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AZORA SECURES c. EUR 636 MILLION FINANCING PACKAGE FOR SPANISH AFFORDABLE RESIDENTIAL RENTAL PLATFORM - NESTAR

- **The refinancing attracted a high profile institutional loan consortium comprising Natixis Corporate & Investment Banking, Banco Santander, Crèdit Agricole, ING, Deutsche Bank and Banco Pichincha España.**
- **With a five year maturity, the financing package is benchmarked to 3-month Euribor plus a spread of 175 basis points.**
- **The new loan will be used to both extend existing debt and finance upgrades to the Nestar portfolio through an ambitious capex and repositioning plan.**
- **The financing framework also includes a green loan to fund new acquisitions that meet high standards of sustainability and energy efficiency.**

Madrid, October 23, 2023 – Azora has agreed a c. €640 million financing package with a group of banks and insurers for its Spanish affordable residential rental platform, Nestar. The syndicated mortgage loan attracted a range of well know international and Spanish domestic institutions comprising Natixis CIB, Banco Santander, Crèdit Agricole, ING, Deutsche Bank and Banco Pichincha España.

This new financing package allows Nestar to extend its existing debt maturities and provides capex for an ambitious upgrade programme across its 8,600 unit portfolio through improving existing assets. The package also includes a c. €40 million green loan to fund the acquisition of new sustainable and energy efficient homes that meet certain ESG standards.

The financing agreement has a maturity of five years (October 2028) and is benchmarked to 3-month Euribor plus a spread of 175 basis points. The principal will be repaid in a single payment on the maturity date and interest will be payable quarterly.

The operation includes hedging instruments to protect the company against any rise in interest rates over the next five years. In the transaction, Natixis CIB Bank acted as Agent and Sole Global Coordinator and, together with Crèdit Agricole, as Joint Bookrunner. Both Natixis CIB and Crèdit Agricole act as Green Loan Co-Coordiators.



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Javier Rodríguez Heredia, Head of Real Estate of Azora, commented: *"When we created the Nestar platform over 18 years ago, it was with the aim of providing an outstanding affordable rental management platform that offered modern homes, quality designs and high levels of tenant services while also helping to alleviate Spain's chronic housing shortage. This agreement not only extends the platform's debt maturities by 5 years, it also provides an additional direct c. €40 million green financing facility for important ESG asset improvements that will have a direct impact on our customers."*

Concha Osácar, founding partner of Azora, added: *"The signing of this agreement allows us to take our strategic plan forward for our affordable residential rental platform while also mitigating against potential financial risks over the next five years. This is an important achievement at a time of market uncertainty, with rising interest rates creating an environment where access to financing is becoming more restrictive. This deal also highlights the strong relationship Azora has with its lenders, alongside their recognition of our ability to manage rental housing in Spain."*

Azora's affordable residential rental platform is the largest private portfolio of affordable rental housing in Spain, building on Azora's pioneering efforts in modernising and professionalising the BTR sector in Spain. The company has developed more than 8,600 homes as part of its Nestar platform, with some tenures offering rents as low as €275 per month. Since its inception, it has provided rental homes to more than 40,000 families, making a significant contribution to Spanish society through the development and management of high-quality affordable homes in a country characterized by a significant supply-demand imbalance.

Nestar's management is focused on the well-being of its tenants and the planet and on its goal of facilitating the creation of homes with the highest quality standards at an affordable price.

This funding helps to reaffirm the company's commitment to its tenants, who it will continue to put at the center of its management, by providing new services, introducing improvements and adapting the product to a more demanding market that increasingly requires a close and professional service that improves the tenant experience and contributes to the creation of sustainable communities.



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About Azora

Founded in 2003, Azora Capital is an international alternative asset management firm headquartered in Madrid, with over €6.5 B in assets under management. Azora Capital has been a pioneer in developing investment platforms based on megatrends, with extensive experience in investing and managing real assets, identifying attractive opportunities in sustainable themes, and investing institutional capital where it is most needed.

Azora specializes in various asset types, including residential, hospitality, logistics, offices, senior living, and renewable energy, and is driving new investment lines in leisure, data centers, and infrastructure.

Azora was a pioneer in the residential rental segment in Spain, launching its first BTR vehicle in 2003 and currently managing the largest portfolio of purpose-built residential rental assets in Spain, with approximately 15,000 units under management. Nestar is the Azora platform dedicated to affordable rental housing. With a track record of 18+ years, it is the pioneer of Build to Rent (BTR) and the professional management of affordable rental housing in Spain. Responding to the needs of the market, Nestar plans to put 1,500 new-build units on the market in the next two years and is committed to management focused on the well-being of its tenants, aiming to offer rental housing of the highest quality standards at an affordable price.

Azora has also been a pioneer in other segments related to the social aspect of living space, including student housing (where it built the largest portfolio of student housing in continental Europe; RESA) and housing for seniors (currently investing in Spain through Adriano Care).