

## PRESS RELEASE

### **Aareal Bank and Advent International to sell Aareon to TPG for approximately € 3.9 billion**

- **Transaction will establish Aareon as an independent company majority owned by TPG and CDPQ as minority co-investor**
- **Aareal Bank and Aareon to continue to cooperatively support their clients following the transaction**
- **Gain on sale to be booked in Aareal Bank Group with closing in H2 2024, most transaction-related costs with signing in Q2**

Wiesbaden, 24 June 2024 – Aareal Bank and Advent International (“Advent”) today announced that they have entered into an agreement with TPG and CDPQ for them to acquire Aareon, a European provider of Software-as-a-Service (SaaS) solutions for the property industry. The financial terms of the sale are based on an enterprise value for Aareon of approximately € 3.9 billion, valuing Aareal Bank’s equity stake in Aareon at approximately € 2.1 billion. Closing is expected to take place in the second half of 2024, subject to customary closing conditions and approvals.

The transaction and partnership with TPG will provide Aareon access to additional, dedicated resources and expertise to drive innovation and further growth. TPG will invest in Aareon through TPG Capital, the firm’s U.S. and European private equity platform, in consortium with CDPQ, a global investment group, who will co-invest alongside TPG for a minority interest in Aareon. Advent will continue its involvement in Aareon with the investment of new equity for a minority interest in the standalone company.

With its Property Management System, Aareon promotes efficient and sustainable property management and maintenance. The company’s portfolio enables seamless, automated end-to-end processes connecting property managers and owners across the residential and commercial real estate sectors. The company is headquartered in Mainz, Germany.

Jochen Klösges, Chief Executive Officer of Aareal Bank and Chairman of the Supervisory Board of Aareon, said: “We are pleased to have found new owners for Aareon who, thanks to their financial strength and pronounced industry experience, are well positioned to propel Aareon into its next major step of evolution. Over the past few years, we successfully developed Aareon into a ‘Rule of 40’ company, that has demonstrated impressive organic and inorganic growth. We look forward to maintaining our successful collaboration through our joint venture, First Financial Software, which not only fortifies our long-term partnership with Aareon but also opens up further growth prospects for all parties involved.”

Flavio Porciani, Partner at TPG, said: “For many years, we have admired Aareon’s position as a leader in the European property management industry and are thrilled to partner with the Aareon team and our fellow investors to build on the successes of the business as a standalone company. The need for comprehensive property management solutions is

growing amid a trend towards digitalisation of real estate workflows and an increasingly complex regulatory environment. Aareon's platform is built to support this evolution, providing owners and managers an integrated, modern system that improves connectivity and streamlines business operations."

Jeff Paduch, Managing Partner of Advent International and Supervisory Board Member of Aareon, commented: "We are proud to have supported the leadership team and employees of Aareon in their successful transformation, which is culminating in one of the largest software buyouts in Europe in 2024. The company is well positioned to continue to lead innovation for its customers in the European housing ecosystem and is on a path of sustainable growth with exciting opportunities ahead for all stakeholders."

Harry Thomsen, Chief Executive Officer of Aareon, said: "This transaction marks a milestone in the development of Aareon. Thanks to the strong support of our owners Aareal Bank and Advent International, the company has made excellent progress in recent years. Now, we have reached a point where we can take the next step in our development. We are in an ideal position to capture further growth opportunities and welcome TPG and CDPQ as experienced and strong new partners."

Following the transaction, Aareal Bank and Aareon will continue to seamlessly cooperate to support their clients through their joint venture First Financial Software. First Financial Software provides clients with specialist expertise around payment software solutions for the property sector and related industries.

