

ARES INDUSTRIAL REAL ESTATE INCOME TRUST

AI
REIT

Distribution Warehouses: Investing in the Power of E-Commerce and Logistics



For Accredited Investors Only — Not for Public Distribution

Harvill Business Center — Southern California



ARES INDUSTRIAL REAL ESTATE INCOME TRUST

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Ares Management Corporation

FOUNDED 1997

\$484

BILLION AUM

1,100+

INVESTMENT
PROFESSIONALS

3,200+

EMPLOYEES

40+

GLOBAL OFFICES

Ares Management Corporation (NYSE: ARES) ("Ares") is a leading global alternative investment manager seeking to provide clients complementary primary and secondary investment solutions across the credit, private equity, real estate and infrastructure asset classes.

Note: Assets Under Management (AUM) data as of December 31, 2024, unless noted otherwise. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser.

Ares is the parent company of the advisor to AIREIT. Investors in AIREIT are not acquiring an interest in Ares.

TRACK RECORD

With a current portfolio of ~\$24 billion AUM invested across 285+ industrial investments, Ares has extensive experience sourcing, acquiring, developing and operating industrial real estate. Key differentiators include:

- Vertically integrated industrial team with regional market officers and dedicated investment professionals
- Established in-house industrial development experience (\$4.9 billion AUM developed over our history)
- In-market asset management teams with deep, real-time market knowledge of tenant demands
- Proprietary sourcing capabilities with repeat industry partners

We have an extensive track record of investing in industrial real estate — see below for a summary of three of our past industrial offerings.

A TRACK RECORD IN INDUSTRIAL REAL ESTATE

INDUSTRIAL REIT I ¹	INDUSTRIAL REIT II ¹	INDUSTRIAL REIT III ¹
2003 2006	2010 2015	2013 2017
 DCT INDUSTRIAL (NYSE: DCT)	 INDUSTRIAL INCOME TRUST [®]	 INDUSTRIAL PROPERTY TRUST [®]

Note: As of December 31, 2024.

Prior closed offerings are for informational purposes only and are not indicative of characteristics of AIREIT. DCT Industrial Trust Inc. ("Industrial REIT I"), Industrial Income Trust Inc. ("Industrial REIT II"), and Industrial Property Trust Inc. ("Industrial REIT III") were REITs formerly affiliated with Black Creek Group, which was acquired by a subsidiary of Ares Management Corporation on July 1, 2021. Many members of the former Black Creek Group senior management team became a part of the Ares Management Corporation.

WHAT IS

INDUSTRIAL REAL ESTATE?

Industrial real estate is a type of commercial real estate that is used for the manufacturing, storage and distribution of goods that are essential to trade, e-commerce and the global supply chain.

VARIOUS BUILDING TYPES

The industrial property sector is comprised of various building types with bulk distribution warehouses being the largest and fastest-growing segment, and last-mile warehouses being the most common building type.¹

WHAT DO DISTRIBUTION WAREHOUSES LOOK LIKE?

While there are many important elements of a distribution warehouse, and all buildings are unique, there are some common physical characteristics.

Distribution warehouses are typically large rectangular buildings.



The buildings feature truck dock doors and a deep truck court to move inventory in and out.



The shelving and inventory systems used in the buildings are provided by tenants.



Smaller industrial buildings often called “last-mile warehouses” are located near dense population centers.



DEMAND DRIVERS

There are a number of factors that drive the demand for distribution warehouses. Represented below are just a few of these factors. The demand continues to evolve, driven by consumption and the essential movement of goods through the supply chain.



Population Growth

More people consume more products



Growth in Product Selection

Increased consumer demand for new products



Global Manufacturing

At the center of the flow of imports and exports



E-Commerce Revolution

Growth of online consumer purchases

DISTRIBUTION WAREHOUSES

E-COMMERCE REVOLUTION

At the center of the e-commerce revolution are distribution warehouses, one of the key types of industrial real estate. Distribution warehouses link product manufacturers with consumers by providing essential manufacturing, storage and fulfillment space for goods.

