

IMPORTANT NOTICE

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN OR INTO, OR TO ANY PERSON LOCATED OR RESIDENT IN OR AT ANY ADDRESS IN, THE UNITED STATES OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THE ATTACHED OFFER TO EXCHANGE STATEMENT OR TO ANY U.S. PERSON, WITHIN THE MEANING OF REGULATION S (“REGULATION S”) UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). IN PARTICULAR, THIS NOTICE AND THE ATTACHED OFFER TO EXCHANGE STATEMENT SHALL NOT BE DISTRIBUTED, TRANSMITTED OR FORWARDED, DIRECTLY OR INDIRECTLY, IN, INTO, OR FROM, OR BY USE OF THE MAILS OF, OR BY ANY MEANS OR INSTRUMENTALITY (INCLUDING, WITHOUT LIMITATION, FACSIMILE TRANSMISSION, TELEX, TELEPHONE, EMAIL AND OTHER FORMS OF ELECTRONIC COMMUNICATION) OF INTERSTATE OR FOREIGN COMMERCE OF, OR ANY FACILITY OF A NATIONAL SECURITIES EXCHANGE OF, THE UNITED STATES, AND PERSONS RECEIVING THIS DOCUMENT MUST NOT DISTRIBUTE, FORWARD, MAIL, TRANSMIT OR SEND IT OR ANY RELATED DOCUMENTS IN, INTO OR FROM THE UNITED STATES OR TO ANY U.S. PERSON. FOR THE PURPOSES OF THIS NOTICE, THE “UNITED STATES” MEANS THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offer to exchange statement (as it may be supplemented or amended from time to time, the “**Offer to Exchange Statement**”) and you are therefore required to read this disclaimer page carefully before accessing, reading or making any other use of the Offer to Exchange Statement. By accessing, reading or making any other use of the Offer to Exchange Statement, you agree (in addition to giving the representations set forth below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Offeror, the Dealer Managers and/or the Exchange Agent (each as defined in the Offer to Exchange Statement) or otherwise, as a result of such access, reading or otherwise. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Offer to Exchange Statement.

THE OFFER TO EXCHANGE STATEMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE OFFER TO EXCHANGE STATEMENT MAY ONLY BE DISTRIBUTED TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE OFFER TO EXCHANGE STATEMENT AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY U.S. PERSON WITHIN THE MEANING OF REGULATION S OR ANY PERSON RESIDENT OR LOCATED IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFER TO EXCHANGE STATEMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY RESULT IN A VIOLATION OF THE SECURITIES ACT, OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. THE NEW NOTES (AS DEFINED HEREIN) WHICH ARE THE SUBJECT OF THIS EXCHANGE OFFER (AS DEFINED IN THE OFFER TO EXCHANGE STATEMENT) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION. THE NEW NOTES ARE ONLY OFFERED TO PERSONS (“ELIGIBLE OFFEREES”) WHO SATISFY ALL OF THE FOLLOWING CRITERIA: (A) NON-U.S. PERSONS LOCATED OUTSIDE THE UNITED STATES OR DEALERS OR OTHER PROFESSIONAL FIDUCIARIES IN THE UNITED STATES ACTING ONLY ON A DISCRETIONARY BASIS FOR THE BENEFIT OR ACCOUNT OF NON-U.S. PERSONS LOCATED OUTSIDE THE UNITED STATES, IN EACH CASE, IN OFFSHORE TRANSACTIONS CONDUCTED IN ACCORDANCE WITH REGULATION S (B) PERSONS OTHER THAN RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA, DEFINED AS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (AS AMENDED, THE “INSURANCE DISTRIBUTION DIRECTIVE”),

WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (AS AMENDED, THE “PROSPECTUS REGULATION”).

You are recommended to seek independent legal advice as to the contents of the Offer to Exchange Statement, the action you should take and independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.

Confirmation of your representation: In order to be eligible to view the Offer to Exchange Statement or make an investment decision with respect to the Exchange Offer (as defined herein), you must be able to participate lawfully in the invitation by the Offeror to Holders of the Existing Notes (as defined herein) to exchange your Existing Notes for New Notes (the “**Exchange Offer**”) on the terms and subject to the conditions set out in the Offer to Exchange Statement, including the offer and distribution restrictions set out therein (the “**Offer and Distribution Restrictions**”). The Offer to Exchange Statement was sent at your request and by accessing, reading or making any other use of the Offer to Exchange Statement you represent to the Offeror, the Dealer Managers and the Exchange Agent that:

- (a) you are a Holder or a beneficial owner of any of the Existing Notes (as defined in the Offer to Exchange Statement) issued by the Offeror;
- (b) you or any beneficial owner of the Notes or any person on whose behalf you are acting are not a U.S. person (as defined under the Securities Act) or a resident and/or located in the United States and will not be resident and/or located in the United States at the time of your receipt of the Offer to Exchange Statement or the submission of your Exchange Instruction(s) (as defined in the Offer to Exchange Statement) pursuant to the Exchange Offer, and the email address that you gave us is not located in the United States;
- (c) you have not received or sent the Offer to Exchange Statement or any other document or material relating to the Exchange Offer from or to a U.S. person (as defined under the Securities Act) or in, into or from the United States or any other jurisdiction where such actions may constitute (or result in the Offer constituting) a breach of any legal or regulatory requirements and you have not otherwise used and will not otherwise use, in connection with the Exchange Offer, directly or indirectly, the mails, or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email or other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States or such other jurisdiction;
- (d) you are (a) a non-U.S. person located outside the United States, or (b) a dealer or other professional fiduciary in the United States acting on a discretionary basis only for the benefit or account of non-U.S. persons located outside the United States;
- (e) you are not a retail investors in the European Economic Area, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation.
- (f) you are a person to whom it is lawful to send the Offer to Exchange Statement or to make an invitation pursuant to the Exchange Offer under all applicable laws, including the Exchange Offer and Distribution Restrictions;
- (g) you are not a subject of or targeted by, any trade, economic or military sanctions by the United Nations or any governmental or regulatory authority of the European Union, the United States, or the United Kingdom, or any orders or licenses publicly issued under the authority of any of the foregoing;
- (h) you consent to delivery of the Offer to Exchange Statement to you by electronic transmission; and
- (i) you have understood and agree to the terms set forth herein.

The Offer to Exchange Statement has been sent to you in an electronic form. You are reminded that documents transmitted *via* this medium may be altered or changed during the process of transmission and consequently

none of the Offeror, the Dealer Managers, the Exchange Agent or any person who controls, or any director, officer, employee, agent or Affiliate (as defined herein) of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offer to Exchange Statement distributed to you in electronic format and the hard copy version available to you on request from the Exchange Agent.

You are also reminded that the Offer to Exchange Statement has been sent to you on the basis that you are a person into whose possession the Offer to Exchange Statement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver the Offer to Exchange Statement to any other person. If you are not the named addressee to which the Offer to Exchange Statement has been delivered, please notify the sender immediately and destroy the Offer to Exchange Statement.

