

This version of the Notice to Shareholders (request for extension of the agenda for the Annual General Meeting) is a translation from the German original, provided for the convenience of English-speaking readers. The German text shall be authoritative and binding for all purposes.

Extension of the Agenda for the Ordinary (Virtual) Annual General Meeting

of Aareal Bank AG on 18 May 2021

Addendum

Request for extension of the agenda by Petrus Advisers Investments Fund L.P.

The Ordinary (Virtual) Annual General Meeting¹⁾ of Aareal Bank AG was convened for Tuesday, 18 May 2021, in Wiesbaden, by way of publication in the German Federal Gazette (Bundesanzeiger) dated 6 April 2021.

With a letter dated 12 April 2021 (received by Aareal Bank AG in writing on 13 April 2021), shareholder Mr Till Hufnagel, of Baar (Switzerland), had initially requested an extension of the agenda for the General Meeting, pursuant to section 122 (2) of the German Public Limited Companies Act (Aktiengesetz – “AktG”). However, Mr Hufnagel’s statements, provided to substantiate said request for extension of the agenda, constituted a contradiction to the fact that Mr Hufnagel himself had not in fact issued a voting rights notification pursuant to sections 33 and 34 of the German Securities Trading Act (Wertpapierhandelsgesetz – “WpHG”), whilst also contradicting the voting rights notifications pursuant to sections 33 and 34 of the WpHG issued by Mr Klaus Umek (also on behalf of Petrus Advisers). The Company already pointed out contradictions in its press release dated 14 April 2021 as well as in a separate message to Mr Hufnagel, in which it drew Mr Hufnagel’s attention to the statutory loss of shareholder rights under section 44 of the WpHG. Messrs Till Hufnagel and Klaus Umek then submitted a total of four new or amended voting rights notifications to the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – “BaFin”) on 15 April 2021 and 16 April 2021, respectively. Furthermore, and apparently in this context, Mr Till Hufnagel, of Baar (Switzerland), in a new letter dated 16 April 2021, as well as Petrus Advisers Investments Fund L.P. Camana Bay KY1-1108 (Cayman Islands), in a letter dated 16 April 2021, issued new requests (with identical content) for extension of the agenda for the General Meeting on 18 May 2021, in accordance with section 122 (2) of the AktG.

Based on the two requests for extension of the agenda dated 16 April 2021, which correspond with each other in terms of their content, the following resolutions on items are added to the agenda of the Ordinary (Virtual) Annual General Meeting on 18 May 2021 in accordance with the wording of the request put forward by

Petrus Advisers Investments Fund L.P. pursuant to sections 122 (2), 124 (1) of the AktG; this is hereby announced as follows, even though Aareal Bank AG’s review of the matter and legal situation is still ongoing given the overall situation and further open questions regarding the current voting rights notification of Mr Klaus Umek/Petrus Advisers and other individuals, including BaFin and in particular under the aspect of acting in concert. The statement by the Supervisory Board of Aareal Bank AG, shown at the end of this section, which originally only related to the request for extension of the agenda submitted by Mr Till Hufnagel, now also applies in the same manner to the request for extension of the agenda submitted by Petrus Advisers Investments Fund L.P., which sets out substantially the same request. Said statement has also been enclosed here.

Agenda item no. 11: Passing of a resolution on the removal of Supervisory Board members pursuant to section 103 of the AktG

It is proposed to resolve as follows:

- a) That Marija Korsch, member of the Supervisory Board (and, at the same time, its Chairman) be removed from office, effective at the end of this Annual General Meeting.
- b) That Christof von Dryander, member of the Supervisory Board, be removed from office, effective at the end of this Annual General Meeting.
- c) That Dietrich Voigtländer, member of the Supervisory Board, be removed from office, effective at the end of this Annual General Meeting.

Resolutions shall be passed by way of separate, individual polls.

