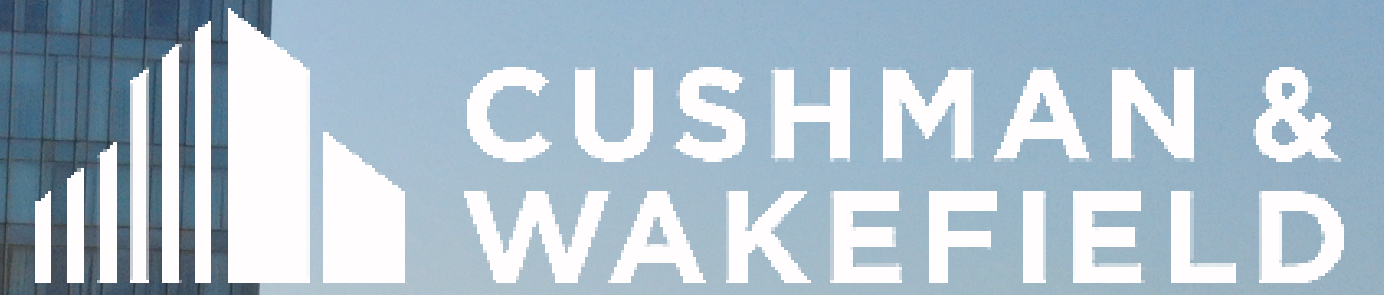


**CUSHMAN &
WAKEFIELD**

**Flexible Space Report
Almaty 2022 Q3**

Flexible Space Report

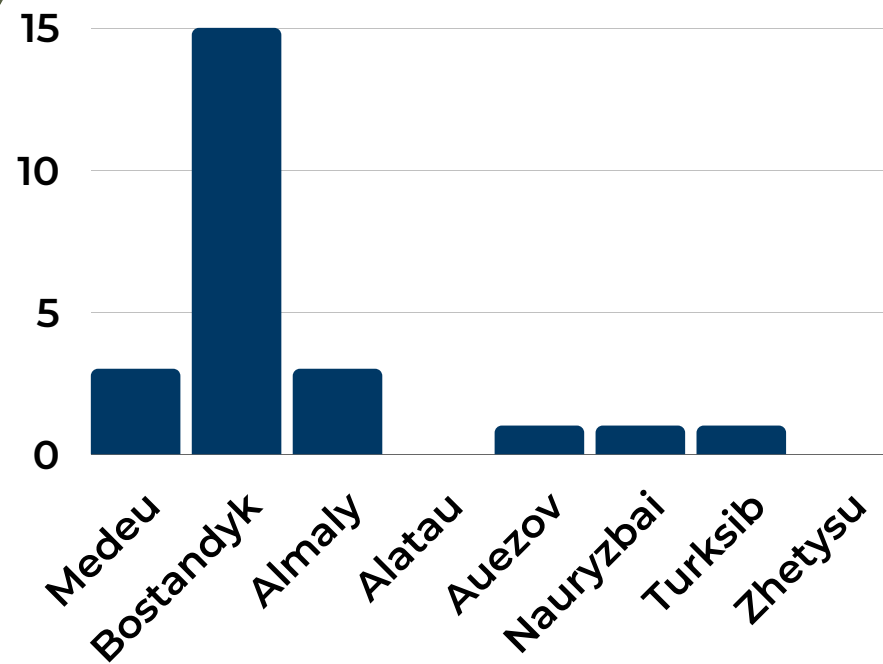
Almaty 2022 Q3



Number of Coworkings: 24

Total stock: 36,000 m2

Average Rate/Desk: 105,000 KZT



Total Stock by district

Cushman & Wakefield Kazakhstan study of the flexible space market

Market Overview:

In the third quarter of 2022, 5 new flexible spaces opened and 4 closed. Since 2021, there have been 18 openings and 11 closures. Currently, two-thirds of all operational flexible spaces opened since the start of 2020. The market is currently experiencing closures of low-quality flexible spaces, while high-quality flexible spaces are seeing record low vacancy rates. A-class developments are experiencing an average of 6% vacancy rates, as of the latest data.

The average rental rate for a desk has decreased by 22.35% QoQ and by 38.45% YoY from 86,000 KZT per work desk. Even with nearly 4,000 m2 of additional stock, the occupancy levels have stayed high, reaching 89,03% on average and 91.61% market-wide. This means that about 3,000 m2 of stock is currently vacant. The first flexible space was launched in Nauryzbay district, which is a fast-growing residential area of the city.