Any materials relating to the Exchange Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. In those jurisdictions where securities or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Managers or, where the context so requires, any of their respective Affiliates is such a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made on behalf of the Offeror by the Dealer Managers or their respective Affiliate (as the case may be) in such jurisdiction.

The communication of the Offer to Exchange Statement and any other documents or materials relating to the Offer have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials in the United Kingdom is exempt from the restriction on financial promotions under section 21(1) of the FSMA on the basis that it is only directed at and may only be communicated to (1) those persons who are existing members or creditors of the Offeror or other persons within Article 43(2) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”), and (2) any other persons to whom such documents and/or materials may lawfully be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Offeror.

Restrictions: Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful. The distribution of the Offer to Exchange Statement in certain jurisdictions (in particular, the United States and the United Kingdom) may be restricted by law. See “Offer and Distribution Restrictions.” Persons into whose possession the Offer to Exchange Statement comes are required by the Offeror, the Dealer Managers and the Exchange Agent to inform themselves about, and to observe, any such restrictions.

THE OFFER TO EXCHANGE STATEMENT HAS NOT BEEN FILED WITH, OR REVIEWED BY, ANY NATIONAL OR LOCAL SECURITIES COMMISSION OR REGULATORY AUTHORITY OF THE UNITED STATES, THE UNITED KINGDOM, LUXEMBOURG, FEDERAL REPUBLIC OF GERMANY, REPUBLIC OF ITALY, FRANCE OR ANY OTHER JURISDICTION, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THE OFFER TO EXCHANGE STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE UNLAWFUL AND MAY BE A CRIMINAL OFFENCE.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic communication is at your own risk. It is your responsibility to take precautions to ensure that this electronic communication is free from viruses and other items of a destructive nature.

NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES. THIS OFFER TO EXCHANGE IS ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION

Offer to Exchange Statement dated 22 October 2020.



Offer to Exchange

by

Aggregate Holdings S.A.

a *société anonyme* incorporated under the laws of the Grand Duchy of Luxembourg with its registered office at 10, rue Antoine Jans, L-1820 Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) under number B 194.538

(the “**Offeror**”)

to holders of its

EUR 350,000,000 5.00% Notes due 2021

(ISIN DE000A184P98) (the “**Existing Notes**”)

THE EXCHANGE OFFER (AS DEFINED HEREIN) WILL EXPIRE AT 5.00 P.M., FRANKFURT TIME, ON 29 OCTOBER 2020, UNLESS EXTENDED, WITHDRAWN, RE-OPENED OR EARLIER TERMINATED (SUCH TIME AND DATE, AS THE SAME MAY BE EXTENDED OR RE-OPENED, THE “EXPIRATION TIME”). TENDERS FOR EXCHANGE ARE IRREVOCABLE, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED UNDER “*PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER—WITHDRAWAL OF TENDERS FOR EXCHANGE.*” THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEMS MAY BE EARLIER THAN THIS DEADLINE.

Aggregate Holdings S.A. invites Holders (as defined herein) of its Notes to tender for exchange (each such tender for exchange, a “**Tender for Exchange**”) any and all of their Notes for senior notes due 2025 with a minimum yield of 5.50% per annum and a minimum issue size of EUR 250,000,000 (the “**New Notes**”) to be issued by Aggregate Holdings S.A. (ISIN DE000A28ZT71) as soon as practicable after the Expiration Date and as described in the preliminary offering memorandum attached as Appendix A to this Offer to Exchange Memorandum (the “**Preliminary Offering Memorandum**”) in accordance with the procedures and subject to the terms and conditions described herein (the “**Exchange Offer**”). The Offeror will accept for exchange any and all of the Existing Notes validly tendered for exchange pursuant to the Offer, subject to the conditions described herein, but reserves the right not to exchange any Existing Notes validly tendered for exchange pursuant to the Exchange Offer. Consummation of the Exchange Offer is conditional upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Conditions of the Exchange Offer.*” The Exchange Offer is subject to the offer restrictions set forth in “*Offer and Distribution Restrictions*” below and are made upon the terms and subject to the conditions set forth in this Offer to Exchange Statement.

The Offer is being made by the Offeror.

Description of the Existing Notes	ISIN	Principal Amount Outstanding	Exchange Ratio	Exchange Price	Cash Consideration (per principal amount of EUR 1,000)
EUR 350,000,000 5.00% due 10 August 2021	DE000A184P98	EUR 350,000,000	1:1	101.00%	EUR 1,000 x (Exchange Price – New Notes issue price)

The New Notes will be issued with a minimum issue size of EUR 250,000,000 and with a specified denomination of EUR 1,000 each. The New Notes will be sold with a minimum subscription size of EUR 100,000 and thus Existing Notes tendered for exchange will only be accepted in respect of a principal amount of Existing Notes of no less than EUR 100,000 (the “**Minimum Exchange Amount**”). The New Notes will have a maturity of five years, a minimum yield of 5.50 per cent. and a minimum issue size of EUR 250,000,000.

The New Notes will be placed with investors based on the Preliminary Offering Memorandum attached hereto as Appendix A. The use of proceeds from the issue of the New Notes will be applied by the Offeror for

- (a) the refinancing of existing indebtedness, in particular payment of Accrued Interest and the Cash Consideration on the Existing Notes tendered for exchange,
- (b) general corporate purposes, and
- (c) potential future acquisitions.

The exchange ratio for each of the Notes exchanged by the Offeror pursuant to the Exchange Offer (the “**Exchange Ratio**”) will be 1 (one). Holders will receive one New Note (in a denomination of EUR 1,000) for each Note (in a denomination of EUR 1,000) tendered for exchange, subject to the Minimum Exchange Amount being submitted for exchange. Accrued and unpaid interest on the Existing Notes accepted for exchange will also be paid for the period from, and including, the interest payment date immediately preceding the Settlement Date (as defined herein), to but excluding the Settlement Date. In addition, the Offeror will pay a cash consideration for each Existing Note tendered for exchange as set out in the table above (the “**Cash Consideration**”). The Exchange Offer is conditional upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Conditions of the Exchange Offer.*” The Settlement Date is expected to be on or about 10 November 2020. For further details in relation to the expected Settlement Date, see “*Settlement and Payment.*”

Subject to applicable law, the Offeror may, in its sole discretion, extend, amend, or terminate the Exchange Offer as provided in this Offer to Exchange Statement. Details of any such extension, amendment or termination will be announced as provided in this Offer to Exchange Statement as soon as reasonably practicable after the relevant decision is made. Additionally, the Offeror reserves the right, in its sole and absolute discretion not to accept any Existing Notes tendered for exchange.

Each Tender for Exchange submitted by a Holder pursuant to the Exchange Offer is irrevocable, except in the limited circumstances in which revocation is permitted as described under the heading “*Procedures for Participating in the Exchange Offer—Withdrawal of Tenders for Exchange.*” Upon completion of the Exchange Offer, Existing Notes validly tendered for exchange, and exchanged, will be cancelled. Existing Notes which have not been validly submitted and exchanged pursuant to the Offer will remain outstanding after the Settlement Date and will remain subject to the terms and conditions of the Existing Notes.

