



MARKET FUNDAMENTALS

6.6% Vacancy Rate (Immediate) ▲ YOY Chg ▼ 12-Month Forecast

840,000 Q Absorption, SQM ▲ ▬

€70 Prime Rent, SQM/YR ▲ ▲
(Overall, All Property Classes)

ECONOMIC INDICATORS

+0.5% GDP Growth ▲ YOY Chg ▲ 12-Month Forecast

5.9% Unemployment Rate ▼ ▬

3.5% 10-Yr Treasury Yield ▬ ▼

Source: Moody's Italy, January 12th update (GDP Growth estimate Q4 2025 on Q4 2024; Unemployment Rate Q4 2025; 10-Yr Gov Bond at Q4 2025).

ECONOMY

By the end of 2025, Italy's economy showed weak but resilient growth, with GDP broadly flat across quarters and full-year growth around 0.5-0.6%. Inflation eased further toward year-end (around 1.1-1.2% in Nov-Dec), improving real purchasing power, while the labor market remained solid, supporting household consumption. Financial conditions gradually improved as the tightening cycle ended and credit conditions began to normalize, creating a more supportive backdrop for investment.

OCCUPIER - LARGE SCALE DISTRIBUTION

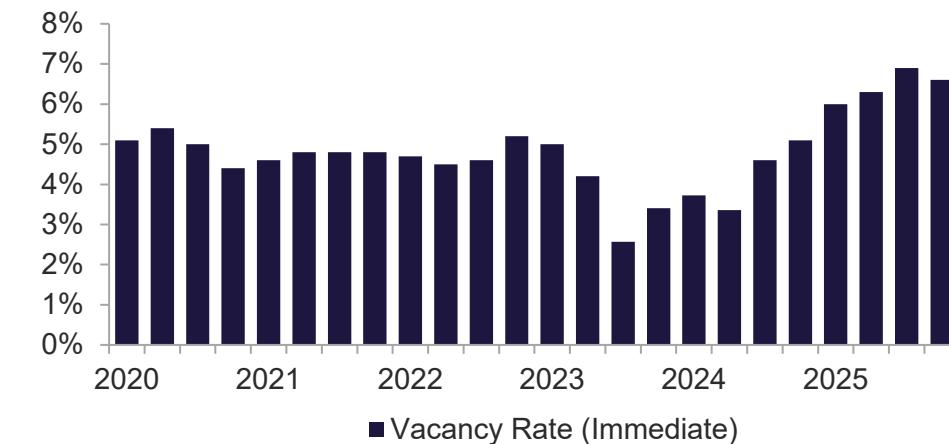
In the fourth quarter of 2025, the logistics market recorded a take-up of approximately 840,000 sqm, marking a sharp acceleration in activity. Volumes were +56% above the quarterly average recorded since early 2024 (540,000 sqm) and +40% higher than Q4 2024 (600,000 sqm), confirming a rebound in occupier demand toward year-end following the more cautious conditions observed earlier in the cycle.

In terms of transaction size, the quarter highlights a clear return of medium-sized (30,000-40,000 sqm) and large-scale transactions (>50,000 sqm), marking a significant increase compared to the first part of the year. In Q4, five large transactions exceeding 50,000 sqm were recorded, three of which were BTS deals, mainly located in Piedmont and Emilia-Romagna. The quarter therefore confirms the renewed momentum of large-scale operations, driven primarily by established 3PL operators and Fashion retailers, and signals a strengthening of occupier confidence in strategic logistics locations.

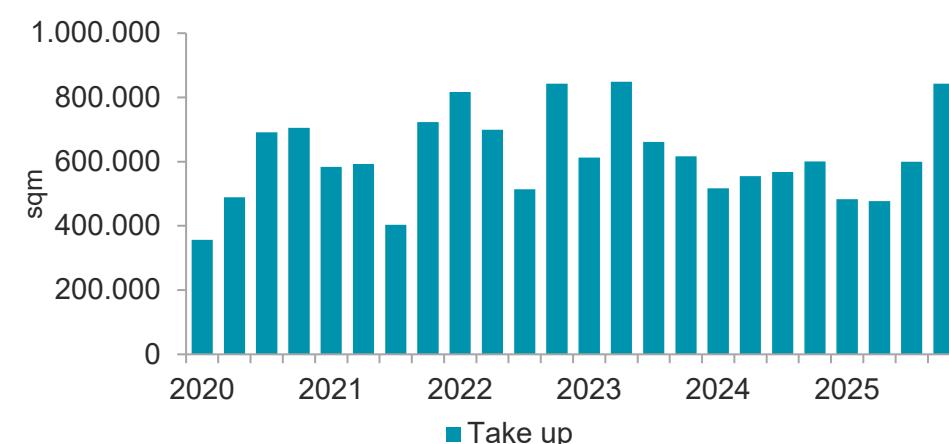
Total take-up for the full year 2025 reached approximately 2.4 million sqm, representing an +8% increase compared to 2024 (2.2 million sqm) and standing just below the five-year average (2.47 million sqm).

