

TRANSACTION ANNOUNCEMENT

Aareal Bank grants Cedar Capital Partners a EUR 200 million loan to acquire a pan-European portfolio of five lifestyle hotels

Wiesbaden, 4 March 2025 – Aareal Bank has successfully provided a loan of approximately EUR 200 million to finance the acquisition of a pan-European hotel portfolio of five lifestyle assets under the Hoxton and Mama Shelter brands. The properties are located in European gateway cities: Amsterdam, Edinburgh, Florence, Prague, and Rome.

The portfolio is owned by a fund managed by Cedar Capital Partners. Cedar Capital Partners is a specialist hotel investment firm that has acquired more than USD 4 billion of hotel assets across Europe and the US with a focus on luxury, full-service and lifestyle hotels. The recapitalisation of the assets was recently completed in cooperation with Ares Management Real Estate Secondaries Funds, which belongs to Ares Management Corporation, a leading global alternative investment manager.

Three of the five assets — Hoxton, Rome, Hoxton, Amsterdam Loyd, and Mama Shelter Prague — have undergone transformational renovations in recent years. The number of rooms has also expanded to a total of 566 units, catering to a diverse clientele and meeting both leisure and business demands. Hoxton Rome and Mama Shelter Prague qualify as green properties. The remaining two hotels are scheduled to open in 2025.

All five hotels are managed by Ennismore, a fast-growing lifestyle hospitality operator with over 160 hotels in operation and more than 100 in the pipeline.

Strong interest in the European hotel property sector

"We are delighted to provide financing for Cedar Capital to advance this portfolio of lifestyle hotels across Europe through its next growth stage," noted **Michelle Weiss**, Head of Hotel Properties at Aareal Bank. "The sector is highly demanding, and the success of an investment depends not only on the location and quality of the property but also on the selection of the right operator, the right brand positioning, and a good interaction between owner and operator. We consider all these aspects to be well fulfilled in this portfolio."

Ramsey Mankarious, CEO and Founder at Cedar Capital Partners said: "For more than 20 years, we have built a strong and long-standing relationship with the Aareal Bank team. Once again, we were impressed by their collaboration and expertise. Their deep hospitality knowledge and nuanced understanding of the mechanics of managed properties make their commercial lending capabilities truly unique."

Michelle Creed, Partner and Co-Head of Real Estate Secondaries at Ares Management added: "Partnering with Aareal Bank allows us to capitalise on a rare investment opportunity in the highly sought-after European lifestyle hotel sector."

Aareal Bank AG acted as the arranger, facility agent, and security agent for this transaction.

DLA and Van Doorne provided legal advice to Aareal Bank on this transaction, while HVS was responsible for the valuation.

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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.