

July 2024

Fattal Hotels secures £525m senior loan from Cheyne Capital to support the refinancing of four hotels in London

London, 22nd July 2024 – Fattal Hotel Group (Fattal), one of the fastest growing hotel groups in Europe, is pleased to announce that it has secured a £525m senior loan from Cheyne Capital (“Cheyne”), the global alternative investment manager, to support the refinancing of four well-performing London hotels.

The four hotels were acquired by Fattal in 2019 and have operated under the Leonardo Hotels brand, the European arm of the Fattal Hotel Group. The hotels are the NYX Hotel London Holborn, Leonardo Royal Hotel London City, Leonardo Royal Hotel London Tower Bridge, and Leonardo Royal Hotel London St Paul’s.

Totaling over 1,300 bedrooms, the hotels have undergone significant refurbishment since the acquisition to provide high-quality facilities, including meeting and event spaces, bars and restaurants, swimming pools, gyms, beauty spas, and holistic therapy rooms. With each hotel being close to London’s most popular attractions, they are well positioned to meet the needs of London’s growing tourist numbers.

Alongside its own funds, Cheyne’s long-term supporter, Migdal Insurance Company, also participated in the refinancing.

Guy Vardi, M&A Director of Fattal and MD of Fattal European Partnerships, commented: “We are pleased to collaborate with Cheyne Capital, who have brought their exceptional expertise to this significant, high-profile financing of our beautiful hotels in London. Partnering with them, alongside Migdal Insurance Company, demonstrates the trust they have in our operational performance and hospitality platform, ensuring we continue to elevate our offerings in this vibrant city.”

Arron Taggart, Head of UK Investment at Cheyne Real Estate, commented: “This refinancing is one of the largest so far in 2024 and demonstrates our ability to execute high quality transactions of size. In Fattal, we have both an operator of the highest calibre as well as a funding partner that is willing to step up when required. The London hotel market is proving to be a compelling investment as it continues to recover post COVID-19, and we will continue to seek out similar best-in-class investments such as this.”

Erez Migdali, Chief Investment Officer at Migdal Insurance Company commented: “Migdal Insurance is delighted to partner again with Cheyne Capital on this exciting refinance of a high- quality hotel portfolio, operated by Fattal. Financing this portfolio of high-quality hotels in key tourist destinations alongside our longstanding partners at Cheyne, aligns perfectly with Migdal’s expertise in real estate investment and our commitment to supporting the growth of strong companies like Fattal Hotels. We are confident that these London hotels will continue to thrive and deliver excellent returns for policyholders.”

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About Fattal Hotel Group

Fattal Hotels is a rapidly growing international hotel group that owns and operates over 300 hotels across more than 120 destinations worldwide, encompassing over 50,000 rooms. With a strong presence in 21 countries, including Germany, the UK & Ireland, Poland, Israel, Spain, the Netherlands, Austria, Italy, Greece, Cyprus, and France, the group continues to expand its global footprint across fantastic locations.

Fattal Hotels offers a diverse portfolio of accommodations, featuring leading brands such as Leonardo Hotels, Leonardo Royal Hotels, NYX lifestyle hotels, and all-inclusive resorts under the Leonardo banner. Additionally, its Leonardo Limited-Edition collection showcases a selection of uniquely curated and beautifully designed hotels.

About Cheyne Capital

Launched in 2000, Cheyne Capital is one of Europe's leading alternative investment managers and is headquartered in London. Cheyne invests across the capital structure from the senior debt to the equity of corporates and real estate. Real estate investments account for approximately half of the firm's \$12 billion under management and span direct real estate lending, securitised European real estate debt and selective special situations, including impact real estate investing in affordable and specialist housing.

In real estate lending, Cheyne Real Estate seeks to provide specialised non-bank loans to borrowers in select European markets, with a flexible approach that enables it to invest into all parts of the capital structure.

Cheyne Capital Management (U.K.) LLP is authorised and regulated in the U.K. by the Financial Conduct Authority and registered as an Investment Adviser in the U.S. by the Securities and Exchange Commission. Cheyne Capital SMC Limited is an Alternative Investment Fund Manager authorised by the Central Bank of Ireland under the European Union (Alternative Investment Fund Managers) Regulations 2013. Cheyne is a signatory to the United Nations-supported Principles for Responsible Investment (PRI), a member of the Alternative Investment Management Association (AIMA), a founding member of the Alternative Credit Council and one of the initial signatories to the Standards Board for Alternative Investments (SBAI).

About Migdal Insurance Company

With roughly USD 100 billion of AuM, Migdal Insurance and Financial Holdings Ltd is one of the largest Israel-based financial institutions. Its subsidiary, Migdal Insurance Company, insures private and corporate clients with a range of products, services and insurance solutions including: life assurance, provident funds management, pension funds management, general insurance, and health insurance. It is also engaged in various general insurances, such as motorcar insurance, homeowners and personal accidents and corporate insurance for businesses. In addition, the Corporate Risk Districts segment targets solutions such as professional liability insurance, doctrinal and organizational liability, as well as property, third-party and employers liability. Along with these activities, the Company is also involved in the financial services and financial asset management

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