

## NON-BINDING ENGLISH CONVENIENCE TRANSLATION

*Please note that this translation of the German offer document is for convenience purposes only. It has not been and will not be reviewed or approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), and it does not constitute an offer under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz) or under any other law or regulation, nor does it give rise to any claims and entitlements. Atlantic BidCo GmbH assumes no responsibility for misunderstandings or misinterpretations that may arise from or in connection with this translation or any mistakes or inaccuracies contained herein. Only the German offer document, which has been approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), is valid and legally binding.*

### Mandatory Publication

according to Sections 34, 14 paras. 2 and 3 German Securities Acquisition and Takeover Act (WpÜG) Shareholders of Aareal Bank AG, especially with residence, seat, or habitual abode in the United States of America or otherwise outside of the Federal Republic of Germany, the Member States of the European Union and the European Economic Area should pay particular attention to the information contained in Section 1 (General information on the implementation of the takeover offer) and Section 5.7 (Possible future acquisitions of Aareal Shares) of this Offer Document.

## OFFER DOCUMENT

### Voluntary Public Takeover Offer (Cash Offer)

by

#### Atlantic BidCo GmbH

An der Welle 4  
60322 Frankfurt am Main  
Germany

to the shareholders of

#### Aareal Bank AG

Paulinenstraße 15  
65189 Wiesbaden  
Germany

to acquire their no-par value bearer shares in

#### Aareal Bank AG

against a cash consideration in the amount of

**EUR 33.00 per share of Aareal Bank AG**

**Acceptance Period: April 26, 2022 to May 24, 2022, 24:00 hrs (local time Frankfurt am Main) /  
18:00 hrs (local time New York)**

Aareal Shares: ISIN DE0005408116  
Tendered Aareal Shares: ISIN DE000A30U9F9

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## 1. GENERAL INFORMATION ON THE IMPLEMENTATION OF THE TAKEOVER OFFER

### 1.1 Legal basis

The takeover offer (taking into account potential amendments, the “**Offer**” or the “**Takeover Offer**”) contained in this offer document (the “**Offer Document**”) by Atlantic BidCo GmbH with registered seat in Frankfurt am Main, Germany, registered with the commercial register of the local court of Frankfurt am Main under registration number HRB 124165, business address: An der Welle 4, 60322 Frankfurt am Main, Germany (hereinafter the “**Bidder**”), is a voluntary public takeover offer in accordance with the German Securities Acquisition and Takeover Act (“**WpÜG**”) and the Regulation on the Content of the Offer Document, Consideration for Takeover Offers and Mandatory Offers and the Release from the Obligation to Publish and Issue an Offer (“**WpÜG Offer Regulation**” and together with the WpÜG the “**German Takeover Law**”) to the shareholders of Aareal Bank AG, with registered seat in Wiesbaden, Germany, registered with the commercial register of the local court of Wiesbaden under registration number HRB 13184, business address: Paulinenstraße 15, 65189 Wiesbaden, Germany (hereinafter “**Aareal Bank AG**”).

The Offer relates to the acquisition of all no-par value bearer shares, not directly held by the Bidder, in Aareal Bank AG, each share representing a proportionate amount of EUR 3.00 of the share capital of Aareal Bank AG (together the “**Aareal Shares**” and individually an “**Aareal Share**”), including all ancillary rights existing at the time of settlement of the Offer, in particular the right to dividends, for a purchase price of EUR 33.00 in cash per Aareal Share. This Offer is addressed to all holders of Aareal Shares (together the “**Aareal Shareholders**” and individually an “**Aareal Shareholder**”). This Offer might be accepted in accordance with the terms and conditions set forth in this Offer Document.

The Takeover Offer will be implemented solely in accordance with German Takeover Law and certain applicable provisions of U.S. securities law. Thus, no other announcements, registrations, admissions or approvals of the Takeover Offer outside the Federal Republic of Germany have been filed, arranged for or granted. Any contract that is concluded on the basis of this Takeover Offer is exclusively governed by the laws of the Federal Republic of Germany and is to be interpreted in accordance with them.

This Takeover Offer follows the Bidder’s original attempt to acquire all Aareal Shares against payment of a cash consideration under a voluntary public takeover offer to all shareholders of Aareal Bank AG that was published on December 17, 2021 (as amended on January 18, 2022) and supported by Aareal Bank AG’s Management Board and Supervisory Board (the “**Original Offer**”). On February 7, 2022, the Bidder announced by means of its publication pursuant to Section 23 para. 1 sentence 1 no. 2 WpÜG that the minimum acceptance threshold as provided for in the Original Offer has not been reached as at the expiration of the acceptance period and that the Original Offer has therefore lapsed. Therefore, the agreements that have come into existence as a result of the acceptance of the Original Offer have not become valid and have not been consummated.

### 1.2 Special notice to Aareal Shareholders in the United States or elsewhere outside of the Federal Republic of Germany, the Member States of the European Union and the European Economic Area

The Offer relates to shares in a German stock corporation (*Aktiengesellschaft*) and is subject to the statutory provisions of the Federal Republic of Germany regarding the implementation of such an offer. The Offer will not be submitted to the review or registration procedures of any

securities regulator outside of the Federal Republic of Germany and has not been approved or recommended by any securities regulator outside of the Federal Republic of Germany.

Aareal Shareholders whose place of residence, seat or place of habitual abode is in the United States of America (the “**United States**”) should note that this Offer is made in respect of securities of a company which is a foreign private issuer within the meaning of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the shares of which are not registered under Section 12 of the Exchange Act. The Offer is being made in the United States in reliance on the Tier 2 exemption from certain requirements of the Exchange Act and is principally governed by disclosure and other regulations and procedures of the Federal Republic of Germany, which are different from those of the United States. To the extent that the Offer is subject to U.S. securities laws, such laws only apply to holders of Aareal Shares whose place of residence, seat or place of habitual abode is in the United States, and no other person has any claims under such laws.

The Bidder may acquire, or make arrangements to acquire, Aareal Shares other than in the course of the Offer on or off the stock exchange during the period in which the Offer remains open for acceptance, provided that such acquisitions or arrangements to acquire do not occur in the United States, comply with the applicable German statutory provisions, in particular the WpÜG, and the Offer Price must be increased, as necessary pursuant to the WpÜG, to match any consideration paid outside the Offer if higher than the Offer Price. Information about such acquisitions or arrangements to acquire will be published pursuant to Section 23 para. 2 WpÜG. Such information will also be published in a non-binding English translation on the Bidder’s website at [www.atlantic-offer.com](http://www.atlantic-offer.com).

For Aareal Shareholders whose place of residence, seat or place of habitual abode is outside of the Federal Republic of Germany, it may be difficult to enforce rights and claims arising outside of the laws of their country of residency. This is due to the fact that the Bidder and Aareal Bank AG are incorporated in Germany and some or all of their officers and directors may be residents of a country other than their own country of residency. It may not be possible to sue in a court in their own country of residency a foreign company or its officers or directors for violations of the laws of their own country of residency. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a judgment of a court in the country of residency of the relevant shareholder.

The receipt of cash pursuant to the Offer may be a taxable transaction under applicable tax laws, including those of the country of residency of the shareholder. It is recommended to consult independent professional advisors immediately regarding the tax consequences of acceptance of the Offer. Neither the Bidder nor any persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentences 1 and 3 WpÜG nor any of their directors, officers or employees accept responsibility for any tax effects on or liabilities of any person as a result of the acceptance of the Offer. This document does not include any information in respect of foreign taxation.

### **1.3 Publication of the decision to launch the Takeover Offer**

The Bidder published its decision to launch the Takeover Offer pursuant to Section 10 para. 1 sentence 1 WpÜG on April 7, 2022. The publication and a non-binding English translation are available on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com). Prior to publication of the decision to launch this Takeover Offer, also on April 7, 2022, BaFin granted the Bidder an exemption from the one-year waiting period pursuant to Section 26 para. 2 WpÜG for the submission of a new voluntary takeover offer, which was applicable due to the failure to reach the minimum acceptance threshold under the Original Offer (the “**Exclusion Period**”).

#### **1.4 Review of the Offer Document by the German Federal Financial Supervisory Authority**

The German Federal Financial Supervisory Authority (“**BaFin**”) has reviewed the Offer Document according to German Takeover Law and in the German language and has approved its publication on April 26, 2022. On April 7, 2022, BaFin granted the Bidder exemption from the Exclusion Period.

Registrations, admissions or approvals of this Offer Document and/or this Offer under any laws other than the laws of the Federal Republic of Germany have not been made and are not intended.

#### **1.5 Publication of this Offer Document**

This Offer Document is published on April 26, 2022, by (i) announcement on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com), and (ii) keeping available copies of the Offer Document for distribution free of charge at Morgan Stanley Europe SE, New Issue Operations, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (order by fax at +49 69 21667676 or by email at [newissues\\_germany@morganstanley.com](mailto:newissues_germany@morganstanley.com)). The announcement of (i) the Internet address under which the Offer Document is published and (ii) the availability of the Offer Document at Morgan Stanley Europe SE is published in the Federal Gazette on April 26, 2022. In addition, this non-binding English translation of the Offer Document, that has not been reviewed by BaFin, has been made available at [www.atlantic-offer.com](http://www.atlantic-offer.com).

#### **1.6 Distribution of this Offer Document**

The publication, dispatch, distribution or dissemination of this Offer Document or other documents related to the Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area as well as the United States may be subject to legal restrictions. This Offer Document and other documents related to the Offer may not be dispatched to or disseminated, distributed or published by third parties in countries in which this would be illegal. The Bidder has not given its permission for the publication, dispatch, distribution or dissemination of this Offer Document by third parties outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area as well as the United States. Therefore, custodian investment service providers may not publish, dispatch, distribute, or disseminate this Offer Document outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area as well as the United States unless in compliance with all applicable domestic and foreign statutory provisions.

#### **1.7 Acceptance of the Takeover Offer outside of certain jurisdictions**

The Offer may be accepted by all domestic and foreign Areal Shareholders in accordance with the terms outlined in this Offer Document and the applicable statutory provisions. However, acceptance of the Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area as well as the United States may be subject to legal restrictions. Areal Shareholders who come into possession of this Offer Document outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States, who wish to accept the Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States and/or who are subject to statutory provisions other than those of the Federal Republic of Germany, the Member States of the European Union and the European Economic Area or the United States are advised to inform themselves of the relevant applicable statutory provisions and to comply with them. The Bidder assumes no responsibility for acceptance of the Offer outside the Federal Republic of Germany, the Member States of the European Union and

the European Economic Area and the United States being permissible under the relevant applicable statutory provisions.

## **2. INFORMATION REGARDING THE STATEMENTS CONTAINED IN THE OFFER DOCUMENT**

### **2.1 General**

References to time in the Offer Document refer to local time in Frankfurt am Main, Germany, unless expressly noted otherwise. To the extent that expressions such as “currently”, “at the present time”, “at the moment”, “now”, “at present” or “today” are used in this Offer Document, they refer to the date of the publication of this Offer Document, i.e., April 26, 2022.

References to a “**Banking Day**” refer to a day on which the banks in Frankfurt am Main, Germany, are open for general business.

References to a “**Stock Exchange Trading Day**” refer to a day on which the Frankfurt Stock Exchange is open for trading.

The specification “**EUR**” relates to the Euro currency.

### **2.2 Status and sources of the information contained in the Offer Document**

All information, statements, opinions, intentions, and forward-looking statements contained in the Offer Document are based on the information and plans available to the Bidder on the date of publication of the Offer Document and on certain assumptions of the Bidder at that time. All information relating to Aareal Bank AG and its affiliated companies within the meaning of Sections 15 et seqq. of the German Stock Corporation Act (“**AktG**”) (together the “**Aareal Group**”), unless expressly noted otherwise, is based on generally accessible information sources (e.g., published annual financial statements, press releases and analysts presentations). In particular, the 2021 annual report, available and published on the Internet at [www.aareal-bank.com](http://www.aareal-bank.com), were used as the basis for preparing the Offer Document. The accuracy and completeness of such information has not been verified separately by the Bidder. The information on persons acting jointly with Aareal Bank AG within the meaning of Section 2 para. 5 WpÜG was communicated by Aareal Bank AG to the Bidder.

Prior to the decision to launch the Original Offer, the Bidder conducted a due diligence review (the “**Due Diligence Review**”) relating to the Aareal Group. As part of the Due Diligence Review, the Bidder was granted access to documents regarding the operational, financial and tax situation and the legal and contractual relationships in an electronic data room from September 24, 2021 until October 30, 2021 and from November 10, 2021 until November 19, 2021. In addition, information was provided orally by Aareal Bank AG about the aforementioned topics in telephone conferences and meetings. The Due Diligence Review was finalized as of November 19, 2021.

The Bidder has not authorized third parties to make statements about the Offer or this Offer Document. If third parties nevertheless make such statements, these shall be attributable neither to the Bidder nor to the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 and sentence 3 WpÜG.



### **2.3 Forward-looking statements and intentions**

The Offer Document contains specific forward-looking statements. These statements do not represent facts and are characterized by words such as “expect”, “believe”, “estimate”, “intend”, “aim”, “assume” or similar expressions. Such statements express the intentions, opinions, or current expectations of the Bidder and the persons acting jointly with the Bidder pursuant to Section 2 para. 5 sentence 1 and sentence 3 WpÜG with respect to possible future events, e.g., regarding possible consequences of the Takeover Offer for Aareal Bank AG, for those Aareal Shareholders who choose not to accept the Takeover Offer or for future financial results of Aareal Bank AG. Such forward-looking statements are based on current plans, estimates and forecasts which the Bidder and the persons acting jointly with the Bidder pursuant to Section 2 para. 5 sentence 1 and sentence 3 WpÜG have made to their current beliefs and expectations, but which do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and generally cannot be influenced by the Bidder and the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 and sentence 3 WpÜG. The forward-looking statements contained in the Offer Document could turn out to be incorrect and future events and developments could considerably deviate from the forward-looking statements contained in the Offer Document. The Bidder and the persons acting jointly with the Bidder pursuant to Section 2 para. 5 sentence 1 and sentence 3 WpÜG expressly disclaim any obligation or undertaking to update these forward-looking statements to reflect any changes in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law. It is possible that the Bidder may change its intentions and evaluations outlined in this Offer Document after the publication of the Offer Document.

### **2.4 No updates**

The Bidder will update the Offer Document only to the extent legally required under the WpÜG.

### 3. SUMMARY OF THE OFFER

*The following summary contains selected information provided in this Offer Document. This information is only intended to give the Aareal Shareholders an overview of the terms and conditions of this Offer and therefore does not contain all information that could be relevant to the Aareal Shareholders. Thus, this summary should be read in connection with the more detailed information provided elsewhere in this Offer Document. Reading the summary cannot replace the full reading of the Offer Document, and all Aareal Shareholders should therefore carefully read the entire Offer Document.*

<i>Bidder:</i>	Atlantic BidCo GmbH, An der Welle 4, 60322 Frankfurt am Main, Germany.
<i>Target Company:</i>	Aareal Bank AG, Paulinenstraße 15, 65189 Wiesbaden, Germany.
<i>Subject matter of the Offer:</i>	Acquisition of all no-par value bearer shares of Aareal Bank AG (ISIN DE0005408116) not directly held by the Bidder, including all ancillary rights existing at the time of settlement of the Offer, in particular the right to dividends.
<i>Consideration:</i>	EUR 33.00 per Aareal Share.
<i>Acceptance Period:</i>	Start: April 26, 2022 End (subject to an extension): May 24, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York)
<i>Additional Acceptance Period:</i>	The Additional Acceptance Period (as defined in Section 4.5) will presumably commence on May 31, 2022 and end on June 13, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).
<i>Offer conditions:</i>	<p>This Offer and the agreements resulting from the acceptance of this Offer are subject to the Offer Conditions (as defined in Section 10.1) set out in Section 10.1 of this Offer Document.</p> <p>The Offer and the agreements resulting from the acceptance of the Offer will only be consummated (conditions precedent) if the Offer Conditions have been satisfied in time or have been effectively waived in advance by the Bidder.</p> <p>These Offer Conditions can be summarized as follows:</p> <ul style="list-style-type: none"> <li>• Merger control clearance of the Transaction (as defined in Section 9.1) in the United States after the publication of the Offer Document and by no later than May 24, 2023, whereas such Offer Condition only applies if all other Offer Conditions are not satisfied or effectively waived until (and including) January 5, 2023,</li> <li>• foreign investment control clearance of the Transaction in Germany after the publication of the Offer Document and by no later than May 24, 2023,</li> <li>• banking regulatory clearances after the publication of the Offer Document and by no later than May 24, 2023,</li> </ul>

- reaching a minimum acceptance threshold of 60% of all Aareal Shares at the end of the Acceptance Period (as defined in Section 4.3),
- no Material Compliance Breach (as defined in Section 10.1.5) between the publication of this Offer Document and the end of the Acceptance Period,
- no market material adverse change between the publication of this Offer Document and the end of the Acceptance Period,
- no capital measures at Aareal Bank AG between the publication of this Offer Document and the end of the Acceptance Period,
- no moratorium, no insolvency proceedings of Aareal Bank AG between the publication of this Offer Document and the end of the Acceptance Period,
- no dividend, no share buy-back, no measure under the German Transformation Act between the publication of this Offer Document and the end of the Acceptance Period, and
- no prohibition of the Offer between the publication of this Offer Document and the end of the Acceptance Period.

*ISIN:*

Aareal Shares: ISIN DE0005408116

Tendered Aareal Shares: ISIN DE000A30U9F9

*Acceptance of the Offer:*

The acceptance of the Offer must be declared during the Acceptance Period or the Additional Acceptance Period in text form or electronically to the Custodian Bank (as defined in Section 11.2) at which the Aareal Shares of the respective Aareal Shareholder are held. Acceptance will not become valid until timely booking of the Aareal Shares for which the Offer has been accepted during the Acceptance Period or the Additional Acceptance Period (the “**Tendered Aareal Shares**”) at Clearstream Banking AG into ISIN DE000A30U9F9. Until settlement of the Offer, the Tendered Aareal Shares, for which the Declaration of Acceptance (as defined in Section 11.2) became valid, will remain in the securities deposit account of the accepting Aareal Shareholder.

*Cost of acceptance:*

Acceptance of the Offer will in principle be free of charge and expenses of the Custodian Banks for the accepting Aareal Shareholders who hold their Aareal Shares in a securities deposit account in the Federal Republic of Germany, except for the cost of transmitting the Declaration of Acceptance to the respective Custodian Bank. For this purpose, the Bidder will pay to the Custodian Banks a compensation which has been separately communicated to them and which includes a market-standard commission for Custodian Banks. For the avoidance of doubt, the Bidder wishes to point out that it cannot however issue bind-

ing instructions to the Custodian Banks on what costs and expenses the Custodian Banks charge for the acceptance of the Offer.

However, any additional costs and expenses charged by Custodian Banks or foreign investment service providers and any expenses incurred outside of the Federal Republic of Germany shall be borne by the respective Aareal Shareholder. Any foreign exchange fees or sales tax or stamp duty arising from the acceptance of the Offer shall also be borne by the respective Aareal Shareholder.

*Stock exchange trading with Tendered Aareal Shares:*

The Tendered Aareal Shares (ISIN DE000A30U9F9) can be traded, in accordance with the provisions of Section 11.8 of this Offer Document, under ISIN DE000A30U9F9 on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. Trading will presumably start as of the third Stock Exchange Trading Day after publication of the Offer Document. There is no guarantee that such trading will in fact take place after start of the Acceptance Period. Trading is expected to be discontinued (i) at the end of the last day of the Additional Acceptance Period if all Offer Conditions according to Section 10.1 of this Offer Document have been met or have been effectively waived in advance or (ii) at the end of the third Stock Exchange Trading Day directly preceding the settlement or rebooking of this Offer.

*Publications:*

This Offer Document is published on April 26, 2022, by (i) announcement on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com), and (ii) keeping available copies of the Offer Document for distribution free of charge at Morgan Stanley Europe SE, New Issue Operations, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (order by fax at +49 69 21667676 or by email at [newissues\\_germany@morganstanley.com](mailto:newissues_germany@morganstanley.com)). The announcement of (i) the internet address under which the Offer Document is published and (ii) the availability of the Offer Document at Morgan Stanley Europe SE is published in the Federal Gazette on April 26, 2022. In addition, this non-binding English translation of the Offer Document, that has not been reviewed by BaFin, has been made available at [www.atlantic-offer.com](http://www.atlantic-offer.com).

All communications and announcements of the Bidder required in connection with this Offer under the WpÜG will be published on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com) (in German and a non-binding English translation) and, to the extent required under the WpÜG, in the Federal Gazette.

