



MARKET FUNDAMENTALS

|                                                                     | YOY<br>Chg                                                                        | 12-Month<br>Forecast                                                              |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| 7.3%<br>Vacancy Rate (Immediate)                                    |  |  |
| 800,000<br>Q Absorption, SQM                                        |  |  |
| €72<br>Prime Rent, SQM/YR<br><i>(Overall, All Property Classes)</i> |  |  |

ECONOMIC INDICATORS

|                               | YOY<br>Chg                                                                          | 12-Month<br>Forecast                                                                |
|-------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| +0.8%<br>GDP Growth           |  |  |
| 6.0%<br>Unemployment Rate     |  |  |
| 4.15%<br>10-Yr Treasury Yield |  |  |

Source: Moody's Italy, October update (GDP Growth estimate Q3 2026 on Q3 2025; Unemployment Rate Q3 2026; 10-Yr Gov Bond at Q3 2026).

ECONOMY

Italy's economy grew an estimated 0.8% YOY in Q3 2026, though GDP was flat on the previous quarter. Employment rose 1.0% to 27.1 million, while unemployment edged up to 6.0% from 5.7% in Q2. Inflation accelerated to 3.5%, adding to operating and input costs for shippers and logistics operators. Financing conditions tightened further. The 10-year BTP yield averaged 4.15% (+61 bps YOY), and three-month EURIBOR rose to 2.52% from 2.25%. Business confidence improved to 96.2, above last year's 93.7, while consumer confidence, at 93.3, remains below its year-ago level. E-commerce, up 16.8% YOY in Q2, is still the main structural driver of logistics demand. Occupiers are likely to stay selective on expansions and lease commitments, and higher funding costs may slow speculative development in the near term.

OCCUPIER - LARGE SCALE DISTRIBUTION

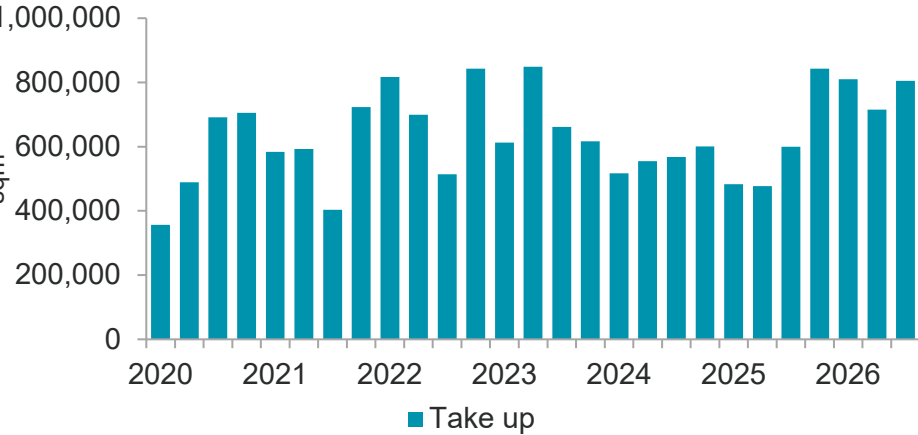
Q3 2026 confirmed the positive momentum observed since the beginning of the year in the Italian logistics market. Take-up totalled approximately 805,000 sqm, marking a 13% increase compared to Q2 2026, a 34% rise year-on-year, and standing nearly 47% above the average Q3 volume of the last five years. Cumulative take-up for the first nine months reached approximately 2.33 Mln sqm, representing the strongest January-September result recorded since 2017 and highlighting the continued strength and breadth of occupier demand despite a still uncertain economic backdrop.

The quarter was characterised by the return of large-scale occupier requirements, with four transactions above 50,000 sqm accounting for approximately 36% of quarterly absorption. At the same time, activity remained broad-based, with the 10,000-20,000 sqm and 20,000-30,000 sqm size brackets accounting for 47% of total transactions, confirming the depth and diversification of market demand. From an occupier perspective, 3PL operators remained the most active players in terms of deal count, accounting for around 40% of all transactions recorded during the quarter. This reflects continued outsourcing trends, supply-chain optimisation strategies and the ongoing consolidation of major logistics providers such as MVN and XLogistics. Retail occupiers, however, generated the largest share of absorbed space, accounting for approximately 36% of quarterly take-up, supported by major transactions from Jysk, Migross, Agrieuro, Maury's and Nestlé. This confirms the growing weight of Large-scale retail supply chains within the Italian logistics market.

