

PRESS RELEASE

Aareal Bank concludes Investment Agreement with bidder company led by Advent International and Centerbridge Partners

- **Investors aim to support the Group's growth in all segments, financed by retained profits**
- **Offer price of € 33 per share indicated, including the dividend totalling € 1.60 per share planned by Aareal Bank**
- **Chief Executive Officer Jochen Klösges: "The investors are fully committed to our strategy and have already secured a large share package."**

Wiesbaden, 6 April 2022 – Aareal Bank AG and Atlantic BidCo GmbH (the "Bidder") have today entered into an Investment Agreement with regard to the planned new takeover offer to Aareal Bank's shareholders. Atlantic BidCo GmbH is a bidder company comprising funds managed and advised by Advent International Corporation ("Advent") and Centerbridge Partners ("Centerbridge") as well as further entities, indirectly holding non-controlling stakes.

According to the Agreement, the offer will provide for a cash offer price of € 33 per share; this price is to include the dividend of € 1.60 per share announced by Aareal Bank. The minimum acceptance level has been set at 60%. The Bidder's strategic objectives and intentions remain unchanged from the first Investment Agreement entered into with Atlantic BidCo GmbH on 23 November 2021: the Bidder continues to support the "Aareal Next Level" strategy pursued by the Management Board and the Supervisory Board; growth is set to be further accelerated, and the Group continued and developed in its current structure. Furthermore, the Investment Agreement is based on the joint understanding that there shall be no outflow of value from the Company, by way of distributions or through a spin-off of Aareal Bank AG's stake in Aareon.

Atlantic BidCo has received irrevocable tender commitments from shareholders Petrus Advisers, Talomon, Teleios and Vesa, covering approximately 37% of all shares. Following a successful offer, these shareholders are supposed to hold an indirect, aggregate non-voting stake of up to 25% in the Bidder. As with the previous offer, the Canadian Pension Plan Investment Board (CPPIB) and investment companies managed by Goldman Sachs are part of the Bidder's investor group.

Against this background, the Management Board and Supervisory Board have decided to postpone the Annual General Meeting planned for 18 May 2022, whose agenda included a resolution on the distribution of dividends. Furthermore, following a detailed examination, the Boards assume that the transaction is predominantly probable, and have approved a waiver of the statutory one-year blocking period. The waiver notice by BaFin approving the renewed takeover offer by Atlantic BidCo, which is also mandatory, has not yet been issued.

Jochen Klösges, Chairman of the Management Board of Aareal Bank AG, commented: “The investors have already secured a large share package. They are fully committed to our strategy and, as we do, see significant potential to further accelerate growth across the entire Aareal Bank Group. The investors want to support us in the best way possible, even in the current very demanding and uncertain environment.”

Aareal Bank Group to be developed further, based on its existing strategy

Future cooperation following the success of a potential offer is based on the Investment Agreement concluded between Aareal Bank and the Bidder; it has been mainly adjusted only as far as technically necessary. In the Investment Agreement, the Bidder commits to supporting Aareal Bank AG’s strategic ambitions to strengthen its position as a leading international provider of property financings, as well as software, digital solutions and payments services – based on the “Aareal Next Level” strategy – and to expedite growth in all of the Group’s segments.

Accelerated growth will be facilitated, in particular, by combining the extensive joint experience in the financial services, software, and payments sectors, and by retaining profits in the next few years. Based on a business plan supported by the bidder, this would generate significant additional funds for attractive growth opportunities in all three segments. The investors and the Management Board agree that the Bank should maintain a robust capital base in the future, too. Specifically, the investors seek to retain a long-term rating of at least A- from Fitch for the Bank’s senior debt capital. They have agreed to provide additional equity, if required, to enable growth beyond the business plan.

On the basis of the signed Investment Agreement, Aareal Bank Group will remain a reliable partner to its clients in all three segments. Thanks to the investors’ sector expertise and market access, the proposed collaboration will enable Aareal Bank Group to expand its offering, to better serve its clients and to increase its innovative power.

The parties have identified the banking business as one main area for growth potential. In the Structured Property Financing segment, additional capital available would allow Aareal Bank to broaden and diversify the volume of its portfolio, in a market phase that offers manifold opportunities for attractive new business to an even greater extent than is projected at present, whilst maintaining its conservative risk policy. The Investment Agreement aims to increase the credit portfolio to up to € 40 billion over the next five years approximately. The consensus view amongst management and the financial investors is that the Banking & Digital Solutions segment harbours considerable potential for further capital-efficient growth in net commission income. The focus here will be on the expansion of Aareal Bank’s core offering in payment services – through further M&A activities, and supported by the investors’ market access and attractive cooperation models, also with their portfolio companies. The Value Creation Plan for Aareon – jointly developed with Advent as minority shareholder of the Aareon software subsidiary – is expected to be accelerated. It aims for significant

earnings growth by 2025. With the Bidder's support, Aareon will be able to access additional funds for M&A activities, thus accelerating its successful M&A roadmap even further.

The Investment Agreement has a term of three years as of closing, whereas the business Plan goes beyond this period. Growth targeted in the business plan will also increase the size of the workforce in the relevant divisions. The Bidder not only supports the Company's strategy, but also the existing management team and has undertaken in the Investment Agreement not to cause Aareal Bank to conclude a control and/or profit transfer agreement with the Bidder or any affiliated company to the Bidder. The investors intend to finance the offer solely with equity.

Aareal Bank has mandated Perella Weinberg Partners as financial advisors and Freshfields Bruckhaus Deringer as legal advisors for the Management Board; Deutsche Bank and Latham & Watkins are acting as financial and legal advisors for the Supervisory Board, respectively.

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About Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. It provides smart financings, software products, and digital solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia/Pacific. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance aspects as an integral part of this strategy. Aareal Bank AG, whose shares are included in Deutsche Börse's SDAX index, is the Group's parent entity. It manages the various entities organised in the Group's business segments: Structured Property Financing, Banking & Digital Solutions, and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments. In the Banking & Digital Solutions segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Its subsidiary Aareon, the leading supplier of ERP software and digital solutions for the European property sector and their partners, represents the third business segment. Aareon is digitalising the property industry by offering user-oriented software solutions that simplify and automate processes, support sustainable and energy-efficient operations, and interconnect all process participants.