*Settlement:*

If the Offer Conditions pursuant to Section 10.1 of this Offer Document have been satisfied or effectively waived in advance by the end of the Additional Acceptance Period, payment of the Offer Price with respect to the Tendered Aareal Shares will be made without undue delay after the end of the Additional Acceptance Period, but by no later than the tenth Banking Day after the end of the Additional Acceptance Period.

If the Offer Conditions pursuant to Sections 10.1.1 to 10.1.3 of

this Offer Document have not been satisfied by the time of expiry of the Additional Acceptance Period and not been effectively waived in advance by the time of expiry of the Acceptance Period, payment of the Offer Price will be made without undue delay, but at the latest on the tenth Banking Day after the day on which the Bidder announces that the last Offer Condition has been satisfied.

The settlement of the Offer and payment of the Offer Price to the accepting Aareal Shareholders may be delayed until the tenth Banking Day following May 24, 2023, i.e. June 9, 2023, or may not take place at all due to proceedings to be carried out under merger control laws and other regulatory proceedings (see Sections 9, 10.1.1 to 10.1.3 of this Offer Document). Nevertheless, the Bidder will seek to complete the necessary merger control and regulatory proceedings in the first quarter of 2023. However, it is not possible to make a binding forecast concerning the date such proceedings will be completed.

## 4. THE OFFER

### 4.1 Subject matter of the Offer

Subject to the terms and conditions set forth in this Offer Document, the Bidder hereby offers to all Aareal Shareholders to acquire their no-par value bearer shares in Aareal Bank AG (ISIN DE0005408116), which are not directly held by the Bidder, each with a proportional amount in the share capital of EUR 3.00, including all ancillary rights existing at the time of settlement of the Offer, in particular the right to dividends.

### 4.2 Offer Price

As consideration, the Bidder offers an amount of

**EUR 33.00 per Aareal Share**

(the “Offer Price”).

The Offer Price per Aareal Share applies to all Aareal Shares, including all ancillary rights, in particular the right to dividends, existing at the time of settlement of the Offer.

### 4.3 Acceptance Period

The period for acceptance of the Takeover Offer will start with publication of this Offer Document on April 26, 2022 and will end on

**May 24, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).**

The period for acceptance of this Offer, including any extensions described under Section 4.4 below, but excluding the Additional Acceptance Period referred to in Section 4.5, is defined in this Offer Document as the “Acceptance Period”.

#### 4.4 Extension of the Acceptance Period

In case of an amendment of this Offer pursuant to Section 21 para. 1 WpÜG, the Acceptance Period will automatically be extended by two weeks (Section 21 para. 5 WpÜG), if the amendment is published within the last two weeks prior to the expiration of the Acceptance Period. The Acceptance Period would then end on June 7, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York). This applies even if the amended Offer violates legal provisions.

If a competing offer is made by a third party during the Acceptance Period of the Takeover Offer, the end of the Acceptance Period of the Takeover Offer will automatically be extended to correspond to the end of the acceptance period for the competing offer if the Acceptance Period for the Takeover Offer ends before the end of the acceptance period for the competing offer (Section 22 para. 2 sentence 1 WpÜG). This applies even if the competing offer is amended or prohibited or violates legal provisions.

If a general meeting of Aareal Bank AG is convened in connection with this Offer following the publication of the Offer Document, the Acceptance Period, without prejudice to Section 21 para. 5 WpÜG and Section 22 para. 2 WpÜG, will be ten weeks from publication of this Offer Document (Section 16 para. 3 WpÜG). The Acceptance Period would then end on July 5, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

With regard to the right of withdrawal in the event the Offer is amended or a competing offer is launched, please refer to the statements contained in Section 15 “Rights of withdrawal”.

The Bidder will publish any extension of the Acceptance Period in accordance with the statements in Section 19 “Publications”.

#### 4.5 Additional Acceptance Period pursuant to Section 16 para. 2 WpÜG

Those Aareal Shareholders who have not accepted the Offer during the Acceptance Period can still accept it within two weeks following publication of the preliminary results of the Offer by the Bidder according to Section 23 para. 1 sentence 1 number 2 WpÜG (the “**Additional Acceptance Period**”), provided that none of the Offer Conditions set forth in Section 10.1 have ultimately lapsed as at the end of the Acceptance Period and such Offer Conditions have not been previously effectively waived. After the end of the Additional Acceptance Period, the Offer can no longer be accepted, unless a right to tender pursuant to Section 39c WpÜG exists (please refer to Section 14(g)).

Subject to an extension of the Acceptance Period according to Section 4.4 of the Offer Document, the Additional Acceptance Period is expected to commence on May 31, 2022 and to end on June 13, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

### 5. DESCRIPTION OF THE BIDDER

#### 5.1 Legal basis and capital structure of the Bidder

The Bidder, Atlantic BidCo GmbH, is a limited liability company organized under German law with registered seat in Frankfurt am Main and is registered with the commercial register of the local court of Frankfurt am Main under HRB 124165. The address of the Bidder is: An der Welle 4, 60322 Frankfurt am Main, Germany. The share capital of the company amounts to EUR 25,000. The Bidder was incorporated on July 9, 2021 and was registered with the commercial register on August 16, 2021.

The business purpose of the Bidder is the holding and the management of participations in other companies, domestic or abroad, irrespective of their legal form. The Bidder may enter into all transactions and take all actions which are intended to directly or indirectly serve its purpose. The Bidder may establish branch offices, domestic or abroad, establish, acquire, participate in and/or conduct the business of other entities or entities with the same or a similar purpose. The Bidder may, in particular, render management, financial, business and other services to companies in which it holds direct or indirect participations or which are directly or indirectly controlled by the same shareholder(s) as the Bidder; in doing so, the Bidder may render the services using its own or third-party staff.

The financial year of the Bidder is the calendar year.

The Bidder has four managing directors: Martijn Bosch, Aurélie Comptour, Hans Lotter and Frank Peter Mattern. The managing directors each represent the Bidder jointly with another managing director or an authorized officer (*Prokurist*).

The Bidder currently holds no shares in other entities and has no employees.

## 5.2 Corporate structure of the Bidder

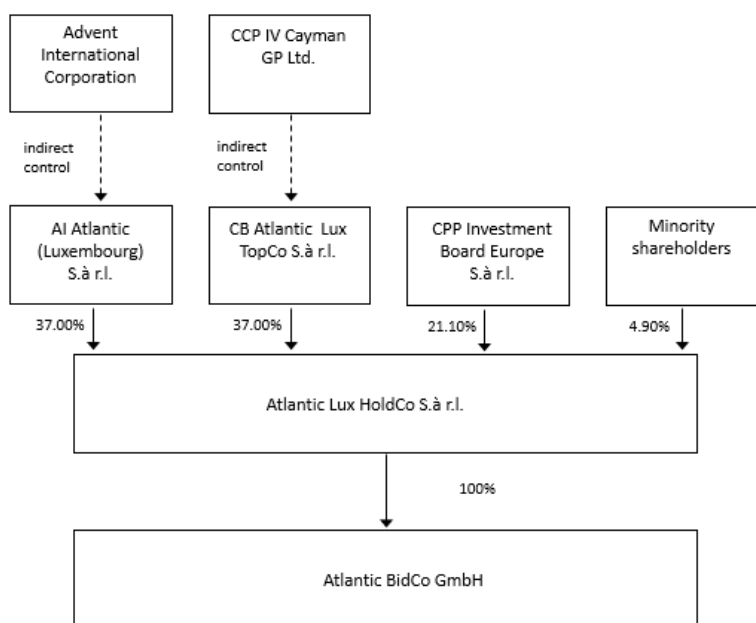
Sole shareholder of the Bidder is Atlantic Lux HoldCo S.à r.l., a limited liability company (*société à responsabilité limitée*) formed under the laws of Luxembourg with registered seat in Luxembourg, registered with the commercial register of Luxembourg (*Registre de Commerce et des Sociétés*) under B 249456.

The shareholders of Atlantic Lux HoldCo S.à r.l. are AI Atlantic (Luxembourg) S.à r.l. (an entity indirectly controlled by Advent International Corporation), a limited liability company (*société à responsabilité limitée*) formed under the laws of Luxembourg with registered seat in Luxembourg, registered with the commercial register of Luxembourg (*Registre de Commerce et des Sociétés*) under B 261252, CB Atlantic Lux TopCo S.à r.l. (an entity indirectly controlled by CCP IV Cayman GP, Ltd.), a limited liability company (*société à responsabilité limitée*) formed under the laws of Luxembourg with registered seat in Luxembourg, registered with the commercial register of Luxembourg (*Registre de Commerce et des Sociétés*) under B 248616, CPP Investment Board Europe S.à r.l. (an entity controlled by Canada Pension Plan Investment Board (“CPPIB”) through CPPIB, Luxembourg branch), a limited liability company (*société à responsabilité limitée*) formed under the laws of Luxembourg with registered seat in Luxembourg, registered with the commercial register of Luxembourg (*Registre de Commerce et des Sociétés*) under B 111828 and further minority shareholders.

AI Atlantic (Luxembourg) S.à r.l. and CB Atlantic Lux TopCo S.à r.l. each hold approximately 37.00% of the shares and the voting rights in Atlantic Lux HoldCo S.à r.l. CPP Investment Board Europe S.à r.l. holds approximately 21.10% of the shares and the voting rights in Atlantic Lux HoldCo S.à r.l. The other minority shareholders in total hold approximately 4.90% of the shares and the voting rights in Atlantic Lux HoldCo S.à r.l. In connection with the consummation of the Takeover Offer, the minority shareholders shall subscribe to additional shares without voting rights. At the time of the consummation of the Takeover Offer, the separate holdings of AI Atlantic (Luxembourg) S.à r.l. and CB Atlantic Lux TopCo S.à r.l. would in aggregate amount to approximately 67.08% of the shares and approximately 70.80% of the voting rights in Atlantic Lux HoldCo S.à r.l. CPP Investment Board Europe S.à r.l. would hold approximately 23.02% of the shares and approximately 24.30% of the voting rights and the other minority shareholders in total approximately 9.90% of the shares and approximately 4.90% of the voting rights in Atlantic Lux HoldCo S.à r.l. The shareholders in Atlantic Lux HoldCo S.à r.l. are independent of each other and do not jointly control Atlantic Lux HoldCo S.à r.l. and are also not acting in concert within the meaning of Section 30 para. 2 WpÜG. Each of them holds a partici-

pation of less than 40% and as a result none of the shareholders has sole control. Further, the shareholders do not coordinate the exercise of their shareholders' rights with the other shareholders so that none of them has, together with another shareholder, joint control.

The shareholder structure of the Bidder described above can be illustrated as follows:



On April 4, 2022, each of AI Atlantic (Luxembourg) S.à r.l., CB Atlantic Lux TopCo S.à r.l. and CPP Investment Board Europe S.à r.l. has entered into a separate interim transaction agreement with Atlantic Lux HoldCo S.à r.l. setting forth certain agreements relating to the financing of the Offer by way of equity commitment letters (see Section 12.2) and the coordination of the Takeover Offer process with Atlantic Lux HoldCo S.à r.l. and the Bidder. In particular, each of such shareholders (i) were to review and comment on the Offer Document, (ii) shall endorse and support the Offer in all publications and communications and (iii) were to provide the Bidder without undue delay any information reasonably requested to prepare the Offer Document. Further, each of such shareholders has certain consultation and consent rights with respect to the submission and conditions of the Offer.

On April 4, 2022, each of the other minority shareholders has entered into a separate equity financing agreement with Atlantic Lux HoldCo S.à r.l. solely regarding the financing of the Offer by way of equity commitment letters (see Section 12.2).

In addition, on April 4, 2022, the shareholders of Atlantic Lux HoldCo S.à r.l. have entered into a term sheet which sets forth the key terms of a lock-up and exit agreement among the shareholders. The parties agreed to negotiate and enter into a long form lock-up and exit agreement based on the term sheet relating to certain transfer restrictions regarding their shareholding in Atlantic Lux HoldCo S.à r.l. and provisions for a later exit.

### 5.3 Persons acting jointly with the Bidder

The entities set forth in [Appendix 1](#) are persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 WpÜG at the time of the publication of the Offer Document (together the “**persons acting jointly**”). The entity listed in Part A of [Appendix 1](#) is Atlantic Lux HoldCo S.à r.l. as the sole shareholder of the Bidder. The entities listed in Part B of [Appen-](#)



dix 1 are the entities which coordinate their conduct with the Bidder, directly or indirectly, with regard to the acquisition of Aareal Shares by way of the Takeover Offer but which, in each case, are not persons that control the Bidder. AI Atlantic (Luxembourg) S.à r.l., CB Atlantic Lux TopCo S.à r.l. and CPP Investment Board Europe S.à r.l. are considered persons acting jointly with the Bidder based on the interim transaction agreements entered into with Atlantic Lux HoldCo S.à r.l. as they coordinate their conduct with the Bidder with regard to the acquisition of Aareal Shares by way of the Takeover Offer through these agreements (see Section 5.2). In the case of AI Atlantic (Luxembourg) S.à r.l., Advent International Corporation ultimately manages the funds invested in AI Atlantic (Luxembourg) S.à r.l. and is thus considered a person acting jointly with the Bidder with regard to the Takeover Offer as this entity also takes part in the coordination of the conduct with regard to the acquisition of Aareal Shares by way of the Takeover Offer. CCP IV Cayman GP Ltd. indirectly controls CB Atlantic Lux TopCo S.à r.l. and is thus considered a person acting jointly with the Bidder with regard to the Takeover Offer as this entity also takes part in the coordination of the conduct with regard to the acquisition of Aareal Shares by way of the Takeover Offer. CPP Investment Board Europe S.à r.l. has its own valid and binding investment decision making authority so no further persons acting jointly with the Bidder with regard to the Takeover Offer exist in the case of CPP Investment Board Europe S.à r.l.

Apart from that, there are no other persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG.

#### **5.4 Aareal Shares currently held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries; attribution of voting rights**

At the time of the publication of the Offer Document, the aggregate number of Aareal Shares from which voting rights are attributed to Atlantic Lux HoldCo S.à r.l. and of Aareal Shares to which financial instruments refer which are directly or indirectly held by the Bidder and Atlantic Lux HoldCo S.à r.l. is 21,953,310 Aareal Shares (corresponding to approximately 36.68% of the share capital and voting rights in Aareal Bank AG):

- Thereof, voting rights attached to 250,000 Aareal Shares (corresponding to approximately 0.42% of the share capital and voting rights in Aareal Bank AG) are attributable to Atlantic Lux HoldCo S.à r.l., a person acting jointly with the Bidder, pursuant to Section 30 para. 1 sentence 1 number 6 WpÜG based on a voting power of attorney granted by VESA Equity Investment S.à r.l. under the irrevocable undertaking referred to in Section 5.5 of the Offer Document.
- In addition, Atlantic Lux HoldCo S.à r.l. directly holds a financial instrument within the meaning of Section 38 para. 1 number 1 German Securities Trading Act (*Wertpapierhandelsgesetz*, “**WpHG**”) regarding 5,980,000 Aareal Shares (corresponding to approximately 9.99% of the share capital and voting rights in Aareal Bank AG) based on the purchase of Aareal Shares outside the Offer agreed in the irrevocable undertaking with Petrus Advisers Investments Fund L.P. referred to in Section 5.6.
- Further, the Bidder directly holds financial instruments within the meaning of Section 38 para. 1 number 2 WpHG regarding 15,723,310 Aareal Shares (corresponding to approximately 26.27% of the share capital and voting rights in Aareal Bank AG) based on the irrevocable undertakings referred to in Section 5.5. These financial instruments are also indirectly held by Atlantic Lux HoldCo S.à r.l.

Beyond that, neither the Bidder nor persons acting jointly with the Bidder or their subsidiaries hold any Aareal Shares at the time of publication of the Offer Document, and no additional vot-

ing rights attached to Aareal Shares are attributable to them pursuant to Section 30 WpÜG. Further, neither the Bidder nor persons acting jointly with the Bidder or their subsidiaries directly or indirectly hold further instruments or voting rights to be disclosed pursuant to Section 38 or Section 39 WpHG with regard to Aareal Bank AG.

## **5.5 Information about irrevocable undertakings**

The total number of Aareal Shares to be tendered under irrevocable undertakings amounts to 15,723,310 Aareal Shares (corresponding to approximately 26.27% of the share capital and voting rights in Aareal Bank AG) as outlined below.

On April 4, 2022, Atlantic Lux HoldCo S.à r.l. entered into irrevocable undertakings with each of Petrus Advisers Investments Fund L.P., Camana Bay, Cayman Islands, Talomon Capital Limited, London, United Kingdom, Teleios Global Opportunities Master Fund, Ltd., Grand Cayman, Cayman Islands, and VESA Equity Investment S.à r.l., Luxembourg, Luxembourg, in which all of the aforementioned parties agreed to accept, or to cause certain of their investment vehicles to accept, the Offer at the Offer Price for Aareal Shares, respectively, in accordance with the provisions of this Offer Document.

Petrus Advisers Investments Fund L.P. agreed to the tendering of 4,851,049 Aareal Shares (corresponding to approximately 8.10% of the share capital and voting rights in Aareal Bank AG), Talomon Capital Limited to the tendering of 2,304,498 Aareal Shares (corresponding to approximately 3.85% of the share capital and voting rights in Aareal Bank AG), Teleios Global Opportunities Master Fund, Ltd. to the tendering of 4,707,761 Aareal Shares (corresponding to approximately 7.86% of the share capital and voting rights in Aareal Bank AG), and VESA Equity Investment S.à r.l. to the tendering of 3,860,002 Aareal Shares (corresponding to approximately 6.45% of the share capital and voting rights in Aareal Bank AG). The Aareal Shares subject of the irrevocable undertakings with Talomon Capital Limited, Teleios Global Opportunities Master Fund, Ltd., and VESA Equity Investment S.à r.l. shall be tendered within the first week of the Acceptance Period, while the Aareal Shares subject of the irrevocable undertaking with Petrus Advisers Investments Fund L.P. shall be tendered on the last day of the Additional Acceptance Period at the latest.

Further, it was agreed in these irrevocable undertakings that a possible right to withdrawal pursuant to Section 21 para. 4 WpÜG in the event of an amendment of the Offer and Section 22 para. 3 WpÜG in the event of a competing offer (please refer to Section 15) is excluded, except in case of a competing offer within the meaning of Section 22 WpÜG providing for a consideration which exceeds the amount of the Offer Price by more than 10% (more than 5% in the case of Petrus Advisers Investments Fund L.P. (unless matched by the Bidder within three business days after publication of the competing offer) and VESA Equity Investment S.à r.l.).

In the irrevocable undertakings with Petrus Advisers Investments Fund L.P., Teleios Global Opportunities Master Fund, Ltd. and VESA Equity Investment S.à r.l. it was agreed that any dividend received for the Aareal Shares to be tendered prior to the settlement of the Takeover Offer shall be paid to Atlantic Lux HoldCo S.à r.l. subject to and following settlement of the Takeover Offer.

In addition, in these irrevocable undertakings, an affiliate of Petrus Advisers Investments Fund L.P., an affiliate of Talomon Capital Limited, Teleios Global Opportunities Master Fund, Ltd. and an affiliate of VESA Equity Investment S.à r.l. each undertook to invest after settlement of the Offer a certain amount against issuance of new shares without voting rights in Atlantic Lux HoldCo S.à r.l. which would amount to a participation of less than 25% in aggregate in Atlantic Lux HoldCo S.à r.l. The number of newly issued non-voting shares in Atlantic Lux HoldCo

S.à r.l. as a result of these investments shall be determined based on the same economic terms as the investment of all other shareholders in Atlantic Lux HoldCo S.à r.l. based on a look-through valuation of Aareal Shares at the Offer Price and a pro-rata share in the transaction costs incurred by the Bidder and Atlantic Lux HoldCo S.à r.l.

## 5.6 Information about acquisitions of Aareal Shares

Apart from the Original Offer and the transactions described in this Section 5.6, neither the Bidder nor the persons acting jointly with the Bidder within the meaning of Section 2 para. 5 sentence 1 and sentence 3 WpÜG nor their subsidiaries have acquired Aareal Shares on the stock exchange or outside the stock exchange or have entered into agreements to acquire Aareal Shares during the last six months before publication of the decision to launch the Takeover Offer according to Section 10 para. 1 sentence 1 WpÜG on April 7, 2022, and from April 7, 2022 until publication of the Offer Document.