### **Significant gain on sale after transaction related costs expected in 2024**

The sale of Aareon will lead to a significant gain on sale net of transaction-related costs in Aareal Bank Group of approximately € 2 billion. The gain will be booked upon closing, which is expected in the second half of 2024. Meanwhile, most transaction-related costs of around € 150 million will already have to be recognised in the second quarter, coinciding with the signing of the transaction. The gain on sale net of transaction-related costs had not been considered in Aareal Bank Group's previous guidance for the 2024 financial year, which will be adjusted upwards. In addition, Aareon will be reported as a discontinued operation according to IFRS 5 starting in the second quarter until closing.

Aareal Bank's banking business excluding Aareon is well on track to achieve its operating target of € 250 million to € 300 million for the 2024 financial year. The Bank alone generated around € 92 million of consolidated operating profit in Q1 2024 and accounted for an operating profit of € 221 million in 2023. The Group's Common Equity Tier 1 ratio (Basel IV phase-in ratio) stood at 19.7 per cent at the end of the first quarter of 2024.

Arma Partners acted as lead financial advisor and Goldman Sachs acted as financial advisor to Advent International and Aareal. CMS served as legal counsel for Aareal while Weil, Gotshal & Manges LLP provided legal advice to Advent International. Morgan Stanley & Co.



International Plc acted as financial advisor to TPG and CDPQ and Kirkland & Ellis LLP served as legal counsel.

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**About Aareal Bank Group**

Aareal Bank Group, headquartered in Wiesbaden, is a leading international property specialist. The Bank uses its expertise to identify trends, challenges and opportunities at an early stage, and to exploit them for the benefit of its stakeholders. Aareal Bank Group 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 the Asia/Pacific region. Aareal Bank Group's business strategy focuses on sustainable business success, with environmental, social and governance (ESG) aspects as an integral part of this strategy.

Aareal Bank AG comprises the business segments Structured Property Financing, Banking & Digital Solutions, 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 Banking & Digital Solutions 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. Its subsidiary Aareon, Europe's trusted provider of SaaS solutions for the property industry, represents the third business segment. Committed to connecting people, process, and property, Aareon brings the ecosystem closer together. Aareon's Property Management System promotes efficient property management and maintenance, enabling superior digital experiences for everyone involved.

### **About Advent International**

Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. The firm has invested in over 420 private equity investments across 43 countries, and as of December 31, 2023, had over €84 billion in assets under management. With 15 offices in 12 countries, Advent has established a globally integrated team of over 302 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; health care; industrial; retail, consumer, and leisure; and technology. For 40 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.

For more information, visit

Website: [www.adventinternational.com](http://www.adventinternational.com)

LinkedIn: [www.linkedin.com/company/advent-international](http://www.linkedin.com/company/advent-international)

### **About TPG**

TPG is a leading global alternative asset management firm, founded in San Francisco in 1992, with \$224 billion of assets under management and investment and operational teams around the world. TPG invests across a broadly diversified set of strategies, including private equity, impact, credit, real estate, and market solutions, and our unique strategy is driven by collaboration, innovation and inclusion. Our teams combine deep product and sector experience with broad capabilities and expertise to develop differentiated insights and add value for our fund investors, portfolio companies, management teams, and communities. For more information, visit [www.tpg.com](http://www.tpg.com).

### **About CDPQ**

At CDPQ, we invest constructively to generate sustainable returns over the long term. As a global investment group managing funds for public pension and insurance plans, we work alongside our partners to build enterprises that drive performance and progress. We are active in the major financial markets, private equity, infrastructure, real estate and private debt. As at December 31, 2023, CDPQ's net assets totalled CAD 434 billion. For more information, visit [cdpq.com](http://cdpq.com), consult our LinkedIn or Instagram pages, or follow us on X.

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### **About Aareon**

Aareon is Europe's trusted provider of SaaS solutions for the property industry, leading the charge towards a digital future.

Passionately committed to connecting people, process, and property, Aareon brings the ecosystem closer together. Our Property Management System, powered by smart software solutions, promotes efficient property management and maintenance, enabling superior digital experiences for everyone involved. In our continuous pursuit of innovation, Aareon remains the industry's reliable partner, inspiring positive change for sustainable spaces for all.