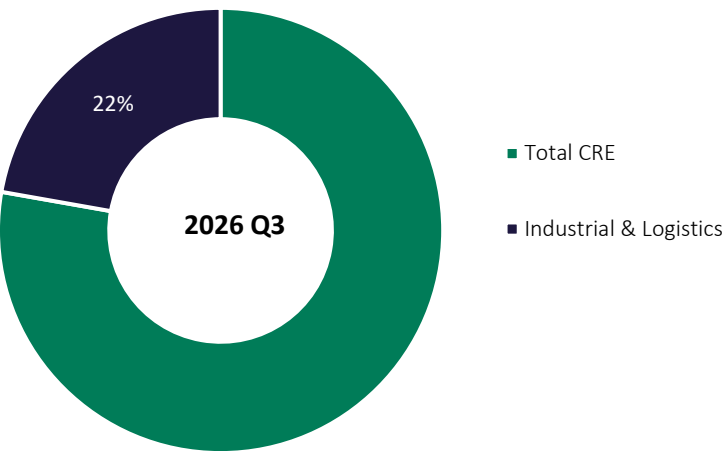
OVERALL VACANCY (IMMEDIATE)



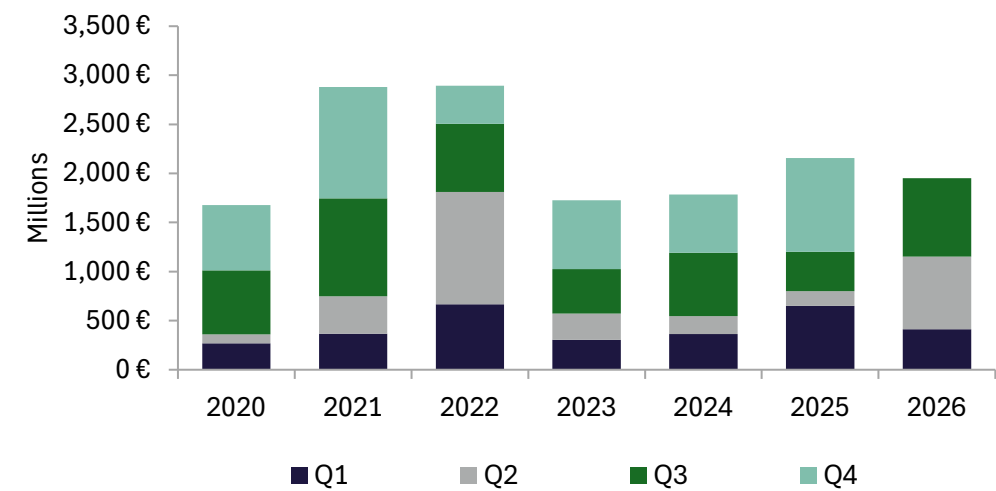
TAKE UP (SQM)



I&L vs. ALL SECTORS - INVESTMENT VOLUME ITALY



I&L INVESTMENT VOLUME



Geographically, activity remained concentrated in the country’s core logistics corridors. Lombardy, Veneto and Emilia-Romagna collectively accounted for approximately 63% of quarterly take-up, supported by sustained demand in the Milan, Verona, Piacenza and Bologna logistics hubs. Lazio represented a further 10%, confirming the progressive expansion of occupier demand beyond the traditional Northern Italian logistics markets.

INVESTMENT

Q3 2026 confirmed the depth and liquidity of the Italian logistics investment market, supported by sustained capital deployment and a broad transaction base. Investment volumes reached approximately 800 €Mn during the quarter, marking an increase of around 8% compared with Q2 2026 (737 €Mn) and more than doubling the volume recorded in Q3 2025 (398€ Mn). As a result, cumulative investment volumes approached 1.96 €Bn over the first nine months of the year, representing an increase of approximately 62% year-on-year, underlining the sector’s continued appeal within the Italian real estate investment landscape.

The quarter recorded 22 transactions. While single-asset deals accounted for the majority of transactions, investment volumes were evenly split between single assets and portfolios, with each representing approximately 50% of quarterly activity. Portfolio activity was led by Project Golden, while major single-asset transactions included Migross Nogarole Rocca and Giovi Logistics Park, reflecting continued investor appetite for both scale opportunities and high-quality individual assets.