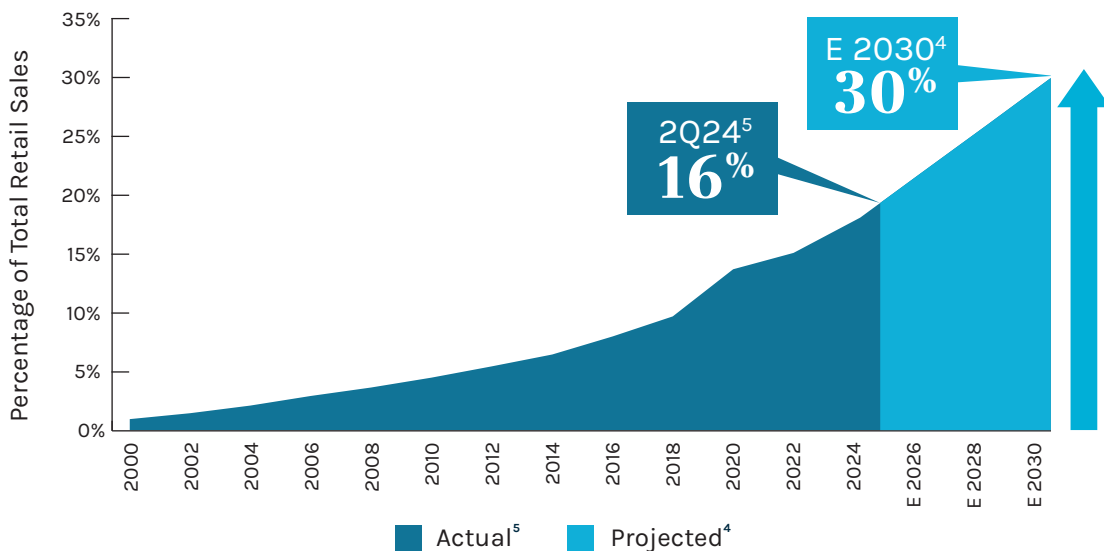
Rather than being stored on retail store shelves, products purchased online are stored on shelves in distribution warehouses and shipped through multiple warehouses from initial order to customer delivery. In fact, e-commerce requires three times the warehouse space as traditional brick-and-mortar retail.²