The logistics vacancy rate stands at approximately 6.6%, decreasing quarter-on-quarter, reflecting the gradual absorption of available space and confirming the anticipated adjustment by developers, who are

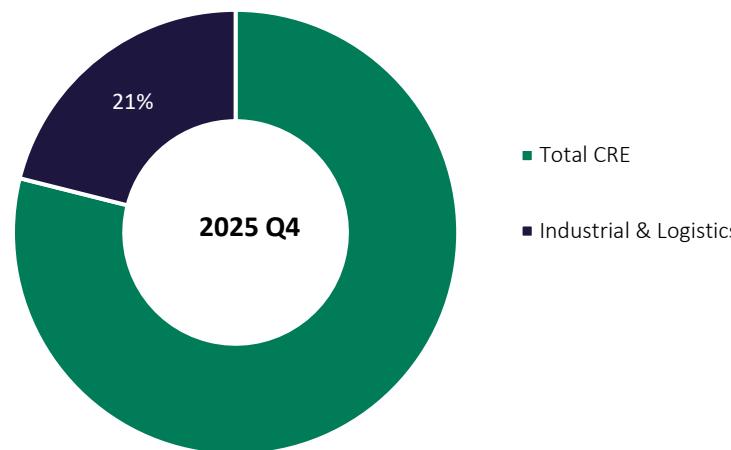
OVERALL VACANCY (IMMEDIATE)



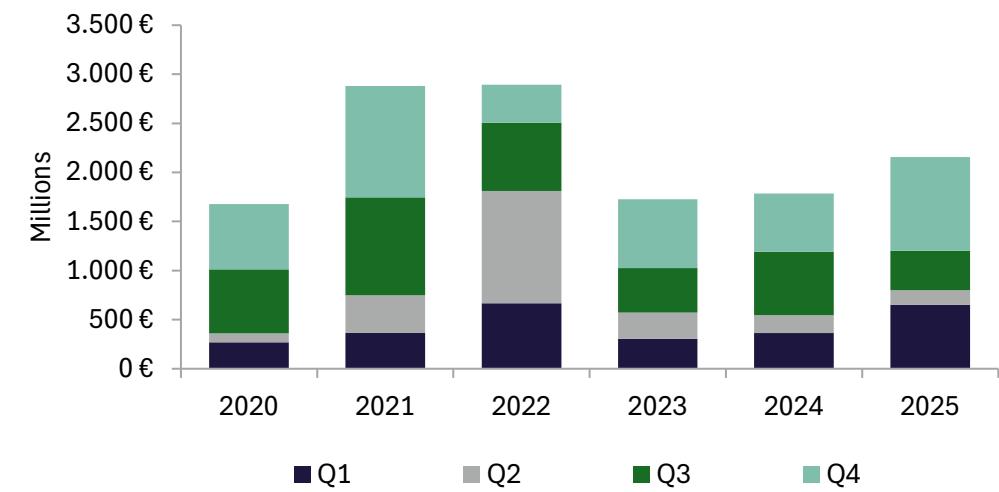
TAKE UP (SQM)



I&L vs. ALL SECTORS - INVESTMENT VOLUME ITALY



I&L INVESTMENT VOLUME



Increasingly aligning new developments with actual demand conditions. Looking ahead, vacancy levels are expected to stabilize toward year-end, as the pipeline of new projects continues to narrow in response to developers adopting a more selective and demand-driven approach.

INVESTMENT

The fourth quarter of 2025 marked a sharp acceleration in industrial and logistics investment activity, with volumes reaching approximately 960 €Mn. This represents more than double the volume recorded in the previous quarter (398 €Mn), a +60% increase compared to Q4 2024, and +35% above the five-year quarterly average (708 €Mn), confirming a strong year-end rebound.

Year-to-date investment volumes reached approximately 2.17 €Bn, supported by solid activity in both Q1 (655 €Mn) and Q4 (954 €Mn). This figure reflects a +21% increase compared to 2024 and stands just 2% below the five-year annual average (2.2 €Bn), highlighting the resilience and depth of the logistics investment market.

