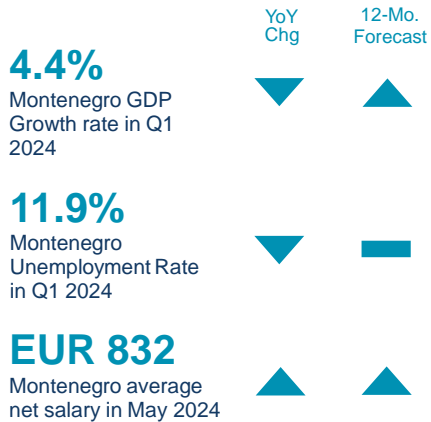




ECONOMIC INDICATORS Q1 2024



Source: Monstat - Statistical Office of Montenegro
YoY Change vs Q1 2023

ECONOMY

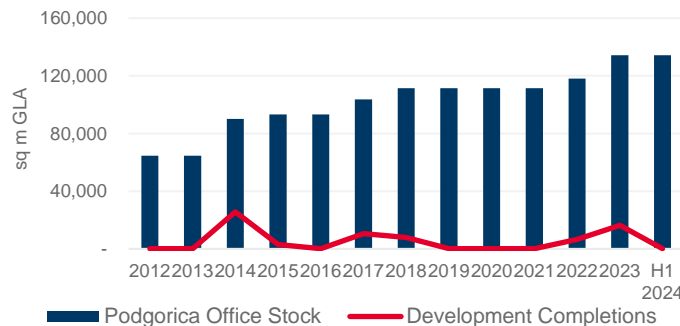
After Montenegro recorded the economic growth of 6.4% in 2022, statistical data published by MONSTAT show that Montenegro's annual GDP increased by 6% in 2023. In all four quarters of 2023, a growth of 6.2%, 6.9%, 6.6% and 4.3% respectively was noted. The primary short-term statistical indicators reveal positive trends across various economic sectors, including a notable rise in tourist arrivals and overnight stays, an increase in trade, a growth in transportation, and a stronger activity in forestry. Overall industrial production saw growth, primarily driven by increases in the electricity, gas, and steam supply sectors, while only the construction sector witnessed a decline. The labour market also improved, with a significant rise in employment and a drop in the unemployment rate. Inflation slowed down in May 2024 to 4.9%, following the decreasing trend as of September 2023.

OFFICE MARKET

A new construction cycle in Podgorica began two years ago, with several office buildings either completed or in various construction phases. After a slight increase in the total stock in 2022, two buildings were completed in 2023, which increased the total modern office stock by an additional 16,278 sq m. Along with a few modern office buildings on Dzordza Vasingtona and Sveti Petar Cetinjski Boulevards, the market has seen the development of several large mixed-use projects with a portion of office space. With no new completions in the first half of 2024, Podgorica's modern office stock remains at 134,350 sq m of GLA, while the speculative office stock is approximately 90,000 sq m. Development activity in this property segment continues to improve, with several new projects expected to further increase the total supply of modern office space in Podgorica by nearly 25,000 sq m over the next two years. Current demand is driven by international companies in the ICT sector and outsourcing service companies, such as software development firms, which are keen on expanding their operations in the local market.

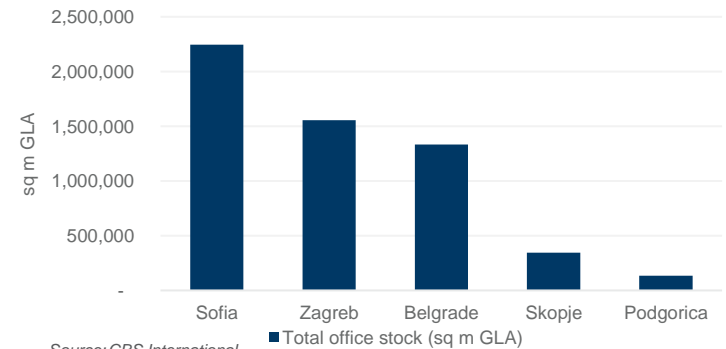
Following the increase of the rental levels in late 2022 and early 2023, in the first months of 2024 rental levels in Podgorica have remained stable. Currently, the rental levels for modern office premises in the city centre range from EUR 13.5 to 15.5 per square meter per month. Prime office premises at top locations can command rents of up to EUR 17 per square meter per month, while lower quality office spaces are priced between EUR 10 and 12 per square meter per month.

