

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
€1,333 Average Monthly Income	▲	▲
10,750K Population	▲	▲
5.7% Unemployment Rate	▼	▼

Source: Moody's Analytics; INE

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.3% GDP Growth	▲	▼
3.5% Consumer Spending Growth	▲	▼
4.4% Retail Sales Growth	▲	▲

Source: Moody's Analytics

ECONOMY: SUSTAINED ECONOMIC GROWTH AND LABOR MARKET RESILIENCE

Portugal's economy expanded by 1.9% in 2025, outperforming the Euro Area average of 1.7%. This performance edge is expected to continue in 2026 (2.3% versus 1.4%), with growth converging with the Euro Area in 2027. Domestic demand remains a key driver of the economy, with private consumption expanding by 3.5% in 2025 and expected to grow 2.3% in 2026. Inflationary pressures moderated to 2.3% in 2025 and, despite a temporary increase to 2.6% in 2026, are expected to stabilize below 2.0% in 2027 and 2028.

The labor market continues to show resilience, with the unemployment rate expected to continue its downward trend, falling from 6.0% in 2025 to 5.7% in 2026 and 5.5% in 2027. On the other hand, job creation growth is anticipated to decelerate, easing from 3.2% in 2025 to 1.3% in 2026.

DEMAND: 209,300 SQ.M GLA OF RETAIL SCHEMES IN PIPELINE

During the first quarter of 2026 one retail scheme was delivered, with the completion of Batalha Retail Park, with 5,000 sq.m.

Looking ahead, the development pipeline for the next three years totals 209,300 sq.m. of additional GLA, of which 64% is already under construction. Developers' activity remains strongly focused on retail parks, which account for most of the new supply (96%).

Among the 113,700 sq.m currently under construction, the largest retail park projects include Azores Retail Park (Ponta Delgada) with 18,000 sq.m and RIA 125 Retail Park (Olhão) with 17,000 sq.m.

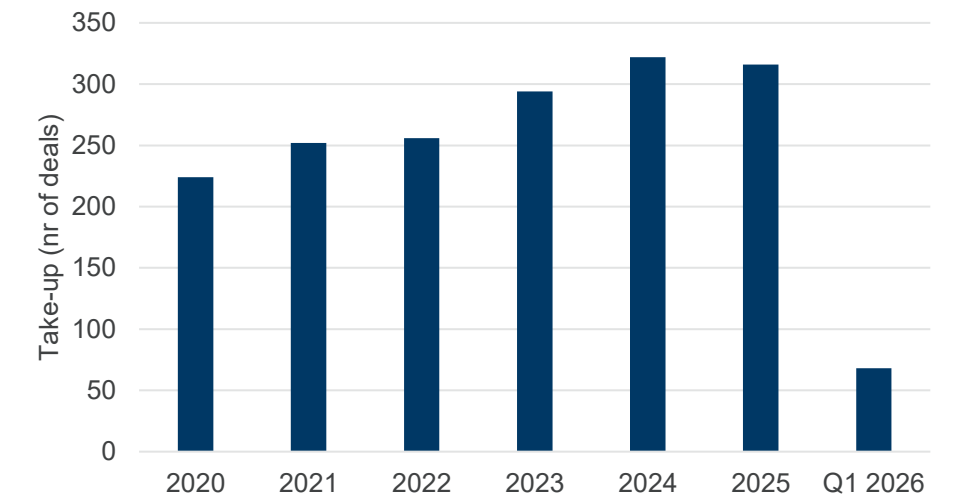
According to Cushman & Wakefield, retail take-up recorded a total of 68 new store openings during the first quarter of the year, representing a 13% year-on-year increase. Considering Lisbon and Porto prime zones, the high street retail format accounted for 8 new openings during this first quarter.

Excluding the high street retail format, shopping centers captured the largest share of new retail units, accounting for 58% of total openings, followed by stand-alone units with a 28% share.

RENTS: PRIME RENTS STABILIZATION IN Q1-26

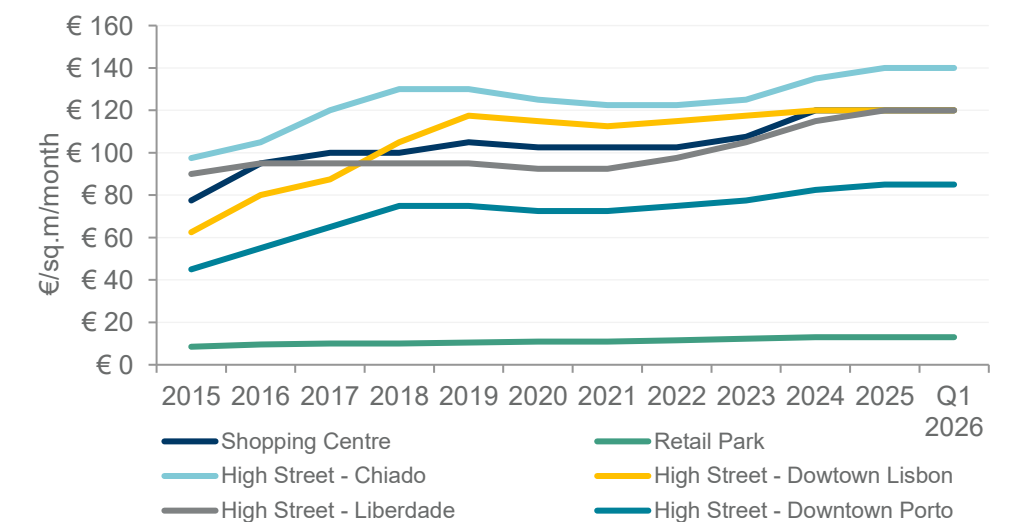
When compared with the previous quarter, prime rental values remained stable across all retail formats in the first quarter of 2026, with increases expected in the near term.

DEMAND EVOLUTION*



* From Q1-26 the high street retail format is including just the prime zones in Lisbon (Av. Liberdade, Baixa, Chiado, Cais do Sodré & Príncipe Real) and Porto (Rua de Santa Catarina, Aliados, Clérigos, Flores/Mouzinho da Silveira)

PRIME RENTS



MARKET STATISTICS

SUBMARKET	RETAIL SCHEMES STOCK (SQ.M)	RETAIL SCHEMES PIPELINE (SQ.M)
North	522,420	15,030
Greater Porto	875,950	21,000
Centre	667,900	42,240
Greater Lisbon	1,077,510	40,540
Setúbal Peninsula	379,060	21,340
South	428,820	51,130
Islands	92,510	18,000
PORTUGAL TOTALS	4,033,560	209,280

FORMAT	LOCATION	PRIME RENT (€/SQ.M./MONTH)	PRIME YIELD (%)
High Street Retail	Lisbon – Chiado	€140.0	4.00%
	Lisbon – Av. Liberdade	€120.0	4.15%
	Porto - Downtown	€85.0	5.25%
Shopping Centres	Portugal	€120.0	6.15%
Retail Parks	Portugal	€13.0	6.40%

MAIN OCCUPANCY TRANSACTIONS Q1 2026

RETAIL FORMAT	LOCATION	TENANT	AREA (SQ.M)	RETAILER TYPE
Stand Alone	Montijo	Contemporary Fitness Movement	15,000	Independent
Stand Alone	Amadora	Recheio Cash & Carry	7,000	Multiple
Stand Alone	Lisbon	Leroy Merlin	4,960	Cross Border
Stand Alone	Mafra	Continente Modelo	4,000	Multiple
Stand Alone	Vila Nova de Famalicão	Tie Brake Fitness	3,500	Independent

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