Agenda item no. 12: Passing of a resolution on the election of Supervisory Board members

Pursuant to section 2(1) of the Co-Determination Agreement in conjunction with Article 9 of the Memorandum and Articles of Association and sections 95,

¹⁾ Hereinafter referred to as the “General Meeting”

96 (1), 101 (1) of the AktG, the Supervisory Board consists of eight members to be elected by the General Meeting and four members to be elected by staff. The General Meeting is not bound by nominations when electing shareholder representatives to the Supervisory Board.

- a) In the event that Supervisory Board member Marija Korsch is removed from office at this General Meeting, or her membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Mr Theodor Heinz Laber, of Unterschleissheim (Germany), businessman and former member of senior management of UniCredit Bank AG, is elected to the Supervisory Board as shareholder representative.

Mr Theodor Heinz Laber is Chairman of the Supervisory Boards of BVV Versicherungsverein des Bankgewerbes a.G., BVV Versorgungskasse des Bankgewerbes e. V., and of BVV Pensionsfonds des Bankgewerbes AG (pension fund and mutual pension fund schemes organised for the German banking sector). Mr Laber's curriculum vitae is attached to this letter.

- b) In the event that Supervisory Board member Christof von Dryander is removed from office at this General Meeting, or his membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Ms Marion Khüny, of Mödling (Austria), self-employed consultant, is elected to the Supervisory Board as shareholder representative.

Ms Marion Khüny is a member of the Supervisory Board of Erste Group Bank AG, Vienna, Austria, and of KA Finanz AG, Vienna, Austria. Ms Khüny's curriculum vitae is attached to this letter.

- c) In the event that Supervisory Board member Dietrich Voigtländer is removed from office at this General Meeting, or his membership on the Supervisory Board has ended otherwise (or will end otherwise, upon the end of the General Meeting), it is proposed to resolve as follows:

Mr Thomas Christian Hürlimann, of Horgen (Switzerland), self-employed consultant, is elected to the Supervisory Board as shareholder representative.

Mr Thomas Christian Hürlimann is an independent non-executive director of Hiscox Ltd, Bermuda, and of Hiscox S.A., Luxembourg. Mr Hürlimann's curriculum vitae is attached to this letter.

Said candidates are to be elected for a term of office commencing after the close of the General Meeting until, in accordance with Article 9 of the Memorandum and Articles of Association, (i) for candidates Heinz Laber and Marion Khüny, the close of the General Meeting that resolves on the formal approval for the 2022 financial year, and (ii) for candidate Thomas Christian Hürlimann, the close of the General Meeting that resolves on the formal approval for the 2023 financial year.

Resolutions shall be passed by way of separate, individual polls.

Substantiation for the request for extension of the agenda¹⁾:

The Company's performance over the past year, as well as the hesitant action taken by the Supervisory Board during the COVID-19 pandemic and with regard to the associated challenges, have raised considerable doubt on the part of Petrus Advisers Investments Fund L.P. as to whether the Supervisory Board has the ability, in its current composition, to appropriately support Aareal Bank AG regarding the urgent tasks to be performed in the years ahead.

We see the Supervisory Board's statement in response to the request for extension of the agenda submitted by Mr Till Hufnagel, dated 13 April 2021 and published by Aareal Bank AG on 14 April 2021, as further evidence of Supervisory Board members' outdated thinking in terms of vested interests. The concept that – once successfully elected – members have an unconditional right to exercise their Supervisory Board office until the end of the original term is incompatible with the per-

¹⁾ Please note that the following is a convenience translation of the request by the applicant and the curricula vitae provided in German.

formance requirements placed upon a modern bank; it is also inconsistent with the provisions of German company law governing the early dismissal of Supervisory Board members.

The high-handed approach to exercising their office, together with Aareal Bank AG's remuneration policy – which has already been publicly discussed – do not bode well for the future. Removing certain members of the Supervisory Board is intended to allow the Bank to return to its previous successes. Petrus Advisers Investments Fund L.P. would be delighted if as many shareholders as possible were to join us on this path.