On January 25, 2022, the Bidder entered into a share purchase agreement for 100 Aareal Shares (approximately 0.0002% of the share capital and voting rights in Aareal Bank AG). The purchase price amounted to EUR 31.00 per Aareal Share. Those Aareal Shares have been sold in the market in the meantime.

On February 2, 2022, Atlantic Lux HoldCo S.à r.l., a person acting jointly with the Bidder, entered into a share purchase agreement regarding 300,779 Aareal Shares (approximately 0.50% of the share capital and voting rights in Aareal Bank AG). The purchase price amounted to EUR 31.00 per Aareal Share. The settlement of the acquisition was subject to the satisfaction of all offer conditions of the Original Offer. Since the Original Offer has lapsed due to the non-satisfaction of the offer condition regarding the minimum acceptance threshold, the acquisition was not settled.

On April 4, 2022, Atlantic Lux HoldCo S.à r.l. entered into an irrevocable undertaking with Petrus Advisers Investments Fund L.P. (see Section 5.5 above), in which Petrus Advisers Investments Fund L.P. also agreed to sell 5,980,000 Aareal Shares (corresponding to approximately 9.99% of the share capital and voting rights in Aareal Bank AG) to Atlantic Lux HoldCo S.à r.l. outside of the Takeover Offer (the “**Share Purchase Agreement**”). The purchase price amounts to EUR 32.50 per Aareal Share. The settlement of the Share Purchase Agreement is subject to the satisfaction of the Offer Conditions which need to be satisfied at the end of the Acceptance Period. Atlantic Lux HoldCo S.à r.l. may waive any of these closing conditions at any time in its free discretion. At the settlement, the sold Aareal Shares shall be delivered to the Bidder. Further, it was agreed that any dividend received for the sold Aareal Shares prior to the settlement of the Share Purchase Agreement shall be paid to Atlantic Lux HoldCo S.à r.l. subject to and following settlement of the Share Purchase Agreement.

## 5.7 Possible future acquisitions of Aareal Shares

The Bidder reserves the right, within the limits of applicable law, to, during the Offer, directly or indirectly acquire Aareal Shares outside of the Offer, whether on or off the stock exchange. Any such purchases or arrangements will be made outside the United States and in compliance with applicable law.

To the extent such acquisitions should occur, information about them, including the number of, and the price for, the acquired Aareal Shares will be published according to the applicable statutory provisions, in particular Section 23 para. 2 WpÜG in conjunction with Section 14 para. 3 sentence 1 WpÜG, in the Federal Gazette and on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com). Corresponding information will also be published by way of a non-binding English translation on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com).

## 5.8 Background information on Advent International, Centerbridge and CPPIB

Founded in 1984, Advent International group is one of the largest and most experienced global private equity investors. The firm has invested in over 390 private equity investments across 42 countries, and as of December 31, 2021, had USD 88 billion (approximately EUR 78 billion based on an exchange rate of USD 1.1326 = EUR 1.00 as of December 31, 2021 (source: European Central Bank)) in assets under management. With 15 offices in 12 countries, Advent has established a globally integrated team of over 255 private equity investment professionals across Europe, North America, Latin America and Asia. The firm focuses on investments in five core sectors, including business and financial services; technology; health care; industrial; and retail, consumer and leisure. For over 35 years, Advent has been dedicated to international investing and remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies.

Centerbridge group is a private investment management firm employing a flexible approach across investment disciplines – private equity, private credit and real estate – in an effort to develop the most attractive opportunities for its investors. The firm was founded in 2005 and as of December 31, 2021, had approximately USD 33 billion (approximately EUR 29 billion based on an exchange rate of USD 1.1326 = EUR 1.00 as of December 31, 2021 (source: European Central Bank)) in capital under management with offices in New York and London. Centerbridge is dedicated to partnering with world-class management teams across targeted industry sectors and geographies.

CPPIB is a Canadian Crown corporation established by way of the 1997 Canada Pension Plan Investment Board Act to oversee and invest the funds contributed and held by the Canada Pension Plan. CPPIB is a professional investment management organization that invests the funds transferred to it by the Canada Pension Plan that are not needed by the Canada Pension Plan to pay current benefits on behalf of more than 21 million contributors and beneficiaries. In order to build a diversified portfolio of assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. There is no third-party funding. CPP Investment Board Europe S.à r.l. is the European private investment platform for CPPIB. As such, CPP Investment Board Europe S.à r.l. takes its own investment decisions and, based thereon, invests out of CPPIB's assets. As of December 31, 2021, CPPIB had approximately C\$550.4 billion (approximately EUR 382.4 billion based on an exchange rate of C\$ 1.4393 = EUR 1.00 as of December 31, 2021 (source: European Central Bank)) of assets under management.

## 6. DESCRIPTION OF AAREAL BANK AG

### 6.1 Legal basis and capital structure

Aareal Bank AG is a stock corporation organized under German law with its registered seat in Wiesbaden, Germany, registered with the commercial register of the local court of Wiesbaden, Germany under HRB 13184. The headquarter of Aareal Bank AG is located at Paulinenstraße 15, 65189 Wiesbaden, Germany.

Aareal Bank AG's business purpose is the operation of banking business (excluding investment fund business), the performance of financial and other services as well as the promotion of international business relationships. The company's German Pfandbrief business is restricted to the issue of Mortgage Pfandbriefe in accordance with section 1 para. 1 sentence 2 no. 1 of the German Pfandbrief Act (*Pfandbriefgesetz*, "PfandBG") and of Public Sector Pfandbriefe (*Öffentliche Pfandbriefe*) in accordance with section 1 para. 1 sentence 2 no. 2 of the PfandBG.

The company's financial year is the calendar year.

At the time of publication of the Offer Document, the share capital of Aareal Bank AG amounts to EUR 179,571,663 and is divided into 59,857,221 no-par value bearer shares, each share representing a proportionate amount of EUR 3.00 in the share capital. Only one class of shares exists. Each share entitles its holder to one vote.

The Aareal Shares are admitted to trading on the regulated market (*Regulierter Markt*) and in the segment of the regulated market with additional post-admission obligations of the Frankfurt Stock Exchange (Prime Standard) under ISIN DE0005408116, where they are traded on the electronic trading platform XETRA. Further, they are traded on the open market (*Freiverkehr*) of the stock exchanges in Berlin, Düsseldorf, Hamburg, Hanover, and Stuttgart, as well as on the Tradegate Exchange in Berlin.

#### *Authorized capital*

According to Article 5 para. 4 of the articles of association of Aareal Bank AG, the management board is authorized to increase, on one or more occasions, the registered share capital of Aareal Bank AG by up to EUR 89,785,830 via the issuance of new bearer shares for contribution in cash or in kind, subject to the approval of the supervisory board; this authority will expire on May 30, 2022 (Authorized Capital 2017).

The Aareal Shareholders must be granted subscription rights to the extent the management board of Aareal Bank AG is not entitled to exclude such rights with the consent of the supervisory board under the circumstances set out in Article 5 para. 4 of the articles of association of Aareal Bank AG.

According to information received from Aareal Bank AG, the management board of Aareal Bank AG has not made any use of such authorization at the time of the publication of the Offer Document.

#### *Conditional capital*

Further, according to Article 5 para. 5 of the articles of association of Aareal Bank AG, the company's share capital has been conditionally increased by an amount of up to EUR 71,828,664 by issuance of up to 23,942,888 new no-par value bearer shares (Conditional Capital 2019). This conditional capital increase shall only be implemented insofar as (i) the holders of convertible debt securities issued by the company (or by an enterprise in which the company either directly or indirectly holds as majority interest) until May 21, 2024 on the basis of the general meeting's authorization resolution of May 22, 2019 exercise conversion rights under these convertible debt securities or (ii) the holders of convertible debt securities issued by the company (or by an enterprise in which the company either directly or indirectly holds as majority interest) until May 21, 2024 on the basis of the general meeting's authorization resolution of May 22, 2019 and who are obliged to exercise those rights fulfil their obligation or (iii) the company makes use of alternative performance, insofar as treasury shares are not used to service the rights or, in the aforementioned cases (i) and (ii), no cash compensation is granted. The new shares shall be entitled to a share in the profits from the beginning of the financial year in which they come into existence through the exercise of conversion rights or the fulfilment of conversion obligations.

According to information received from Aareal Bank AG, Aareal Bank AG has not issued any debt securities with conversion rights or any bonds that establish conversion obligations at the time of publication of the Offer Document.

### *Treasury shares*

By resolution of the general meeting on May 27, 2020, the management board of Aareal Bank AG was authorized pursuant to Section 71 para. 1 number 7 AktG to acquire and sell treasury shares for the purposes of securities trading, at a price not falling below or exceeding the average closing price of Aareal Bank AG's share in Xetra trading (or a comparable successor system) during the three trading days on the Frankfurt Stock Exchange prior to the relevant purchase or prior to assuming a purchase obligation by more than 10%. The volume of shares acquired for this purpose must not exceed 5% of the issued share capital of Aareal Bank AG at the end of any given day. The authorization expires on May 26, 2025.

Furthermore, by resolution of the general meeting on May 27, 2020, the management board of Aareal Bank AG was authorized pursuant to Section 71 para. 1 number 8 AktG to acquire treasury shares in a volume of up to 10% of the share capital for any permitted purposes. Such purchases may be effected via stock exchanges or public purchase offers made to all shareholders, taking into account the prices as specified in the respective general meeting's resolution, which are in turn based on Aareal Bank AG's stock exchange share price. The authorization expires on May 26, 2025.

According to information received from Aareal Bank AG, Aareal Bank AG has not made use of this authorization and does not hold any treasury shares at the time of publication of the Offer Document.

## **6.2 Overview of the business activities of Aareal Group**

Aareal Group is an international provider of smart financing, software products, digital solutions and payment transaction applications in the property sector and related industries. Aareal Bank AG is the group's parent entity and is headquartered in Wiesbaden.

Aareal Group has grouped its portfolio of services into three business segments.

### *Structured Property Financing segment*

In the Structured Property Financing segment, Aareal Group 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. Aareal Group's clients include institutional investors, private equity firms, family offices, financial institutions, private individuals, listed property companies, pension funds, and sector-specific investors.

### *Banking & Digital Solutions*

In the Banking & Digital Solutions ("B&DS") segment, Aareal Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining product solutions and advisory services with traditional corporate banking services and deposit-taking. Aareal Group also offers comprehensive solutions for tenancy bond management, cross-sectoral management as well as for the optimisation of payment processes and subsequent processing procedures.

### *Aareon*

Aareal Bank AG's subsidiary Aareon AG, a leading provider of software and digital solutions for the European property industry and its partners, forms the third business segment. Aareon AG is digitalising the property industry by offering user-oriented software solutions that simpli-

fy and automate processes, support sustainable and energy-efficient operations and interconnect all process participants. Aareon Smart World, an integrated digital ecosystem, connects property companies and their employees with clients, business partners and technical equipment in flats and buildings through various digital solutions.

According to the annual report 2021, the consolidated operating profit amounted to EUR 155 million (2020: EUR -75 million). After taxes, the consolidated net income allocated to ordinary shareholders was EUR 53 million (2020: EUR -90 million). As at December 31, 2021, the Aareal Group had 3,170 employees.

### **6.3 Boards**

The management board of Aareal Bank AG currently consists of the following members: Jochen Klösges (Chief Executive Officer), Marc Heß (Chief Financial Officer), Christiane Kunisch-Wolff (Chief Risk Officer) and Christof Winkelmann (Chief Market Officer).

The supervisory board of Aareal Bank AG currently consists of the following members: Prof. Dr. Hermann Wagner (chairman), Klaus Novatius\* (deputy chairman), Richard Peters (deputy chairman), Jana Brendel, Holger Giese, Thomas Hawel\*, Petra Heinemann-Specht\*, Jan Lehmann\*, Friedrich Munsberg, Sylvia Seignette, Elisabeth Stheeman and Dr. Ulrich Theileis (\* employee representatives).

### **6.4 Persons acting jointly with Aareal Bank AG**

According to the information available to the Bidder at the time of the publication of the Offer Document, the companies listed in [Appendix 2](#) are subsidiaries of Aareal Bank AG and therefore are considered as persons acting jointly with each other and with Aareal Bank AG pursuant to Section 2 para. 5 sentence 2 in conjunction with sentence 3 WpÜG. According to the information available to the Bidder, there are no other persons being considered as acting jointly with Aareal Bank AG pursuant to Section 2 para. 5 sentence 2 in conjunction with sentence 3 WpÜG. In particular, Aareal Bank AG is not controlled by any person.

### **6.5 Information on the statement of the management board and the supervisory board of Aareal Bank AG**

In accordance with Section 27 para. 1 WpÜG, the management board and the supervisory board of the target company are each required to issue a reasoned statement on the Offer and all possible amendments thereof. The management board and the supervisory board of Aareal Bank AG must publish this reasoned statement in each case without undue delay after the transmission of the Offer Document and any amendments to it by the Bidder pursuant to Section 14 para. 3 sentence 1 WpÜG.

In the New Investment Agreement (as defined in Section 7.3), the management board of Aareal Bank AG has undertaken, subject to review of the Offer Document and the requirements described in Section 7.3.2, to confirm in its reasoned statement that (i) it considers the Offer Price to be fair and adequate, (ii) it recommends and supports the Takeover Offer, (iii) it recommends all shareholders to accept the Takeover Offer, and (iv) its members intend to accept the Takeover Offer.

## **7. BACKGROUND OF THE OFFER; INTENTIONS OF THE BIDDER AND ATLANTIC LUX HOLDCO S.À R.L.**

In the following Sections 7.2 through 7.4, the background of the Offer and the Bidder's and Atlantic Lux HoldCo S.à r.l.'s intentions with respect to the future business activities of Aareal Bank AG and the Bidder are described. The intentions and undertakings described below have their legal basis in the New Investment Agreement (as defined in Section 7.3) entered into between Aareal Bank AG and the Bidder. The Bidder and Atlantic Lux HoldCo S.à r.l. do not have any intentions deviating from the intentions and undertakings laid out in Sections 7.2 through 7.4. The intentions refer to the date of publication of the Offer Document. With respect to a possible change in the described intentions and evaluations by the Bidder, reference is made to Section 2.3 of this Offer Document.

### **7.1 Reasons for the Offer**

On November 23, 2021, Aareal Bank AG and the Bidder entered into an investment agreement (the "**Original Investment Agreement**") which stipulated the principal terms and conditions of the Original Offer (as defined in Section 1.1) and the parties' common objectives in relation thereto and the parties' understanding in relation to Aareal Bank AG's future organisational and management structure as well as the business strategy pursued with the investment.

Based on the Original Investment Agreement, the Bidder published the Original Offer on December 17, 2021 that was supported by the management and supervisory boards of Aareal Bank AG. On February 7, 2022, the Bidder announced by means of its publication pursuant to Section 23 para. 1 sentence 1 no. 2 WpÜG that the offer condition with regard to reaching the minimum acceptance threshold as provided for in the Original Offer was not satisfied and that the Original Offer has therefore lapsed.

The decision to launch a new takeover offer was taken based on the sustained interest of the Bidder in Aareal Bank AG. Thus, the Bidder has improved the Original Offer in respect of the Offer Price. Some of the Aareal Shareholders have then entered into irrevocable undertakings (see Section 5.5) which materially increases the probability of success of this new Offer. The management board and supervisory board of Aareal Bank AG welcomed these amendments and the improved Offer. Aareal Bank AG therefore decided to support the required release of the Bidder from the Exclusion Period by BaFin for the launch of a new takeover offer, which BaFin has granted after due examination on April 7, 2022.

### **7.2 Economic and strategic background of the Offer**

The economic and strategic rationale of this Offer is the objective to support the strategic ambitions of Aareal Bank AG to strengthen its position as an international provider of real estate and other property-based financings and of software, digital solutions and payment services in particular for the property sector and related industries on the basis of its strategy "Aareal Next Level" and to accelerate growth in all three segments of the Aareal Group.

Accelerated growth shall be achieved, in particular, by sharing the significant joint experience of Aareal Bank AG and the Bidder's indirect shareholders in the financial services, software and payments sectors, and by retaining profits of Aareal Bank AG for investment in future growth.



### 7.3 New Investment Agreement between Aareal Bank AG and the Bidder

This Offer follows the Original Offer that was supported by the management and supervisory boards of Aareal Bank AG. The Bidder has improved the Original Offer in respect of the cash consideration. In addition, the Bidder has increased the certainty of reaching the minimum acceptance threshold, in particular by conclusion of several irrevocable undertakings, thereby securing 36.68% of the Aareal Shares (see Sections 5.4, 5.5 and 5.6). After intense scrutiny of the new takeover offer, the management and supervisory boards of Aareal Bank AG have come to the conclusion that it is in the best interest of Aareal Bank AG, the Aareal Shareholders and other stakeholders to enable the Bidder to launch a new takeover offer.

In this context, on April 6, 2022, Aareal Bank AG and the Bidder replaced the Original Investment Agreement by concluding a new investment agreement (the “**New Investment Agreement**”) which stipulates the principal terms and conditions of the Offer and the parties’ common objectives in relation thereto and the parties’ understanding in relation to Aareal Bank AG’s future organisational and management structure as well as the business strategy pursued with the investment. In addition, Aareal Bank AG enabled the exemption from the Exclusion Period by granting its approval for the submission of a new offer.

The material terms of the New Investment Agreement can be summarized as follows:

#### 7.3.1 Material terms of the Offer

In the New Investment Agreement, the Bidder agreed to submit a voluntary public takeover offer for the acquisition of all Aareal Shares based on the cash consideration set out in Section 4.2 of the Offer Document and the Offer Conditions set out in Section 10.1 of the Offer Document.

#### 7.3.2 Support of the Offer

In the New Investment Agreement, Aareal Bank AG has undertaken that the management board of Aareal Bank AG will issue a statement pursuant to Section 27 WpÜG stating, *inter alia* and subject to, among others, their fiduciary duties and the conditions set forth below, that (i) the Offer Price offered by the Bidder in the Takeover Offer is fair and adequate, (ii) the management board recommends and supports the Takeover Offer and recommends that the Aareal Shareholders accept the Takeover Offer, and (iii) the members of the management board of Aareal Bank AG intend to tender the Aareal Shares held by them into the Offer (the “**Recommendation Statement**”). Aareal Bank AG furthermore agreed not to initiate any measures or steps which are reasonably to be seen as adversely affecting the successful or timely closing of the Takeover Offer and not to take any action to encourage any form of public offer for Aareal Shares or a similar transaction by a third party (the “**Third-Party Offer**”).

Aareal Bank AG’s obligation to support the Offer and to issue a Recommendation Statement is subject to specific conditions. In case (i) a Third-Party Offer has been announced that provides for an offer price that equals or exceeds the Offer Price, or the intention to make such an offer has been communicated to Aareal Bank AG, and which is determined by the management board, acting reasonably and in good faith with due regard to its duties, in its overall assessment to be more favorable for Aareal Bank AG, its shareholders and its stakeholders than the Takeover Offer, and (ii) the Bidder has not amended the Takeover Offer within three calendar days after having been informed by Aareal Bank AG about such offer in a way that in the view of the management board, acting reasonably and in good faith with due regard to its duties of care and fiduciary duties, is in its overall assessment more favorable for Aareal Bank AG, its shareholders and its stakeholders than the Third-Party Offer, Aareal Bank AG is no longer under an obligation to support the Offer.

The parties to the New Investment Agreement have also agreed to cooperate with each other in all material respects relating to the Offer, in particular with regard to merger control and other regulatory approvals.

### 7.3.3 Future cooperation

The parties to the New Investment Agreement agreed on certain principles in relation to the proposed cooperation between the Bidder and Aareal Bank AG.

In the New Investment Agreement, the Bidder agreed to use its commercially reasonable efforts to support management of Aareal Bank AG in further promoting the “Aareal Next Level” programme and in increasing growth potential in all three segments of the Aareal Group. This shall be achieved, *inter alia*, by (i) new business origination through the support by the Bidder regarding market access to new object types or new asset classes, knowledge sharing and underwriting support on the lending side, (ii) optimizing the funding and capitalization structure with the support of the Bidder, including, *inter alia*, by earnings retention within the framework of and to achieve the business plan, (iii) accelerating organic growth and implementing an M&A roadmap for B&DS and the Bidder’s support in the implementation of such roadmap, with a clear focus on expanding the offer around its core competences of payment transactions, supported by significant M&A activities and market access as well as attractive cooperation models through the network of the Bidder, (iv) continuing the value enhancement plan and the M&A roadmap for further developing Aareon AG as a software and digital platform, (v) sharing best practices to enhance Aareal Bank AG’s organization, processes, and use of technology, and (vi) cooperating in relation to NPL topics.

