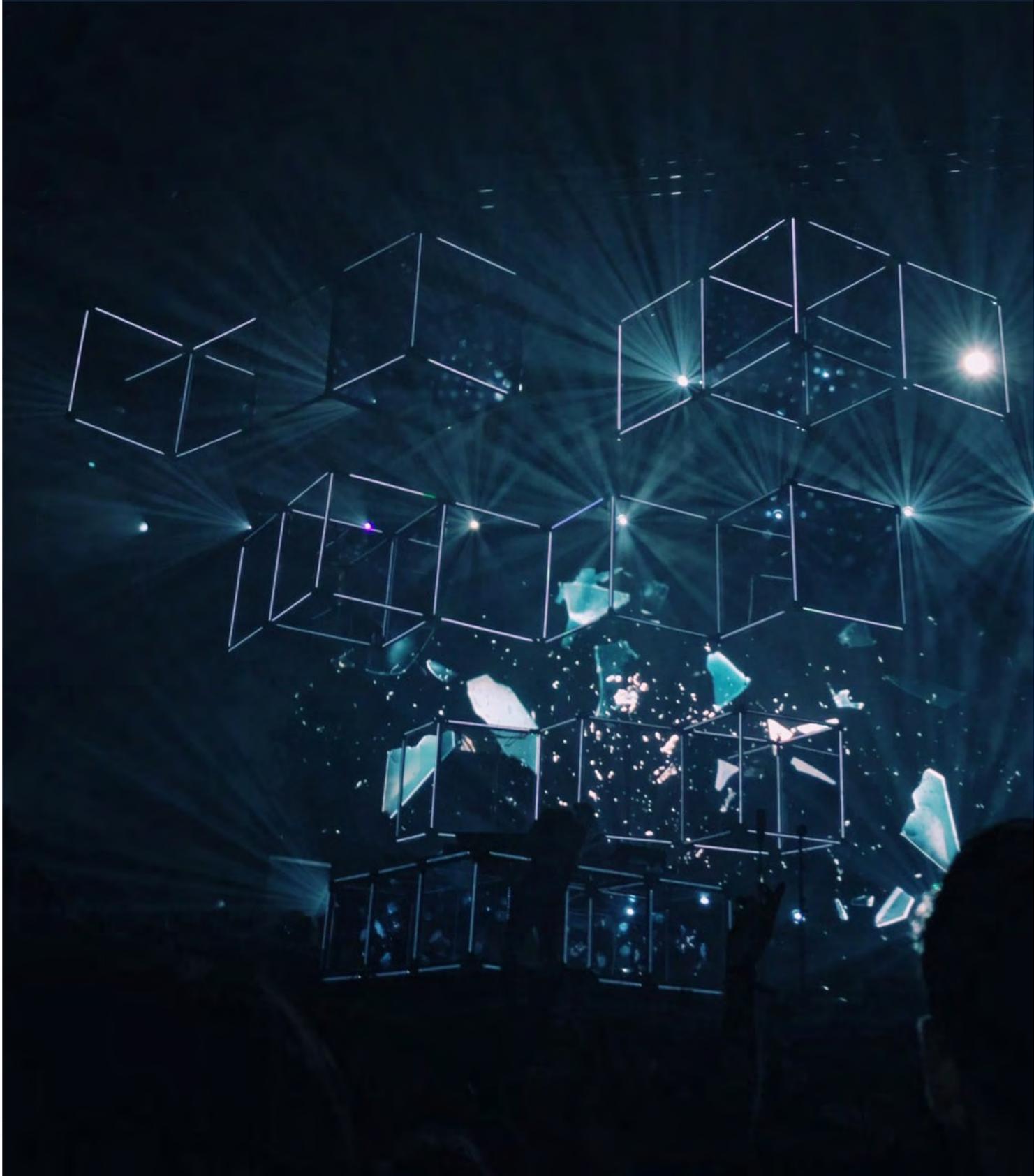


Q
SPOTLIGHT
Savills Research

DATA CENTRES

PORTUGUESE MARKET

2021 EDITION



INTRODUCTION

Data consumption growth in the increasingly virtual world in noticeable expansion. We are entering the Era where the virtualization of our actions will be common and accompanying this growth is mandatory for anyone who wants to be at the forefront.

Remote working, the increased use of smart devices, the greater adoption of cloud services and the dynamization of social media and streaming, accelerated by the Covid-19 pandemic, will make data consumption grow not only in Portugal as in the rest of Europe and world. All sectors will adapt to digital media, be they government, public or private services, industries, etc.

Portugal can and must have a predominant and outstanding role in Europe. Its location is important, and it should be positioned as such in order to be able to receive, process and send data, bridging the gap between several continents.

The Savills report aims to look at the Portuguese market and help data centre operators, investors, cloud service providers and property developers assess the size and growth potential of the Portuguese market.

Savills positions itself as a company that can provide consultancy and help stakeholders associated with the industry to make informed decisions, counting on the support of several national and international companies that can guarantee conditions for the implementation of Data Centres in Portugal.

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NEW WAYS TO MARKET

THE DIGITAL BOOM

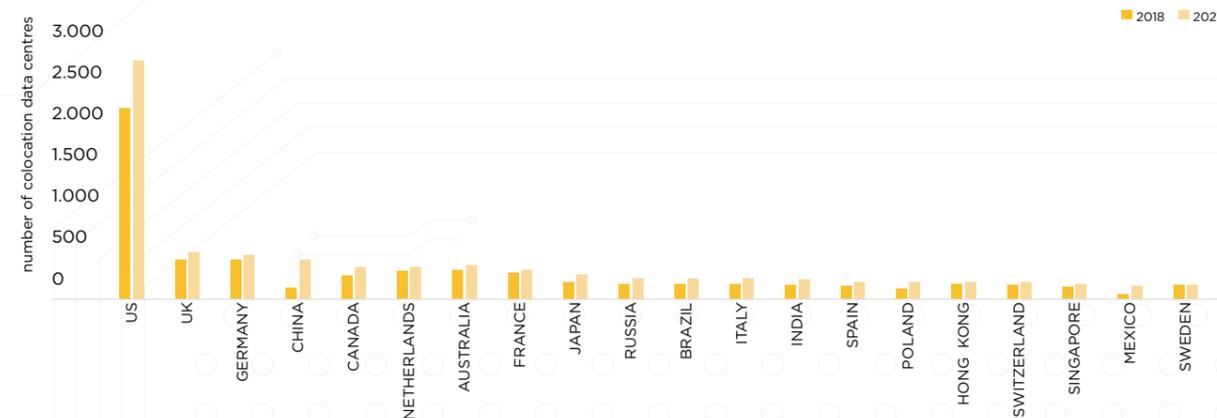
59%
OF THE GLOBAL POPULATION WAS CONNECTED IN 2020
(26,6% IN 2010)