The Offeror has expressed no opinion with respect to the Exchange Offer. None of the Offeror, the Dealer Managers, the Exchange Agent (as defined herein) or any of their respective directors, officers, employees, agents or Affiliates, makes any recommendation as to whether or not any Holder should exchange its Existing Notes pursuant to the Exchange Offer. Each Holder must make its own decision as to whether or not to exchange its Existing Notes in connection with the Exchange Offer.

This Offer to Exchange Statement and the Preliminary Offering Memorandum contain important information that should be read before any decision is made with respect to the Exchange Offer and the New Notes. In particular, see “*Risk Factors and Other Considerations*” beginning on page 11 of this Offer to Exchange Statement and “Risk Factors” beginning on page 1 of the Preliminary Offering Memorandum for a discussion of certain factors you should consider in connection with the Offer.

THE OFFEROR INTENDS TO ISSUE THE NEW NOTES (THE “NEW NOTES OFFERING”). THIS OFFER TO EXCHANGE IS NOT AN OFFER OF NEW NOTES FOR SALE AND ANY OFFERING OF NEW NOTES WILL BE MADE BY MEANS OF AN PRELIMINARY OFFERING MEMORANDUM (THE “PRELIMINARY OFFERING MEMORANDUM”) ATTACHED HERETO AS APPENDIX A IN CONNECTION WITH THE NEW NOTES OFFERING. THE PRELIMINARY OFFERING MEMORANDUM WILL CONTAIN DETAILED INFORMATION ABOUT AGGREGATE HOLDINGS S.A. AND THEIR MANAGEMENT, AS WELL AS FINANCIAL STATEMENTS. ANY INVESTMENT DECISION WITH REGARD TO ANY NEW NOTES SHOULD BE MADE SOLELY ON THE BASIS OF THE INFORMATION CONTAINED IN THE PRELIMINARY OFFERING MEMORANDUM, AND NO RELIANCE WITH RESPECT TO ANY INVESTMENT DECISION WITH RESPECT TO THE NEW NOTES SHOULD BE PLACED ON ANY INFORMATION OTHER THAN THAT CONTAINED IN THE PRELIMINARY OFFERING MEMORANDUM.

Custodians, Direct Participants and Clearing Systems may have deadlines for receiving instructions prior to the Expiration Time and you should contact the Intermediary through which you hold your Existing Notes as soon as possible to ensure proper and timely delivery of instructions.

Any questions or requests for assistance in connection with the Exchange Offer may be directed to the Dealer Managers, the contact details for whom are on the back cover of this Offer to Exchange Statement. Any questions or requests for assistance in connection with the delivery of Exchange Instructions or requests for additional copies of this Offer to Exchange Statement or related documents, which may be obtained free of charge, may be directed to Lucid Issuer Services Limited (the “**Exchange Agent**”) at the telephone number or e-mail address provided on the back cover of this Offer to Exchange Statement.

Dealer Managers

DEUTSCHE BANK

**SANTANDER CORPORATE & INVESTMENT
BANKING**

The Offeror reserves the right to not accept any Existing Notes tendered for exchange pursuant to the Exchange Offer. With respect to any Existing Notes accepted for exchange, the Holders will, subject to (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions, receive New Notes calculated pursuant to the Exchange Ratio (subject to the Minimum Exchange Amount being submitted for exchange), together with any Accrued Interest and a Cash Consideration on the settlement date (the “**Settlement Date**”). The Settlement Date is expected to be on or about 10 November 2020. For further details in relation to the expected Settlement Date, see “*Settlement and Payment*.”

Subject to applicable laws, the Offeror expressly reserves the right, in its sole and absolute discretion, to extend, withdraw, terminate or amend the terms and conditions of the Exchange Offer at any time following the announcement of the Exchange Offer, but prior to any acceptance and exchange by the Offeror of Existing Notes tendered for exchange pursuant to the Exchange Offer, without giving Holders withdrawal rights, as described herein under the heading “*Extension, Amendment and Termination*.” Details of any such extension, amendment, withdrawal or termination will be notified to the Holders as soon as possible after such decision. An offer to exchange Existing Notes may only be made by the submission of a valid Exchange Instruction (as defined herein). The Offeror’s obligation to exchange any Existing Notes validly tendered for exchange and accepted for exchange pursuant to the Exchange Offer is subject to and conditioned upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions.

The General Conditions are for the sole benefit of the Offeror and may be asserted by the Offeror regardless of the circumstances giving rise to any such General Condition (including any action or inaction by the Offeror). The Offeror reserves the right, in its sole discretion, to waive or modify any one or more of the General Conditions, in whole or in part, at any time, with respect to the Offer, in accordance with the disclosures in the section entitled “*Conditions of the Exchange Offer*.”

THE EXCHANGE OFFER WILL EXPIRE AT 5.00 P.M., FRANKFURT TIME, ON 29 OCTOBER 2020 UNLESS EXTENDED, WITHDRAWN, RE-OPENED OR TERMINATED AS PROVIDED IN THIS OFFER TO EXCHANGE STATEMENT.

The Offeror and its Affiliates also expressly reserve the right at any time during or from time to time following completion or cancellation of the Exchange Offer to purchase or exchange or offer to purchase or exchange Notes or to issue an invitation to submit offers to sell or exchange Existing Notes (including, without limitation, those tendered for exchange pursuant to the Exchange Offer but not accepted for exchange) through open market purchases, privately negotiated transactions, tender offers, exchange offers or otherwise, in each case on terms that may be more or less favourable than those contemplated by the Exchange Offer.

Before making a decision with respect to the Exchange Offer, Holders should carefully consider all of the information in this Offer to Exchange Statement (including the Preliminary Offering Memorandum attached hereto) and, in particular, the risk factors described in the section entitled “*Risk Factors and Other Considerations*.”

Existing Notes can only be tendered for exchange in the Exchange Offer in accordance with the procedures described in “*Procedures for Participating in the Exchange Offer*.”

For the avoidance of doubt, the Exchange Offer is an invitation to treat (*invitation ad offerendum*) by the Offeror, and any references to any offer or Exchange Offer being made by the Offeror shall be construed accordingly.

By submitting one or more Tenders for Exchange, Holders will be deemed to have acknowledged, among other things, that:

- they have reviewed this Offer to Exchange Statement (including the Preliminary Offering Memorandum attached hereto); and
- neither the Dealer Managers nor the Exchange Agent are responsible for, and neither the Dealer Managers nor the Exchange Agent are making any representation to them concerning the accuracy or completeness of this Offer to Exchange Statement.

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EXCHANGE OFFER AND DISTRIBUTION RESTRICTIONS

This Offer to Exchange Statement does not constitute an offer or an invitation to participate in the Exchange Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such offer or invitation or for there to be such participation under applicable laws. The distribution of this Offer to Exchange Statement in certain jurisdictions may be restricted by law. Persons into whose possession this Offer to Exchange Statement comes are required by each of the Offeror, the Dealer Managers and the Exchange Agent to inform themselves about and to observe any such restrictions.

