Aggregate

2020

Aggregate Holdings S.A.

Annual Report

aggregateholdings.com

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Letter from the Management

Dear Stakeholders,

2020 was a transformational year for Aggregate Holdings, as the company started the transition from a pure development company towards a yielding portfolio of real estate assets. As part of this transformation, the company has increased its focus on investor relations and enhanced its capital markets focus.

The key transaction in 2020 was the sale of Aggregate's stake in Consus Real Estate AG to ADO Properties (now renamed Adler Group) in return for shares. Adler exercised its option to acquire the remaining stake held by Aggregate in Consus Real Estate on 29 June, 2020. Following the exercise, Aggregate owned 22.5% of the new Adler Group, and subsequently maintained its position in the Adler Group's rights issue in July. Following these transactions, Aggregate became the largest shareholder in the Adler Group, one of the leading residential real estate companies in Germany and a company which is the 4th largest listed residential real estate company in Germany by GAV. The transaction resulted in a €95 million gain on disposal. In December, Aggregate increased its strategic stake in Adler Group to 26.6%, reflecting the long-term growth potential of the business.

Quartier Heidestrasse, the company's flagship mixed-use development in Berlin, has passed a significant milestone as the first phase has been completed, with first tenants moving in during January 2021. A total of c.50% is completed, based as a percentage of total construction cost and full completion will be in 2023. Total net rental income of €75 million per annum is expected when completed, with almost 50% of commercial lettings in place and in line with expectations.

2020 was a transformational year for Aggregate Holdings.

– Benjamin Lee
Managing Director and CFO

VIC Properties has also made significant progress, with the first phase of the Prata project being completed and sold, with average prices achieved ahead of budget. This has confirmed both the sales prices achievable and the delivered costs, and is therefore an important proof of concept of the entire project. VIC also acquired a further project, Pinheirinho, which is close to Comporta and an hour south of Lisbon. This demonstrates the strength of the pipeline and the future potential of the business.

As part of the enhanced capital markets focus of the company, a new website was launched in the third quarter, with the business being reported through three divisions: Build & Hold (focussed on Quartier Heidestrasse), Build & Sell (focussed on VIC Properties), and Financial Real Estate other Assets (focussed on the stake in Adler Group). The appointment of Benjamin Lee in the third quarter was another key building block in the increasing capital markets focus. In the fourth quarter, the company issued €500 million of senior unsecured bonds, in part to partially refinance the outstanding €350 million bond due in August 2021.

The company continues to see opportunities in the current environment to acquire undervalued real estate assets privately or through the public markets. In line with this strategy, Aggregate is working on a number of potential investments, including development projects in Berlin and other German A cities, and investments in listed Austrian real estate companies.

In 2021, Aggregate's focus will be on further de-risking our development projects and increasing net rental income, reducing our cost of capital and on undertaking strategic growth where there are opportunities to buy high-quality assets at attractive prices.

Quartier Heidestrasse, the company's flagship mixed-use development in Berlin, has passed a significant milestone as the first phase was completed

Aggregate Holdings Overview

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We are Aggregate Holdings

Aggregate Holdings S.A., headquartered in Luxembourg, is a predominantly German-focused real estate investment company (Germany exposure: 75%) and Portugal (25% exposure). Aggregate actively evaluates investment opportunities in large-scale residential or commercial real estate developments, and often mixed-use projects creating vibrant neighbourhoods.

At the end of FY 2020, Aggregate had €4.8bn of assets and a €5bn gross development value (GDV) project portfolio over three strategies; Build & Hold; Build & Sell; and Financial Real Estate and Other Assets.

Aggregate invests in both real estate companies and development projects, with the concentration on undervalued assets and special situations with potential for significant value creation. 2020 has seen extensive progress in key development projects, which in turn, has started the company's transition from development assets to a yielding assets holding group.

Key Highlights FY 2020

€4.8BN
Total assets

€5BN
Gross development value

26.6%
ADLER Group largest shareholder stake

41.9%
LTV

More than
895KM²
Gross construction area

C.€165M
Liquid Assets

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Key Achievements in 2020

Q1

€300M

VIC Properties exceeded capital recycle estimates through a record number of forward sales. The company expects to generate approximately €300m in the next three years which will predominantly be raised through the forward sale strategy to institutional and private investors.

A major German electricity company, 50Hertz, signed a contract to lease office spaces in the QH Core building.

Aggregate sustained an intensive and transparent dialogue with bondholders and stakeholders throughout the Coronavirus pandemic. The safety and health of stakeholders continued to be a top priority, all restrictions in associated jurisdictions were followed and development sites continued to operate within COVID-secure guidelines. No significant delays for development projects or investments of interest to Aggregate and its subsidiaries were detected.

Q2

March
Agreement in March for QH Spring's hotel spaces with Althoff Hotels.

April
VIC Properties completed the acquisition of Herdade Do Pinheirinho, an overall 200ha development site located in the Comporta region of Portugal. The purchase increased the company's market value by c.€200m. The development stands as the ultimate beach plot, fully authorised for the construction of 197,000 sqm gross construction area (GCA). The project will consist of villas, townhouses, hotels, and an 18-hole golf course with the total expected end-product value standing at €750 million GDV.

100% shareholder

Aggregate purchased the remaining 32% VIC Properties shares and become the 100% shareholder as of H1 2020. Having fully consolidated with Aggregate, VIC Properties is on course to realise the existing landbank gross development value of €2.5bn.

16,638,982 shares

Following the call option trigger by ADO Properties, Aggregate received 1,946,093 newly issued and 14,692,889 existing ADO shares in exchange for its holding in Consus Real Estate. The total holding of 16,638,982 shares which represented approximately 22.5% voting rights in the company made Aggregate the largest shareholder of ADO which later rebranded as ADLER group.

Q3

July
QH Core building secured another retail chain tenant – 'dm', Germany's largest drugstore chain.

€600M

24 July
ADLER Group completed a €450m rights issue for capital raising purposes, Aggregate subscribed to its rights for an additional 6,932,905 shares, which brought its total holdings to 23,571,887 in ADLER Group shares. Aggregate's stake was maintained at approximately 22.5% and valued at approximately €600m post completed rights issue.

Q4

QH core building's structure and shell work completed within planned project timeline. Sequentially, the sample flat was completed with an impeccable finish to showcase the quality of residential units to follow.

07 October
Benjamin Lee was appointed Chief Financial Officer of Aggregate Holdings; the senior executive will manage the financial actions of the company. Benjamin has over 27 years of experience in corporate finance, which includes CFO roles for listed companies.

€500M

senior unsecured bond

30 October
Aggregate successfully issued a €400m senior unsecured bond and subsequently a €100m tap at a premium (101.50) to the issue price. The bond was unrated, with a coupon of 6.875% reflecting the company's transition from development to yielding assets. As part of the transaction, €283m of the existing €350m bond due 2021 was exchanged. The volume raised was a testament to the strength of the asset base and to increasing investor interest in the company.

70,000 units in Germany's top seven cities

Merger of ADO Properties, Adler Real Estate and Consus Real Estate into the rebranded ADLER Group. The group consolidated its landmark financial position as one of Germany's top housing providers – managing 70,000 units. Aggregate is extremely well positioned to benefit from the shareholder value creation as the largest shareholder.

December
Aggregate initiated an Environmental, Social and Governance (Sustainability) strategy to develop the company's capabilities in corporate responsibility and sustainability. Aggregate carried out its first soft 'materiality' analysis in order to identify topics that have a direct or indirect impact on the organisation's ability to create, preserve or erode economic, environmental and social values.

ESG

Our Management

Benjamin Lee

Managing Director and Chief Financial Officer

Benjamin Lee has over 27 years of experience in the financial industry, 14 years of which he worked in the investment banking sector at UBS in London. He has 7 years experience as a board member and CFO for listed companies, inter alia former CFO of Consus Real Estate AG which is one of the largest developers in Germany. Benjamin Lee is responsible for general management, finance and capital markets at Aggregate.

John Nacos

Managing Director and Chief Investment Officer

John Nacos has over 30 years of experience in the financial industry in New York and London, having been Global Head of Commercial Real Estate debt at Deutsche Bank AG. Mr. Nacos served as Supervisory Board member at CA IMMO, a Vienna-listed property company from 2015 to 2019 and was instrumental in steering the company's success. At Aggregate, John Nacos is responsible for acquisitions and investments.

Boris Lemke

Investment Director

Boris Lemke was previously Director at Deutsche Bank, heading up the London based team focussing on private debt syndicate. He has over 19 years experience in the financial industry with 16 years at Deutsche Bank's Investment banking division and 3 years at Morgan Stanley's Investment banking division. Boris Lemke is responsible for deal structuring, investment trading and syndication interests.

Business Overview

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Business Overview

Aggregate Holdings S.A. is a real estate investment company, with business interests mainly in the German real estate market but also in the wider German-speaking region and Portugal. Aggregate plans to become one of the leading investment real estate companies in Germany, focused on cash-flow yielding assets, development and financial real estate assets over the following three strategies and corresponding core assets:

Aggregate's strategic focus across all three divisions is to acquire undervalued assets and optimise their scope and scale, following their optimisation and development, the assets will either be added to the portfolio as yielding properties or sold to institutions and individuals.

Sustainable Value Creation Strategy

Off market relationships, scale and entrepreneurial vision, deliver superior returns

Sourcing of Investment Opportunities	Acquisition and Restructuring	Delivery	Yielding Assets in Excellent Locations /or Platform Exit

Value and Cashflow Creation Process

Segment	Build & Hold	Build & Sell	Financial Real Estate Assets:
Core asset	**Quartier Heidestrasse (Berlin)**	**VIC Properties (Portugal)**	**26.6% stake in ADLER Group** (largest shareholder)
Operational focus	• Planning optimisation • Building permit obtained • Construction of asset • Letting phase • Long-term active asset management • Recurring cash-flow & rental	• Planning optimisation • Building permit obtained • Projects forward sold to retail and institutional investors in parallel with construction • Transfer of ownership at completion • Revenue generation	• Strategic long-term vs short-term investments • Number of strategies can be applied • Various investment timeframes • Focus to maximise shareholder value • Liquid investment profile • Revenue and cash-flow generation
Future Growth Opportunities	• Commercial / Mixed-use • Germany/Berlin	• Well-defined project pipeline – Lisbon – Comporta / Algarve	• Strategic stakes – S IMMO AG – Listed real estate
Investors	• Institutions	• Individuals and Institutional potential	• Financial markets and Corporates

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Build & Hold

Build & Hold division's core asset is Quartier Heidestrasse, the largest real estate development in Central Berlin. With over 230,000 sqm of gross lettable area, the flagship project is due to be fully completed by 2023. This division operates as a real estate developer and retains completed properties in its portfolio for the purpose of rental income and cash-flow generation.

€1,428M
Market value

c.230,000m²
Gross lettable area

c.295,000m²
Gross construction area

Quartier Heidestrasse

c.50%
Completed based on Total Construction Cost

€75M
Net rental income expected

€2.3BN
Gross Development Value (appraised)

-€3.4BN
Upside potential

28%
Residential

62%
Commercial

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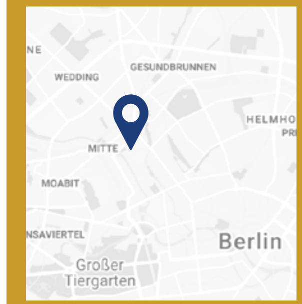
quartier HEIDESTRASSE

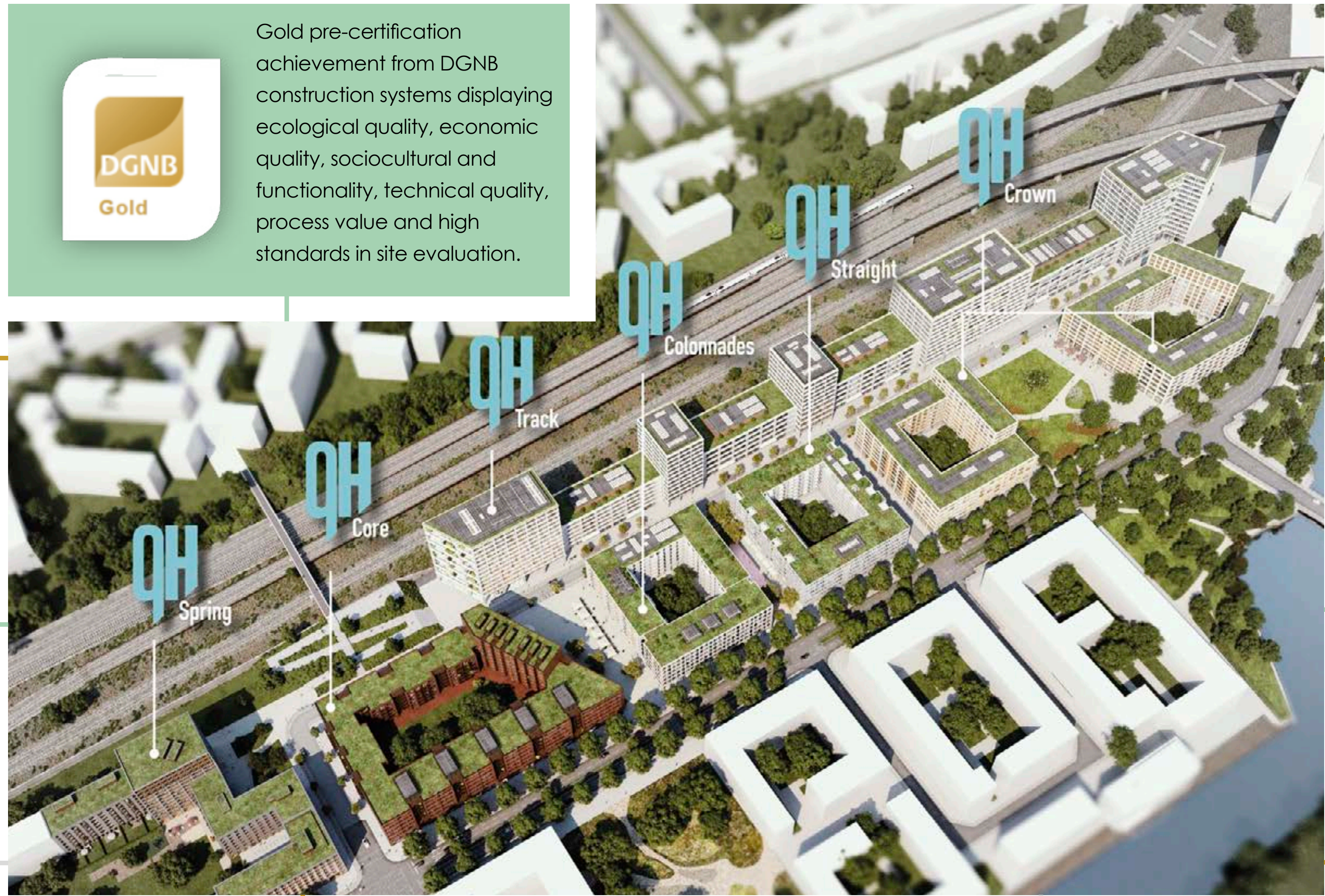


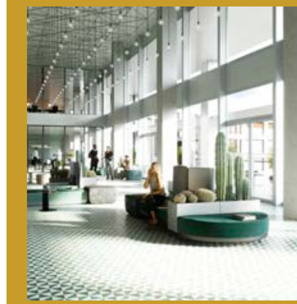
Location

Perfectly located in the heart of Central Berlin.

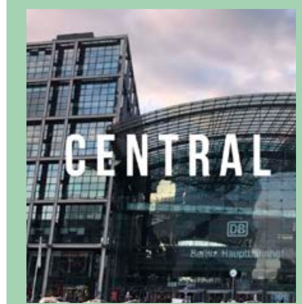
DGNB Gold

Gold pre-certification achievement from DGNB construction systems displaying ecological quality, economic quality, sociocultural and functionality, technical quality, process value and high standards in site evaluation.





The site will form a series of office buildings offering companies a distinct address and identity. The diverse range of spaces and sizes offered, makes it suitable for corporate headquarters, as well as SMEs.



15 minutes walk to Berlin Central station

Berlin Central Station offering national and international connectivity.

Full completion on schedule for 2023, with phase one already completed.

QH Core: 100% completed
QH Spring: 77% completed
QH Track: 28% completed
Straight/Colonnades: 38% completed
QH Crown 2: 38% completed
QH Crown 1: 10% completed

Exclusive residential units, urban quarters and vibrant neighbourhoods with connected amenities, retail and leisure spaces.

QH Core segment completed in Q1'2021 is a mix of offices, apartments and restaurants. The rental of residential units commenced and commercial spaces are being occupied by established corporate tenants. The supermarket chain REWE opened its doors at the end of January 2021.

Smart City

A modern mobility concept that creates a safe environment for the residents, commercial areas and visitors. Cross-quarter building control technology and building automation creates eco-efficiency.

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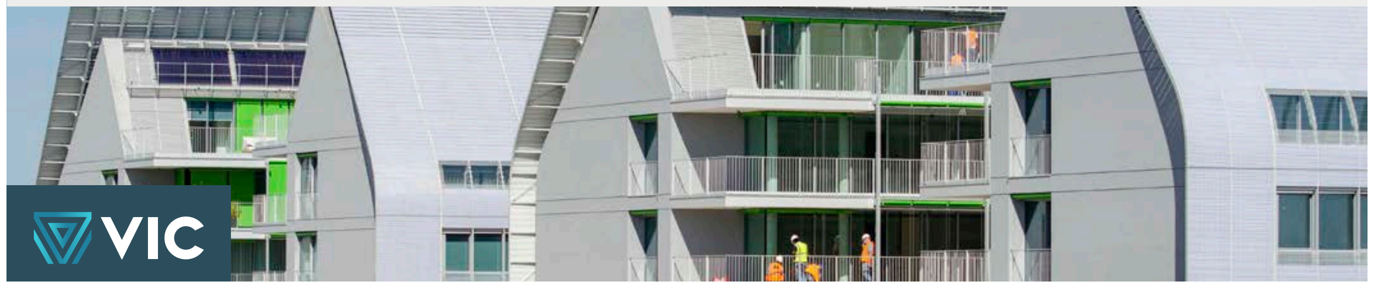
Build & Sell

The Build & Sell division's core asset is VIC Properties, the largest real estate developer in Portugal, with two developments on the Lisbon waterfront and a development near to Comporta, just south of Lisbon. VIC's flagship project, PRATA, is completing its first phase and full completion will take place in 2023. The division operates as a real estate developer focused on the construction and sale of real estate to individuals and investors frequently via forward sales.

Prata

Prata is the large-scale flagship project in Lisbon and is considered to be the most iconic residential project under construction at a central prime river front location in one of Lisbon's trendiest neighbourhoods, Marvila, offering c.700 modern apartments over 128,000 sqm gross construction area. This plot (with VIC's Matinha plot) are the only plots directly on the river Tagus between the city centre and Lisbon's modern business district Parque das Nações. Designed by famous architect Renzo Piano ('the Shard') it received SIL's "Best Residential Housing Development Award Portugal 2019").



Start of Construction:
2019

First Completions:
2021

Valuation as of 31/12/20:
€279M

80% Residential | **20%** Commercial | **€583M** GDV

Total gross construction area:
128,000SQM

Matinha

Matinha is the largest residential neighbourhood project in Lisbon with c. 245,000 sqm Gross Construction Area, delivering c.2,000 apartments. A number of retail and restaurant areas, plus commercial/ office units and a hotel will complement the residential units. The premium location on the river Tagus Prata Riverside Village and Parque das Nações, attracts both domestic buyers and international demand.

Start of Construction: **2021**

First Completions: **2023** **€1.16BN** GDV

Valuation as of 31/12/20: **€343M**

80% Residential **20%** Commercial

Total gross construction area: **245,000SQM**

Pinheirinho

Pinheirinho is an excellently located leisure project, with a total gross construction area of c.197,000 sqm for villas and town houses, and includes a boutique and a 5-star hotel incorporating an already completed 18-hole golf course. There is no planning risk as a fully valid development permit is already granted and the key infrastructure is almost complete. Located right on the Alentejo Coast in the exclusive Comporta region just south of Lisbon, with a vast shoreline of c.40km unspoilt connected sandy beaches.

Start of Construction: **2021**

First Completions: **2023** **€752M** GDV

Valuation as of 31/12/20: **€203M**

56% Residential **40%** Aparthotel and Hotel

Total gross construction area: **197,000SQM**

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Financial Real Estate Assets

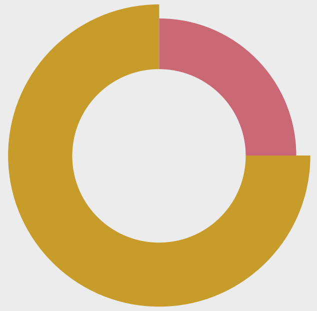
Financial Real Estate Assets, the core and strategic long-term investment is the stake in Adler Group S.A of which the current holding is 26.6% of the company's outstanding voting rights. Aggregate is the largest shareholder of ADLER, which is positioned to be one of the largest listed residential real estate companies in Europe. Aggregate operates as an active investor in private and public real estate investments where there is a value-add, long-term or distressed investment opportunity.

69,722+
Rental units

Net LTV
50.7%
Excluding convertibles

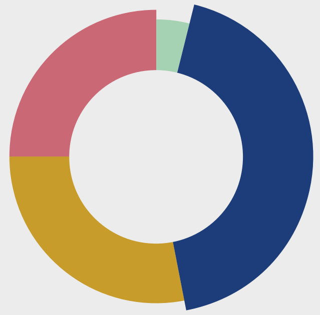
EPRA NRV
€51.38
per share

Country exposure
% of assets market value

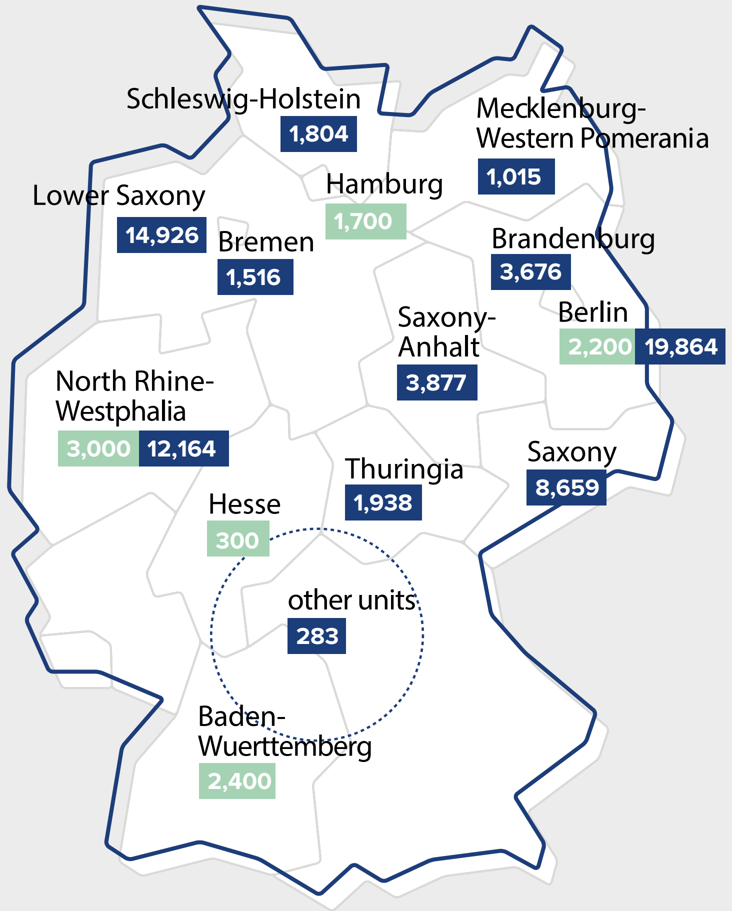


75% Germany
25% Portugal

Market value distribution of tangible assets



43% QH/Germany
28% ADLER Group/Germany
25% VIC/Portugal
4% Other assets



Adler development pipeline to drive organic growth
Adler portfolio of residential rental units

26.6%
Adler strategic stake

c.€900M
Adler Stake Market Value*

c.€165M
Aggregate Liquid, tradeable securities*

c.€285M
Other financial and real estate assets

*for 31/12/20

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Management Report

Corporate Profile

Aggregate Holdings S.A. ("Aggregate") is a real estate investment company, with business interests focused on the German real estate market but also in the wider German-speaking region and Portugal. Aggregate aims to become one of the leading investment real estate companies in Germany and the region, focused on cashflow yielding assets, development and financial real estate assets.

