

TRANSACTION ANNOUNCEMENT

Aareal Bank arranges €157.5 million to refinance Castello SGR's Star II Fund for two luxury hotel properties in Italy

Wiesbaden, 14 November 2024 – Aareal Bank is pleased to announce the successful closing of a €157.5 million refinancing transaction with Castello SGR, the management company of the Star II real estate investment fund. This financing encompasses two luxury hotel properties: the InterContinental Rome Ambasciatori Palace and the Anglo American Hotel Florence.

Superbly located in Rome's historic city center on Via Veneto, just 15 minutes from the iconic Spanish Steps on Via Veneto, the InterContinental Rome Ambasciatori Palace, a 5-star hotel, re-opened in 2023 following a complete renovation and rebranding. The hotel now comprises 160 rooms and suites, three in-house dining outlets, a gym, and a Hard Rock Cafe on the ground floor.

Meanwhile, the Anglo American Hotel Florence, part of the Curio Collection by Hilton, re-opened in April 2024, following a two-year renovation, and now boasts a modern and elegant design. This 5-star hotel features 118 keys and is prominently located within walking distance of major attractions, such as the Basilica of Santa Maria Novella and Piazza del Duomo. Amenities include a restaurant, a bar, an outdoor terrace, large meeting rooms, and a fitness center.

Castello SGR is an asset management company specializing in the promotion and management of alternative investment instruments, primarily real estate, with approximately €4.3 billion in assets under management, more than 70 active funds, and over 400 properties with various uses.

Investor interest in Italian hotel market is returning

"It is a great pleasure to be active in the Italian hotel market that is currently gaining investor interest again," said **Bettina Graef-Parker**, Managing Director, Special Property Finance at Aareal Bank. "Rome and Florence continue to be two of Italy's fastest growing markets, with high barriers to entry and constrained hotel supply in city center locations. This financing exemplifies our expertise in delivering tailored financing solutions for luxury hotels in Europe's key tourist destinations."

In the first nine months of 2024, transactions within the Italian hospitality sector recorded an impressive year-on-year growth of 45%. **Michelangelo Ripamonti**, Head of Investments Hospitality at Castello SGR, stated: "The financing from Aareal Bank further consolidates our strong positioning in the hospitality sector."

Aareal Bank AG acted as the arranger, facility, and security agent for this transaction, with Chiomenti serving as the legal advisor and HVS as the valuation advisor.

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Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, is 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. Aareal Bank Group provides financings, banking services and payments solutions for the property sector and related industries, and is present across three continents: Europe, North America and the Asia/Pacific region. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance (ESG) aspects as an integral part of this strategy.

Aareal Bank AG comprises the business segments Structured Property Financing and Banking & Digital Solutions. 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 apartments. 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.