E-COMMERCE TRENDS: GAINING MARKET SHARE OVER BRICK-AND-MORTAR

\$1.1T ONLINE SALES³

8% ↑ INCREASE YEAR-OVER-YEAR⁴

E-COMMERCE % OF TOTAL RETAIL SALES^{2,3}



WAREHOUSE DEMAND FROM
ONLINE SALES²

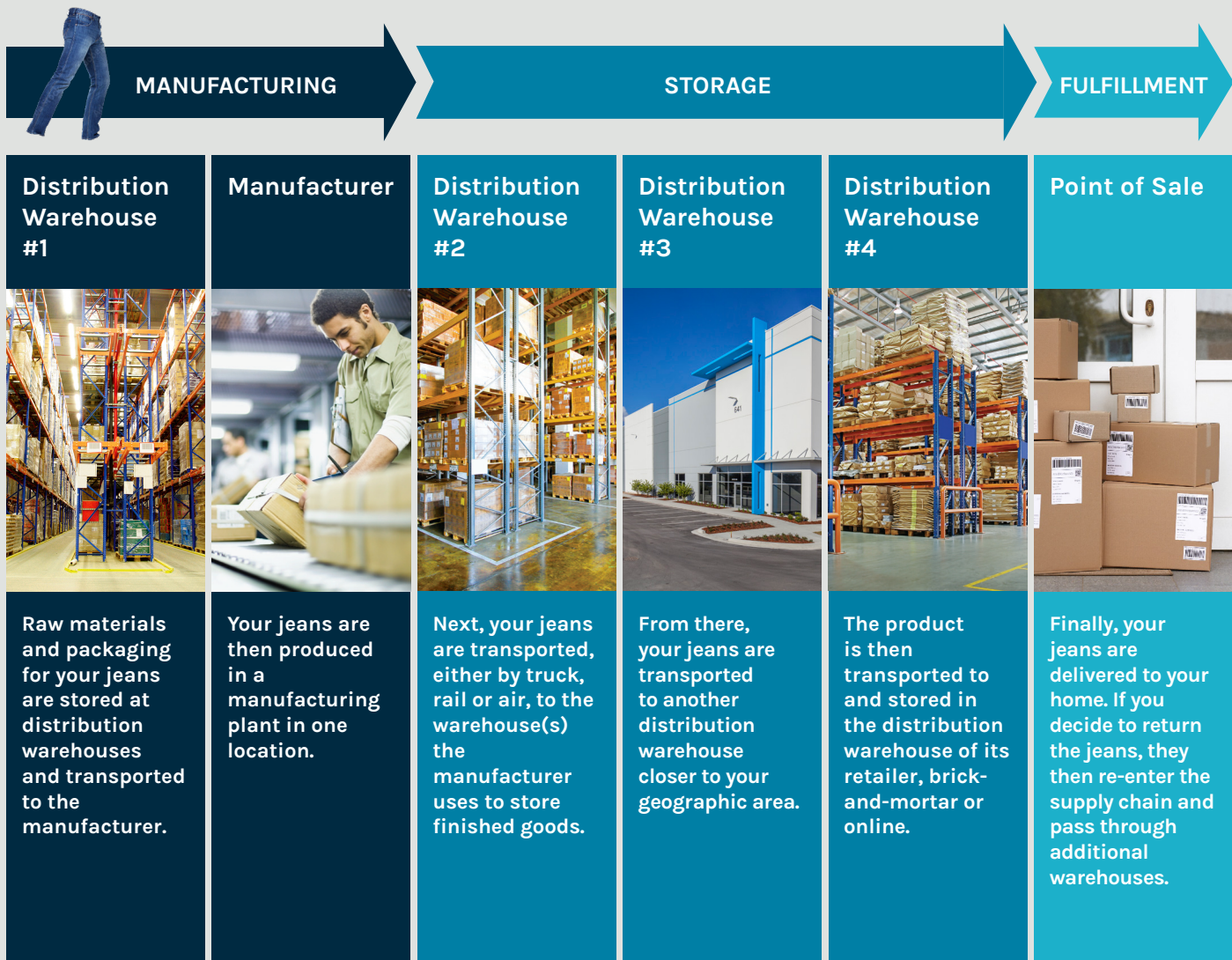
\$1B = **1.25M**
SALES SQUARE FEET

For illustrative purposes only. There is no assurance the above trends will continue.

E-COMMERCE

PRODUCT JOURNEY

Consider a typical journey of a pair of jeans — from raw material to manufacturing, through multiple distribution warehouses, to point of sale in a retail location or online.



