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PRESS RELEASE

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www.sonaesierra.com

Sierra investment vehicle invests in luxury project in the Algarve

- The project, located on the Algarve beachfront, will comprise a total of 158 keys across hotels and apartments, featuring a leading international luxury brand
- The project will represent an investment of over €60m, with construction scheduled to begin in the first quarter of 2025
- This will be the joint venture's second investment, following the first acquisition completed in April of the recently opened Cénica Porto Hotel, Curio Collection by Hilton, located in the centre of Porto and positioned as a 5* upper-upscale
- The joint venture with PGIM aims to acquire, develop and manage differentiated hotel assets with a global value of around €200m GAV
- This operation is in line with Sierra's investment management strategy, which aims to establish partnerships with recognised investors in the market, to promote attractive investment opportunities

Sierra, the multinational company that operates in an integrated manner in the real estate sector, in partnership with PGIM Real Estate, one of the largest real estate managers in the world, has announced a new strategic investment in the Algarve. The project consists of the development of a luxury resort, in Meia Praia, in Lagos, through the joint venture established in 2024.

This investment is supported by Iberian Hospitality Solutions (IHSP), whose operational team brings extensive experience in hotel management and operations, ensuring excellence in execution and maximising the value of the asset.

With a target GAV of €200 million, the joint venture focuses on acquiring hotels of relevant size in consolidated destinations, implementing strategies that maximise value creation. This investment is part of PGIM Real Estate's value-add strategy for the European market.

Luis Mota Duarte, Deputy CEO and Executive Director, Investment Management at Sierra, says: *"We are very pleased to announce the second asset in our strategic partnership with PGIM Real Estate. This project highlights our commitment to diversifying the portfolio with high potential assets, reinforcing our presence in strategic sectors, such as the hotel industry. The choice of the Algarve, combined with the profile of this project, reflects our ambition to contribute to the development of stand-out tourism in Portugal."*

Offering panoramic sea views, the resort will have a gross construction area of approximately 17,000 m², with its opening scheduled for 2027. The hotel's future facilities will include indoor and outdoor pools, a state-of-



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the-art spa, sophisticated restaurants and leisure areas. The design, integrated with the natural landscape, celebrates the unique essence of the Algarve, creating an exclusive experience for different types of guests – couples, families and individual travellers.

This investment underlines Sierra's strategy of creating partnerships with renowned global investors, such as PGIM, and of identifying opportunities with high profitability.

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.

Find out more about the company at www.sonaesierra.com

About PGIM Real Estate

With \$212 billion in gross assets under management and administration¹, PGIM Real Estate provides investors and borrowers with access to a range of real estate equity and debt 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 supported by a 50-year legacy of commercial real estate investing, a 140-year track record of real estate financing and the local expertise of professionals in 35 cities around the world². Through its investment, financing, asset management and talent management approach, PGIM Real Estate engages in practices that generate positive environmental and social impact, while developing activities that strengthen communities around the world.

For more information, visit pgimrealestate.com

About IHSP

Iberian Hospitality Solutions (IHSP) is a Lisbon-based hotel management and asset management company. The IHSP team has unparalleled experience in the hospitality and leisure market. Over the past decade, the team has managed over 30 hotels and resorts (with over 3,000 keys), including several successful openings and repositionings.

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

¹ As of December 31, 2023, net AUM is \$137 billion and AUA is \$47 billion.

² Includes legacy loans through PGIM's parent company, PFI.