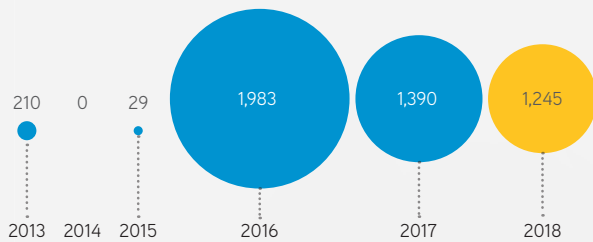


ASIAN INVESTMENT IN CEE

- THE RISING SUN?

INFLOW FROM EAST ASIA INTO CEE-6 COMMERCIAL REAL ESTATE 2013-18 [EURMN]

Money from East Asia burst on to the CEE scene in 2016-17, mainly via large industrial sector portfolio deals



Source: Colliers International

TOP DEALS* BY EAST ASIAN INVESTORS IN THE CEE-6

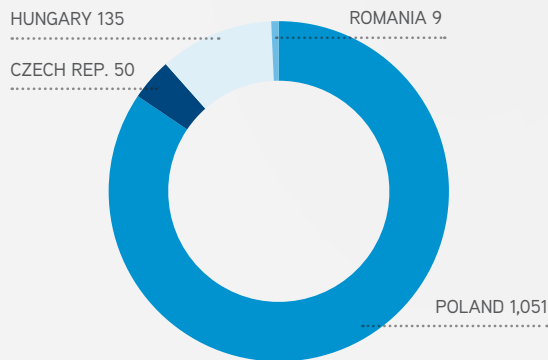
Large single asset deals are appearing in the top echelons

ASSET	SECTOR	COUNTRY	BUYER	ORIGIN	SIZE (mn)	YEAR
P3 portfolio	Industrial	PL, CZ, SK, RO	GIC	Singapore	€1,549	2016
Logicor portfolio	Industrial	PL, CZ, SK, RO, HU	CIC	China	€898	2017
Prologis portfolio	Industrial	PL, HU	Mapletree	Singapore	€335	2018
Galeria Katowicka	Retail	PL	EPF	Malaysia	€300	2018
Florentinum	Office	CZ	CEFC	China	€283	2016
Warimpex portfolio	Hotel	PL, CZ, RO	U City	Thailand	€176	2017
Amazon Szczecin	Industrial	PL	Vestas	S Korea	€110	2018

* deal values are for completed operating assets, excluding development land. Portfolio deal totals include only assets located in the CEE-6 region. Source: media reporting, Colliers International

EAST ASIAN FLOWS BY CEE-6 COUNTRY 2018 [EURMN]

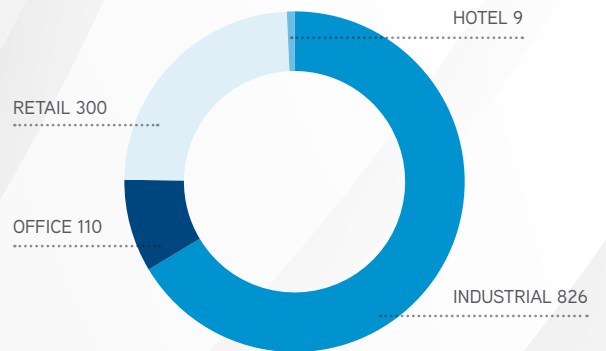
Asian investors appear to need liquidity: looking by CEE-6 destination, Poland presently dominates



Source: Colliers International

FLOW BY SECTOR 2018 [EURMN]

