



DEUTSCHE FINANCE INTERNATIONAL

**DEUTSCHE FINANCE INTERNATIONAL AND CELLS GROUP ACQUIRE BERLIN HOTEL FOR €116
MILLION**



9 March 2022, Berlin/London: Deutsche Finance International (“DFI”), a pan-European private equity real estate investor specialising in customer-centric real estate with €3.1 billion of assets under management announces that, in partnership with CELLS Group, a leading German real estate development, asset management and investment company, it has acquired the 32,000 sq m Sheraton Berlin Grand Hotel Esplanade from Archer Hotel Capital and Event Hotels. DFI’s pan-European value add fund is the majority shareholder in the transaction.

DFI believes that the acquisition presents an opportunity to unlock embedded value through a series of asset management initiatives that fully leverage the hotel’s prime location, utilising DFI’s expertise in operational and customer centric real estate coupled with the development skills and local expertise of CELLS Group. Current plans include a programme of works to improve and reposition the property, creating a prime new mixed-use destination comprising offices and new food and beverage outlets, alongside an upgraded hotel. A key focus of the project will be to improve the asset’s ESG credentials, targeting the highest sustainability standards.

The 394-key five-star hotel is situated in a highly attractive location near Großer Tiergarten in Berlin-Mitte, close to the Embassy Quarter and opposite the Bauhaus Archive. The district is home to many large international and domestic companies, as well as important political institutions and a significant

number of restaurants, bars, shops and other amenities. The hotel also benefits from strong public transport links and is located in close proximity to a number of Berlin's main tourist attractions including the famous Kurfürstendamm shopping avenue and the Tiergarten park.

Financing for the acquisition is provided by Berliner Sparkasse.

Daniel Filser, Head of German Investments at DFI, commented: "Berlin is one of Europe's most exciting and fastest growing cities. We believe that this transaction presents us with a strong opportunity to invest in repositioning the property to unlock embedded value by creating a first class mixed use destination that incorporates offices, restaurants and bars alongside an upgraded hotel. As with all our regeneration projects, we will place a major emphasis on achieving strong sustainability credentials, including environmental and place-making benefits. Furthermore, we expect the property to benefit from both the post pandemic recovery and the city's continued emergence as an international business hub and one of Europe's most liquid real estate markets."

Dirk Ruppert, Partner and Chief Investment Officer at CELLS Group, commented: "We are very happy to acquire another property together with DFI in Germany. Located in the very heart of Berlin, this asset presents a number of exciting opportunities to enhance its offering and maximise its potential, while ensuring that hospitality continues to play a major role given the popularity of this well-located hotel. Alongside DFI, we will look to appoint a world class architect to assess our options while, in the meantime, continuing hotel operations based on the current multi-year lease."

Dominic Seyrling, Director Investments at Archer Hotel Capital, added: "The sale of the hotel represents a rare win-win situation for all parties involved. It was a pleasure working with DFI and CELLS Group throughout this transaction. We believe that they are the right party to bring a new life to this historically important property and we are looking forward to seeing the buyer's plan come to fruition."

This is DFI and CELLS Group's second deal together following the acquisition of the Holstenwall 20-22 value add office repositioning opportunity in central Hamburg, Germany.

The buyers have been advised by GSK Stockmann, Ernst & Young, HFK Rechtsanwälte, Cushman Wakefield and CBRE while the seller has been advised by Freshfields Bruckhaus Deringer, Ernst & Young, Eastdil Secured and CBRE.

ENDS

About Deutsche Finance International (DFI):

DFI is a pan-European private equity firm with €3.1 billion of assets under management, which specialises in customer-centric and operational real estate. It pursues differentiated and thematic value-add and select opportunistic strategies in order to deliver consistent and superior risk-adjusted returns through deep-value investing, capitalising on trends and transforming under-managed and under-invested assets and operating companies through active asset management. The firm acts as the investment adviser to its discretionary funds and co-investment partners, and has a global institutional client base that includes sovereign wealth and pension funds, insurance companies, financial institutions and family offices.

DFI is independently managed by its Founding Partners Frank RoccoGrande and Gavin Neilan with a dedicated best-in-class multidisciplinary team operating across offices in London, Munich, Madrid and Luxembourg. It benefits from being part of the DEUTSCHE FINANCE GROUP, a global investment management firm that specialises in private market real estate and infrastructure investments. DEUTSCHE FINANCE GROUP currently has c. €9.6 billion of assets under management and is headquartered in Munich. DEUTSCHE FINANCE GROUP is privately owned and regulated by the Federal Financial Supervisory Authority of Germany, BaFin.

For additional information see www.deutsche-finance-international.com

About CELLS Group:

For more than 25 years, CELLS Group has been developing value-add investments in inner-city locations in major German cities. CELLS Group develops commercial properties that define the cityscape and creates the highest-quality working environments. As an integrated service provider and partner, CELLS generates above-average added value as a development, asset and property manager. The CELLS Group team of approximately 100 employees at offices in Berlin, Munich, Frankfurt, Hamburg, Düsseldorf and Luxembourg manages all stages of the real estate value chain – from acquisition through development, construction and the optimisation of existing properties, all the way through to their sale.

For additional information see www.cells-group.com/

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