United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. The Existing Notes may not be tendered for exchange in the Exchange Offer by any such use, means, instrumentality or facility from or within the United States or by a U.S. person as defined in the Regulation S of the Securities Act. Accordingly, copies of this Offer to Exchange Statement and any other documents or materials relating to the Exchange Offer and the New Notes are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States. Any purported tender for exchange of Existing Notes in the Exchange Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender for exchange of Existing Notes made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each Holder participating in the Exchange Offer will represent that it is a non-U.S. person (as such term is defined in Regulation S) located outside the United States or a dealer or other professional fiduciary in the United States acting on a discretionary basis only for the benefit or account of non-U.S. persons located outside the United States. For the purposes of this and the above paragraph, “**United States**” means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this Offer to Exchange Statement and any other documents or materials relating to the Exchange Offer have not been approved by an authorised person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials in the United Kingdom is exempt from the restriction on financial promotions under section 21(1) of the FSMA on the basis that it is only directed at and may only be communicated to (1) those persons who are existing members or creditors of the Offeror or other persons within Article 43(2) of the Financial Promotion Order, and (2) any other persons to whom such documents and/or materials may lawfully be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Offeror.

Republic of Italy

Neither this Exchange Offer, nor this Offer to Exchange Statement or any other documents or materials relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (the “**CONSOB**”), pursuant to applicable Italian laws and regulations.

The Exchange Offer is being carried out in the Republic of Italy as an exempted offer pursuant to Article 101-bis, paragraph 3-bis, of the Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and Article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Regulation No. 11971**”). Accordingly, this Offer to Exchange Statement and any other offering material relating to the Exchange Offer may not be distributed to the public in the Republic of Italy and only qualified investors (*investitori qualificati*), as defined under Article 35, paragraph 1, letter d) of Regulation No. 20307 pursuant to Article 100 of the Financial Service Act and Article 34-ter, first paragraph, letter b) of Regulation No. 11971 are eligible to participate in the Offer.

Holders who are located in the Republic of Italy can tender for exchange the Existing Notes in the Exchange Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, the Bank of Italy or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or the Exchange Offer or this Offer to Exchange Statement or any other documents or materials relating to the Exchange Offer.

France

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France. This Exchange Offer to Exchange Statement and any other offering material relating to the Exchange Offer may not be distributed to the public in the Republic of France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/ or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the *French Code monétaire et financier*, are eligible to participate in the Exchange Offer. Neither this Offer to Exchange Statement, nor any other such offering material has been submitted for clearance to the *Autorité des marchés financiers*.

General

The Exchange Offer does not constitute an offer to buy or the solicitation of an offer to sell the Existing Notes or the New Notes in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities or other laws require the Exchange Offer to be made by a licensed broker or dealer and the Dealer Managers or, where the context so requires, any of their respective Affiliates is such a licensed broker or dealer in that jurisdiction, the Exchange Offer shall be deemed to be made on behalf of the Offeror by the Dealer Managers or their respective Affiliate (as the case may be) in such jurisdiction.

Each Holder participating in the Exchange Offer will be deemed to give certain representations in respect of the jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Exchange Offer*." Any tender for exchange of Existing Notes pursuant to the Exchange Offer from a Holder that is unable to make these representations may be rejected. Each of the Offeror, the Dealer Managers and the Exchange Agent reserves the right, in their absolute discretion, to investigate, in relation to any tender for exchange of Existing Notes pursuant to the Exchange Offer, whether any such representation given by a Holder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender for exchange may be rejected.

IMPORTANT INFORMATION

This Offer to Exchange Statement contains important information which should be read carefully before any decision is made with respect to an exchange of Notes pursuant to the Exchange Offer. If any Holder is in any doubt as to the action it should take or is unsure of the impact of the Exchange Offer, it is recommended to seek its own financial and legal advice, including as to any tax consequences, from its stockbroker, bank manager, attorney, accountant or other independent financial or legal adviser. Any individual or company whose Existing Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity directly if it wishes to exchange Existing Notes in the Exchange Offer. None of the Offeror, the Dealer Managers or the Exchange Agent (or any of their respective directors, employees or Affiliates) is providing Holders with any legal, business, tax or other advice in this Offer to Exchange Statement or makes any representation or recommendation whatsoever regarding this Offer to Exchange Statement, the Exchange Offer or whether Holders of Existing Notes should tender for exchange Existing Notes pursuant to the Exchange Offer or refrain from tender for exchange any Existing Notes, and none of them has authorised any person to make any such recommendation. The Exchange Agent is the agent of the Offeror and owes no duty to any Holder.

Each Holder is solely responsible for making its own independent appraisal of all matters as such Holder deems appropriate (including those relating to the Exchange Offer and this Offer to Exchange Statement) and each Holder must make its own decision as to whether to tender for exchange any or all of its Existing Notes pursuant to the Offer. Accordingly, each person receiving this Offer to Exchange Statement acknowledges that such person has not relied upon the Offeror, the Dealer Managers or the Exchange Agent (or any of their respective directors, officers, employees, agents or Affiliates) in connection with its decision as to whether to participate in the Exchange Offer. Each such person must make its own analysis and investigations regarding the Exchange Offer, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it. If such person is in any doubt about any aspect of the Exchange Offer and/or the action it should take, including in respect of any tax consequences, it should consult its professional advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender for exchange Existing Notes for New Notes.

Neither the Dealer Managers nor the Exchange Agent (nor any of their respective directors, officers, employees, agents or Affiliates) assume any responsibility for the accuracy or completeness of the information concerning the Exchange Offer, the Offeror or contained in this Offer to Exchange Statement (including the Preliminary Offering Memorandum attached hereto) or for any failure by the Offeror to disclose events that may have occurred and may affect the significance or accuracy of the information in this Offer to Exchange Statement.

No person has been authorised to give any information or to make any representation other than those contained in this Offer to Exchange Statement in connection with the Exchange Offer and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Offeror or the Dealer Managers (or any of their respective directors, officers, employees, agents or Affiliates).

This Offer to Exchange Statement includes forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Offer to Exchange Statement, including, without limitation, those regarding the intentions, beliefs or current expectations of the Offeror. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Offeror cautions you that forward-looking statements are not guarantees of future performance, actions or events and that the actual conditions, actions or events may differ materially from (and may be more negative than) those made in, or suggested by, the forward-looking statements contained in this Offer to Exchange Statement.

The Offeror is making the Exchange Offer only in those jurisdictions where it is legal to do so. See “*Exchange Offer and Distribution Restrictions*.” This document does not constitute a “prospectus” for the purposes of Regulation (EU) 2017/1129 (as amended).

Notes can be tendered for exchange in the Exchange Offer only in accordance with the procedures described in “*Procedures for Participating in the Exchange Offer*.” Holders who do not participate in the Exchange Offer, or whose Existing Notes are not accepted for exchange, will continue to hold their Existing Notes subject to the terms and conditions of such Existing Notes.