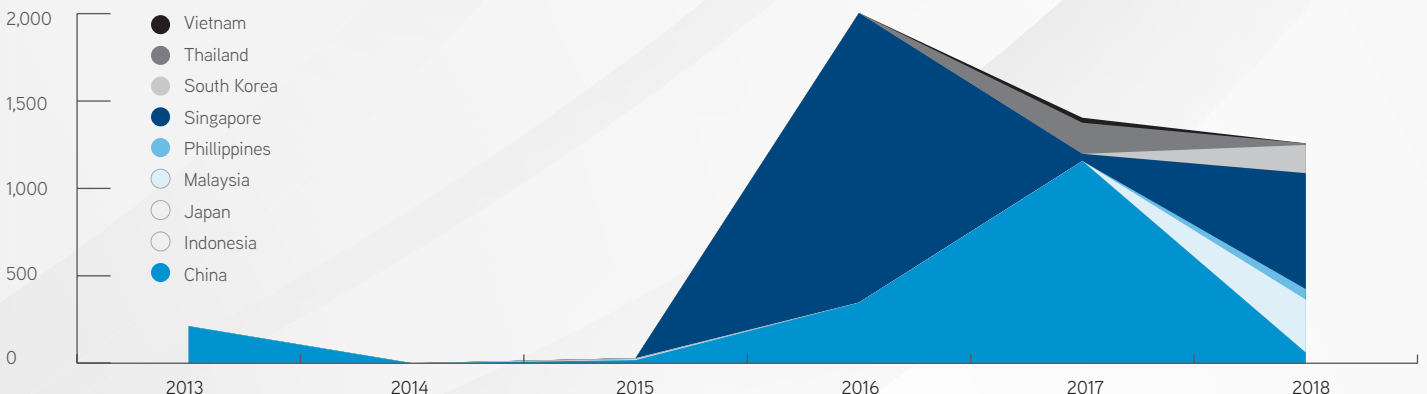
Purchases in the industrial sector formed the majority of 2018's flow as well, though diversification is beginning



Source: Colliers International

FLOWS BY EAST ASIAN COUNTRY OF ORIGIN 2013-18 [EURMN]

Singapore remains a prime source of capital into CEE. Malaysia, South Korea and the Philippines are new buyers in 2018. Chinese flow diminished to just EUR 60mn in 2018, due to capital flow restrictions. Real Capital Analytics estimate a -60% year-on-year drop in cross-border flow out of China in 2018.



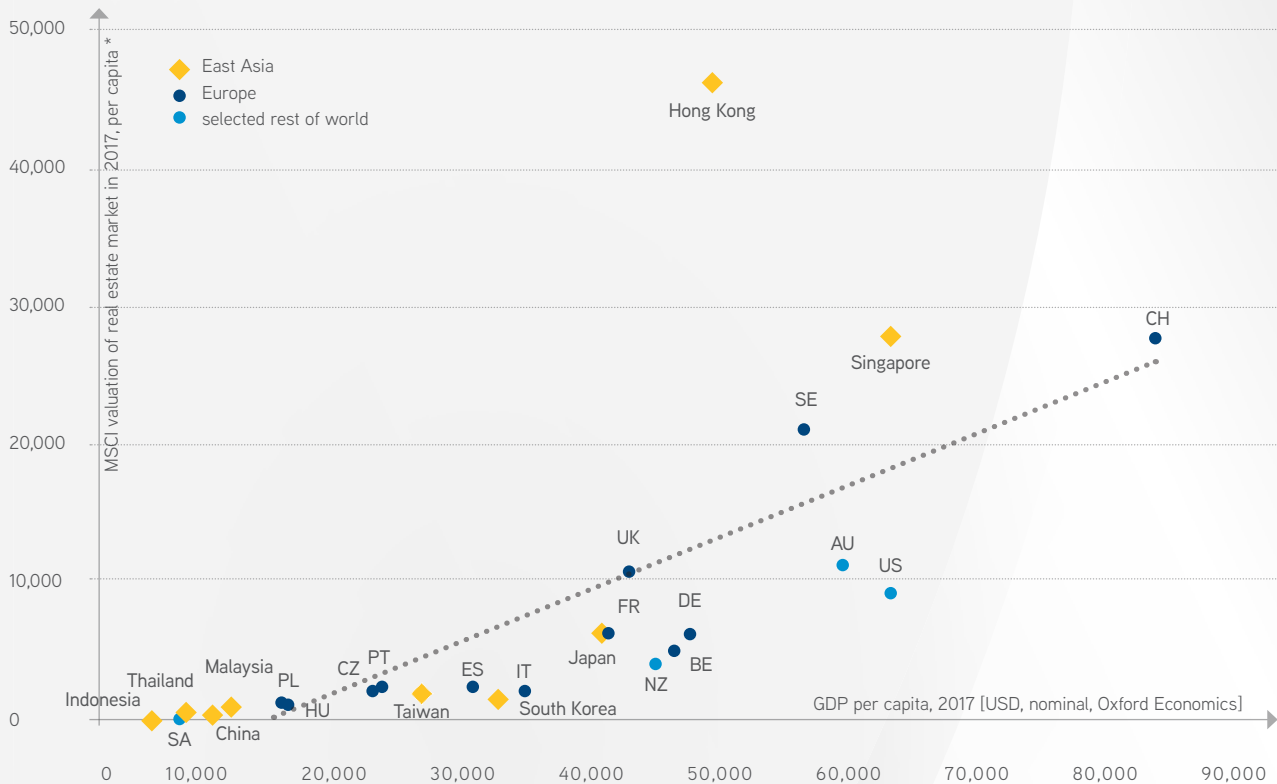
Source: Colliers International

REAL ESTATE MARKET SIZE PER CAPITA VS. GDP PER CAPITA (AFTER MSCI) IN ASIAN, EUROPEAN AND SELECTED GLOBAL MARKETS [2017, USD]

High valuation of real estate per capita in Asia's "city states" suggests excess capital for export.