6,43 HOURS
ONLINE EACH DAY PER INTERNET USER
(100 DAYS PER YEAR)

CONFINED USERS
TO WORLD ONLINE
(EXPONENTIAL INCREASE IN THE DATA GENERATED)

- The fast increase in the number of global data centres responds to the explosive increase in demand for storage capacity.
- Between 2015 and 2020 the number of hyperscale data centres has doubled worldwide, to 541 data centres in the first half of 2020, according to Cisco Systems.
- The size of the global market is estimated to grow at an annual average rate of 4.5% and reach \$251 billion in 2026.

NUMBER OF COLOCATION DATA CENTRES BY COUNTRY



Source: Savills Research using Cloudscene

- According to Domo, in 2020, in one minute, 400 444 hours of video were watched globally on Netflix, 542 million messages were sent on WhatsApp, \$1 million was spent shopping online, Amazon ships 6 659 packaged and Zoom hosted 208 333 users.
- **2.5 quintillion bytes of data are generated every day by internet users.**
- The emergence of the Internet of Things (IoT), artificial intelligence (AI), augmented reality (AR) and blockchain had a rapid increase and continuous to grow speedily.
- 5G comes to accelerate the development of IoT applications. These need to be highly efficient so that data is processed with low latency. This is only possible with the implementation of 5G technology, which requires the restructuring of the data centre network architecture and the fibre optic distribution network.

Source: Global Web Index, Savills Research - European Data Centre 2020

In recent years, we have witnessed the entry of several non-specialized private institutions in the data centre investment market, including general REITs, investment managers, institutional investors, sovereign wealth funds and infrastructure funds.

In order to enter with some security in such a specialized market, these companies form partnerships or enter into joint venture acquisitions with specialized entities. The imbalance between supply and demand means that greenfield developments and conversions will continue to be the best gateways.

Although there are large differences across the world, overall yields are attractive compared to other asset types, reflecting the liquidity premium.

BARRIERS

- Data centres are expensive to build due to high infrastructure costs.
- Data centres are complex to manage and require scale to achieve profitability for non-specialists.
- Updating data centres, namely their technology and maintenance require high costs, and there may be a risk of wanting to avoid investment, making the data centres obsolete.
- The strong concentration of market players has had a catalyst impact on the market liquidity and transparency, dampening the opening of the market private capital.

Source: Savills Research - European Data Centre 2020

ONGOING TECHNOLOGICAL INVESTMENTS

5G

In the next few years, 5G networks will be launched that are designed to connect virtually everyone and everything (machines, devices and objects) virtually. 5G networks allow for the delivery of high data speeds, with reliability and availability through ultra-low latency and massive network capacity.

This technology will enhance mobile broadband, making way for new experiences on smartphones, and will drive the connection and automation of many technological as well as non-technological devices, enabling the development of IoT (Internet of Things). This technology will also allow new experiences for many and varied sectors, improving and making processes more efficient.

This technology will have to accommodate greater demand from the data processing centre. As data processing grows, the need for low latency which will require proximity to the consumer, therefore, increasing and boosting EDGE Data Centres. The architecture of these spaces should be restructured and inserted in smaller data centres so that they can be established in cities.

Source: Savills Research



COVID 19 IMPACT

- Variable traffic growth rates ranged between 35% and 90% in the EMEA region, according to ISPs;
- Latency and the number of interruptions increased between March and June 2020 on the European continent;
- The importance of investing in the network was highlighted by the pandemic;
- The response to the pandemic by companies and government entities was enabled by the use of cloud infrastructures;
- The cloud has become fundamental, having been well accepted by companies and governments. This type of consumption will tend to grow in the future, increasing the demand for cloud data centre installations;
- This sudden demand brings new challenges to the data centre market, requiring restructuring, organization and coordination among all market participants.

Source: Savills Research

DATA CENTRE INDUSTRY

DATA CENTRE INDUSTRY OVERVIEW

The evolution of the industry's shift from privately-owned data centres allowed for the transition to a market where third-party operations prevailed. This allowed us to optimize energy efficiency, using commercial incentives to waste less energy, especially in hyperscale or cloud data centres.

The data centre industry is increasingly accused of having a strong impact on the environment. Aware of this problem, companies have been proactively seeking innovative solutions to reduce the environmental footprint of data centres.

Strong investment to become greener has been a priority for the sector, which according to the latest IEA data on energy demand from global data centres has already borne fruit.

Source: Savills Research

M W

The size of Data Centres is measured in **mega watts**

Data centres are consuming more and more energy, which leads this measure to gain relevance in the sector

- The price of energy influences the entire operation of data centre costs;
- It is important that energy is available at the data centre location;

Source: Savills Research

GLOBAL DATA CENTRE ENERGY DEMAND BY DATA CENTRE TYPE

TRADITIONAL

- 2015 98 TWh
- 2021 33 TWh

CLOUD (NON-HYPERSCALE)

- 2015 62 TWh
- 2021 72 TWh

HYPERSCALE

- 2015 31 TWh
- 2021 87 TWh

Source: IEA - Data centres and energy - from global headlines to local headaches?

