

Ares Management Becomes Largest Single Shareholder in Peach Property Group AG

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Ares Completes Conversion of Equity Interest and Joins Board of Directors of Leading Swiss-Listed Owner and Manager of German Residential Rental Assets

LOS ANGELES & LONDON--(BUSINESS WIRE)-- Ares Management Corporation (“Ares”) (NYSE: ARES), a leading global alternative investment manager, announced today that a fund managed by its Real Estate Group has converted a CHF 155 million (€145 million) subordinated mandatory convertible bond (“MCB”) holding in Peach Property Group AG (“Peach”) (SIX: PEAN), a Swiss owner and manager of residential rental assets with approximately 23,000 residential units located across Germany.

Ares subscribed to its investment in the MCB in early October. The MCB was part of a CHF 230 million (€213 million) capital increase that Peach sought in order to strengthen its capital base and finance the acquisition of two substantial residential portfolios. Following the conversion, Ares is now the largest single shareholder of Peach with an approximate 30% interest in the company. In conjunction with Ares’ investment, Klaus Schmitz, Managing Director in the Ares Real Estate Group, was elected as a new member to the Board of Directors of Peach.

The investment is a continuation of Ares’ long-term commitment to the German residential market, in which it has been investing since 2013. Ares originated and structured the investment, drawing upon its ability to navigate complex public transactions and leverage its expertise across its integrated investment platform.

Peach is a vertically-integrated owner and manager of German residential assets. Since 2011, Peach has acquired and managed affordable housing in Germany and to date has accumulated a portfolio valued at close to CHF 2.0 billion (€1.9 billion), consisting of high-yielding investment properties in medium-sized cities in the larger metropolitan areas of Western Germany. Peach’s services range from property acquisition to active asset management, which includes letting and sale of properties. Peach employs a differentiated customer-centric business model building on twelve physical Peach Points (tenant stores) in core locations, which allows Peach to provide superior service to its clients while at the same time driving rental growth. With its headquarters in Cologne, Peach has approximately 135 full-time employees located throughout Germany and Switzerland. Peach has been listed on the SIX Swiss Exchange since 2010.

“Peach represents an exciting opportunity to access high-yielding residential assets in Germany with an attractive risk-adjusted return profile in a market benefitting from a structural supply and demand imbalance. We believe Peach’s assets are well positioned in one of the more defensive asset classes in Europe today whilst also benefitting from what we believe is a best-in-class management team and attractive growth trajectory for the company,” said John Ruane, Partner and Co-Head of European Real Estate Equity in the Ares Real Estate Group. “With over 20,000 residential units, Peach’s customer orientated business model and digital platform makes it a stand-out player in the German residential market.”

“As the new anchor shareholder of Peach, we aim to further grow the company and drive value for all of Peach’s shareholders,” said Klaus Schmitz. “We look forward to working with the management team to support further growth of Peach over the coming years.”

About Peach Property Group AG

The Peach Property Group is a property investor focused on residential investments in Germany. The Group stands for long time experience, competence and quality. Innovative solutions for modern housing needs, strong partnerships and a wide value chain complete the profile of the Group. The portfolio consists of mainly apartment properties, typically in close reach to major metropolitan areas. In addition, the Group develops properties for its own portfolio or for the sale as condominium. The business activities of the Group cover the entire value chain, from acquisition to active asset management and the sale or letting of the properties.

Peach Property Group AG is headquartered in Zurich and has its German Group headquarters in Cologne. Peach Property Group AG is listed on the SIX Swiss Exchange (PEAN, ISIN CH0118530366). Its Board of Directors consists of Reto Garzetti (President), Peter Bodmer, Dr. Christian De Prati, Kurt Hardt and – as representative of Ares – Klaus Schmitz. For more information, see www.peachproperty.com.

About Ares Management Corporation

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated groups across Credit, Private Equity, Real Estate and Strategic Initiatives. Ares Management's investment groups collaborate to deliver innovative investment solutions and consistent, attractive investment returns for fund investors throughout market cycles. As of September 30, 2020, Ares Management's global platform had approximately \$179 billion of assets under management with more than 1,400 employees operating across North America, Europe and Asia Pacific. For more information, please visit www.aresgmt.com.

About Ares Real Estate Group

The Ares Real Estate Group manages comprehensive public and private, equity and debt strategies with approximately \$14.4 billion of assets under management and approximately 80 investment professionals, as of September 30, 2020. The real estate team maintains a time-tested and consistent investment approach across equity and debt strategies focusing on major property types that have value creation opportunities, located in liquid markets with diversified economies.

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