Business Model and Strategy

Aggregate's business model is to invest in high quality real estate assets which are undervalued or have significant potential. Projects are either built to hold for the long-term to generate rental income ("Build & Hold" business segment), or built to sell to investors, often on the basis of forward sales at the beginning or during construction phase ("Build & Sell" business segment). Additionally, Aggregate is an active investor in private and public real estate assets where there is a value-add or long-term investment proposition ("Financial Real Estate Assets" segment).

Aggregate continuously actively evaluates investment opportunities in large scale residential, commercial or mixed-use development projects which will create vibrant neighbourhoods. These opportunities are generally sourced off-market through the company's extensive network, and are often special situations with the potential for significant value creation. From project acquisition and due diligence to financing, planning and development, all phases are managed by highly experienced management teams with a strong operational and transactional track record and supported by dedicated local teams. Following acquisition, the projects are often combined with further assets or the asset portfolio is optimised, and new management installed where required. If the assets are development assets, the development profile is optimised to maximise cashflow and value creation. On completion, the highest quality assets are retained as yielding assets, with other assets available to recycle capital into other opportunities.

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AGGH investments

Build & Hold

Aggregate is a developer of real estate properties which it keeps as long-term holding in its portfolio. Core of this business segment is Aggregate's subsidiary Quartier Heidestrasse GmbH. As of 31 December 2020, €1.47 billion of the company's total assets were attributable to the Build & Hold business segment and €681 million of the company's total liabilities.

Furthermore, as of 31 December 2020, €23 million of the company's minority interest was attributable to the Build & Hold business segment. Therefore, as of 31 December 2020, the NAV of the Build & Hold segment was €769 million.

Quartier Heidestrasse GmbH and its subsidiaries ("QH") are currently developing Quartier Heidestrasse in Berlin, one of the largest available plots under construction in the central city of Berlin. The subject properties "QH-Core", "QH-Track", "QH-Spring", "QH-Colonnades", "QH-Straight", "QH-Crown I" and "QH-Crown II" are located in the district Europa city which is centrally located in the north-western part of Berlin-Mitte. As of fiscal year-end 2020, the residual value of the development project Quartier Heidestrasse was €1.42 billion and the gross development value €2.26 billion (€9,745/sqm with an average rent €27/sqm/month and a target multiple of 30.29) as measured by an independent appraiser and based on year-end 2020 rent and cost estimates. Aggregate believes that there is upside to achieve a completion value of up to c.€3.4 billion (€14,653/ sqm with an average rent of €33/sqm and a target multiple of 36.75) in the year 2023, which represents a targeted uplift of more than 50% once all projects are let and completed.

Quartier Heidestrasse is a neighbourhood development with mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. Quartier Heidestrasse has plans for approximately 295,000 sqm gross construction area ("GCA") and approximately 230,000 sqm gross lettable area ("GLA") of commercial and retail space, comprising 138,000 sqm of office lettable area, 65,000 sqm of residential lettable area and 14,000 sqm of retail lettable area, 1,107 parking units and around 920 residential units – with 25 per cent allocated as subsidised housing in line with the Berlin model of cooperative building land development.

The project has been fully approved with all building permits for the entire project having been obtained and the first phase of the project "QH Core" has now been completed and it is operational and a yielding asset. Construction and letting out are expected to be concluded by the end of 2023. Nearly 50% of the total office space in QH has already been pre-let. SAP, a leading enterprise software producer leased around 30,000 sqm net rental area of office space in September 2019. Once finalised and fully let, the project is expected to generate approximately €75 million of net rental income.

€769MIL

Build & Hold segment NAV

€1.47BIL

Total assets attributable to the Build & Hold business segment

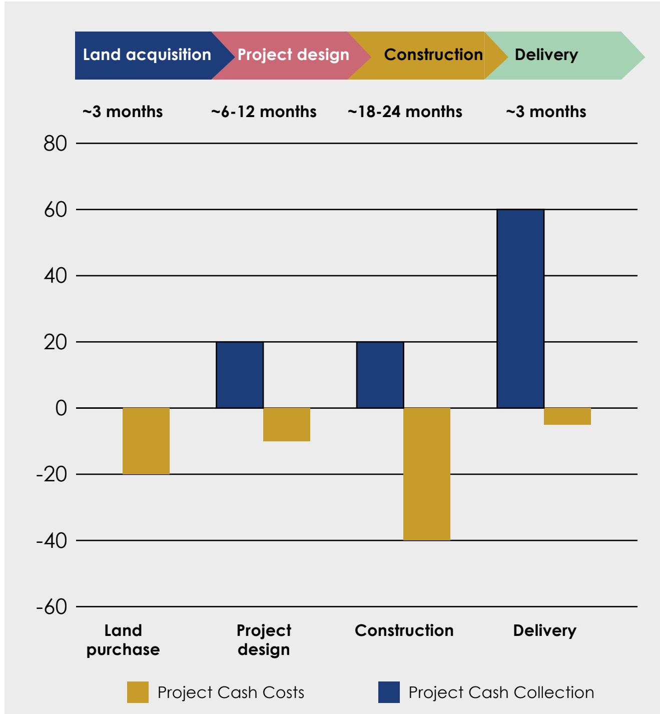
As of 31 December 2020, €1.47 billion of the company's total assets were attributable to the Quartier Heidestrasse development project. The total debt post-construction is expected to be c. €1.1 billion.

The infrastructure works, particularly the section-by-section construction of roadworks, is expected to be completed by the end of 2021. QH Core, involving the construction of structural works was completed in Q1 2021. QH Spring is expected to be completed by June 2021 and completion for QH-Track is anticipated to be completed in three stages between the end of 2021 and the fourth quarter of 2023. Generally, construction works on all project phases are progressing as planned with construction works on QH Crown I (South) to start in 2021 and QH Crown II (North) started in Q4 2020, and all project phases are therefore generally within the framework of the development plan. Completion for QH Crown I and QH Crown II is anticipated in 2022 and 2023 respectively. Construction works on QH-Colonnades and QH-Straight commenced in 2020 and completion of the last project phase is scheduled for the year 2022. There have been no significant delays to the overall district development as a result of the Coronavirus pandemic and the construction sites continued to operate without major difficulties.

Once the development of Quartier Heidestrasse is completed, it is contemplated that Aggregate will continue to hold the property as a cash-flow yielding asset in its portfolio with the aim to generate annual rental income.

Build & Sell

Aggregate is a real estate developer with a Build & Sell division focused on the construction and sale of real estate to third-party investors (mainly via sales direct to individuals). The core of this segment is Aggregate's subsidiary VIC Properties S.A. ("VIC"). The realization of a standard development project in this segment typically takes between 30 to 42 months, with the breakdown being three months for land acquisitions, six to twelve months for project design, 18 to 24 months for construction and three months for delivery. The chart below illustrates the effective capital recycling in connection with the company's Build & Sell segment.



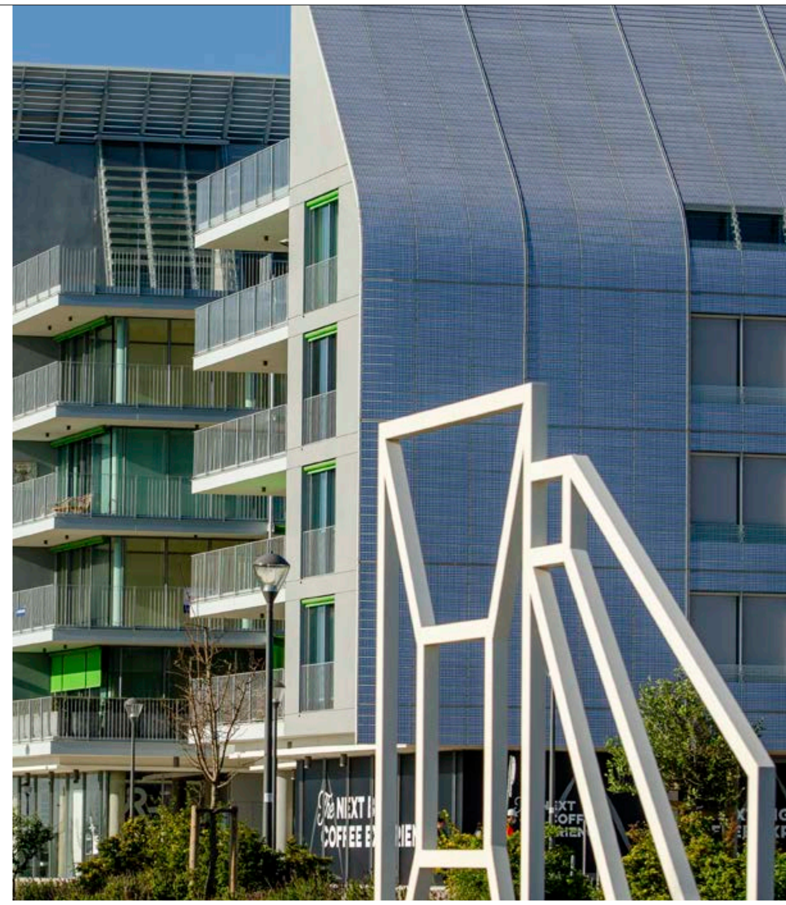
As of 31 December 2020, €1.55 billion of the company's total assets were attributable to the Build & Sell business segment and €902 million of the company's total liabilities. Therefore, as of 31 December, the NAV of the Build & Sell segment was €648 million.

VIC Properties S.A., a fully owned and controlled subsidiary of Aggregate, is Portugal's leading real estate developer with a focus on large scale development schemes and mainly residential projects. VIC's business model is to source large-scale construction projects and subsequently to develop, design, construct and market such developments to individual and institutional investors, often on a forward sale basis at the start or during the construction phase. VIC operates a fully integrated real estate platform in line with the group's strategy to cover the entire value chain. Its core business is the development of residential multi-storey buildings and large development schemes in Portugal's largest cities, such as Lisbon and its surrounding areas and Porto, and development schemes in the high value second home areas such as Comporta and the Algarve region. Given its in-house local development expertise, capital markets knowledge and wide experience in large development schemes, it specialises in the development of entire neighbourhoods with a view of developing high quality real estate offerings, with an emphasis on mid-sized units with two or three bedrooms. VIC is offering new living concepts, including newest technological features, modern kitchens in open-space living room design, panoramic balconies or terraces and generous communal areas. It is anticipated that no more than 20% of VIC's real estate portfolio will be outside of its geographic and sector target markets. Targeted buyers include the domestic Portuguese demand as well as international investors. The targeted EBITDA margin for VIC upon stabilisation, is forecasted at approximately 25%.

Domiciled in Luxembourg, but with operational headquarters and locally embedded management team in Lisbon, VIC benefits from strong local market access and connection in the strong Portuguese real estate market. VIC's access to capital market financing as well as traditional bank lending, means that it is well placed to capture market opportunities and large -scale projects which due to high market entry barriers, may typically be inaccessible to local and international competition. VIC aims to fund its investments using a mixture of equity and debt financing. The strong value generation of VIC lies in the creation of its development platform since 2018 through deep in-country relationships and acquisitions of large-scale projects at undervalued prices. As of fiscal year-end 2020, the combined market value of VIC's development assets Prata, Matinha and Pinheirinho was €825 million based on fiscal year 2020. The current combined estimated gross development value of all three projects is €2.5 billion, with a potential combined completion value upside estimated at approximately +20% once all projects are sold and completed. As per the 31/12/2020 valuation carried out by the appraiser, the sales prices for Prata, Matinha and Pinheirinho are €4,746/sqm, €4,718/sqm and €4,671/sqm on average.

Prata and Matinha are both strategically well-located in Marvila, one of the most up-and-coming neighbourhoods of Lisbon. Both projects are predominantly residential constructions offering modern living spaces with high-end quality and located in one of the emerging locations of Lisbon along the river Tagus and adjacent to the Parque das Nacoes.

In April 2020, VIC acquired Pinheirinho, a new plot located in Melides, in the municipality of Grandola with a GAV of approximately €203 million and GDV of €752 million and a total planned gross construction area of c.197,000 sqm for villas, town houses, boutique hotels and a 5-star hotel with an already completed 18-hole golf course and direct access to the beach.
The development permit for this project has already been granted. VIC has already started the procurement process to start construction on the project in the 2nd half of 2021 with a number of different types of villas, the refurbishment of the golf club house and to finish the infrastructures and landscape works.



The targeted EBITDA margin for VIC upon stabilisation, is forecasted at approximately

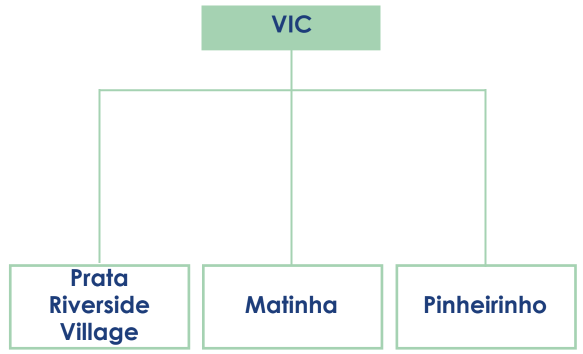
25%

Build & Sell segment NAV

€648MIL

In addition, five new projects have been identified for VIC's pipeline with a total GDV of €1.4 billion and c. 460,000 sqm GCA. If realised, VIC plans to use 80% of the pipeline's GCA to construct residential properties, the remaining 20% being used to construct retail property, social housing and hotels.

VIC is currently developing three large-scale projects:



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Financial Real Estate and other Assets

Aggregate invests in private or public real estate assets. Aggregate mainly focuses on liquid assets in this segment, either long-term and strategic or short-term and opportunistic in nature. Accordingly, Aggregate invests in strategic stakes in listed equities, listed bonds, listed funds and short-duration real estate loans, often secured by the underlying real estate asset, as well as opportunistic real estate assets and developments that are not held for strategic reasons. Investing in liquid and tradeable securities as well as short-duration loans allows Aggregate to build a portfolio that is diversified across a number of investments, exposed to real estate assets, value accretive and liquid.

The core of this segment is Aggregate's long-term and strategic ownership of approximately 26.6% of the voting rights in the ADLER Group S.A. ("ADLER Group"). This stake was initially received via the sale of Aggregate's stake in Consus Real Estate to Adler Group, and then subsequently increased via subscription to the ADLER Group rights issue and then a further acquisition of shares in December 2020 to increase the stake to approximately 26.6%. The size of the stake is a reflection of Aggregate's strong long-term commitment to ADLER group and strong confidence in the long-term growth prospects of ADLER group in particular and German residential real estate in general.

The ADLER Group is a leading German residential player and is the fourth largest listed European residential real estate company based on the combined gross asset value ("GAV") with significant footprint Germany's top 7 cities, providing a strong platform for growth. As of 31/12/2020 ADLER Group had a GAV of approximately €11.52 billion (based on combined gross asset value at year end). The ADLER Group had net rental income in 2020 of approximately €293 million, an EBITDA of €247 million and an approximate total rental area of approximately 4.4 million sqm, with each square meter yielding approximately €5.21 of rent per sqm/month based on current values. Moreover, approximately 70% of ADLER Group's real estate portfolio is located in Germany's top 13 cities, which consists of over c.70,000 rental units.

DEVELOPMENT PIPELINE

10,000+

Units

In addition to the Adler stake, the Financial Real Estate and Other Assets division included more than €160 million of liquid, tradeable securities as of 31 December, 2020 and other financial assets of c.€285 million as of 31 December, 2020. The other financial assets include real estate loans to situations that are well understood by Aggregate, and which provide the group with further insight in to the German real estate market.

As of 31 December 2020, €1.79 billion of Aggregate's total assets were attributable to this segment and €650 million of its total liabilities. Furthermore, as of 31 December 2020, €13 million of the Aggregate's minority interest was attributable to this segment. Therefore, as of 31 December 2020, the NAV of the Financial Real Estate Assets segment was €609 million.

Management and Board

Management Team

Benjamin Lee, Managing Director and Chief Financial Officer, has over 27 years of experience in the financial industry, 14 years of which he worked in the investment banking sector at UBS in London. He has 7 years experience as a board member and CFO for listed companies, inter alia former CFO of Consus Real Estate AG which is one of the largest developers in Germany. Benjamin Lee is responsible for general management, finance and capital markets at Aggregate.

John Nacos, Managing Director and Chief Investment Officer, has over 30 years of experience in the financial industry in New York and London, having been Global Head of Commercial Real Estate debt at Deutsche Bank AG. Mr. Nacos served as Supervisory Board member at CA IMMO, a Vienna-listed property company from 2015 to 2019 and was instrumental in steering the company's success. At Aggregate, Mr. Nacos is responsible for acquisitions and investments.

Board of Directors

Massimo Longoni, Managing Director of the Board, has over 25 years of experience in the financial and private equity industry across Europe. After graduation in economics, he has undertook project finance at Finmeccanica, to then became head of corporate finance at Intesa Sanpaolo.

Founder of Electa Group in 2003, he is currently member of the board of a number of large pan European investment funds.

Elena Guaraldi, Board Director, has over 10 years experience in the financial industry. After graduation in accounting and tax, Elena Guaraldi qualified as a Chartered Accountant and Certified Auditor. Since 2014, Elena has been working as corporate and client relationship manager at Groupe Electa S.A., in charge of corporate procedures, coordination of the legal, technical and administrative aspects with particular focus on regulated entities and real estate group.

Elena is also board member in a number of private equity and real estate holding companies.

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Business Report

Overall macroeconomic and Covid19 situation

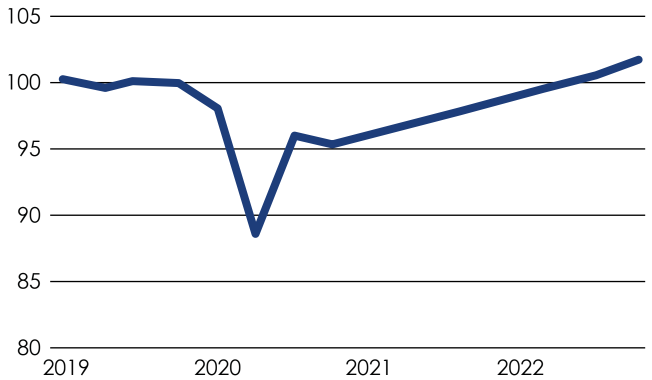
The rapid spread of the Coronavirus (Coronavirus Pandemic), first identified in December 2019, has resulted in a deterioration of the political, socioeconomic and financial situation across the globe, including Germany, Portugal and the European Union ("EU") as a whole. Even though the initial rapid expansion of the Coronavirus in the EU has been slowed or contained by various counter-measures, the overall impact on the economy has still to be determined.

Overall, Aggregate, its subsidiaries and businesses of special interest to Aggregate detected no significant effects due to the Coronavirus.

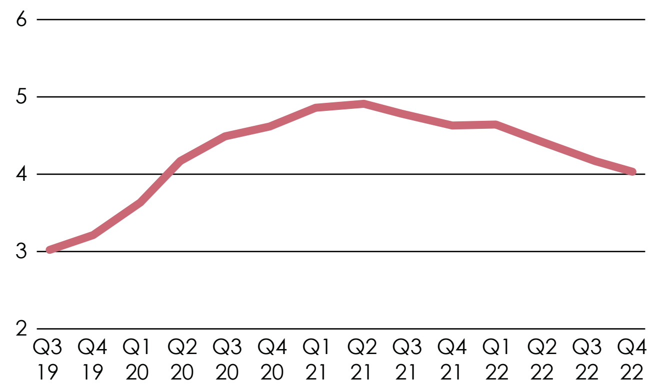
Germany

According to OECD, Germany's GDP is projected to contract by around 5.5% in 2020, driven by falling private consumption, business investment and exports. Looking forward, growth is set to recover slowly to 2.8% in 2021 and 3.3% in 2020. However, uncertainty will constrain the recovery of investment as well as demand for capital goods exports before general deployment of a vaccine increases confidence. Short-term work has cushioned the increase in unemployment, but sustained falls in the unemployment rate are not expected until mid-2021 at the earliest, once employees on short-term work have been reabsorbed. Aggregate's investment in Germany is driven by the domestic performance of the German economy.

Germany's real GDP projections (Indexed Q4 2019= 100)[1]



Germany's unemployment rate forecast

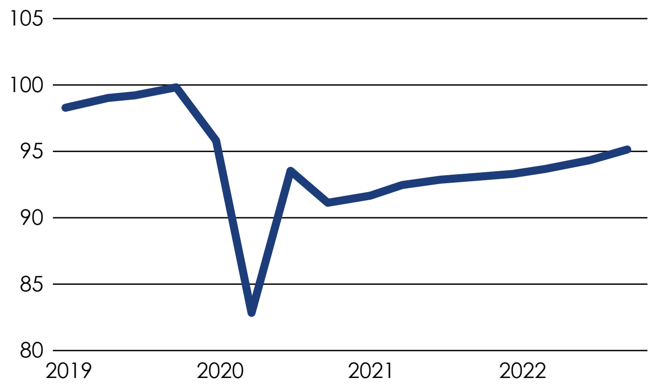


Source: OECD Quirin Privatbank.

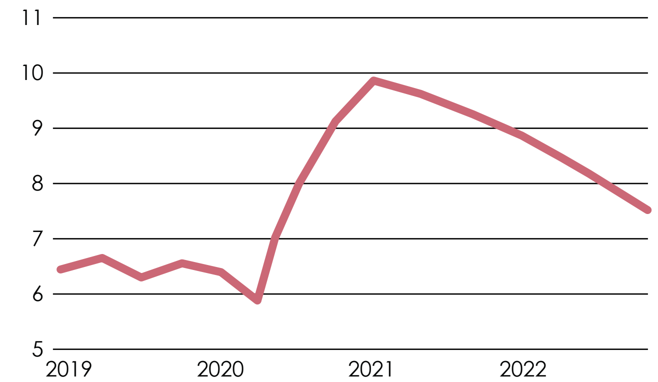
Portugal

OECD forecasts Portugal's GDP to fall by 8.4% in 2020 before recovering by 1.7% in 2021 and 1.9% in 2022. It is important to mention that the pick-up in 2021 is expected to be mainly supported by pent-up demand. Afterwards, a broader recovery is forecasted to unfold, notably in the most affected sectors such as tourism and hospitality, under the assumption of an improved situation as the vaccine is fully deployed. According to OECD the unemployment rate will peak in 2021 and remain above its pre-crisis level through the end of 2022. A key determinant of the recovery in Portugal will be the recovery in international tourism. There is a very clear pent-up demand, but the timing of this deployment will depend on the speed and effectiveness of the vaccine roll-out and various political considerations. Aggregate's development projects in Portugal are more exposed to international demand than local demand.

Portugal's real GDP projections (Indexed Q4 2019= 100)[1]



Portugal's unemployment rate forecast



Source: OECD Quirin Privatbank.

Portugal's strong growth through to 2020 was determined by its successful economic reforms which made Portugal a highly competitive country with low corporate taxes. Global companies have been increasingly moving business to Lisbon and Porto, fuelling residential and office space demand (e.g., IBM, Google, BNP, Microsoft, Sony). This was assisted by an attractive tax regime which combined with high quality of life to attract international entrepreneurs, pensioners, professionals and wealthy individuals. In addition, the Golden Visa program attracts investors from Hong Kong, China, Brazil, South Africa and other global destinations. Having benefitted from Portugal's strong economic recovery, a rising Portuguese middle class is increasing domestic demand for modern residential offerings.

The structural imbalance of supply & demand in Portugal's property market is the basis for a long-lasting phase of increasing prices. In 2020, following a booming property market and relatively high price increases in recent years, housing prices in Lisbon were still lower when compared in an international context and more affordable than those in most other major European cities, such as London, Paris, Madrid, Barcelona, Amsterdam, and Berlin. Aggregate expects that the newly built and refurbished housing offerings supplied to the market will, over time, create greater balance between demand and supply. Aggregate believes that closing this structural gap will provide for a healthy real estate market in the coming years with less steep but stable increases.

Portugal highly attractive for international investors

- **#3** — **Best country** for expats to live in globally (#1 in Europe)
- **#34** — **Most competitive country** in the world
- **TOP** — One of the world's most **attractive Golden Visa** programs
- **#3** — **Most peaceful country** in the world
- **21%** — **Corporate tax rate** (EU average is 23.3%)
- **TOP** — Attractive **low income tax regime** for pensioners & wealthy individuals (NHR)

Real Estate Sector

German Real Estate

Aggregate expects the real estate markets in Germany to continue to grow in the long-term, notwithstanding the economic impact of the Coronavirus pandemic.