Overall, investment activity in the logistics sector strengthened further, supported by robust occupier fundamentals, an increasing focus on high-quality assets, and expectations of mild yield compression over the medium term. While Value-add and Core+ strategies continue to dominate the risk/return spectrum, core capital is gradually re-entering the market, encouraged by improved pricing visibility and more stable yield dynamics. Transaction activity highlights a market increasingly focused on single assets in prime locations with strong fundamentals, attracting also new capital from players entering the Italian market, which intensifies competition and supports more dynamic pricing. At the same time, demand for portfolios remains robust, driven primarily by international investors seeking larger-ticket opportunities.

PRICING

During the quarter, rental values remained largely stable across the main markets, with prime rents maintaining a level of €70/sqm per year in both Milan and Rome. At the same time, prime yields compressed by 25 basis points over the period, reaching 5.25% in the fourth quarter of 2025, confirming growing investor confidence and an improvement in the risk/return profile of this asset class.

OUTLOOK

- Looking ahead to 2026, conditions appear favorable for a further expansion of demand: in addition to traditional drivers, a growing contribution is expected from the defense and renewable energy sectors, linked to major European investments aimed at competing in an increasingly polarized global market.
- Prime rents are expected to continue rising in 2026, albeit at a more moderate pace compared to the strong increases observed in recent years. Forecasts indicate an annual growth of around 1.4% in both Milan and Rome, reflecting a market that is gradually moving towards greater stability following a period of exceptional acceleration.
- Overall, the combination of low vacancy rates, limited supply and significantly improving financial markets is creating an increasingly favourable environment for growth.
- Rate cuts are helping restore positive leverage, which is attracting more global capital from investors looking to rebalance and diversify their portfolios.

MARKET STATISTICS

SUBMARKET	PRIME RENT (€/SQM/YR)				PRIME YIELD (NET)		
	LOGISTICS WAREHOUSE	QoQ VARIATION	LAST MILE/CROSS DOCK	QoQ VARIATION	LOGISTICS WAREHOUSE & LAST MILE/CROSS DOCK	QoQ VARIATION	
CONSOLIDATED MARKET							
Milan	70	↗	110	↗	5.25%	↓	
Rome	70	↗	110	↗	5.25%	↓	
Bologna	65	↗	95	↗	5.25%	↓	
Turin	52	↗	80	↗	6.50%	↗	
Genoa	70	↗	105	↗	6.00%	↓	
Verona	62	↗	95	↗	5.50%	↓	
Piacenza	58	↗	80	↗	5.50%	↓	
Novara	60	↗	80	↗	5.50%	↓	
EMERGING MARKET							
Florence	80	↗	115	↗	5.75%	↗	
Naples	60	↗	85	↗	7.00%	↗	
Bari	60	↗	85	↗	7.00%	↗	

(*) Yields are calculated on a net basis as: Net Yield = NOI (1) / PP (2); 1. Net Operating Income - after deducting all non-recoverable expenditure; 2. Purchasing Price - excluding transfer costs, tax and legal fees. With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

KEY LEASE/OWNER OCCUPIER TRANSACTIONS YTD

QUARTER	REGION	CITY (PROVINCE)	TENANT SECTOR	SQM	TYPE
3	Emilia-Romagna	Castel San Giovanni (PC)	Retailer - Fashion	90,000	Pre-lease (BTS)
4	Piedmont	Alessandria (AL)	Retailer - Fashion	81,000	Pre-lease (BTS)
4	Lombardy	Chiari (BS)	3PL	71,000	New Lease
2	Emilia-Romagna	Imola (BO)	Retailer - GDO	60,000	OO - BTO
3	Emilia-Romagna	Maranello (MO)	3PL	56,000	Pre-lease (BTS)
4	Piedmont	Torino (TO)	3PL	54,000	OO - BTO
4	Emilia-Romagna	Valsamoggia (BO)	3PL	54,000	Pre-lease (Speculative)

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD

QUARTER	PROPERTY - REGION	CITY (PROVINCE)	SELLER/BUYER	SQM	PRICE / € MN
1	Techbau portfolio	Multi-City	Techbau / Castello Sgr	313,000	257
1	Project Zephyr	Multi-City	Blackstone / Krylos Sgr	242,000	202
3	Vercelli Amazon	Vercelli	AEW Europe / Deka Investment GmbH	150,000	135
4	Portfolio Hines - Project Mi.To	Multi-City	Krylos Sgr / Colliers Global Investors	135,000	110
4	Argo Portfolio	Multi-City	BentallGreenOak / Krylos Sgr	107,000	98,6
4	Pjt Principal	Multi-City	Principal / DeA Capital SGR	110,000	85,1
4	Project Titan - Logiman	Multi-City	Logiman / Krylos Sgr	107,000	75,2

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