Japan, Taiwan and South Korea's GDP per capita levels are similar to Western European sources of capital for CEE.

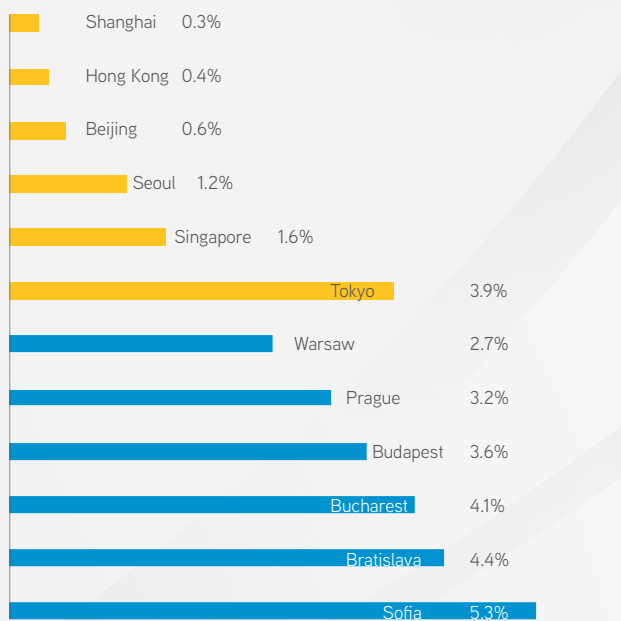
MSCI-tracked Asian real estate was valued at almost USD 2,000bn in 2017, suggesting large firepower for investment elsewhere in the world.



* Valuation published in June 2018. Population data taken from Oxford Economics (S Africa's from World Bank)
Source: MSCI, Oxford Economics, World Bank, Colliers International

PRIME OFFICE ASSET YIELD PREMIUM [Q4 2018] OVER FUNDING RATE [%]*

Lower prime yield premiums in East Asia encourage locally-based investors to look at higher yield-premium destinations such as CEE

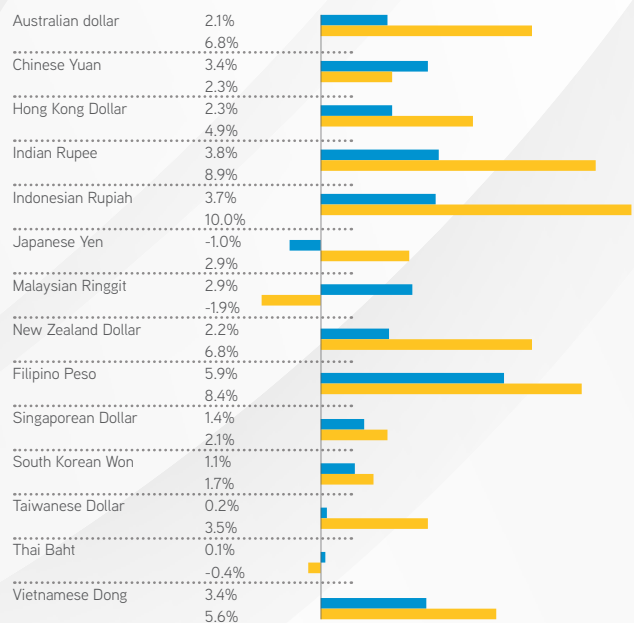


* Funding rates used: for CEE-6, 2018 KPMG mid range of bank funding rates for income-producing real estate transactions; for Asia, premium over 10-year local currency bond yield
Source: KPMG, Colliers International

EURO PERFORMANCE VS. LOCAL ASIAN CURRENCIES

[1Y, 3Y, % ANNUALISED TO END 2018]

Since 2015, the relative strength of the Euro vs. Asian currencies has added to returns on CEE-6 investment assets. We believe a moderate EUR appreciation will continue in 2019



Source: Oxford Economics, Colliers International