Information on the candidates, as provided by the applicant:

In our view, the nominations for election as shareholder representatives are in concordance with the statutory requirements as per section 100 (5) of the AktG. The proposed candidates were identified, with the support of external advisors, on the basis of publicly available Company information regarding the skills profile for the Supervisory Board. For this purpose, the professional and personal suitability requirements, together with various objectives to promote the diversity of the Supervisory Board (in terms of gender, professional qualification, age and geographical diversity) and its independence, as well as statutory requirements were taken into account. All relevant information was obtained and reconciled with the corresponding profile. The candidates proposed for the by-election comply with the skills profile required by the Company, and are independent as defined in section C.13 of the German Corporate Governance Code. Moreover, each of the candidates has declared individually that they have sufficient time available for the work on the Supervisory Board, and that they will accept the mandate if elected.

The curricula vitae of the proposed candidates are attached to this request for extension of the agenda, providing information on the candidate's relevant knowledge, skills and professional experience, supplemented by an overview of the candidate's material activities in addition to the Supervisory Board mandate.

Theodor Heinz Laber

Mr Laber is a highly experienced bank manager holding

extensive personnel and Management Board experience. Contributing his experience gained in numerous transformation processes he led in the German banking sector, and thanks to his significant IT transformation expertise and experience in property finance, he has an ideal profile for Aareal Bank AG's Supervisory Board.

Marion Khüny

Ms Khüny is an experienced bank manager, with broad-based experience in the areas of portfolio management, investment banking and risk management, as well as corporate governance.

Thomas Christian Hürlimann

Mr Hürlimann commands very extensive experience: besides risk and regulatory issues, covering the areas of digital transformation, software and change management in particular.

Curricula vitae of the candidates proposed by the applicant, as provided by the applicant:



Theodor Heinz Laber

Date of birth: 22 September 1953

Nationality: German

Residence: Unterschleißheim, Germany

Independence: (x)

Expertise

Broad-based experience in personnel management, operating experience in the areas of efficiency enhancement, integration/mergers, property finance experience, significant IT management experience.

Professional career

04/2019 to date	Offices held on supervisory boards, including as Chairman of BVV (staff pension scheme for bank employees, with € 30 billion in assets under management, as well as on boards of trustees (e.g. at Hypo-Kulturstiftung, which operates the Kunsthalle in Munich)
01/2018 – 03/2019	Co-management of the German branch of UBIS (UniCredit's IT and back-office entity)
01/2006 – 12/2017	Member of senior management, UniCredit Bank AG, Munich
03/2003 – 12/2005	Divisional head of Bayerische Hypo- und Vereinsbank AG
09/2001 – 02/2003	Chief Operating Officer, HVB Real Estate Bank AG (responsible for operating and HR integration of three property finance banks: Bayerische Handelsbank, Süddeutsche Bodenkreditbank, and Vereinsbank Nürnberg)
09/1998 – 08/2001	Head of HR, Bayerische Hypo- und Vereinsbank AG (merger of Bayerische Hypotheken- und Wechselbank and Bayerische Vereinsbank in terms of HR and regarding employer/employee relationships)
05/1994 – 08/1998	Head of HR, Bayerische Vereinsbank AG (involving several M&A deals, from due diligence to HR integration, e.g. for Vereins- und Westbank, Hamburg, and BPH Cracow)
08/1976 – 04/1994	Various positions in the HR department of Bayerische Vereinsbank AG (including Head of Advisory & personnel development/employer branding), as well as in corporate projects such as overhead value analysis

Education

1972 – 1976	Business management studies, with a degree in business administration (Diplom-Betriebswirt)
1969 – 1971	Bayer. Staatsbank, vocational training (bank officer)
1963 – 1969	Albrecht-Gymnasium grammar school, Munich

Additional engagement as a member of an executive body with other companies

Chairman of the Supervisory Board of BVV
Member of the Board of Trustees, Hypo-Kulturstiftung



Mag. Marion Khüny

Date of birth: 18 May 1969

Nationality: Austrian

Residence: Mödling, Austria

Independence: (x)

Expertise

Experienced manager with proven skills in portfolio management, investment banking, risk management, and Supervisory Board governance. Strong focus on the development of staff, combined with the ability to adapt to new professional challenges and different cultures. Broad knowledge of the entire banking industry (comprising commercial banking, investment banking, as well as risk and treasury management).