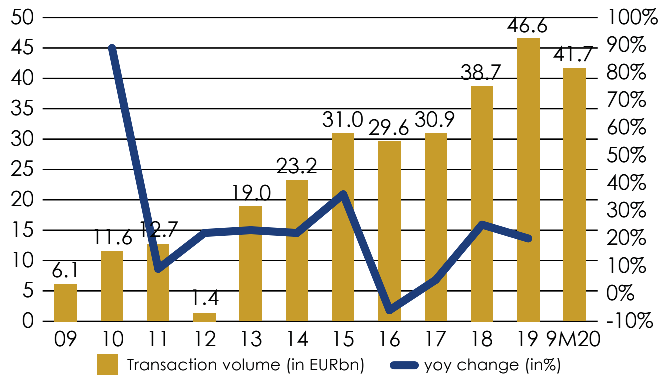
The growth will be driven by continued demand for residential property and for well-located commercial property, which combined with a shortage of space, will lead to sustained rent increases in the residential and office segments. The Top-7-cities are attractive living and working locations, with a history of high population growth. At the same time, the housing market is failing to satisfy demand, as a result sustained rent increases are likely going forward. The same situation is also observed in the office markets, where vacancy rates had reached their lowest level in two decades in 2019. According to 'BBSR-Wohnungsmarktprognose 2020' forecast, the demand for residential sqm will be stable or even further increase in the upcoming years, this indicates a promising business development for Aggregate.

Aggregate's project Quartier Heidestrasse ("QH") is in the hotspot market in Berlin. The project is located in the district Europa city which is centrally located in the north-western part of Berlin-Mitte. It is a neighbourhood development with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. QH has plans for approximately 230,000 sqm lettable area (GLA) of commercial and retail space, comprising of around 147,000 sqm of office lettable area, 65,000 sqm of residential lettable area (920 residential units), 16,600 sqm of retail lettable area and 1,133 parking units.

Commercial real estate market analysis

The German commercial real estate market has benefited from many factors in the recent years. In the retail sector, rents in prime locations have remained at least on the same level due to the ongoing attractiveness of big cities, for tourists as well as inhabitants. In the office space market, rents were driven by low vacancy and high employment. The investment volume in commercial real estate into A-locations (Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart) have more than sextupled since 2009. In 2019 the German A-locations remain in record-breaking form, establishing a new record volume of €46.6bn (+20% yoy). The total turnover end of September year 2020 was €41.7bn (-3% yoy). Considering the economic environment, which is still impacted negatively by the effects of the Coronavirus pandemic, Aggregate sees that real estate investors continue to have great confidence in the German commercial real estate markets, in particular for those well-located projects. In view of the expected economic recovery, the massive government support measures and the stabilising effect of short-time work, investors assume that Germany will recover comparatively quickly and that the overall positive trends of recent years will persist.

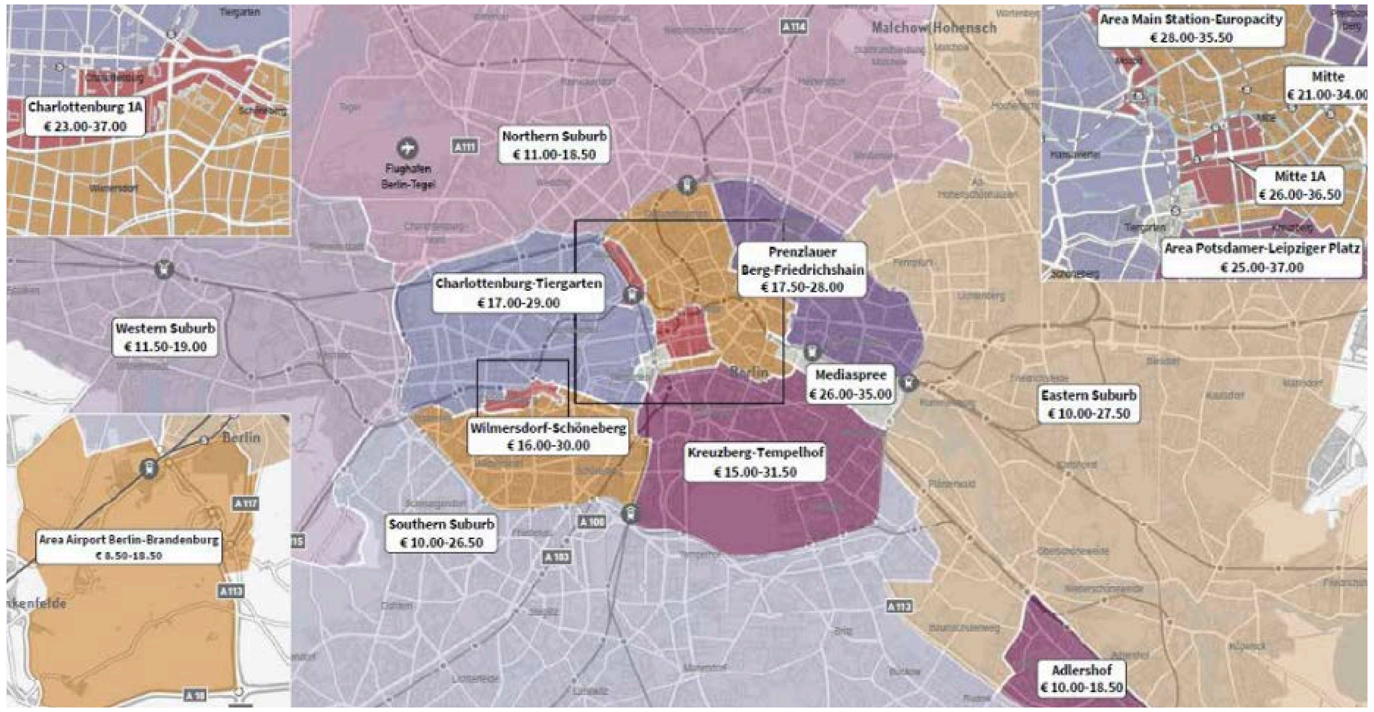
Development of investments in the A-locations



Source: BNP Paribas Real Estate; Quirin Privatbank.

According to JLL research the vacancy rate in Berlin in Q3 2020 stood at 2.4% slightly up by 50 bps vs first half 2020 due to companies increasingly examining their options for reducing space, for example by extending lease contracts or subletting surplus space. Furthermore, the volume of vacancies is also rising due to a higher number of speculative completions, with 1.7m sqm of office space currently under construction in Berlin market area.

Berlin hotspot office space market – Overview of asking rental bands



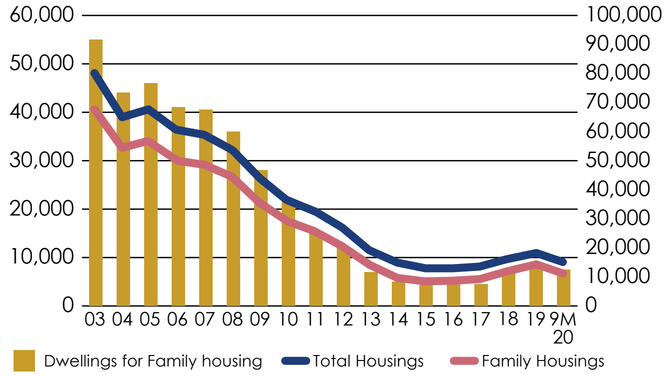
Source: JLL Q3 2020, Quirin Privatbank.

Portuguese Real Estate Market

New housing completions still far from previous high levels

During the millennium period Portugal experienced a significant rise in housing stock, with real estate development activity remaining strong over the first decade of the millennium. However, following the financial crisis, housing development fell strongly from its previous high level. Consequently, the construction of new houses was at a low level over the last decade. Since 2014, residential development has been recovering in the Lisbon and Porto city centres, mainly targeting the renovation of older buildings. As a result of the introduction of legal and fiscal changes, such as the reform of the Urban Lease Law and new Urban Renovation Regime, the government has supported the restructuring of the residential development market in Portugal over the past years, and simultaneously attracted a new foreign market of developers. However, the number of housing completions is still far from the high levels of the previous property cycle between 2000 and 2009.

Development of new completed homes in Portugal



Source: INE; Quirin Privatbank.

The Portuguese residential market has shown itself to be resilient to the Coronavirus pandemic, with sales price in Lisbon in 2020 not demonstrating any negative impact versus 2019.

* review Nacional de Estatistica (INE) to get FY 2020 figures*
page 20 and 21 of credit report Qbank

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Overview of Business Performance

2020 was a very successful year for Aggregate as the Company grew its net assets, sold its key operating subsidiary in to a larger and more liquid platform, increased the value and de-risked its key Build & Hold asset and continued the growth of its development business.

Net assets

The net assets of the group (total equity excluding minorities), increased from €1,851 million to €2,027 million, reflecting in particular the successful sale of the group's Consus Real Estate subsidiary, and the ongoing development of the flagship Build & Hold 'Quartier Heidestrasse' project in Berlin.

Loan-to-Value

In 2020, the group's loan to value ("LTV") fell from 54.3% at year-end 2019 to 41.9% at year-end 2020, reflecting both the successful sale of the Consus Real Estate subsidiary, and the ongoing development of our flagship Build & Hold Quartier Heidestrasse project in Berlin.

41.9% LTV

Net Loan to Value FY 2020
Following successful Consus sale

€2,027M NAV

Net Asset Value FY 2020
Total equity excluding minorities

Profit & Loss

Aggregate's total revenue in fiscal year 2020 was €648 million, down from €721 million in 2019. The reduction reflects the deconsolidation of Consus Real Estate following the completion of the sale in early H2 2020. The revenue of Aggregate ex-Consus of €20 million in 2020 reflected primarily income from third party loans. Overall performance reduced to €572 million (2019: €913 million), reflecting the only partial incorporation of the results of Consus Real Estate. Change in project-related inventory of €47 million for Aggregate ex-Consus reflected the progress in activity in the Build & Sell division, including the construction of properties.

Net income from the fair value adjustments of investment properties increased to €244 million (2019: €165 million) reflecting primarily the strong increase in the residual value of the Quartier Heidestrasse project to €1,428 million from €981 million. Net loss from the fair value adjustments and disposals of financial assets of €5 million (2019: €30 million) reflects the recovery towards the end of 2020 following a very challenging time for valuations during the middle of the year when the Coronavirus pandemic first struck.

Costs of materials €328 million (2019: €526 million), personnel expenses €45 million (2019: €72 million) and other operating expenses €102 million (2019: €116 million) were heavily impacted by the deconsolidation of Consus Real Estate. The respective figures for Aggregate ex-Consus in 2020 were €36 million, €7 million and €51 million respectively.

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Earnings before interest and tax of €330 million (2019: €326 million) demonstrated how the strong positive impact of the investment property gains at Aggregate was able to offset the reduction in income from the deconsolidation of Consus. The earnings before interest and tax for Aggregate ex-Consus in 2020 was €211 million, reflecting primarily the strong value increase of the investment properties.

Finance expense reduced to €295 million (2019: €341 million) reflecting the increase in Consus H1 finance costs and then its subsequent deconsolidation. The interest expense for Aggregate ex-Consus in 2020 was €151 million.

Aggregate's gain on disposal of a subsidiary of €95 million in 2020 was from the sale of its stake in Consus Real Estate in return for the receipt of 22.5% of the Adler Group.

After considering income taxes of €47 million (2019: tax income of €20 m), Aggregate achieved a profit for the year of €167 million (2019: €58 million). The profit for the year for Aggregate ex-Consus in 2020 was €158 million, reflecting the successful sale of Consus Real Estate and the successful ongoing development of Quartier Heidestrasse.

€95 MIL

Gain on disposal of sale of stake in Consus Real Estate

€330 MIL

EBIT FY 2020

The earnings before interest and tax for Aggregate ex-Consus in 2020 was €211 million, reflecting the strong value increase of the investment properties.

Aggregate Profit & Loss 2020 excluding Consus

In thousands of EUR	Aggregate ex-Consus 2020	Consus 2020	Total Profit & Loss 2020
Income from letting activities	1,006	56,205	57,211
Income from property development	1,190	557,425	558,615
Other operating income	17,537	14,624	32,161
Total revenue	**19,733**	**628,254**	**647,987**
Change in project related inventory	47,313	(123,214)	(75,901)
Overall performance	**67,046**	**505,040**	**572,086**
Net income from fair value adjustments of investment properties	244,148	–	244,148
Net (loss)/gain from fair value adjustments and disposals of financial assets	(5,477)	–	(5,477)
Costs for materials	(36,251)	(291,524)	(327,775)
Personnel expenses	(7,454)	(37,872)	(45,326)
Other operating expenses	(51,399)	(51,063)	(102,462)
Earnings before interest, tax, depreciation and amortisation	**210,613**	**124,581**	**335,194**
Depreciation and amortisation	560	(5,369)	(4,809)
Earnings before interest and tax	**211,173**	**119,212**	**330,385**
Finance income	29,203	6,231	35,434
Finance costs	(151,429)	(143,088)	(294,517)
Net (loss)/gain from fair value adjustments of financial derivatives	(307)	30,884	30,577
Net income from equity accounted investments	22,324	–	22,324
Gain on disposal of subsidiary	95,062	–	95,062
Earnings before tax	**206,026**	**13,239**	**219,265**
Income tax	(42,948)	(3,995)	(46,943)
Profit for the year from continued operation	**163,078**	**9,244**	**172,322**
Discontinued operation			
Profit for the year from discontinued operation, net of tax	(5,527)	–	(5,527)
Profit for the year	**157,551**	**9,244**	**166,795**

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Cash flow

The cashflow statement for 2020 is very significantly impacted by the inclusion of Consus Real Estate for the first half of 2020, and then by its subsequent sale and deconsolidation, and any detailed description of the drivers of the changes in cashflow would be dominated by this event.

For Aggregate excluding Consus Real Estate, cashflow from operations was limited due to the focus in 2020 on development activities, with cash inflow largely driven by returns on the loans to 3rd parties and pre-sales of property offset by the increase in inventory and overheads. Similarly, cashflow from investing activity, excluding the sale of Consus Real Estate, primarily reflected the investments in the investment properties under construction, and the increase of the stake in Adler Group. Cashflow from financing excluding Consus Real Estate increased to fund these investments.

Balance Sheet

The total assets amounted to €4,814 million (2019: €7,312 million) as of the balance sheet date and relate to the three divisions of Build & Hold of €1,474 million (2019: €1,070 million), Build & Sell of €1,550 million (2019: €1,409 million), and Financial Real Estate and Other Assets of €1,790 million (2019: €1,129 million). The key driver of the reduction in total assets was the deconsolidation of the Consus Real Estate subsidiary, which resulted in a gross reduction in total assets of €4,374 million.

Investment properties have a fair value of €1,543 million (2019: €1,443 million) as of the balance sheet date, and related mainly to the Quartier Heidestrasse development in the Build & Hold division. These investment properties are largely still under development. Goodwill and intangible assets amounts to €1,136 million (2019: €1,520 million), with the change reflecting the net impact of the deconsolidation of Consus Real Estate (reduction of €694 million) and the increase arising from the acquisition of the remaining 32% minority stake in VIC Properties (increase of €333 million).

Inventories reduced to €682 million (2019: €3,055 million), with the change reflecting the net impact of the deconsolidation of Consus Real Estate (reduction of €2,473 million) offset by the ramp-up in the Build & Sell divisions (€100 million). All the inventories on the balance sheet relate to the activities of VIC Properties in the Build & Sell division. Trade and other receivables decreased to €29 million (2019: €95 million), reflecting the sale of Consus Real Estate.

Non-current and current financial assets were overall largely unchanged at €451 million (2019: €458 million), with the increase in financial assets due to the increase in Aggregate's investments and third-party loans. Equity accounted investments increased very substantially to €871 million (2019: €42 million), reflecting 22.5% stake in Adler Group received following the sale of Consus Real Estate, plus the subsequent subscription to the Adler Group rights issue and the increase in the Adler Group stake to 26.6% in the fourth quarter of 2020.

Cash and cash equivalents amount to €68 million at year end 2020 (2019: €257 million) providing short-term liquidity reserves, with the reduction reflecting the deconsolidation of Consus Real Estate.

Total equity amounted to €2,063 million (2019: €2,205 million) and is mainly composed of subscribed capital, share capital and retained earnings. The non-controlling interests of €36 million (2019: €354 million) relate primarily to the Build & Hold division. Net assets (total equity minus non-controlling interests) increased to €2,027 million (2019: €1,851 million), reflecting the successful sale of Consus Real estate and the ongoing development of Quartier Heidestrasse.

Non-current and current loans and borrowings amount to €2,055 million (2019: €4,085 million), with the significant decrease reflected by the sale of Consus Real Estate, with an element of that reduction offset by increases in financing liabilities from the ongoing development of Quartier Heidestrasse, the increase in Aggregate's position in Adler Group and the development activities in Portugal.

Net Loan to Value (Net-LTV), defined as net debt divided by total real estate assets minus cash, amounts to 41.9% (2019: 54.3%) as Aggregate reduced its leverage through the sale of Consus Real Estate.

Income tax payable was virtually eliminated €1 million (2019: €54 million) following the deconsolidation of Consus Real Estate, and trade and other payables reduced to €503 million (2019: €626 million), with the reduction to the deconsolidation of Consus Real Estate offset by the increase from the payable due on the acquisition of the 32% minority interest in VIC Properties SA.

Net assets (total equity minus non-controlling interests) increased to €2,027 million (2019: €1,851 million), reflecting the successful sale of Consus Real estate and the ongoing development of Quartier Heidestrasse.

€4,814 MIL

Total Assets FY 2020

€1,543 MIL

Investment properties FY 2020

€682 MIL

Inventories FY 2020

Sustainability Strategy

In 2020, Aggregate commenced its strategy to develop the company's sustainability reporting and corporate responsibility. Having successfully completed its first materiality analysis, Aggregate is now implementing a plan to develop a sustainability management programme.

As a leading real estate investor, Aggregate is aware of the company's corporate social responsibility. The increasing trends towards urbanisation, the increase in size of cities and the creation of new living space is one of the fundamental topics of our time. Compliance with environmental standards in real estate is a priority for Aggregate and the company continues to impose these standards on subsidiaries and business interests. Stakeholders are increasingly focussed on investments that guarantee responsible corporate governance, environmental protection and respect for social standards. Aggregate takes ownership of these expectations and aims to develop environmental and social ("Sustainability") activities in the 2021 financial year.

In Q4 2020, Aggregate implemented its first soft 'materiality' analysis in order to identify topics that have a direct or indirect impact on the organisation's ability to create, preserve or erode economic, environmental and social values. In the course of this analysis, Aggregate arrived at four material topics:

- Compliance Management
- Environmental Matters
- Social Matters
- Employee Matters

Compliance Management

Aggregate is clear that a strict focus on the law and regulation compliance serves the long-term interests of the company, based on ensuring compliance with all relevant regulations. The compliance topics material to Aggregate are following market regulations, protecting data through GDPR guidelines, and ensuring all actions are taken to avoid the impact of corruption.

Environmental Matters

Climate change and the associated challenges facing the economy and society remain crucial issues in global political agendas. Aggregate is planning to create and then expand over time a sustainability management system reporting on our environmental footprint. Aggregate plans to start the monitoring of business activities of its subsidiaries on an environmental basis, and insist on any improvements where identifiable. This includes, but not limited to the following underlying areas:

- energy consumption
- waste and recycling
- material use in construction and maintenance

Employee Matters

Strengthening the existing organisation and increasing employee satisfaction is another significant topic for Aggregate. The company has always given importance to carefully selecting and training employees. The company will continue to focus on parameters such as the diversity, fair remuneration and work-life balance attributed to employees. Aggregate promotes the health and performance of its employees at all real estate sites and offices as occupational health and safety is paramount for our employees.

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Social Matters

Aggregate takes its social responsibility seriously given its indirect creation and maintenance of long-term real estate sites through its subsidiaries, and continues to take account of affordability and ethical strategies. A healthy living and working environment, good service and affordable rents and prices are at the forefront of importance for Aggregate, and this attitude is applied across all subsidiary business activities.

The responsibility for a sound living and working environment starts as early as the construction phase. This is equally important with maintenance, renovation or refurbishment for existing sites or new projects.

Aggregate is aware that this sustainability 'soft' material analysis is not exhaustive and it plans over time to expand this to the Global Reporting Initiative ("GRI") standards "Core" option criteria for Sustainability reporting. The company has set itself the target of further expanding sustainability reporting over the next few years. One of the main restrictions regarding this topic is the consolidation of sustainability figures and strategies for all business interests. Companies have different approaches to sustainability and for this reason a holistic approach to sustainability analysis will be used through focus on core points of sustainability which is equally applicable to all its subsidiaries and business interests.

Green Development – Quartier Heidestrasse

The German Sustainable Building Council (DGNB) certification system is internationally recognised as one of the global benchmarks for sustainability in real estate construction. With the share of over 80% in new-build construction and over 60% in the overall commercial property market, the DGNB is considered to be the market leader for providing construction certification in Germany. Their system is based on three fundamental factors:

- Life cycle assessment
- Holistic approach
- Emphasis on performance

Quartier Heidestrasse has attained a Gold pre-certification achievement from DGNB, the second highest possible achievement in their certification awards, meaning Quartier Heidestrasse performed extremely well in the DGNB total performance index, the index is based on the following parameters:

- Ecological quality
- Economic Quality
- Sociocultural and functional quality
- Technical quality
- Process quality
- Site evaluation

DGNB Gold

	DGNB Gold	DGNB Silver	DGNB Bronze
Total performance index	65% and higher	50% and higher	35% and higher
Minimum performance index	50%	35%	– %

Smart neighbourhood – Quartier Heidestrasse

The development utilises a modern mobility concept that creates safe and eco-efficient environment for the residents, commercial areas and visitors. Cross-quarter building control technology and building automation will enable smart functionalities.

The functionalities for the 'Smart-Home' and 'Smart-Office' units will allow control of heating and blinds via a central control unit, the central control unit will also deliver and receive data from the building creating control and eco-efficiency in many aspects including the measurement of Room occupancy, Infrared Temperature, Humidity and Ventilation CO_2 Value/Climate.

Using smart-technology and digitalisation provides a streamlined connectivity to all residents, commercial areas and visitors in terms of transport, service and support through the use of apps and desktop/ hardware control panels.

Coronavirus and site management during pandemic – Quartier Heidestrasse

Construction works at the flagship project Quartier Heidestrasse did not pause or completely stop due the effects of Coronavirus in 2020, while protecting the health of all construction workers and employees on site become the top priority. Productivity and progress continued as scheduled within government guidelines for construction sites.

In order to ensure the best possible protection for all employees the following measures were initiated:

- Increase in the number of sanitary containers and the cleaning cycle
- Disinfectant dispensers
- Hygiene guidelines for everyone on the construction site
- Creation and mandatory compliance of the official reporting chain
- Bubble teams formation

Individuals with signs of infection, such as fever or other symptoms were not to allow access to the construction site in the entrance.

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Events post Balance Sheet

Acquisition of minority stakes

In January and February, Aggregate acquired non-controlling minority stakes totalling 10.7% in the listed Austrian real estate company, S IMMO AG, the Vienna-listed real estate company focussed on major cities across Germany and Austria. The S IMMO portfolio comprises of approximately 70% commercial properties and approximately 30% residential properties, around 70% of the portfolio is located in Germany. Additionally, S IMMO has an approximately 6% strategic stake in CA Immobilien Anlagen AG ("CA IMMO").

In addition, Aggregate signed a contract to acquire joint control of a 10.54% stake in IMMOFINANZ AG, the Vienna-listed real estate company focussed on major office locations in Germany and capital cities in Central and Eastern Europe. The conditions for closing the contract have not yet been fulfilled.

The current market environment has created significant value dislocation within the commercial real estate sector. These investments are in line with Aggregate's stated strategy of acquiring undervalued real estate assets privately or through the public markets.

Evaluation of development projects in Germany

Aggregate is actively reviewing a number of acquisitions of development projects across major German cities, including Berlin. The projects are primarily commercially-focused mixed-use developments.

Outlook

During 2021, the Group intends to focus on its assets and opportunities in Germany, other German-speaking European countries, and also Portugal.

The Group believes that there is continued long-term value growth potential in the German residential market based on the underlying demand and the replacement costs of current stock. In addition, the Group believes that there is significant opportunity in the commercial real estate sector in Germany and German-speaking countries in Europe. The Group believes that the current value of prime commercial real estate assets does not reflect their fundamental long-term value, in particular in relation to development assets. The Group's business in Portugal continues to see opportunities to potentially acquire and develop residential projects in Portugal and the surrounding regions.

Aggregate plans to continue to grow net assets while targeting a loan-to-value of below 50% in the medium-term.

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Opportunities and Risk Report

Introduction

The Group faces a variety of risks and opportunities in the course of its business activities requiring assessments, strategies for risk minimisation and mitigation and actions with short, medium and long-term impact.

Solid, transparent and accountable governance safeguards the future of the Group. It enables the Group to maintain its agility, entrepreneurial spirit and provides development opportunities for our people. The Board and management are responsible for the direction and oversight of Aggregate Holdings S.A. and its subsidiaries.

