

Convenience
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Joint report

of the Management Board of **Aareal Bank AG**, Paulinenstraße 15, 65189 Wiesbaden, registered in the traderegister of the Wiesbaden District Court under HRB 13184

and

the management of **Participation Elfte Beteiligungs GmbH**, Paulinenstraße 15, 65189 Wiesbaden, registered in the commercial register of the Wiesbaden District Court under HRB 33312

to the domination and profit and loss transfer agreement of 25 March 2022

On 25 March 2022 concluded a company agreement (domination and profit and loss transfer agreement pursuant to § 291 (1) sentence 1 AktG). The shareholders' meeting of Participation Zwölfte Beteiligungs GmbH has already approved the agreement on XX February 2017. The company agreement will be signed at the Annual General Meeting of Aareal Bank AG on 18 May 2022.

The Management Board of Aareal Bank AG and the Management Board of Participation Elfte Beteiligungs GmbH shall submit the following joint report pursuant to Section 293a of the German Stock Corporation Act (AktG) on the corporate agreement between the parties:

I. Legal and economic reasons for the conclusion of the company contract

Aareal Bank AG holds a 100% stake in Participation Elfte Beteiligungs GmbH. The company was founded as a shelf company in order to be able to realize future investment opportunities in a timely manner. The integration of the company by means of a domination and profit and loss transfer agreement enables the Bank to manage its shareholdings flexibly and gives Aareal Bank AG the opportunity to optimise its Group structure at short notice, if necessary.

The company agreement has the effect of offsetting the results of both companies under commercial and tax law. It is concluded for the establishment or consolidation of the VAT, corporation tax and trade tax group.

II. Explanation of the content of the company agreement

- The controlling company subordinates the management of its company to the controlling body, which is accordingly entitled to issue instructions to the management of the controlling company with regard to the management of the company (§ 1 of the contract). The controlling company also undertakes to follow the instructions of the controlling body.
- The controlling company undertakes, for the first time, for the entire short financial year 2017 as well as for the current financial years, to transfer all its profits to the controlling body (§ 2 para. 1 of the contract). Profit is not more than the net profit under commercial law, less a loss carried forward from the previous year, the amount to be entered in the statutory reserves and the amount blocked from distribution pursuant to Section 268 (8) of the German Commercial Code (HGB) (Section 2 (2) of the contract). The controlling company may only transfer amounts from the net profit for the year to retained earnings within the meaning of Section 272 (3) of the German Commercial Code (HGB) to the extent that this is permissible under commercial law and is economically justified in a reasonable commercial assessment (§ 2 (3) of the contract). In all other respects, the provi-

sion contained in Section 301 of the German Stock Corporation Act (AktG) shall apply accordingly in its respectively valid version (Section 2 (4) of the Contract).

- The controlling body is obliged to assume losses in accordance with all provisions of § 302 AktG in its currently valid version (§ 3 (1) of the contract).
- The contract becomes effective upon its entry in the commercial register of the registered office of the controlling company and applies – except for the management authority of the controlling company – for the period from the beginning of the financial year in which the registration takes place (§ 4 para. 1 of the contract).
- The contract has a minimum term of 5 years and is extended by one year if it is not terminated beforehand with a notice period of six months (§ 4 para. 2 of the contract). If the end of the minimum term does not fall on the end of a financial year of Participation Elfte Beteiligungs GmbH, the contract period is extended until the end of the corresponding financial year.
- The income can be terminated for good cause at any time without observing a notice period, even before the expiry of the minimum term. In particular, the controlling body is entitled to terminate the contract for good cause if it no longer holds a majority stake in the controlling company (§ 4 para. 3 of the contract).

The contract will be concluded after approval by the Annual General Meeting of Aareal Bank AG on 18 May 2022 retroactively to 3 March 2022.

Since Aareal Bank AG is the sole shareholder of Participation Elfte Beteiligungs GmbH, there is no need for compensation and severance pay in accordance with Sections 304 and 305 of the German Stock Corporation Act (AktG) for external shareholders. For the same reason, there is also no need for an audit of this contract by an auditing firm.

Wiesbaden, den 30 March 2022

Aareal Bank Ltd.

Klösges

Heß

Kunisch-Wolff

Winkelmann

Participation Elfte Beteiligungs GmbH

Listau

Leitzbach