

PRESS RELEASE

07 October 2021

East Capital Real Estate acquires last-mile distribution center fully leased to regional e-commerce leader Pigu in Vilnius, Lithuania

East Capital Real Estate's latest fund, East Capital Real Estate IV, announces its acquisition of a last mile distribution center in Vilnius, Lithuania, which is fully leased to the regional e-commerce leader Pigu, part of PHH Group. The transaction marks the second Lithuanian acquisition and the fourth acquisition by the fund. The fund holds Tallinn SEB HQ and VIA 3L logistics hub in Tallinn, Estonia as well as a last mile logistics and distribution facility in Vilnius, Lithuania, and targets at least EUR 400 million in total fund size.

The asset is a recently renovated 6,500 m² last mile distribution, retail and office complex which was fully adapted for Pigu needs in 2021. It serves as Pigu Lithuanian office headquarters for its more than 300 employees, constitutes its largest Lithuanian physical store with a built in "drive in" function and provides a 3,500 m² warehousing facility enabling immediate delivery of more than 10.000 unique items/brands.

The complex is located at Laisves ave. 75, in a dense residential and commercial Vilnius suburb which can be reached by more than 60% of Vilnius' population within a 15-minute drive. In the near future, the area immediately surrounding the property will see further substantial development and growth due to the planned construction of Siaurine gatve – one of the main transit routes connecting and improving transit between western and eastern parts of the city.

Albin Rosengren, Chairman of the Board, East Capital Real Estate, commented: " This latest acquisition is in line with East Capital Real Estate IV's goal to invest in commercial real estate assets with strong tenants and a clear future growth potential. We are very pleased to own a distribution and retail complex which delivers and supports a pioneering retail growth platform to Pigu - the leading e-commerce player in the region. We very much believe in the resilience and sustainable growth of e-commerce in the Baltics and maintaining its position as a very strong player in that segment."

"As a result of the pandemic, the digitalization of society and business has advanced by several years – in 2020, e-commerce sales in Lithuania exceeded the symbolic threshold and accounted for more than 10 percent of total retail sales. Potential of this business area has been confirmed by the investment of East Capital Real Estate IV fund in Lithuania: this time, the fund took over the management of the new Pigu.lt headquarters building. By continuing successful cooperation with this fund, we believe that online trading will remain an important factor in domestic consumption, which will contribute to sustainable economic growth in the future", – says Vilijus Juzikis, Member of the Board and Head of the Corporate Banking Division at SEB Bank.

The transaction is financed by SEB and the process was advised by Wallers and KPMG on the buyer's side.

East Capital Real Estate IV started its investments in April of 2020 and is East Capital Real Estate's fourth fund, focusing on properties in the Baltics and Central Europe. The fund targets investments

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in high-quality, commercial properties primarily within the office and logistics segments. The fund, which has already been met with great interest from European investors, manages today EUR 90 million and plans to invest at least EUR 400 million, targeting institutional investors only. The East Capital Real Estate team is based in Stockholm, Tallinn, Riga and Vilnius.

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About East Capital Real Estate

East Capital Real Estate is a leading real estate manager that focuses on commercial real estate investments in the Baltics and Central Europe, primarily in the office, logistics and retail segments. We manage four funds and one investment mandate, with a total property value of EUR 481 million, distributed across 24 properties with a lettable area of 410,000 square metres.

East Capital Real Estate is part of East Capital Group – an independent asset management group that comprises several strategies and specialisations to offer active management solutions in equities, bonds and real estate assets with a clear ESG framework. Founded in Sweden in 1997, East Capital Group manages a total of EUR 5.1 billion for a broad range of international investors including leading institutions, companies and private individuals.

For further information, please visit www.eastcapitalrealestate.com