



# ARUNDEL®

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## **PRESS RELEASE**

29 March 2018

### **Acquisition of German Businesses**

The Board of Arundel AG (“Arundel” or the “Company”) is pleased to announce that it has today concluded a Heads of Agreement pursuant to which the Company expects to acquire (the “Acquisition”) all of the issued and outstanding shares of two German corporations: IMMAC Holding AG (“IMMAC”) and HKA Hanseatische Kapitalverwaltung AG (“HKA”). The Acquisition is subject to the conclusion of a definitive agreement, which will be conditioned as outlined below.

IMMAC and HKA are property investment and fund management groups based in Hamburg, Germany which develop and market real estate investment funds for German investors in the fields of healthcare (inpatient care facilities, hospitals and senior residency), other commercial property, (primarily hotels) and energy. Since their formation in 1997, these groups have sponsored more than 90 investment funds which have invested over €1.6 billion in healthcare properties in Europe making them one of Europe’s leading investors in and developers of healthcare real estate.

The Acquisition will include various subsidiaries and affiliates of IMMAC and HKA including two companies in Germany which develop healthcare properties and engage in general development and refurbishment of other commercial properties such as hotels. The IMMAC Group also comprises DFV Deutsche Fondsvermögen GmbH with subsidiaries in Austria, Ireland and the UK which structure transactions and engage in asset and property management in those markets. Other assets will include hotels and properties in the healthcare sector under development in Germany.

IMMAC and HKA have traditionally been involved with the formation and management of retail and institutional investment funds which invest in healthcare and other properties in Germany, Ireland and Austria. They now wish to expand operations into the United States and are aware of Arundel’s extensive contacts in that market. IMMAC and HKA have more than 7,500 German clients and contacts with specialised German distributors focussed on US opportunities.

Following the Acquisition, the enlarged Arundel group will comprise corporate finance and financial advisory teams engaged in raising retail and institutional capital for investment in and the development of real estate and energy assets in the United States, the continued investment in and development of healthcare and hotel properties in Europe and the financing of transactions in those markets and in India where Arundel has traditionally operated.

Arundel’s subsidiaries which conduct investment activities are regulated in the conduct of investment banking business by the Financial Industry Regulatory Authority (“FINRA”) in the United States, by the Financial Conduct Authority (“FCA”) in the UK and by the Mauritian Financial Services Commission. Members of the HKA group are regulated by the Federal Financial Supervisory Authority in Germany (“BaFIN”) as a European AIFM manager.

HKA and IMMAC are owned by Profunda Vermögen GmbH, a personal holding vehicle of Marcus H. Schiermann, a German individual who is their founder. Following the Acquisition, Mr Schiermann will be proposed for election to the Board of Directors of the Company and other IMMAC and HKA executives will be considered to take on executive and administrative roles within Arundel.

The Acquisition will involve more than 70 employees in Germany, Austria and Ireland who will complement Arundel's staff of 11 people in London and 1 employee each in India and the United States. The proposed purchase price will be determined on the basis of a fairness opinion and will be satisfied by a combination of cash and shares of Arundel in amounts to be agreed. The Heads of Agreement does not legally bind the parties to complete the Acquisition; however, pending completion of the Acquisition, Arundel, IMMAC and HKA have entered into a Joint Venture Agreement relating to a division of fees from US and certain other investments made through IMMAC sponsored ventures. Profunda and Arundel are negotiating the terms of a definitive agreement with respect to the Acquisition which will be conditional, among other things, on (a) receipt of a satisfactory fairness opinion, (b) shareholder approvals, (c) approvals of appropriate regulatory and listing authorities, (d) completion of satisfactory due diligence, and (e) procurement of necessary financing. At an Extraordinary General Meeting ("EGM") later this year, shareholders will be asked to approve a capital increase of the Company which will empower completion of the Acquisition. It is not expected that the Acquisition will be completed before the fourth quarter.

Dr. Volkert Klaucke, the Chairman of Arundel stated:

*"We are very proud to announce the proposed Acquisition today. Since 2016 when Arundel acquired RP&C International, Inc ("RP&C"), the Company's focus has been on the expansion of its investment banking and fund management business. RP&C had a history of successfully investing with Marcus Schiermann and his groups, particularly IMMAC. By putting together RP&C's historic investment banking business (which involved financial transactions with an aggregate value of more than \$8.5 billion) and Profunda's long record of fund management success, your Company is creating a strong base on which to build shareholder value. Moreover, RP&C's historic shareholders, which included US institutions and families and some of the most prominent energy firms in the United States, provide an attractive resource to fuel plans for IMMAC and HKA to expand operations there. We look forward to reporting future developments as the Company moves toward completing the Acquisition."*

Marcus H. Schiermann added *"I am very pleased that both I and the businesses I have developed over the past 20 years are becoming part of the Arundel group. Arundel's historic operations coupled with our activities in Germany, Austria and Ireland and our planned expansion into the United States provide an exciting platform for growth of retail and institutional fund management activity in those markets. As a prospective large shareholder of Arundel, I welcome the opportunity to build value for the benefit of us all."*

Full information concerning the Company's Board members and other matters are available from the Company's website at [www.arundel-ag.com](http://www.arundel-ag.com).

**Arundel AG**

Dr Volkert Klaucke (Chairman)

**Further information:**

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