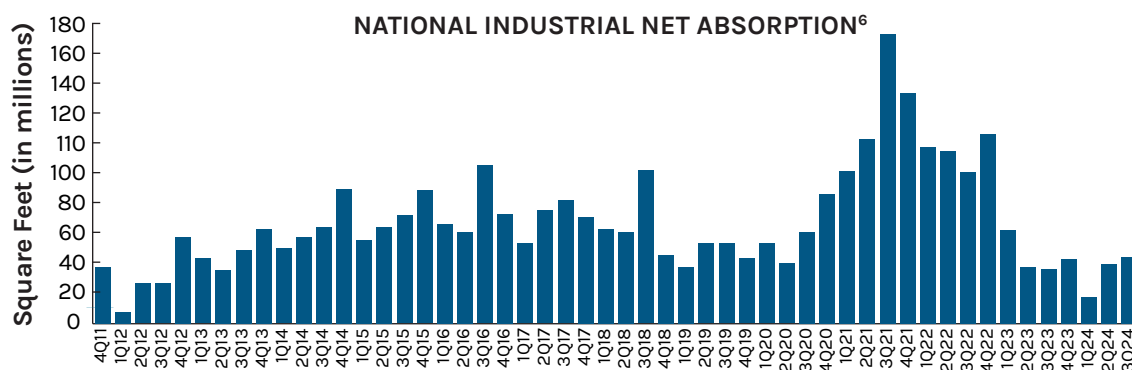
U.S. INDUSTRIAL OPERATING FUNDAMENTALS

SUPPLY & DEMAND DYNAMICS

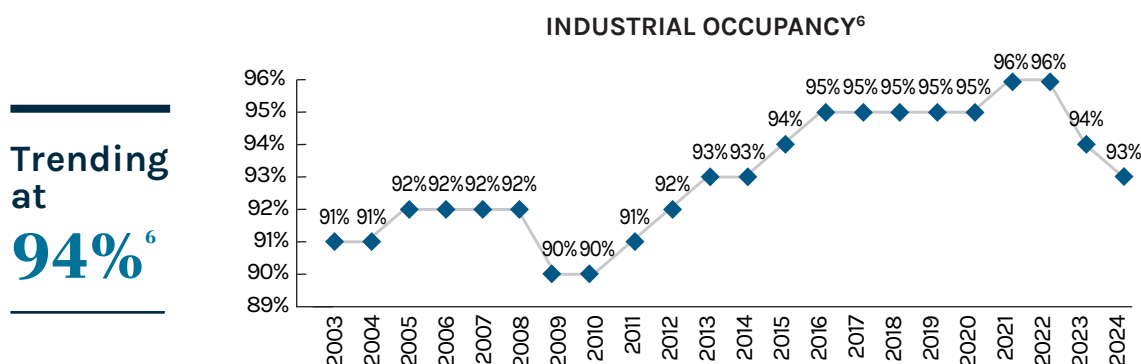
ROBUST DEMAND

The demand for industrial real estate is growing. Ares estimates 1.1 billion square feet of incremental space demand over the next five years across multiple demand drivers.

When evaluating distribution warehouses from a supply and demand perspective, two key measures to consider are net absorption and occupancy rates. Net absorption is the difference between the sum of square feet leased during a fixed period of time, and the sum of square feet vacated during that same period. Strong positive net absorption is a sign of healthy demand, which can also be indicated by high occupancy rates.



57 consecutive quarters of positive net absorption⁶



For illustrative purposes only. There is no assurance the above trends will continue.

