



AZORA AND PGIM REAL ESTATE LAUNCH €150 MILLION LAST-MILE LOGISTICS PLATFORM IN SPAIN

***- €75 million of initial commitments targeting developments and operational
assets benefitting from accelerated structural trends post-Covid-19 -***

Madrid, 7th July 2021 – Azora, the Madrid-based European private equity real estate manager and one of Spain’s leading real estate investors, together with PGIM Real Estate, the real estate investment business of PGIM, the US\$1.5 trillion global investment management businesses of Prudential Financial, Inc. ([NYSE: PRU](#)), announce the launch of PGIM Real Estate Última Milla, S.L. (the “Joint Venture”), a new Spanish-focused last-mile logistics Joint Venture. PGIM Real Estate, on behalf of its European value-add strategy, and Azora, will jointly fund the Joint Venture, while Azora will source, underwrite and manage the portfolio. This Joint Venture will be the first pure-play investment vehicle focused on last-mile logistics assets in Spain which is one of the largest and most attractive European markets for this asset class.

The Joint Venture will be funded with €75 million in initial equity commitments, providing a total investment capacity of over €150 million, which it expects to deploy over the next 2-3 years. The Joint Venture will seek high quality last-mile logistics opportunities with strong sustainability credentials which it intends to deliver primarily through value add asset management, high quality developments and, selectively, the acquisition of stabilised operating assets. The investments will be located in the first-ring of Spain’s major cities, with a specific focus on Madrid, Barcelona and Valencia.

The demand for high quality last mile logistics in the Spanish market has become even more apparent as COVID-19 has accelerated the already strong structural trends driving the sector. Spain’s historically low e-commerce penetration rate, which, even pre-



COVID-19, was expected to grow by 11% per annum, combined with a wider focus on on-shoring and efficient supply chains as a result of the pandemic, is expected to drive increased demand for fit-for-purpose logistics space in the coming years. These factors, combined with a scarcity of high quality, sustainable stock and, in some areas, available land for development, are expected to provide strong tail winds for the sector into the future.

Cristina Garcia-Peri, Head of Strategy and Business Development at Azora, commented: *“Being able to launch Spain’s first pure-play investment vehicle for last-mile logistics assets, alongside such a high-calibre investment partner as PGIM Real Estate, allows us to further extend our substantial and long standing real estate investment platform. At a time when demand is increasing exponentially, with Spanish e-commerce penetration beginning to catch up with many other European countries, this venture will allow us to harness our expertise in the Spanish market to deliver double digit returns on behalf of our clients.”*

Nabil Mabed, Head of France, Spain and Portugal at PGIM Real Estate, added: *“The Spanish last mile logistics market is hugely undersupplied, and, following the COVID-19 crisis, the importance of on-shoring and supply chain are becoming increasingly important. We look forward to working alongside Azora to leverage these trends to source and deliver attractive opportunities on behalf of our clients.”*



For more information:

FTI Consulting (Europe)

Richard Sunderland/ James McEwan/ Talia Jessener

Phone: +44 (0) 203 727 1000

Email: Azora@FTIConsulting.com

Azora Press Cabinet (Spain)

Noemí Sánchez: noemi@irazustacomunicacion.com

Nacho Miquel: nacho.miquel@irazustacomunicacion.com

Phone: +34 91 563 41 79

PGIM Real Estate

Joanna Drew, Head of Communications, EMEA

+44 (0)7790914214

Joanna.Drew@pgim.com

About Azora

Azora Group (hereinafter “Azora”) is a leading independent asset manager based in Spain, which has invested over €4bn of equity since its inception in 2003 and which currently manages c.€3.2bn of AuM (as of December 2020).

Its platform, one of the most important in Spain, has more than 200 professionals with great expertise through the whole real estate cycle, including deal sourcing, structuring and investment, new developments and repositioning, asset management and rental and sale of individual assets or portfolios.

Azora has traditionally focused on residential, hotels, offices and renewable energy, and is currently developing new investment themes in logistics, senior homes and alternative real estate debt. Azora currently manages one of the largest portfolios of residential units for rent, with more than 14,000 homes, and created the largest hotel portfolio in Spain under variable rent agreements with hotel operators with more than 13,000 keys, which was acquired by Blackstone in July 2018.

ABOUT PGIM REAL ESTATE

As one of the largest real estate managers in the world with US\$190.4 billion in gross assets under management and administration¹, PGIM Real Estate strives to deliver exceptional outcomes for investors and borrowers through a range of real estate equity and debt solutions across the risk-return spectrum. PGIM Real Estate is a business of PGIM, the US\$1.5 trillion global asset management business of Prudential Financial, Inc. ([NYSE: PRU](https://www.nyse.com/quote/NYSE:PRU)).



PGIM Real Estate's rigorous risk management, seamless execution, and extensive industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing², and the deep local expertise of professionals in 32 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that ignite positive environmental and social impact, while pursuing activities that strengthen communities around the world. For more information visit pgimrealestate.com.

¹ As of March 31, 2021. AUM reflected as gross. Net AUM is \$124.4B and AUA is \$43.3B.

² Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

ABOUT PGIM

[PGIM](#), the global asset management business of Prudential Financial, Inc. ([NYSE: PRU](#)), ranks among the top 10 largest asset managers in the world³ with US\$1.5 trillion in assets under management as of 31 March 2021. With offices in 16 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate and alternatives. For more information about PGIM, visit pgim.com.

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¹ As of 31 Dec. 2020, net AUM is US\$124.3 billion and AUA is US\$42.8 billion.

² Includes legacy lending through PGIM's parent company, Prudential Financial, Inc.

³ PGIM is the investment management business of Prudential Financial, Inc. (PFI); (PFI) is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on 31 May 2021. This ranking represents global assets under management by PFI as of 31 Dec. 2020.

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