The market continues to be characterised by limited availability of prime logistics assets, supporting values despite a still selective financing environment. Investors remain focused on assets capable of delivering secure income, rental growth potential and asset management upside through refurbishment, ESG repositioning or development strategies. At the same time, the presence of owner-occupier acquisitions, which represented around 15% of total volume, alongside traditional investment transactions highlights the strength of occupational demand and the strategic importance of logistics real estate across a broad occupier base.

PRICING

In the third quarter, prime rents in Milan and Rome remained stable at €72/sqm/year, following the increase recorded in Q2. Prime yields held firm at 5.25% in Q3, underpinned by sustained competition for high-quality assets in the most sought-after locations. Nevertheless, the current pricing environment continues to be influenced by higher-for-longer interest rate expectations and a more disciplined approach to capital allocation. As a result, while prime values have remained broadly stable to date, market and macroeconomic indicators point to the potential for modest outward yield movement over the medium term should financing conditions remain challenging.

OUTLOOK

- Activity in the quarter further confirms Italy’s position as one of Europe’s key logistics markets. A large domestic consumer base, well-established distribution corridors and a diversified industrial base continue to attract occupier demand across a broad range of sectors. Cushman & Wakefield’s Future Flows research identifies these characteristics as key competitive advantages, and Italy is one of the few European markets positioned to benefit from two growth drivers simultaneously: the expansion of retail and logistics networks by international occupiers, including Chinese companies, and the development of strategic industrial supply chains in sectors such as Defence and advanced manufacturing. Together, these factors are expected to support logistics and industrial demand over the medium term.
- Looking ahead, on the investment side, ongoing negotiations point to continued activity in the last quarter of the year, with Italy maintaining its relative positioning within the European logistics investment landscape.

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               | 72                    | →             | 115                  | →             | 5.25%                                      | →             |
| Rome                | 72                    | →             | 115                  | →             | 5.25%                                      | →             |
| Bologna             | 67                    | ↑             | 95                   | →             | 5.25%                                      | →             |
| Turin               | 52                    | →             | 80                   | →             | 6.50%                                      | →             |
| Genoa               | 72                    | →             | 105                  | →             | 6.00%                                      | →             |
| Verona              | 62                    | →             | 95                   | →             | 5.50%                                      | →             |
| Piacenza            | 58                    | →             | 80                   | →             | 5.50%                                      | →             |
| Novara              | 62                    | →             | 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           |
|---------|----------|------------------------|---------------|---------|----------------|
| 1       | Lombardy | Vidigulfo(PV)          | 3PL           | 116.600 | Lease          |
| 1       | Piedmont | San Pietro Mosezzo(NO) | 3PL           | 102.000 | Lease          |
| 3       | Veneto   | Castelguglielmo (RO)   | Retail        | 91,464  | Lease          |
| 3       | Veneto   | Nogarole Rocca (VR)    | Retail        | 90,370  | Owner-occupier |
| 1       | Piedmont | Alessandria (AL)       | 3PL           | 83,500  | Pre-lease      |
| 3       | Lombardy | Osio Sotto (BG)        | 3PL           | 59,133  | Lease          |
| 3       | Piedmont | Tortona (AL)           | Retail        | 52,000  | Pre-lease      |

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD

| QUARTER | PROPERTY - REGION                 | CITY (PROVINCE)     | SELLER/BUYER                  | SQM     | PRICE / € MN |
|---------|-----------------------------------|---------------------|-------------------------------|---------|--------------|
| 2       | Project RUN                       | Multi-City          | BGO / CBRE IM                 | 327.100 | 361          |
| 2       | Project Dome                      | Multi-City          | Kryalos / Ares Management     | 154.600 | 130          |
| 3       | Project Golden                    | Multi-City          | Hines / ICG                   | 165,188 | 120.8        |
| 3       | Santa Palomba Portfolio (Phase I) | Multi-City          | Kryalos SGR / ExCorde Capital | 11,000  | 110.0        |
| 1       | Amazon Portfolio                  | Multi-City          | SEGRO / Realty Income         | 35,000  | 105.0        |
| 3       | Migross - Veneto                  | Nogarole Rocca (VR) | Starwood / Migross            | 108,000 | 98.0         |
| 3       | Giovi Logistics Park - Lombardy   | Silvano Pietra (PV) | Prelios SGR / Garbe Italy     | 83,000  | 87.0         |

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