

Mandatory publication pursuant to Section 27 para. 3 sentence 1 and Section 21 para. 1 sentence 1 no. 3, para. 2 in conjunction with Section 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz - WpÜG*)

Aareal

**Supplementary joint reasoned statement
of the Management Board and the Supervisory Board**

of

Aareal Bank AG

Paulinenstraße 15
65189 Wiesbaden
Federal Republic of Germany

regarding the

**amendment to the voluntary public takeover offer
(cash offer pursuant to Section 29, Section 31 WpÜG)
published on January 18, 2022**

of

Atlantic BidCo GmbH

An der Welle 4
60322 Frankfurt am Main
Germany

to the shareholders of Aareal Bank AG

Aareal Shares: ISIN DE0005408116
Tendered Aareal Shares: ISIN DE000A3MQCM4

TABLE OF CONTENTS

| | | |
|-------------|---|----------|
| I. | General Information on this Supplementary Reasoned Statement | 3 |
| 1. | Legal Basis of the Supplementary Reasoned Statement | 4 |
| 2. | Factual Basis of the Supplementary Reasoned Statement | 4 |
| 3. | Publication of the Supplementary Reasoned Statement | 4 |
| II. | Offer Amendment | 5 |
| III. | Extension of the Acceptance Period | 5 |
| IV. | Postponement of the Additional Acceptance Period | 6 |
| V. | Right of Withdrawal..... | 6 |
| VI. | Considerations of the Management Board and Supervisory Board regarding the Offer Amendment | 6 |
| VII. | Recommendation | 7 |

I. GENERAL INFORMATION ON THIS SUPPLEMENTARY REASONED STATEMENT

On December 17, 2021, Atlantic BidCo GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of the Federal Republic of Germany (**Germany**) with registered seat in Frankfurt am Main, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 124165, business address: An der Welle 4, 60322 Frankfurt am Main, Germany (the **Bidder**), submitted, in accordance with Section 34, Section 29 and Section 14 para. 2 sentence 1, para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*), through the publication of the offer document within the meaning of Section 11 WpÜG (the **Offer Document**), a voluntary public takeover offer (**Offer** or **Takeover Offer**) to the shareholders of Aareal Bank AG, a stock corporation (*Aktiengesellschaft*) organized under German law, with registered seat in Wiesbaden, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Wiesbaden under registration number HRB 13184, business address: Paulinenstraße 15, 65189 Wiesbaden, Germany (**Aareal Bank AG** or the **Company** and, together with its consolidated subsidiaries, the **Aareal Group**). The sole shareholder of the Bidder is Atlantic Lux HoldCo S.à r.l., a limited liability company formed under the laws of Luxembourg (*société à responsabilité limitée*) with registered seat in Luxembourg, registered with the commercial register of Luxembourg (*Registre de Commerce et des Sociétés*) under B 249456.

The Offer is addressed to all shareholders of the Company (the **Aareal Shareholders**) and concerns the acquisition of all no-par value bearer shares of the Company (ISIN DE0005408116) held by them, which are not directly held by the Bidder, each representing a proportionate amount of EUR 3.00 of the share capital and in each case including all ancillary rights existing at the time of settlement of the Offer, in particular the right to dividends (each an **Aareal Share** and collectively, the **Aareal Shares**), against a cash consideration of EUR 29.00 per Aareal Share (cash offer).

On December 27, 2021, the Management Board of the Company (**Management Board**) and the Supervisory Board of the Company (**Supervisory Board**) published a joint reasoned statement (the **Reasoned Statement** or **Statement**) in accordance with Section 27 para. 3 in conjunction with Section 14 para. 3 sentence 1 WpÜG on the website of the Company at

<https://www.aareal-bank.com/en/investors-portal/equity-investors/investment-agreement-and-takeover-offer>

under “Investors” and there under the heading “Equity Investors” and there under “Investment agreement and takeover offer”. Copies of the Reasoned Statement are also available free of charge from Aareal Bank AG, Investor Relations, Paulinenstraße 15, 65189 Wiesbaden, Germany, telephone: +49 611 348 3009, fax: +49 611 348 2637 (inquiries by email to ir@aareal-bank.com specifying the full postal address). The publication and availability of copies for distribution free of charge was announced in the Federal Gazette (*Bundesanzeiger*).

On January 18, 2022, the Bidder published an amendment to the Takeover Offer (**Offer Amendment**) in accordance with Section 21 para. 1 sentence 1 no. 3, para. 2 in conjunction with Section 14 para. 3 sentence 1 WpÜG in German (and as an English translation, which has not been reviewed or approved by the Federal Financial Supervisory Authority (*BaFin*)) by (i) announcement on the Internet at www.atlantic-offer.com and (ii) keeping available copies of this Offer Amendment for distribution free of charge at Morgan Stanley Europe SE, New Issues Operations, Große Gallusstraße 18, 60312 Frankfurt am Main, Germany (order by fax at +49 69 21667676 or by email at newissues_germany@morganstanley.com). The announcement of (i) the Internet address under which this Offer Amendment is published and (ii) the availability of copies of this Offer Amendment for distribution free of charge was published in the Federal Gazette on January 18, 2022.