Professional career

05/2017 to date	Erste Group Bank AG, Vienna (member of the Supervisory Board)
09/2017 to date	KA Finanz, Vienna (member of the Supervisory Board)
04/2019 to date	Senior advisor, Oaknorth Analytical Intelligence (London)
06/2017 – 04/2019	Senior advisor to a family office (Monaco)
03/2015 – 09/2016	Member of the Divisional Board, Commerzbank AG (Frankfurt)
11/2008 – 12/2014	Head of Division, UniCredit Bank AG/UniCredit Group (Munich/Milan)
11/2003 – 10/2008	Co-head of proprietary credit trading – Managing Director, UniCredit Group/Bank Austria AG (Vienna)
12/1997 – 10/2003	Senior fund manager – VP, Deutsche Asset Management (DWS) (Frankfurt)
01/1995 – 11/1997	Portfolio Manager, EM bonds/distressed loans, Creditanstalt AG (Vienna)
06/1993 – 12/1994	Trainee programme, Creditanstalt AG (Vienna)

Internships

03/1993	Creditanstalt AG (London, UK)
Summer 1992	Austrian Foreign Trade Delegation (Johannesburg/South Africa)
Summer 1991	König AG (automotive supplier) (Rankweil/Austria)

Education

10/1988 – 03/1993	Magister in International Economics, Leopold-Franzens University (Innsbruck/Austria)
09/1990 – 07/1991	8 PhD, MBA, BA courses in economics, marketing – Marquette University (Milwaukee/USA) Chartered Financial Analyst (CFA), German Association for Financial Analysis and Asset Management (DVFA)



Thomas Christian Hürlimann

Date of birth: 22 April 1963

Residence: Horgen, Switzerland

Nationality: Swiss

Independence: (x)

Expertise

- Influential global management personality – experienced Supervisory Board member
- Experience gained in Supervisory Board committees, including the audit, remuneration, risk, nomination, and investment committee
- Strong cultural sensitivity – outstanding team member creating new ideas and opportunities through a participatory approach
- Broad-based global management experience in financial services, covering banking, re-insurance and primary insurance; managed a team of 3,500 staff in more than 30 countries, with revenues of US\$ 9 billion
- Global regulatory experience, combined with a deep understanding of risk management – including cyber risks and emerging risks – by having advised and insured Fortune 5000 firms worldwide
- Extensive strategic and deal experience in areas such as M&A, complex financing solutions, catastrophe bonds, run-off solutions, conditional capital
- Broad FinTech knowledge, having advised the most diverse FinTech and InsurTech companies worldwide
- Major IT and innovation experience, especially at the client/technology interface, having implemented global digital platforms that have radically improved client experience
- Extreme client focus, having implemented a global key account management organisation (SAMA award for the best global strategic account management team)

Professional career

03/2020 to date	Cytora LTD (United Kingdom), member of the Advisory Board
01/2020 to date	Verisk Analytics, member of the International Advisory Board
07/2018 to date	Drake Star Partners, senior advisor
05/2018 – 05/2019	Wisekey SA (Switzerland), non-executive director
11/2017 to date	Hiscox LTD (Bermuda) / Hiscox SA (Luxembourg), non-executive director
03/2011 – 06/2017	Zurich Insurance Group (Switzerland), CEO Global Corporate
06/2006 – 03/2011	Zurich Insurance Group (Ireland), CEO Global Corporate in Europe
01/2006 – 06/2006	Zurich Insurance Group (Switzerland), Chief Operating Officer Global Corporate
03/2003 – 01/2006	Zurich Insurance Group (Switzerland), Global Head of Group Reinsurance
2001 – 2003	Swiss Re (Switzerland and UK), Global Head of the Insurance division at Fox-Pitt, Kelton
1998 – 2000	Swiss Re, Head of Global Insurance Clients at Swiss Re New Markets
1995 – 1998	Swiss Re (Switzerland), Director – financial advisor to the Board
1994 – 1995	NatWest – Coutts & Co AG (Switzerland), VP – Central & Eastern Europe
1993	IMD Lausanne (Switzerland), MBA
1991 – 1992	NatWest – Coutts & Co AG (Switzerland), AVP responsible for strategic projects
1990	NatWest – County NatWest (United Kingdom), Corporate Finance
1989	NatWest – Coutts & Co AG (Switzerland), Treasurer ad interim

