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PRESS RELEASE

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www.sonaesierra.com

Sierra and PGIM launch a hospitality Joint Venture and announce acquisition of first hotel in Porto

- PGIM Real Estate, the real estate investment arm of PGIM and one of the largest global real estate managers with assets under management exceeding \$200 billion, has entered into a partnership model with Sierra to invest in hospitality value-add opportunities supported by a seasoned management platform.
- The joint venture will seek to acquire and actively manage hotels in consolidated leisure destinations, joining forces with the dedicated and experienced operational management team of Iberian Hospitality Solutions (IHSP) led by Gonçalo Batalha, who brings a wealth of hospitality competences to the platform.
- This venture is fully aligned with Sierra's investment management strategy of partnering with blue-chip investors to deliver attractive investment opportunities.

Sierra, a multinational vertically integrated real estate player, and PGIM Real Estate, one of the largest real estate managers in the world, have signed an agreement to launch a dedicated investment platform in the form of a joint venture with the experienced hospitality operational management team of Iberian Hospitality Solutions (IHSP) led by Gonçalo Batalha.

The joint venture marks another step in Sierra's diversification strategy, both from a sector perspective (hospitality) and type of investment (value-add hospitality assets) and targets a gross asset value (GAV) of €200 million. PGIM Real Estate has entered into the joint venture on behalf of its European value-add strategy.

The joint venture will target sizeable hotels in consolidated leisure destinations and deploy strategies to maximise value creation. The first acquisition is a top-tier upper-upscale hotel in central Porto. Situated within walking distance of the city's main attractions, it is scheduled to open in the second half of 2024 aiming at becoming a reference in Porto's tourist market.

Nabil Mabed, Head of France, Spain and Portugal at PGIM Real Estate, added: *"The hotel leisure market has long been a fundamental sector for the Iberian economy. Portugal is a top-Southern European hospitality market, attracting a growing international demand, with significant upside to be captured if the quality of supply is upgraded to meet the international demand requirements. In the current environment, investors look for value accretive, inflation hedged and cash-flowing investments to deliver attractive returns. Our strategy aims to consolidate local players and improve the quality of the offering to guests. Our partnership with Sonae Sierra and IHSP and the acquisition of the first hotel in Porto, endorses our positive outlook for the area and the strategy deployed."*

Luis Mota Duarte, Chief Financial Officer and Executive Director, Investment Management at Sierra, stated: *"We are very pleased to partner with PGIM Real Estate and Gonçalo Batalha's team, with whom we see an opportunity to execute an evident value creation strategy in the European hospitality segment, bringing together both our distinctive investment and asset management capabilities. This is our first, dedicated hospitality vehicle, which is a testament to our ambitions to cover a full range of asset classes and sectors with dedicated competences, including our recent acquisition in Porto."*



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*“In the current market environment, marked by higher interest rates and sizeable investment requirements to reboot quality standards in hospitality, we see this new endeavour as the opportunity to unlock superior risk-adjusted returns. We believe in a long-term positive trend for the tourism sector, as the spending share for experiences continues to thrive, strongly supported by a wide range of attractive structural factors.”, said **Gonçalo Batalha from IHSP.***

About Sonae Sierra

Sonae Sierra is a multinational company that operates in an integrated manner in the real estate business, focusing on urban transformation and innovation. With projects carried out in more than 35 countries, it currently manages around 7 billion euros in assets. Sierra's sustainability strategy has always been a differentiating element and one of the main pillars of the company's positioning in all business areas.

Sierra has a solid reputation as a specialist in market-leading real estate solutions that add value to society as a whole. Focused on long-term relationships with leading investors, its vertically integrated offer includes the creation of personalised vehicles, the development and modernisation of sustainable mixed-use urban spaces (residential, offices, retail and leisure), an integrated and complete platform of real estate services, and the management of a resilient asset portfolio capable of responding to the challenges of the future.

More information is available at www.sonaesierra.com

About PGIM Real Estate

With \$210 billion in gross assets under management and administration,¹ PGIM Real Estate provides investors and borrowers access to a range of real estate equity, real estate debt, agriculture, and impact solutions across the risk-return spectrum.

PGIM Real Estate is a business of PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU). PGIM Real Estate's risk management approach, execution capabilities and industry insights are backed by a 50-year legacy of investing in commercial real estate, a 140-year history of real estate financing,² and the local experience of professionals in 35 cities globally. Through its investment, financing, asset management, and talent management approach, PGIM Real Estate engages in practices that strive to ignite positive environmental and social impact, while pursuing activities that seek to strengthen communities around the world. For more information visit pgimrealestate.com.

¹ As of Dec 31, 2023, net AUM is \$134B and AUA is \$49B.

² Includes legacy lending through PGIM's parent company, PFI

About IHSP

Iberian Hospitality Solutions (IHSP) is an asset manager and hotel management company based in Lisbon. IHSP team's track record supports unparalleled experience in the hospitality & leisure market. Over the past decade the team managed over 30 hotels and resorts (with more than 3,000 keys), including various successful openings and repositionings.

Led by Gonçalo Batalha, IHSP positions itself as a multi-brand operator, distinguished by a strategy focused on asset conditions with strong commitment and alignment with investors returns.