The Board believes in good governance and managing company risk and reporting effectively. The Board defines the Group's risk policy and the procedures to mitigate exposure to risk, monitors the risks and reviews the effectiveness of the current risk management and internal control procedures.

Risks report

The risks of the Group are regularly monitored and evaluated by the Board of Directors of the Company.

Strategic risks

The Group bears risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, greater indebtedness, higher interest expenses and challenges with respect to the integration of newly acquired businesses and achieving anticipated synergies and economies of scale. Furthermore, new properties may not develop as favourably as expected.

The business success of the Group depends on a small number of projects and inventories and problems with these projects could have a disproportionate impact on the business success of the Group. There are a small number of large-scale projects, the projects developed in Berlin and in Portugal, which account for a substantial portion of sales. In addition to the concentration of letting or sales risks associated with this, there is also the risk that possible delays or problems in completing these projects, changes in demand in specific geographic markets or a change of customer preferences could have a disproportionate impact on the business success of the Group.

The majority of the Group's yielding assets are concentrated in a limited number of yielding projects and investments. The yielding projects are subject to tenant risk, to the ability to replace tenants when required, by the ability to increase rents and to continue to effectively manage the asset. The investments are subject to the performance of the underlying business, which will be in part dependent on the German macro-economic environment, the German property market and the impact on the performance in the underlying business.

The extent of the Group's growth is also dependent on the Group's ability to acquire suitable real estate properties or participations in economically attractive regions for appropriate prices. Acquisitions can only be implemented if attractive properties that meet its investment criteria are available for purchase and if the prices for such properties are reasonable. A lack of attractive acquisition opportunities could drive up prices for the type of properties the Group seeks to acquire. In addition, whether such properties can be acquired depends on a number of factors over which the Group has limited or no control. These include, among others, the general economic conditions with corresponding impacts on the supply and demand situation with respect to new and existing properties, financing opportunities as well as the costs associated with the development, conversion and refurbishment of properties.

Fair value of real estate property risks

Estimating the future value of a real estate property is inherently subjective due to the individual nature of each real estate property and is heavily affected by broader market conditions beyond the control of the Group. Factors including changes in regulatory requirements and applicable laws (including building, zoning and environmental regulations and taxation), transport and infrastructure policies, economic conditions, the condition of the financial markets, the financial condition of potential customers, applicable tax laws and long-term interest rates and yields and inflation rate fluctuations contribute to the uncertainty and volatility of project estimates, including valuations.

The value of the Group's real estate development projects is estimated only and is ascertained on the basis of assumptions (including assumptions regarding factors such as demand for residential or commercial real estate properties and average sales prices of residential real estate properties). These assumptions can turn out to be incorrect.

There can be no assurance that the value of the Group's real estate properties reflects the future sales prices. For future projects, any failure to sell the estimated number of residential or commercial real estate properties or selling at prices lower than expected may result in a lower revenue than estimated. In addition, the Group's ability to increase its income from properties being developed to hold and properties being developed to sell, is dependent on its ability to increase occupancy and rent levels of the developed residential real estate properties. Consequently, the loss of current tenants could lead to a reduction or loss in rental income if the relevant member of the Group is not able to find new tenants in a timely manner.

Any deviation from the estimated value to the realised value, including as a result of inaccurate valuations, could have a material adverse effect on the business, financial condition and results of operations of the Group.

Construction cost risks or delays of construction periods

The Group is exposed to certain risks in connection with construction projects, including construction defects and delays, availability of contractors, cost-overruns as well as health, safety and environmental risks.

With respect to the construction of development projects, the Company or any member of the Group is exposed to various risks relating to defective construction work or the use or installation of defective construction materials by third-party suppliers or contractors. The warranty, guarantee or indemnity protection set forth in the contracts with such third-party suppliers and contractors, and the arrangements with insurance providers to insure against certain risks, may prove to be insufficient or may not adequately protect Aggregate or any member of the Group against relevant risks.

Any claims relating to defects arising from, or related to, one of the development projects of the Group may give rise to contractual or other liabilities, which can extend, depending on the relevant contractual or statutory provisions, for five years following completion of the development project and may not be covered by claims against any contractors or suppliers of the Group.

Moreover, the Group's ability to successfully complete development projects on time, at the anticipated quality or at all, depends on several factors. Construction work may involve higher costs than originally planned, and unforeseen additional expenses may be incurred leading to a deteriorating financial situation for the Group. For example, the Group may fail to meet standards and/or deadlines agreed with contractors and service providers and there can be no assurance that the Group will be able to hire qualified and reliable contractors.

Contractors and service providers carrying out construction work may be adversely affected by economic downturns, insolvencies or any other risks inherent to the provision of construction services. These risks include damages caused by severe weather conditions and construction-related delays. Among others, any of the aforementioned risks may result in significant cost overruns and project delays. For example, in connection with the ongoing Coronavirus pandemic, national, regional or local authorities have mandated social distancing measures which resulted in decreased activity on some of the Group's construction sites. Such restrictions, or a complete halt of construction activity may be mandated again in the future. Furthermore, the Group is exposed to cost increases in connection with services of contractors, service providers and sub-contractors. Any cost increases could adversely affect the ability of the Group to earn the projected yields related to the development projects.

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There are uncertainties regarding whether, when and under what constraints and/or subsidiary conditions approval for the projects is granted under public construction law, i.e., the Group partly relies on the individual authorities exercising discretion. In addition, disputes with residents and neighbours may significantly delay or negatively influence the granting of approvals. These circumstances may mean that planned development and construction measures cannot be executed for the price assumed, within the timeline planned, or not at all.

Developing real estate entails certain health, safety, and environmental ("HSE") related risks. A significant HSE incident at one of the development projects of the Group or a general deterioration in the Group's HSE standards could put employees, contractors or the general public at risk of injury or death and could lead to litigation, significant penalties or damage to the Group's reputation.

Illiquid assets risks

Land plots and real estate properties can be relatively illiquid assets because they may not be easily sold and converted into cash when markets deteriorate. The Group may be required to sell entire land plots or properties in certain circumstances. The illiquidity of real estate properties may affect the ability of the Group to dispose of or liquidate parts of its development portfolio in a timely fashion and/or at satisfactory prices when required or desirable, and the Group may incur additional costs until it is able to sell such land plots or properties. This could have a material adverse effect on the business, financial condition and results of operations of the Group.

Risk related to the real estate market

The Group's core business is in real estate investments. The Group focuses on acquiring, developing, managing and selling residential and commercial real estate predominantly in Germany, in particular in Berlin, but also with an interest in the broader DACH region (Germany, Austria and Switzerland) and Portugal. The Group's business success is therefore especially dependent on the performance of the real estate markets it operates in, the demand for properties, including rented properties, in Germany and in particular in Berlin as well as Portugal, in particular in and around Lisbon, and the level of achievable rents, the expenses necessary to generate the rental income, as well as the achievable purchase and sale prices and market values of properties. The real estate market, in turn, is dependent in particular on the performance of the overall economy, political developments, including changes in legislation, and the demand for real estate in the respective country. Key factors affecting macroeconomic developments in Germany and Portugal include the state of the German and Portuguese economies, as well as European and global economy, the development of commodity prices and inflation rates, the extent of national indebtedness, and interest rates. The 2020 worldwide economic downturn, a rise in the inflation rate, deflationary tendencies or an upturn in interest rates could adversely affect macroeconomic performance. Moreover, in the last recession in the Eurozone, the need for some governments to cut back on spending to retain credibility in the financial markets, impacted economic developments in Germany and – to a more significant degree – Portugal and an increasing level of national indebtedness could have consequences, including reduced economic output, a higher inflation rate, rising taxes, and lower income, thus reducing the willingness of private individuals and institutional investors to invest. A deflation may have similar effects.

The fluctuations in exchange rates, especially the €-to-dollar rate, could have a material effect on German exports and therefore also on the performance of the German economy as a whole.

Coronavirus Pandemic

The Coronavirus pandemic outbreak has impacted many countries around the world, and disrupted the lives of many millions of people. The Group has been taking the risks associated with the outbreak extremely seriously, and the safety and wellbeing of its employees is of paramount importance.

The Group continues to follow the recommendations of governments from around the world and is managing response in line with the World Health Organization (WHO) guidelines. It has implemented measures to reduce the risk of the virus spreading at its operations. These include introduction of pandemic safety protocols, ensuring sufficient supplies of sanitation products and essential personal protective equipment, strictly following social distancing procedures, conducting enhanced and regular cleaning operations and monitoring the health of employees when they enter and exit work premises. Wherever possible, the Group implemented remote working. Employees were provided support, advice and guidance they needed to adjust to working in challenging times. The Group has been in continuous contact with leadership teams in all the jurisdictions where it operates to ensure the right decisions are being taken for the wellbeing of employees.

Real estate has been one of the most resilient sectors of the economy during the Coronavirus pandemic. Real estate development construction activities have been impacted only in a limited way, with all construction sites remaining open and the delay of supplies only being impacted to any material extent during the initial stage of the pandemic.

Residential property has proved in general to have retained or even grown its value through this period in the markets that Aggregate operates in, with sales being impacted on a short-term basis when there are restrictions in movements, but with sales on a longer basis being largely maintained.

Commercial property has been more significantly impacted given the government requirements to work from home. However, the sector is expected to recover strongly when the pandemic restrictions are removed, particularly for the portfolio in central areas and strong city locations.

The Group, based on the current status of the situations and on current expectations, has not been materially impacted by and does not expect to be materially impacted by the Coronavirus pandemic.

Financing risks

The development of the property sector is largely determined by the availability of financing. The Group's ability to obtain debt financing, guarantees or derivatives or hedging lines from financial institutions or private lenders at commercially acceptable terms, including volume and costs, could depend on several factors, some of which are beyond the Group's control, such as general economic conditions, the availability of credit from financial institutions, market interest rates and global and EU monetary policy and financial markets regulation. The Group's access to financing and liquidity may also be affected by the Coronavirus pandemic. As a result of increased levels of defaults, banks may have reduced or may in the future reduce liquidity, which could make it harder for the Group to obtain the bank financing it may desire for future acquisitions or re-financing purposes.

The Group requires debt primarily to refinance existing loans and to fund project development and acquisitions. The market conditions for real estate financing are subject to continuous changes. Financing and refinancing on the banking and capital markets are one of the most important measures for real estate companies. The financing options available depend on a number of factors that cannot all be influenced by the Group, such as market interest rates, the amount of financing required, tax aspects and collateral required. This may significantly impair the Group's ability to increase the level of completion in its development portfolio, to invest in appropriate acquisition projects or to meet its obligations from financing agreements. Financing risks are closely linked with the risks relating to interest and liquidity. Financing risks are managed by using diversified funding sources for projects. The Group is additionally committed to reducing its leverage and the volume of mezzanine loans.

Default risks exist for all types of financial instruments including but not limited to trade receivables. These risks are regarded as low. The Group is not exposed to significant default risks with regard to any individual company. The majority of trade receivables concerns low risk. Deposits in banks or financial institutions were made exclusively with well-known financial institutions with very high solvency.

The Group monitors and assesses liquidity on a regular basis. Developments in liquidity are analysed and evaluated regularly both at Group level as well at subsidiary and project level. Liquidity plans are scrutinised along various stress scenarios, which enables us to identify and counteract potentially arising liquidity risks in good time.

The Board and management regards the financing and liquidity risks and their effects on the asset, financial and earnings position as very relevant.

Interest rate risks are relevant because of the Group's financial liabilities. In order to minimise interest rate risk, the Group follows a policy of mixing loans with fixed interest rates and variable rate loans. The Group also seeks to over time further increase the share of long-term financing through fixed interest rates. However, increases in the refinancing interest rates of the central banks may make property financing more expensive and could thus lead to a reduction in the demand for real estate. All real estate transactions generally also carry a risk in relation to their timely refinancing. At balance sheet date, €1,146,900 (2019: €2,584,934) related to loans with variable interest rates €901,778 (2019: €1,492,407) to fixed rate instruments. Interest payable on variable interest rate loans is on average significantly lower due to its prevailing senior loan characteristic. The Board and management regard the risk of interest rate changes and their effects on the asset, financial and earnings position given the current and medium-term expected interest rate level as not relevant.

Some debt financing agreements contain financial and non-financial covenants. Non-compliance with these covenants may entail the risk of extraordinary termination by the creditor and may thus mean that the refinancing of the corresponding amounts might come at less favourable conditions.

The covenant requirements are monitored in order to prevent breach of covenant (default).

As of 31 December 2020, there were no defaults. Even if very unlikely to occur, the Board and management regards this risk and its effects on the asset, financial and earnings position due to the potential loss exposure as relevant.

Moreover, a persistently restrictive lending policy could negatively affect the demand for real estate in general, and thus result in impairments for the inventory properties of the Group, and in lower proceeds from newly developed properties.

As of 31 December 2020, the Group has net debt of approximately €1,987,147 thousand (2019: €3,828,027 thousand, LTV of 41.9% (2019: LTV of 54.3%) and gross current financial debt of approximately €396,455 thousand (2019: €1,510,135 thousand). In relation to the existing loans for financing the properties and shares in real estate companies held by the Group, the refinancing of the ongoing business activities, and the new borrowing required to acquire additional properties and stakes in real estate companies, there is a risk that company-specific and market-specific developments may make it harder to borrow funds and/or make such borrowing possible only on less favourable terms.

As of 31 December 2020, the Group has taken out loans and borrowings in a total outstanding amount of €2,054,917 thousand (2019: €4,085,097 thousand) that are subject to certain covenants agreed with the banks (financial covenants). Breaches of these covenants could trigger payments into blocked accounts or early repayment obligations on the basis of a contractually agreed escalation procedure.

Risk from significant goodwill

Goodwill represents a significant portion of the Group's total assets, which could be significantly reduced if impairments were to be recognised.

Impairment losses may result from, among other things, deterioration in performance, adverse market conditions, adverse changes in applicable laws or regulations and a variety of other factors. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount which is the higher of the fair value less cost of disposal or value in use. Any of these factors may cause an impairment of goodwill. The amount of any quantified impairment must be expensed immediately as a charge to the Group's results of operations. Depending on future circumstances, it is, therefore, possible that the Group may never realise the full value of its goodwill. Any determination of impairment of goodwill could have a material adverse effect on the business, financial condition and results of operations of the Group.

Tax risks

The Group is predominantly subject to the tax environment in Luxembourg, Germany and Portugal. Accordingly, the Group's tax burden primarily depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may have a retroactive effect, and the application or interpretation of tax laws by tax authorities or courts may change. Furthermore, court decisions are occasionally limited to their specific facts by tax authorities. Any of these developments may increase or alter the Group's tax burden.

Increases in the applicable real estate transfer tax ("RETT") rates for the properties in the Group's portfolio could negatively impact the portfolio by, among other things, reducing the value of and the proceeds from a sale of the affected properties or by reducing purchase demand for the affected properties or by reducing the valuation of the affected properties in the portfolio.

The Group currently holds real estate in Germany and shares in companies which own real estate in Germany.

Risk relating to selling individual apartments

When selling individual apartments, the Group and their external sales partners also perform consultancy services. In connection with rendering such services, liability of the Group could arise in case these services are rendered inadequately and lead to damages of third parties. This could lead to compensation claims from third parties.

Interest limitations deduction

The Group has entered into numerous financing transactions with third parties in the past and will continue to do so in the future. In the course of these arrangements, the Group is obliged to pay principal and interest. However, different tax rules in Germany restrict the tax deductibility of interest expenses for corporate income and trade tax purposes. For instance, through the Company Tax Reform (Unternehmenssteuerreform) in 2008, Germany abolished its former regulation of shareholder debt financing and introduced the so called "interest deduction ceiling" (Zinsschranke) which imposes certain restrictions on the deductibility of interest expenses for tax purposes (section 4h of the German Income Tax Act (Einkommensteuergesetz) in conjunction with section 8a of the German Corporate Tax Act (Körperschaftsteuergesetz). Due to the interest deduction ceiling, the deductibility of net interest expenses is generally limited to 30% of taxable EBITDA (taxable income adjusted for interest expense and certain types of depreciation) in any given year, unless certain exceptions apply.

Opportunities for the Group

The Group believes that there is continued long-term value growth potential in the German residential market based on the underlying demand and the replacement costs of current stock. In addition, the Group believes that there is significant opportunity in the commercial real estate sector in Germany and German-speaking countries in Europe. The Group believes that the current value of prime commercial real estate assets does not reflect their fundamental long-term value, in particular in relation to development assets.

The Group business in Portugal continues to see opportunities to potentially acquire and develop residential projects in Portugal and the surrounding regions.

Future Prospects

During 2021, the Group intends to focus on its assets and opportunities in Germany, other German-speaking European countries, and also Portugal.

Board of Directors

Mr. Massimo Longoni
Director Class A

Mrs. Elena Guaraldi
Director Class B

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Independent auditor's report

Ernst & Young
Société anonyme
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tel: +352 42 124 1
www.ey.com/luxembourg
B.P. 780
L-2017 Luxembourg
R.C.S. Luxembourg B 47 771
TVA LU 16063074

To the Board of Directors of
Aggregate Holdings S.A.
10, rue Antoine Jans
L-1820 Luxembourg

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aggregate Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2020 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report. We are also independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the consolidated management report but does not include the consolidated financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on other legal and regulatory requirements

The consolidated management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Jesus Orozco
20 April 2021

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

In thousands of EUR	Note	2020	2019*
Income from letting activities	3(q),5	57,211	65,420
Income from property development	3(q),5,6	558,615	606,163
Other operating income	3(q),7	32,161	49,117
Total revenue		**647,987**	**720,700**
Change in project related inventory	9	(75,901)	192,700
Overall performance		**572,086**	**913,400**
Net income from fair value adjustments of investment properties	13	244,148	165,480
Net loss from fair value adjustments and disposals of financial assets	3(q)	(5,477)	(30,486)
Cost of materials	8,5	(327,775)	(525,519)
Personnel expenses		(45,326)	(71,712)
Other operating expenses	10	(102,462)	(116,296)
Earnings before interest, tax, depreciation and amortisation		**335,194**	**334,866**
Depreciation and amortisation		(4,809)	(9,099)
Earnings before interest and tax		**330,385**	**325,767**
Finance income	3(q),11	35,434	48,696
Finance costs	3(q),5,11	(294,517)	(340,605)
Net gain/(loss) from fair value adjustments of financial derivatives	3(q),	30,577	(6,185)
Net income from equity accounted investments	15	22,324	9,702
Gain on disposal of subsidiary	5	95,062	–
Earnings before tax		**219,265**	**37,375**
Income tax	12	(46,943)	20,151
Profit for the year from continuing operations		**172,322**	**57,526**
Discontinued operations			
Loss for the year from discontinued operations, net of tax	5	(5,527)	–
Profit for the year		**166,795**	**57,526**

* please refer to Note 3(q) for reclassifications made in 2020

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December (continued)

In thousands of EUR	Note	2020	2019*
Profit for the year		**166,795**	**57,526**
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Actuarial loss		–	(10)
Items that are or may be reclassified subsequently to profit or loss:			
Revaluation of financial assets at fair value through other comprehensive income	14	1,994	(5,620)
Foreign currency translation differences from foreign operations		(1,825)	2,684
Other comprehensive profit/(loss) for the year, net of tax		**169**	**(2,946)**
Total comprehensive income for the year		**166,964**	**54,580**
Owners of the Company		**158,720**	**44,134**
Owners of the Company		164,247	–
Loss from discontinued operations		(5,527)	–
Non-controlling interest		**8,075**	**13,392**
Non-controlling interest – continued operations		7,354	–
Non-controlling interest – discontinued operations		721	–
Total comprehensive income for the year		**166,795**	**57,526**
Attributable to			
Owners of the Company		**158,889**	**41,188**
Profit from continuing operations		164,416	–
Loss from discontinued operations		(5,527)	–
Non-controlling interest		**8,075**	**13,392**
Non-controlling interest – continuing operations		7,354	–
Non-controlling interest – discontinued operations		721	–
Total comprehensive income for the year		**166,964**	**54,580**

* please refer to Note 3(q) for reclassifications made in 2020

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2020

In thousands of EUR	Note	31 December 2020	31 December 2019
Assets			
Property, plant and equipment		2,925	15,412
Goodwill and intangible assets	4	1,136,494	1,520,271
Investment property	13	57,161	205,803
Investment property under construction	13	1,486,136	1,237,177
Advances		16,136	43,237
Financial assets	14 (i)	202,971	145,372
Financial assets relating to derivatives	18	–	21,468
Contract assets	14 (ii)	–	13,856
Equity accounted investments	15	870,552	42,362
Non-current assets		**3,772,375**	**3,244,958**
Inventories	16	681,607	3,054,682
Trade and other receivables	17	28,808	95,276
Financial assets	14 (i)	247,669	312,319
Contract assets	14 (ii)	–	321,347
Cash and cash equivalents	19	67,770	257,070
Assets held for sale		15,319	26,100
Current assets		**1,041,173**	**4,066,794**
Total assets		**4,813,548**	**7,311,752**

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2020 (continued)

In thousands of EUR	Note	31 December 2020	31 December 2019
Equity			
Share capital	20	951,429	951,429
Share premium	20	476,349	476,349
Reserves	20	(4,107)	(21,258)
Retained earnings		292,677	248,542
Profit for the year		158,722	44,134
Equity attributable to the owners of the Group		**1,875,070**	**1,699,196**
Equity attributable to hybrid holders	20	151,637	151,637
Non-controlling interests	20	36,440	353,754
Total equity		**2,063,147**	**2,204,586**
Liabilities			
Loans and borrowings	21	1,658,462	2,574,962
Financial liabilities relating to derivatives	18	9,235	17,669
Provisions, non-current	22	223	3,744
Deferred tax liabilities	23	153,780	187,904
Other non-current liabilities		–	60,087
Non-current liabilities		**1,821,700**	**2,844,366**
Loans and borrowings	21	396,455	1,510,135
Financial liabilities relating to derivatives	18	13,861	12,108
Income tax payable		522	53,558
Provisions, current	22	1,224	7,751
Trade and other payables	24	502,606	626,082
Contract liabilities	14 (ii)	–	53,166
Liabilities discontinued operations		14,033	–
Current liabilities		**928,701**	**2,262,800**
Total liabilities		**2,750,401**	**5,107,166**
Total equity and liabilities		**4,813,548**	**7,311,752**

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2020

In thousands of EUR	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehen-sive income	Retained earnings	Total for the Group	Hybrid Instrument	Non–controlling interests	Total equity
Balance at 1 January 2020		951,429	476,349	(2,521)	(17,990)	(747)	292,676	1,699,196	151,637	353,754	2,204,586
Total profit for the year											
Profit for the year		–	–	–	–	–	158,722	158,722	–	8,074	166,796
Other comprehensive income											
Foreign currency translation differences		–	–	(1,825)	–	–	–	(1,825)	–	–	(1,825)
Fair value movement financial assets through other comprehensive income	14 (i)	–	–	–	–	1,994	–	1,994	–	–	1,994
Total other comprehensive income		–	–	(1,825)	–	1,994	–	169	–	–	169
Total comprehensive income for the year		–	–	(1,825)	–	1,994	158,722	158,890	–	8,074	166,964
Changes in ownership interests in subsidiaries											
Disposal of subsidiary with non-controlling interest	5, 20	–	–	1,074	15,908	–	–	16,982	–	(254,297)	(237,315)
Changes in non–controlling interests without a change in control	20	–	–	–	–	–	–	–	–	(71,091)	(71,091)
Total transactions		**–**	**–**	**1,074**	**15,908**	**–**	**–**	**16,982**	**–**	**(325,388)**	**(308,406)**
Balance at 31 December 2020		**951,429**	**476,349**	**(3,272)**	**(2,082)**	**1,247**	**451,398**	**1,875,070**	**151,637**	**36,440**	**2,063,147**

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

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Consolidated statement of changes in equity (continued)