The New Investment Agreement is based on the prerequisite that until consummation of the Takeover Offer there will be no distribution in cash or in kind by Aareal Bank AG. In the New Investment Agreement, the parties agreed to use all efforts legally available and reasonably practical to ensure that no such distribution occurs. Further, the Bidder has committed to continue Aareal Group in its current structure.

As agreed in the New Investment Agreement, the Bidder has no intention to sell its shareholding in Aareal Bank AG without the prior consent of Aareal Bank AG, such consent not to be unreasonably withheld, for a period of three (3) years after the consummation of the Takeover Offer.

The parties to the New Investment Agreement agreed to enter into a relationship agreement following the consummation of the Takeover Offer which sets forth additional aspects of the future governance and the relationship between Aareal Bank AG and the Bidder (the “**Relationship Agreement**”). It is intended that, in accordance with the provisions of the Relationship Agreement, Aareal Bank AG shall establish an advisory board (*Beirat*) on the basis of Section 13 para. 2 of the articles of association of Aareal Bank AG which will include representatives of the Bidder and independent industry experts. The Bidder shall provide sector expertise and advice to Aareal Bank AG through the advisory board, thus contributing to achieving the Transaction’s objectives pursued by the parties.

### 7.3.4 Term of the New Investment Agreement

The New Investment Agreement has a fixed term ending three (3) years after the consummation of the Takeover Offer. Furthermore, the New Investment Agreement provides the parties with termination rights in certain defined circumstances.

## 7.4 Intentions of the Bidder and Atlantic Lux HoldCo S.à r.l.

The intentions described in this Section 7.4 are the shared intentions of the Bidder and Atlantic Lux HoldCo S.à r.l. Neither the Bidder nor Atlantic Lux HoldCo S.à r.l. have any intentions deviating from or going beyond the intentions set forth in Sections 7.4.1 to 7.4.7 of the Offer Document.

### 7.4.1 Future business activity, assets and future obligations of Aareal Bank AG

The Bidder supports the mutually reinforcing business segments of Aareal Bank AG and does not intend to pursue any plans to break up the Aareal Group. The Bidder acknowledges that Aareon AG forms an integral part of the Aareal Group's strategy.

With regard to the future business activity of Aareal Bank AG, the Bidder intends to achieve organic and inorganic growth of Aareal Bank AG in line with the business plan and the "Aareal Next Level" strategy established by the management of Aareal Bank AG. Further, it intends to reinvest earnings into growth and hence take a conservative approach to distributions, maintaining a capitalization in line with regulatory requirements and recommendations, and thus also intends that Aareal Bank AG will not distribute any dividends in the coming years that is not aligned with this approach.

The Bidder intends to finance further growth of the Aareal Group and to maintain a sound capitalization and long-term rating of Aareal Group's senior preferred debt by Fitch Ratings of at least A-. With regard to the future obligations of Aareal Bank AG resulting therefrom, the Bidder intends to provide to Aareal Bank AG additional equity financing, if and when needed according to the management board of Aareal Bank AG's reasonable assessment, taking into particular account the envisaged strategy, subject to any customary internal and external approvals.

The Bidder acknowledges that Aareal Bank AG owns multiple strong brands in certain countries, with the relevant countries and customers having a high level of brand awareness. With regard to the use of the assets of Aareal Bank AG, the Bidder intends to retain the Aareal Group's brands as independent brands (including the trademarks on the Aareal Group's products and services) and to support the Aareal Group in increasing brand awareness. The Bidder respects the intellectual property of Aareal Bank AG and all entities in the Aareal Group. The Bidder acknowledges that the intellectual property of the Aareal Group shall remain with the entities of the Aareal Group and be used by them.

As agreed in the New Investment Agreement, the Bidder has no intention to change the company name of Aareal Bank AG.

### 7.4.2 Registered seat and headquarters of Aareal Bank AG, location of significant parts of the business

There are no intentions by the Bidder with respect to relocating the registered seat or relocating or closing sites of significant parts of the business. The Bidder intends, as agreed in the New Investment Agreement, not to (i) relocate Aareal Bank AG's registered office (*Satzungssitz*) and headquarters or (ii) cause the relocation of the location of any important operations and assets (*wesentliche Unternehmensteile*) of the Aareal Group.

### 7.4.3 Employees, employee representation and employment conditions

The Bidder recognizes that the dedicated staff of the Aareal Group are the foundation of the continued success of Aareal Bank AG. The Bidder recognizes that the success of the Transaction, and in particular the continued success of Aareal Bank AG, depends on the creativity and performance of the staff of the Aareal Group and their potential to innovate.

As agreed in the New Investment Agreement, the Bidder has no intention to cause Aareal Bank AG to take or initiate any action aimed at the amendment or termination of existing shop agreements (*Betriebsvereinbarungen*), collective bargaining agreements (*Tarifverträge*) or similar agreements in Germany, in particular relating to work conditions, of the Aareal Group. The Bidder intends to respect the rights of the employees and works councils (*Betriebsräte*) in the Aareal Group, including the current structures established in connection therewith. As agreed in the New Investment Agreement, the Bidder has no intention to cause Aareal Bank AG to take actions that would result in a change of the agreed pension plans or similar commitments to employees or to cause Aareal Bank AG to leave the employers' association (*Arbeitgeberverband*).

The Bidder does not have any intention, as agreed in the New Investment Agreement, to cause Aareal Bank AG to reduce the current staffing levels of the Aareal Group beyond the reduction in staffing levels planned by the management board of Aareal Bank AG as part of its existing strategy, unless deemed necessary by the management board of Aareal Bank AG as part of normal management of the business in accordance with the strategy pursued by the management board. The Bidder intends to support an increase of the current staffing levels of the Aareal Group in the relevant segments in a manner that supports the business plan.

Further, as agreed in the New Investment Agreement, the Bidder has no intention to cause Aareal Bank AG to take any actions that would lead to a change in the existing level or the status of co-determination in the supervisory board save for any changes required by law.

Apart from this, the Bidder has no intentions that could affect the employees of Aareal Bank AG, their representation or their employment conditions.

#### 7.4.4 Members of the management board and the supervisory board of Aareal Bank AG

The Bidder has full confidence in the present members of the management board of Aareal Bank AG and intends that the management board continues in its current composition to lead Aareal Bank AG, since it is of crucial importance to the future success of Aareal Bank AG. The Bidder has no intention to effect or initiate a change of the composition of the management board. The Bidder also has no intention to initiate, and has no intention to otherwise support, any action aiming at the removal of the current members of the management board or the termination of any corresponding service agreement.

Further, the Bidder has no intention to change the areas of responsibility of the members of the management board with regard to Aareal Bank AG's business after the implementation of the Takeover Offer.

The Bidder acknowledges that the supervisory board of Aareal Bank AG shall continue to consist of twelve (12) members, including four (4) employee representatives, save for any changes required by law provided that the size of the supervisory board may be increased, to the extent legally permissible, if otherwise the number of representatives elected by shareholders would be reduced below eight (8) members. The Bidder intends to effect a change on the part of the shareholder representatives on the supervisory board following consummation of the Takeover Offer which appropriately reflects the Bidder's holding in Aareal Bank AG at this time and which shall include the chairperson of the supervisory board.

The Bidder acknowledges that the supervisory board (i) in accordance with and in following the respective recommendations of the German Corporate Governance Code, shall have at least two (2) independent members (including the chair of the audit committee), and (ii) in accordance with the expectations of the regulatory authorities, particularly the applicable EBA guidelines, shall have a sufficient number of independent members who shall be actively involved in the work of the supervisory board committees.

Apart from this, the Bidder has no intentions with respect to the members of the management board and supervisory board.

#### 7.4.5 Structural measures

Apart from the following intentions, the Bidder has no intentions with respect to structural measures.

Depending on the size of the Bidder's shareholding in Aareal Bank AG after the successful completion of the Takeover Offer as well as the prevailing market conditions, the economic situation and regulatory framework at the time, the Bidder intends to assess one or more of the following measures.

##### (a) Delisting

Following the settlement of the Takeover Offer, or at any future date, the Bidder intends, subject to market conditions and only insofar as economically reasonable at the relevant time, to assess the effectuation of a withdrawal of the admission to trading of the Aareal Shares on the regulated market ("**Delisting**"). Pursuant to the New Investment Agreement, the management board of Aareal Bank AG will support the Bidder (subject to its fiduciary duties under German law) if and once the Bidder has decided to initiate such measure.

As a requirement of a Delisting, a delisting offer pursuant to Section 39 para. 2 of the German Stock Exchange Act (*Börsengesetz* – "**BörsG**") would have to be made to all minority shareholders of Aareal Bank AG. The offer price for such delisting offer could be equivalent to the Offer Price but could also be higher or lower. However, the Bidder has no intention to launch a delisting offer at a price higher than the Offer Price.

Following a Delisting, Aareal Shares would be discontinued from trading on the regulated market, which could make Aareal Shares effectively illiquid. A Delisting would also terminate the comprehensive capital markets oriented reporting obligations of Aareal Bank AG.

##### (b) Squeeze-out

If, following the settlement of the Takeover Offer, or at any future date, the Bidder holds a number of Aareal Shares that a shareholder of a stock corporation must hold in order to demand a transfer of the shares of the outside shareholders to the principal shareholder in exchange for a fair cash compensation (squeeze-out), the Bidder intends, subject to market conditions and only insofar as it is economically reasonable, to assess the effectuation of a squeeze-out of the outside Aareal Shareholders.

The implementation of a squeeze-out of the minority shareholders would result in a Delisting.

#### 7.4.6 No domination and/or profit and loss pooling agreement

The Bidder has no intention to conclude a domination and/or profit and loss pooling agreement with Aareal Bank AG and undertook in the New Investment Agreement not to cause Aareal Bank AG to conclude a domination and/or profit and loss pooling agreement with the Bidder or any affiliated company to the Bidder. This undertaking is in line with the usual regulatory expectation not to enter into such agreement and to achieve clearance of the Transaction from the banking regulators.

#### 7.4.7 Intentions with respect to the business activities of the Bidder and Atlantic Lux HoldCo S.à r.l.

The Bidder and Atlantic Lux HoldCo S.à r.l. have no intentions that could have consequences for the registered office or the location of significant parts of the Bidder's or Atlantic Lux HoldCo S.à r.l.'s business or the employees, their representation and employment conditions, or the members of the management bodies of Atlantic Lux HoldCo S.à r.l. or the Bidder. Following the settlement of the Takeover Offer, the Bidder and Atlantic Lux HoldCo S.à r.l. intend to assess the change of the legal form of the Bidder, in particular a form change into a limited partnership. With the exception of the consequences for the assets, liabilities, financial position, and results of the Bidder which are set out in Section 13, there are no intentions of the Bidder and Atlantic Lux HoldCo S.à r.l. that could have consequences for the use of assets or the future obligations of Atlantic Lux HoldCo S.à r.l. or the Bidder. The Bidder and Atlantic Lux HoldCo S.à r.l. have no further intentions with respect to the future business activities of Atlantic Lux HoldCo S.à r.l. or the Bidder.

## 8. EXPLANATION REGARDING FAIRNESS OF OFFER PRICE

The Offer Price amounts to EUR 33.00 per Aareal Share.

The Bidder is of the view that the Offer Price constitutes an attractive consideration for the Aareal Shares. In particular, the Offer Price represents a significant premium to relevant value benchmarks (cf. Section 8.2 below).

### 8.1 Statutory minimum offer price

According to Section 31 para. 1 and para. 7 WpÜG in conjunction with Sections 4 and 5 WpÜG Offer Regulation (*WpÜG-Angebotsverordnung*), the consideration offered to the Aareal Shareholders for their Aareal Shares as part of a voluntary public takeover offer within the meaning of Section 29 para. 1 WpÜG may not be less than a minimum value to be determined according to these provisions. The minimum consideration to be offered to the Aareal Shareholders per Aareal Share is the higher of the two following values:

- According to Section 5 WpÜG Offer Regulation, the consideration for the Aareal Shares must be equivalent to at least the weighted average domestic stock exchange price of the Aareal Shares during the last three months before publication of the decision to launch the Takeover Offer pursuant to Section 10 WpÜG on April 7, 2022. The minimum price communicated by BaFin as of the relevant date of April 6, 2022 is EUR 28.29 per Aareal Share. The Offer Price in the amount of EUR 33.00 per Aareal Share exceeds this amount by EUR 4.71, i.e., by approximately 17%.
- According to Section 4 WpÜG Offer Regulation, the consideration must be equivalent to at least the value of the highest consideration agreed upon or granted by the Bidder, a person acting jointly with it within the meaning of Section 2 para. 5 WpÜG, or their subsidiaries for the acquisition of Aareal Shares within the last six months before the publication of this Offer Document pursuant to Section 14 para. 2 sentence 1 WpÜG on April 26, 2022. During the period of six months before April 26, 2022 (the date of publication of the Offer Document), the Bidder and Atlantic Lux HoldCo S.à r.l., a person acting jointly with it, have acquired Aareal Shares or entered into agreements within the meaning of Section 31 para. 6 sentence 1 WpÜG as a result of which the transfer of ownership of Aareal Shares may be demanded for a maximum consideration of EUR 32.50 per Aareal Share (see Section 5.6).

## 8.2 Economic fairness of the Offer Price

The Offer Price per Aareal Share of EUR 33.00 is higher than the three-month average price communicated by BaFin and higher than the consideration agreed upon or granted by the Bidder, a person acting jointly with it within the meaning of Section 2 para. 5 WpÜG, or their subsidiaries for the acquisition of Aareal Shares within the last six months before the publication of this Offer Document on April 26, 2022 (see Section 8.1). Therefore, the Offer Price meets the requirements of Section 31 para.1 and para. 7 WpÜG in conjunction with Sections 4 and 5 WpÜG Offer Regulation (*WpÜG-Angebotsverordnung*).

In addition to the factors set out in Section 8.1 of this Offer Document, the Bidder considered further factors for the determination of the Offer Price, in particular historical stock exchange prices of the Aareal Shares as well as research analyst target prices of the Aareal Shares. The Bidder believes that the stock exchange prices of the Aareal Shares – in particular before the ad-hoc releases of Aareal Bank AG on October 7, 2021 regarding talks with financial investors and on April 5, 2022 regarding a potential revised offer by the Bidder – constitute a suitable basis for assessing the reasonableness of the Offer Price. The trading in Aareal Shares is functioning with adequate free-float and adequate trading volume.

### 8.2.1 Premium based on the stock exchange price of the Aareal Shares

In relation to the share price prior to the confirmation of talks with financial investors by way of an ad-hoc release by Aareal Bank AG on October 7, 2021, the Offer Price contains the following premiums:

- On October 6, 2021, the last Stock Exchange Trading Day prior to the ad-hoc release by Aareal Bank AG regarding talks with financial investors, the stock exchange price (XETRA-closing price) of Aareal Shares was EUR 23.60 (source: Bloomberg). In relation to this stock exchange price, the Offer Price contains a premium of EUR 9.40 or approximately 40%.
- The volume-weighted average stock exchange price for the three-month period prior to (and including) October 6, 2021, the last Stock Exchange Trading Day prior to the ad-hoc release by Aareal Bank AG regarding talks with financial investors, amounted to approximately EUR 21.48 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 11.52 or approximately 54%.
- The volume-weighted average stock exchange price for the six-month period prior to (and including) October 6, 2021, the last Stock Exchange Trading Day prior to the ad-hoc release by Aareal Bank AG regarding talks with financial investors, amounted to approximately EUR 21.59 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 11.41 or approximately 53%.
- The volume-weighted average stock exchange price for the twelve-month period prior to (and including) October 6, 2021, the last Stock Exchange Trading Day prior to the ad-hoc release by Aareal Bank AG regarding talks with financial investors, amounted to approximately EUR 20.73 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 12.27 or approximately 59%.

Notwithstanding the fact that the stock exchange price of the Aareal Share was influenced by the Original Offer, the Offer Price of EUR 33.00 also contains the following premiums in relation to the stock exchange price of the Aareal Share prior to reports in the press on April 4, 2022 on market rumours that the Bidder is preparing a revised offer:

- On April 1, 2022, the last Stock Exchange Trading Day prior to press reports on April 4, 2022 on market rumours regarding the preparation of a revised offer by the Bidder, the

stock exchange price (XETRA-closing price) of Aareal Shares was EUR 29.06 (source: Bloomberg). In relation to this stock exchange price, the Offer Price contains a premium of EUR 3.94 or approximately 14%.

- The volume-weighted average stock exchange price for the three-month period prior to (and including) April 1, 2022, the last Stock Exchange Trading Day prior to press reports on April 4, 2022 on market rumours regarding the preparation of a revised offer by the Bidder, amounted to approximately EUR 27.66 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 5.34 or approximately 19%.
- The volume-weighted average stock exchange price for the six-month period prior to (and including) April 1, 2022, the last Stock Exchange Trading Day prior to press reports on April 4, 2022 on market rumours regarding the preparation of a revised offer by the Bidder, amounted to approximately EUR 27.98 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 5.02 or approximately 18%.
- The volume-weighted average stock exchange price for the twelve-month period prior to (and including) April 1, 2022, the last Stock Exchange Trading Day prior to press reports on April 4, 2022 on market rumours regarding the preparation of a revised offer by the Bidder, was approximately EUR 24.75 (source: Bloomberg). In relation to this average share price, the Offer Price contains a premium of EUR 8.25 or approximately 33%.

#### 8.2.2 Premium based on research analyst target prices

Furthermore, the adequacy of the Offer Price is, in the opinion of the Bidder, illustrated by the following target price expectations by equity research analysts for the Aareal Share that were published on Bloomberg prior to (and including) October 6, 2021, the last day prior to the confirmation of talks with financial investors by way of an ad-hoc release by Aareal Bank AG on October 7, 2021:

<b>Bank</b>	<b>Date of Analysis</b>	<b>Target Price</b>
Baader Bank	September 30, 2021	EUR 26.10
M.M. Warburg	September 6, 2021	EUR 28.00
Bankhaus Metzler	September 6, 2021	EUR 18.10
Deutsche Bank	September 3, 2021	EUR 22.00
Pareto Securities	August 19, 2021	EUR 21.00
Independent Research	August 17, 2021	EUR 18.50
Landesbank Baden-Württemberg	August 16, 2021	EUR 22.00
Kepler Cheuvreux	August 16, 2021	EUR 18.90
NORD/LB	August 13, 2021	EUR 22.00
HSBC	August 12, 2021	EUR 28.00
DZ Bank AG	August 12, 2021	EUR 24.00
<b>Median</b>		<b>EUR 22.00</b>

The expectations by analysts set forth above show a median stock exchange price expectation of EUR 22.00. In relation to this price, the Offer Price contains a premium of EUR 11.00 per Aareal Share or approximately 50%. The Offer Price is also higher than any of the target prices expected by analysts.

In the opinion of the Bidder, analyst expectations released following publication of the ad-hoc release by Aareal Bank AG on October 7, 2021 and the decision to launch the Original Offer



pursuant to Section 10 para. 1 sentence 1 WpÜG on November 23, 2021 do not form a reliable basis to determine the fairness of the Offer Price, as it is likely that these expectations have already been influenced, at least partially, by takeover speculations and the consideration of EUR 29.00, which was later increased to EUR 31.00, offered in the Original Offer, respectively.

In light of the aspects mentioned under Sections 8.2.1 and 8.2.2, the Bidder is convinced that the Offer Price constitutes a highly attractive consideration for the acquisition of Aareal Shares. Subject to the review of this Offer Document, the management board and supervisory board of Aareal Bank AG also expressed their support for this Offer.

The Bidder has not applied any other valuation methods to determine the Offer Price.

### **8.3 Inapplicability of Section 33b WpÜG**

The articles of association of Aareal Bank AG do not provide for an application of Section 33b para. 2 WpÜG. The Bidder is therefore not obligated to pay any compensation according to Section 33b para. 5 WpÜG.

## **9. OFFICIAL APPROVALS AND PROCEEDINGS**

### **9.1 Requirement of clearances under merger control law; status of proceedings**

The planned acquisition of the Aareal Shares by the Bidder through the Original Offer and in accordance with this Takeover Offer (the “**Transaction**”) required or requires, respectively, mandatory pre-merger clearance by the following competition authorities:

(a) Merger control clearance in Germany

On January 19, 2022, the German Federal Cartel Office (*Bundeskartellamt*) has cleared the intended acquisition of Aareal Shares in connection with the Original Offer and such clearance also applies to this Transaction.

(b) Merger control clearance in Austria

With a letter dating February 10, 2022, the Austrian Federal Competition Authority (*Bundeswettbewerbsbehörde*) informed the Bidder that no in-depth examination to the Vienna Higher Regional Court had been requested with regard to the intended acquisition of Aareal Shares in connection with the Original Offer. Such clearance also applies to this Transaction.