U.S. INDUSTRIAL OPERATING FUNDAMENTALS

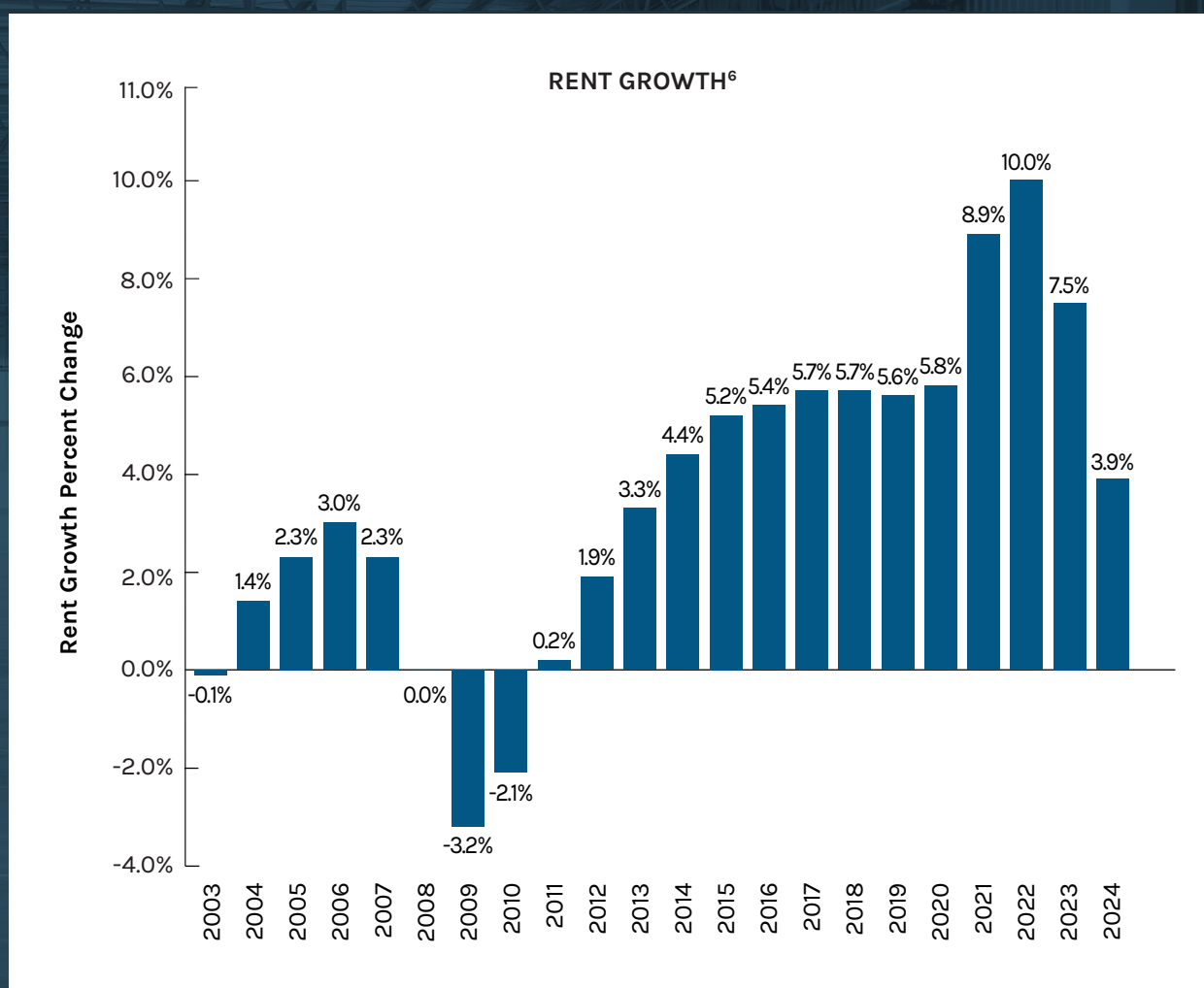
RENT GROWTH DYNAMICS

RENT GROWTH SIGNALS LIMITED SUPPLY

An additional key factor in the operational fundamentals of distribution warehouses is rent growth, which reflects the percentage increase or decrease of rents in a 12-month period.

The rent growth change for the 12-month period ending September 30, 2024 for U.S. distribution warehouse markets averaged 3.9%.⁶

Average
rental
growth rate
3.9%⁶



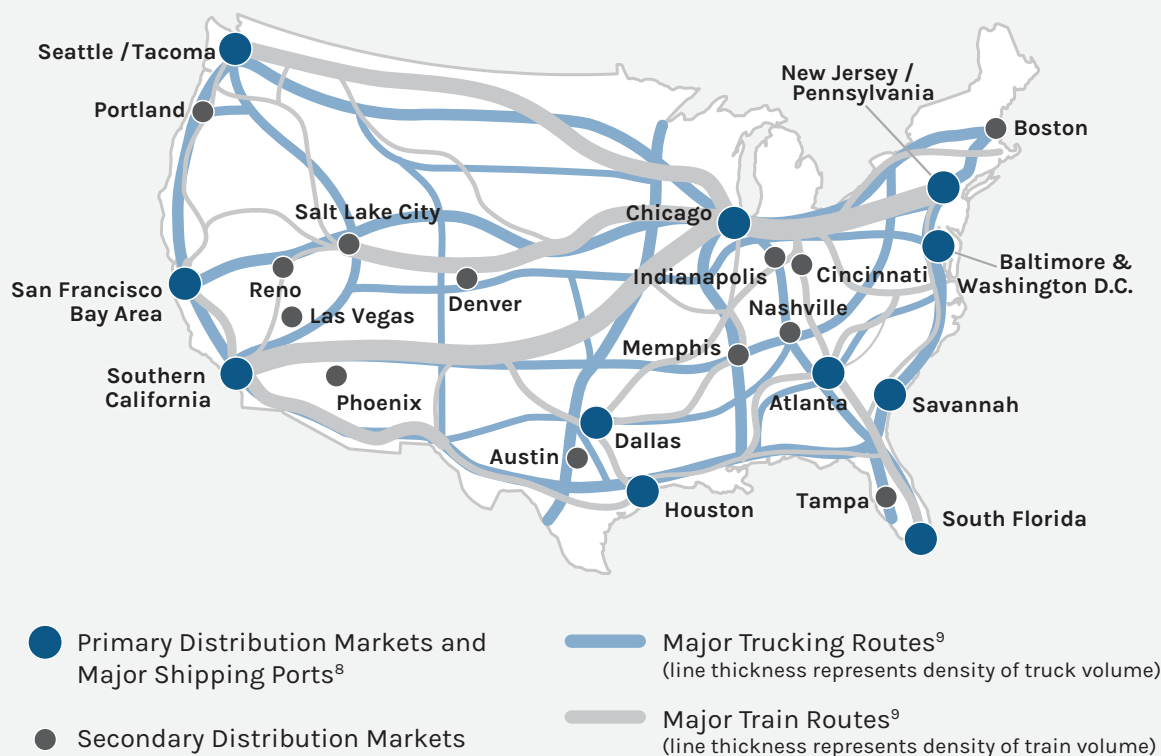
For illustrative purposes only. There is no assurance the above trends will continue.

