

Ares Management Announces Agreement to Acquire Middle Market Lending Portfolio from Annaly Capital Management, Inc. for \$2.4 Billion

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Portfolio Reinforces Ares' Position as a Global Leader in Direct Lending

NEW YORK--(BUSINESS WIRE)-- Ares Management Corporation (NYSE: ARES) ("Ares"), a leading global alternative investment manager, announced today that its subsidiary, Ares Capital Management LLC, has entered into a definitive agreement to acquire, on behalf of funds managed by the Ares Credit Group, the Middle Market Lending portfolio (the "Portfolio") from Annaly Capital Management, Inc. (NYSE: NLY) ("Annaly") for approximately \$2.4 billion.

Ares' Credit Group believes that it is familiar with a significant number of the investments in the Portfolio either through overlapping portfolio companies or through the historical review of these companies. In addition, there is substantial overlap with the financial sponsors backing the Portfolio as well as opportunities to strengthen ties with sponsors new to Ares. Overall, the addition of the Portfolio is expected to provide significant incumbency benefits through incremental investment opportunities as well as relationship benefits with these new and existing sponsors.

"We are pleased to enter into this transaction, which further reinforces Ares' position as a global leader in direct lending by adding an attractive portfolio of diversified borrowers of upper middle market companies," said Mitchell Goldstein and Michael Smith, Partners and Co-Heads of Ares' Credit Group. "This acquisition provides significant incumbency and deal sourcing advantages and relationship benefits, which we believe will lead to enhanced returns for our investors."

The transaction is expected to be completed by the end of the second quarter of 2022, subject to customary closing conditions.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes. We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities. By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of December 31, 2021, Ares Management Corporation's global platform had approximately 2,100 employees operating across North America, Europe, Asia Pacific and the Middle East and approximately \$314 billion of assets under management, including Ares Management's acquisition of AMP Capital's Infrastructure Debt platform which closed February 10, 2022. For more information, please visit www.aresmgmt.com.

About Annaly

Annaly is a leading diversified capital manager with investment strategies across mortgage finance. Annaly's principal business objective is to generate net income for distribution to its stockholders and to optimize its returns through prudent management of its diversified investment strategies. Annaly is internally managed and has elected to be taxed as a real estate investment trust, or REIT, for federal income tax purposes. Additional information on the company can be found at www.annaly.com.

Forward-Looking Statements

Statements included herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which relate to future events or Ares' future performance or financial condition. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in Ares' filings with the Securities and Exchange Commission. Ares Management Corporation undertakes no duty to update any forward-looking statements made herein.

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