(c) Merger control clearance in the United States

On January 19, 2022, the applicable waiting periods pursuant to the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “**HSR Act**”) and the regulations promulgated thereunder following the notification of the intended acquisition of Aareal Shares in connection with the Original Offer have expired. Provided that the Takeover Offer is settled not later than January 19, 2023, such clearance also applies to this Transaction. The Bidder intends to obtain a new clearance under the HSR Act if all other Offer Conditions are not satisfied or effectively waived in advance until (and including) January 5, 2023.

The Bidder does not believe that any additional pre-merger anti-trust filings are required with respect to the Transaction. To the extent that any additional anti-trust filings are required pursu-

ant to other applicable foreign anti-trust laws, the Bidder will make such filings to the extent possible.

## 9.2 Foreign investment control proceedings; status of proceedings

### (a) Germany

The Transaction involves the acquisition of an indirect stake of more than 10%, 20% and 25% of the voting rights in a German company by a non-EU/EFTA investor and is therefore subject to the German foreign investment control regime under Section 5 para. 2 German Foreign Trade Act (*Außenwirtschaftsgesetz*, “**AWG**”) and Sections 55 et seqq. German Foreign Trade Ordinance (*Außenwirtschaftsverordnung*, “**AWV**”).

Under this regime, the Federal Ministry for Economic Affairs and Climate Action (*Bundesministerium für Wirtschaft und Klimaschutz*, “**BMWK**”) may review whether the acquisition of a German company by a non-EU/EFTA investor is likely to endanger public order or security of the Federal Republic of Germany or of another member state of the European Union or in connection with certain projects or programs within the interest of the European Union pursuant to Section 55 AWV. Here, despite the receipt of clearance for the Original Offer on January 25, 2022, the Transaction is notifiable to the BMWK pursuant to Section 55a para. 4 in conjunction with para. 1 no. 1 AWV.

Upon notification, the BMWK can clear the Transaction pursuant to Section 58a para. 1 AWV. Clearance is deemed to have been granted in accordance with Section 58a para. 2 AWV in conjunction with Section 14a paras. 1, 3 AWG if the BMWK, within two months from the filing of the notification, has not initiated formal review proceedings according to Section 55 AWV. The BMWK may initiate formal review proceedings at its own discretion pursuant to Section 55 AWV within two months after obtaining knowledge of the publication of the decision to launch the Offer under the WpÜG. If the BMWK initiates formal review proceedings, it has four months, after having received the complete set of information necessary for the formal review proceedings, to decide whether to clear the Transaction, to prohibit the Transaction or either to issue orders to ensure public order and security of the Federal Republic of Germany (Section 59 AWV).

The Bidder notified the Transaction to the BMWK pursuant to Section 55a para. 4 AWV on April 14, 2022. Given that the Bidder had already received clearance from the BMWK for the Original Offer, it expects to receive clearance for this Transaction within the initial two-month period.

### (b) Spain

On January 21, 2022, the Bidder notified the intended acquisition of Aareal Shares in connection with the Original Offer to the Spanish Ministry for Industry, Commerce and Tourism (*Ministerio de Industria, Comercio y Turismo*) (the “**Spanish FDI Authority**”), under the Article 7bis of the Spanish Act 19/2003, of 4 July, laying down rules on the legal regime for foreign capital movements and foreign economic transactions (the “**Spanish FDI Act**”). On April 1, 2022, the Spanish FDI Authority, informed the Bidder that it does not consider the intended acquisition of Aareal Shares in connection with the Original Offer to be subject to authorisation pursuant to the Spanish FDI Act. With a notification dating April 19, 2022, the Spanish FDI Authority confirmed that this Transaction does not require a new notification under the Spanish FDI Act.

### 9.3 Requirement of clearance under banking regulatory law; status of proceedings

#### (a) Clearance by ECB

The intended acquisition of a significant holding in Aareal Bank AG must, pursuant to Section 2c para. 1 sentence 1 of the German Banking Act (*Kreditwesengesetz*, “KWG”), be notified to BaFin by the Bidder and its direct and indirect shareholders (to the extent deemed by BaFin and European Central Bank (“ECB”) to be obligated to make filings pursuant to Section 2c para. 1 KWG with regard to the Transaction) (the “**Notifying Parties**”). According to Article 4 para. 1(c) Regulation (EU) No 1024/2013 (“SSMR”), the ECB is exclusively competent to decide on the admissibility of the acquisition.

BaFin and ECB together have 60 working days as from the date of the letter by which BaFin confirmed in writing the receipt of the complete notification (Section 2c para. 1a KWG) to assess the notification (assessment period). BaFin may extend the assessment period once for up to 30 working days to request additional information. The assessment period may be further suspended until the regulatory procedure for the Bidder and Atlantic Lux HoldCo S.à r.l. becoming financial holding companies pursuant to Section 2f KWG or Article 21a of the Directive 2013/36/EU is complete. In complex cases, the proceeding pursuant to Section 2c KWG with regard to an acquisition of a majority stake in a credit institution involving multiple investors may take up to approximately one year before a confirmation of a complete notification is issued.

Following its assessment, BaFin shall prepare a draft decision for the ECB to oppose or not to oppose the acquisition, which is to be submitted to the ECB at least 15 working days before the end of the assessment period in accordance with Article 86 para. 2 of Regulation (EU) No 468/2014 (“**SSM Framework Regulation**”).

The ECB shall decide whether or not to oppose the acquisition on the basis of its assessment of the proposed acquisition and BaFin’s draft decision. ECB is deemed to have approved the acquisition if it has not opposed the proposed acquisition within the assessment period.

In addition, the German Central Bank (*Deutsche Bundesbank*) needs to be notified of the intended acquisition of a significant participation in regulated entities. This notification is not an additional approval requirement but shall rather allow the German Central Bank to state its position in the course of the assessment BaFin undertakes prior to forwarding its proposal for a decision to the ECB.

Atlantic Lux HoldCo S.à r.l. and the Bidder have notified BaFin and the German Central Bank of their intention to acquire a major shareholding in Aareal Bank AG pursuant to Section 2c para. 1 KWG on April 8, 2022. The documents necessary for the complete notification are currently being compiled in consultation with BaFin and the German Central Bank.

BaFin will confirm that the submitted notifications are complete – including any other document they request – as soon as BaFin receives all required documents. In light of a corresponding supervisory practice of BaFin and the ECB, it can be assumed that a confirmation of the completeness is made at a uniform time for all Notifying Parties, namely only if all Notifying Parties have submitted a full notification.

## (b) Deposit protection fund

Since Aareal Bank AG is a member of the deposit protection fund of the Federal Association of German Banks (*Bundesverband deutscher Banken e.V. Einlagensicherungsfonds*, “**Deposit Guarantee Fund**”), Atlantic Lux HoldCo S.à r.l. and the Bidder are obligated (i) to give the Federal Association of German Banks (*Bundesverband deutscher Banken e.V.*, “**BdB**”) and the Audit Association of German Banks (*Prüfungsverband deutscher Banken e.V.*, “**PdB**”), as such acting on behalf of BdB, the opportunity to assess whether they are fit and proper as owners of the majority of Aareal Shares and (ii) to disclose all relevant facts so as not to trigger an automatic termination of Aareal Bank AG’s membership in the Deposit Guarantee Fund (Section 4 para. 7 of the by-laws of the Deposit Guarantee Fund). On April 8, 2022, both Atlantic Lux HoldCo S.à r.l. and the Bidder submitted an initial letter of intent to the BdB and the PdB.

## (c) Clearance in Singapore

Aareal Bank Asia Limited (“**ABAL**”), a Singapore-incorporated company licensed as a merchant bank by the Monetary Authority of Singapore (“**MAS**”) under the Banking Act, Chapter 19 of Singapore (“**Banking Act**”) and a wholly owned subsidiary of Aareal Bank AG, is required to (i) obtain prior regulatory clearance from the MAS for any proposed indirect change in shareholders which would result in a change in control of ABAL and (ii) notify the MAS in writing within 7 days of becoming aware of (a) any transfer, sale or purchase, or any proposed transfer, sale or purchase, of any shares in ABAL to or by any person or (b) any other agreement or arrangement that results in a person becoming or ceasing to be a substantial shareholder or indirect controller of ABAL. Prior regulatory clearance in (i) is required as the MAS has the power to revoke ABAL’s merchant bank licence if it is not satisfied with the change in control and notification to the MAS and in (ii) is required under Section 55W of the Banking Act. The process of obtaining prior regulatory clearance in (i) and making notification to the MAS in (ii) can practically be done at the same time and in the same letter to MAS.

It is intended that ABAL will notify MAS of the proposed changes in its indirect shareholder structure shortly after the publication of the Offer Document.

It is expected that the banking regulatory proceedings will be completed in the first quarter of 2023. However, it is not possible to make a binding forecast concerning the date such proceedings will be completed because of the comprehensive information requirements of such proceedings and the multiple parties involved.

#### 9.4 Approval of publication of the Offer Document

BaFin approved the publication of the Offer Document on April 26, 2022. On April 7, 2022, BaFin granted the Bidder exemption from the Exclusion Period.

## 10. OFFER CONDITIONS

### 10.1 Offer Conditions

The Takeover Offer and the contracts with the Aareal Shareholders which come into existence as a result of its acceptance will only be consummated if (i) the following conditions precedent (*aufschiebende Bedingungen*) (the “**Offer Conditions**”) have been satisfied within the relevant time periods specified below, or (ii) the Bidder has effectively waived the satisfaction of the respective Offer Condition at least one business day before the end of the Acceptance Period (and prior to the non-satisfaction of the relevant Offer Condition):

#### 10.1.1 Merger control clearance

After the publication of the Offer Document and by no later than May 24, 2023, the Transaction contemplated by this Offer Document has been approved (including by non-prohibition) by the competent antitrust authorities in the United States (the “**U.S. Antitrust Condition**”).

The U.S. Antitrust Condition shall also be deemed to be fulfilled if (i) the statutory waiting periods have lapsed or been terminated, or (ii) the Transaction is deemed to be cleared (or not prohibited) pursuant to the applicable procedural law, or (iii) the authority has declined or given up jurisdiction, or (iv) the authorities have otherwise decided that notification of the Transaction is not required or has declared that the Transaction may be consummated without obtaining its prior approval.

The U.S. Antitrust Condition only applies if all other Offer Conditions are not satisfied or effectively waived until (and including) January 5, 2023.

#### 10.1.2 Foreign investment control clearance

After the publication of the Offer Document and by no later than May 24, 2023, (i) the BMWK has cleared the Transaction pursuant to Section 58a para. 1 AWV, or (ii) the BMWK has not cleared the Transaction and not initiated formal review proceedings within the two-month period (plus any extension thereof) as set out in Section 14a paras. 1, 3 AWG in accordance with Section 55 para. 3 AWV in conjunction with Section 14a paras. 2, 3 AWG, or (iii) the BMWK has, in case of formal review proceedings, not prohibited the Transaction or issued orders within the four-month period (plus any extension thereof) as set out in Section 59 AWV unless the Bidder notifies Aareal Bank AG that it will comply with such orders, or (iv) the BMWK has, in case of formal review proceedings, approved the Transaction within the four-month period (plus any extension thereof) as set out in Section 14a paras. 1, 3 AWG, or (v) the BMWK has confirmed in writing that it will not prohibit the Transaction or has otherwise approved in writing the Transaction.

#### 10.1.3 Clearances under banking regulatory law

- (a) After the publication of the Offer Document and by no later than May 24, 2023, the ECB has decided not to oppose the Transaction (Article 87 SSM Framework Regulation) and has notified the decision to the Bidder and the Notifying Parties in accordance with Article 88 SSM Framework Regulation or the Transaction is deemed to be approved because the applicable review periods have lapsed without a preliminary or final opposition of the ECB to the Transaction.

- (b) After the publication of the Offer Document and by no later than May 24, 2023, the BdB and PdB have confirmed that they do not object to the Transaction and confirmed that Aareal Bank AG may remain a member of the Deposit Guarantee Fund.
- (c) After the publication of the Offer Document and by no later than May 24, 2023, the MAS has confirmed that they do not object to the Transaction.

The Offer Conditions described in this Section 10.1.3 apply in each case individually.

#### 10.1.4 Minimum acceptance threshold

At the end of the Acceptance Period, the total amount of

- (a) the Aareal Shares for which the Offer has been effectively accepted until the end of the Acceptance Period and no withdrawal from the agreement concluded by acceptance of the Offer has been effectively declared,
- (b) the Aareal Shares which are directly held by the Bidder or a person acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG,
- (c) the Aareal Shares which are attributable to the Bidder or Atlantic Lux HoldCo S.à r.l. in corresponding application of Section 30 WpÜG,
- (d) the Aareal Shares for which the Bidder or persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG have concluded a conditional or unconditional agreement outside of this Offer, which entitles them to demand the transfer of title to these Aareal Shares within the meaning of Section 31 para. 6 WpÜG,
- (e) the Aareal Shares for which the Bidder or persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG hold instruments within the meaning of Section 38 WpHG providing for physical settlement, except for the irrevocable undertakings described in Section 5.5 of this Offer Document, and
- (f) the 4,851,049 Aareal Shares that are subject to the irrevocable undertaking with Petrus Advisers Investments Fund L.P.,

is equivalent to at least 60% of the Aareal Shares issued (as set forth in the articles of association of Aareal Bank AG) at the end of the Acceptance Period (this corresponds to 35,914,333 Aareal Shares at the time of the publication of this Offer Document). Aareal Shares which are subject to several of the preceding paragraphs (a) to (f) will be taken into account only once.

For the purposes of calculating the minimum acceptance threshold, the 5,980,000 Aareal Shares that are subject to the Share Purchase Agreement will be taken into account pursuant to Section 10.1.4(d) and the 250,000 Aareal Shares for which VESA Equity Investment S.à r.l. has granted a voting power of attorney to Atlantic Lux HoldCo S.à r.l. will be taken into account pursuant to Section 10.1.4(c). The 4,851,049 Aareal Shares that are subject to the irrevocable undertaking with Petrus Advisers Investments Fund L.P. will be taken into account pursuant to Section 10.1.4(f). In addition, the 10,872,261 Aareal Shares that are subject to the further irrevocable undertakings described in Section 5.5 of this Offer Document, once tendered, will count towards the minimum acceptance threshold pursuant to Section 10.1.4(a).

As a consequence, as of the date of the publication of this Offer Document and assuming that the irrevocable undertakings will be fulfilled, the Bidder has secured a total of 21,953,310 Aare-

al Shares counting towards the minimum acceptance threshold which correspond to approximately 36.68% of the Aareal Shares issued at the time of the publication of this Offer Document.

#### 10.1.5 No material compliance breach

Between the publication of the Offer Document and the end of the Acceptance Period, no criminal or administrative offense (*Ordnungswidrigkeit*) by Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG, a member of a governing body, officer, agent or appointed adviser of Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG while any such person was operating in their official capacity at, or on behalf of, Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG (be it (i) an offense under any applicable administrative or criminal laws in the United States, Germany or any other jurisdiction whose laws apply to operations of Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG, (ii) bribery offenses and corruption, (iii) violation of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United Nations Security Council, the European Union, the UK Treasury, or other relevant sanctions authority, or (iv) anti-trust violations or money laundering) shall become known to have occurred, that

- (a) constitutes, or without becoming known would constitute, inside information for Aareal Bank AG pursuant to Article 7 of Regulation (EU) No 596/2014 (market abuse regulation), or
- (b) has resulted in, or would reasonably be expected to result in, (a) a penalty or fine of at least EUR 10 million (in words: ten million Euro) to be imposed on Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG by a government agency or in a corresponding compromise to be made with a government agency, or (b) an order to be imposed against Aareal Bank AG pursuant to Article 16 para. 2 lit. e) SSMR or an equivalent order under similar laws, or a revocation of a regulatory licence or authorisation of Aareal Bank AG or an affiliate of Aareal Bank AG within the meaning of Section 15 et seqq. AktG necessary for operating the core business areas banking business, including payment services, and/or covered bond business

(a “**Material Compliance Breach**”).

Whether a Material Compliance Breach has occurred during the Acceptance Period will be exclusively determined on the basis of an opinion provided by the Independent Expert (as defined in Section 10.2), in accordance with the more detailed provisions of Section 10.2 of the Offer Document. If (i) the Independent Expert confirms that a Material Compliance Breach has occurred during the Acceptance Period, (ii) such opinion of the Independent Expert has been received by the Bidder by the end of the Acceptance Period, and (iii) the Bidder has published the receipt and the result of such opinion of the Independent Expert at the time of the publication pursuant to Section 23 para. 1 sentence 1 number 2 WpÜG at the latest, then the Offer Condition pursuant to this Section 10.1.5 has not been fulfilled. Otherwise, the Offer Condition pursuant to this Section 10.1.5 has been fulfilled.

#### 10.1.6 No market material adverse change

Between the publication of the Offer Document and the end of the Acceptance Period, the daily closing quotation of the STOXX Europe 600 index (ISIN EU0009658202), as determined by

STOXX Ltd., a subsidiary of Deutsche Börse AG, and published on the internet website <https://www.stoxx.com/index-details?symbol=SXXP>, is not below 342.5 points on three consecutive trading days.

#### 10.1.7 No capital measures

None of the following events has occurred between the publication of this Offer Document and the end of the Acceptance Period:

- (a) the share capital of Aareal Bank AG has been increased or decreased and such increase and/or decrease has been registered in the commercial register;
- (b) the general meeting of Aareal Bank AG has adopted a resolution (i) to increase the share capital (including from own funds) or decrease the share capital, and/or (ii) to issue rights or instruments (including those under Section 221 AktG) giving the right to subscribe for Aareal Shares;
- (c) Aareal Bank AG has publicly announced on its webpage that the management board and the supervisory board of Aareal Bank AG have adopted a resolution on the issuance of rights or instruments (including those under Section 221 AktG) giving the right to subscribe for Aareal Shares or such rights or instruments have been issued by Aareal Bank AG;
- (d) Aareal Bank AG has publicly announced on its webpage that the management board and the supervisory board of Aareal Bank AG have adopted a resolution to increase the share capital of Aareal Bank AG from authorized capital to issue Aareal Shares;
- (e) Aareal Bank AG has publicly announced on its webpage that Aareal Bank AG has implemented or the general meeting of Aareal Bank AG has adopted a resolution to implement a share split, reverse share split or any other measure that changes or would, if implemented, change the registered share capital of Aareal Bank AG; or
- (f) Aareal Bank AG has publicly announced on its webpage that Aareal Bank AG has granted, sold, contracted to sell, transferred, or otherwise disposed of any treasury shares;

except in each case for fulfilling obligations under employee incentive programmes.

The Offer Conditions described in this Section 10.1.7 apply in each case individually.

#### 10.1.8 No moratorium, no insolvency

Between the publication of the Offer Document and the end of the Acceptance Period, Aareal Bank AG has not published an announcement pursuant to Article 17 of Regulation (EU) No 596/2014 (market abuse regulation) stating that (i) a moratorium was imposed on Aareal Bank AG, (ii) it was determined that compensation is payable to Aareal Bank AG's depositors (*Entschädigungsfall*), (iii) insolvency proceedings under German law have been opened in respect of the assets of Aareal Bank AG, (iv) Aareal Bank AG or BaFin has applied for such proceedings to be opened or (v) there are grounds that would justify an application for the opening of insolvency proceedings (including, for the avoidance of doubt "imminent illiquidity" (*drohende Zahlungsunfähigkeit*)).



### 10.1.9 No dividend, no share buy-back, no measure under the German Transformation Act

None of the following events has occurred between the publication of this Offer Document and the end of the Acceptance Period:

- (a) the general meeting of Aareal Bank AG has passed a resolution to pay a dividend for the 2021 financial year;
- (b) Aareal Bank AG has publicly announced that Aareal Bank AG has acquired or resolved to acquire own shares;
- (c) the general meeting of Aareal Bank AG or the general meeting of Aareon AG has passed a resolution to effect or to cause the management board of Aareal Bank AG to prepare a measure under the German Transformation Act (*Umwandlungsgesetz*), in particular a spin-off (*Abspaltung*) of the participation held in Aareon AG by Aareal Bank AG.

The Offer Conditions described in this Section 10.1.9 apply in each case individually.

### 10.1.10 No prohibition of the Offer

Between the publication of the Offer Document and the end of the Acceptance Period, the Bidder has not received any Order from any Court which is still in effect immediately prior to the expiration of the Acceptance Period prohibiting continuation or consummation of the Takeover Offer.

