

Press Release

HOTEL INVESTOR ASHG EXPANDS PORTFOLIO WITH ADDITIONAL HOTELS IN BOCHUM AND SCHWERIN AND FORMS STRATEGIC ALLIANCES WITH MARRIOTT INTERNATIONAL AND ALLIANCEBERNSTEIN

- **ASHG's dynamically growing portfolio now encompasses three hotels with more than 450 rooms**
- **Rebranding and renovation of properties to Marriott International's Courtyard by Marriott and Moxy Hotels brands has been initiated**
- **As a strategic partner, AllianceBernstein is providing substantial financing for additional ASHG hotel acquisitions**

London/Frankfurt am Main, February 27, 2023 – ASHG (Alchemy Step Hotel Group), an investment platform specializing in hotel turnaround situations, has acquired two more hotels: the stays (formerly Renaissance) hotel in Bochum and the nh hotel in Schwerin. Together with the Hotel am Technologiezentrum in Dortmund, which was acquired in February 2022, ASHG's portfolio currently encompasses three hotels with a total of 450 rooms. ASHG will conduct extensive renovations to these hotels in the coming months and reposition the properties pursuant to recently signed franchise agreements with Marriott International. As a result, the Hotel am Technologiezentrum Dortmund and the nh Schwerin will operate under the Courtyard by Marriott brand and the stays hotel Bochum under the Moxy Hotels brand.

In addition, ASHG has entered into a strategic financing partnership with AllianceBernstein, a leading investment management firm, for the modernization of existing hotels and the acquisition of additional hotels throughout Germany. ASHG plans to invest up to EUR 250 million in equity capital into hotel assets in Germany and neighbouring EU countries.

Investments in the tens of millions for modernization activities

The former stays hotel in Bochum is located adjacent to the Ruhrstadion, RuhrCongress and the Starlight Express Theater. The hotel has 177 rooms, a restaurant and bar, fitness and wellness facilities as well as ten conference rooms. Following the conversion, the hotel will be operated as a Moxy Hotel, a playful, affordable, and stylish hotel brand.

The nh Hotel in Schwerin has 144 rooms and features a restaurant and bar, sauna and fitness room, and nine conference rooms. Like the hotel in Dortmund, which is currently under renovation, it will operate as a Courtyard by Marriott hotel post conversion. Courtyard is a smart, dynamic hotel brand that helps guests make the most of their time on the road. Combining innovative technology with style and comfort, the brand's modern and open lobby provides guests with flexibility to work or relax.

For the conversion and modernisation of the existing hotels, ASHG is investing a sum in the tens of millions. According to ASHG, the refurbishment in Dortmund will be completed by fall and the renovation in Bochum and Schwerin by the end of the year.

Unique combination of financial strength, hotel management experience and repositioning expertise

Based on the franchise agreements signed with Marriott International as well as the partnership with AllianceBernstein, ASHG is pursuing further investment opportunities in the German hotel market with the goal of building a substantial portfolio of hotels with a minimum of 100 rooms each. These properties will operate under internationally-recognized hotel brands and will be managed by Step Partners on a long-term basis.

André Guettouche, Partner at ASHG, said: “ASHG was founded at the beginning of 2022, and in this short period has established itself as a specialized investor in the German hotel market. With the equity capital of our founding partners and the support of AllianceBernstein as strong debt partner, we have optimal positioning to build an attractive portfolio of hotels with internationally-recognized brands.”

“We have a substantial investment pipeline in place and are currently in negotiations for the acquisition of further properties. Even though the current environment for hotel operations is challenging in the near term due to staff shortages and high energy costs, we are confident that the German hospitality market will remain intact and continue pre-pandemic growth trends, both in terms of occupancy and room rates.”

About Alchemy Step Hotel Group

Alchemy Step Hotel Group ("ASHG") is an investment platform specializing in hotel turnaround situations. Formed in early 2022 by funds advised by Alchemy Special Opportunities LLP ("Alchemy") and Step Partners GmbH ("Step"), ASHG is backed with €250 million of equity capital. ASHG acquires individual hotels with more than 100 rooms as well as hotel portfolios in the 2-to-4-star category across Europe. The focus is on hotels in B-locations of A-cities or in A-locations of B-cities in Germany and neighbouring EU countries. ASHG generally focuses on properties that require significant repositioning, refurbishment and an operational turnarounds. The platform has full flexibility to acquire hotels directly from the owners or out of bankruptcy.

Alchemy is a European alternative asset management business established in 1997. Since inception it has invested over GBP 4.8 billion in over 200 transactions via its private equity and special opportunities funds and currently advises funds with asset under management of c. GBP 1.5 billion. www.alchemypartners.co.uk

Step Partners Step Partners is a fully-integrated hotel management and investment company focussed on the European market. Step works together with a select group of institutional equity partners to acquire and manage hotel assets and hotel portfolios. Step specializes in turnaround situations with the aim of creating above market returns in hotel assets through strategic, operational and financial re-positioning. www.step.partners

About Marriott International

Marriott International, Inc. (NASDAQ: MAR) is based in Bethesda, Maryland, USA, and encompasses a portfolio of nearly 8,300 properties under 30 leading brands spanning 138 countries and territories. Marriott operates and franchises hotels and licenses vacation ownership resorts all around the world. The company offers Marriott Bonvoy®, its highly-awarded travel program. For more information, please visit our website at www.marriott.com. In addition, connect with us on [Facebook](https://www.facebook.com/marriott) and @MarriottIntl on [Twitter](https://twitter.com/marriottintl) and [Instagram](https://www.instagram.com/marriottintl).

About AllianceBernstein

AllianceBernstein L.P., parent company of AllianceBernstein Limited, is a leading investment-management firm with \$646 billion in client assets under management, as of December 31, 2022. AB offers high-quality research and diversified investment services to institutional, high-net-worth and retail investors, in major world markets. AB's investment capabilities span diverse asset classes, investment styles and geographic markets. They include: Luxembourg-domiciled global, regional and sector-specific equity funds; multi-asset and alternative funds; and fixed-income strategies that encompass the entire risk/reward spectrum.

In Europe AB's asset management operation has 11 offices in 9 countries offering high conviction equity funds and specialist fixed-income strategies, liquid alternatives and multi asset solutions to institutional investors, discretionary wealth managers and financial advisers. www.alliancebernstein.com

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