EMEA CORE MARKETS FLAPD

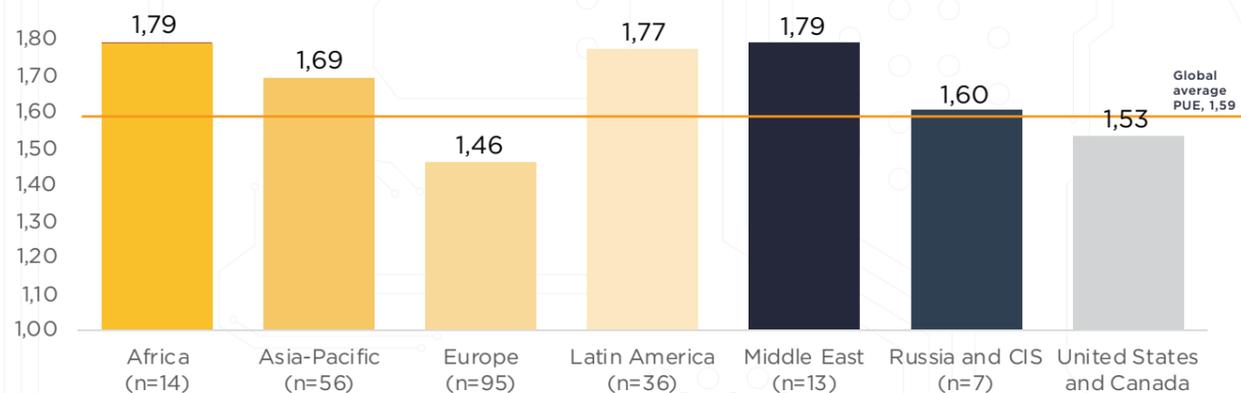
- FRANKFURT
- LONDON
- AMSTERDAM
- PARIS
- DUBLIN

OTHER EMEA MARKETS

- FAST GROWTH IN TAKE-UP

EFFICIENT DATA CENTRES

POWER USAGE EFFECTIVENESS (PUE) ON THE GLOBAL MARKETS 2020



Source: Uptime Institute - "Which regions have the most energy efficient data centers?"

The PUE (Power Usage Effectiveness), agreed in 2007 by the members of GreenGrid, is intended to be a metric to compare the effect of improvements in each project over time.

It is an important indicator that should be monitored by the projects so that they better meet the requirements and look for solutions that lower their consumption. This indicator reflects several parameters that, due to the climatic situations in certain areas, may result in more disadvantaged indices, as is the case in the Middle East, Latin America and Africa.

$$PUE = \frac{\text{TOTAL FACILITY ENERGY}}{\text{IT ENERGY}}$$

IMPORTANT CONCEPTS



Data Residency is where a business specifies that their data is stored in a geographical location of their choice for policy reasons, frequently to take advantage of a better tax regime. Data residency usually implies that a certain amount of data processing is done within the chosen country's borders.



Data Sovereignty refers to the country's laws where the data is stored. In May 2018, the General Data Protection Regulation Act law became applicable to all EU member states. The main goal of the law is to protect the EU's citizens' privacy and information. Hence, GDPR rules apply to all companies (including non-European ones) that have data from organizations or people residing in the EU. Additionally, the GDPR provides for the free flow of non-personal data within the Union to enhance the competitiveness of its digital economy. Importantly, it also allows for the flow of data to third-party countries if the receiving country's laws comply with the GDPR's rules.



Data localization is the most stringent concept of the three. It refers to legal obligations requiring that data created within a country's borders remain in the situ. With GDPR opening the data market within the EU, a very small amount of data is concerned by data localization obligations. Yet, depending on data subjects (finance, health, telecoms), some EU members have their own nation-specific legislation, which heightens complexity for data centre operation.

Source: Savills Research - European Data Centre 2020

TYPES OF DATA CENTRES & CHARACTERISTICS

DATA CENTRE OPERATION

TYPES OF DATA CENTRES

Colocation

- Separate rooms or divided sections may be provided;
- Owned/operated by another party.

Wholesale Colocation

- OTT Platforms, Banks

Retail Colocation

- Startups, Enterprises

Enterprise

Large Data Centre serve a single entity, company, department or organization;

- May have many needs for sub-groups
- May be part of a larger building or campus;
- Flexibility and scalability are typically easier;
- Deployments are usually faster;
- Can have uniformity of power, space and cooling;
- May have redundant data centres.

Hyperscale

Very large Data centres, compared with campus - mega size facilities spread across 20-100 acres

- Typically, consuming >150 MW power
- Owners like: Microsoft, Amazon, Google, Alibaba and Social media giants such as Facebook

Edge

Facilities closer to end users, High potential due to IoT, autonomous cars etc.

- Growing with 5G connection.

KEY TERMS

- Latency -Dual paths for Power & Optical fiber
- Workspace Efficiency/Optimization
- Cloud Migration
- Colocation/Colo space/Rackspace
- Servers/Server room
- Data loss/Data theft
- Disaster recovery
- Digital/IT infra strategy
- Hosting

Source: Savills Research

DATA CENTRE OPERATION

MAIN DRIVERS

“DATA CENTRES ARE OBSOLETE AFTER 7 YEARS”



SCALE

More and more companies are producing more data and requiring more space to store it. In order to respond to the growing demand in data usage in data centres, it is necessary that they are large enough to adapt to needs, not only in terms of space and height, but also in terms of energy, due to their massive use.



FLEXIBILITY

The fact that the old data centres are experiencing storage capacity problems, due to a lack of space to expand, operators have been looking for larger spaces that enable expansion; that are flexible in order to be able to offer services depending on what the customer looking for, allowing to support a greater variety of projects and potential.



EFFICIENCY

Data centres focus on their ecological footprint. As it is an industry that naturally uses up many resources, it is necessary for it to become efficient and environmentally friendly. This means a strong investment in architecture and engineering in order to have reliable spaces that are as energy efficient as possible.

Source: Savills Research

LOCATION

REQUIREMENTS



POWER AVAILABILITY

It is necessary to guarantee availability of power, adapted to the needs of the data centre. Being connected to two separate power supply points is important, usually from two different substations.