For the purposes of this Section 10.1.10, the following definitions shall apply:

“**Court**” means any court of law in the Member States of the European Union, the United Kingdom and the United States.

“**Order**” means any order, resolution, decision, judgment, decree, or other determination of a Court.

## 10.2 Independent expert

A Material Compliance Breach will be determined by ValueTrust Financial Advisors SE, with its registered seat in Munich, Germany, as independent expert (the “**Independent Expert**”). The Independent Expert, following a careful examination according to the standards of a diligent professional, will provide an opinion stating whether a Material Compliance Breach has occurred.

In the New Investment Agreement, Aareal Bank AG undertook, to the extent legally permissible and reasonably practicable, to provide (i) reasonable support and affirmative confirmations to the Independent Expert, and (ii) all requisite information regarding Aareal Bank AG, its subsidiaries and the business they operate provided however, that all independent, third-party adviser costs and expenses incurred by Aareal Bank AG in connection with the determination by the Independent Expert shall be borne by the Bidder.

The Independent Expert will act only upon request of the Bidder. The Bidder will publish the fact that a procedure has been initiated for determining whether a Material Compliance Breach has occurred during the Acceptance Period, including a reference to the Takeover Offer, in the Federal Gazette and on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com) without undue delay.

If the Bidder has received an opinion of the Independent Expert by the end of the Acceptance Period which states that a Material Compliance Breach has occurred during the Acceptance Period, the Bidder is obliged to publish the fact that it received such opinion and its findings, including a reference to the Offer Document, in the Federal Gazette and on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com) without undue delay but in any case no later than at the time of the publication pursuant to Section 23 para. 1 sentence 1 number 2 WpÜG. The opinion provided by the Independent Expert is binding and final for the Bidder as well as the tendering shareholders. The costs and expenses of the Independent Expert will be borne by the Bidder.

### **10.3 Non-satisfaction of Offer Conditions; waiver of Offer Conditions**

The Offer Conditions set out in Sections 10.1.1 through 10.1.10 of this Offer Document shall each constitute independent and separable conditions. In accordance with Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG, the Bidder can waive in advance all or individual Offer Conditions – to the extent permitted – up to one business day before the end of the Acceptance Period. A waiver is equivalent to satisfaction of the relevant Offer Condition. In case of a waiver of an Offer Condition, the Acceptance Period will automatically be extended by two weeks (Section 21 para. 5 WpÜG), to the extent the waiver is published within the last two weeks prior to the expiration of the Acceptance Period.

If the Offer Conditions specified in Section 10.1 have either not been satisfied until the applicable date or have definitively lapsed before these dates and the Bidder has not effectively waived them in advance, the Offer shall lapse. In this case, the contracts which come into existence as a result of accepting the Offer will not become valid and will not be consummated (conditions precedent). In this case, an unwinding pursuant to Section 11.9 will take place.

### **10.4 Publication of satisfaction or non-satisfaction of the Offer Conditions**

The Bidder will promptly make an announcement if an Offer Condition has been satisfied. As part of the publication in accordance with Section 23 para. 1 sentence 1 number 2 WpÜG, the Bidder will promptly announce after the end of the Acceptance Period which Offer Conditions have been satisfied up to that point. Furthermore, the Bidder will announce (i) the waiver of Offer Conditions, whereas such a waiver has to be declared one business day before the end of the Acceptance Period at the latest, (ii) the fact that all Offer Conditions have either been satisfied or have effectively been waived and (iii) the fact that an Offer Condition can no longer be satisfied. The aforementioned announcements will be published by the Bidder on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com) and in the Federal Gazette.

## **11. ACCEPTANCE AND SETTLEMENT OF THE OFFER FOR AAREAL SHARES**

### **11.1 Central Settlement Agent**

The Bidder has engaged Morgan Stanley Europe SE, Frankfurt am Main, Germany, as central settlement agent for the settlement of the Takeover Offer (the “**Central Settlement Agent**”).

### **11.2 Declaration of Acceptance and booking**

*Notice: Aareal Shareholders who wish to accept the Offer should contact their custodian bank or their other custodian securities services company with seat or branch in Germany with any questions they may have about acceptance of the Offer and the technical aspects of settlement. These have been informed separately about the modalities for acceptance and settlement of the Offer and are required to inform customers who hold Aareal Shares in their securities deposit account about the Offer and the steps necessary to accept it.*

Aareal Shareholders can validly accept the Takeover Offer only by doing the following within the Acceptance Period (see Section 11.5 for acceptance of the Offer during the Additional Acceptance Period):

- Declare acceptance of the Takeover Offer (the “**Declaration of Acceptance**”) in text form or electronically to their respective custodian securities services company (the “**Custodian Bank**”), and
- instruct their Custodian Bank to effect the booking of the Aareal Shares in their securities deposit account for which they want to accept the Offer into ISIN DE000A30U9F9 at Clearstream Banking AG.

The Declaration of Acceptance will become effective only if the Tendered Aareal Shares have been booked into ISIN DE000A30U9F9 at Clearstream Banking AG by no later than 18:00 hrs (local time Frankfurt am Main) / 12:00 hrs (local time New York) on the second Banking Day (inclusive) after the end of the Acceptance Period. Such bookings must be effectuated by the relevant Custodian Bank after receipt of the Declaration of Acceptance without undue delay.

Declarations of Acceptance that are not received by the respective Custodian Bank within the Acceptance Period or that have been erroneously or incompletely filled out will not be regarded as an acceptance of the Takeover Offer and do not entitle the respective Aareal Shareholder to receive the Offer Price. Neither the Bidder nor persons acting on its behalf are required to notify the respective Aareal Shareholder of any defects or errors in the Declaration of Acceptance, and they are not liable in the event that such notification is not made.

### **11.3 Further declarations and assurances of Aareal Shareholders in connection with the acceptance of the Offer**

By accepting the Offer in accordance with Section 11.2,

- (a) the accepting Aareal Shareholders instruct their respective Custodian Bank and any intermediate custodians of the relevant Aareal Shares and authorize them
  - to initially leave the Aareal Shares for which the Takeover Offer shall be accepted in the securities deposit account of the accepting Aareal Shareholder but to effectuate the booking into ISIN DE000A30U9F9 at Clearstream Banking AG;
  - to instruct and authorize Clearstream Banking AG to provide the Tendered Aareal Shares after the end of the Additional Acceptance Period (but no earlier than after satisfaction of the Offer Conditions to the extent that the Bidder has not effectively waived them in advance according to Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG) to the Central Settlement Agent on its securities deposit account at Clearstream Banking AG without undue delay for transfer of title to the Bidder;
  - to instruct and authorize Clearstream Banking AG to transfer the Tendered Aareal Shares, in each case including all ancillary rights existing at the time of settlement of the Offer, in particular the right to dividends, without undue delay after the end of the Additional Acceptance Period (but no earlier than after satisfaction of the Offer Conditions to the extent that the Bidder has not effectively waived them in advance according to Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG) to the Bidder concurrently and contemporaneously against payment of the Offer Price for the Tendered Aareal Shares into the account of

the respective Custodian Bank at Clearstream Banking AG in accordance with the provisions of the Takeover Offer;

- to instruct and authorize any intermediate custodians of the relevant Tendered Aareal Shares and Clearstream Banking AG to provide to the Bidder or the Central Settlement Agent for the Takeover Offer all information required for declarations and publications of the Bidder according to the WpÜG, especially to communicate the number of Aareal Shares booked into ISIN DE000A30U9F9 on each Stock Exchange Trading Day during the Acceptance Period and the Additional Acceptance Period; and
  - to forward the Declaration of Acceptance and, if applicable, a declaration of withdrawal to the Central Settlement Agent upon request;
- (b) the accepting Aareal Shareholders instruct and authorize their respective Custodian Bank as well as the Central Settlement Agent, in each case with exemption from the prohibition of self-contracting according to Section 181 of the German Civil Code (*BGB*), to take all expedient or necessary actions for settling the Takeover Offer in accordance with the Offer Document and to issue or receive declarations and in particular to effect the transfer of ownership of the Tendered Aareal Shares to the Bidder;
- (c) the accepting Aareal Shareholders declare that
- they accept the Takeover Offer, as set out in this Offer Document, and, in the event of an amendment of the Takeover Offer pursuant to Section 21 para. 1 WpÜG, the amended Takeover Offer if and to the extent they have not made use of their right of withdrawal in accordance with Section 21 para. 4 WpÜG (see Section 15 below), for all Aareal Shares held in their securities deposit account at the Custodian Bank upon Declaration of Acceptance of the Takeover Offer unless otherwise expressly specified in text form or electronically in the Declaration of Acceptance;
  - they are transferring their Tendered Aareal Shares to the Bidder under the condition of satisfaction of the Offer Conditions, insofar as the Bidder has not effectively waived them in advance according to Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG, and after expiry of the Additional Acceptance Period concurrently and contemporaneously against payment of the Offer Price to the account of the respective Custodian Bank at Clearstream Banking AG; and
  - the Aareal Shares for which they accept the Takeover Offer are under their sole ownership and are free from rights and claims of third parties and are not subject to any restrictions on disposal at the time of transfer of ownership to the Bidder.

The instructions, declarations, orders, powers of attorney, and authorizations listed in Section 11.3 (a) to (c) are granted or issued irrevocably by the accepting Aareal Shareholders in the interest of a smooth and prompt settlement of the Takeover Offer. They will expire only in the event of valid withdrawal from the agreement entered into by acceptance of the Takeover Offer according to Section 15 or upon final failure to satisfy one of the Offer Conditions.

#### 11.4 Legal consequences of acceptance

As a result of acceptance of the Takeover Offer, an agreement regarding the sale and transfer of the Tendered Aareal Shares in accordance with the terms and conditions of the Offer Document will be entered into between the accepting Aareal Shareholder and the Bidder. Transfer of title of the Tendered Aareal Shares will be effected, subject to the terms and conditions of this Offer Document, upon consummation of this Offer. All ancillary rights of the Tendered Aareal Shares existing at the time of settlement (including all dividend rights) will be transferred to the Bidder upon transfer of ownership of the Tendered Aareal Shares.

The agreements between the Aareal Shareholders accepting the Offer and the Bidder will be subject to German law. The consummation of the agreements takes place only after all Offer Conditions set forth in Section 10.1 not validly waived by the Bidder pursuant to Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG have been satisfied. The agreements will not become valid and will not be consummated (conditions precedent) if one or more of the Offer Conditions set out in Section 10.1 has not been satisfied by the relevant time set forth for the respective Offer Condition and if the relevant Offer Condition has not been validly waived by the Bidder pursuant to Section 21 para. 1 sentence 1 number 3 and/or 4 WpÜG. Furthermore, each Aareal Shareholder accepting the Takeover Offer will irrevocably make the declarations and assurances set forth in Section 11.3 and issue the instructions, orders, authorizations and powers of attorney set forth in Section 11.3.

#### 11.5 Acceptance during the Additional Acceptance Period

The aforementioned provisions of this Offer Document, in particular the provisions of Section 11, apply *mutatis mutandis* for acceptance within the Additional Acceptance Period in accordance with the following. Aareal Shareholders can validly accept the Takeover Offer during the Additional Acceptance Period only by

- (a) making a Declaration of Acceptance in accordance with Section 11.2 within the Additional Acceptance Period, and
- (b) timely booking of the Aareal Shares for which acceptance was declared in accordance with the terms and conditions of this Offer Document within the Additional Acceptance Period into ISIN DE000A30U9F9 at Clearstream Banking AG. The booking will be effectuated by the Custodian Bank after receipt of the Declaration of Acceptance.

If the Declaration of Acceptance has been made to the Custodian Bank within the Additional Acceptance Period, the booking of the Aareal Shares into ISIN DE000A30U9F9 at Clearstream Banking AG will be considered to have taken place in due time if this has been effectuated by no later than 18:00 hrs (local time Frankfurt am Main) / 12:00 hrs (local time New York) on the second Banking Day (including) after the end of the Additional Acceptance Period. Aareal Shareholders who want to accept the Takeover Offer within the Additional Acceptance Period should address any questions to their Custodian Bank.

#### 11.6 Settlement of the Offer

Payment of the Offer Price owed by the Bidder to the respective Aareal Shareholder will be made to the accounts of the Custodian Banks of the accepting Aareal Shareholders at Clearstream Banking AG in accordance with the terms and conditions of this Offer concurrently and contemporaneously with the transfer of the Tendered Aareal Shares into the securities deposit account of the Central Settlement Agent at Clearstream Banking AG for the purpose of transferring these shares to the Bidder.

If upon expiry of the Additional Acceptance Period the Offer Conditions are satisfied or – to the extent legally permitted – have been waived effectively in advance pursuant to Section 21 paragraph 1 sentence 1 number 3 and/or 4 WpÜG, the Central Settlement Agent will transfer the Offer Price to the account of the relevant Custodian Bank at Clearstream Banking AG without undue delay and at the latest by the tenth Banking Day after the end of the Additional Acceptance Period. If the Offer Conditions pursuant to Sections 10.1.1 to 10.1.3 are not satisfied by the time of expiry of the Additional Acceptance Period and have not been effectively waived in advance by the time of expiry of the Acceptance Period, payment of the respectively owed Offer Price will be made to the respective Custodian Bank without undue delay, but at the latest on the tenth Banking Day, after the day on which the Bidder announces pursuant to Section 10.4 that the last Offer Condition has been satisfied.

Settlement of the Takeover Offer and payment of the Offer Price to the accepting Aareal Shareholders may be delayed until the tenth Banking Day following May 24, 2023, i.e. June 9, 2023, due to proceedings to be conducted under merger control law and other regulatory proceedings or may not take place at all if the Offer Conditions are not satisfied. The Bidder, however, will seek to complete the merger control proceedings and other regulatory proceedings in the first quarter of 2023 (see Sections 9, 10.1.1 to 10.1.3). However, it is not possible to make a binding forecast concerning the date such proceedings will be completed.

Upon payment of the Offer Price into the account of the respective Custodian Bank at Clearstream Banking AG, the Bidder has satisfied its obligation to pay the Offer Price vis-à-vis the respective Aareal Shareholder. It will be the responsibility of the respective Custodian Bank to credit the owed Offer Price to the account of the respective accepting Aareal Shareholder.

### **11.7 Costs and expenses**

The acceptance of the Offer will in principle be free of costs and expenses of the Custodian Banks for the Aareal Shareholders who hold their Aareal Shares in a securities deposit account of a Custodian Bank in the Federal Republic of Germany (except for the costs for transmitting the Declaration of Acceptance to the relevant Custodian Bank). For this purpose, the Bidder will pay to the Custodian Banks a compensation which has been separately communicated to them and which includes a market-standard commission for Custodian Banks. For the avoidance of doubt, the Bidder wishes to point out that it cannot however issue binding instructions to the Custodian Banks on what costs and expenses the Custodian Banks charge for the acceptance of the Offer.

However, any additional costs and expenses charged by Custodian Banks or foreign investment service providers and any expenses incurred outside of the Federal Republic of Germany must be borne by the respective Aareal Shareholder. Any foreign exchange fees and sales tax or stamp duty arising from the acceptance of the Offer shall similarly be borne by the respective Aareal Shareholder.

### **11.8 Stock exchange trading with Tendered Aareal Shares**

The Tendered Aareal Shares can be traded under ISIN DE000A30U9F9 on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. Trading will presumably start as of the third Stock Exchange Trading Day after publication of the Offer Document. Trading with the Tendered Aareal Shares on the regulated market (Prime Standard) of the Frankfurt Stock Exchange is expected to be discontinued (i) at the end of the last day of the Additional Acceptance Period if all Offer Conditions according to Section 10.1 of this Offer Document have been satisfied or have been effectively waived in advance, or (ii) at the end of the third Stock Exchange Trading Day directly preceding the settlement or rebooking of this Offer. The date as of which trading ends will be published by the Bidder without undue delay via an electronically operated infor-

mation dissemination system within the meaning of Section 10 para. 3 sentence 1 number 2 WpÜG or in the Federal Gazette.

The acquirers of Aareal Shares traded under ISIN DE000A30U9F9 assume all rights and duties arising from the agreements concluded by accepting the Takeover Offer with respect to these shares. The Bidder points out that trading volumes and liquidity of the Tendered Aareal Shares depend on the specific acceptance rate and therefore may not exist at all or may be low and may be subject to heavy fluctuations. It cannot be ruled out that in the absence of demand it will be impossible to sell the Tendered Aareal Shares on the stock exchange.

Any Aareal Share not tendered for sale will continue to be traded under ISIN DE0005408116.

## 11.9 Unwinding in the event of non-satisfaction of the Offer Conditions

The Takeover Offer will not be completed and the Bidder is not required to acquire the Tendered Aareal Shares and pay the Offer Price for them if the Offer Conditions set forth in Section 10.1 of the Offer Document have not been satisfied within the time periods set forth therein in each case, and the Bidder has not effectively waived the Offer Conditions during the Acceptance Period – to the extent permitted – in advance. In that case, the agreements which come into existence as a result of accepting the Offer will not become valid (conditions precedent). The Central Settlement Agent will without undue delay, at the latest within four Banking Days after announcement of the expiry of the Offer, order the rebooking of the Tendered Aareal Shares into the original ISIN DE0005408116 by the Custodian Banks through Clearstream Banking AG. After rebooking, the Aareal Shares can be traded again under their original ISIN DE0005408116. The unwinding is generally free of charge for the Aareal Shareholders who hold their Aareal Shares in a securities deposit account in Germany. Any foreign taxes and/or costs of foreign Custodian Banks that do not have a securities deposit account connection with Clearstream Banking AG must be paid by the relevant Aareal Shareholder.

## 12. FINANCING OF THE OFFER

### 12.1 Maximum consideration

According to the information published by Aareal Bank AG as of the date of this Offer Document, the total number of Aareal Shares currently issued by Aareal Bank AG amounts to 59,857,221.

If the Offer was accepted for all Aareal Shares, the total amount which would be needed to acquire all Aareal Shares would be EUR 1,975,288,293 (*i.e.*, the Offer Price of EUR 33.00 per Aareal Share multiplied by 59,857,221 Aareal Shares). Moreover, it is expected that the Bidder will incur transaction costs in a maximum amount of EUR 16 million in connection with the Takeover Offer and its completion (the “**Transaction Costs**”). The total cost for acquiring all Aareal Shares on the basis of this Takeover Offer and an Offer Price in the amount of EUR 33.00 per Aareal Share would therefore be a maximum of EUR 1,991,288,293, including the Transaction Costs (the “**Offer Costs**”).

### 12.2 Financing measures

Before the publication of the Offer Document, the Bidder took the necessary measures to ensure that it has at its prompt disposal the necessary financial means to completely satisfy the Takeover Offer.

The Bidder has taken the following measures to ensure the financing:

Advent International GPE IX Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-B Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-C Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-F Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-G Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-H Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-I Limited Partnership, George Town, Cayman Islands, Advent Partners GPE IX Cayman Limited Partnership, George Town, Cayman Islands, Advent Partners GPE IX-A Cayman Limited Partnership, George Town, Cayman Islands, Advent Partners GPE IX-B Cayman Limited Partnership, George Town, Cayman Islands, Advent International GPE IX-A Scsp, Luxembourg, Luxembourg, Advent International GPE IX-D Scsp, Luxembourg, Luxembourg, Advent International GPE IX-E Scsp, Luxembourg, Luxembourg, Advent International GPE IX Strategic Investors Scsp, Luxembourg, Luxembourg, Advent Partners GPE IX Limited Partnership, Wilmington, DE, USA, Advent Partners GPE IX-A Limited Partnership, Wilmington, DE, USA (collectively, the “**Advent Funds**”), Centerbridge Capital Partners IV (Cayman), L.P., George Town, Cayman Islands, as well as West Street Strategic Solutions Fund I, L.P., New York, NY, USA, West Street Strategic Solutions Offshore Fund I, L.P., George Town, Cayman Islands, and West Street Strategic Solutions Europe Fund I, SLP, Luxembourg, Luxembourg, the latter three funds (collectively, the “**Co-Investor Funds**”) being funds invested in the minority shareholders in Atlantic Lux HoldCo S.à r.l., (the Advent Funds, Centerbridge Capital Partners IV (Cayman), L.P. and the Co-Investor Funds collectively, the “**Funds**”) and CPP Investment Board Europe S.à r.l. on April 4, 2022 undertook to the Bidder in the form of equity commitment letters (the “**ECLs**”) to provide the Bidder, directly or indirectly, with an aggregate amount of up to EUR 2,030,000,000 in the form of equity or similar instruments to enable the Bidder to fulfil its payment obligations under the Takeover Offer (the “**Equity Funding**”). The Equity Funding will be provided by the Advent Funds, Centerbridge Capital Partners IV (Cayman), L.P., the Co-Investor Funds and CPP Investment Board Europe S.à r.l. pro rata to their indirect shareholding in the Bidder at the time of the consummation of the Takeover Offer (see Section 5.2), i.e. the Advent Funds and Centerbridge Capital Partners IV (Cayman), L.P. will provide approximately 67.08% in aggregate, CPP Investment Board Europe S.à r.l. approximately 23.02% and the Co-Investor Funds approximately 9.90%. As investment funds, the Funds are financed by their investors, which are in turn obligated to the Funds to provide them with additional contributions upon request. At the time of the publication of the Offer Document, the available capital of each Fund for investment exceeds the amount committed by the respective Fund under the respective ECL. At the time of the publication of the Offer Document, no amounts under the ECLs have been provided so far to the Bidder.

