

**APOLLO**

# Apollo Commercial Real Estate Finance (“ARI”) Strategic Loan Portfolio Sale Transaction

January 28, 2026

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# Key Transaction Highlights

Apollo Commercial Real Estate Finance, Inc. ("ARI" or the "Company") today announced the Company has entered into a definitive agreement with Athene Holding Ltd. ("Athene") to sell the Company's entire loan portfolio<sup>1</sup> for a purchase price based on 99.7% of total loan commitments<sup>2</sup>

## Key Benefits to ARI Stockholders

### 1 Loan Portfolio Sale

Opportunity to sell the ARI loan portfolio<sup>1</sup> at an attractive price (based on 99.7% of total loan commitments<sup>1,2</sup>) that validates ARI's book value

### 2 Premium to Recent Stock Price

ARI's shares of common stock have traded at a substantial discount over the past four years, averaging approximately 0.77x of book value. The transaction represents a compelling ~23% premium to recent stock trading levels

### 3 ARI Strategy Refresh

Provides ARI with ~\$1.4 billion of deployable cash and the strategic flexibility to design and execute a refreshed strategy or explore M&A

### 4 Continuity of Dividend

ARI intends to declare a \$0.25 dividend per share for Q1 2026 and target an 8% annualized yield on book value post-transaction, both of which are subject to Board approval

### 5 Enhance Stockholder Value

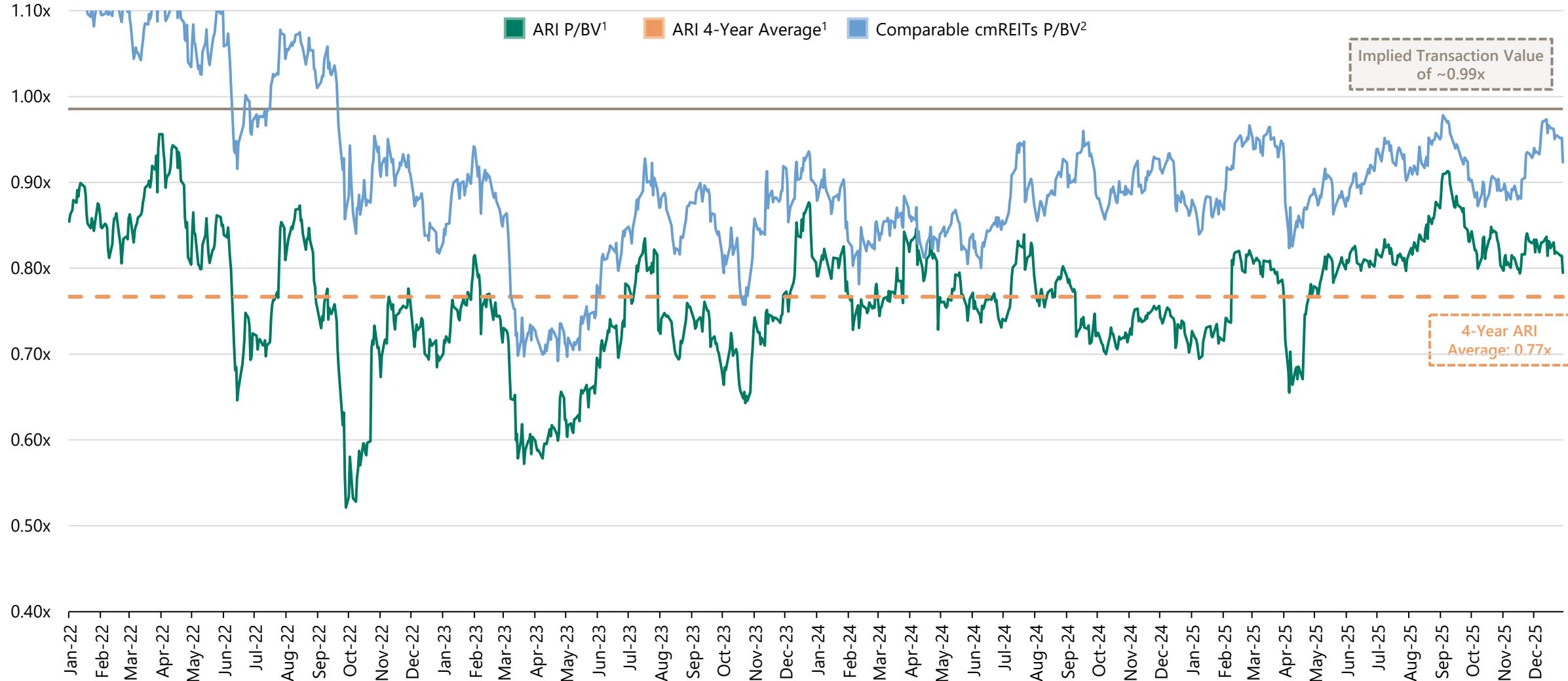
Goal of new investment strategy or strategic transaction will be to position ARI to trade at or above book value

# Why Sell Now? | Benefits of Sale Today

- ▶ 01 Ability to monetize loan portfolio in a single transaction<sup>1</sup>, eliminating future asset level execution risk
- ▶ 02 Closes valuation gap through sale to a high-conviction buyer that values high-grade capital efficient assets with excess return
- ▶ 03 Validates ARI book value with significant anticipated value uplift relative to recent and historical stock price trading range
- ▶ 04 Enables refreshed strategy for ARI with ~\$1.4 billion of deployable cash and a low leveraged, flexible balance sheet
- ▶ 05 Current market conditions have driven a pricing reset that leaves commercial real estate offering compelling value relative to other asset classes

# Historical ARI P/BV Trading Levels

## ARI P/BV Trading – Last 4 Years



(1) As reported net of general CECL and accumulated depreciation. (2) Includes LADR, STWD, BXMT and KREF.

