

Avalon Properties and Ares Management sign a sustainable financing agreement with CaixaBank to develop the first two plots of the Madrid Region's VIVE Plan

- ***Spanish residential asset manager Avalon, majority-owned by Ares Management Real Estate funds, and Ares, is committed to developing more than 3,500 homes across 23 different projects.***
- ***The 23 projects are designed to comply with the required social and environmental criteria according to the Green and Social Loan Principles and have BREEAM GOOD sustainable certification.***
- ***The Madrid Region's Plan VIVE establishes a new kind of public-private partnership that aims to tackle the shortage of rental properties available at affordable prices that are significantly lower than current market rates.***
- ***CaixaBank has financed these first two plots in bilateral operations for a total amount of more than €300 million, reinforcing its social and environmental commitment.***

16 June 2022

Avalon, a residential asset manager in Spain that is majority-owned by Ares Management Real Estate funds ("Ares"), has signed a sustainable financing agreement with CaixaBank for the development of two plots of land awarded by the Community of Madrid's Plan VIVE for a total of more than €300 million.

The first of the two plots comprises the development of more than 1,700 homes in 11 different projects and the second comprises the development of more than 1,850 homes in 12 projects.

The projects are designed to comply with the required environmental and sustainability criteria according to the Green and Social Loan Principles, thus guaranteeing the project's purpose as promoting sustainable economic activity.

The 23 projects are designed to comply with the criteria required to achieve a BREEAM GOOD rating, one of the most technically advanced and world-leading sustainable building

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certifications, along with an A energy rating, which certifies the highest level of energy efficiency.

The collaboration between the Community of Madrid and Avalon represents the first public-private partnership for promoting the development of rental projects aimed at tackling the shortage of affordable homes for lower- and middle-income communities. These projects are intended to provide rental units available at prices that are materially lower than current market rates.

Upon completion of the development of the two plots, the portfolio managed by Avalon and Ares will be made up of more than 5,600 assets, most of which will be new builds aimed at the Build-to-Rent market. The combination of professional management and approachability and, crucially, Avalon and Ares' shared commitment to social responsibility makes them the strong managers for the kind of homes aimed for development under Plan VIVE.

Pablo Paramio, CEO of Avalon, said: "The signing of a sustainable financing agreement with CaixaBank for carrying out these property developments is an industry milestone, and we are very proud to continue making progress with our commitment to CSR, responding to a social need through a public-private partnership based on a more sustainable future outlook."

Alvaro Urbon, Vice President in Ares Real Estate Group, said: "We are very excited to be moving forward with Avalon on expanding and improving the number of more affordable and sustainable rental properties in the Madrid region. Plan VIVE is a pioneering and much needed initiative for tackling the shortage of affordably priced rental properties as we continue to deliver on our commitment to supporting inclusive and equitable economies."

CaixaBank is one of the financial institutions most committed to sustainability. Through its activities, the Bank is supporting environmentally friendly initiatives and projects that contribute to preventing and mitigating climate change and encourage social development and the transition to a low-carbon economy. In 2021, the bank mobilised €31.4 billion in sustainable financing, representing a 150% increase year on year.

CaixaBank ranked as the 6th bank in Europe in green and sustainable loans in the League Tables Top Tier by volume, according to Refinitiv, and is Spain's topbank in this ranking.

About Avalon

Avalon is the leader in residential rental properties in the Madrid Region of Spain. It was founded in 2018 by Ares Management Corporation to create the only pure PRS platform in Madrid through an aggregation strategy focusing on asset quality and resilience. Its focus and clearly defined strategy have placed Avalon in a leading position in developing the residential market in Madrid, allowing for the democratisation of access to quality rental properties at affordable prices. Avalon aims to offer its shareholders higher, risk-adjusted

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profitability through acquisitions that create value for its portfolio and added-value asset management with a strong focus on ESG.

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 March 31, 2022, Ares Management Corporation's global platform had approximately \$325 billion of assets under management, with over 2,100 employees operating across North America, Europe, Asia Pacific and the Middle East.



Best Bank in Spain and Best Bank
in Western Europe 2022
Outstanding Financial Innovator
in Western Europe 2022
Most Innovative Private Bank
in Western Europe 2022



Best Bank for
Sustainable
Finance in
Spain 2022



Bank of the Year
2021 in Spain



Best Bank in Spain 2021
World's Best Bank
Transformation 2021