Each of the Funds and CPP Investment Board Europe S.à r.l. are entitled under certain conditions to syndicate their respective portion of the Equity Funding to minority co-investors without providing control rights.

The ECLs have neither been terminated nor does the Bidder have reason to believe that grounds for a termination of the ECLs may exist. Therefore, the Bidder has an aggregate amount exceeding the Offer Costs available for use in connection with the payment of the Offer Costs.

The Bidder has thus taken the measures necessary to ensure that it will, on the relevant date, have available funds in the amount of the Offer Costs.



### 12.3 Financing confirmation

Morgan Stanley Europe SE, with its registered office in Frankfurt am Main, an investment services enterprise independent of the Bidder, has issued the required financing confirmation, which is attached as Appendix 3, in accordance with Section 13 para. 1 sentence 2 WpÜG.

### 13. EXPECTED EFFECTS OF A SUCCESSFUL OFFER ON THE ASSETS, LIABILITIES, FINANCIAL POSITION, AND RESULTS OF THE BIDDER AND ATLANTIC LUX HOLDCO S.À R.L.

The following explanatory financial information describes the expected effects of a successful consummation of the Offer on the assets, liabilities, financial position and results of the Bidder and Atlantic Lux HoldCo S.à r.l.

#### 13.1 Starting point and assumptions

The information, opinions, and forward-looking statements contained in this Section 13, as well as the following explanations in relation to the expected effects of a successful Takeover Offer on the assets, liabilities, financial position and results of the Bidder assume the following starting point and are based especially on the following assumptions:

##### (a) Starting point

- From the time of its formation until publication of this Offer Document, the Bidder has not engaged in any business activities except for the activities in connection with its formation and the transactions described in this Offer Document and therefore has not generated any sales or results. Therefore, neither audited accounts nor income statements of the Bidder are available. In order to show the effects of the Offer on the balance sheet and income statement of the Bidder, unaudited and unconsolidated financial information of the Bidder based on the balance sheet of the Bidder dated December 31, 2021 is used which was prepared in accordance with German accounting principles as specified in the German Commercial Code (*Handelsgesetzbuch*, “HGB”).
- At the relevant balance sheet date (December 31, 2021), the Bidder held no Aareal Shares.
- In the future, income of the Bidder will consist of income from the shareholding in Aareal Bank AG in the form of dividend payments, if any.

##### (b) Assumptions

- The Bidder will acquire 53,877,221 Aareal Shares at a purchase price of EUR 33.00 per Aareal Share as part of the Takeover Offer, i.e., for payment of a total purchase price of EUR 1,777,948,293, and 5,980,000 Aareal Shares at a purchase price of EUR 32.50 per Aareal Share outside of the Takeover Offer under the Share Purchase Agreement (see Section 5.6 of this Offer Document), i.e., for payment of a total purchase price of EUR 194,350,000. No new Aareal Shares will be issued after the publication of the Offer Document.
- The Bidder will bear all Transaction Costs in the amount of EUR 16 million. The Transaction Costs will be fully allocated to the Aareal Shares acquired as part of the Takeover Offer. For the purpose of this Offer Document, it is as-

sumed that the Transaction Costs will be capitalized in full as ancillary acquisition costs.

- The acquisition of the Aareal Shares under the Takeover Offer and the Share Purchase Agreement will be fully financed through equity by way of contribution of the required amounts to the capital reserves of Atlantic Lux HoldCo S.à r.l. and by Atlantic Lux HoldCo S.à r.l. to the capital reserves of the Bidder pursuant to Section 272 para. 1 number 4 HGB.
- Apart from the intended acquisition of the Aareal Shares under the Takeover Offer and the Share Purchase Agreement, no other effects on the assets, liabilities, financial position, and results of the Bidder in the future are considered in the following presentation.

### 13.2 Methodology and reservations

In order to assess the expected effects of the Takeover Offer's completion and the settlement of the Share Purchase Agreement on the assets, liabilities, financial position and results of the Bidder, the Bidder made a preliminary and unaudited assessment of the assets, liabilities, financial position and results of the Bidder, which would have resulted in the event of the completion of the Transaction on the basis of the accounting principles of the HGB.

The assessment of the likely effects of the acquisition of all Aareal Shares on the assets, liabilities, financial position and results of the Bidder is based on preliminary and unaudited estimates by the Bidder with respect to the balance sheet positions and results of the Bidder if Aareal Bank AG had been completely acquired as of December 31, 2021.

Except for the intended acquisition of the Aareal Shares pursuant to the Offer and the Share Purchase Agreement and the expenses related thereto, no other effects on the assets, liabilities, financial position or results of the Bidder which have occurred since December 31, 2021 or which may occur in the future have been taken into account in the following information.

The Bidder further points out that the consequences of the takeover of Aareal Bank AG on the future assets, liabilities, financial position, and results of the Bidder cannot be precisely forecasted at the date of publication of this Offer Document. The reasons for this are in particular the following:

- The final amount of the Offer Costs will not be certain until after the Transaction is completed and the final number of Aareal Shares for which the Takeover Offer has been accepted is certain.
- The exact amount of the Transaction Costs and the portion that will be borne by the Bidder as well as the amount of the Transaction Costs to be activated will not be known until completion of the Transaction.
- For the sake of simplicity, tax effects on the Bidder as a result of the Transaction have not been taken into account.

The preparation of the following explanatory financial information is exclusively carried out in order to satisfy statutory requirements pursuant to the WpÜG in the context of this Takeover Offer. They shall not reflect the actual results or the actual financial situation of the Bidder at any past or future point in time or time period. They describe a situation that is based on assumptions. These assumptions may turn out to be accurate or inaccurate. Consequently, the explanatory financial information do not reflect the actual assets, liabilities, financial position and

results of the Bidder, and the future assets, liabilities, financial position and results of the Bidder may deviate therefrom. The financial data of the Bidder was prepared on the basis of assumptions that are plausible to the Bidder. Neither the Bidder's financial data nor the assumptions and estimates on which they are based have been audited or verified by independent auditors.

### 13.3 Expected effects of a successful Offer on the individual financial statements of the Bidder

#### (a) Expected effects of a successful Offer on the unconsolidated balance sheet of the Bidder

Subject to the assumptions and reservations made in Sections 13.1 and 13.2 of this Offer Document and based on its current assessments, the Bidder expects that the completion of the Transaction will have the following effects on the assets, liabilities and financial position of the Bidder (simplified and unaudited):

<b>Balance sheet in thousands of EUR according to German Commercial Code<sup>*)</sup></b>	<b>Bidder as of December 31, 2021 (unaudited)</b>	<b>Expected change due to equity contribution (unaudited)</b>	<b>Expected change due to the settlement of the Share Purchase Agreement (unaudited)</b>	<b>Expected change due to the completion of the Offer (unaudited)</b>	<b>Bidder after completion of the Transaction (unaudited)</b>
Financial assets	-	-	194,350	1,793,948	1,988,298
Liquid funds	66	1,988,298	(194,350)	(1,793,948)	66
<b>Total Assets</b>	<b>66</b>	<b>1,988,298</b>	-	-	<b>1,988,364</b>
Total equity	64	1,988,298	-	-	1,988,362
Subscribed capital	25	-	-	-	25
Capital reserves	50	1,988,298	-	-	1,988,348
...Profit/losses	(11)	-	-	-	(11)
Liabilities	2	-	-	-	2
<b>Total Equity and Liabilities</b>	<b>66</b>	<b>1,988,298</b>	-	-	<b>1,988,364</b>

\*) Numbers are rounded. Financial information shown in parentheses indicates negative figures. A dash ("–") means that the respective financial information is not affected. Differences from arithmetic results (if any) are due to rounding.

This means

- Financial assets (investments) will increase from EUR 0 by EUR 1,988,298,293 (including ancillary acquisition costs amounting to EUR 16,000,000) as a result of the settlement of the Share Purchase Agreement and the completion of the Offer to a total of EUR 1,988,298,293.
- Liquid funds of EUR 65,895 will not change because the Transaction is intended to be completely financed from newly contributed equity. In a first step, the liquid funds will be increased by EUR 1,988,298,293 due to the funds received due to the equity contribution. These funds will be used entirely for the payment of the purchase price under the Share Purchase Agreement, the Offer Price and the Transaction Costs in the total amount of EUR 1,988,298,293.
- The subscribed capital will remain unchanged in the context of the completion of the Takeover Offer and the settlement of the Share Purchase Agreement. As a result of the contribution of equity, however, the capital reserves will increase from EUR 50,000 by EUR 1,988,298,293 to a total of EUR 1,988,348,293.
- Total assets will increase from EUR 65,895 by EUR 1,988,298,293 to EUR 1,988,364,188 as a result of the afore-mentioned increase of financial investments.

- Total equity and liabilities will increase from EUR 65,895 by EUR 1,988,298,293 to EUR 1,988,364,188 as a result of the aforementioned increase of equity.

(b) Expected effects of a successful Offer on the income statement of the Bidder

Future income of the Bidder will essentially consist of income from its investment in Aareal Bank AG. The amount of this future income is uncertain. Aareal Bank AG distributed no dividend for the financial year 2019 and a dividend of EUR 0.40 per Aareal Share for the financial year 2020. It is impossible to predict whether and to what amount Aareal Bank AG will pay a dividend in the future. However, it is intended that future growth of Aareal Bank AG will, *inter alia*, be financed through retained earnings with a conservative approach to distributions maintaining the targets in the business plan. Under the expectation of the Bidder that Aareal Bank AG will not pay any dividend for the financial years 2021 and 2022 and the following years, the Bidder would not receive any earnings following completion of the Offer.

### 13.4 Expected effects on Atlantic Lux HoldCo S.à r.l.

Atlantic Lux HoldCo S.à r.l. is a holding company and, except for the shares in the Bidder, holds no shares in other entities. In connection with the Equity Funding, Atlantic Lux HoldCo S.à r.l. will be provided with equity in the amount of the Offer Costs (based on the assumptions set forth in Section 13.1(b)). Atlantic Lux HoldCo S.à r.l. will contribute such funds to the equity of the Bidder to cover the Offer Costs for this Offer.

Subject to the assumptions and reservations made in Sections 13.1 and 13.2 of this Offer Document and based on its current assessments, the Bidder expects that the completion of the Transaction will have the following effects on the assets, liabilities and financial position of Atlantic Lux HoldCo S.à r.l. (simplified and unaudited):

<b>Balance sheet in thousands of EUR<sup>*)</sup></b>	<b>Atlantic Lux HoldCo S.à r.l. as of December 31, 2021 (unaudited)</b>	<b>Expected change due equity contribution (unaudited)</b>	<b>Expected change due to the settlement of the Share Purchase Agreement (unaudited)</b>	<b>Expected change due to the completion of the Offer (unaudited)</b>	<b>Atlantic Lux HoldCo S.à r.l. after completion of the Transaction (unaudited)</b>
Financial assets	75	-	194,350	1,793,948	1,988,373
Receivables	1	-	-	-	1
Liquid funds	17	1,988,298	(194,350)	(1,793,948)	17
<b>Total Assets</b>	<b>92</b>	<b>1,988,298</b>	-	-	<b>1,988,391</b>
Total equity	79	1,988,298	-	-	1,988,377
Subscribed capital	25	-	-	-	25
Capital reserves	75	1,988,298	-	-	1,988,373
Profit/losses	(21)	-	-	-	(21)
Liabilities	13	-	-	-	13
<b>Total Equity and Liabilities</b>	<b>92</b>	<b>1,988,298</b>	-	-	<b>1,988,391</b>

\*) Numbers are rounded. Financial information shown in parentheses indicates negative figures. A dash (“-”) means that the respective financial information is not affected. Differences from arithmetic results (if any) are due to rounding.

This means

- Financial assets (investments) will increase from EUR 75,000 by EUR 1,988,298,293 as a result of the equity funding of the Bidder by Atlantic Lux HoldCo S.à r.l. to a total of EUR 1,988,373,293.
- Liquid funds of EUR 16,586 will not change because the Transaction is intended to be completely financed from newly contributed equity. In a first step, the liquid funds will be increased by EUR 1,988,298,293 due to the funds received due to the equity contribution. These funds will be used entirely for the equity funding of the Bidder in the total amount of EUR 1,988,298,293.
- The subscribed capital will remain unchanged in the context of the settlement of the Share Purchase Agreement and the completion of the Takeover Offer. As a result of the contribution of equity, however, the capital reserves will increase from EUR 75,000 by EUR 1,988,298,293 to a total of EUR 1,988,373,293.
- Total assets will increase from EUR 92,436 by EUR 1,988,298,293 to EUR 1,988,390,729 as a result of the aforementioned increase of financial investments.
- Total equity and liabilities will increase from EUR 92,436 by EUR 1,988,298,293 to EUR 1,988,390,729 as a result of the aforementioned increase of equity.

The Bidder does not expect any effects on the earnings situation of Atlantic Lux HoldCo S.à r.l.

#### **14. POSSIBLE CONSEQUENCES FOR AAREAL SHAREHOLDERS WHO DO NOT ACCEPT THE TAKEOVER OFFER**

Aareal Shareholders who do not intend to accept the Takeover Offer should consider the following:

- (a) The current stock price of the Aareal Share reflects the fact that the Bidder published on April 7, 2022 its decision to launch the Takeover Offer according to Section 10 para. 1 sentence 1 WpÜG. Therefore, it is uncertain whether the stock price of the Aareal Shares following the settlement of the Offer will continue to stay at the current level or whether it will rise or fall.
- (b) The successful completion of the Takeover Offer will result in a reduction of the free float of the Aareal Shares. The number of shares in free float therefore could be reduced in such a manner that proper stock exchange trading in Aareal Shares would no longer be guaranteed or that no stock exchange trading whatsoever would occur any longer. This could have the result that sales orders could not be executed or could not be executed in a timely fashion. Furthermore, low liquidity of the Aareal Shares could result in greater price fluctuations of the Aareal Shares than in the past.
- (c) The Aareal Shares are currently included in the SDAX, an index calculated by Deutsche Börse AG consisting of 70 companies traded at the Frankfurt Stock Exchange. The completion of the Offer will result in a reduction of the free float of the Aareal Shares. As a consequence, Aareal Bank AG may possibly no longer satisfy the criteria specified by Deutsche Börse AG for the Aareal Shares to remain included in the SDAX index. An exclusion from the SDAX index can lead to investors, that mirror the SDAX index in their portfolio, selling Aareal Shares and refraining from future purchases of Aareal Shares. A higher supply of shares of Aareal Bank AG paired with a lower demand for

shares of Aareal Bank AG may influence the stock price of shares of Aareal Bank AG unfavorably.

- (d) After settlement of the Offer, the Bidder may have the voting majority at the general meeting and could, depending on the acceptance rate, have the necessary voting majority to enforce all important structural and other measures under corporate law at the general meeting of Aareal Bank AG. This includes, for example, the election and the dismissal of shareholder representatives of the supervisory board, granting or rejecting discharge of management board or supervisory board members, amendments to the articles of association, capital increases and, if the majority requirements under statutory law and articles of association have been satisfied, exclusion of subscription rights for shareholders in capital measures as well as enterprise agreements such as a domination and profit and loss transfer agreement, reorganizations, mergers and dissolution of Aareal Bank AG. The implementation of some of these measures could also result in the delisting of the Aareal Shares. Only in the case of some of the aforementioned measures there would be an obligation on the part of the Bidder under German law to submit to the minority shareholders, on the basis of a company valuation of Aareal Bank AG, an offer to acquire their Aareal Shares in exchange for a reasonable compensation or to grant other compensation. Because such company valuation would have to be based on circumstances existing at the time of the resolution adopted by Aareal Bank AG's general meeting for the respective measure, such offer for compensation could be equivalent in value to the Offer Price but it could also be lower or higher. With respect to the intentions of the Bidder regarding structural measures please refer to Sections 7.4.5 and 7.4.6. In particular, the Bidder has no intention to conclude a domination and/or profit and loss pooling agreement with Aareal Bank AG and undertook in the New Investment Agreement not to cause Aareal Bank AG to conclude a domination and/or profit and loss pooling agreement with the Bidder or any affiliated company to the Bidder.
- (e) If, in the event of the completion of this Offer, the Bidder directly or indirectly holds the number of Aareal Shares that a shareholder of a stock corporation must hold according to the following provisions in order to demand a transfer of the shares of the outside shareholders to the principal shareholder in exchange for a fair cash compensation (squeeze-out), and insofar as it is economically reasonable, then it could take the measures necessary for such a squeeze-out of the outside Aareal Shareholders (with respect to the intentions of the Bidder please refer to Section 7.4.5). Specifically:

The Bidder could demand that the general meeting of Aareal Bank AG resolves to transfer the Aareal Shares of the outside Aareal Shareholders to the Bidder in exchange for a fair cash compensation according to Sections 327a et seqq. AktG (squeeze-out under stock corporation law) if it or a company controlled by it holds at least 95% of the share capital of Aareal Bank AG after the completion of this Offer. The fairness of the amount of the cash compensation can be examined in an appraisal proceeding. The amount of the fair cash compensation could be equal to the Offer Price, but could also be higher or lower.

If the Bidder holds at least 90% of the share capital in Aareal Bank AG after the completion of this Offer, the Bidder could demand that the general meeting of Aareal Bank AG resolves to transfer the Aareal Shares of the outside Aareal Shareholders to the Bidder in exchange for a fair cash compensation according to Sections 62 para. 5 German Transformation Act, 327a et seqq. AktG (squeeze-out under transformation law) in connection with a merger. The fairness of the amount of the cash compensation can be examined in an appraisal proceeding. The amount of the fair cash compensation could be equal to the Offer Price, but could also be higher or lower.

If the Bidder or a company controlled by it holds at least 95% of the voting share capital of Aareal Bank AG after the completion of this Offer, it could file a request in court under Section 39a para. 1 sentence 1 WpÜG by which the remaining Aareal Shares are to be transferred to it by court ruling in exchange for a fair compensation (squeeze-out under takeover law). A request under Section 39a WpÜG must be filed within three months after the end of the Acceptance Period. The consideration granted as part of this Offer is to be regarded as a fair compensation if based on this Offer the Bidder has acquired shares amounting to at least 90% of the share capital affected by the Offer.

The implementation of a squeeze-out of the minority shareholders would result in a termination of the stock exchange listing of Aareal Bank AG.

- (f) After successful completion of the Takeover Offer, the Bidder could seek to have Aareal Bank AG request the Delisting of the Aareal Shares (with respect to the intention of the Bidder please refer to Section 7.4.5). In the case of a full delisting pursuant to Section 39 para. 2 BörsG, the Bidder would make a delisting offer to all minority Aareal Shareholders to acquire the Aareal Shares held by them in exchange for the granting of appropriate cash compensation pursuant to Section 39 para. 2 BörsG. Pursuant to Section 39 para. 3 BörsG, the WpÜG applies *mutatis mutandis* for the determination of the consideration, provided that the consideration must consist of a cash payment in euros and must correspond to the weighted average domestic stock exchange price during the last six months prior to the publication pursuant to Section 10 para. 1 sentence 1 WpÜG. The amount of appropriate cash compensation could be equal to the Offer Price, but could also be higher or lower. Furthermore, pursuant to Section 39 para. 3 BörsG, the offer must not be made subject to conditions. A delisting offer can therefore only be made after the regulatory approvals have been obtained. In case of a revocation of the admission to the sub-segment of the regulated market of the Frankfurt Stock Exchange with additional listing obligations (Prime Standard), the Aareal Shareholders would no longer benefit from the more stringent reporting obligations of the Prime Standard segment.

Alternatively, the Bidder could seek to have Aareal Bank AG change the stock exchange segment in order to reduce the costs and disclosure requirements of Aareal Bank AG related to the listing of the Aareal Shares in the Prime Standard.

