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Press release

Peach Property Group AG: Capital increase of CHF 200 million with Ares Management as new anchor shareholder

- Peach Property Group AG is planning a capital increase with a target volume of CHF 200 million by issuing a subordinated mandatory convertible bond
- A fund managed by the Real Estate Group of Ares Management Corporation ("Ares"), a leading global alternative investment manager with assets under management of USD 165 billion, subscribes to CHF 150 million of the new mandatory convertible bond and becomes a shareholder with an interest of around 30 percent
- Existing shareholders and new investors can subscribe on equal terms
- Mandatory convertible bond with a coupon of 2.5 percent p.a. will obligatorily convert into equity at a conversion price of CHF 42.50 per share no later than 30 June 2021
- Extraordinary General Meeting to approve authorized capital of CHF 3.3 million to create shares necessary for the capital increase
- Klaus Schmitz, Managing Director at Ares, is to be elected as a new member of the Board of Directors of the Peach Property Group AG
- In addition, Peach Property Group AG will also propose to the Extraordinary General Meeting to lift the registration restrictions for non-Swiss investors and to open Peach Property Group to a global investor base
- The Board of Directors and management of Peach Property Group AG welcome Ares' investment and will work with Ares to drive the long-term growth strategy

Zurich, 21 September 2020 - Peach Property Group AG, an investor specializing in portfolio management in Germany with a focus on residential properties, plans to strengthen its capital base to finance the recently announced portfolio acquisitions in Germany. A proposal will be made to the Company's shareholders to increase the equity of Peach Property Group by approximately CHF 200

million by issuing mandatory convertible bonds. CHF 150 million of this total will be subscribed by Ares. The mandatory convertible bond will also be offered to existing shareholders and new investors on the same terms as Ares. The interest coupon is 2.5 percent p.a. and the conversion price is CHF 42.50 per share. The mandatory convertible bond will be converted into new registered shares on 30 June 2021, unless previously converted voluntarily. The shares underlying the mandatory convertible bond are to come from authorized and conditional capital. After conversion of the mandatory convertible bond, Ares will be the largest single shareholder of Peach Property Group AG with an interest of approximately 30 percent.

Dr. Thomas Wolfensberger, Peach Property Group's CEO, commented: "We are very pleased to welcome Ares as our new anchor shareholder with its extensive investment experience in the German residential market. Alongside our recently announced acquisitions, the capital increase will enable continued growth and efficiencies to drive value for our shareholders. Both Dr. Marcel Kucher (CFO) and I are committed to the company for the long term."

"Peach Property offers a unique opportunity to invest in one of the more defensive asset classes in Europe today whilst also benefitting from what we believe is an attractive growth trajectory for the company," said John Ruane, Partner and Co-Head of Ares European Real Estate Equity. "With over 20,000 residential units, Peach Property's customer orientated business model and digital platform makes it a stand-out player in the German residential market. We look forward to working with the management team to support further growth over the coming years."

In order to create the necessary share capital to issue the shares as the basis for the mandatory convertible bond, Peach Property Group AG is convening an Extraordinary General Meeting on 12 October 2020. The key item on the agenda will be the creation of new authorised capital with a nominal amount of CHF 3.3 million. The capital increase will be accompanied by credit facilities provided by an international bank consortium, which will enable the recently announced acquisitions of 10,250 apartments in Germany to be fully financed.

The agenda of the EGM will further encompass the election of Klaus Schmitz to the Board of Directors of Peach Property, which will be enlarged from currently four to five members. Klaus Schmitz is a Managing Director in the Ares Real Estate Group and specialises in equity investments in the European real estate sector. He holds a B.Sc. in Economics and Philosophy from the London School of Economics and an M.B.A. from Harvard Business School.

Finally, Peach Property Group AG proposes a partial amendment to its articles of association in order to remove the registration restrictions for non-Swiss investors (persons abroad within the meaning of the "Bewilligungsgesetz, BewG"). This means that foreign investors will also be able to become shareholders of Peach Property Group AG without restrictions in the future, opening the Group to the attractive international investor market.

Due to the current measures to combat Covid-19, the Extraordinary General Meeting will be held without physical participation of the shareholders. Share votes can only be represented by the independent proxy.

Further details can be found in the invitation to the Extraordinary General Meeting, which is also available on the Company's website <https://www.peachproperty.com/en/investoren/corporate-governance/subitem> General Meeting.

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About Peach Property Group AG

The Peach Property Group is a property investor and developer focused on 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 high-yield investment properties, typically in B cities in close reach to metropolitan areas. In addition, the Group develops properties for its own portfolio or for the sale as condominium. In the latter area, the Group focuses on A locations and properties with an attractive architecture and high-level furnishing for an international clientele. The business activities of the Group cover the entire value chain, from site evaluation via 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 and Kurt Hardt.

For more information, see www.peachproperty.com

About Ares

Ares Management Corporation (NYSE: ARES) is a leading global alternative investment manager operating integrated businesses across Credit, Private Equity and Real Estate. Ares Management's investment groups collaborate to deliver innovative investment solutions and consistent and attractive investment returns for fund investors throughout market cycles. Ares Management's global platform had approximately \$165 billion of assets under management as of June 30, 2020 with approximately 1,400 employees operating across North America, Europe, Asia and Australia, pro forma for the acquisition of SSG Capital Holdings Limited, which closed on July 1, 2020.

For more information, see www.aresmgmt.com

This document constitutes neither an offer nor an advise to buy or invest in the mandatory convertible bond. This document also does not constitute a prospectus in the meaning of the Swiss Code for Financial Services («Finanzdienstleistungsgesetz») nor the Swiss Civil Code («Obligationenrecht»).