The total stock of flexible space has grown significantly during this quarter. This is due to 5 new openings as well as noticeable expansions of already operational units.

Almaty city has around 60 people/m2 of flexible space. In comparison with similar population size cities, Phoenix (population of 1.6 m) has a figure of 11, and Austin (population of 0.95 m) - has 27. Suggesting that there is still a lot of room for growth.

Flexible Space Report

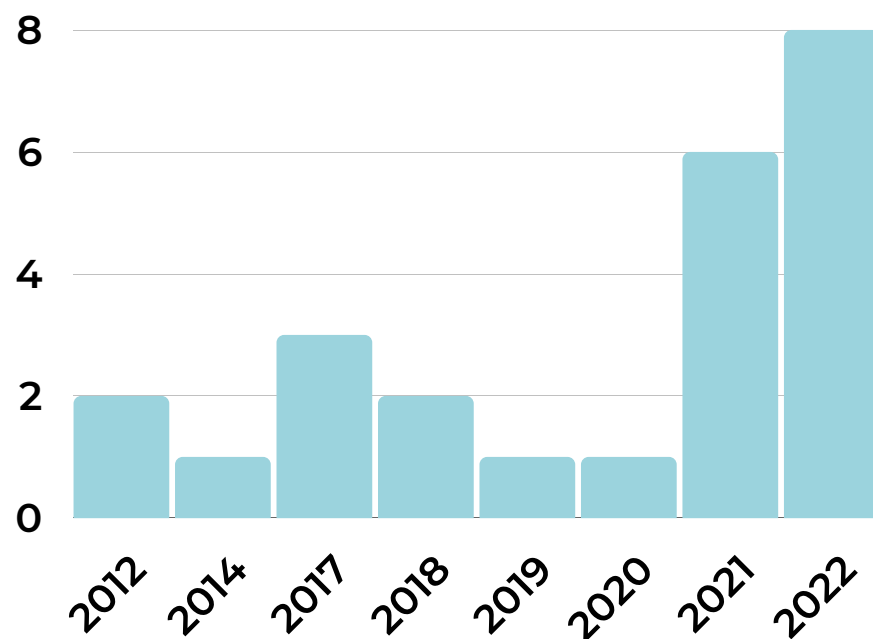
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**Current Coworking Spaces
by Opening Date**

Cushman & Wakefield Kazakhstan study of the flexible space market

Market performance:

- Number of flexible offices, operating as of September 2022: 24
- Supply in Class A: 2 developments
- Supply in Class B: 22 developments
- Total stock: 36,000 m²
- Average rental rate per workstation: 105,000 KZT.
- Average rental rate per parking lot: 20,000 KZT.
- Market occupancy: 91.61%, Average occupancy per flexible space: 89.03%

Market Trends:

The average size of the new flexible spaces after 2021 is 2x as small as compared to openings before. The average size of flexible spaces that have opened after or during 2020 is around 1000 m², while the average size of all spaces currently in operation is around 1,500 m².

Although a trend for opening smaller-sized locations to suit the needs of lower-budget clients was observed prior, it should be noted that only professionally operated flexible spaces that usually occupy larger areas continue to operate in the long term. The average area of operators that have closed down since 2020 is around 360 m².

Flexible Space Report

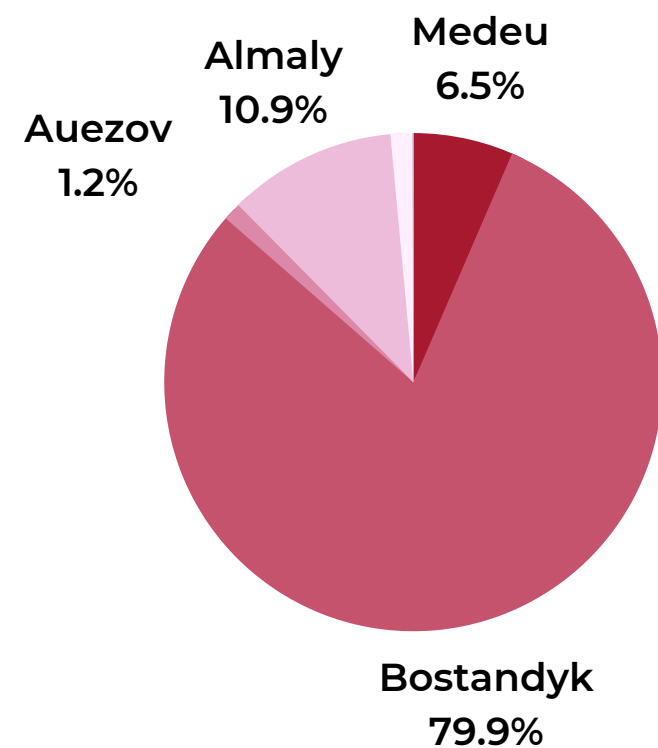
Almaty 2022 Q3



Number of Coworkings: 24

Total stock: 36,000 m2

Average Rate/Desk: 105,000 KZT



Total stock by District

Cushman & Wakefield Kazakhstan study of the flexible space market

Market Trends:

- As the IT sector continues to grow, companies are enticed to choose these sorts of amenities due to the increasing quality of the facilities as well as the adequacy of the working conditions, which are greatly suited for the most important needs of the employees.
- Independent operators currently represent around 50% of the offerings on the market. Nonetheless, our analysis of the quality of service and working conditions provided has made clear a correlation that the landlord-operated flexible spaces usually offer a higher quality of service and infrastructure for their clients and usually focus more on providing smaller-sized offices, rather than coworking spaces.

Services that are included in the average rate within flexible offices: Fixed Desks, Lockers, Wi-Fi, Reception, 24/7 access (when applicable), Kitchen & Lounge, Basic Access to copy machines, and wardrobe.

Services that are not included in the calculation of the average rate within flexible offices: Enclosed offices, Meeting Rooms, Conference Rooms, Canteen, Sleeping Room, Legal Address registration.

Flexible Space Report

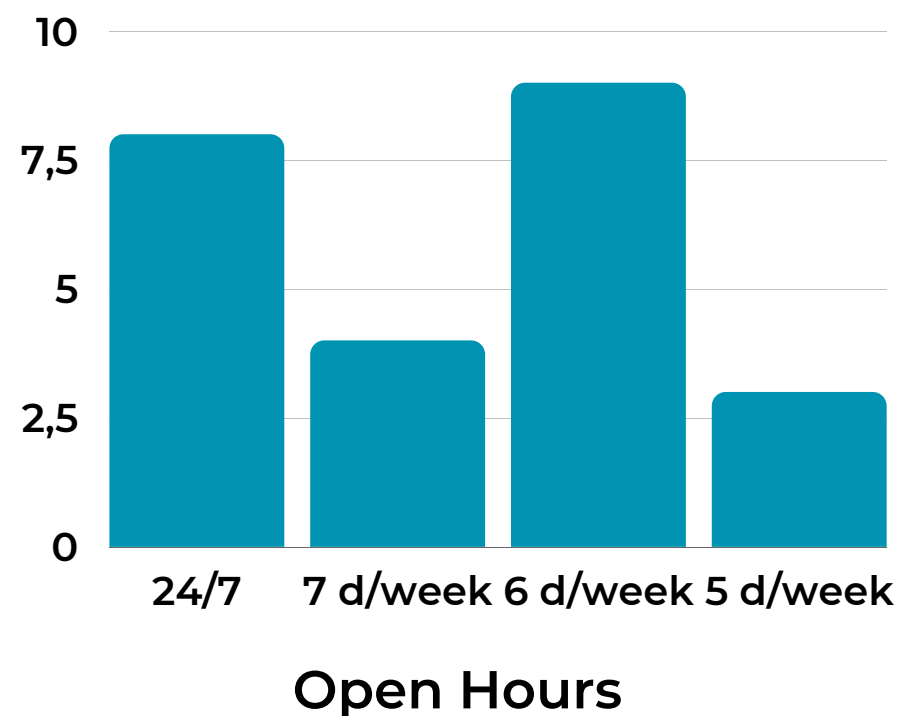
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Cushman & Wakefield Kazakhstan study of the flexible space market


Market Trends:

- There is a shift from open space coworkings to closed serviced offices in new openings.
- Specialized coworking centers are emerging in the market. They are focused on providing working space for self-employed, design, and psychology specialists as well as business networking.

Market Outlook:

The number of flexible space operators is ought to continue growing as the market matures, especially taking into account that the total space occupied is much smaller when compared with other more developed cities of this size and population count. It should also be mentioned that the quarterly growth rate of the total market stock since Q3 of 2020 has averaged 18.39%, while YoY growth equals 34.87%, which accounts for 92.18% net stock growth since the relevant date.

Although the concentration of operations in the Bostandyk, Medeu, Almaly districts is not expected to decrease, new openings in other districts of the city, as the population and working space demands in the city change, will take place. The first locations to open in the remaining districts will most probably be of lower quality and smaller size, serving companies with a lower budget and individual entrepreneurs.



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