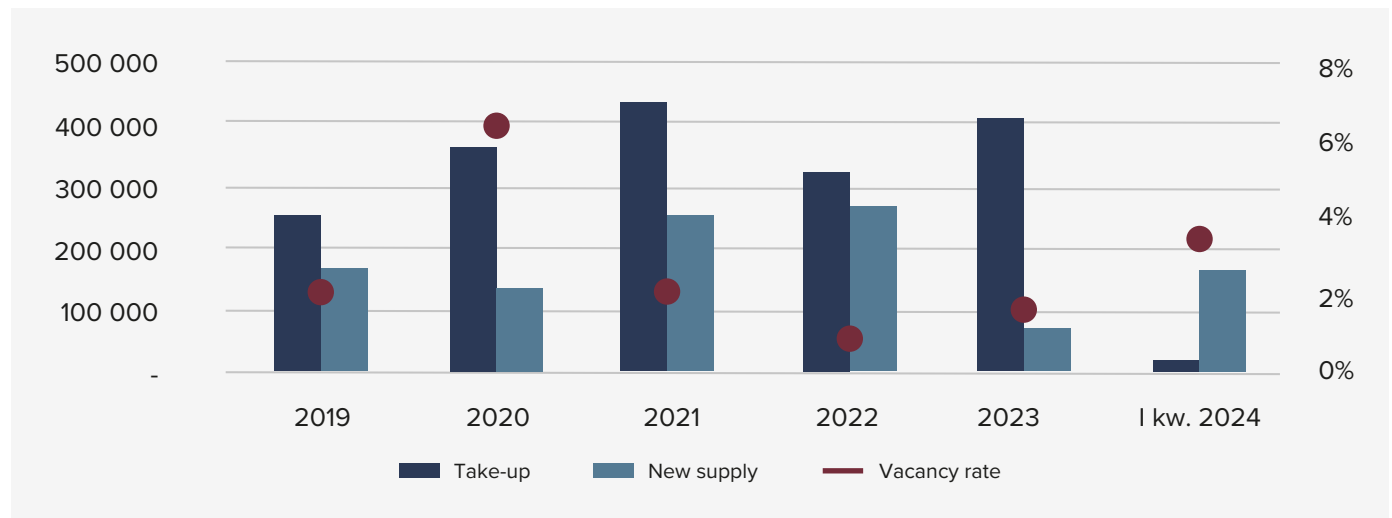


Demand for warehouse space in Poland indicates a decline in tenant activity in 2023 and Q1 2024, reflecting the situation across Europe. The total volume of lease agreements signed in the first three months of 2024 was 870,000 sq m, a 25% year-on-year decrease. In 2023, the total take-up was approximately 5.5 million sq m, a 15% decline year-on-year. Most transactions were recorded in the major markets, including Upper Silesia, Central Poland, and Wielkopolska.

Tenant activity in the Tricity warehouse market in 2023 was robust, a 26% increase compared to 2022. Demand for warehouse space amounted to approximately 400,000 sq m, representing a 7% share of the total take-up volume. The largest transactions recorded in this period included leases of around 30,000 sq m, with one notable deal being Regesta's lease at Panattoni Park Tricity East V. However, the market took a downturn in Q1 2024, with only 21,000 sq m leased.

The high new supply recorded at the beginning of 2024, coupled with deficient tenant activity, led to an increase in the vacancy rate to 3.5%, a rise of 2.6 pp. compared to the previous year. Despite this increase, the vacancy rate remains the lowest among all regions. Given the forecasted high new supply, further increases in the vacancy rate can be expected in the coming quarters.

Take-up volume, new warehouse supply (sq m) and vacancy rate in Tricity



The financing and high construction costs for new projects have also impacted the conditions for leasing warehouse space. These levels have remained relatively stable after significant increases in asking rents for warehouse leases recorded in 2023. At the end of 2023, the asking rents in the Tricity market remained in the range of EUR 3.5 – EUR 5.5 per sq m per month.