



AZORA LAUNCHES DECARBONIZATION PILOT TARGETING 25% ENERGY REDUCTION ACROSS 7-HOTEL PORTFOLIO IN SPAIN

- **€2.5 million invested to decarbonize 7-hotel portfolio acquired by Azora's European Hotel & Leisure fund from Med Playa in 2019**
- **Energy improvement measures are targeting a 25% reduction in annual energy consumption of hotels, equating to a reduction of 1,100 tons of carbon per year**
- **Azora plans to extend the execution of similar decarbonization and energy efficiency projects to the rest of its hotel portfolio**

Madrid, May 23, 2023 – Azora, on behalf of its flagship European Hotel & Leisure Fund, F.C.R. (“The Fund”) announces a €2.5 million investment into an ambitious pilot program aimed at decarbonizing the 7-hotel portfolio acquired by Azora's European Hotel & Leisure fund from Med Playa in 2019. The project includes a number of initiatives focused on reducing greenhouse gas emissions, improving energy efficiency and minimising dependency on fossil fuels across each asset. This programme follows an initial €30 million repositioning of the hotels to bring them to a 4* rating, with the portfolio continuing to be managed by Med Playa Group.

With these measures, Azora expects to achieve a 25% reduction in annual energy consumption across the portfolio, representing an energy saving of 4,300 MWh/year and reducing carbon emissions by 1,100 tons per year.

The initiatives include: (i) replacing domestic hot water production equipment (previously produced using natural gas boilers) with modern air/water heat pump-type equipment; (ii) providing the building with a photovoltaic solar energy production plant; and (iii) installing thermal production control systems, as well as equipment to optimize electricity supply.

The application of sustainability considerations in the repositioning of its assets is a key value at Azora. Last year, the investment manager received a ReThink Hotel Award (organized by Habitat Futura and TSMEDIA in recognition of the 10 best sustainability and hotel energy rehabilitation projects) for its repositioning of the TRS Ibiza, which incorporated designs that maximized sustainability functions.

This project also aligns well with Med Playa's sustainability strategy, which collaborated in this project via its sustainability department, led by Pablo Villamediana.

Following this pilot programme, Azora plans to extend these successful decarbonisation initiatives across the rest of the Fund's portfolio, to improve the energy efficiency and reduce the carbon footprint of its hospitality assets. Azora has also committed to obtain a BREEAM “Very Good” certification for all of the Fund's hospitality assets, having already achieved this certification for the 7-hotel Med Playa portfolio, among others.

The 7-hotel portfolio, which was acquired from the Med Playa hotel group in May 2019 and includes 1,670 rooms, comprises: the Hotel Pez Espada in Torremolinos and the Hotel Riviera in Benalmádena, both located on the Costa del Sol; and the Flamingo Oasis, Río Park, Riudor, Regente and Agir hotels, located in Benidorm.

These hotels form part of Azora's European Hotel & Lodging Fund, which comprises 41 leisure and hospitality assets across Spain, Portugal, Italy, Greece, Belgium and Germany.



Concha Osácar, co-founding partner of Azora, commented: “This decarbonization plan highlights the commitment we have to sustainability, and represents the next stage of our efforts to improve the energy efficiency of our portfolio. At Azora, we are convinced that the creation of value also involves applying the latest trends in energy efficiency and sustainability into the repositioning we carry out to improve the user experience and the environmental impact of our facilities.”

Gonzalo García-Lago, Partner at Azora Hotels & Leisure, said: “The initiatives we have rolled out across the Med Playa portfolio will be analysed as we look to replicate the success of this pilot project across the rest of our portfolio. Our objective is to continue taking measures to modernize our assets and reduce the carbon footprint of our activity as much as possible.”

Daniel Colomer, Project Director at Med Playa, added: “This decarbonization project is a sign of Med Playa's commitment to sustainability and the environment, and we are proud to collaborate with Azora on this initiative that will improve energy efficiency and reduce CO2 emissions in our hotels”.

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About Azora

Founded in 2003, Azora Capital is a leading international alternative investment management platform with over €6.5 billion in assets under management. A pioneer in building scalable platforms on the back of megatrends, Azora Capital has a long-standing tradition of investing in real assets, a proven ability to identify untapped investment themes, uncover attractive opportunities, and deploy institutional capital where it is most needed.

Azora has a solid track record in hotel and leisure investments and was the first asset management company and institutional real estate investor to enter the “sun and beach” hotel segment in Spain, where it built the largest hotel platform through its SOCIMI (Madrid-listed Real Estate Investment Trust), Hispania. Since listing this portfolio in 2014, Azora grew Hispania's portfolio to 46 hotels with more than 13,000 keys and €2 billion of gross asset value, before successfully selling the platform to Blackstone in July 2018.