CONNECTIVITY

The connectivity of the location where the data centre will be installed is essential, and in order to ensure that there is no downtime, there must be connectivity redundancy.



SAFETY

The security of the location of a data centre is evaluated by several parameters, including environmental risks, where it is necessary that these centres are in places where these threats are less likely to become real (in order to minimize the risk of deactivating the centre), **such as at the building level and zone, to minimize intrusion risks.**



EFFICIENCY

The location where the data centre is to be established should have good access to green energy networks, as they consume too much energy, it is necessary that they are supplied by green energy so that the environmental impact is mitigated



ACCESSIBILITY/ PROXIMITY

Access to data centres should be as easy as possible in order to reach the buildings as quickly as possible, so that maintenance can be undertaken. It should be close to urban centres, but not actually located within them. Access to water supply is important for a number of reasons, namely air conditioning.



EXPANSION

The possible expansion of the data centre area is a factor that can determine the interest to develop such a project in that location.

Source: Savills Research

DATA CENTRE VS SUSTAINABILITY

“**NUNO FIDELES**
SUSTAINABILITY CONSULTANT

According to Greenpeace, data centres and IT equipment in general consume 1.5% of global energy and emit around 2% of greenhouse gases worldwide.

The figures show that it is of foremost importance to consider energy efficiency and environmental preservation factors within Data Centres.

Among the solutions that aim at greater sustainability, some stand out, such as

1. Use of energy from renewable sources;
2. Adoption of a suitable design for the data centres;
3. Planning and optimization of operations in the initial design charrette;
4. Effective handling of racks and CPUs through intelligent management.

Savills, together with our partners and experts, have the expertise and ability to support Stakeholders in the implementation of these solutions, has consultants, project managers and designers.

It is important to stress that sustainability is transversal and should be natural and anything that improves the efficiency of the system by reducing energy consumption is sustainable and therefore worth investing in to maximize later cost savings.

Energy and climate control costs represent about 45% of the total energy consumption of a data centre. As the cost of energy is high, maintaining an old system can be impactful to the company. It is

strategic to adopt solutions to reach a sustainable data centre model.

How to improve...

ENVIRONMENTAL FEATURES

- Flexible modular design;
- Air cooled data halls, resulting in low energy consumption and associated PUE;
- Promote natural ventilation and controlled daylight exposure of the office and administration spaces;
- Energy efficient lighting throughout;
- Use of renewable energies (ex. Photovoltaic powerplant);
- Efficiency air source heat pumps for heating and hot water generation;
- Use of construction materials with a very low environmental impact;
- Hard landscaping and boundary protection;
- Responsibly sourced thermal insulation with a low impact relative to its thermal properties, specified to optimize energy demand and heat recovery;
- Use of rainwater for toilet flushing or irrigation networks;
- Enhancement of the ecological value of the site;
- Energy Performance.

SUSTAINABILITY CERTIFICATIONS

- BREEAM Data Centres
- LEED for Data Centres



Colt provides world-class network and voice connectivity to businesses in Europe, Asia and the US and has a full fibre metro network in Lisbon, connecting all the major DC's, with links to the rest of Europe and subsea connections.

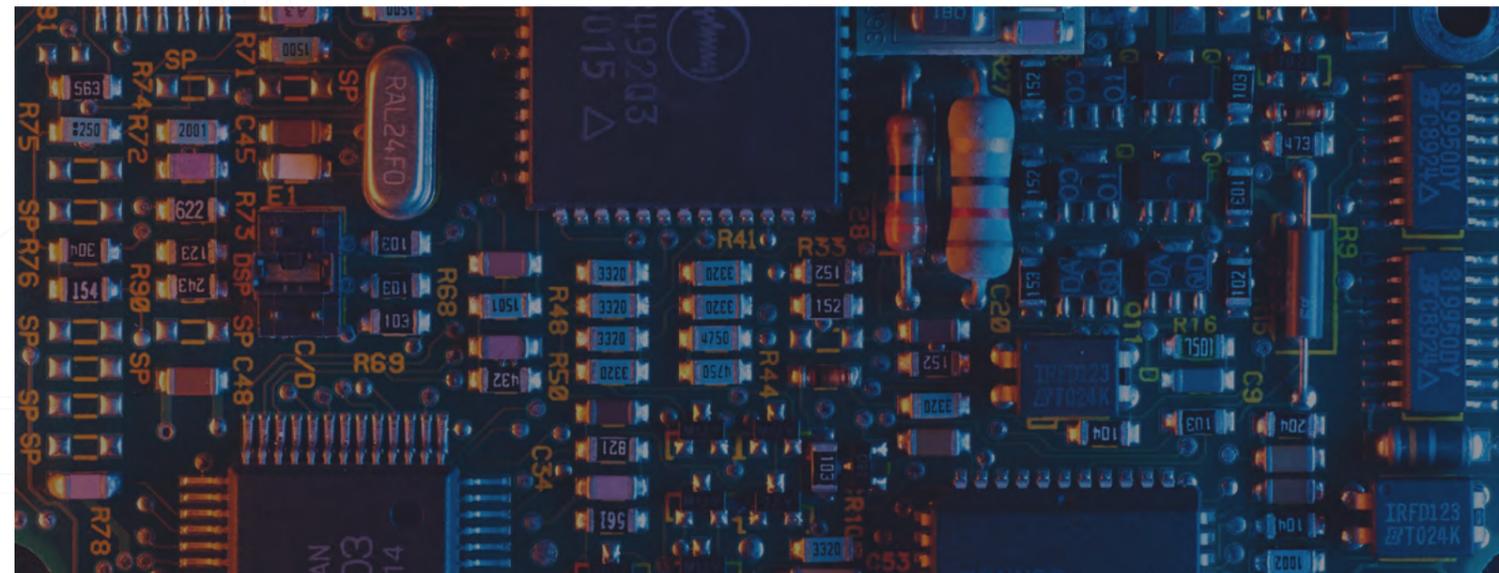
Connectivity is our focus at Colt, being one of the most financially sound companies in the industry, and we continue to invest in our network expansion in the

Iberian Peninsula (on its way to becoming a connectivity crossroads between America, Asia, Africa and Europe).

