

Funds managed by Proprium Capital Partners agree to acquire a 35 per cent interest in Motel One

Commitment to Motel One's continued, rapid domestic and international expansion

August 2019 – Proprium Capital Partners (“Proprium”) and Motel One GmbH (“Motel One”) are pleased to announce that funds managed by Proprium Capital Partners have agreed to acquire the 35% interest in Motel One (the “Company”) owned by Morgan Stanley Real Estate Special Situations Fund III (“MSRESS”), (the “Transaction”). The financial terms of the Transaction are confidential and are not being disclosed.

Motel One, which was founded by Dieter Müller in 2000, currently operates 71 hotels with 20,160 rooms across nine countries and has a secured pipeline of over 8,000 rooms. The Munich-based company offers a unique combination of high-quality interiors, exclusive design, excellent service and outstanding city centre locations at attractive prices. In the year to December 2018, Motel One generated EBITDA of €150m on revenues of €487m. MSRESS originally invested in Motel One in 2007 since which time the Company has grown into the leading “budget design” player in Europe.

Proprium’s recapitalisation of the MSRESS investment in Motel One provides the Company with a stable shareholder base, as it continues its rapid domestic and international expansion.

Philipp Westermann, Head of Europe at Proprium, said: *“Having originally invested in Motel One through the MSRESS Fund in 2007, we have supported the company’s growth under Dieter Müller’s leadership, as it became one of the leading affordable design-led hospitality businesses in Europe. The recapitalisation demonstrates Proprium’s continued commitment to and enthusiasm for Motel One.”*

Dieter Müller, Founder and CEO of Motel One said: *“We have worked with the principals at Proprium very successfully for the past 12 years and are pleased that our partnership with them will continue.”*

Closing of the Transaction is expected in September 2019 following a regulatory review. Lazard & Co. Limited acted as financial adviser to MSRESS in connection with certain matters relating to the Transaction

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Notes to Editor:

About Proprium Capital Partners

Proprium Capital Partners is a privately-held real estate focused principal investing firm, advising funds which have a combined net asset value of approximately \$2 billion. Proprium’s investment philosophy is to partner with leading local real estate related companies seeking to create long-term, sustainable growth. With offices in the New York area, London, Amsterdam, Mumbai, Hong Kong, Sydney and Atlanta, the Proprium team has managed investments in over 15 countries.

Proprium was spun out from Morgan Stanley in March 2013 and acts as sub-advisor to the Morgan Stanley Real Estate Special Situations Fund III.

About Motel One

Motel One was founded in 2000 and is headquartered in Munich, Germany. The budget design hotel chain operates 71 hotels and 20,160 rooms (as at 1 August 2019) including locations in Germany, Austria, Great Britain, Belgium, The Netherlands, Switzerland, the Czech Republic, Spain and France. Motel One delivers exceptional service and high-quality design in prime inner-city locations at budget prices. The award-winning group aims to expand and has 27 hotels in the development pipeline across major European metropolises, while

further opportunities are also being actively sought.

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