For the year ended 31 December 2019

In thousands of EUR	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehen-sive income	Retained earnings	Total for the Group	Hybrid Instrument	Non–controlling interests	Total equity
Balance at 1 January 2019		475,080	–	(5,013)	4,901	–	260,081	735,049	151,637	287,006	1,173,692
Other movements		–	–	(192)	61	–	–	(131)	–	–	(131)
Fair value movement financial assets through other comprehensive income		–	–	–	–	4,873	(4,873)	–	–	–	–
Put option		–	–	–	(14,308)	–	–	(14,308)	–	(13,192)	(27,500)
Adjusted balance as at 1 January 2019		475,080	–	(5,205)	(9,346)	4,873	255,208	720,610	151,637	273,814	1,146,061
Total profit for the year											
Profit for the year		–	–	–	–	–	44,134	44,134	–	13,392	57,526
Other comprehensive income											
Foreign currency translation differences		–	–	2,684	–	–	–	2,684	–	–	2,684
Fair value movement financial assets through other comprehensive income	14 (i)	–	–	–	–	(5,620)	–	(5,620)	–	–	(5,620)
Actuarial gains and losses		–	–	–	(10)	–	–	(10)	–	–	(10)
Total other comprehensive income		–	–	2,684	(10)	(5,620)	–	(2,946)	–	–	(2,946)
Total comprehensive income for the year		–	–	2,684	(10)	(5,620)	44,134	41,188	–	13,392	54,580
Movement during the year											
New shares issued	20	476,349	–	–	–	–	–	476,349	–	–	476,349
Share premium paid	20	–	476,349	–	–	–	–	476,349	–	–	476,349
Total Transactions		476,349	476,349	–	–	–	–	952,698	–	–	952,698
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interest	20	–	–	–	15	–	–	15	–	71,091	71,106
Changes in non–controlling interests without a change in control	20	–	–	–	(8,649)	–	(8,001)	(16,650)	–	(19,313)	(35,963)
Effect of PPA finalisation	20	–	–	–	–	–	1,335	1,335	–	14,770	16,105
Total transactions		–	–	–	(8,634)	–	(6,666)	(15,300)	–	66,547	51,247
Balance at 31 December 2019		951,429	476,349	(2,521)	(17,990)	(747)	292,676	1,699,196	151,637	353,754	2,204,586

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

In thousands of EUR	Note	2020	2019*
Cash flows from operating activities			
Profit for the year		166,795	57,526
Adjustments for :			
- Net increase of fair value of investment property	13	(244,148)	(165,480)
- Loss on loan settlement in exchange of shares		–	11,397
- Net finance costs	11	259,083	291,909
- Depreciation and amortisation		4,809	9,099
- Fair value of artifacts		–	(681)
- Gain on disposal of subsidiary	5	(304,388)	–
- Share of the profit of equity accounted investees	15	(67,657)	(9,702)
- Impairment of receivables	10	1,443	1,875
- Net (gain)/loss from fair value adjustments of financial derivatives		(30,577)	62,400
- Income tax expense/(income)	12	46,943	(20,151)
		(167,698)	**238,192**
Changes in working capital:			
- Inventories		(39,573)	(243,380)
- Trade and other receivables		(15,405)	(43,653)
- Other receivables and assets/liabilities held for sale		19,549	–
- Prepayments on development projects		(16,136)	–
- Contract assets and liabilities		–	(85,949)
- Trade and other payables		223,642	(69,842)
- Provisions		220	7,425
Net cash generated from/(used in) operating activities		**4,600**	**(197,207)**
Interest received		8,290	3,729
Interest paid		(65,223)	(331,120)
Income tax paid		–	(9,070)
Net cash generated from/(used in) operating activities		**(52,334)**	**(533,667)**
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash disposed of		(316,758)	–
Acquisition of subsidiary, net of cash acquired		482	(4,858)
Acquisition of investment property under construction / capital expenditure	13	(200,449)	(272,857)
Acquisition/disposal of property, plant and equipment and intangible assets		2,183	(30,636)
Acquisition and disposal of other investment		(9,250)	
Investments in equity accounted investments	15	(292,467)	955
Net movements in financial assets		(114,979)	(39,947)
Net movements in loans receivable from third parties and related parties		(11,310)	(11,415)
Net cash used in from investing activities		(942,548)	**(358,757)**

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Consolidated statement of cash flows

(continued)

In thousands of EUR	Note	2020	2019*
Cash flows from financing activities			
Proceeds from issue of convertible bonds and bonds issued, bank, third parties and related parties loans	21	1,457,478	2,329,818
Repayment of convertible bonds and bonds issued, bank, third parties and related parties loans	21	(651,896)	(1,324,239)
Net cash generated from financial activities		**805,582**	1,005,579
Net (decrease)/increase in cash and cash equivalents		**(189,300)**	113,154
Cash and cash equivalents at 1 January		257,070	143,916
Cash and cash equivalents at 31 December	19	**67,770**	**257,070**

* please refer to Note 3(p) for reclassifications made in 2020

The accompanying notes on pages from 60 to 117 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

Aggregate Holdings S.A. ("the Company" or together with its subsidiaries, "the Group") was incorporated on 6 February 2015, and is organised under the laws of Luxembourg as a "Société Anonyme" for an unlimited period and domiciled in Luxembourg. The registered office of the Company is at 10 rue Antoine Jans, L-1820 Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The main activity of the Group is the acquisition, development and project management of real estate development assets with either focus on letting and management of completed projects in its "build to hold segment" or subsequent disposal in its 'build to sell' business pillar. Through its various investments, the Group has built an attractive real estate development pipeline, predominantly in Germany across prime German A city locations, and recently also in Portugal, with a general focus on large-scale residential development assets. In addition, following the sale of its share in Consus Real Estate AG, the Group has a direct 26.59% stake in Adler Group, a leading owner of residential real estate in Germany. Supported by local and experienced management teams with long-standing track records, the Group has a strong real estate development and asset management expertise.

Through its existing network built over decades, the Group has direct access to unique investment opportunities as well as to recurring off-market transactions. Guided by its seasoned and well-rounded senior management team, the Group is well-positioned to continue delivering substantial value to all its stakeholders.

The direct owner of Aggregate Holdings S.A. is Lavinia B.V. The ultimate beneficial owner is Mr. Günter Walcher.

The consolidated financial statements of the Group comprise the statement of financial position, financial results and statement of cash flows of the Group as at and for the year ended 31 December 2020.

2. Basis of preparation

(a) Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (EU) (IFRS).

The consolidated financial statements of Aggregate Holdings, S.A. and its subsidiaries (collectively, the Group) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 16 April 2021. Under Luxembourg law, the consolidated financial statements are approved by the Shareholders during the Annual General Meeting.

(b) Going concern

The consolidated financial statements of the Group were prepared on a going concern basis.

The management is not aware of any significant uncertainties related to events or circumstances that could threaten the ability of the Group to continue as going concern. The management has a reasonable expectation that the available capital resources and sources of financing (cash flows from operating activities and loan contracts) will be adequate to meet its obligations in the course of 2021.

(c) Basis of measurement

The consolidated financial statements have been prepared on a historical-cost basis, except for investment properties, derivative financial instruments and financial assets and financial liabilities held at fair value through profit or loss (FVPL), financial assets held at fair value through other comprehensive income and that have been measured at fair value.

(d) Functional and presentation currency

These consolidated financial statements are presented in EUR, which is the functional currency of the parent. All financial information is presented in €rounded to the nearest thousand, unless otherwise indicated.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgments

Information about critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Revenue recognition for income from property development underlie significant estimates and management judgements. Income from property development strongly relies on the business plan in order to measure project progress as well as projected revenues. The business plan is subject to management estimates and assumptions. The Group uses the cost to cost method to determine the project development at each balance sheet date. Therefore, the accrued costs (including fair value adjustments due to business combinations and accrued interests) are compared with the total project costs concerning the actual business plan. The business plan is set up on a project by project basis. Therefore, the Group uses the same business plan as for the impairment test done by the year end. The margin of each project is calculated also on a project-by-project basis taking the agreed forward selling price for each real estate inventory into consideration. The forward selling price is subject to some future uncertainties like the total leasable space after construction and the rental rate the Group could achieve after completion of the building. The cost-to-cost method provides the most faithful depiction of the construction progress because it mostly presents the risk of future cash outflows in the development. The used method for revenue recognition implicated in the most cases an earlier revenue recognition compared to the agreed payment terms. In most cases the contracts with customers determine the payment terms on the basis of completion of sub-works and, therefore, payments are mostly done when a sub-work is completed.

  For example, the revenue is measured at the transaction price agreed under the contract and might involve management estimates, e.g. amount and timing of contingent's consideration. From time to time sales prices can include industry specific features such as variable components. In such case management is required to make estimates regarding the amount of the purchase price. Furthermore, also the point in time of revenue recognition is partly subject to uncertainties in estimation. In certain cases, a right to rescind in case specified building permits are not issued after a time frame might be agreed upon. In these cases, the Group assures that sales will not be recognised until all prerequisites according to IFRS 15 have been met. For this purpose, management assesses the respective probabilities of occurrence of the possible scenarios at each balance sheet date.
- Note 4 – Business combinations under IFRS 3 require recognition of all assets and liabilities at their fair value as of the closing date. In order to derive the fair value of the assets and liabilities, specific inputs underlie each valuation. For the valuation of real estate inventory, for example, future expenses as well as the future selling price are key inputs. Deriving the fair value of financial liabilities heavily depends on inputs such as the applied market interest rates.

  Consolidation – whether the Group has de facto control over an investee and whether a transaction is a business combination or an asset acquisition
- Note 13 – Measurement of investment property and investment property under constructions – the input factors applied in the valuation models to determine the market values of investment property, such as expected cash flows, presumed development of rents, presumed vacancy rates, the discount rates and the capitalisation rate represent significant measurement parameters. These input factors are based on assumptions about the future. The input factors are determined by external valuation experts, based on publicly available market information, as well as the insights of the Group.
- Note 20 – During the year 2016, the Group successfully placed €151,637 thousand in aggregate principal amount of Hybrid capital notes. This is an unsecured, non-recourse and perpetual instrument considered equity due to its features.
- Note 23 – Deferred tax: recognition of deferred tax assets- availability of future taxable profits against which tax losses carried forward can be used.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

On January 30, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of COVID-19. Since March 11, 2020, the WHO has classified the spread of the COVID-19 as a pandemic. The Coronavirus Pandemic has resulted in a deterioration of the political, socioeconomic and financial situation across the globe, including Germany, Portugal and the European Union ("EU") as a whole. Even though the initial rapid expansion of the Coronavirus in the EU has been slowed or contained by various counter-measures, the overall impact on the economy has still to be determined.

Residential property has proved in general to have retained or even grown its value through this period in the markets that Aggregate operates in, with sales being impacted on a short-term basis when there are restrictions in movements, but with sales on a longer basis being largely maintained. Commercial property has been more significantly impacted given the government requirements to work from home. However, the sector is expected to recover strongly when the pandemic restrictions are removed, particularly for the portfolio in central areas and strong city locations.

Real estate has been one of the most resilient sectors of the economy during the Coronavirus pandemic. Real estate development construction activities have been impacted only in a limited way, with all construction sites remaining open and the delay of supplies only being impacted to any material extent during the initial stage of the pandemic.

The Group, based on the current status of the situation and on current expectations, has not been materially impacted by and does not expect to be materially impacted by the Coronavirus Pandemic, either in terms of valuations, cashflows, impact on financing or in any other material measure.

In respect of one asset in the hotel segment, as at the valuation date the Group continues to be faced with an unprecedented set of circumstances caused by Coronavirus pandemic and an absence of relevant/sufficient market evidence on which to base our judgements. The valuation of this property, which is less than €50 million, is therefore reported as being subject to 'material valuation uncertainty' as set out in the RICS Valuation – Global Standards which is typically being applied across the hotel segment.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 4 – Goodwill and intangible assets;
- Note 13 – Investment properties;
- Note 22 – Provisions and contingencies; and
- Note 23 – Deferred tax: recognition of deferred tax assets- availability of future taxable profits against which tax losses carried forward can be used.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values.

The financial department regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services is used to measure fair values, then the financial department assesses the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

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Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

Measurement of fair values (continued)

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – Goodwill and intangible assets;
- Note 13 – Investment property; and
- Note 25 – Financial instruments.

The significant accounting policies disclosed below have been applied during all periods represented in these consolidated financial statements.

3. Significant accounting policies

(a) Basis of consolidation

(i) Business combinations and goodwill

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

  Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date it ceases to control the subsidiary.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU.

(ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised. The adjustments to non-controlling interests, arising from transactions that do not lead to loss of control, are based on a proportionate amount of the net assets of the subsidiary.

(iii) Interests in equity-accounted investments

The Group's interests in equity-accounted investments comprise interests in associates and joint ventures arrangement.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights for its assets and obligations for its liabilities.

The profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Net income from equity accounted investments' in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no evidence of impairment.

(v) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date. Accordingly, no goodwill or deferred taxation arises.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Investment entities

The Group through one of its subsidiaries, holds the majority of equity in limited partnership and investment funds domiciled in foreign jurisdictions. The Group does not have control, does not have rights, to variable returns from its involvement with the investee, nor has the ability to affect those returns through its power over the investee of the underlying investee companies. As such, these investee companies are classified as investment entities. The status of the following indicative criteria, based on the characteristics as defined per IFRS 10 - Consolidated financial statements, have also been considered in the assessments for the classifications:

- The underlying investee companies have more than one investment;
- The underlying investee companies have more than one investor;
- The investors in the underlying investee companies are not a related party to the Group; and
- The ownership of the Group in the underlying investee companies is equity stake.

As a result, the Group does not consolidate the above investee companies and the investments in the investee companies are classified at fair value through profit or loss and are measured at fair value. Gains or losses on investments in investee companies are recognised directly in equity, through profit or loss.

(b) Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations

Or

- Is a subsidiary acquired exclusively with a view to resale IFRS 5.32

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(c) Foreign currency (continued)

(i) Foreign currency transactions (continued)

functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to euro at exchange rates at the reporting date. The income and expenses of foreign operations, are translated to euro at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of only part of its interest in a subsidiary but retaining control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, then foreign currency differences arising from such item form part of the net investment in the foreign operation. Accordingly, such differences are recognised in other comprehensive income, and accumulated in the translation reserve.

(d) Financial assets and financial liabilities

Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. As the Group's rent and other trade receivables do not contain a significant financing component or for which the Group has applied the practical expedient, they are measured at the transaction price determined under IFRS 15. Refer to the accounting policies on revenues from contracts with customers.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test, and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial assets (continued)

Subsequent measurement

For purposes of subsequent measurement, the Group's financial assets are classified per the following categories:

- Financial assets at fair value through profit or loss (equity instruments and derivative financial instruments);
- Financial assets at fair value through other comprehensive income; and
- Financial assets at amortised cost (loan receivables, rent and other trade receivables, contract assets and cash and short-term deposits).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes equity instruments and derivative financial instruments which are further described in Note 14 and Note 18.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are carried in the statement of financial position at fair value with net changes in fair value recognised in other comprehensive income. Refer to Note 14.

Financial assets at amortised cost

For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and selling financial asset; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the Group's financial assets (loan receivables, rent and other trade receivables, contract assets, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial liabilities

Initial recognition and measurement

The Group's financial liabilities comprise interest-bearing loans and borrowings, lease liabilities, derivative financial instruments and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognised initially at fair value and with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included as finance costs in profit or loss. Derivative financial instruments are classified as financial assets at fair value through profit or loss and are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. Refer also to the accounting policy in Note 18 and Note 25.

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9. For more information on the interest-bearing loans and borrowings, refer to Note 21.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(e) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future Expected Credit Loses (ECL) that have not yet been incurred) discounted using the asset's original EIR. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If a previous write-off is later recovered, the recovery is credited to the credit loss expense.

Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(e) Impairment of financial assets (continued)

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

(g) Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its risks associated with interest rates, total return swaps and options. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group has not opted for hedge accounting.

(h) Property, plant and equipment

(i) Recognition and measurement

Initial recognition

Items of property, plant and equipment are measured initially at acquisition cost comprising the purchase price, any import duties and non-refundable purchase taxes, and all directly attributable costs of bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials and direct labour, an appropriate share of production overheads, the costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Property, plant and equipment includes artefacts, which principally comprising of artworks in painting and sculptures, are held for long-term capital appreciation. Artefacts are initially recognised at amortised costs and subsequently carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

Initial recognition (continued)

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Subsequent measurement

Subsequent to initial recognition, the items of property, plant and equipment are measured at cost less accumulated amortisation/ depreciation incurred and impairment losses.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is capitalised only in case it increases the future economic benefits embodied in the item of property, plant and equipment and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenditure is recognised in profit or loss when incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of other fixtures and fittings, tools and equipment are between 4 and 13 years.

The methods of depreciation, useful life determination and residual values are reviewed at each reporting date and are adjusted if appropriate.

(i) Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives of intangible assets vary between 3 and 7 years.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(j) Investment property

Investment property comprises completed property and property under development or re-development that is held, to earn rentals or for capital appreciation, or both.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

Transfers are made to (or from) investment property only when there is evidence of a change in use (such as commencement of development or inception of an operating lease to another party). For a transfer from investment property to inventories, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an inventory property becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale (for a transfer from investment property to inventories) or inception of an operating lease to another party (for a transfer from inventories to investment property).

(i) Investment property

Investment property is derecognised either when it has been disposed of (i.e. at the date the recipient obtains control of the investment property in accordance with the requirements for determining when a performance obligation is satisfied in IFRS 15) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

(k) Inventories and work-in-progress including acquired land and building

Inventories and work-in-progress are valued at the lower of cost and net realisable value.

The cost of inventories and work in progress shall comprise all costs of purchase, costs of construction and other costs incurred in bringing the inventories to their current condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The cost of inventories includes furthermore a reasonable share of the indirect overhead based on normal production capacity as well as attributable borrowing costs.

Differences between inventories and work-in-progress' cost and its net realisable value, when lower, as well as the price of potentially outdated materials, are recognised as write-down of inventories to expenses.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, classified as part of the cost of that asset, are subject to capitalisation.

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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(l) Leases

Leases where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there was no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments are discounted at the implicit interest rate underlying the lease if this can be determined without difficulty. Otherwise – and this is generally the case in the Group – the lease is discounted at the lessee's incremental borrowing rate, i.e. the interest rate that the respective lessee would have to pay if it were required to borrow funds to acquire, in a similar economic environment, an asset of similar value for a similar term with comparable security under similar conditions.

In determining the term of leases, the Group takes into account all facts and circumstances that provide an economic incentive to exercise renewal options or not to exercise termination options. Changes in the term resulting from the exercise of renewal and termination options are only included in the term of the lease if renewal or non-exercise of a termination option is reasonably certain. In connection with the leasing of real estate, the following considerations apply when determining the term of leases:

- If the Group incurs significant penalty payments in the event that a termination option is exercised or an extension option is not exercised, it is generally considered sufficiently certain that the Group will not terminate or extend the contract.
- Where leasehold improvements have been made that have a significant residual value, it is generally considered reasonably certain that the Group will extend or not terminate the contract.
- In addition, other factors are taken into account, such as historical leasing periods as well as costs and possible business interruptions

The assessment is reviewed if an extension option is actually exercised (or not exercised) or the Group is obliged to do so. A reassessment of the original assessment is made if a significant event or change in circumstances occurs that could affect the original assessment.

(m) Share Capital

All ordinary shares are classified as equity. The Group's equity is presented in accordance with the historical cost principle as at the registration date.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(n) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Restructuring

The provision for expenditures relevant to the restructuring is recognised if the Group has an approved detailed formal plan for restructuring and the restructuring has begun or it has been publicly announced. Future operating losses are not recognised as provisions.

(ii) Legal disputes

Where it is probable that an outflow of economic benefits will be required to settle the obligation under a legal dispute, the Group recognises a provision. The provision is valued at the best estimate of the Group's legal advisors. If the amount of the obligation cannot be reliably measured a contingent liability is disclosed.

(o) Revenue

(i) Sale of goods

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

The timing of the transfers of risks and rewards varies depending on the individual terms of the sales agreement.

(ii) Services rendered

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Investment property letting activities

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

Service charges passed on to tenants are generally offset against the corresponding expense and are therefore not recognised as income, as the Group collects these charges on behalf of third parties.

(iv) Revenue from contracts with customers based on percentage completion

The Group recognises their ordinary income in a way that the transference of goods that are committed with their clients is recorded by the amount that reflects the compensation that the entity expects to receive in exchange to those goods, performing an analysis according to the following five-step model conditions:

- Identification of the contract(s) with the buyer:
  - i. The parties have approved the contract and undertake to perform their obligations;
  - ii. The Group can identify the rights of each party with respect to the residential units to be transferred;
  - iii. The Group is able to identify the conditions for payment of the residential units to be transferred;
  - iv. The contract has commercial substance;
  - v. It is likely that the economic benefits associated with the transaction will flow into the Group.

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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(o) Revenue (continued)

(iv) Revenue from contracts with customers based on percentage completion (continued)

- Identification of the obligations to be fulfilled separately in the contract(s):
  - i. The Group evaluates the residential units promised in the contract with the buyer;
  - ii. The fulfilment of performance obligations occurs when the Group has transferred to the buyer the control of ownership of the assets.
- Determining the price of the transaction:
  - i. The Group determines the price of the transaction based on its business plan, current market conditions and best practices in real estate development industry;
- Allocation of transaction price to performance obligations in the contract:
  - i. The Group allocates the transaction price for each performance obligation in the proportion of its individual sales price.
- Recognition of revenue as the performance obligation is met:
  - i. The Group recognises revenue when control of the goods is transferred to the buyer.

Given the characteristics of the contracts signed with clients do not differ significantly, and according to the standard, the Group applies a collective accounting treatment to them.

The Group recognises property development sales and the related cost when the properties are handed over and title thereto has been transferred. For these purposes, the sale of a finished residential product is understood to have occurred when the keys are handed over, which coincides with the exchange of the deeds. A sale is not deemed closed for revenue recognition purposes until this happens.

Ordinary income does not include discounts, value added tax and other sales taxes.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

(v) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income from related parties;
- interest expense;
- dividend income;
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income from related parties or expense is recognised using the effective interest method.

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Foreign currency gains and losses are reported on a net basis.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. Current tax payable also includes any tax liability arising from the declaration of dividends. Current tax assets and liabilities are offset only if certain criteria are met.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint venture arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is possible that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of the taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered though sale, and the Group has not rebutted this presumption.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(q) Comparative figures

(i) Consolidated statement of profit or loss and other comprehensive income

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group. Accordingly, the presentation of the Consolidated Statement of profit or loss and other comprehensive income has been modified when compared to the presentation used in respect of the financial year 31 December 2019.

The following table summarised the impact of the reclassification on each individual line item of the Consolidated Statement of profit or loss and other comprehensive income. Line items that were not affected by the changes have not been included.

The reclassifications adjustments are explained in more detail by standard below:

In thousand EUR	As originally presented in 2019	Reclassifica-tions	Restated in 2019	
Revenue	864,283	(864,283)	–	
Income from letting activities	–	65,420	65,420	Reclassified from "Revenue"
Income from property development	–	606,162	606,162	Reclassified from "Revenue"
Change in project related inventory	–	192,700	192,700	Reclassified from "Revenue"
Other operating income	195,231	(195,231)	–	
Other income	–	22,543	22,543	No reclassification
Income from provided services	–	7,208	7,208	No reclassification
Interest income from loans receivable from third parties	–	19,366	19,366	Reclassified from "Finance income" in 2019 to "Other operating income"
Net income from fair value adjustments of investment properties	–	165,480	165,480	Reclassified from "Other operating income"
Net loss from fair value adjustments and disposals of financial assets	–	(30,486)	(30,486)	Reclassified from "Net finance (costs)/income"
Finance Income	76,476	(27,780)	48,696	
Finance costs	(385,690)	45,085	(340,605)	
Net gain/(loss) from fair value adjustments of financial derivatives	–	(6,185)	(6,185)	Reclassified from "Net finance (costs)/income"
Total	**750,299**	**–**	**750,299**	

(ii) Consolidated statement of cash flows

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group. Accordingly, the presentation of the Consolidated statement of cash flows has been modified when compared to the presentation used in respect of the financial year 31 December 2019.