INDUSTRIAL TARGET MARKETS

LOCATION, LOCATION, LOCATION

Location and logistics matter. Industrial real estate in markets with high barriers to entry, proximity to a large demographic base and/or access to major distribution hubs are typically in high demand, along with other markets with easy access to interstate, airport and seaport infrastructure. With regional offices across the U.S., our local footprint allows us to act quickly and nimbly to source and seek to acquire high-quality bulk and last-mile distribution warehouses in top-tier, high-barrier-to-entry markets, and secondary markets with long-term income growth potential.

TARGETING HIGHLY LIQUID AND INSTITUTIONAL MARKETS⁷



As defined by Ares using CoStar data. Target markets include the top 50 U.S. industrial markets by sales volume where a majority of buyers are institutions.

Although AIREIT intends to focus its investment activities primarily on distribution warehouses and other industrial properties, its charter and bylaws do not preclude it from investing in other types of commercial property or real estate-related debt.

There can be no assurances that AIREIT will attain its investment objectives.

INVESTMENT OVERVIEW

A pure-play industrial real estate solution that seeks to deliver capital appreciation and consistent monthly income by investing primarily in high-quality bulk and last-mile distribution warehouses.

INVESTMENT OBJECTIVES

Capital Appreciation

Realizing capital appreciation from active investment management and asset management

Current Income

Providing current income to stockholders in the form of regular cash distributions.

Capital Preservation

Preserving and protecting stockholders' capital contributions.



INVESTMENT STRATEGY

Disciplined 4-Step Process

1

Target Markets

- Research-driven
- Transportation & logistics hubs
- Submarket selection
- On-the-ground senior management teams

2

Property Identification

- Function-driven
- Potential for cash flow growth
- Submarket supply and demand dynamics

3

Portfolio Construction

- Diversify by property type, geography and tenant
- Credit focus
- Risk management
- Opportunistic development properties

4

Asset Management

- National operating platform
- Hands-on, entrepreneurial approach
- Deep-rooted local relationships

The amount of distributions AIREIT may make is uncertain, is not guaranteed, may be modified at AIREIT's discretion, and is subject to board approval. Substantial fees and expenses will be paid to AIREIT's advisor, dealer manager and other affiliates of AIREIT's sponsor for services they provide to AIREIT in connection with the offering and the operation of AIREIT's business and the acquisition, management and disposition of AIREIT's investments. Distributions may be paid from sources other than cash flow from operations. Distributions to stockholders may represent a return of capital. Share value will fluctuate such that when redeemed, shares may be worth more or less than their original cost.

AIREIT is not obligated to redeem any shares and may choose to redeem only some, or even none, of the shares that have been requested to be redeemed in any particular month, in its discretion. The redemption program is subject to other limitations and AIREIT's board of directors may modify or suspend the program. As a result, AIREIT's shares should be considered as having only limited liquidity and at times may be illiquid.