The right partnerships are key and inter-company collaboration is more important than ever. It's based on this vision that we developed a close relationship with Savills, to collaborate and support their projects and investors, because "Connectivity Matters."

PORTUGUESE MARKET

PORTUGAL DIGITAL COVERAGE



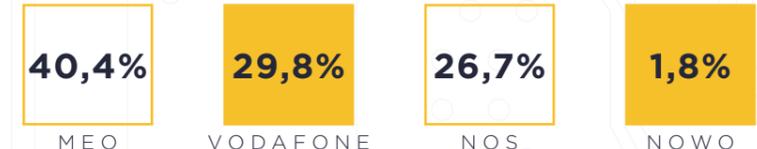
43,5TB
MONTHLY TRAFFIC IN H1 2021
(+24,6% COMPARED TO H1 2020)

78%
POPULATION THAT USE THE MOBILE SERVICE TO ACCESS THE INTERNET
(+1,5% COMPARED H1 2020)

FIBER OPTICS
MAIN FORM OF ACCESS TO FIXED BROADBAND
(56,14% OF TOTAL ACCESSES IN Q1 2021)

MOBILE SERVICES MARKET SHARE IN PORTUGAL BY OPERATOR

H1 2021



- Portugal is a country with 121 Mobile Services per 100 inhabitants in H1 2021;
- The Covid-19 pandemic as well as the lockdowns that ensued, increased the use of data both at a professional and personal level;
- The Streaming network has seen an increase in users and subscribers;
- The trend of remote working will increase the use of data and the need for storage by companies.

Source: Anacom; Savills Research

DATA CENTRE INDUSTRY IN PORTUGAL

Data centres in Portugal essentially consist of small and micro spaces. Portuguese Companies have been adapting their teams, in recent years, with data centres in their workplaces, with the goal of preserving security, and enabling access to them quickly. However, we have seen a change in the mindset of companies, as they increasingly need data storage space and their data centres do not respond to such demand.

One way of improving service with a cost-effective budget is the use of data centres capable of securely and efficiently storing corporate data. These data centres require a larger space and allow you to host multiple tenants and respond to the growing use of data without having to move elsewhere.

This type of data centre in Portugal has relatively small dimensions, with spaces between 200 and 1.000 m², and some are just data centres of large companies that take advantage of the excess of available space to sublet these spaces by offering telecommunications, accommodation as well as colocation services.

However, in recent years we have witnessed several projects where they occupy larger spaces and have international certifications such as the Uptime Institute, reaching TIER III and IV, such as REN's in Famalicão, Altice's in Covilhã and sthe project that is still ongoing in Sines.

MAIN SUPPLY & PIPELINE

Although there are several data centres in Portugal, most of them are small or micro, implemented in the facilities of the companies that use them; there are 33 data centres that deserve some prominence because they have larger operations or that have been developed in order to sell services to customers. They are mostly located in large cities, namely in the metropolitan areas of Lisbon and Porto, with the remaining districts only hosting 8 data centres.

It is worth highlighting a project in central Portugal, more specifically in Covilhã, which currently hosts the largest data centre of the country, occupying 75,000 sq. m.. In the first half of 2021 Acronis will install its first data centre in Portugal, housed within the Covilhã data centre, which belongs to Altice. The strategy is to operate in several countries and "provide economic cloud services, efficient in bandwidth and low latency available to partners".

THERE ARE FOUR PROJECTS IN THE PIPELINE IN PORTUGAL:

- In Sines, a new data centre is being developed by Star Campus, which is expected to be completed by 2025. The Sines Data Centre should have a capacity of up to 450 Megawatts from renewable energies spread over 5 buildings;
- In Carregado, Merlin Properties is building a data centre with Edged Energy with a capacity of 20MW, as part of a strategic plan for the construction of 4 Data Centres in the Iberian Peninsula;
- FCT in collaboration with the City Council of Guimarães is promoting the installation of a Data Centre in part of a building in the Avepark complex, occupying about 1300 sq.m, however the project has undergone several changes;
- The APDL project plans to create its first Date Centre, classified TIER III, which should be shared for own use and for colocation;