The following table summarised the impact of the reclassification on each individual line item of the Consolidated statement of cash flows. Line items that were not affected by the changes have not been included.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(q) Comparative figures

(iii) Consolidated statement of cash flows (continued)

The reclassifications adjustments are explained in more detail by standard below:

In thousands of EUR	As originally presented in 2019	Reclassifica-tions	Restated in 2019
Cash flows from operating activities			
Adjustments for :			
– Net finance costs	309,214	(17,305)	291,909
– Depreciation and amortisation	–	9,099	9,099
– Depreciation	3,190	(3,190)	–
– Fair value of artefacts	(681)	–	(681)
– Amortisation of intangible assets	5,909	(5,909)	–
– Loss on disposal of financial instruments	45,095	17,305	62,400
	362,727	**–**	**362,727**
Changes in working capital:			
– Trade and other receivables	(3,344)	(40,309)	(43,653)
– Prepayments on development projects	(106,957)	106,957	–
– Contract assets and liabilities	–	(85,949)	(85,949)
– Prepayments	(40,309)	40,309	–
– Trade and other payables	–	(69,842)	(69,842)
– Trade and other payables and contractual liabilities	(48,834)	48,834	–
Net cash used in from operating activities	**163,283**	**–**	**163,283**
Interest received	–	3,729	3,729
Net cash from operating activities	**163,283**	**3,729**	**167,012**
Cash flows from investing activities			
Interest received	3,729	(3,729)	–
Acquisition of investment property and investment property under construction	(270,745)	270,745	–
Acquisition of investment property	(2,112)	2,112	–
Acquisition of investment property under construction / capital expenditure	–	(272,857)	(272,857)
Net movements in loans receivable from third parties and related parties	–	(11,415)	(11,415)
Net cash used in from investing activities	**(269,128)**	**(15,144)**	**(284,272)**
Cash flows from financing activities			
Proceeds from issue of convertible bonds	129,096	(129,096)	–
Proceeds from new borrowings	2,200,722	(2,200,722)	–
New loans provided	(68,567)	68,567	–
Reimbursements of loans provided	57,152	(57,152)	–
Proceeds from issue of convertible bonds and bonds issued, bank, third parties and related parties loans	–	2,329,818	2,329,818
Net cash generated from financial activities	**2,318,403**	**11,415**	**2,329,818**

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(r) Changes in accounting policies and disclosures

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2020

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2020. The nature and the impact of each amendment is described below:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations. The amendment will be applicable starting 1 January 2022. The Group will implement the amendment as soon as it is applicable.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships. The amendment will be applicable starting 1 January 2021. The Group will implement the amendment as soon as it is applicable.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group. The amendment will be applicable starting 1 January 2023. The Group will implement the amendment as soon as it is applicable.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions – amendment to IFRS 16 Leases the amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(r) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2020 (continued)

Issued by the IASB but not yet adopted by the European Union

- IFRS 14 Regulatory Deferral Accounts (the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard)
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date is postponed indefinitely pending the outcome of IASB's research project on the equity method of accounting)
- IFRS 17 Insurance Contracts; including Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Annual Improvements 2018-2020 (effective for annual periods beginning on or after 1 January 2022).

4. Goodwill and intangible assets

(i) Acquisitions of non-controlling interests in VIC Properties Holding S.A.

On 23 December 2019, Aggregate Holdings S.A. acquired 100% of Mandarin Capital Management Secondary S.A. for a total consideration of €767 thousand out of which €567 thousand was paid and €210 thousand as deferred consideration as of 31 December 2019. On the same date, Mandarin Capital Management Secondary S.A. was subsequently renamed as VIC Properties Holding S.A.. The deferred consideration was settled on 30 December 2020.

On 27 December 2019, Lavinia B.V. being the holding company of Aggregate Holdings S.A. contributed 339,982,941 ordinary shares, representing 68% of the share capital of VIC Properties S.A., for a total consideration of €952,698 thousand in exchange of 4,763,491,800 ordinary shares in VIC Properties Holding S.A. and share premium of €476,349 thousand.

On the same day, following the contribution in kind of 27 December 2019, Lavinia B.V. contributed 99.97% of the ordinary shares held in VIC Properties Holdings S.A. into Aggregate Holdings S.A. for a total consideration of €952,698 thousand in exchange of 4,763,491,800 ordinary shares in Aggregate Holdings S.A. and share premium of €476,349 thousand.

(ii) Adjustments made in 2020 during measurement period to provisional amounts

The effective date of consolidation of VIC Properties Holding S.A. in the Group was 27 December 2019. The profit and loss results for the period from 27 December 2019 to 31 December 2019 of VIC Properties Holding S.A. was not considered in the statement profit or loss of the Group as the aggregated amount for the 3 business days was considered as immaterial to the results reported by the Group as of 31 December 2019.

During 2020 and within the measurement period, the Group retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances at the acquisition date that, if known, would have affected the measurement of the amounts recognised.

Notes to the consolidated financial statements (continued)

4. Goodwill and intangible assets (continued)

(ii) Adjustments made in 2020 during measurement period to provisional amounts (continued)

In this regard, the Group has recognized deferred tax liabilities resulting from the fair value uplift of inventories as of 31 December 2019 for an amount of €38,023 thousand and have opted to measure the non-controlling interest at its fair value. Consequently, the impact on goodwill amounts to €287,591 thousand as shown below:

In thousands of EUR	Fair Value as per PPA	2020 adjustments	Fair Value as per finalisation of PPA
Inventories	581,304	(7,679)	573,625
Trade and other receivables	3,038	–	3,038
Cash and cash equivalents	21,872	–	21,872
Loans and borrowings	(359,419)	–	(359,419)
Income tax payable	(15)	–	(15)
Trade and other payables	(20,819)	19	(20,800)
Deferred tax liability	(364)	(38,023)	(38,387)
Derivative liability	(3,458)	–	(3,458)
Net Assets	**222,139**	**(45,683)**	**176,456**
Consideration transferred			
thereof equity interest	952,698	–	952,698
Non-controlling interests	71,091	287,591	358,682
Goodwill Impact	**801,650**	**287,591**	**1,134,924**

Goodwill and intangible assets as of 31 December 2020 amounts to €1,136,494 thousand (31 December 2019: €1,520,271 thousand):

In thousands of EUR	2020	2019
Consus*	–	512,780
Consus Swiss Finance*	–	178,931
DIPLAN*	–	2,095
VIC Properties Holding S.A.	1,134,924	801,630
Goodwill	**1,134,924**	**1,495,436**
Other intangible assets	1,570	24,835
Total intangible assets	**1,136,494**	**1,520,271**

* During 2020, the Group sold the shares held in Consus Real Estate AG (see note 5). Consequently, goodwill has been derecognized as of 31 December 2020.

(iii) Acquisitions of non-controlling interests in VIC Properties S.A. (Note 20)

On 6 April 2020, pursuant to a Share Purchase Agreement, Aggregate Holdings S.A. acquired the 32% share capital in VIC Properties S.A. previously held by the minority shareholders for a total consideration of €358,682 thousand out of which an amount of €9,250 thousand was paid during the year 2020. The outstanding balance of €349,432 thousand has not yet been settled and is included under the caption "Other payables" under "Trade and other payables" (see Note 23).

(iv) Goodwill impairment test performed during 2020

The impairment tests performed on the goodwill allocated to cash-generating unit in VIC Properties Holding S.A. did not reveal any evidence of impairment. The Group assumes that the recoverable amounts, in case of changes in the parameters, still exceed the carrying amount of the goodwill. Internally generated intangible assets were not recognised in the years presented in these consolidated financial statements. The fair value less costs to sell was classified as Level 3 fair value in accordance with IFRS 13 on the basis of the inputs for the valuation methods used.

Notes to the consolidated financial statements (continued)

5. Disposal of Subsidiary

On 15 December 2019, the Company entered into a call/put option agreement with ADLER Group (formerly known as ADO Properties S.A.) (referred as "ADLER Group" hereafter) to sell 50.97% shares held in Consus Real Estate AG (referred as "Consus" hereafter), representing 69,619,173 Consus shares, being the relevant shares. The consideration for one (1) relevant share subject to the call/put option agreement was set at 0.2390 newly issued no par value shares, provided that this ratio will be adjusted for any dividends and equity raise done by ADLER Group or the Company, as relevant. The call option was exercisable from the date of signing the option agreement, i.e., 15 December 2019, until 16 June 2021. If the ADLER Group wants to exercise the option, it needs to issue an exercise notice and the assignment of the shares needs to occur within 15 business days after all the relevant merger clearance approvals have been obtained. Under the put option, the Company shall have the right to request from ADLER Group to acquire the relevant shares, if a change of control event at the level of ADLER Group occurs. It shall be exercisable by the Company within 5 business days after the occurrence of a change of control event by giving the written notice thereof to the third party. The net gain on disposal of subsidiary is made of the Loss on disposal of Consus amounting to €(61,208) thousand (Note 5.i) and the Negative goodwill (badwill) amounting to €153,102 thousand (Note 5.ii).

(i) Settlement of the agreement in 2020 and result on disposal on initial recognition

The transaction was settled on 7 July 2020 and the Group received 16,638,982 shares in ADLER Group in exchange of 69,619,173 Consus shares at the ratio of 0.2390 ADLER Group's shares for a total consideration of €402,663 thousand being the equivalent value of equity shares in ADLER Group.

The Group has incurred a loss amounting to €61,208 thousand as part of the result of disposal of Consus and recognition of ADLER shares calculated based on the share price prevailing on the market on 7 July 2020.

In thousands of EUR	2020
Equity shares consideration received	402,663
Net assets of Consus disposed	(463,871)
Loss on disposal of Consus	**(61,208)**

The following table presents Consus Real Estate AG income statement consolidated by the Group.

In thousands of EUR	6 months ended 30 June 2020
Income from letting activities	56,205
Income from property development	557,425
Other operating income	14,624
Total revenue	**628,254**
Change in project related inventory	(123,214)
Overall performance	**505,040**
Costs for materials	(291,524)
Personnel expenses	(37,872)
Other operating expenses	(51,063)
Earnings before interest, tax, depreciation and amortisation	**124,581**
Depreciation and amortisation	(5,369)
Earnings before interest and tax	**119,212**
Finance income	6,231
Finance costs	(143,088)
Net (loss)/gain from fair value adjustments of financial derivatives	30,884
Earnings before tax	**13,239**
Income tax	(3,995)
Profit for the year	**9,244**

Notes to the consolidated financial statements (continued)

5. Disposal of Subsidiary (continued)

(ii) Subsequent measurement of consideration received as part of Consus disposal

On 24 July 2020, the Group subscribed in the rights issue announced by ADLER and received 6,937,852 new shares in ADLER for a total consideration of €101,293 thousand. This results in a purchase price consideration of €503,956 thousand.

Immediately after, the Board of Directors of the Group re-assessed the consideration of €503,956 thousand and performed a purchase price allocation of the net assets and liabilities assumed of ADLER Group.

The following table summarizes the recognized net assets assumed based on the consolidated statement of financial position of ADLER Group as of 31 December 2020 adjusted to reflect the value of the net assets at the date of the disposal:

In thousands of EUR	31 December 2020
Non-current assets	10,744,994
Current assets	2,887,711
Non-current liabilities	(7,119,584)
Current liabilities	(2,800,513)
Non-controlling interest	(693,131)
Net asset attributable to the owners of ADLER Group in accordance with IFRS	**3,019,477**
Adjustments to IFRS net assets	
Total comprehensive income attributable to the owners of the Company reported from 7 July 2020 to 31 December 2020	(99,217)
Net Assets acquired	**2,920,260**
Group share of net assets acquired 22.5%	657,059
Consideration transferred	503,956
thereof equity interest	503,956
Negative goodwill (badwill)	**(153,102)**

The negative goodwill (badwill) of €153,102 thousand determined in the course of the purchase price allocation was recognized in profit or loss as part of disposal of Consus.

(iii) Subsequent acquisition made during 2020

On 21 December 2020, pursuant to several Share Purchase Agreements with third parties, the Group acquired 7,677,503 additional shares in ADLER Group (representing 4,09% of total shares of ADLER Group) at share price of €24.91. Total value of shares acquired amounted to €191,170 thousand.

In thousands of EUR	31 December 2020
Net asset of ADLER Group	3,019,477
Group share of net assets acquired (4,09%)	123,497
Consideration transferred thereof equity interest	191,170
Goodwill (Note 15)	**67,673**

As of 31 December 2020, the value of the Group's investment in ADLER amount to €870,552 thousand (Note 15) representing 26.59% of total ADLER shares.

Both subscription in the rights issue in July 2020 and acquisition of additional 4.09% stake of ADLER shares have been financed from a bank loan (Note 21).

The Group is in compliance with Luxembourg regulations relating to investments in the listed companies.

6. Income from property development

In thousands of EUR	2020	2019
Income from real estate inventory disposed of	340,887	204,542
Income from property development	217,728	401,621
	558,615	**606,163**

Notes to the consolidated financial statements (continued)

7. Other operating income

In thousands of EUR	2020	2019
Interest income from loans receivable from third parties (See Note 3 (p))	14,913	19,366
Other income	16,467	22,543
Income from provided services	781	7,208
	32,161	**49,117**

Other income is comprised of insurance indemnifications, derecognition of assets and liabilities and other miscellaneous items.

8. Cost of materials

In thousands of EUR	2020	2019
Expenses for land acquisition	722	133,879
Expenses for preparation and development	14,943	21,365
Expenses for Building – Building construction	157,643	199,015
Expenses for Building – Technical equipment	15,274	47,169
Expenses for outside facilities	4,900	5,484
Expenses for inside facilities	745	1,471
Ancillary building costs	13,230	63,912
Expenses for other construction services	7,311	21,189
Brokerage and commissions costs	737	978
Production related administrative costs	–	2,175
Administrative costs	10,808	–
Auxiliary costs	84,532	7,378
Other expenses for raw materials, consumables and supplies and for purchased goods	428	963
Office supplies	9	17
Non-deductible VAT	7,796	16,754
Other services	8,697	3,396
Received discounts, rebates, bonuses	–	374
	327,775	**525,519**

9. Change in project related inventories

Change in project related inventory comprises the changes from sale of projects and beginning of over-time realisation as well as the increase through capitalisation of building and construction costs.

10. Other operating expenses

In thousands of EUR	Note	2020	2019
Other commissions and professional fees		42,722	33,156
Accounting and audit fees		462	443
Repairs & Maintenance		172	302
Director's fees		104	198
Other hired services		14,908	13,700
Impairment of receivables and loan receivables		1,163	1,875
Other taxes		2,551	16,642
Other expenses		40,380	49,980
		102,462	**116,296**

Notes to the consolidated financial statements (continued)

10. Other operating expenses (continued)

(i) Other commissions and professional fees are mainly composed of legal and professional fees and financial advisory services paid to the third parties.

(ii) Other hired services comprise primarily of marketing costs.

(iii) Other expenses are mainly composed of car and travel expenses, VAT non-deductible expenses and other administrative expenses.

(iv) Number of employees.

	2020	2019
Number of employees	79	987

11. Net finance income/(costs)

In thousands of EUR	2020	2019
Finance income		
Interest income from related parties	3,227	1,515
Dividend income	16	–
Other finance income	32,191	47,181
	35,434	**48,696**
Finance costs		
Interest expense	(253,841)	(296,090)
Net foreign exchange loss	(409)	(1,262)
Other financial costs	(40,267)	(43,253)
	(294,517)	**(340,605)**
Net finance costs	**(259,083)**	**(291,909)**

12. Income tax

Recognised in the statement of profit or loss

In thousands of EUR	Note	2020	2019
Current tax expense			
Current tax expense		(13,583)	(8,127)
Deferred tax			
Deferred tax liabilities recognised in current year	23	(36,593)	(27,724)
Deferred tax assets recognised in current year	23	3,234	3,428
Adjustment of deferred tax liabilities from prior years		–	52,575
		(33,360)	**28,278**
Total income tax (expense)/revenue recognised in the statement of profit or loss		**(46,943)**	**20,151**

Notes to the consolidated financial statements (continued)

12. Income tax (continued)

Reconciliation of effective tax rate

In thousands of EUR	2020	2020	2019	2019
Profit before tax	%	219,265	%	37,375
Corporate tax based on domestic tax rate	24.94%	54,685	24.94%	9,321
Effect from non-recognition of deferred tax assets on loss carry forward		(62,447)		(28,208)
Effect on non-deductible expenses		17,309		9,757
Effect of exempt income		(23,708)		(3,850)
Effect of different tax rates in foreign jurisdictions		579		(521)
Net movement in deferred tax liability		(33,360)		33,651
		(101,628)		**10,830**
		(46,943)		**20,151**

13. Investment properties

The movement of Investment property during 2020 is as follows:

In thousands of EUR	2020	2019
Investment property		
At 1 January	205,803	238,845
Foreign exchange impact	(2,712)	3,504
Reclassification to held for sale	–	(28,330)
Disposal of subsidiary with investment property	(139,160)	–
Capital expenditure on owned property	–	2,112
Change in fair value during the year	(6,770)	(10,328)
Total completed investment property at 31 December	**57,161**	**205,803**
Investment property under construction		
At 1 January	1,237,177	880,102
Reclassification to work in progress	–	(89,480)
Reclassification from advances	43,433	–
Additions through business combination	–	89,717
Disposal of subsidiary with investment property under construction (Note 5)	(245,841)	–
Capital expenditure on owned property	200,449	181,030
Change in fair value during the year	250,918	175,808
Total investment property under construction as at 31 December	**1,486,136**	**1,237,177**

Investment properties and investment property under construction €1,543,297 thousand have been pledged to secure bank loans.

The investment property under construction mainly comprised Quartier Heidestrasse project. The total costs capitalized on this project for the year ended 31 December 2020 amounted to €199,648 thousand (2019: €129,024 thousand). All the Group's commitments related to the project are disclosed in Note 27.

Notes to the consolidated financial statements (continued)

13. Investment properties (continued)

(i) Investment property

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of the completed investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs
Discounted cash flows: Discounted cash flows consider the present value of the net cash flows expected to be generated from the facility, taking into account the budgeted EBITDA growth rate and budgeted capital expenditure growth rate; the expected net cash flows are discounted using a risk-adjusted discount rate. The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.	• Net operating profit per year until terminal date • Market rent, weighted average per sq./ m.- GBP 122.50 • Marketing void – 12 to 15 months • Rent free period – 12 months • Capitalisation rate – 4.75% • Long-term vacancy rate weighted average – 12% • Discount rate – 7%

Fair value hierarchy

The fair value measurement of investment property, has been categorised as level 3 fair value based on the inputs to the valuation technique used. Valuations of properties have been made by licensed independent third-parties appraisers, who hold recognised and relevant professional qualification and who have recent experience in the location, and category of the investment properties being valued.

Covid-19 considerations

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Notes to the consolidated financial statements (continued)

13. Investment properties (continued)

(ii) Investment property under construction

Valuation technique and significant unobservable inputs

The external valuation was performed using the residual value method.

The key inputs used by the valuers in arriving to the valuation are as follows:

Valuation technique	Significant unobservable inputs
Residual value method: The value of the investment property under construction is based on market conventions on the value the investment property under constructions would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	Market rent, per sq./ m: • Residential (non-rent controlled) 18.00 EUR/m² • Social Housing (rent-controlled) 8.00 EUR/m² • Retail 22.50 EUR/m² • Storage 10.00 EUR/m² • Office 32.00 EUR/m² • Hotel 22.88 EUR/m² • Parking 125 EUR/unit Gross multiplier on market rent, weighted average – 30.29 Long-term vacancy rate weighted average – n/a due to residual value method used Rent free period – 2 months. Discount rate- n/a due to residual value method used Vacancy rate after completion – n/a due to residual value method used

As in the prior year as of 31 December 2020, the investment property held was valued by independent third-party appraisers.

Covid-19 considerations

There are on-going controversial discussions on the legal and political stage in Germany as to if a governmentally forced lockdown of commercial property in the course of the CoViD19 pandemic might significantly affect existing commercial lease agreements, e.g. by triggering the right to reduce rental payments or the right to extraordinarily terminate the contract, based on § 313 of the German Civil Law Code (BGB). At the date of valuation, there are no indications of any evidence derived from the real estate market, which might suggest a separate effect of this legal question on the subject property's Market Value.

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Notes to the consolidated financial statements (continued)

13. Investment properties (continued)

(ii) Investment property under construction (continued)

Valuation technique and significant unobservable inputs (continued)

The analysis for investment property shows the potential fluctuation in the fair value of investment property under construction as the main input factors increase or decrease by a certain percentage as of 31 December 2020:

In thousand EURO – Sensitivity		Market rent	
As at 31 December 2020	–5.00%	0.00%	5.00%
Market rent in EUR	62,905	66,216	69,527
Fair value of Investment property	**1,340,000**	**1,428,000**	**1,515,000**

In thousand EURO – Sensitivity		Capitalisation rate	
As at 31 December 2020	– 25bps	0.00%	+ 25bps
Capitalisation rate	2.70%	2.95%	3.20%
Fair value of Investment property	**1,575,000**	**1,428,000**	**1,305,000**

In thousand EURO – Sensitivity		Construction costs	
As at 31 December 2020	–10%	0.00%	10%
Construction costs in EUR	417,877	464,308	510,739
Fair value of Investment property	**1,480,000**	**1,428,000**	**1,376,000**

In thousand EURO – Sensitivity		Construction period	
As at 31 December 2020	– 6 months	0.00%	+ 6 months
Construction period	34	40	46
Fair value of Investment property	**1,449,000**	**1,428,000**	**1,407,000**

Fair value hierarchy

The fair value measurement of investment property under construction, has been categorised as level 3 fair value based on the inputs to the valuation technique used. Valuations of investment properties under construction have been made by JLL-independent licensed appraiser, who holds a recognised and relevant professional qualification and who has recent experience in the location and category of the investment property under construction being valued.

(iii) Capitalised borrowing costs

During the year, a Company from the Group capitalised borrowing costs related to the acquisition of the land and the construction of property of €3,969 thousand (2019: €129,833 thousand).

Notes to the consolidated financial statements (continued)

14. Financial assets and Contract assets

(i) Financial assets

In thousands of EUR	Note	2020	2019
Non-current			
Loans receivable from related parties	25	23,277	28,843
Loans receivable from third parties	25	147,972	68,696
Financial assets at fair value through other comprehensive income	25	6,572	5,328
Financial assets at fair value through profit or loss	25	24,933	–
Deposits	25	217	217
Restricted cash with a maturity of more than three months	25	–	42,053
Other financial assets		–	235
		202,971	**145,372**
Current			
Loans receivables from related parties	25	14,264	80,517
Loans receivable from third parties	25	61,589	91,687
Financial assets at fair value through profit or loss	25	169,445	115,072
Deposits	25	–	396
Other financial assets-current		2,371	24,647
		247,669	**312,319**
Total		**450,640**	**457,691**

Loans receivable from third parties

The Group has granted loans to third parties for a total amount of €209,561 thousand (2019: €160,383 thousand). These loans have maturity terms of 6 to 36 months and interest varies from 2% to 12%. During the year Group granted new loans to third parties for a total consideration of €49,178 thousand (2019: loans reimbursed €93,463 thousand).

Management of the Group has performed an analysis on the expected credit losses from the implementation of IFRS 9 and has assessed them at €1,443 thousand (2019: €716 thousand). Refer to Note 24 for more details.

Financial assets at fair value through other comprehensive income

Financial asset at fair value through other comprehensive income relates to equity investment held for an amount of €6,572 thousand (2019: €5,328 thousand) and the respective amount recognised in fair value through other comprehensive income reserve is unrealised gain of €1,244 thousand (2019: unrealised loss of €5,620 thousand). During the year the group has acquired financial assets for a total consideration of €24,933 thousand (2019: €nil thousand).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents investment held in shares and bonds for a total amount of €194,378 thousand (2019: €115,072 thousand). During the year the group has acquired financial assets for a total consideration of €77,841 thousand (2019: disposal of assets €58,387 thousand).

Notes to the consolidated financial statements (continued)

14. Financial assets and Contract assets (continued)

(ii) Contract assets

The timing of revenue recognition, invoicing and cash collections results in billed accounts receivables, unbilled receivables (contract assets) and customer advances and deposits (contract liabilities) in the statement of financial position. In the Group's development activities, amounts are billed as work progresses in accordance with agreed-upon contractual term, either at periodic intervals or upon achievement of contractual milestones. Generally, billing occurs subsequent to revenue recognition resulting in contract assets. However, the Group sometimes receives advances or deposits from its customers before revenue is recognised, resulting in contract liabilities. These assets and liabilities are reported on the Consolidated Statement of Financial Position on a contract-by-contract basis at the end of each reporting period. Changes in the contract asset and liability balances during the financial year 2019 were not materially impacted by other factors besides as laid out below. The following table provides information about contract assets and contract liabilities from contracts with customers:

	Book value as of:	
In thousands of EUR	2020	2019
Net contract assets – non-current	–	13,856
Gross contract assets – non-current	–	13,856
Net contract assets – current	–	321,347
Gross contract assets – current	–	619,430
Prepayments received on current contract balances	–	(298,083)
Net contract liabilities	–	(53,166)
Net contract assets (liabilities)	**–**	**282,037**

No impairments for credit risks in accordance with IFRS 9 were made in respect of contract assets in the financial year 2019. This is due to the circumstances that the credit default risk of the contractual partners is relatively low.

15. Equity accounted investments

Investments in equity accounted investees as of 31 December 2020 amounts to €870,552 thousand (31 December 2019: €42,362 thousand):

In thousands of EUR	Note	2020	2019
Balance at 1 January		42,362	33,124
Disposals of subsidiary		(21,526)	–
Additions	5	848,229	(464)
Profit related to equity accounted investees		22,324	9,702
Transfer to assets held for sale		(20,836)	–
Balance at 31 December		870,552	42,362
Balance at 31 December		**870,552**	**42,362**

As of 31 December 2020, the Group holds 26.59% in ADLER Group which is a public entity that is listed on the stock exchange market. The Group's interest in ADLER Group is accounted for using the equity method in the consolidated financial statements.