Holders must comply with all laws that apply to them in any place in which they possess this Offer to Exchange Statement. Holders must also obtain any consents or approvals that they need in order to tender for exchange their Existing Notes. None of the Offeror, the Dealer Managers, the Exchange Agent or any of their respective directors, officers, employees, agents or Affiliates is responsible for Holders' compliance with these legal requirements. See "*Offer and Distribution Restrictions.*" The applicable provisions of the FSMA must be complied with in respect of anything done in relation to the Exchange Offer in, from or otherwise involving the United Kingdom.

THIS OFFER TO EXCHANGE STATEMENT DOES NOT CONSTITUTE AN OFFER TO PURCHASE OR EXCHANGE SECURITIES IN THE UNITED STATES OR ANY OTHER JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER UNDER APPLICABLE SECURITIES OR BLUE SKY LAWS. NEITHER THE DELIVERY OF THIS OFFER TO EXCHANGE STATEMENT NOR ANY EXCHANGE OF EXISTING NOTES PURSUANT TO THE EXCHANGE OFFER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE OR THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR RELATED DOCUMENTS OR EACH OF THE OFFEROR'S AFFAIRS SINCE THE DATE HEREOF.

NEITHER THIS OFFER TO EXCHANGE STATEMENT NOR ANY RELATED DOCUMENT HAS BEEN OR WILL BE FILED WITH, OR REVIEWED BY, ANY NATIONAL OR LOCAL SECURITIES COMMISSION OR REGULATORY AUTHORITY OF THE UNITED STATES, THE UNITED KINGDOM, LUXEMBOURG, FEDERAL REPUBLIC OF GERMANY, REPUBLIC OF ITALY, FRANCE OR ANY OTHER JURISDICTION, NOR HAS ANY SUCH COMMISSION OR AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO EXCHANGE STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE UNLAWFUL AND MAY BE A CRIMINAL OFFENSE.

For the avoidance of doubt, each invitation by the Offeror to Holders contained in this Offer to Exchange Statement is an invitation to treat (*invitation ad offerendum*) by the Offeror and any reference to the Exchange Offer or invitations being made by the Offeror under or in respect of the Offer shall be construed accordingly.

Unless the context otherwise requires, all references in this Offer to Exchange Statement to a "Holder" or "Holder of the Notes" include:

- (a) each person who is shown in the records of Clearstream Banking AG, Frankfurt am Main ("**Clearstream**") as a Holder of the Existing Notes, (the "**Direct Participants**"); and
- (b) each beneficial owner of Existing Notes holding such Existing Notes, directly or indirectly, in accounts in the name of a Direct Participant acting on the beneficial owner's behalf.

If a Holder holds Existing Notes through Clearstream and decides to exchange Notes pursuant to the Exchange Offer, the Holder must arrange for the relevant Direct Participant to submit an electronic exchange instruction in the form specified in the Clearing System Notice to be sent to Direct Participants by Clearstream on or about the date of this Offer to Exchange Statement informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer (each a "**Exchange Instruction**").

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer before the deadlines specified in this Offer to Exchange Statement. **The deadlines set by any such intermediary and the relevant Clearing System for the submission of Exchange Instructions will be earlier than the relevant deadlines specified in this Offer to Exchange Statement.**

The Offeror has not provided guaranteed delivery procedures in conjunction with the Offer or under this Offer to Exchange Statement or other offer materials provided therewith.

All references in this Offer to Exchange Statement to "**euro**" and "**EUR**" refer to the lawful currency of the European Economic and Monetary Union.

Capitalised terms used in this Offer to Exchange Statement have the meaning given in “*Definitions*” and any other definitions of such terms are for ease of reference only and shall not affect their interpretation.

INDICATIVE TIMETABLE

Please note the following important dates and times related to the Exchange Offer. This is an indicative timetable showing one possible outcome for the timing of the Exchange Offer based on the dates in this Offer to Exchange Statement. This timetable is subject to change and dates and times may be extended, re-opened or amended by the Offeror in accordance with the terms of the Exchange Offer as described in this Offer to Exchange Statement. Accordingly, the actual timetable may differ from the timetable below.

None of the Offeror, the Dealer Managers or the Exchange Agent warrants that any or all of the events referred to below will take place as and/or when described including, in particular in the case of any publications or announcements made through or via any Clearing System nor shall they be liable for any failure of any Clearing System to deliver any notices to Direct Participants or Holders.

Date and Time	Action
22 October 2020	Launch Date Exchange Offer announced and Offer to Exchange Statement available from the Exchange Agent.
29 October 2020, 5.00 p.m., Frankfurt time	Expiration Time Deadline for receipt of Exchange Instructions by the Exchange Agent in order for Holders to be able to participate in the Exchange Offer.
As soon as practicable after Expiration Time	Pricing of New Notes Pricing and determination of the aggregate amount of New Notes to be issued, the New Notes issue yield, the New Notes issue price and the New Notes coupon.
As soon as reasonably practicable after the Pricing of the New Notes	Results Announcement Date Announcement whether the Offeror will accept valid tenders for exchange of Existing Notes pursuant to the Exchange Offer, subject to the conditions described herein, and, if so accepted the amount of Existing Notes validly tendered for exchange and accepted.
On or about 10 November 2020	Settlement Date Subject to (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions.

Announcements in connection with the Exchange Offer will be made by delivery of notices to the relevant Clearing System for communication to Direct Participants, and may also be made through a Notifying News Service. Copies of all such announcements and notices will also be available from the Exchange Agent, whose contact details can be found on the last page of this Offer to Exchange Statement. Delays may be experienced where notices are delivered to the relevant Clearing System and Holders are urged to contact the Exchange Agent for the relevant announcements relating to the Exchange Offer. In addition, Holders may contact the Dealer Managers for information using the contact details on the last page of this Offer to Exchange Statement.

Holders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer before the deadlines specified above. The deadlines set by any such intermediary and each Clearing System for the submission of Exchange Instructions will be earlier than the relevant deadlines specified above. See “Procedures for Participating in the Exchange Offer.”