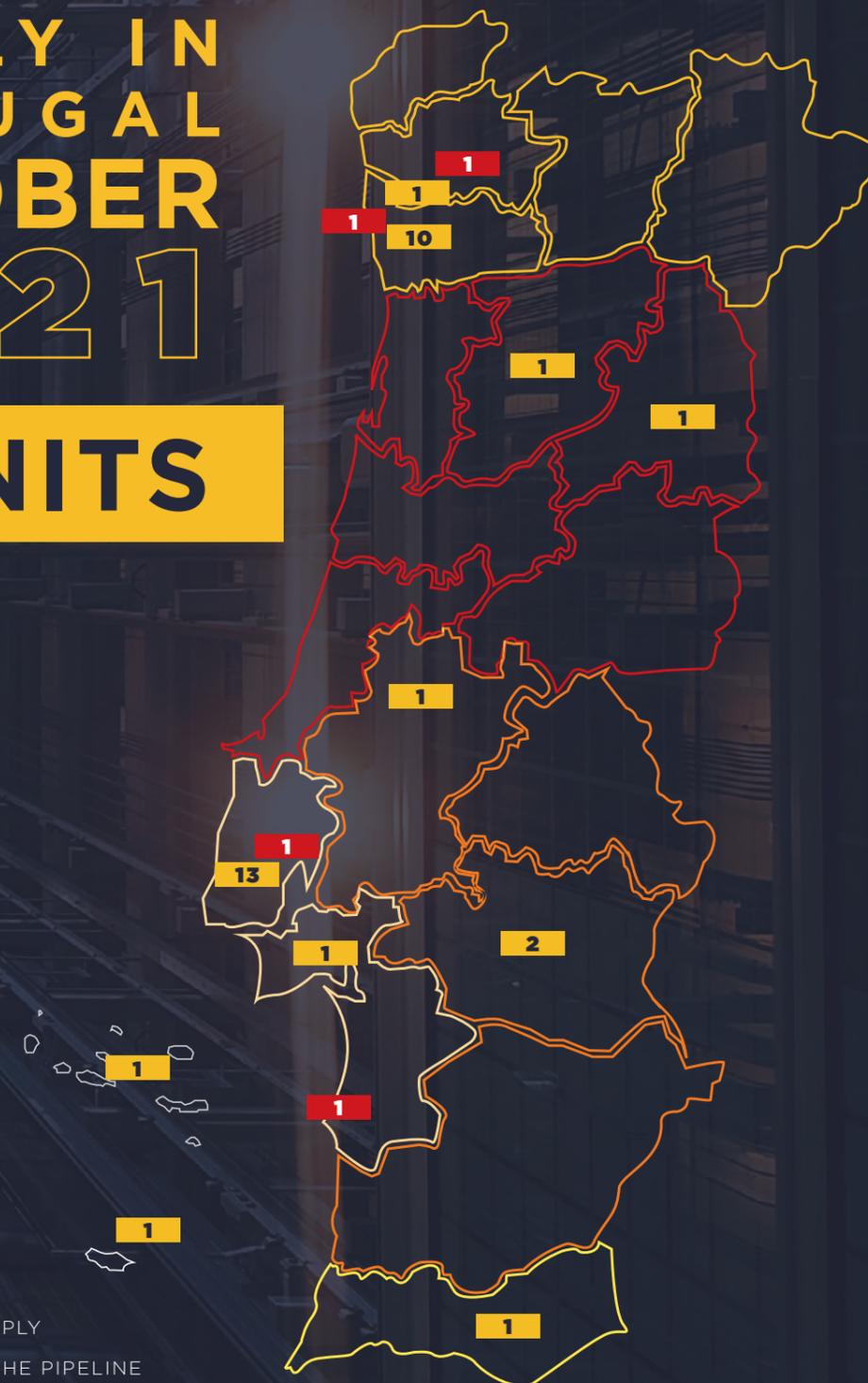
SUPPLY IN PORTUGAL OCTOBER 2021

33 UNITS



■ DATA CENTRES SUPPLY
 ■ DATA CENTRES IN THE PIPELINE

Source: Savills Research



MARKET OPERATIONS

DATA CENTRES IN LISBON

46% of all data centres in Portugal are concentrated in the Lisbon region. As for the 16 that are in the region, 81% are located within the city of Lisbon. The main operators in the region are Equinix and Altice, while the remaining data centres are smaller and belong essentially to owners who operate their structure in certain situations operate their structure.

In recent times, the market in Lisbon has been sought by investors with the aim of looking for places that show interest in the implementation of a Data Centre project. Merlin is establishing a Data Centre in the Lisbon region through the most common approach to entering the market, through an alliance with a specialized partner.

DATA CENTRES IN PORTO

33% of all data centres in Portugal are concentrated in the northern region. Regarding this total, ten are located, 10 are located in the Porto region, mainly within the city. Operators such as Claranet, NFSI, Nos and Altice are present in the region, being data centres that essentially belong to these companies and that operate their structure in certain circumstances.

The Port of Leixões' strategic intention was also announced, with the objective of developing a data centre in the region and accelerating the company's digital transformation.

MAIN OPERATORS

In Portugal there are 8 main data centre operators, some of which have several data centres in Portugal and / or rent space in other data centres from other operators. One such example is PT, which not only has its own data centre, but also rents spaces to implement data centres to other operators.

Although Altice and PT belong to the same group, they are different companies that operate differently. Altice, despite having only one data centre, owns the largest establishment in the country.

We also highlight some technological companies that have developed projects in Portugal and / or sell equipment for the assembly of data centres.

CURRENT

- EQUINIX (1 | 5.000 SQM)
- COLT (1)
- AR TELECOM (4)
- NFSI INTERNET SERVICES (2)
- ALTICE (1 | 75.000 SQM)
- NOS (2)
- CLARANET (3)
- PT EMPRESAS (3 | 2.700 SQM)

SOME MAIN TECHNOLOGICAL PARTNERS IN PORTUGAL



Source: Savills Research



IP Telecom has a nationwide offer of dark fibre optics, fully buried, supported by 7 regional intervention centres that ensure 24x7 maintenance and operation with unique availability levels in Portugal.

With multiple geographic redundancy rings, international connections and present in all district capital cities, this network guarantees standards of excellence to the

most demanding customers, such as the main telecommunications operators.

IP Telecom is strongly accredited and ensures all the necessary support to its customers and partners in the development of their networks and infrastructure in Portugal."

INVEST IN PORTUGAL

PORTUGAL ATTRACTIVENESS

WHY PORTUGAL?

Excellent telecommunications coverage

22nd Fastest Fixed Internet in the World - Speedtest (2020)

Strategic location

In between Africa, America and Europe

One of the safest countries in the world

4th safest country in the world - Global Peace Index 2021

Low risk of extreme weather events

Good external links

6th most trusted passport in the world - Bloomberg (2021)

Global Connectivity

EllaLink - privileged connection with South America; Equiano Cable - new fiber optic cable connections with South Africa to Q4 2021