As at 31 December 2020, the ADLER Group shares have been pledged to secure bank loans.

Notes to the consolidated financial statements (continued)

15. Equity accounted investments (continued)

The following table illustrates the summarised financial information of the Group's investment in ADLER Group.

In thousands of EUR	31 December 2020
Non-current assets	10,744,994
Current assets	2,887,711
Non-current liabilities	(7,119,584)
Current liabilities	(2,800,513)
Non-controlling interests	(693,131)
Net Assets	**3,019,477**
Group share of net assets 26.59%	802,879
Equity accounted investee (embedded goodwill) (Note 5)	67,673
Group carrying amount of the investment	**870,552**

In thousands of EUR	31 December 2020
Total income	758,737
Cost of operations	(553,918)
Overall performance	**204,819**
General administration expenses	(107,420)
Other expenses	(76,198)
Other income	109,399
Change in fair value of investment properties	413,675
Result from operating activities	**544,275**
Finance income	186,500
Financial expenses	(376,566)
Net finance income / (loss)	**(190,066)**
Net income (losses) from investment in associated companies	(5,666)
Profit before tax	**348,543**
Income tax expenses	(119,079)
Profit for the year	229,464
Total other comprehensive income / (loss)	(49,835)
Total comprehensive income for the year	**179,629**
Attributable to the owners of the company	109,862
Adjustment to total comprehensive income for the year:	
Total comprehensive income for the period from 1 January 2020 to 7 July 2020	39,904
Attributable to the owners of the Company	10,645
Comprehensive income for the period from 7 July 2020 to 31 December 2020 attributable to the owners of the Company	**99,217**
Group share of comprehensive income for the period from 7 July 2020 to 31 December 2020 attributable to the owners of the Company (22,50%)	**22,324**

The Management of the Group has assessed the recoverable amount of the financial assets and is of the opinion that no value adjustment has to be recorded for the financial year 2020.

Notes to the consolidated financial statements (continued)

16. Inventories

Inventories consist of the following:

	2020	2019
Real estate "Institutional"	–	1,528,728
Real estate "Parking"	–	26,822
Real estate "Apartments for sale"	9,302	882,365
Real estate "Other construction work"	268,931	352,896
Land and sites	402,688	263,871
Inventories - supplies	686	–
	681,607	**3,054,682**

As at 31 December 2020 the inventories mainly consisted of 3 real estate development projects the Group realizes in Portugal.

No write down on inventories has been recorded as at December 31, 2020.

As at 31 December 2020, the Group has received €11,655 thousand (2019: €3,999 thousand) as advances for purchase of real estate recognised under "Trade and other payables" within current liabilities.

In 2020, the Group capitalised €13,804 thousand of borrowing costs (2019: €4,778 thousand).

As at 31 December 2020, inventories of €680,921 thousand have been pledged to secure bank loans (2019: €2,708,782 thousand).

17. Trade and other receivables

	Note	2020	2019
Trade receivables	25	12,480	42,476
Tax receivables		4,546	17,040
Prepayments		4,144	2,356
Other receivables		7,638	33,404
		28,808	**95,276**

18. Financial assets/liabilities relating to derivatives

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including total return swaps, options and interest rate swaps.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Notes to the consolidated financial statements (continued)

18. Financial assets/liabilities relating to derivatives (continued)

Financial assets relating to derivatives

In thousands of EUR	2020	2019
Derivatives financial instrument: non-current	–	21,468
	–	**21,468**

Financial liabilities relating to derivatives

In thousands of EUR	2020	2019
Embedded derivatives: non-current	9,235	17,669
Interest rate swap	14,347	10,789
Options	(486)	1,280
Total return swaps	–	39
	23,096	**29,777**

Embedded derivatives: non-current relates to:

- €14,211 thousand resulting from change in fair value movement for the year ended 31 December 2019 from the derivative financial instrument embedded in the €200,000 thousand convertible bond issued in 2017 by Consus; and
- €9,235 thousand (2019: €3,458 thousand) resulting from the derivative financial instrument embedded in the €250,000 thousand Pre-IPO convertible bond issued by VIC Properties S.A. in May 2019.

19. Cash and cash equivalents

Cash and cash equivalents exclusively comprise balances with banks. The cash and cash equivalents are always available and represent the financial resources of the Company.

Restricted cash and cash equivalents are subject to restrictions, particularly with regard to their use for the financed properties and as a minimum to secure future interest payments. A smaller proportion is subject to transfer controls, i. e. these funds must be held by certain group companies in accordance with the respective loan agreement.

In thousands of EUR	Note	2020	2019
Cash in hand		13	15
Cash in transit		–	(95)
Restricted cash – current		48,425	224,297
Current accounts with banks		19,332	32,853
Total cash and cash equivalents	25	**67,770**	**257,070**
Cash and cash equivalents in the consolidated statement of cash flows			
Restricted cash – current		48,425	224,297
Current accounts with banks, cash in hand and cash in transit		19,345	32,773
		67,770	**257,070**

Notes to the consolidated financial statements (continued)

20. Registered capital and reserves

The total number of shares of the Company is 9,514,291,799 shares per €0.1 each, issued and fully paid.

Registered (share) capital

In thousands of EUR	2020	2019
At 1 January	951,429	475,080
Issued during the year	–	476,349
At 31 December	**951,429**	**951,429**

On 27 December 2019, following the contribution in kind, Aggregate Holdings S.A. issued 4,763,491,800 ordinary shares for a nominal value of €476,349 thousand and share premium of €476,349 thousand for a total amount of €952,698 thousand.

Equity attributable to hybrid holders

On 30 December 2016, the Group successfully placed €151,637 thousand in aggregate principal amount of Hybrid capital notes. This is an unsecured, non-recourse and perpetual instrument considered equity due to its features.

The notes shall bear interest on their principal amount as follows:

a) From 30 December 2016 until 30 December 2023, or any other date that may be agreed on by the issuer and the holder (the First Call Date), at the rate of 4,5% per annum; and

b) From the First Call Date to the date on which the Issuer redeems the notes in whole, at the relevant Reset Rate of Interest, as defined in the terms and conditions of the hybrid capital notes.

These Hybrid capital notes are presented in the consolidated statement of financial position as equity attributable to its Hybrid capital investors as part of the share premium reserve of the Group.

Other reserves

Other reserves include post acquisition legal and other reserves. Legal reserves are accumulated in accordance with the requirements of the Respective Commercial Acts of the countries in which the subsidiaries of the Group are incorporated. These reserves may only be used to cover annual loss or losses from previous years.

Other reserves are accumulated from allocation of financial results pursuant to decisions of the Sole owner.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Non-controlling interest

The non-controlling interest acquired during the financial year 2020 results from business combinations are as follows:

In thousands of EUR	2020	2019
NCI at 1 January	353,754	287,006
Acquisition of subsidiary with NCI	–	71,091
Impact on NCI of results of subsidiaries during the year	8,074	13,392
Changes on non-controlling interest as a result of adjustments made in 2020 during the measurement period (Note 4 (i), (ii))	287,591	–
Changes in non-controlling interests without a change in control (Note 4 (iii))	(358,682)	(19,313)
Put option	–	(13,192)
Impact of PPA finalisation	–	14,770
Disposals of subsidiary with NCI (Note 5 (i))	(254,297)	–
	36,440	**353,754**

Notes to the consolidated financial statements (continued)

20. Registered capital and reserves (continued)

The non controlling interest as of December 31, 2020 related to the following subsidiaries:

Name of entity with NCI	% held by NCI	Country
Aeiou 102 GmbH	27.50%	Germany
Alster Krug Chausse 366 Verwaltungs GmbH	27.50%	Germany
Quartier Heidestrasse GmbH	5.10%	Germany

Profit and loss

Distribution of retained earnings is subject to provisions of the Luxembourg law on commercial companies dated on 10 August 1915, as subsequently amended and the Company's statute.

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency exchange risks under Note 25.

In thousands of EUR	2020	2019
Non-current liabilities		
Bank and third party loans - non-current portion	1,003,970	1,255,362
Related party loans - non-current portion	5,784	7,643
Bonds issued	648,708	1,311,957
	1,658,462	**2,574,962**
Current liabilities		
Bank and third party loans - current portion/short term	142,930	1,329,572
Related party loans - current portion	455	113
Bonds issued	231,639	168,940
Coupon interest due on bonds issued	21,432	11,510
	396,455	**1,510,135**
Total loans and borrowings	**2,054,917**	**4,085,097**

The detail of the bonds issued is as follows:

In thousands of EUR	Type of debt	Effective interest rate	Maturity	2020	2019
Aggregate Holdings S.A.	Unsecured notes	5.00%	10/Aug/21	65,550	341,525
Aggregate Holdings S.A.	Unsecured notes	6.88%	9/Nov/25	446,233	–
Solenti Limited	Exchangeable bonds	7.00%	26/Mar/21	–	11,100
Consus Real Estate AG	Issued notes	4.75%	8/Nov/24	–	150,000
Consus Real Estate AG	Convertible bonds	4.00%	29/Nov/22	–	194,000
Consus Real Estate AG	Senior secured notes	9.63%	15/May/24	–	449,004
VIC Properties S.A.	Unsecured notes	5.00%	24/Aug/23	6,713	6,751
VIC Properties S.A.	Convertible bonds	3.00%	28/May/25	195,762	159,577
Quartier Heidestrasse GmbH	Secured notes	3.00%	16/Mar/21	130,000	130,000
AEIOU 102 GmbH	Assignable Loan	3.50%	28/Sep/21	29,089	28,940
AEIOU 102 GmbH	Junior certificate	14.00%	26/Mar/21	7,000	10,000
Total				**880,347**	**1,480,897**

The maturity date of the secured notes issued by Quartier Heidestrasse GmbH has been extended to 16 March 2021.

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

On 26 March 2019, Solenti Limited issued secured exchangeable notes for an amount of €50,000 thousand, represented by 500 notes for a nominal of €100 thousand each. The exchangeable notes carry interest of 7.00% p.a. with maturity on 26 March 2021. The exchangeable notes have been repaid on 7 July 2020.

On 09 November 2020, the group successfully issued unsecured notes for a total consideration €400,000 thousand with maturity on 09 November 2025 and interest of 6.875% p.a. As part of this transaction, on 10 November 2020, €282,942 thousands of existing Aggregate Holdings S.A. unsecured notes with maturity on 10 August 2021 and interest of 5.00% have been exchanged with the new notes with maturity on 09 November 2025 and interest of 6.875% p.a.

On 03 December 2020, the group successfully placed an additional tap issue on its existing 6.875% fixed rate Notes due on 09 November 2025 at 101.5, increasing the volume of the Bonds to €500,000 thousand.

Loans and Borrowings bear an average interest rate of 5.5% p.a. (2019: 6.9% p.a). The average maturity of loans and borrowings is 3.3 years (2019: 3.9 years). The cost of issuance for loans and borrowings amounts to EUR 25,407 thousand (2019: €17,140 thousand).

Main purpose of the loans is to finance acquisition of financial assets, plot of land, properties or finance constructions of the "build and hold" and "build and sell" segment. To secure the loans, financial assets, cash accounts, shares and/or financial assets have been pledged and/or first ranking land charges registered.

Most of the loan agreements have imposed requirements in the form of financial covenants. Loans secured by properties which constitute the bulk of a loan agreement usually include financial covenants at the level of the subsidiary. Most secured loans contain loan to cost ratios (LTC) and/or loan-to-value (LTV) ratios, and some include minimum/maximum debt service coverage ratios (DSCR). The loan agreements for the Group indicate the financial covenants as defined in each agreement. During the year 2020 and as of 31 December 2020 and 31 December 2019, the Group was compliant with its covenants.

22. Provisions

In thousands of EUR	2020	2019
Balance at 1 January	11,495	4,070
Increase in provisions	500	11,251
Provisions reversed during the year	(125)	(981)
Disposal of subsidiary	(10,269)	–
Provision used	(154)	(2,845)
Balance at 31 December	**1,447**	**11,495**
Current part	1,224	7,751
Non-current part	**223**	**3,744**
The provision includes the following provisions:		
Legal provision	420	2,943
Personnel provision	120	793
Others	907	7,759

Notes to the consolidated financial statements (continued)

23. Deferred tax assets and liabilities

Deferred tax assets and liabilities recognised in the Statement of financial position

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In thousands of EUR	2020	2019	2020	2019	2020	2019
Investment property	–	–	(122,418)	(109,601)	(122,418)	(109,601)
Property, plant and equipment	–	2,058	–	(12,154)	–	(10,096)
Intangible assets	–	–	–	(295)	–	(295)
Inventories	–	187,513	(38,023)	(68,642)	(38,023)	118,870
Other non current assets	–	21,044	–	(45,697)	–	(24,653)
Other assets	–	7,016	–	(88,816)	–	(81,800)
Provisions	–	1,551	–	–	–	1,551
Loans to financial institutions	–	–	–	–	–	–
Financial liabilities	–	8,449	–	(12,109)	–	(3,660)
Other financial liabilities	–	5,927	–	(1,092)	–	4,835
Other liabilities	–	21,996	–	(153,574)	–	(131,578)
Losses carried forward	6,662	48,523	–	–	6,662	48,523
Tax assets (liabilities)	**6,662**	**304,077**	**(160,442)**	**(491,980)**	**(153,780)**	**(187,904)**
Set off of tax	**–**	(300,649)	**–**	300,649	**–**	–
Net tax assets (liabilities)	**6,662**	**3,428**	**(160,442)**	**(191,331)**	**(153,780)**	**(187,904)**

In thousands of EUR	Balance at 1/1/2020	Disposal of subsidiary	Statement of profit or loss	Balance at 31/12/2020
Investment property	(109,601)	28,554	(41,372)	(122,418)
Property, plant and equipment	(10,096)	10,096	–	–
Intangible assets	(295)	295	–	–
Inventories	118,870	(156,894)	–	(38,023)
Other non current assets	(24,653)	24,653	–	–
Other assets	(81,800)	81,800	–	–
Provisions	1,551	(1,551)	–	–
Loans to financial institutions	–	–	–	–
Financial liabilities	(3,660)	3,660	–	–
Other financial liabilities	4,835	(4,835)	–	–
Other liabilities	(131,578)	131,578	–	–
Losses carried forward	48,523	(48,523)	6,662	6,662
	(187,904)	**68,834**	**(34,710)**	**(153,780)**

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Notes to the consolidated financial statements (continued)

23. Deferred tax assets and liabilities (continued)

In thousands of EUR	Balance at 1/1/2019	Acquired in business combination	Statement of profit or loss	Balance at 31/12/2019
Investment property	(136,890)	2,439	24,850	(109,601)
Property, plant and equipment	–	(10,096)	–	(10,096)
Intangible assets	–	(295)	–	(295)
Inventories	(117,813)	236,683	–	118,870
Other non current assets	–	(24,653)	–	(24,653)
Other assets	–	(81,800)	–	(81,800)
Provisions	198	1,353	–	1,551
Loans to financial institutions	9,672	(9,672)	–	–
Financial liabilities	–	(3,660)	–	(3,660)
Other financial liabilities	–	4,835	–	4,835
Other liabilities	(5)	(131,573)	–	(131,578)
Losses carried forward	19,975	25,120	3,428	48,523
	(224,863)	**8,682**	**28,278**	**(187,904)**

During the years 2018/2019, Quartier Heidestrasse GmbH incorporated in Germany established new GmbH & Co. KGs. During the course of the year 2018/2019, the properties under Quartier Heidestrasse GmbH were transferred to the new GmbH & Co. KGs, with the intention to hold the properties for a long-term period. With the establishment of the new GmbH & Co. KGs, Quartier Heidestrasse GmbH will benefit from a reduced trade tax rate from 30.175% in 2018 to 15.825% in 2020 and 2019. Consequently, for the year ended 31 December 2019, deferred tax rate of 15.825% was applied on the revaluation gains on investment property recognised in 2019 and from prior years for Quartier Heidestrasse GmbH which resulted in an amount of €52,575 thousand (see Note 11).

During the year 2020, the Group has recognised deferred tax assets for an amount of €6,662 thousand (2019: €3,428 thousand) on tax losses reported by Quartier Heidestrasse GmbH and its subsidiaries.

The Group has not recognised deferred tax assets on accumulated tax losses carried forward for an amount of €324,932 thousand as it is not probable that the temporary difference will be reversed in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. The tax losses are carried forward for a period not exceeding 17 years.

24. Trade and other payables

In thousands of EUR	Note	2020	2019
Payable to related parties (non – subsidiaries)	25	21,000	53,806
Payables to suppliers	25	107,765	143,103
Payables to personnel		731	5,121
Taxes payable		4,969	20,970
Guarantees	25	1,362	1,445
Advances received for real estate under construction		11,665	319,611
Deferred consideration		485	485
Other payables	4(iii), 25	354,629	81,541
		502,606	**626,082**

Notes to the consolidated financial statements (continued)

25. Financial instruments

The Group is exposed to the following risks arising from the use of its financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's capital management. Further quantitative disclosures are included in the notes to these consolidated financial statements.

Risk management framework

The Group's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of the Group's loans and borrowings is to finance the acquisition and development of the Group's property portfolio.

The Group has rent and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations.

The Group is exposed to market risk (including interest rate risk and real estate risk), credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and risk objectives.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in financial instruments.

Receivables resulting from the sale of inventory property

Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year, subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2020 and 2019 is the carrying amounts of each class of financial instruments.

Credit risk exposure

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company's expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Credit risk (continued)

Credit risk exposure (continued)

Due to the nature of the financial instruments within the Company and its subsidiaries, the Management believes that the 12 months ECLs will approximate the lifetime ECLs for the respective financial instruments for which ECLs have been assessed, taking into consideration the following criteria:

a) Maturity of the loan, classified:
   - Less than 3 months;
   - More than 3 months and less than one year;
   - More than one year but less than two years; and
   - More than 2 years.

b) Analysis of repayments received during the year, both capital and interest. The Group did not identify any significant delays in capital and interest repayment during the year 2020. Accrued interest as of 31 December 2020 relates to current period with no overdue amount.

c) Identification of collaterals received.

d) Historical data and past knowledge of significant write-off in relation to the all debt instruments.

As such, Management considers the following % for ECLs applied in relation to all debt instruments, using the simplified approach and based on the above analysis performed:

- Less than 3 months – 0%;
- More than 3 months and less than one year – 0%;
- More than one year but less than two years – 0.25%; and
- More than 2 years – 0.75%.

The carrying amount of the financial assets represents the maximum credit exposure.

The maximum credit exposure at the reporting date was:

In thousands of EUR	Note	2020	2019
Loans receivable from related parties	14	37,541	109,360
Loans receivable from third parties	14	209,561	160,383
Contract assets	14	–	335,203
Deposits and guarantees	14	217	613
Restricted cash with a maturity of more than three months	14	–	42,053
Trade and other receivables	17	12,480	42,476
Cash and cash equivalents	19	67,770	257,070
		327,569	**947,158**

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25. Financial instruments (continued)

Credit risk (continued)

Credit risk ratings

Based on Moody's credit risk rating, the Group has identified following rating grades:

	Credit risk rating	
Country	31.12.2020	31.12.2019
Austria	Aa1	Aa1
British Virgin Islands	Caa3	Caa3
Cyprus	Ba2	Baa2
Cayman Islands	Aa3	Aa3
Germany	Aaa	Aaa
Isle of Man	Aa3	Aa2
Ireland	A2	A2
Luxembourg	Aaa	Aaa
Netherlands	Aaa	Aaa

Impairment losses / Expected credit losses

The ageing of loans receivables from third parties and trade receivables at the reporting date was:

		2020		2019	
In thousands of EUR	Note	Gross	Impairment	Gross	Impairment
Not overdue or overdue less than 1 year	10, 14, 17	223,204	(1,163)	135,852	(1,689)
Overdue more than 1 year	14	–	–	68,882	(186)
Overdue more than 2 years		–	–	–	–
Overdue more than 3 years		–	–	–	–
		223,204	**(1,163)**	**204,734**	**(1,875)**

As of 31 December 2020, the Group has booked an amount of €1,163 thousand (2019: €1,875 thousand) as ECLs.

Cash and cash equivalents

The Group has cash and cash equivalents amounting to €67,770 thousand at 31 December 2020 (2019: €257,070 thousand) held with reputable financial institutions with high ratings and represent its maximum credit exposure on these assets.

25. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Liabilities to financial institutions to finance the acquisition and development of real estate properties are usually taken out on the level of property subsidiaries and are secured with the respective properties.

A decrease or default in income from letting activities, the premature termination of long-term lease contracts, a failure to materialise expected extensions of long-term lease contracts, a failure to find new tenants and the insolvency of one or multiple tenants, as well as non-scheduled maintenance expenses could lead to a significant decrease in cash flow from operating activities, which in turn could result in risks for the timely repayment of loans.

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. No liquidity issues are expected.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of financial assets.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (excluding interest payments):

31 December 2020

In thousands of EUR	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans – non-current portion and current portion	1,146,899	1,296,517	146,105	1,005,494	144,918
Related party loans – non-current portion	5,784	6,220	–	6,220	–
Bonds and notes issues	901,779	1,084,991	257,284	827,627	–
Related party loans – current portion	455	479	479	–	–
Trade and other payables	479,559	479,559	479,559	–	–
Total	**2,534,476**	**2,867,686**	**883,426**	**1,839,341**	**144,918**

31 December 2019

In thousands of EUR	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans - non-current portion and current portion	2,584,934	3,431,473	1,339,712	2,091,761	–
Related party loans - non-current portion	7,643	8,861	–	8,861	–
Bonds and notes issues	1,492,407	1,123,260	187,919	740,948	194,393
Related party loans - current portion	113	113	113	–	–
Trade and other payables	198,354	198,354	198,354	–	–
Total	**4,283,452**	**4,762,062**	**1,726,098**	**2,841,570**	**194,393**

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25. Financial instruments (continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The financial instruments held by the Group that are affected by market risk are principally the investments in shares and bonds.

The financial assets held by the Group that are affected by market risk are principally:

In thousands of EUR	Note	2020	2019
Financial assets through other comprehensive income	14 (i)	31,505	5,328
Financial assets through profit or loss	14 (i)	169,445	115,072
		200,950	**120,400**

Sensitivity analysis

An increase in equity price by 10% at 31 December 2020 would have increased in profit or loss by €20,095 thousand (2019: €12,040 thousand). For a decrease of 10% there would be an equal and opposite impact in profit or loss.

Option contracts

During the year 2020, the Company and its subsidiaries entered into several options agreements with third parties to purchase or sell shares held in listed shares and bonds.

The fair value of the options at 31 December 2020 is the difference between the strike price and the market price of shares held in listed shares and bonds.

The following tables detail various information regarding options contracts outstanding at the end of the reporting year end. Options liabilities are included in Note 17.

	Average strike price		Quantity		Fair value	
In thousands of EUR	2020	2019	2020	2019	2020	2019
Less than one year	70.60%	94.73%	2,571	11,922	(486)	(1,210)
1 to 2 years	–	95.00%	–	500	–	(70)
	–	–	2,571	12,422	(486)	(1,280)

Cash flow sensitivity analysis for fixed rate instruments

The Group does not designate derivatives (option) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis of cash flows for variable rate instruments

A change of 0.1% in interest rates as at 31 December would increase (decrease) equity and in profit or loss by the amounts set out below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect of a change of 0.1% of the interest rate on instruments with variable interest:

	Effect on statement of profit or loss		Effect in equity	
In thousands of EUR	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2020				
Variable rate instruments	145	(145)	–	–
Cash flow sensitivity (net)	**145**	**(145)**	**–**	**–**

25. Financial instruments (continued)

Market risk (continued)

	Effect on statement of profit or loss		Effect in equity	
In thousands of EUR	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2019				
Variable rate instruments	28	(28)	–	–
Cash flow sensitivity (net)	28	(28)	–	–

Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the Group's functional currency. The currencies in which these transactions are primarily denominated are GBP. The currency risk is related to the negative fluctuations of exchange rates of the stated currencies towards €in future business transactions by the recognised assets and liabilities in foreign currency.

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

In foreign currency in thousands	Note	GBP 2020	GBP 2019
Trade receivables		364	1,537
Trade payables		(195)	(1,160)
Loan payables		(31,100)	(30,894)
Gross exposure		**(30,931)**	(30,517)
Forecasted annual sales		3,569	4,449
Forecasted annual purchases		–	–
		3,569	**4,449**

The following significant exchange rates applied during the year:

	Average		Balance sheet date	
	2020	2019	2020	2019
1 GBP	1.1248	1.1399	1.1123	1.1754

Sensitivity analysis

A 10 % strengthening of the Euro (EUR) against the following currencies at 31 December would increase (decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.

