

PRESS RELEASE

Advent International and Centerbridge Partners consider a renewed takeover offer – 37 per cent of voting rights already secured

Wiesbaden, 5 April 2022 – Advent International (“Advent”) and Centerbridge Partners (“Centerbridge”) informed Aareal Bank AG that the bidder company Atlantic BidCo GmbH has concluded talks with shareholders holding in total approximately 37 per cent of voting rights in the Company, with a view towards making a potential new takeover offer. According to the information provided, this includes Petrus Advisers, Talomon, Teleios and Vesa. These have committed to accept the offer for their shares or, respectively, to sell them to the bidder company separately from the offer.

Based on the agreement entered into with said shareholders, Atlantic BidCo GmbH is now considering a new offer to the shareholders of Aareal Bank. Atlantic BidCo GmbH endeavours that said shareholders will be part of this group of investors. Following a successful offer, these shareholders are set to participate partially and indirectly in the BidCo exclusively via non-voting rights. Direct influence by these shareholders on Aareal Bank Group would be ruled out. As was the case with the first takeover offer, the Canada Pension Plan Investment Board (CPPIB) would probably be part of that group.

The strategic objectives and intentions are not set to change materially compared to the takeover offer published in December 2021. This is planned to be agreed upon in a new Investment Agreement.

In line with information provided by the financial investors, an offer price of € 33 per share is being contemplated. This price is cumulative of the dividend proposal of € 1.60 per share previously announced by Aareal Bank. Furthermore, the financial investors consider a minimum acceptance level of a maximum of 60 per cent for the potential takeover offer.

To overcome the statutory one-year blocking period for a renewed bid, the bidder company requires approval from Aareal Bank’s corporate bodies and committees as well as from the German Federal Financial Supervisory Authority (“BaFin”). For this purpose, a new takeover offer must be in the best interests of the Bank and its stakeholders, which in turn requires that the success of such a takeover offer seems predominantly probable.

In accordance with their legal obligation, the corporate bodies and committees of Aareal Bank Group will now carefully examine the situation – including the prospective offer price as well as other possible conditions of the offer, such as the minimum acceptance level. Moreover, any approval is subject to the conclusion of an investment agreement supporting a possible new offer.

Considering the examination of facts now initiated, the Management Board and Supervisory Board will discuss whether the ordinary Annual General Meeting scheduled for 18 May, which would have had to be convened in the next few days, needs to be postponed.

As was the case with the preceding takeover offer, Aareal Bank did not seek this renewed initiative by the possible bidders. The Bank had, however, communicated that it always carefully considers offers from potentially interested parties.

At present, the Company cannot foresee whether a renewed takeover offer will in fact take place.

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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.