

TRANSACTION ANNOUNCEMENT

Aareal Bank finances landmark hotel portfolio in London for Starwood Capital

Wiesbaden, 8 February 2024 – Aareal Bank announces its pivotal role in financing the majority of the Edwardian hotel portfolio in London acquired by a controlled affiliate of Starwood Capital Group (Starwood Capital). The portfolio comprises a unique collection of ten hotels with 2,053 rooms, all strategically located in London and operated under the Radisson Blu brand.

Aareal Bank played a crucial role in this transaction, providing a loan for eight assets within the portfolio while acting as the arranger, facility agent, and security agent, thus contributing to the successful structuring and execution of this landmark deal.

Starwood Capital Group, a private investment firm with a core focus on global real estate, currently has approximately USD 115 billion of assets under management. The acquisition adds to Starwood Capital's existing portfolio of European hotel investments, which following the transaction will comprise 47 hotels / approx. 10,000 rooms across Europe.

Bettina Graef-Parker, Managing Director, Special Property Finance at Aareal Bank, commented, "We are honoured to support Starwood Capital in this significant acquisition, leveraging our expertise in the hospitality sector and providing financial solutions to realise their strategic vision."

Tim Abram, Managing Director at Starwood Capital said, "We are delighted to have Aareal Bank as our partner on the acquisition of this one-of-a-kind portfolio of London hotels. The transaction continues our long-standing relationship with Aareal Bank, whose team has a deep and impressive knowledge of the hotel industry."

This transaction underscores Aareal Bank expertise as a leading international property specialist in financing first-class hotels in prime locations across Europe and beyond.

Key players in this transaction include Pinsent Masons and White & Case, serving as legal advisors to Aareal Bank and Starwood Capital, respectively. Cushman & Wakefield acted as Aareal Bank's external valuation advisor.

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About Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, was founded 100 years ago and has since become a leading international property specialist. The Bank uses its expertise to identify trends, challenges and opportunities at an early stage, and to exploit them for the benefit of its stakeholders. Today, it offers smart financing, software products and digital solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia/Pacific. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance aspects as an integral part of this strategy.

Aareal Bank AG comprises the business segments Structured Property Financing, Banking & Digital Solutions and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student housing. In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Its subsidiary Aareon, the leading supplier of SaaS solutions for the European property sector, represents the third business segment. It is digitalising property management by offering user-oriented software solutions that simplify and automate processes, support sustainable and energy-efficient operations, and interconnect all process participants.