

PRESS RELEASE

Aareal Bank launches process to sell a minority stake in Aareon

Wiesbaden, 19 May 2020 – The Management Board of Aareal Bank AG resolved today to enter into discussions with a select group of long-term financial investors – within the framework of a structured process – on the sale of a significant minority stake in subsidiary Aareon AG. The goal of this process is to join forces with a partner, in order to further strengthen Aareon's growth prospects and to further expedite its growth programme – in an environment that is currently favourable for tech enterprises such as Aareon. Aareal Bank intends to remain Aareon's majority shareholder.

The process should be carried out quickly and without prejudice to the outcome, whilst exercising due diligence in its application. Aareal Bank has retained Arma Partners, a consultancy specialising on the technology sector, as financial advisors. The Management Board and Supervisory Board will decide on a possible partnership specifically on the basis of the knowledge gained in the process. From today's point of view, besides the commercial aspects of a potential transaction, key criteria will especially include support for Aareon's growth strategy, particularly in terms of stepping up M&A activities, and the potential partner's specific transaction and sector expertise.

Hermann J. Merkens, Chairman of the Management Board of Aareal Bank AG, commented: "Aareon is an integral part of Aareal Bank Group's strategy, which has been further developed under the motto of 'Aareal Next Level'. In this context, we explained that we are generally prepared to enter into strategic partnerships, as a sensible option to further accelerate Aareon's dynamic development. Now is exactly the right time to give serious thought to such a measure. The market environment for tech enterprises such as Aareon is good. As a stable and reliable, fast-growing and innovative partner and digital pioneer to the European property sector, Aareon is particularly attractive and important for clients, thanks to its ground-breaking products, its innovative strength and its forward-looking conduct. By launching a structured process for the possible sale of a minority stake in Aareon, we have simultaneously demonstrated Aareal Bank Group's ability to consistently pursue its strategic objectives – even in the midst of the Covid-19 pandemic.

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Aareal Bank Group

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. It provides smart financings, software products, and digital solutions for the property sector and related industries, and is present across three continents: Europe, North America and Asia/Pacific. Aareal Bank AG, whose shares are included in Deutsche Börse's MDAX index, is the Group's parent entity. It manages the various entities organised in the Group's three business segments: Structured Property Financing, Consulting/Services Bank, and Aareon. The Structured Property Financing segment encompasses all of Aareal Bank Group's property financing and funding activities. Here, the Bank supports its clients in making large-volume commercial property investments. The investment properties mostly comprise office buildings, hotels, shopping centres, logistics and residential property, as well as student apartments. In the Consulting/Services Bank segment, Aareal Bank Group supports businesses from the housing, property management and energy industries as a digitalisation partner – combining extensive advisory services and product solutions with traditional corporate banking services and deposit-taking. Aareon, a leading European consultancy and IT systems house for the European property industry and its partner in the digital age, forms the third business segment. Aareon offers reliable, pioneering solutions in the fields of consulting, software and services to optimise IT-supported business processes, and to extend business models. The Aareon Smart World digital platform links businesses from the housing industry and related sectors with customers, staff and business partners, as well as connecting technical devices in apartments and buildings.