DEFINITIONS

Accrued Interest	Interest accrued on the Existing Notes from and including the interest payment date of the Existing Notes immediately preceding the Settlement Date, to but excluding the Settlement Date, in accordance with the terms and conditions of the Existing Notes.
Affiliates.....	In respect of a specified person at any particular time, any other person who directly or indirectly (through one or more subsidiaries) controls, is controlled by or is under common control with such specified person.
Business Day	Any day (other than a Saturday, Sunday or a public holiday) on which commercial banks and foreign exchange markets are open for business in Luxembourg and Frankfurt am Main and on which the Clearing Systems, as well as all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 (TARGET2), are operational to effect payments.
Cash Consideration	The amount in Euro paid to the respective Holder in cash per EUR 1,000 in principal amount of the Existing Notes accepted for exchange by the Issuer as the amount calculated as (a) the Exchange Price multiplied by EUR 1,000 less (b) the issue price of the New Notes to be exchanged for the Existing Notes multiplied by EUR 1,000. The Cash Consideration will be rounded to the nearest EUR 0.01, with half a cent being rounded upwards.
Clearing System Notice.....	The form of notice to be sent to Direct Participants by Clearstream on or about the date of this Offer to Exchange Statement informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer.
Clearing System	Clearstream
Clearstream	Clearstream Banking AG, Frankfurt am Main
Dealer Managers	Deutsche Bank Aktiengesellschaft and Banco Santander, S.A.
Direct Participant.....	Each person shown in the records of the Clearing System as a holder of the Existing Notes.
Exchange Agent	Lucid Issuer Services Limited
Exchange Price.....	In relation to the Existing Notes, the price (expressed as a percentage) at which Existing Notes will be accepted for exchange by the Issuer.
Exchange Ratio	1:1 (one New Note for one Existing Note subject to the Minimum Exchange Amount being submitted for exchange)
Existing Notes.....	EUR 350,000,000 5.00% Notes due 2021 (ISIN DE000A184P98)
Expiration Time.....	5.00 p.m., Frankfurt time, on 29 October 2020 (unless extended, re-opened or earlier terminated).
Holder.....	A holder of the Existing Notes (including as further defined in “ <i>Important Information</i> ”).
Intermediary	Any broker, dealer, bank, custodian, trust company, nominee or other Direct Participant in the Clearing System who holds Existing Notes or an interest in Existing Notes on behalf of another person.

Minimum Exchange Amount	EUR 100,000
New Notes	Notes due 2025 (ISIN DE000A28ZT71) with a minimum issue size of EUR 250,000,000. The New Notes will be issued in an aggregate principal amount of up to EUR 500,000,000 with a specified denomination of EUR 1,000 each. The New Notes will be sold with a minimum subscription size of EUR 100,000 and thus Existing Notes tendered for exchange will only be accepted in respect of a principal amount of Existing Notes of no less than EUR 100,000. The New Notes will have a maturity of five years, a minimum yield of 5.50 per cent. <i>per annum</i> and a minimum issue size of EUR 250,000,000 to be determined as soon as practicable after the Expiration Time.
Notifying News Service	A recognised financial news service or services (<i>e.g.</i> , Reuters/Bloomberg) as selected by the Offeror and the Dealer Managers.
Offer and Distribution Restrictions	The offer and distribution restrictions referred to in “ <i>Offer and Distribution Restrictions.</i> ”
Offeror.....	Aggregate Holdings S.A.
Offer	The invitations by the Offeror to the Holders (subject to the Offer and Distribution Restrictions) to tender for exchange their Existing Notes for exchange by the Offeror against New Notes on the terms and subject to the conditions set out in this Offer to Exchange Statement, all as more fully described under “ <i>Terms and Conditions of the Exchange Offer.</i> ”
Results Announcement Date ..	As soon as reasonably practicable after the Expiration Time (subject to the right of the Offeror to extend, re-open, amend and/or terminate the Offer).
Settlement Date	On or about 10 November 2020. For further details in relation to the expected Settlement Date, see “ <i>Terms and Conditions of the Exchange Offer—Settlement and Payment.</i> ”
Exchange Instruction.....	An electronic exchange instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Exchange Agent <i>via</i> the Clearing System and in accordance with the requirements of the Clearing System by the relevant deadline in order for Holders to be able to participate in the Exchange Offer.

RISK FACTORS AND OTHER CONSIDERATIONS

Before making a decision with respect to the Exchange Offer, Holders should carefully consider, in addition to the other information contained in this Offer to Exchange Statement, the following:

Tenders for exchange of Existing Notes pursuant to the Exchange Offer may be rejected at the sole discretion of the Offeror.

Subject to applicable laws, tenders for exchange of Existing Notes submitted by the Holders for exchange pursuant to the Exchange Offer may be rejected at the sole discretion of the Offeror for any reason and the Offeror is not under any obligation to Holders to furnish any reason or justification for refusing to accept a tender for exchange of Existing Notes. For example, tenders for exchange of Existing Notes may be rejected if the Exchange Offer is terminated, if the Exchange Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

The trading market for the Existing Notes not exchanged in the Exchange Offer may be limited.

Although the Existing Notes that are not validly tendered for exchange by Holders or accepted for exchange by the Offeror will continue to be admitted to the open market (*Freiverkehr*) of the Frankfurt Stock Exchange, to the extent tenders for exchange of Existing Notes in the Exchange Offer are accepted by the Offeror and such Exchange Offer is completed, the trading market for the Existing Notes that remain outstanding following the completion of the Exchange Offer may be significantly more limited. If a significant portion of the outstanding Existing Notes are exchanged pursuant to the Exchange Offer, the liquidity of the Existing Notes that remain outstanding will be adversely affected. Any such remaining Existing Notes may command a lower price than a comparable issue of securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Existing Notes more volatile. Accordingly, the market price for such Existing Notes that remain outstanding after the completion of the Exchange Offer may be adversely affected. None of the Offeror, the Dealer Managers or the Exchange Agent has any duty to make a market in any such remaining Notes. It will not be possible to ascertain the aggregate nominal amount of the Notes to be accepted for exchange prior to the Expiration Time.

In addition, the price at which the Existing Notes that remain outstanding following the Exchange Offer trade may be influenced by future developments and/or announcements, both positive and negative, regarding the Offeror's group. If there are positive or negative developments and/or announcements regarding the Offeror's group and the price at which the Existing Notes trade is affected in a positive or negative way, a decision to exchange or not to exchange the Existing Notes as part of the Exchange Offer may be detrimental to Holders.

No assurance can be given that the Exchange Offer will be completed and the Offeror has discretion to amend, delay or terminate the Offer.

Until the Offeror announces whether it has decided to accept valid tenders for exchanges of Existing Notes pursuant to the Exchange Offer, no assurance can be given that the Exchange Offer will be completed. In addition, subject to applicable law and as provided in this Exchange Offer to Exchange Statement, the Offeror may in its sole and absolute discretion, extend, re-open, amend, delay or terminate the Exchange Offer and may, in its sole discretion, waive the conditions to the Exchange Offer.

There can be no assurance that such conditions will be met, that the Offeror will not re-open, amend, delay or terminate the Exchange Offer, or that, in the event that the Exchange Offer is not consummated, the market value and liquidity of the Existing Notes will not be materially adversely affected. Prior to acceptance for exchange of Existing Notes in the Exchange Offer and subject to applicable laws, tenders for exchange of Existing Notes may be rejected in the sole discretion of the Offeror for any reason, and the Offeror is not under any obligation to Holders to furnish any reason or justification for refusing to accept any tender for exchange of Existing Notes. Even if tender for exchange of Existing Notes is accepted, such acceptance, the exchange or the payment of the relevant consideration may be delayed.

The Existing Notes may be acquired by the Offeror or its Affiliates other than through the Exchange Offer.