Education

2017	International Directors Program, INSEAD – Certificate in Corporate Governance
1993	MBA, IMD Lausanne (Switzerland)
1983 – 1988	Studied business administration and economics at Zurich University (Switzerland)

Statements by the Management Board and the Supervisory Board regarding the request for extension of the agenda

The applicant, Petrus Advisers Investments Fund L.P., has indicated in its request for extension of the agenda that it holds 170,000 Aareal Bank AG shares.

Furthermore, in his request for extension of the agenda, Mr Hufnagel had indicated that he also holds 170,000 shares, and that together with his business partner Klaus Umek and their joint company Petrus Advisers, they had issued a notification of a joint stake in Aareal Bank AG of approximately 9.4 per cent.

Against this background, regarding this request for extension of the agenda (which is identical in content), the Management Board and the Supervisory Board point out that apparently, Petrus Advisers wishes that its request for extension of the agenda be seen in the context of the intentions pursued jointly with Mr Hufnagel. The company, represented by Messrs Till Hufnagel and Klaus Umek, had already called for the inclusion of the above-mentioned resolution proposals in the agenda, in a letter to the Supervisory Board submitted in advance of the Ordinary (Virtual) General Meeting 2021.

Statement by the Management Board:

In accordance with the assignment of responsibilities under German corporate law, the Management Board does not consider itself in a position to comment on the request by Petrus Advisers Investments Fund L.P. for removal of identified members of the Supervisory Board, nor will it comment on the proposed replacement candidates for election to the Supervisory Board.

Statement by the Supervisory Board:

1. Statement regarding agenda item no. 11: request for extension of the agenda and application for removal of Supervisory Board members

The entire Supervisory Board continues to have no doubts concerning the extensive personal and professional skills of Supervisory Board members Marija Korsch, Christof von Dryander and Dietrich Voigtländer, as well as their personal reliability. There is no need for

withdrawing confidence in Mr von Dryander, who was newly elected to the Supervisory Board only at the last Annual General Meeting on 27 May 2020, or in Mr Voigtländer, who was re-elected at that meeting – each with an overwhelming majority. Mr Hufnagel has presented no evidence that these persons have not exercised their office without objections. The same applies to Ms Korsch, who has held the Chair of the Supervisory Board since 2012.

The Supervisory Board also points out that extensive discussions concerning the Supervisory Board's skills profile, its composition, the structure of its committees and the terms of office of its members took place in preparation for the Annual General Meeting 2020 – with all material investors as well as proxy advisors. Investor Petrus Advisers – with whom Mr Hufnagel claims to be acting in concert – was included in this discussion, in great detail and on equal terms. Candidates proposed by Petrus Advisers were included in this clearly structured, transparent and professionally managed personnel selection process. This corporate governance sounding led to shortened terms of office of Supervisory Board members, the introduction of a so-called staggered board, as well as new appointments to the Supervisory Board (in the sense of a Board refreshment). Specifically, Ms Jana Brendel and Mr Christof von Dryander were won for a candidacy. The selection process, during which the Nomination Committee had selected these two candidates from among more than 90 profiles (and following a "fit and proper" examination conducted by BaFin and the ECB), was transparently communicated in the form of information provided regarding agenda item no. 6 of the General Meeting. This highly transparent and broadly explored corporate governance reform met with resounding support by shareholders at the 2020 Annual General Meeting: the six candidates for election to the Supervisory Board received between 99.68 per cent and 99.72 per cent of votes – including Supervisory Board members, Messrs von Dryander and Voigtländer, whose removal Mr Hufnagel has now proposed.