Upon receipt of the Offer Amendment, the Management Board of the Company forwarded the Offer Amendment without undue delay to the Supervisory Board and to the group works council of the Company.

In the view of the Management Board and the Supervisory Board of the Company, the Offer Amendment does not give any reason to depart from the recommendation contained in their Reasoned Statement.

1. Legal Basis of the Supplementary Reasoned Statement

Pursuant to Section 27 para. 1 sentence 1 WpÜG, the management board and the supervisory board of a target company must submit a reasoned statement on a takeover offer and on any amendments thereof. The Management Board and the Supervisory Board of the Company have decided to issue a joint supplementary reasoned statement (the **Supplementary Reasoned Statement**).

2. Factual Basis of the Supplementary Reasoned Statement

The Offer Amendment relates to the lowering of the minimum acceptance threshold for the Offer described in more detail in Section II of this Supplementary Reasoned Statement.

This Supplementary Reasoned Statement does not relate to the entire Offer, but solely to the parts of the Takeover Offer that are affected by the Offer Amendment. The Supplementary Reasoned Statement should therefore be read in conjunction with the Reasoned Statement.

The statements made in the Reasoned Statement with respect to the factual basis of the Reasoned Statement and to the own responsibility of the Aareal Shareholders also apply, *mutatis mutandis*, to this Supplementary Reasoned Statement. Unless otherwise defined in this Supplemental Reasoned Statement, defined terms shall have the same meaning as in the Reasoned Statement.

3. Publication of the Supplementary Reasoned Statement

This Supplementary Reasoned Statement is published in accordance with Section 27 para. 3 sentence 1, Section 14 para. 3 sentence 1 WpÜG on the website of the Company at

<https://www.aareal-bank.com/en/investors-portal/equity-investors/investment-agreement-and-takeover-offer>

under “Investors” and there under the heading “Equity Investors” and there under “Investment agreement and takeover offer”. Copies of the Reasoned Statement are also available free of charge from Aareal Bank AG, Investor Relations, Paulinenstraße 15, 65189 Wiesbaden, Germany, telephone: +49 611 348 3009, fax: +49 611 348 2637 (inquiries by email to ir@aareal-bank.com specifying the full postal address). The publication and availability of copies for distribution free of charge is announced in the Federal Gazette.

In addition to the original German-language version of this Supplementary Reasoned Statement, the present non-binding English translation is published on the website mentioned above. However, the Management Board and the Supervisory Board assume no liability for the correctness or completeness of the English translation. Only the German version is binding.

II. OFFER AMENDMENT

Pursuant to Section 10.1.4 of the Offer Document, the Offer and the contracts with the Aareal Shareholders which come into existence as a result of its acceptance were subject to, among others, the Offer Condition of reaching a minimum acceptance threshold of at least 70% of the Aareal Shares issued at the end of the Acceptance Period, as outlined in Section 10.1.4 of the Offer Document. This corresponded to at least 41,900,055 Aareal Shares at the time of publication of the Offer Document.

The Bidder has now decided to lower this minimum acceptance threshold to 60% and to amend the Takeover Offer accordingly.

Due to the amended Offer Condition, which replaces the previous Offer Condition in Section 10.1.4 of the Offer Document in its entirety, the Offer Condition in Section 10.1.4 of the Offer Document ("Minimum acceptance threshold") now reads as follows:

"10.1.4 Minimum acceptance threshold

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

(a) 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) 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) which are attributable to the Bidder or Atlantic Lux HoldCo S.à r.l. pursuant to Section 30 WpÜG, and

(d) for which the Bidder or persons acting jointly with the Bidder within the meaning of Section 2 para. 5 WpÜG have concluded an agreement outside of this Offer, which entitles them to the transfer of title to these Aareal Shares,

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 Amendment). Aareal Shares which are subject to several of the preceding paragraphs (a) to (d) will be taken into account only once."

Apart from this, the Takeover Offer and the Offer Conditions contained therein remain unchanged.

III. EXTENSION OF THE ACCEPTANCE PERIOD

As a result of the aforementioned lowering of the minimum acceptance threshold within the last two weeks prior to the expiration of the previously applicable Acceptance Period, the Acceptance Period specified in Section 4.3 of the Offer Document is automatically extended by two weeks in accordance with the statutory requirement in Section 21 para. 5 sentence 1 WpÜG and will end on February 2, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York).