END NOTES

1. Green Street 2024 US Industrial Outlook.
2. Green Street, as of January 2024.
3. FTI Consulting, 2Q 2023.
4. U.S. Census Bureau, February 18, 2022. The percentages presented for future periods are projections and there is no guarantee that these projections will accurately reflect future performance. E-commerce sales are sales of goods and services where the buyer places an order, or the price and terms of the sale are negotiated over the Internet, mobile device (M-commerce), extranet, Electronic Data Interchange (EDI) network, electronic mail, or other comparable online system. Payment may or may not be made online. Online travel services, financial brokers and dealers, and ticket sales agencies are not classified as retail and are not included in either the total retail or retail e-commerce sales estimates.
5. U.S. Census Bureau, as of November 19, 2024.
6. Costar Portfolio Data, as of 3Q 2024.
7. As defined by Ares using CoStar data. Target markets include the top 50 U.S. industrial markets by sales volume where a majority of buyers are institutions.
8. U.S. Department of Transportation Maritime Administration, 2023.
9. Federal Highway Administration, 2023.
10. Past performance is not indicative of future results. These properties represent recent investments. Investments shown are for illustrative purposes only and are not representative of all investments made by AIREIT. It should not be assumed that investments made in the future will be profitable or will equal performance of the investments discussed herein. These selected case studies are not necessarily representative of all transactions of a given type and are intended to be illustrative of some of the types of investments that AIREIT would make. There can be no assurance that AIREIT will achieve its investment objectives. Tenants listed are included for informational purposes only and are not an endorsement of AIREIT.

PROPERTY PREVIEW¹⁰



Legacy Logistics Center

Location: Salt Lake City, UT
Market: Salt Lake
Size: 384,000 sq. ft.

Key Customer at Acquisition:
Amazon



Eaglepoint Logistics Center

Location: Indianapolis, IN
Market: Indianapolis
Size: 691,000 sq. ft.

Key Customer at Acquisition:
Radial Inc.



Park 429 Logistics Center

Location: Ocoee, FL
Market: Orlando
Size: 441,000 sq. ft. (2 buildings)

Key Customers at Acquisition:
City Furniture, Inc., Kramer America, Inc. and Lowe's Companies, Inc.



Pescadero Distribution Center

Location: Tracy, CA
Market: Central Valley
Size: 382,000 sq. ft.

Key Customers at Acquisition:
Exel Inc. and Pactra USA, Inc.



Princess Logistics Center

Location: Lawrenceville, NJ
Market: New Jersey
Size: 340,000 sq. ft.

Key Customer at Acquisition:
Amazon

**IF YOU ARE INTERESTED IN
AIREIT, PLEASE CONTACT YOUR
FINANCIAL PROFESSIONAL**

This communication has been provided by Ares Industrial Real Estate Income Trust Inc. ("AIREIT") solely for informational purposes and may only be used by the intended recipient. This communication does not constitute an offer to sell, or a solicitation of an offer to buy, shares of AIREIT's common stock (the "Shares") in any jurisdiction to any person to whom it is unlawful to make an offer, sale, or solicitation.

IMPORTANT RISK FACTORS

An investment in AIREIT is subject to significant risks. A summary of some of the more important risks is below. A more detailed description of the risks associated with the offering of the Shares (the "Offering") is found in the "Risk Factors" section of AIREIT's confidential private placement memorandum as amended and supplemented from time to time (the "PPM"). Investors should read and understand all of the risk factors before making a decision to invest in the Shares. Offers and sales of the Shares shall only be made to purchasers who qualify as accredited investors under applicable federal law or as non-U.S. persons and who also meet the other eligibility requirements set forth in the PPM. The following material must be read in conjunction with the PPM in order to fully understand all of the potential benefits and risks of the Offering to which it relates.