Regarding Mr Hufnagel's criticism of the Company lacking a sustainable strategy, we would like to comment as follows: the Supervisory Board, and the Chairman of the Supervisory Board, have comprehensively advised the Management Board regarding the Group's future strategic orientation at any time. The Supervisory Board was involved in all material decisions made by Aareal

Bank Group, also – and in particular – in monitoring implementation of the “Aareal Next Level” strategy, which has the unanimous support of the Supervisory Board. This also applies to supporting the comprehensive 360-degree review of the “Aareal Next Level” strategy carried out in the autumn of 2020: Aareal Bank AG published key aspects of this review in January 2021, and further details in February 2021. This served to sharpen the focus regarding material aspects of “Aareal Next Level”, making Aareal Bank Group ready for a changed environment once the coronavirus pandemic has been overcome.

Specifically, as part of the associated adjustments in the Structured Property Financing segment, Aareal Bank is aiming for a controlled portfolio expansion, within the framework of its existing risk strategy, in order to better exploit the existing platform. A portfolio volume of around € 29 billion is targeted for the end of 2021, with approximately € 30 billion targeted for the end of 2022. In this context, Aareal Bank AG will be aligning its business even more strongly to ESG criteria – a development for which it is best positioned as a long-term financing provider. Moreover, at least 15 per cent of the targets assigned to the Management Board must include quantitative ESG performance criteria from 2021 onwards. The strategic focus in the Banking & Digital Solutions segment is on further expansion of the equity-light business and therefore on doubling the segment’s commission income over the medium term. In the Aareon segment, the Company continues to aim for a significant increase in the value and earnings contribution for the Group and its shareholders. Based on the Value Creation Plan jointly developed with our partner (and Aareon minority shareholder) Advent – excluding the positive effects of any potential acquisitions – an increase in adjusted EBITDA to around € 135 million by 2025 is targeted.

With the corresponding adjustments to the strategy, according to Aareal Bank AG’s planning, it will be possible to generate consolidated operating profit in the range of € 300 million – excluding any potential acquisitions – as early as 2023, provided the pandemic has been fully overcome by then and the risk situation has returned to normal. Assuming a CET1 ratio of around 15 per cent (Basel IV, phased-in, revised IRBA) which would exceed the market average, this translates into a return on equity (RoE) after taxes of approximately 8 per cent (both for the Group and for Aareal Bank AG), in line with the cost of capital. This is projected to lead

to a cost/income ratio below 40 per cent in Aareal Bank AG’s core Structured Property Financing segment by 2023, which is in line with a best-in-class ratio on a European level as well, thus reflecting the high level of efficiency in our organisation.

The Supervisory Board would also like to refer to the extremely positive response by the capital markets and sector experts to the adjusted strategic programme – also reflected in the share price response, which was up by approximately 6 per cent on the day of publication of key aspects in January 2021, and by around 17 per cent on the day of the detailed publication in February 2021.

Against this background, the Supervisory Board proposes to the General Meeting to vote against the removal of the Chairman and the members of the Supervisory Board – Ms Korsch, Mr von Dryander, and Mr Voigtländer – proposed under agenda item no. 11.

2. Statement regarding agenda item no. 12: request for extension of the agenda and application for by-elections of Supervisory Board members

There is no reason for the by-election of three individuals to the Supervisory Board, as proposed by Petrus Advisers Investments Fund L.P., for the reasons stated with regard to the request for extension of the agenda under agenda item no. 11.

Furthermore, it is far from certain whether these candidates would in fact comply with regulatory requirements for assumption of office, as set out within the framework of a mandatory examination of suitability and reliability by the German Federal Financial Supervisory Authority (BaFin) in particular.

Therefore, the Supervisory Board proposes to the General Meeting to vote against the elections of Mr Laber, Ms Khüny and Mr Hürlimann, as proposed under agenda item no. 12.

Wiesbaden, April 2021

Aareal Bank AG

The Management Board

Aareal Bank AG

Paulinenstrasse 15 · 65189 Wiesbaden

www.aareal-bank.com



Aareal Bank

Aareal
YOUR COMPETITIVE ADVANTAGE.