As noted by the Bidder in Section 3 of the Offer Amendment, the extended Acceptance Period for the Takeover Offer may be extended again under certain circumstances, which are described in more detail in Section 4.4 ("Extension of the Acceptance Period") of the Offer Document. An additional amendment to the Offer by the Bidder during the extended Acceptance Period pursuant to Section 21 para. 5 WpÜG is, however, not allowed (Section 21 para. 6 WpÜG). Although this means that it is not allowed to amend the Offer Price contained in the Offer, an increase in the Offer Price may nevertheless occur if such an increase is required under Section 31 para. 4 WpÜG, for example, as a result of an acquisition of Aareal Shares

during the period of the offer procedure at a price that is higher than the consideration specified in the Offer.

IV. POSTPONEMENT OF THE ADDITIONAL ACCEPTANCE PERIOD

According to Section 4 of the Offer Amendment, the Additional Acceptance Period is expected to commence on February 8, 2022 and to end on February 21, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York). After the end of the Additional Acceptance Period, the Takeover Offer can no longer be accepted (unless a right to tender as described in Sections 4.5 and Section 14(g) of the Offer Document exists).

The Bidder further points out in Section 4 of the Offer Amendment that the amended Offer will only be successful if the minimum acceptance threshold of 60% of the Areal Shares was reached within the extended Acceptance Period, i.e., until February 2, 2022, 24:00 hrs (local time Frankfurt am Main) / 18:00 hrs (local time New York). Areal Shareholders should therefore, according to the Bidder's statement in the Offer Amendment, not rely to be able to accept the Takeover Offer in the Additional Acceptance Period.

V. RIGHT OF WITHDRAWAL

Furthermore, the Management Board and the Supervisory Board of the Company point out that Areal Shareholders who have already accepted the Takeover Offer before the publication of the Offer Amendment may, at any time until the end of the Acceptance Period, withdraw from the agreements concluded on the basis of their acceptance of the Takeover Offer (Section 21 para. 4 WpÜG). For details on the exercise of the right of withdrawal, reference is made to Section 15 ("Rights of Withdrawal") of the Offer Document.

Areal Shareholders who have already validly accepted the Takeover Offer and still intend to accept it do not need to exercise their right of withdrawal and are not required to perform any other actions to obtain the offer consideration under the terms and conditions of the Takeover Offer.

In case of completion of the amended Offer, the Offer Price shall be payable to all Areal Shareholders who have already accepted the Offer and do not exercise their right of withdrawal or who will still accept it following the Offer Amendment in accordance with the terms and conditions of the amended Offer.

VI. CONSIDERATIONS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD REGARDING THE OFFER AMENDMENT

The Management Board and the Supervisory Board take the view that the lowering of the minimum acceptance threshold from 70% to 60% increases the likelihood that the transaction relating to the Offer of the Bidder will be completed. This is due to the mere fact of the lowering of the minimum acceptance threshold and to the reason that it gives the Bidder the opportunity to further communicate with shareholders and other relevant stakeholders of the Company within the now extended offer period. Apart from this, the considerations made by the Management Board and the Supervisory Board in the Reasoned Statement remain unchanged. Both the Management Board and the Supervisory Board are of the opinion, as already stated in Section XII of the Reasoned Statement, that it is in the best interests of the Company, the Areal Shareholders and the other stakeholders of the Company to support the Takeover Offer. The Management Board and the Supervisory Board therefore also welcome the Offer Amendment.

In addition, it is hereby informed that following the resolution on the Reasoned Statement, Mr. Holger Giese, Mr. Friedrich Munsberg and Dr. Ulrich Theileis were appointed as members of the Supervisory Board. These new members do not hold any shares in the Company.

VII. RECOMMENDATION

In the opinion of the Management Board and of the Supervisory Board, the Offer Amendment does not contain any statements that would give reason to depart from their recommendation made in Section XII of the Reasoned Statement. The Management Board and the Supervisory Board therefore continue to support the now amended Takeover Offer and, based on the considerations set out in the Reasoned Statement, continue to recommend that the Aareal Shareholders accept the Takeover Offer.

Notwithstanding the above recommendation, each Aareal Shareholder is solely responsible for making their own decision on whether or not to accept the Takeover Offer, taking into account all circumstances, their personal and tax situation and their own assessment of the likely future performance of the value and stock exchange price of the Aareal Shares.

Subject to mandatory statutory provisions, the Management Board and the Supervisory Board accept no liability, should an Aareal Shareholder suffer any economic disadvantages as a result of accepting or not accepting the Takeover Offer.

The content of this Supplementary Reasoned Statement was last discussed by the Management Board and the Supervisory Board on January 20, 2022 and unanimously adopted by each of them.

Wiesbaden, January 20, 2022

Aareal Bank AG

Management Board

Supervisory Board