



24 June 2021

**PPHE Hotel Group Limited**  
(the "Group" or the "Company")

**PPHE unlocks £113.7 million of equity through a joint venture with Clal Insurance**

PPHE Hotel Group is pleased to announce that it has agreed terms to enter into a joint venture with Clal Insurance ("Clal"), one of Israel's leading insurance and long-term savings companies, in respect of Park Plaza London Riverbank and the art'otel london hoxton development, two of the Group's prime London assets. PPHE will receive a cash consideration of £113.7 million as part of this transaction, enabling the Group to pursue new opportunities to accelerate growth.

Park Plaza London Riverbank ("Riverbank") is a 646-room hotel with some of London's largest meetings and events spaces, located on the Thames, part of London's Southbank, overlooking the Houses of Parliament and Big Ben. The development of art'otel london hoxton ("Hoxton") is due to complete in the first quarter of 2024 and will comprise a 27-story building in the heart of Shoreditch overlooking the City of London, including 343 rooms and suites, approximately 5,000 m<sup>2</sup> of lettable office space and several destination bars and restaurants. The deal values Riverbank and the all in development cost budget of Hoxton at £542.3 million.

**Eli Papouchado, Chairman and Founder of PPHE Hotel Group, comments:**

*"We are excited to enter into this joint venture with Clal on Park Plaza London Riverbank and art'otel london hoxton, which are strategic assets in our award-winning portfolio.*

*Clal's investment reflects our mutual confidence in the strength of the London hospitality real estate market. The agreement values these two assets at the Group's latest Net Asset Value and the proceeds will enable the Group to pursue new growth opportunities as the pandemic period subsides. The joint venture with Clal comes at a very exciting time as we look to rebuild our business, capitalising on the extensive investment programmes, which we completed just before the pandemic struck."*

**Boris Ivesha, President & CEO of PPHE Hotel Group, comments:**

*"London is one of world's most resilient hotel and real estate markets and it typically rebounds quickly after downturns, largely due to its wide appeal to tourists and business travellers alike. We are delighted to see signs of growth and recovery already in the UK market.*

*Clal is set to join our journey of growth at an exciting time as our recovery has started with the hotels reopening on 17 May, opening their doors to domestic leisure guests with international travel expected to return when restrictions are eased or green corridors are introduced as recently was the case between Israel and the UK.*

*We are very proud and excited for our largest Park Plaza London hotel, to be selected by the All England Lawn Tennis Club ('AELTC') to be the Official Player Hotel for The Championships 2021 ('Wimbledon'), in order to provide a minimised risk environment for all players and their support teams for this year's Championships. As the Official Player Hotel, we have worked closely with the AELTC to provide a full service hospitality offering including testing and recovery centres, gyms, hospitality desks for players and highly tailored nutritional food and beverage offerings."*

**Transaction details**

On completion of the transaction, Clal will become a minority partner and owner of 49% of the shares in one special purpose company ("JVCo") holding indirectly the real estate and operations of both Riverbank and Hoxton, the latter of which is scheduled to open in 2024. The Group remains the majority

owner of the hotels by retaining a 51% holding in JVCo and, through its management company, has secured a 20-year hotel management agreement in respect of both hotels.

The total price paid by Clal in connection with the transaction amounts to £113.7 million in cash and a further cash injection of £12.1 million to fund their portion of the remaining equity commitments of the art'otel london hoxton development project. This consideration, taking into account existing bank debt and remaining development costs, is based on a £263 million property valuation for Park Plaza London Riverbank and an all in development budget cost of £279.3 million for the art'otel london hoxton project

Clal will also be granted 5 million share appreciation rights ('SAR') to have a value upside if the gap between the Group's latest reported EPRA NAV and its' current market price narrows over the maturity period. The SAR has a 7-year maturity with a strike price of £16 per share and the upside is capped at £21 per share. Settlement of the SAR will be in either Company shares or cash. The transaction largely reflects the values that have been included in the Group's EPRA NAV per 31 December 2020 of £22.08 per share.

The transaction is expected to complete on or before 30 June 2021.

To read the full announcement, please see the regulatory news announcement on [www.pphe.com](http://www.pphe.com)

## Enquiries

### PPHE Hotel Group Limited

Daniel Kos, Chief Financial Officer and Executive Director

Tel: +31 (0)20 717 8600

Inbar Zilberman, Chief Corporate & Legal Officer

Robert Henke, Executive Vice President of Commercial Affairs

### Hudson Sandler

Wendy Baker/ Lucy Wollam

Tel: +44 (0)20 7796 4133

[pphe@hudsonsandler.com](mailto:pphe@hudsonsandler.com)

## Notes to Editors

PPHE Hotel Group is an international hospitality real estate company, with a £1.7 billion portfolio, valued as at December 2020 by Savills and Zagreb nekretnine Ltd (ZANE), of primarily prime freehold and long leasehold assets in Europe.

Through its subsidiaries, jointly controlled entities and associates it owns, co-owns, develops, leases, operates and franchises hospitality real estate. Its primary focus is full-service upscale, upper upscale and lifestyle hotels in major gateway cities and regional centres, as well as hotel, resort and campsite properties in select resort destinations.

PPHE Hotel Group benefits from having an exclusive and perpetual licence from the Radisson Hotel Group, one of the world's largest hotel groups, to develop and operate Park Plaza® branded hotels and resorts in Europe, the Middle East and Africa. In addition, PPHE Hotel Group wholly owns, and operates under, the art'otel® brand and its Croatian subsidiary owns, and operates under, the Arena Hotels & Apartments® and Arena Campsites® brands.

PPHE Hotel Group is a Guernsey registered company with shares listed on the London Stock Exchange. PPHE Hotel Group also holds a controlling ownership interest in Arena Hospitality Group, whose shares are listed on the Prime market of the Zagreb Stock Exchange.

**Company websites:** [PPHE Hotel Group](http://www.pphe.com) | [Arena Hospitality Group](http://www.arenahospitality.com)