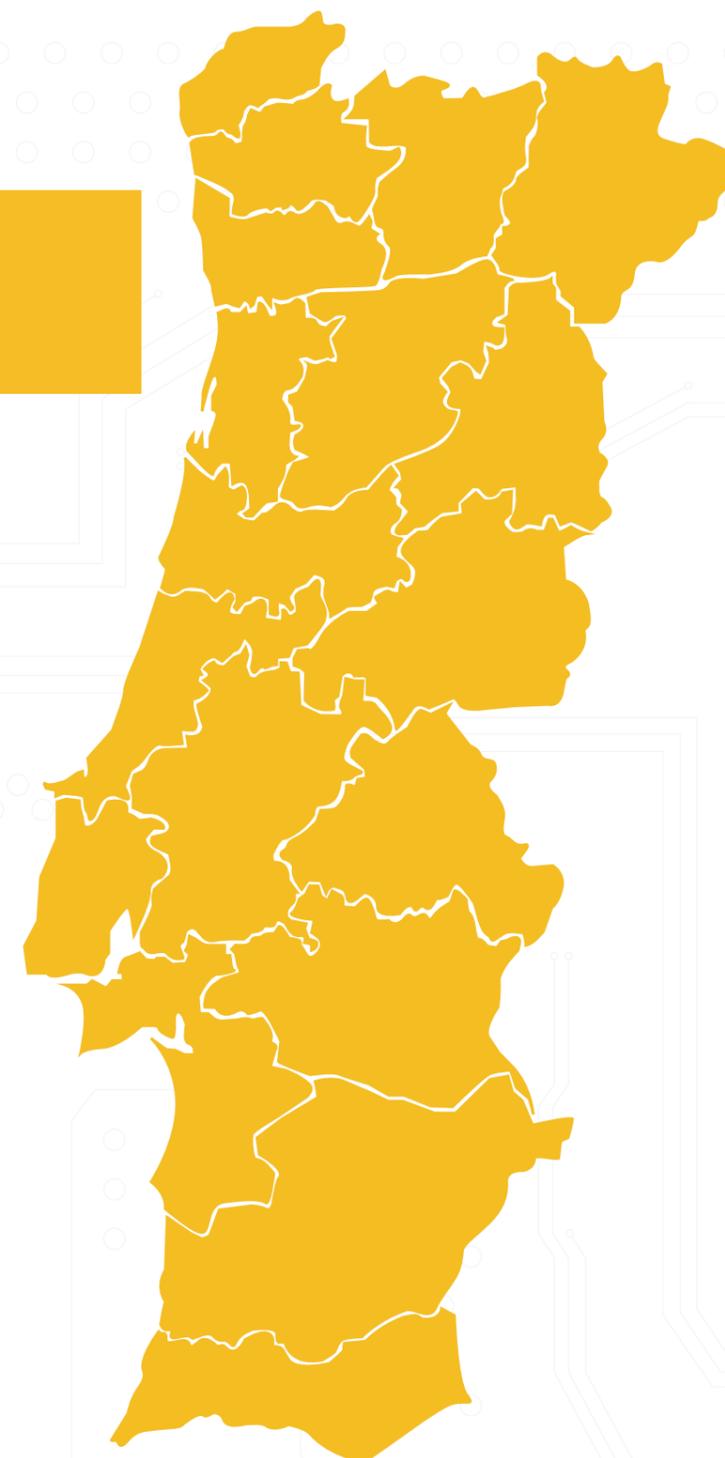
Large producer of renewable energy

4th largest producer of solar and wind energy in the world - Bloomberg NEF (2020)

Obsolete existing data centres

Few big operators in Portugal

Source: Savills Research



CONNECTIVITY COVERAGE MAIN SUBSEA COMMUNICATIONS CABLE



- ELLALINK CABLE (ACTIVE)
72 terabits
- MAINONE (ACTIVE)
10 terabits
- EUROPE INDIA GATEWAY (ACTIVE)
4 terabits
- SEA-ME-WE 3 (ACTIVE)
5 terabits
- EQUIANO CABLE (Q4 2021)
100 terabits
- 2 AFRICA (Q4 2023)
180 terabits

Source: Submarinecablemap.com; Savills Research

Portugal is strengthening its strategic position by accommodating subsea cables with a capacity far superior to the existing ones and with direct routes to important markets. Africa and South America are marked as having a very large data production growth potential and subsea cables will help the transmission of intercontinental data.

Portugal presents itself as a fast and direct connection to these markets, connecting them to the rest of Europe. This strategy places Portugal in an interesting position to attract investment in this sector.



Cisco Services for Data Centre and Cloud has a proven experience offering expert advice and innovative tools to enable flexible and secure IT services.

Cisco Unified Computing System simplifies the data centre by improving operational efficiency and reducing complexity, shifting from a clerical-based approach to a business outcome-based focus, with hybrid cloud infrastructure tailored to meet customer workload workloads.

Cisco Application Centric Infrastructure simplifies the IT infrastructure and operations by automating the network, providing comprehensive security and enabling businesses to move to a multicloud environment. Cisco established a cooperation relationship with Savills helping investors deploy the right data centre solution and IT strategy, through expert advice."

CONNECTION WITH EUROPE

Portugal is well served by a fiber optic network, operated by several operators. There are large fiber distribution routes, much of it dark fiber, which provides security against possible disasters.

The underground cable system that connects to other European countries goes through Spain, which has one of the best fiber network. However, Portugal also has a submarine communications cable system so that it can connect to other countries in Europe, through the United Kingdom and France.

Source: Submarinecablemap.com; Savills Research

NATURAL DISASTERS RISK ASSESSMENT

Portugal has always had a history of earthquakes as it is close to a meeting of three tectonic plates (American, African and Eurasian), which positions the country in an area of considerable seismic activity, namely the coastal zones. However, despite being shaken almost daily by earthquakes, many are of such small magnitude that they are not felt.

The major seismic events recorded in Portugal are widely spaced, placing Portugal in a relatively tranquil environment in terms of this issue.

Even so, as seen in the LNEC study, Portugal is at low risk of economic losses, by the total population residing in the region, particularly in the urban centres of Lisbon and Porto.

Source: LNEC; Savills Research



Founded in 1995, Lusorede is a leading company in the Portuguese IT sector, delivering a diverse range of solutions such as network infrastructure, data centres, electrical energy, networking and security solutions.

