

ANNIVERSARY EDITION: THANK YOU FOR 15 YEARS OF TRUST

HAPPY 15TH ANNIVERSARY TO VITALIS TEAM!



In 2021 Vitalis team celebrates its 15th anniversary which is a moment of gratitude and joy for one of the Best Project Management Teams in Romania.

Established in 2006 as a project management company with 2 employees, Vitalis has beautifully evolved, being at this moment one of the most active players on the Construction and Real Estate market in Romania and abroad.

Today our team counts over 80 professionals that have coordinated over the time more than 600 construction projects from various sectors, such as: office, hotels, retail, industrial and residential. Moreover our portfolio contains an important number of historical monuments and iconic buildings that were refurbished under Vitalis coordination. Our services portfolio has been also extended, our

professionals being able to offer high quality services in many areas, such as: Project Management, Cost Management, Site Inspection, Technical Due Diligence, Health and Safety Coordination, Project Monitoring, Fit-Out Management services and more.

Over the years our hard work was recognized, Vitalis winning 7 awards for the Best Project Management Team of the Year, out of 12 nominations within the CIJ Awards Gala Romania, one of the most important and longest-running commercial property awards events in Romania.

All of these were achieved by keeping our most valued commitment: always Building Trust, in projects and partnerships.

15 years later we understand that Building Trust, the mission of our company, would not have been accomplished without the efforts of each one of our colleagues and collaborators and without the trust of our business partners. We take this as an opportunity to express our endless gratitude towards all of them.

The story so far describes a journey full of challenges and great accomplishments as well. As for the years to come, we expect nothing less than great achievements, big deliveries and the same level of proficiency from our wonderful team.

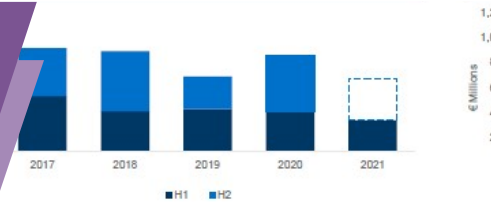
Happy Anniversary, Vitalis Consulting!

Flavia Popa

Inside this issue:

1. Anniversary Edition: Thank You For 15 Years of Trust
2. Romania Investment Marketbeat Q1 2021
3. Construction Works in May 2021
4. The Latest Updates on Vitalis Consulting's LinkedIn Page

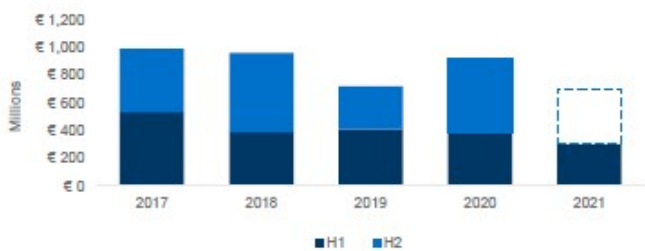
ROMANIA INVESTMENT MARKETBEAT H1 2021



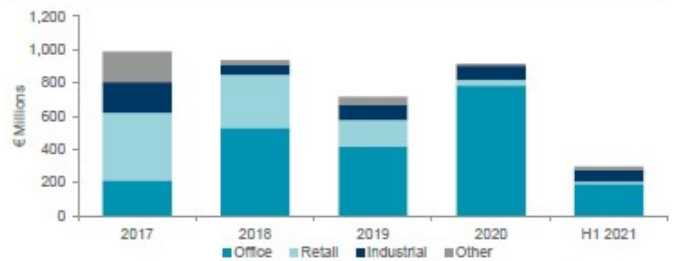
Q1 2021 produced a surprising q-o-q growth of 2.9%, as a yearly GDP increase in the 5-7% range is now being estimated by both government and analysts. This evolution continues the positive momentum from Q3 and Q4 2020 when q-o-q GDP growths of 5.6% and 4.8% respectively have been recorded, the Romanian economy recovering faster than expected. Retail sales have been solid in early 2021, with a 13.7% y-o-y increase during the first five months of the year, while construction works also registered a robust year-on-year increase of 5.7% in the January-April period. Moreover, the net average salary remained on an upward trend, having an 8.2% growth in the first five months of 2021.

In H1 2021, the total volume invested in real estate assets in Romania reached €298 million, a 23% decrease compared to H1 2020, as a number of important deals are expected to close in the second half of the year. The most active segment was once again the Office sector, with estimated transaction values of app. €193 million, representing 65% of the total investment volume. The Industrial segment attracted 24% of the capital, while the remaining 11% were split between the Retail and Hospitality sectors.

INVESTMENT SALES VOLUME



INVESTMENT SALES VOLUME BY SECTOR



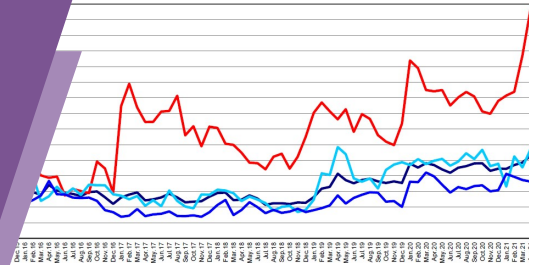
Market liquidity held impressively throughout the most difficult phases of the pandemic in 2020 and has also stayed quite healthy in H1 2021, as Romania still has some of the most attractive yields in the region. The yields are forecasted to remain stable this year for standard properties, while a compression is expected in regards to premium properties in landmark locations which attract a larger pool of potential buyers. Moreover, prime yields for industrial assets are expected to compress going forward, as the spread between the local market and the more mature markets in the CEE, such as Czech Republic and Poland, increased to 400 basis points and 250 basis points, respectively.

INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (MIL. €)
Office	5	193
Industrial	8	70
Retail	7	13.5
Other	4	21
TOTAL	24	297.5

(Source: www.cwechinox.com)

CONSTRUCTION WORKS IN MAY 2021



In May 2021, the volume of construction works decreased, as gross series, by 0.7% compared to the previous month and was down 5.8% as adjusted series according to the number of working days and to seasonality.

Compared to the corresponding month of the previous year, the volume of construction works rose, as gross series, by 6.1% and was up 7.0% as adjusted series according to the number of working days and to seasonality.

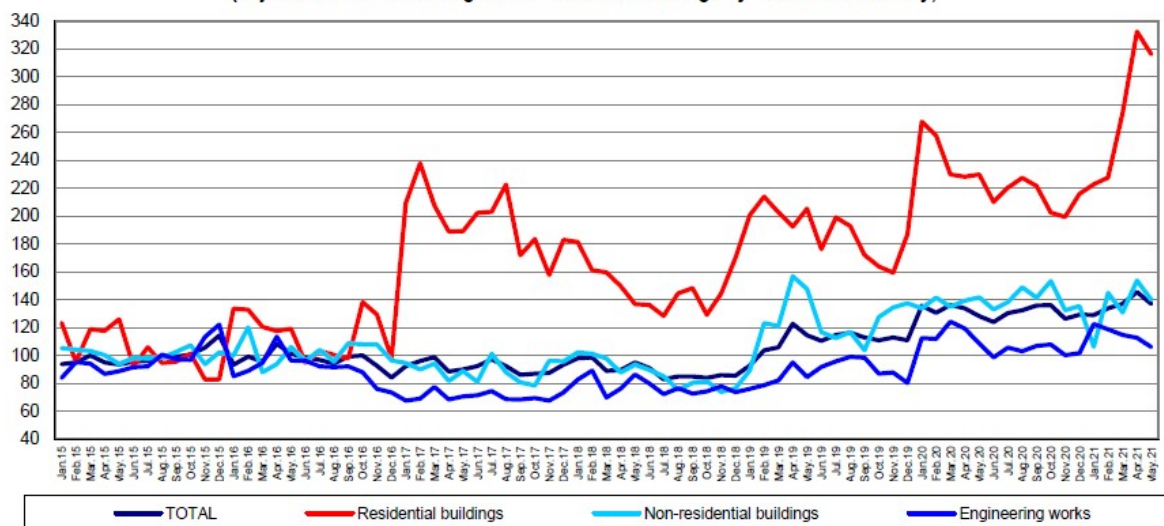
Compared to the 1.I-31.V.2020 period, in the 1.I-31.V.2021 period, the volume of construction works increased, as gross series, by 5.5% and rose, as adjusted series according to the number of working days and to seasonality, by 2.7%.

The volume of construction works decreased, as adjusted series according to the number of working days and to seasonality, by 5.8%, a decrease reflected in maintenance and current repair works (-10.9%), new construction works (-8.2%) and capital repair works (-0.7%).

By construction objects, the volume of construction works fell for non-residential buildings (-8.9%), engineering works (-6.0%) and residential buildings (-4.8%).

In May 2021 compared to May 2020, the volume of construction works rose overall, as gross series, by 6.1%. By structure elements, a rise was reported for new construction works (+14.7%). The maintenance and current repair works were down 8.9%, and the capital repair works fell by 7.6%. By construction objects, the volume of construction works increased for residential buildings (+40.6%). The engineering works dropped 4.4% and the non-residential buildings were down 1.3%.

Monthly evolution of construction works, by construction objects, according to NACE Rev. 2
- January 2015-May 2021 -
(adjusted series according to the number of working days and to seasonality)



The volume of construction works increased overall, as adjusted series according to the number of working days and to seasonality, by 7.0%. By structure elements, a rise was reported for new construction works (+14.8%). Drops were recorded for maintenance and current repair works (-10.8%) and for capital repair works (-7.4%). By construction objects, the volume of construction works rose for residential buildings (+37.6%). The engineering works fell by 2.5% and the non-residential buildings dropped 1.1%.

CHECK OUT OUR LATEST UPDATES ON LINKEDIN AND JOIN OUR ONLINE COMMUNITY FOR MORE!

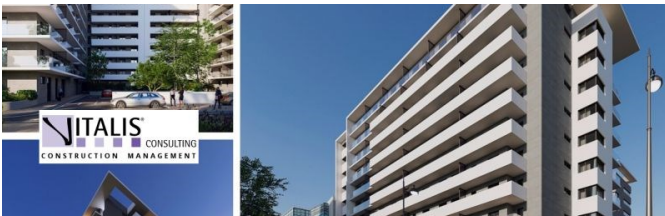


Cheers to our team who did a wonderful job managing the construction works of the 144th Kaufland store in Romania, already opened in Voluntari!
With a total area of over 5500 sq. m out of which over 3300 sq. m intended for indoor sale space, the new hypermarket offers a generous parking with approx. 280 spaces.

Increasing employees' well-being through high quality workplace and exclusive facilities – this is the aim of One Cotroceni Park Phase I project – office component, currently under construction and managed by Vitalis team. At the moment, our team is coordinating the works for horizontal distribution in the common spaces and the spaces designed for future tenants.

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Over 300 green apartments and more than 400 parking lots are currently under construction in Avrig Park Residence, the project aimed to define the Obor area in Bucharest.
Vitalis team is fully coordinating the construction works for this project that are beautifully progressing.

America House, a benchmark for quality and high standards for Bucharest's office market, is being completely refurbished and Vitalis Consulting team is proudly coordinating the entire project.
The project's aim is to create an even safer and modern working environment for existing and future tenants.

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