In thousands of EUR	Equity	Profit or loss
2020		
10% appreciation of EUR against GBP	**–**	**3,440**
2019		
10% appreciation of EUR against GBP	–	3,479

A weakening of the Euro against the above currencies at 31 December would have equal but opposite effect on the above currencies at the amounts shown above, on the basis that all other variables remain constant.

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25. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The management limits the impact of the changes in the interest rates with fixed loans in those transactions in which it is possible. In addition, the Group owns investments that are liquid and could be disposed at any moment.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

In thousands of EUR	2020	2019
Fixed rate instruments		
Financial assets	276,587	269,764
Financial liabilities	(901,779)	(1,492,407)
	(625,192)	**(1,222,643)**
Variable rate instruments		
Financial assets	–	–
Financial liabilities	(1,146,899)	(2,584,934)
	(1,146,899)	**(2,584,934)**

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held and the cash flow exposures on the issued variable rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail various information regarding interest rate swap contracts outstanding at the end of the reporting year end. Interest rate swap contracts assets and liabilities are included in Note 17.

	Average contracted fixed interest rate		Notional principal value		Fair value	
In thousands of EUR	2020 %	2019 %	2020	2019	2020	2019
Less than one year	1.2% + Euribor 3 months	1.2% + Euribor 3 months	117,766	82,014	(14,347)	(10,789)

Cash flow sensitivity analysis for fixed rate instruments

The Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

25. Financial instruments (continued)

Interest rate swap contracts (continued)

Sensitivity analysis of cash flows for variable rate instruments

A change of 0.1% in interest rates as at 31 December would increase (decrease) equity and profit or loss by the amounts set out below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

Effect of a change of 0.1% of the interest rate on instruments with variable interest:

	Effect on profit or loss		Effect in equity	
In thousands of EUR	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2020				
Variable rate instruments	(1,147)	1,147	–	–
Cash flow sensitivity (net)	**(1,147)**	**1,147**	**–**	**–**
31 December 2019				
Variable rate instruments	(2,585)	2,585	–	–
Cash flow sensitivity (net)	**(2,585)**	**2,585**	**–**	**–**

Total return swap contracts

Under the total return swap contracts, the Group agrees to make payments based on the rate set in the agreement which is based on the return of the underlying assets, listed shares on the Frankfurt Stock Exchange. The fair value of total return swaps at the reporting date is determined by discounting the future cash flows using the curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year.

The following tables detail various information regarding total return swap contracts outstanding at the end of the reporting year end. Total return swap contract liability is included in Note 18.

	Average contracted fixed interest rate		Notional principal value		Fair value	
In thousands of EUR	2020 %	2019 %	2020	2019	2020	2019
Less than one year	–	EURO 1m+0.5%	–	850	–	(39)

Capital management

The Management's policy is to maintain a strong capital base so as to maintain customer, creditor and market confidence and to sustain future development of the business.

Fair values versus carrying amounts

Management considers that the carrying amounts of the following financial instruments are a reasonable approximation of their fair values:

- Related party receivables (Note 14);
- Trade and other receivables (Note 17);
- Cash and cash equivalents (Note 19);
- Loans and borrowings with variable rates (Note 21); and
- Trade and other payables (Note 24)

Management considers that trade and other receivables, receivables and payables from/to related party, trade and other payables and loans payables meet the criteria to be classified in Level 3 in the fair value hierarchy.

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Based on an analysis performed to determine fair values, management has estimated that no observable market data is available that could be taken without applying significant adjustments when determining the fair value of these financial instruments of the Group.

Management considers that when determining the fair values of financial instruments a significant number of risks have an impact on determining the fair values of these financial instruments – amount of the financial instrument, maturity, type of interest, type of currency, collateral, the business environment of the parties on the financial instruments, own default risk and others.

Based on the analyses performed Management considers that the carrying amount of the trade and other receivables, trade and other payables and loans payables with variable interest rates could be considered a reasonable approximation of their fair value.

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair values versus carrying amounts

31 December 2020								Fair value			
In thousands of EUR	Designated at fair value through profit or loss	Fair value – hedging instruments	Held-to-maturity	Amortised costs	Fair value through other comprehensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Equity securities	169,445	–	–	–	31,505	–	200,950	169,445	31,505	–	200,950
	169,445	**–**	**–**	**–**	**31,505**	**–**	**200,950**	**169,445**	**31,505**	**–**	**200,950**
Financial assets not measured at fair value											
Trade and other receivables	–	–	–	28,808	–	–	28,808	–	–	–	–
Cash and cash equivalents	–	–	–	67,770	–	–	67,770	–	–	–	–
Loan receivables	–	–	–	247,102	–	–	247,102	–	–	–	–
	–	**–**	**–**	**343,680**	**–**	**–**	**343,680**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value											
Embedded derivative	9,235	–	–	–	–	–	9,235	–	–	9,235	9,235
Interest rate swap	14,347	–	–	–	–	–	14,347	–	14,347	–	14,347
Options	(486)	–	–	–	–	–	(486)	–	(486)	–	(486)
	23,096	**–**	**–**	**–**	**–**	**–**	**23,096**	**–**	**13,861**	**9,235**	**23,096**
Financial liabilities not measured at fair value											
Bank loans and other borrowings	–	–	–	–	–	1,153,138	1,153,138	–	–	–	–
Bonds and notes	–	–	–	–	–	901,779	901,779	–	–	–	–
Trade and other payables	–	–	–	–	–	479,559	479,559	–	–	–	–
	–	**–**	**–**	**–**	**–**	**2,534,477**	**2,534,477**	**–**	**–**	**–**	**–**

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair values versus carrying amounts

31 December 2019								Fair value			
In thousands of EUR	Designated at fair value through profit or loss	Fair value – hedging instruments	Held-to-maturity	Amortised costs	Fair value through other comprehensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Equity securities	115,072	–	–	–	5,328	–	120,400	115,072	5,328	–	120,400
Embedded derivative	21,468	–	–	–	–	–	21,468	–	–	21,468	21,468
	136,540	**–**	**–**	**–**	**5,328**	**–**	**141,468**	**115,072**	**5,328**	**21,468**	**141,868**
Financial assets not measured at fair value											
Trade and other receivables	–	–	–	95,276	–	–	95,276	–	–	–	–
Cash and cash equivalents	–	–	–	257,070	–	–	257,070	–	–	–	–
Loan receivables	–	–	–	269,743	–	–	269,743	–	–	–	–
	–	**–**	**–**	**622,089**	**–**	**–**	**622,089**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value											
Embedded derivative	17,669	–	–	–	–	–	17,669	–	–	17,669	17,669
Interest rate swap	10,789	–	–	–	–	–	10,789	–	10,789	–	10,789
Options	1,280	–	–	–	–	–	1,280	–	1,280	–	1,280
Total return swaps	39	–	–	–	–	–	39	–	39	–	39
	29,777	**–**	**–**	**–**	**–**	**–**	**29,777**	**–**	**12,108**	**17,669**	**29,777**
Financial liabilities not measured at fair value											
Bank loans and other borrowings	–	–	–	–	–	2,592,690	2,592,690	–	–	–	–
Bonds and notes	–	–	–	–	–	1,492,407	1,492,407	–	–	–	–
Trade and other payables	–	–	–	–	–	198,354	198,354	–	–	–	–
	–	**–**	**–**	**–**	**–**	**4,283,451**	**4,283,451**	**–**	**–**	**–**	**–**

There was no changes in fair value hierarchy during the year ended 31 December 2020 and 31 December 2019.

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26. Leases

During the year 2019, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was in the range between 2.3 – 2.7 %. As a result of the adoption of IFRS 16, the Group recognised lease liability of €12,133 thousand as of 31 December 2018 and €19,779 thousand on operating lease commitment. Consequently, for 31 December 2019, the Group recognised EUR 19,779 thousand as right-of-use assets.

During the year 2020, the Group disposed Consus (See Note 5), and thus as of 31 December 2020, the Group recognised €1,342 thousand (2019: €(19,779 thousand) as right-of-use assets which is included under the caption "Intangible assets and Goodwill" (Note 4).

The Group together with its subsidiaries leases various offices and vehicles. Rental contracts are typically made for fixed periods of 6 months to 8 years, but may have extension options as described below.

Payments associated with short-term leases and leases of low-value assets are recognised as an expense in profit or loss when incurred.

These operating lease contracts include renting of office space as well as office equipment. These agreements confer an advantage on continuing business operations as investing measures and the associated cash outflows are not immediately required. There are no evident risks arising from these agreements. The Group does not have significant renewal or purchase options resulting from operate lease contracts.

Future minimum lease payments from operating lease agreements, with the respective remaining terms, are presented in the following table:

In thousands of EUR	2020	2019
Up to one year	140,121	292,945
1-5 years	1,871	2,308
Over 5 years	284	426
Total	**142,276**	**295,678**

27. Commitments and contingent liabilities

Aggregate Deutschland S.A. provided a guarantee facility for an amount of €33,000 thousand (2019: €17,000 thousand) to an insurance company for Quartier Heidestrasse GmbH to secure possible overrun of construction costs of a maximum 7.5% of the expected total costs for the construction until 31 January 2024.

Aggregate Holdings S.A. and Aggregate Deutschland S.A. have pledged the shares held in one of its subsidiaries – to secure bank loans.

Quartier Heidestrasse GmbH has pledged all of its bank accounts and shares, first ranking land charge rights, insurance claims and other claims in favour of the financial consortium.

Aggregate Holdings S.A. has given a corporate guarantee of GBP 12,000 thousand (2019: GBP 7,000 thousand) plus any future interest and capitalised interest on the bank loan of a subsidiary based in the United Kingdom.

Aggregate Holdings S.A. has given corporate guarantee for an amount of €173,762 thousand (2019: €nil thousand) to credit institutions on behalf of its subsidiaries and third parties.

To the Group's knowledge, further litigations have not been pending, commenced or threatened, nor have any such actions been commenced that could materially affect the Group's financial condition. To the Group's knowledge, no further contingent assets and liabilities exist as of balance sheet date.

On November 2, 2020 German Invest 2 S.à r.l. entered into a share purchase agreement to acquire 89.9% stake in a mixed use development project in Berlin with a gross lettable area above ground of circa 83,000 sqm. The purchase price is payable by May 31, 2021.

On 31 December 2020 Aggregate Holdings 4 S.à r.l. entered into a share purchase agreement to acquire 89% of the shares in a commercially focussed development project in Berlin, with net lettable area of over 100,000 sqm. On 1 April 2021 Aggregate Holdings 4 S.à r.l. signed an amendment to the share purchase agreement to extend the closing date from 31 March 2021 to 30 April 2021.

28. Related parties

Identification of related parties the Group has a related party relationship with the executive directors of significant subsidiaries within the Group.

Remunerations of executive directors

In thousands of EUR	2020	2019
Remunerations	(1,316)	(1,560)
Severance payments	(2,800)	–
	(4,116)	**(1,560)**

Balances outstanding with executive directors at 31 December

In thousands of EUR	2020	2019
Remunerations	–	99
Severance payments	–	–
	–	99
Professional fees		
Financial Intermediary Services	–	301
	–	**301**

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28. Related parties (continued)

Other related parties transactions

Name of related party	Type of relation	Type of transaction/ balance	Nature of settlement	Statement of profit or loss 2020	Statement of profit or loss 2019	Balance as at 2020	Balance as at 2019
Lavinia B.V.	Common UBO	Loan receivable	Cash	–	–	35,041	31,013
		Interest (income)/ receivable	Cash	(1,972)	(10)	2,267	1,451
		Loan payable	Cash	–	–	(5,033)	(7,644)
		Interest expense (payable)	Cash	307	167	–	–
		Other payables	Cash	–	–	(8)	(76)
Medeon S.à r.l.	Ultimate parent and UBO	Loan receivable	Cash	–	–	–	75
		Interest (income)/ receivable	Cash	(40)	–	–	14
Aggregate Debt Advisory GmbH	Common UBO	Loan receivable	Cash	(41)	–	–	1,758
LHC Holding GmbH	Joint venture 50%	Loan receivable	Cash	–	–	14	–
Aggregate Participation 2 S.à r.l.	Common ultimate parent and UBO	Loan receivable	Cash	–	–	255	–
		Interest (income)/ receivable	Cash	(2)	–	2	–
Group Electa S.A.	Key management LHC	Other payables	Cash	–	–	(6)	–
Gröner Unternehmens-beteiligungen GmbH / Mr. Gröner	Key management Consus	Expenses /(financial liabilities and other liabilities)	Cash	–	3,300	–	(58,293)
		Interest expense/(payable)	Cash	–	2,700	–	(2,700)
		(Revenues)/Trade receivable	Cash	–	(33,100)	–	65,798
MAP Liegschaften GmbH	Associated company of sister company	(Financial liability)	Cash	–	–	–	(19,200)
Consus	Sister company	Interest (income)/ receivable	Cash	(10)	–	–	–
		Other payables	Cash	–	–	(21,000)	–
		Interest expense (payable)	Cash	1	–	–	–
Aggregate Financial Services GMBH	Common UBO	Brokerage fees	Cash	2,760	8,455	–	–
		Other payables	Cash	–	–	(2,500)	(95)

29. Segment information

For management reporting purpose, the Group is organised into business units based on its products and services and has the reportable segments, as follows:

a) Build and Hold;

b) Build and Sell;

c) Financial real estate and other assets for the remaining Group structure; and

d) Consus Real Estate

29. Segment information (continued)

No operating segments have been aggregated to form the above reportable operating segments.

The management and the Chief Financial Officer monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

As of 31 December 2020

In thousands of EUR	Build and Hold	Build and Sell	Financial Real Estate and Other Asset	Consus Real Estate AG	Total
Total revenue	250	2,370	17,112	628,255	647,987
Earnings before interest and tax	240,169	5,452	(36,639)	121,403	330,385
Total assets	1,473,537	1,550,152	1,789,859	–	4,813,548
Total liabilities	681,214	901,685	649,856	–	2,232,755
Aggregate Holdings S.A. Unsecured notes issued	–	–	517,646	–	517,646
Non-controlling interests	23,179	–	13,261	–	36,440
Net asset value	769,144	648,467	609,097	–	2,026,708*
Net Debt	469,797	438,667	1,078,683	–	1,987,147
Total assets excluding cash and cash equivalents					**4,745,777**
LTV (Net debt/Total assets excluding cash and cash equivalents)					**41.87%**

*Net asset value includes Hybrid capital notes issued to Hybrid holders (Note 19)

As of 31 December 2019

In thousands of EUR	Build and Hold	Build and Sell	Financial Real Estate and Other Asset	Consus Consus Real Estate AG	Total
Total revenue	(610)	–	22,212	699,098	720,700
Earnings before interest and tax	129,821	–	(38,446)	234,392	325,767
Total assets	1,069,714	1,408,745	1,128,950	3,704,343	7,311,752
Total liabilities	484,388	407,684	314,035	3,552,630	4,758,737
Aggregate Holdings S.A. Unsecured notes issued	–	–	348,429	–	348,429
Non-controlling interests	30,395	71,091	(1,308)	253,576	353,754
Net asset value	554,931	929,970	467,794	(101,863)	1,850,832
Net debt	302,875	286,053	2,684,652	554,447	3,828,027
Total assets excluding cash and cash equivalents					**7,054,682**
Loan to value ratio					**54.26%**

*Net asset value includes Hybrid capital notes issued to Hybrid holders (Note 19)

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29. Segment information (continued)

Geographical information

The group operates in two principal geographical areas – Germany and Portugal.

The group's revenue and information about its segment assets by geographical location are detailed below:

In thousands of EUR	Revenue 2020	Revenue 2019	Total assets 2020	Total assets 2019
Germany	630,026	699,790	2,551,560	5,599,506
Portugal	2,370	–	1,550,152	1,405,896
Other	15,591	20,909	711,836	306,350
	647,987	**720,699**	**4,813,548**	**7,311,752**

30. Operating environment

On January 30, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of COVID-19. Since March 11, 2020, the WHO has classified the spread of the COVID-19 as a pandemic. The further spread of the Coronavirus and its consequences on the business of the Group are constantly being monitored.

31. Subsequent event

The following subsidiaries were incorporated for which the Company is the sole shareholder:

- Aggregate Holdings 5 S.A. incorporated on 26 January 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- Aggregate Holdings 7 S. à.r.l. incorporated on 26 January 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- Aggregate Holdings 8 S. à.r.l. incorporated on 18 February 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- Aggregate Deutschland 3 S.A. incorporated on 19 January 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- Aggregate Deutschland 4 S. à r.l. incorporated on 19 January 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- Aggregate Deutschland 5 S. à r.l. incorporated on 17 February 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg; and
- Aggregate Deutschland 6 S.à r.l. incorporated on 18 February 2021 with registered address 10, rue Antoine Jans, 1820, Luxembourg.

On 29 January 2021, Revenite Austria S.à r.l. closed three share purchase agreements signed on 28 January 2021 to acquire joint control of a 9.03% stake in S IMMO AG, a Viennese listed real estate company focussed on capital cities across Germany and Europe. On 9 February 2021, Revenite Austria S.à r.l. closed a share purchase agreement signed on 18 January 2021 to take a sole control and acquire a further 1.76% resulting in a 10.78% stake in S IMMO AG.

On 28 January, 2021, Aggregate Holdings signed a share purchase agreement to acquire joint control over a 10.60% stake in IMMOFINANZ AG, a Viennese -listed real estate company focussed on major office locations in Germany and capital cities in Central and Eastern Europe. The transaction has not yet closed.

On 1 March 2021, Castle Investment Holding S.à r.l. entered into a share purchase agreement to acquire 100% of the shares in a company which includes a portfolio of primarily commercially-focussed mixed-use development projects primarily in Berlin and Duesseldorf with a combined gross floor area of c. 1,060,000 sqm. The share purchase agreement is expected to be closed in May 2021.

On 2 March 2021, QH Development 9 GmbH & Co. entered into a loan agreement with a bank for a total consideration of €27,900 thousand. The facility bears 2.85% p.a. with maturity on 30 June 2022.

31. Subsequent event (continued)

On 15 March 2021, QH Development 2 GmbH & Co., QH Development 6 GmbH & Co., QH Development 7 GmbH & Co. and QH Development 8 GmbH & Co. jointly entered into a senior loan agreement with several banks for a total consideration of €296,000 thousand. The facility bears 2.85% p.a. with maturity on 30 June 2023.

On 17 March 2021, Quartier Heidestrasse Hold Co II GmbH & Co. entered into a mezzanine loan agreement with a bank for a total consideration of €65,000 thousand. The facility bears 8.50% p.a. with maturity on 30 April 2024. As consequence of the new loans signed, the Notes of Quartier Heidestraße GmbH for a total consideration of €134,861 thousand have been repaid.

On 29 March 2021, AEIOU 102 GmbH entered into a new senior notes agreement for a total consideration of €30,000 thousand to fully refinance existing junior certificate with maturity 26 March 2021 and partially refinance assignable loan with maturity 28 September 2021. The new Notes bear interest of 3.50% p.a. with maturity on 29 March 2023.

On 30 and 31 March, 2021, Aggregate Holdings S.A. issued to the 15 vendors of the 32% minority in VIC Properties S.A. a total of €331,120,000 of mandatory convertible bonds as the remainder of the consideration for the 6 April 2020 acquisition. The bonds bear an interest rate of 2%, are convertible in to equity of Aggregate Holdings S.A. from 1 December 2023 and mature on 1 December 2025. The mandatory convertible bonds were created by Aggregate on 1 December 2020 and held by the company until transferred.

On 31 March 2021, Aggregate HH GmbH entered into a bridge financing agreement for a total consideration of €15,000 thousand to, inter alia, fully refinance existing Alster Krug Chausse 366 Verwaltungs GmbH 3rd party loan with maturity 31 March 2021. The bridge financing bears interest of over 10% p.a. with maturity on 30 June 2021. Aggregate HH GmbH intends to enter into a junior certificate of €15,000 thousand.

32. List of shareholdings

The list of the consolidated subsidiaries and sub-Groups as per 31 December 2020 is as follows:

Name of the subsidiary	Country	2020 % control	2020 % interest	2019 % control	2019 % interest	Consolidation Method
Aggregate UK S.A.	Luxembourg	100	100	100	100	Full
VIC Properties Holdings S.A.	Luxembourg	100	100	100	100	Full
VIC Properties S.A.	Luxembourg	100	100	68	68	Full
VIC One S.à r.l.	Luxembourg	100	100	68	68	Full
Smarfil S.A.	Luxembourg	100	100	68	68	Full
Aggregate Deutschland S.A.	Luxembourg	100	100	100	100	Full
Aggregate Deutschland 2 S.à r.l.	Luxembourg	100	100	–	–	Full
Aggregate Holdings Invest S.A.	Luxembourg	100	100	–	–	Full
Aggregate Holdings 2 S.A.	Luxembourg	100	100	–	–	Full
Castle Investment Holding S.à r.l.	Luxembourg	100	100	–	–	Full
Aggregate Holdings 4 S.A.	Luxembourg	100	100	–	–	Full
German Invest 2 S.à r.l.	Luxembourg	100	100	–	–	Full
Revenite Austria Holdings S.A.	Luxembourg	100	100	–	–	Full
Revenite Austria S.à r.l.	Luxembourg	100	100	–	–	Full
Adler Group S.A.	Luxembourg	26.6	26.6	–	–	Equity
VIC Management Lda	Portugal	100	100	68	68	Full
VIC Mediação Imobiliária Lda	Portugal	100	100	68	68	Full
Potential Sketch Limited	Portugal	100	100	68	68	Full
Fundo de Investimento Imobiliário Fechado Lisfundo	Portugal	100	100	68	68	Full

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32. List of shareholdings (continued)

		2020		2019		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
Herdade do Pinheirinho Resort S.A.	Portugal	100	100	–	–	Full
Herdade do Pinheirinho II – Investimento Imobiliàro S.A.	Portugal	100	100	–	–	Full
Montarius Holding Limited	Cyprus	100	100	100	100	Full
Solenti Limited	Cyprus	100	100	100	100	Full
Aggregate Isle of Mann 2 Limited	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 3 Limited	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 4 Limited	Isle of Mann	100	100	100	100	Full
Fliptag Investments Limited BV.	British Virgin Islands	100	100	100	100	Full
Havza Limited	Ireland	100	100	100	100	Full
Oldbourne & Oldbourne Hospitality Limited	UK	100	100	100	100	Full
Aggregate Management GmbH	Germany	100	100	100	100	Full
Quartier Heidestrasse GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs II GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs III GmbH	Germany	94.9	94.9	–	–	Full
Quartier Heidestrasse Verwaltungs IV GmbH	Germany	94.9	94.9	–	–	Full
Quartier Heidestrasse Verwaltungs V GmbH	Germany	94.9	94.9	–	–	Full
QH Development 1 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 2 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 3 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 4 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 5 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 6 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 7 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 8 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 9 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Management GmbH	Germany	94.9	94.9	94.9	94.9	Full
QH Mobility GmbH	Germany	94.9	94.9	–	–	Full
QH Betriebsvorrichtungen GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co GmbH & Co.	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co II GmbH & Co.	Germany	94.9	94.9	94.9	94.9	Full

32. List of shareholdings (continued)

		2020		2019		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
Quartier Heidestrasse Hold Co III GmbH & Co.	Germany	94.9	94.9	94.9	94.9	Full
Aggregate HH GmbH	Germany	100	100	100	100	Full
Go West GmbH	Germany	100	100	100	100	Full
Alster Krug Chausse 366 Verwaltungs GmbH	Germany	72.5	72.5	72.5	72.5	Full
AEIOU 102 GmbH	Germany	72.5	72.5	72.5	72.5	Full
LHC Beteiligungs GmbH	Germany	100	100	100	100	Full
LHC Holding GmbH & Co. KG	Germany	50	50	50	50	Full
LHC 1 GmbH	Germany	50	50	50	50	Equity
LHC 2 GmbH	Germany	50	50	50	50	Equity
LHC 3 GmbH	Germany	50	50	50	50	Equity
LHC 5 GmbH	Germany	50	50	50	50	Equity
LHC Holding 2 GmbH	Germany	50	50	50	50	Equity
Consus Projekt Development GmbH (See Note 5)	Germany	–	–	50.3	50.3	Equity
Wilhelmstrasse 1 GmbH (See Note 5)	Germany	–	–	53.7	53.7	Equity
Consus Real Estate AG (See Note 5)	Germany	–	–	52.0	52.0	Full
Consus Swiss Finance AG (See Note 5)	Switzerland	–	–	48.6	48.6	Full

As at December 31, 2020, the Group held a directly a 5% stake in Consus Projekt Development GmbH (formerly SG Development GmbH) and 9% stake in Wilhelmstrasse 1 GmbH. Both investments have been recognized as current financial assets at fair value through profit and loss (Note 14).

Aggregate

aggregateholdings.com