Whether or not the exchange of any Existing Notes pursuant to the Exchange Offer is completed, the Offeror or its Affiliates, may, to the extent permitted by applicable law, acquire Existing Notes, from time to time after the Exchange Offer, other than pursuant to the Exchange Offer, including through open market purchases, privately

negotiated transactions, tender offers, exchange offers or otherwise. Such purchases may be on such terms and at such prices as the Offeror or its Affiliates, as applicable, may determine, which may be more or less than the prices to be paid pursuant to the Exchange Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated by the Exchange Offer.

Holders are responsible for complying with the procedures for participating in the Exchange Offer.

Holders are responsible for complying with all of the procedures for submitting an Exchange Instruction. Holders who wish to exchange their Existing Notes should allow sufficient time for timely completion of the relevant submission procedures. None of the Offeror, the Dealer Managers, the Exchange Agent or any of their respective directors, officers, employees, agents or Affiliates assumes any responsibility for informing Holders of irregularities with respect to any such Holder's Exchange Instruction, or for notifying the Holder of any failure to follow the proper procedure.

If Existing Notes are held through a broker, dealer, commercial bank, trust company or other nominee, such entity is likely to require the relevant Holder to take action with respect to the Exchange Offer a number of days before the Expiration Time in order for such entity to exchange the Notes on the relevant Holder's behalf on or prior to the Expiration Time.

Holders have the responsibility to consult their own tax, accounting, financial, legal and professional advisers before participating in the Exchange Offer or making an investment decision with respect to the New Notes and are responsible for their own taxes arising in connection with the Exchange Offer and an investment in the New Notes.

Holders should consult their own tax, accounting, financial, legal and professional advisers as they may deem appropriate regarding the tax, accounting, financial and legal consequences of participating or declining to participate in the Exchange Offer or an investment in the New Notes. This Offer to Exchange Statement does not discuss any tax consequences for Holders arising from the exchange of the Existing Notes and the receipt of any Accrued Interest or the Cash Consideration. Holders are urged to consult their own professional advisers regarding any tax consequences under the laws of any relevant jurisdictions. Holders are liable for their own taxes and have no recourse to the Offeror, the Dealer Managers or the Exchange Agent with respect to taxes arising in connection with the Exchange Offer.

None of the Offeror, the Dealer Managers or the Exchange Agent (nor any director, officer, employee, agent or Affiliate of any such person) is acting for any Holder or will be responsible to any Holder for providing any protections which might be afforded to its clients or for providing advice in relation to the Exchange Offer (including, but not limited to, legal, tax, accounting or financial advice), and accordingly none of the Offeror, the Dealer Managers or the Exchange Agent (nor any director, officer, employee, agent or Affiliate of any such person) makes any recommendation whether Holders should exchange Existing Notes in the Offer and make an investment in the New Notes or refrain from doing so pursuant to the Exchange Offer, and none of them has authorised anyone to make any such recommendation.

The Cash Consideration to be received in the Exchange Offer and the Exchange Ratio do not reflect any market valuation of the Existing Notes or the New Notes.

The Offeror has made no determination that the consideration to be received in the Exchange Offer represents a fair valuation of either the Existing Notes or the New Notes. The Exchange Ratio should not be construed as assurance or an indication of, and may not accurately reflect, the current or future market value of the Existing Notes or the New Notes. The Offeror has not obtained a fairness opinion from any financial advisor about the fairness to the Offeror or to the Holders of the Existing Notes of the consideration to be received by Holders. Accordingly, none of the Offeror, the Dealer Managers and the Exchange Agent or any other person is making any recommendation as to whether any Holder should exchange Existing Notes in the Exchange Offer or deliver an Exchange Instruction.

A Holder's decision to exchange Existing Notes for New Notes exposes such Holder to the risk of non-payment for a longer period of time.

The Existing Notes will mature on 10 August 2021. The New Notes will mature in 2025. If, following the maturity date of the Existing Notes but prior to the maturity date of the New Notes, the Offeror were to become subject to a bankruptcy or similar proceeding, the Holders who did not exchange such Existing Notes for New

Notes could have been paid in full and there would exist a risk that Holders of such Existing Notes who exchanged their Existing Notes for New Notes would not be paid in full, if at all. Each Holder's decision to exchange its Existing Notes should be made with the understanding that the lengthened maturity of the New Notes exposes the exchanging Holder to the risk of non-payment for a longer period of time.

Rebooking of Existing Notes.

When considering whether to exchange its Existing Notes in the Exchange Offer, Holders should take into account that restrictions on the transfer of the Existing Notes by Holders will apply from the time of such tender for exchange. A Holder will, on exchanging Notes in the Exchange Offer, agree that such Existing Notes will be rebooked to ISIN DE000A28ZT89 and blocked in the relevant account in the Clearing System from the date the relevant tender for exchange of Existing Notes is made until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Exchange Offer (including where such Notes are not accepted by the Issuer for purchase) or on which the tender for exchange of such Existing Notes is revoked, in the limited circumstances in which such revocation is permitted. Therefore, Holders that tender for exchange Existing Notes may be required to wait for an extended period of time before receiving the New Notes and payment of Accrued Interest and the Cash Consideration and may not have the ability to withdraw or trade such tender for exchange Existing Notes during that time.

Fees, if any, which may be charged by any Clearing System to the Direct Participant in connection with the rebooking and blocking of the relevant account or otherwise must be borne by the Direct Participant or as otherwise agreed between the Direct Participant and the Holder. For the avoidance of doubt, Holders shall have no recourse to the Offeror, the Dealer Managers or the Exchange Agent with respect to such costs. The Exchange Offer is conditional upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Terms and Conditions of the Exchange Offer—Conditions of the Exchange Offer.*” The Settlement Date is expected to be on or about 10 November 2020. For further details in relation to the expected Settlement Date, see “*Terms and Conditions of the Exchange Offer—Settlement and Payment.*”

Exchange Instructions will be irrevocable.

Exchange Instructions will be irrevocable except in the limited circumstances described in “*Procedures in Participating in the Exchange Offer—Withdrawal of Tenders for Exchange.*”

Separate Tenders for Exchange

A separate exchange instruction must be submitted on behalf of each Beneficial Owner of the Notes.

To participate in the Exchange Offer, Holders must tender for exchange Existing Notes in an aggregate principal amount of at least EUR 100,000.

The New Notes will be issued with a denomination of EUR 1,000 and subject to a minimum subscription size per investor of EUR 100,000. Accordingly, to participate in the Exchange Offer, Holders must validly offer for exchange Existing Notes with an aggregate principal amount of at least EUR 100,000. In order to be able to participate in the Exchange Offer, a Holder that holds fewer Existing Notes than EUR 100,000 must first acquire such further number of Existing Notes as is necessary for that Holder to be able to offer for exchange its Existing Notes.

Holders must comply with the Offer and Distribution Restrictions.

