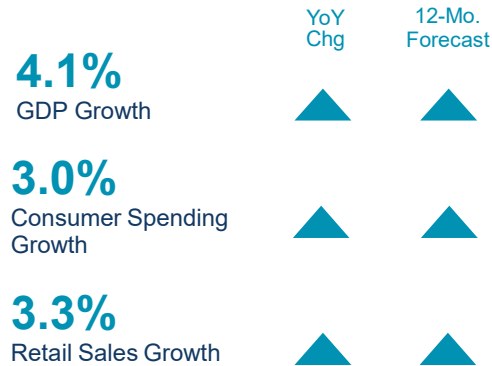


Source: Moody's Analytics; INE

ECONOMIC INDICATORS 2020



Source: Moody's Analytics; INE

ECONOMY: Private Consumption Enhanced by the Spending of Accumulated Savings

The sanitary situation is improving in Portugal, with its vaccination campaign currently evolving at a much quicker pace than initially expected.

Private consumption is expected by Moody's Analytics to grow by 3.0% in 2021 stimulated by the release into the economy of savings that families accumulated over the past months.. However, with Portugal among the top 5 European countries with the highest volume of granted credit moratoria granted, their termination may present a relevant risk.

Both exports and investment are forecasted to highly contribute to a national GDP growth of 4.1% in 2021, with year-on-year increases of respectively 8.3% and 10.4%. For 2022, Moody's Analytics foresees a 5.4% GDP growth for the Portuguese economy. Until May, retail sales registered a year-on-year recovery of 3.3% according to INE, boosted by non-food retail (+5.1%).

DEMAND: Retail Parks and Stand Alone Units Making Inroads

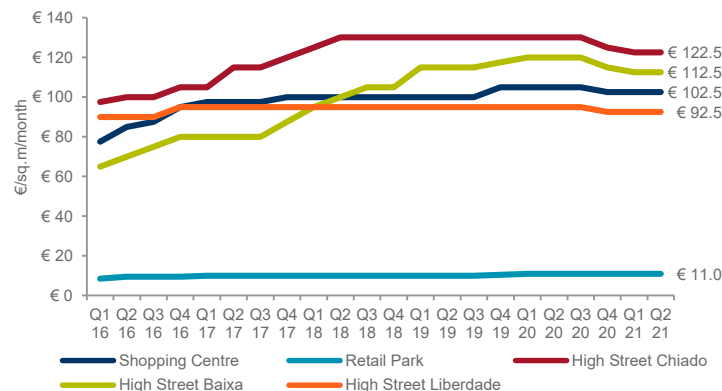
The uneven impacts of COVID-19 in the sector increased retailers and developers interest in retail parks (Sudoeste Retail Park, with 14,500 sq.m, recently started its construction in the Algarve) and stand-alone units (especially for owner-occupation).

Cushman and Wakefield's registered circa 100 new openings in the second quarter of 2021, representing a significant year-on-year recovery of 41%, totalling an occupied area of 32,400 sq.m. Although, high street format (62%) and F&B (44%) continue to drive demand, stand-alone units (12%) and the Food sector (20%) accounted for a notable number of new openings. The latter are also focusing on local neighbourhoods, with a business model closer to convenience stores, as is the recent example of Aldi's first high street unit (in Avenidas Novas) with 630 sq.m.

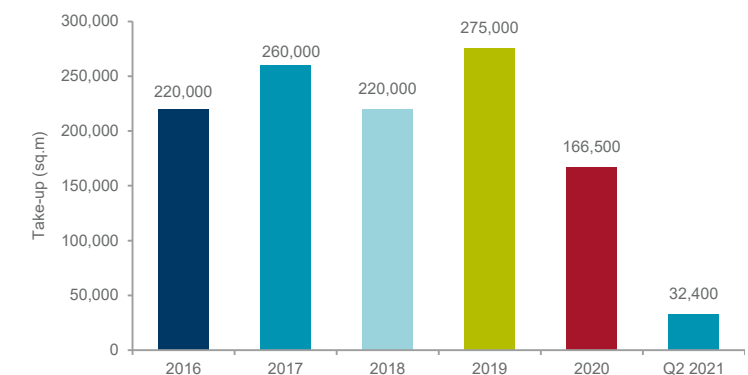
PRICING: Stable Rents Still Subject to Downward Pressures

Market rents remain under downward pressure despite a latent demand resumption, with landlords willing to provide some sort of benefits in the form of fit-out contributions, rent-free period or stepped rents, especially for assets with longer absorption time.

PRIME RENTS



DEMAND EVOLUTION



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ.M)	SHOPING CENTRE PIPELINE (SQ.M)	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
North	432,400	-	-	-
Greater Porto	672,230	-	€77.5	5.75%
Centre	517,260	13,700	-	-
Lisbon Metropolitan Area	902,190	10,500	€102.5	5.50%
Setúbal Peninsula	269,090	-	-	-
South	277,280	-	-	-
Islands	92,510	-	-	-
PORTUGAL TOTALS	3,162,970	24,200	€102.5	5.50%

MAIN OCCUPANCY TRANSACTIONS Q2 2021

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Setúbal	Fitness Up	2,500	Multiple
Stand Alone	Évora	Rádio Popular	2,000	Multiple
Stand Alone	Seixal	Blvckout Gym	2,000	Cross Border
Shopping Centre	Coimbra	Krush It by Kalorias	2,000	Multiple
Stand Alone	Guimarães	Mercadona	1,900	Cross Border

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