PODGORICA OFFICE STOCK EVOLUTION (SQ M GLA)



Source: CBS International

TOTAL OFFICE STOCK IN THE REGION



Source: CBS International

RETAIL MARKET

Podgorica retail market saw no new deliveries in the previous few years, keeping the modern retail stock at approximately 88,000 sq m, or 473 sq m per 1,000 inhabitants. Compared to other regional cities, Podgorica's retail market is slightly less developed, as the regional average is 600 sq m per 1,000 inhabitants. Looking at the share of formats, the largest share belongs to the shopping centres, while the share of retail parks is 13%, which is significantly below countries in the region, where retail parks are gaining more attention from the investors.

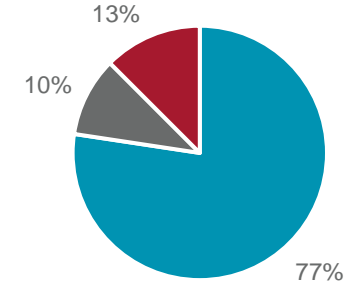
Another important retail destination is the Montenegro seaside, with several projects available in Budva and Kotor regions. Looking at the new developments, Podgorica is waiting for the completion of KAP Mall totalling 11,000 sq m, while the retail park of 12,000 sq m is currently under construction in Budva called Budva Mall.

RESIDENTIAL AND MIXED-USE MARKET

After a few years of lower development activity, in 2022 the number of units grew by 30% in comparison with the figures recorded in 2021. Precisely, the number of constructed units exceeded 4,000, which was previously marked back in 2014. Looking at the latest Census 2023 figures, the total residential supply in Montenegro grew by 26% from the 2011 Census to 396,873 units, while Tivat, Ulcinj, Budva and Podgorica marked the largest increase in the residential supply between two Censuses of 60%, 59%, 44% and 38% respectively.

The demand for residential units has been increasing after a decline in 2020 and 2021, driving the sales prices of newly-built apartments above EUR 1,700 per sq m for the first time. Specifically, the average price in Montenegro in Q1 2024 rose by 15% as compared to the 2023 average, while sales prices in Podgorica saw an 11% increase. In the Coastal region, average prices exceeded the national average by 6%, being 18% higher than the previous year.

PODGORICA RETAIL STOCK PER TYPE OF FORMAT



- Shopping centre
- Neighbourhood Mall
- Retail Park

Source: CBS International

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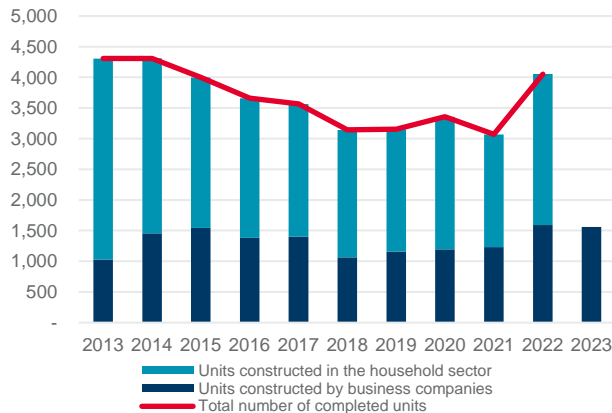
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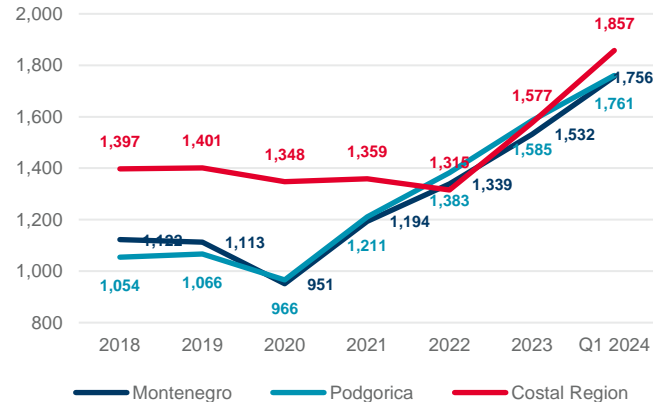
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com

TOTAL NUMBER OF COMPLETED APARTMENTS IN MONTENEGRO



Source: Statistical Office of Montenegro, the number of units constructed by the household sector not published yet

AVERAGE SALES PRICES (EUR/SQ M) OF NEWLY-BUILT APARTMENTS



Source: Monstat - Statistical Office of Montenegro