- (g) According to Section 39c WpÜG, shareholders who have not accepted the Takeover Offer can still accept the Takeover Offer within three months after the end of the Acceptance Period or, if the Bidder does not meet its obligations under Section 23 para. 1 sentence 1 number 4 or sentence 2 WpÜG, after publication of reaching the threshold of 95% of the voting share capital of Aareal Bank AG, insofar as the Bidder is entitled under Section 39a WpÜG to file a request with the competent court for the shares of the remaining shareholders to be transferred to it by court ruling in exchange for a fair compensation. According to Section 23 para. 1 sentence 1 number 4 WpÜG, the Bidder will publish that it has reached the threshold of 95% of the voting share capital in Aareal Bank AG which is required for a request under Section 39a WpÜG. The Bidder will publish the information regarding the right to tender as well as information on the technical processing in the notification pursuant to Section 23 para. 1 sentence 1 number 4 WpÜG or in a separate notification.

## **15. RIGHTS OF WITHDRAWAL**

### **15.1 Right of withdrawal in case of an amendment of the Offer and a competing offer**

According to the WpÜG, Aareal Shareholders who accepted the Offer have the following rights of withdrawal:

- In the event of an amendment of the Takeover Offer pursuant to Section 21 para. 1 WpÜG, Aareal Shareholders have the right to withdraw from the agreements concluded on the basis of their acceptance of the Takeover Offer until the end of the Acceptance Period according to Section 21 para. 4 WpÜG, if and to the extent that they have accepted the Takeover Offer before the publication of the amendment of the Takeover Offer.
- In the event of a competing offer pursuant to Section 22 para. 1 WpÜG, Aareal Shareholders have the right to withdraw from the agreements concluded on the basis of their acceptance of the Takeover Offer until the end of the Acceptance Period according to Section 22 para. 3 WpÜG, if and to the extent that they have accepted the Takeover Offer before the publication of the offer document of the competing offer.

### **15.2 Exercise of the right of withdrawal with regard to Aareal Shares**

Aareal Shareholders may exercise a right of withdrawal pursuant to Section 15.1 with respect to the Aareal Shares only by doing the following prior to the expiry of the Acceptance Period:

- (a) Declaring their withdrawal in due time to their Custodian Bank in text form or electronically for a specified number of Tendered Aareal Shares, whereas, if no number is specified, the withdrawal shall be deemed to be declared for all Tendered Aareal Shares tendered by the respective Aareal Shareholder, and
- (b) instructing their Custodian Bank to cause such number of Tendered Aareal Shares held in their securities deposit account as is equivalent to the number of Tendered Aareal Shares in respect of which they have declared their withdrawal to be rebooked without undue delay into ISIN DE0005408116 at Clearstream Banking AG.

The Custodian Banks are required, without undue delay, after receiving the declaration of withdrawal, to cause the Tendered Aareal Shares for which withdrawal is being declared to be rebooked into ISIN DE0005408116 at Clearstream Banking AG. The rebooking is in principle free of costs and expenses of the Custodian Banks for the Aareal Shareholders who hold their Aareal Shares in a securities deposit account of a Custodian Bank in the Federal Republic of Germany. The declaration of withdrawal will only become effective if the Tendered Aareal Shares of the respective Aareal Shareholder have been rebooked pursuant to Section 15.2(b). If the Aareal Shareholders declare the withdrawal to their Custodian Bank within the period in which they have the right of withdrawal pursuant to Section 15.1, the rebooking of the Tendered Aareal Shares into ISIN DE0005408116 will be considered to be timely if this has been effected by no later than 18:00 hrs (local time Frankfurt am Main) / 12:00 hrs (local time New York) on the second Banking Day (inclusive) after the end of this deadline. After rebooking, the Aareal Shares can be traded again under ISIN DE0005408116.



**16. CASH PAYMENTS AND CASH-EQUIVALENT BENEFITS GRANTED OR SUGGESTED TO MEMBERS OF THE MANAGEMENT BOARD OR THE SUPERVISORY BOARD OF AAREAL BANK AG AND POTENTIAL CONFLICTS OF INTEREST**

No cash payments or cash-equivalent benefits in connection with the Takeover Offer have been granted or suggested to a member of the management board or the supervisory board of Aareal Bank AG by either the Bidder or persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG.

This does not include the payment of the Offer Price to members of the management board and the supervisory board of Aareal Bank AG for the Aareal Shares that these members of the management board and the supervisory board of Aareal Bank AG tender into the Offer.

**17. NO MANDATORY OFFER**

If, as a result of the Offer, the Bidder and, indirectly, Atlantic Lux HoldCo S.à r.l. acquire control of Aareal Bank AG according to Section 29 para. 2 WpÜG, neither the Bidder nor Atlantic Lux HoldCo S.à r.l. will, as a result of Section 35 para. 3 WpÜG, be obliged to launch a mandatory offer for Aareal Shares.

**18. TAXES**

Aareal Shareholders are advised to obtain professional tax law advice, taking into account their individual tax circumstances, before accepting the Takeover Offer.

**19. PUBLICATIONS**

On April 7, 2022, the Bidder announced its decision to launch the Takeover Offer according to Section 10 para. 1 sentence 1 WpÜG.

The Bidder publishes the Offer Document on April 26, 2022 in accordance with Sections 34, 14 paras. 2 and 3 WpÜG, by (i) announcement on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com), and (ii) keeping copies available of the Offer Document for distribution free of charge at Morgan Stanley Europe SE, New Issue Operations, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (order by fax at +49 69 21667676 or by email at [newissues\\_germany@morganstanley.com](mailto:newissues_germany@morganstanley.com)). The announcement of (i) the Internet address under which the Offer Document is published and (ii) the availability of the Offer Document free of charge at Morgan Stanley Europe SE is published in the Federal Gazette on April 26, 2022. In addition, this non-binding English translation of the Offer Document, that has not been reviewed by BaFin, has been made available at [www.atlantic-offer.com](http://www.atlantic-offer.com).

All communications and announcements of the Bidder required in connection with this Offer under the WpÜG will be published on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com) (in German and a non-binding English translation) and, to the extent required under the WpÜG, in the Federal Gazette.

According to Section 23 para. 1 WpÜG, the Bidder will publish the number of Aareal Shares based on the Declarations of Acceptance received by it, including the percentage of the share capital and the voting rights, as follows:

- on a weekly basis after publication of this Offer Document (Section 23 para. 1 sentence 1 number 1 WpÜG),

- on a daily basis during the last week before the end of the Acceptance Period (Section 23 para. 1 sentence 1 number 1 WpÜG),
- without undue delay after the end of the Acceptance Period (Section 23 para. 1 sentence 1 number 2 WpÜG),
- without undue delay after the end of the Additional Acceptance Period (Section 23 para. 1 sentence 1 number 3 WpÜG), and
- without undue delay after reaching the participation level necessary to squeeze-out the remaining shareholders under Section 39a para. 1 and 2 WpÜG.

Publications of the Bidder pursuant to Section 23 paras. 1 and 2 WpÜG as well as additional publications and announcements in connection with the Offer, which are required under the WpÜG, will be published in German and a non-binding English translation on the Internet at [www.atlantic-offer.com](http://www.atlantic-offer.com). In addition, announcements and notices will be published in German in the Federal Gazette.

## **20. APPLICABLE LAW AND PLACE OF JURISDICTION**

This Offer is governed by German law and is, in particular, carried out in accordance with the provisions of the WpÜG. Any agreement that is concluded on the basis of the acceptance of this Offer is subject to German law and is to be exclusively interpreted with it. Exclusive venue for all legal disputes arising from or in connection with the Takeover Offer (and any agreement that is concluded on the basis of the acceptance of the Takeover Offer) is, to the extent permitted by law, Frankfurt am Main.

**21. ASSUMPTION OF RESPONSIBILITY**

Atlantic BidCo GmbH, with registered seat in Frankfurt am Main, assumes responsibility for the content of this Offer Document and declares that, to its knowledge, the information contained in this Offer Document is correct and no material circumstances have been omitted.

Frankfurt am Main, April 26, 2022

**Atlantic BidCo GmbH**

(signed)

(signed)

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Hans Lotter

Managing director

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Frank Mattern

Managing director

## DEFINITIONS

<b>Aareal Bank AG</b>	defined in Section 1.1
<b>Aareal Group</b>	defined in Section 2.2
<b>Aareal Share   Aareal Shares</b>	defined in Section 1.1
<b>Aareal Shareholder   Aareal Shareholders</b>	defined in Section 1.1
<b>ABAL</b>	defined in Section 9.3(c)
<b>Acceptance Period</b>	defined in Section 4.3
<b>Additional Acceptance Period</b>	defined in Section 4.5
<b>Advent Funds</b>	defined in Section 12.2
<b>AktG</b>	defined in Section 2.2
<b>AWG</b>	defined in Section 9.2(a)
<b>AWV</b>	defined in Section 9.2(a)
<b>BaFin</b>	defined in Section 1.4
<b>Banking Act</b>	defined in Section 9.3(c)
<b>Banking Day</b>	defined in Section 2.1
<b>BdB</b>	defined in Section 9.3(b)
<b>B&amp;DS</b>	defined in Section 6.2
<b>Bidder</b>	defined in Section 1.1
<b>BMWK</b>	defined in Section 9.2(a)
<b>BörsG</b>	defined in Section 7.4.5(a)
<b>Central Settlement Agent</b>	defined in Section 11.1
<b>Co-Investor Funds</b>	defined in Section 12.2
<b>Court</b>	defined in Section 10.1.10
<b>CPPIB</b>	defined in Section 5.2
<b>Custodian Bank</b>	defined in Section 11.2
<b>Declaration of Acceptance</b>	defined in Section 11.2
<b>Delisting</b>	defined in Section 7.4.5(a)
<b>Deposit Guarantee Fund</b>	defined in Section 9.3(b)
<b>Due Diligence Review</b>	defined in Section 2.2
<b>ECB</b>	defined in Section 9.3(a)
<b>ECLs</b>	defined in Section 12.2
<b>Equity Funding</b>	defined in Section 12.2
<b>EUR</b>	defined in Section 2.1
<b>Exchange Act</b>	defined in Section 1.2
<b>Exclusion Period</b>	defined in Section 1.3

<b>Funds</b>	defined in Section 12.2
<b>German Takeover Law</b>	defined in Section 1.1
<b>HGB</b>	defined in Section 13.1(a)
<b>HSR Act</b>	defined in Section 9.1(c)
<b>Independent Expert</b>	defined in Section 10.2
<b>KWG</b>	defined in Section 9.3(a)
<b>MAS</b>	defined in Section 9.3(c)
<b>Material Compliance Breach</b>	defined in Section 10.1.5
<b>New Investment Agreement</b>	defined in Section 7.3
<b>Notifying Parties</b>	defined in Section 9.3(a)
<b>Offer</b>	defined in Section 1.1
<b>Offer Conditions</b>	defined in Section 10.1
<b>Offer Costs</b>	defined in Section 12.1
<b>Offer Document</b>	defined in Section 1.1
<b>Offer Price</b>	defined in Section 4.2
<b>Order</b>	defined in Section 10.1.10
<b>Original Investment Agreement</b>	defined in Section 7.1
<b>Original Offer</b>	defined in Section 1.1
<b>Persons acting jointly</b>	defined in Section 5.3
<b>PdB</b>	defined in Section 9.3(b)
<b>PfandBG</b>	defined in Section 6.1
<b>Recommendation Statement</b>	defined in Section 7.3.2
<b>Relationship Agreement</b>	defined in Section 7.3.3
<b>Share Purchase Agreement</b>	defined in Section 5.6
<b>Spanish FDI Act</b>	defined in Section 9.2(b)
<b>Spanish FDI Authority</b>	defined in Section 9.2(b)
<b>SSM Framework Regulation</b>	defined in Section 9.3(a)
<b>SSMR</b>	defined in Section 9.3(a)
<b>Stock Exchange Trading Day</b>	defined in Section 2.1
<b>Takeover Offer</b>	defined in Section 1.1
<b>Tendered Aareal Shares</b>	defined in Section 3
<b>Third-Party Offer</b>	defined in Section 7.3.2
<b>Transaction</b>	defined in Section 9.1
<b>Transaction Costs</b>	defined in Section 12.1
<b>United States</b>	defined in Section 1.2
<b>U.S. Antitrust Condition</b>	defined in Section 10.1.1

<b>WpHG</b>	defined in Section 5.4
<b>WpÜG</b>	defined in Section 1.1
<b>WpÜG Offer Regulation</b>	defined in Section 1.1

**Appendix 1**  
**List of persons acting jointly with the Bidder**  
**according to Section 2 para. 5 sentence 1 and sentence 3 WpÜG**

**Part A**

<b>No.</b>	<b>Company</b>	<b>Seat</b>
1.	Atlantic Lux HoldCo S.à r.l.	Luxembourg, Luxembourg

**Part B**

<b>No.</b>	<b>Company</b>	<b>Seat</b>
1.	AI Atlantic (Luxembourg) S.à r.l.	Luxembourg, Luxembourg
2.	CB Atlantic Lux TopCo S.à r.l.	Luxembourg, Luxembourg
3.	CPP Investment Board Europe S.à r.l.	Luxembourg, Luxembourg
4.	Advent International Corporation	Wilmington, DE, USA
5.	CCP IV Cayman GP Ltd.	George Town, Cayman Islands

**Appendix 2**  
**List of direct and indirect subsidiaries of Aareal Bank AG**

<b>No.</b>	<b>Company</b>	<b>Seat</b>
1.	Aareal Bank Asia Ltd.	Singapore
2.	Aareal Beteiligungen AG	Frankfurt, Germany
3.	Aareal Capital Corporation	Wilmington, DE, USA
4.	Aareal Estate AG	Wiesbaden, Germany
5.	Aareal First Financial Solutions AG	Mainz, Germany
6.	Aareal Gesellschaft für Beteiligungen und Grundbesitz Erste mbH & Co. KG	Wiesbaden, Germany
7.	Aareal Holding Realty LP	Wilmington, DE, USA
8.	Aareal Immobilien Beteiligungen GmbH	Wiesbaden, Germany
9.	Aareon AG	Mainz, Germany
10.	Aareon Deutschland GmbH	Mainz, Deutschland
11.	Aareon Finland Oy	Helsinki, Finland
12.	Aareon France S.A.S.	Meudon-la Forêt, France
13.	Aareon GAP Beteiligungsgesellschaft mbH	Mainz, Germany
14.	Aareon Holding France SAS	Meudon-la Forêt, France
15.	Aareon Nederland B.V.	Emmen, The Netherlands
16.	Aareon Norge AS	Oslo, Norway
17.	Aareon Planungs- und Bestandsentwicklungs GmbH	Mainz, Germany
18.	Aareon RELion GmbH	Augsburg, Germany
19.	Aareon SMB HUB UK Limited	Kenilworth, United Kingdom
20.	Aareon Sverige AB	Mölnådal, Sweden
21.	Aareon UK Ltd.	Coventry, United Kingdom
22.	Alexander Quien Nova GmbH	Bremen, Germany
23.	Arthur Online Ltd.	London, United Kingdom
24.	AV Management GmbH	Mainz, Germany
25.	BauContact Immobilien GmbH	Wiesbaden, Germany
26.	BauGrund Immobilien-Management GmbH	Bonn, Germany
27.	BauGrund Solida Immobilien GmbH	Frankfurt, Germany
28.	BauGrund TVG GmbH	Munich, Germany
29.	BauSecura Versicherungsmakler GmbH	Hamburg, Germany
30.	BriqVest B.V.	Amsterdam, The Netherlands
31.	BVG - Grundstücks- und Verwertungsgesellschaft mit beschränkter Haftung	Frankfurt, Germany
32.	CalCon Austria GmbH	Vienna, Austria
33.	CalCon Deutschland GmbH	Munich, Germany
34.	CalCrom S.R.L.	Iasi, Romania
35.	Cave Nuove S.p.A.	Rome, Italy
36.	collect Artificial Intelligence GmbH	Hamburg, Germany
37.	Curo Software Ltd.	Warrenpoint, Northern Ireland
38.	DBB Inka	Düsseldorf, Germany
39.	Deutsche Bau- und Grundstücks-Aktiengesellschaft	Berlin, Germany
40.	Deutsche Structured Finance GmbH	Wiesbaden, Germany
41.	DSF Flugzeugportfolio GmbH	Wiesbaden, Germany
42.	DHB Verwaltungs AG	Wiesbaden, Germany
43.	FIRE B.V.	Utrecht, The Netherlands
44.	GAP Gesellschaft für Anwenderprogramme und Organi- sationsberatung mbH	Bremen, Germany
45.	GEV Besitzgesellschaft mbH	Wiesbaden, Germany



<b>No.</b>	<b>Company</b>	<b>Seat</b>
46.	GEV Beteiligungsgesellschaft mbH	Wiesbaden, Germany
47.	GVN-Grundstücks- und Vermögens- verwaltungsgesellschaft mit beschränkter Haftung	Frankfurt, Germany
48.	Houses2021 MEP Beteiligungs GmbH	Frankfurt, Germany
49.	Houses2021 MEP Verwaltungs GmbH	Frankfurt, Germany
50.	IV Beteiligungsgesellschaft für Immobilieninvestitionen mbH	Wiesbaden, Germany
51.	Izalco Spain S.L.	Madrid, Spain
52.	La Sessola Holding GmbH	Wiesbaden, Germany
53.	La Sessola S.r.l.	Rome, Italy
54.	La Sessola Service S.r.l.	Rome, Italy
55.	Manager Realty LLC	Wilmington, DE, USA
56.	Mercadea S.r.l.	Rome, Italy
57.	Mirante S.r.l.	Rome, Italy
58.	Northpark Realty LP	Wilmington, DE, USA
59.	Participation Achte Beteiligungs GmbH	Wiesbaden, Germany
60.	Participation Elfte Beteiligungs GmbH	Wiesbaden, Germany
61.	Participation Zehnte Beteiligungs GmbH	Wiesbaden, Germany
62.	Participation Zwölfte Beteiligungs GmbH	Wiesbaden, Germany
63.	phi-Consulting GmbH	Bochum, Germany
64.	Pisana S.p.A.	Rome, Italy
65.	plusForta GmbH	Düsseldorf, Germany
66.	RentPro Ltd.	Warrenpoint, Northern Ireland
67.	Tactile Limited	London, United Kingdom
68.	Terrain-Aktiengesellschaft Herzogpark	Wiesbaden, Germany
69.	Terrain Beteiligungen GmbH	Wiesbaden, Germany
70.	Tintoretto Rome S.r.l.	Rome, Italy
71.	Twinq Facilitair B.V.	Oosterhout, The Netherlands
72.	Twinq Holding B.V.	Oosterhout, The Netherlands
73.	Twinq Uitwijk en Escrow B.V.	Oosterhout, The Netherlands
74.	Twinq Verkoop en Service B.V.	Oosterhout, The Netherlands
75.	Westdeutsche Immobilien Servicing AG	Mainz, Germany
76.	wohnungshelden GmbH	Munich, Germany
77.	WP Galleria Realty LP	Wilmington, DE, USA

**Appendix 3**  
**Financing confirmation of Morgan Stanley Europe SE**

**NON-BINDING ENGLISH TRANSLATION**

Frankfurt am Main, April 22, 2022

**Confirmation pursuant to Section 13 para. 1 sent. 2 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz – the “German Takeover Act”*) regarding the takeover offer of Atlantic BidCo GmbH to the shareholders of Aareal Bank AG, Wiesbaden, for the acquisition of all outstanding shares in Aareal Bank AG, not directly held by the Bidder, against payment of a cash consideration in the amount of EUR 33.00 per share in Aareal Bank AG**

Ladies and Gentlemen,

Morgan Stanley Europe SE, with its seat in Frankfurt am Main, is registered in the Commercial Register (*Handelsregister*) of the Local Court (*Amtsgericht*) of Frankfurt am Main, Germany, under no. HRB 109880 and an investment services enterprise independent of Atlantic BidCo GmbH within the meaning of Sec. 13 para. 1 sent. 2 of the German Takeover Act.

We hereby confirm pursuant to Section 13 para. 1 sent. 2 of the German Takeover Act that Atlantic BidCo GmbH has taken the measures necessary to ensure that it has at its disposal the necessary means to fully perform the above-mentioned takeover offer at the time the cash consideration will be due.

We agree to the publication of this confirmation in the offer document regarding the above takeover offer pursuant to Section 11 para. 2 sent. 3 no. 4 of the German Takeover Act.

Yours sincerely

**Morgan Stanley Europe SE**

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Name: Moritz Zschoche  
Position: *Managing Director*

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Name: Anna Weingarten  
Position: *Executive Director*