- Past performance is not a guarantee of future results. Investing in the Shares involves a high degree of risk.
- Investing in real estate assets entails certain risks, including changes in the economy, supply and demand, laws, tenant turnover, interest rates (including periods of high interest rates), availability of mortgage funds, operating expenses and cost of insurance. This investment will offer limited liquidity options to investors. There is no guarantee of any return on investment and stockholders may lose the amount they invest. Real estate investment trusts ("REITs") are not suitable for all investors.
- An investment in AIREIT is not a direct investment in commercial real estate, but rather an investment in a REIT that owns commercial real estate.
- Further, investing in the Shares involves additional and substantial risks specific to AIREIT, including, among others, that:
 - i. There is no public trading market for the Shares, and AIREIT does not anticipate that there will be a public trading market for its Shares, so redemption of Shares by AIREIT will likely be the only way to dispose of stockholders' Shares. AIREIT's redemption program imposes limits on redemptions. AIREIT may make exceptions to, modify or suspend its share redemption program at any time. As a result, AIREIT's Shares have only limited liquidity and may become illiquid.
 - ii. The Offering is exempt from registration pursuant to Rule 506(b) of Regulation D promulgated under the U.S. Securities Act of 1933, as amended (the "Securities Act") and Regulation S promulgated under the Securities Act and, accordingly, the Shares issued pursuant to the Offering are subject to restrictions on transfer and cannot be sold unless they are subsequently registered under the Securities Act or an exemption from registration is available.
 - iii. The purchase and redemption prices for Shares will be generally based on the net asset value ("NAV") of each class of Shares and will not be based on any public trading market. AIREIT's NAV will not represent AIREIT's enterprise value and may not accurately reflect the actual prices at which AIREIT's assets could be liquidated on any given day, the value a third party would pay for all or substantially all of AIREIT's Shares, or the price that AIREIT's Shares would trade at on a national stock exchange. AIREIT's board of directors may amend AIREIT's NAV procedures from time to time.
 - iv. Some of AIREIT's executive officers, directors and other key personnel are also officers, directors, managers, key personnel and/or holders of an ownership interest in Ares Commercial Real Estate Management LLC (the "Advisor"), Ares Wealth Management Solutions, LLC (the "Dealer Manager"), and/or other entities related to Ares Real Estate, the sponsor of this Offering, or the "Sponsor." As a result, they face conflicts of interest, including but not limited to conflicts arising from time constraints, allocation of investment and leasing opportunities, and the fact that

certain of the compensation the Advisor will receive for services rendered to AIREIT is based on AIREIT's NAV, the procedures for which the Advisor assists AIREIT's board of directors in developing, overseeing, implementing and coordinating. AIREIT expects to compete with certain vehicles sponsored or advised by affiliates of direct and indirect owners of the Sponsor for investments and certain of those entities may be given priority with respect to certain investment opportunities.

- v. The amount of distributions AIREIT may make is uncertain, is not guaranteed, may be modified at its discretion, and is subject to board approval. AIREIT may pay distributions from sources other than cash flow from operations, including without limitation from the sale of assets, borrowings, or offering proceeds (including the return of principal amounts invested). The use of these sources for distributions would decrease the amount of cash AIREIT has available for new investments, repayment of debt, Share redemptions and other corporate purposes, and could reduce stockholders' overall return and dilute the value of its stockholders' investments in the Shares.
- vi. If AIREIT fails to maintain its status as a REIT, it would adversely affect its operations and its ability to make distributions to its stockholders.
- vii. The payment of fees by AIREIT to the Advisor, the Dealer Manager and their affiliates will reduce the cash available for distribution and will increase the likelihood that investors are unable to recover the amount of their investment in AIREIT.
- viii. In connection with the Offering, AIREIT incurs fees and expenses which will decrease the amount of cash it has available for operations and new investments. In the future AIREIT may conduct other offerings of common stock (whether existing or new classes), preferred stock, debt securities or of interests in its operating partnership. AIREIT may also amend the terms of this offering. AIREIT may structure or amend such offerings to attract institutional investors or other sources of capital. The costs of AIREIT's securities offerings may negatively impact its ability to pay distributions and stockholders' overall return.

The information and perspectives presented herein do not take into account prospective investors' circumstances, objectives, or needs and are not intended as recommendations of particular securities, financial instruments or strategies to any prospective investors.

This communication and the Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or the securities regulatory authority of any state, or by any similar authority of any other country or jurisdiction, and neither the SEC nor any of these authorities of any state passed upon the accuracy or adequacy of statements in this communication. Any representation to the contrary is a criminal offense. AIREIT will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended.

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Nothing contained herein should be construed as legal, business, tax, accounting or investment advice. You should consult your own attorney, business advisor, tax advisor and accounting advisor as to legal, business, tax, accounting and related matters concerning an investment in the Shares and its suitability for you. You are urged to request any additional information you may consider necessary or desirable in making an informed investment decision.



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