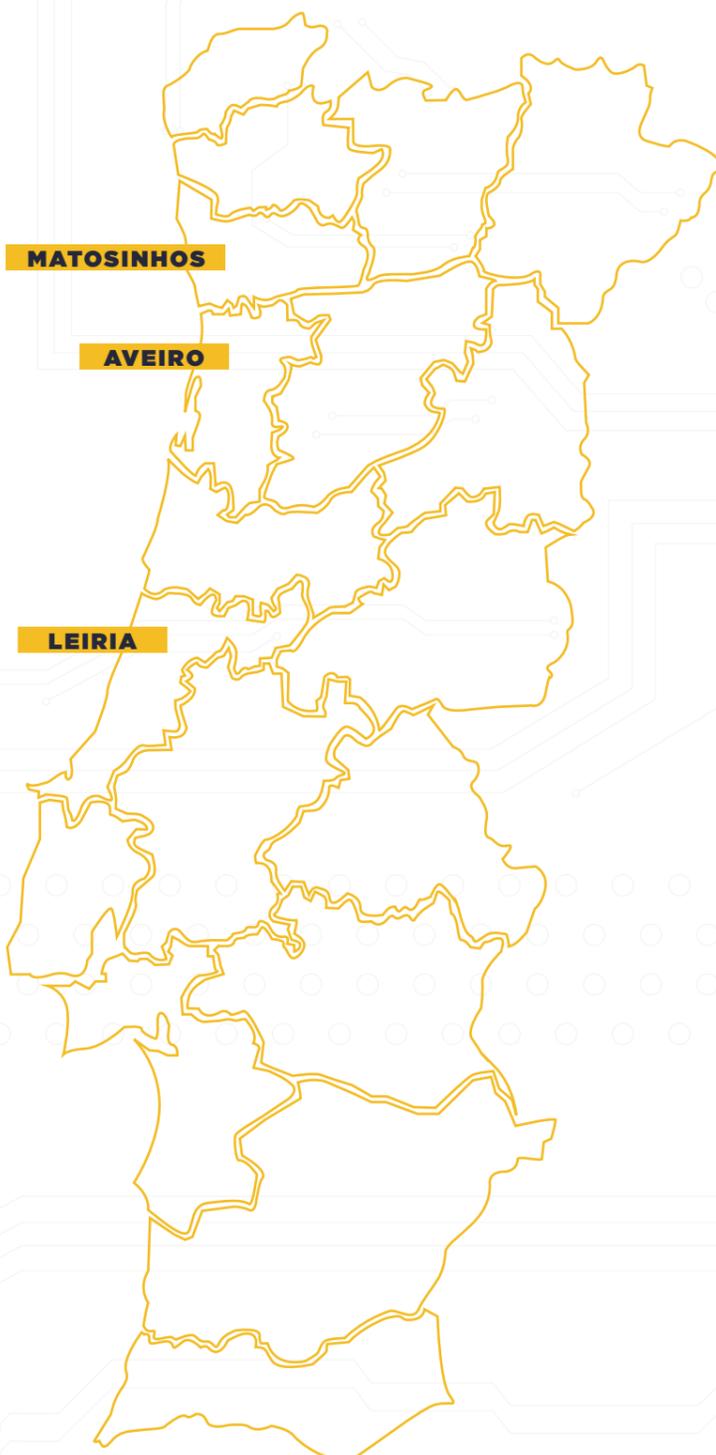
Lusorede have been working closely with Savills, from small and medium-sized companies to large corporate groups present in different sectors, Lusorede supports clients throughout all the stages

of the project, i.e. from the initial study, project management and implementation, to post-sale support.

Lusorede and Savills have a strong relationship with more than 50 projects already implemented.

CITIES WITH INVESTMENT INTEREST

MUNICIPALITY STRATEGIES THAT MAY PROVE INTERESTING FOR INVESTMENT



Matosinhos is known for its large industrial park, namely for its seaport. However, the Municipality's strategy is to reduce truck traffic, with the aim of removing logistics from the city centre and locating it in other satellite industrial parks. In this sense, it can be interesting to use a logistic building for the installation of a data centre, because there is no need for truck flow regarding this type of operation and warehouse prices can be attractive.

There are also two regions that are growing on the IT & Digital economy. The municipality of Aveiro has bet on attracting several technological companies, being already known as a technological centre in the country. In this sense, and alongside the University of Aveiro, which has highly skilled human resources, it intends to further develop through the installation of technology companies. It is a city that already has a large industrial park which can be an interesting location for the installation of data centres.

The region of Leiria is a logistics point in Portugal, with several companies operating in this area. The Municipality's strategy is to attract investment in the digital area in order to take advantage of the students that graduate from the Polytechnic Institute of Leiria, and the various companies that are installed in the area.

Source: Savills Research

The Data Centre market in Portugal is establishing itself on the map of Europe. The growing use of internet and the future switch to 5G will increase the demand for data and increase the demand for Data Centre services in Portugal.

The Portuguese government is promoting digitalization initiatives across the market, such as the "Portugal Digital" program, whether by government, companies, or even on a personal basis. The program will boost the digital process of the country, which will mean more data consumption.

The 5G Technology will drive the adoption of IoT-enabled products in the Portuguese market. The IoT market is still at an early stage of growth, however, it is expected that in the coming years it will start to show strong growth, which will increase the demand for data centres, boosting investments in data centres in Portugal.

We are witnessing an increase in the demand for knowledge regarding this sector in Portugal, and Portugal's good connectivity and access to energy, combined with Portugal's strong position in terms of

security, could attract investors to settle in the country. However, as investments are high and with great growth potential, it will be necessary to involve public entities so that better conditions for its enterprise can be achieved.

Portugal and its universities are strongly committed to the professionalization of people for the technology sector. This means more highly skilled personnel to work in Data Centres and provide the best service to customers.

Savills' position in the market is supported by the best players in the Portuguese market, being able to ensure an investment in this sector from its study, through the purchase of assets and the design of the building, including its construction and maintenance.

The Savills logo, featuring the word "savills" in a lowercase, sans-serif font. The letters "s" and "i" are yellow, while the remaining letters are red.

Savills Research

We're a dedicated team with an unrivalled reputation for producing well-informed and accurate analysis, research and commentary across all sectors of Portugal's property market.



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