# ARI Post-Sale Strategic Assessment

ARI's management team, in consultation with the board of directors, will spend the remainder of 2026 evaluating a range of commercial real estate-related strategies designed to reposition ARI and unlock additional value for stockholders

Review of Potential  
New Strategies  
Leveraging Apollo's  
Platform

- ✓ Intend to maintain REIT Status
- ✓ Intend to continue to pay a common stock dividend targeting an annualized 8% yield on book value per share, subject to board approval
- ✓ If a new strategy or transaction is not announced by the end of 2026, Apollo intends to recommend that ARI's Board explore all available strategic alternatives, including dissolution

Explore  
Opportunistic M&A  
Activity

Goal: To deliver **attractive current yield** and position ARI to **trade at or above book value**

# Real Estate Owned Overview

**ARI will continue proactive REO asset management, seeking to optimize run-rate cash flows and value realization at exit for the real estate owned**

## Brooklyn Multifamily (The Brook) | \$288 million<sup>1</sup>



- Newly-built, Class A multifamily tower featuring 591 residential units and ~20k SF of ground floor retail
- Property is ~51% leased today across market rate units with strong leasing momentum
- The retail component is 88% leased to Din Tai Fung which is expected to take occupancy by year-end 2026
- ARI is focused on (i) completing lease-up and stabilizing the asset, which we expect to achieve by 3Q2026 and (ii) exploring options for an owned adjacent vacant land parcel (i.e. retail lease-up or upzoning)

## Atlanta Hotel (Courtland Grand) | \$70 million<sup>1</sup>



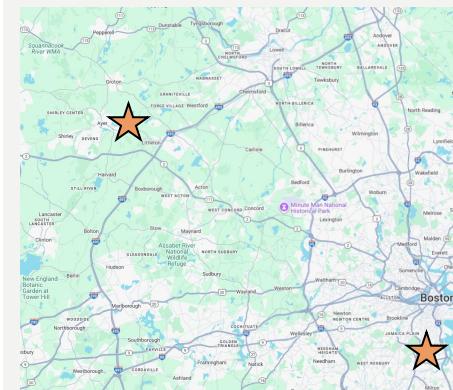
- 763-key, full-service hotel managed by HEI as a Wyndham franchise
- ARI continues to implement value-add initiatives to better position the asset, including upgrades to room and common areas that are expected to drive group sales in 2026
- Property suffered a casualty in October 2025, which took 271 rooms offline. While receiving business interruption insurance proceeds, ARI is working through paths forward to maximize value vis-à-vis property insurance proceeds and restoration plans

## Washington, D.C. Hotel (The Mayflower) | \$85 million<sup>1</sup>



- 585-key, full-service hotel located in Downtown Washington, D.C.
- ARI remains focused on cost savings initiatives to drive cash flows
- ARI has completed model rooms that could serve as the basis for a future total hotel renovation to further drive cash flow
- The 2026 budget far exceeds 2025 net cash flow (NCF) as a result of strategic operating expense cuts

## Massachusetts Pre-Development (Steward Hospitals) | \$23 million<sup>1,2</sup>



- Two former hospitals located in Boston and Ayer regions, which have been closed
- ARI owns ~41% of the assets through a JV with other Apollo-affiliated vehicles
- Ownership is focused on the Boston asset (~93% of value) and working on zoning for a master-planned mixed-use development to maximize value<sup>2</sup>

<sup>(1)</sup> Book value as of September 30, 2025 net of financing of ~\$330 million and ~\$73 million on the Brooklyn Multifamily Development and the Washington, D.C. Hotel, respectively <sup>(2)</sup> Interest in Massachusetts Pre-Development is held through a joint-venture with other Apollo-managed vehicles

# Summary of Key Transaction Terms

<b>Transaction Structure</b>	Athene to purchase ARI's entire loan portfolio with the exception of two loans with a combined total principal balance of \$146 million that are expected to be repaid prior to closing
<b>Asset Purchase Price</b>	Purchased price based on 99.7% of total loan commitments net of asset specific CECL reserves
<b>Go-Shop Period</b>	25 calendar day go-shop period
<b>ARI Annual Management Fee and Incentive Fee</b>	<p>During the strategy refresh period following closing of the loan portfolio transaction, the management fee structure will be modified to further align the interests of Apollo and the ARI stockholders as follows:</p> <ul style="list-style-type: none"> <li>ARI's base management fee initially will be 0.75% of stockholders equity (vs. current fee of 1.5%) payable in ARI common stock for any quarter in which return on equity (ROE) does not equal or exceed 7.5%<sup>1</sup></li> <li>After two consecutive quarters of achieving an ROE in excess of 7.5%: <ul style="list-style-type: none"> <li>Base management fee to permanently revert to 1.5% of stockholder equity and will be paid in cash</li> <li>Apollo will be eligible to earn an incentive fee of 20% over an 8% ROE hurdle, payable in ARI common stock</li> </ul> </li> </ul>
<b>ARI Strategy Refresh Timing</b>	If a new strategy or strategic transaction is not announced by year-end 2026, Apollo intends to recommend that ARI's board explore all available strategic alternatives, including dissolution
<b>Transaction Expense Reimbursement</b>	Apollo to reimburse up to \$10 million of ARI's transaction expenses
<b>Other</b>	Stockholder approval and other customary closing conditions and no financing contingencies