Holders are referred to the offer and distribution restrictions in “*Offer and Distribution Restrictions*” and the acknowledgements, representations, warranties and undertakings in “*Procedures for Participating in the Exchange Offer*”, which Holders will be deemed to make on tendering for exchange Existing Notes in the Exchange Offer. Non-compliance with these could result in, among other things, the cancellation of the Exchange Offer, non-acceptance of Exchange Instructions, unwinding of trades and/or other penalties.

Holders subject to sanctions may not participate in the Exchange Offer.

Holders who (i) are owned or controlled by an individual or entity that is the subject of or targeted by, any trade, economic or military sanctions enforced by the United Nations or any governmental or regulatory authority of the European Union, the United States and the United Kingdom or any orders or licenses publicly issued under the authority of any of the foregoing, subject to the applicability of EU Blocking Regulation (as defined herein)

or (ii) have been engaged in any transaction, activity or conduct that is in violation of such sanctions may not participate in the Exchange Offer. See “*Procedures for Participating in the Exchange Offer—Holder Representations, Warranties and Undertakings.*”

Further Risks

For risks relating to the Group's business and the New Notes, see "*Appendix A - Preliminary Offering Memorandum - Risk Factors*".

TERMS AND CONDITIONS OF THE EXCHANGE OFFER

Introduction

On the terms and subject to the conditions contained in this Offer to Exchange Statement, the Offeror invites Holders of the Existing Notes (subject to the Offer and Distribution Restrictions contained herein) to tender for exchange their Existing Notes (each such tender for exchange, a “**Tender for Exchange**”) for exchange against New Notes at the Exchange Ratio and payment of Accrued Interest and the Cash Consideration. Holders may exchange Existing Notes only in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof. Existing Notes having an aggregate principal amount of less than EUR 100,000 will not be accepted for exchange in the Exchange Offer.

The Offeror reserves the right not to accept any Exchange Instruction, not to exchange Existing Notes or to extend, terminate, withdraw or modify in any manner any of the terms and conditions of the Exchange Offer.

The Exchange Offer will expire at 5.00 p.m., Frankfurt time, on 29 October 2020 unless extended, withdrawn, re-opened or earlier terminated by the Offeror. No Tenders for Exchange will be valid if submitted after the Expiration Time. If a broker, dealer, commercial bank, trust company or other nominee holds Existing Notes, such nominee may have an earlier deadline for accepting the applicable Exchange Instruction. Holders should promptly contact their broker, dealer, commercial bank, trust company or other nominee that holds Existing Notes on their behalf to determine its deadline.

Following completion of the Exchange Offer, Existing Notes validly tendered for exchange and accepted for exchange will be cancelled. Existing Notes that are not successfully tendered for exchange for exchange pursuant to the Exchange Offer and the terms and conditions set out in this Offer to Exchange Statement will remain outstanding and will remain subject to the terms and conditions of such Existing Notes.

The Offeror’s obligation to accept and exchange the Notes validly tendered for exchange pursuant to the Exchange Offer are conditional upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Conditions of the Exchange Offer.*” The Settlement Date is expected to be on or about 10 November 2020. For further details in relation to the expected Settlement Date, see “*Settlement and Payment.*” None of the Offeror, the Dealer Managers or the Exchange Agent or any of their respective directors, employees or Affiliates is making any recommendation as to whether Holders should exchange their Existing Notes or the principal amount, if any, that they should exchange. Holders must make their own decisions with respect to exchanging Existing Notes.

No Obligation to Exchange Existing Notes

The Offeror reserves the right, in its sole and absolute discretion, not to accept any Exchange Instructions, not to exchange Existing Notes or to extend, terminate or withdraw, or modify in any manner any of the terms and conditions of, the Exchange Offer (as further described below) prior to the Expiration Time, subject to applicable laws and regulations.

Exchange Ratio

The exchange ratio for each of the Notes exchanged by the Offeror pursuant to the Exchange Offer (the “**Exchange Ratio**”) will be 1 (one). Holders will receive one New Note (in a denomination of EUR 1,000) for each Note (in a denomination of EUR 1,000) tendered for exchange, subject to the Minimum Exchange Amount being submitted for exchange.

Accrued Interest

Accrued Interest will also be paid on the Settlement Date in respect of all Notes validly tendered for exchange and delivered and exchanged by the Offeror pursuant to the Exchange Offer.

Cash Consideration

The Cash Consideration is the amount payable to each Holder on the Settlement Date in respect of the Existing Notes validly tendered for exchange, and exchanged, pursuant to the Exchange Offer, and calculated pursuant

to the formula set out in the column “Cash Consideration”, subject to the Minimum Exchange Amount being submitted for exchange.

Results

The final results of the Exchange Offer are expected to be announced as soon as reasonably practicable after the Expiration Time (subject to the right of the Offeror to extend, re-open, amend and/or terminate the Exchange Offer) (the “**Results Announcement Date**”). The Offeror will announce the amount of Existing Notes validly tendered for exchange. Such information will be notified to Holders as described below in “—*Announcements*”; however, the obligation of the Offeror to settle the Exchange Offer shall remain subject (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Conditions of the Exchange Offer*”.

Once the Offeror has announced the final results in accordance with applicable law, and subject to the right of the Offeror to amend or terminate the Exchange Offer in accordance with this Offer to Exchange Statement. Exchange Instructions which are accepted will constitute binding obligations of the submitting Holders.

Following completion of the Exchange Offer, Existing Notes validly tendered for exchange and accepted for exchange will be cancelled. Existing Notes which have not been validly tendered for exchange and accepted for exchange pursuant to the Exchange Offer will remain outstanding after the Settlement Date and will remain subject to the terms and conditions of the Existing Notes.

Exchange Offer Period

The Exchange Offer commences on 22 October 2020 and will end at the Expiration Time. If the Expiration Time is extended by the Offeror, an announcement to that effect will be made by or on behalf of the Offeror as described below in “—*Announcements*” at or around 10:00 a.m., Frankfurt time, on the next Business Day after the previously scheduled Expiration Time or the next Business Day after such decision is made to extend the Expiration Time.

Settlement and Payment

The completion of the Exchange Offer is conditional upon (i) the issue of the New Notes and (ii) the satisfaction or waiver of the General Conditions set out in “*Conditions of the Exchange Offer*.” The Settlement Date is expected to be on or about 10 November 2020.

Payment of Accrued Interest and the Cash Consideration will be made in immediately available funds delivered to the Clearing System for payment to the cash accounts of the relevant Direct Participants in the Clearing System (see “*Procedures for Participating in the Exchange Offer*”). The deposit of such funds with the Clearing System will discharge the obligation of the Offeror to all Holders in respect of the above amounts represented by such funds.

On the Settlement Date, the Offeror shall procure that each Holder which has validly submitted one or more Exchange Instructions by the Expiration Time and whose Tender for Exchange or Tenders for Exchange have been accepted for exchange by the Offeror, receives New Notes calculated pursuant to the Exchange Ratio and an amount in cash equal to the Accrued Interest for the Existing Notes and the Cash Consideration.

On the Settlement Date, subject to the conditions of the Exchange Offer:

- if the Offeror has accepted a Holder’s Exchange Instruction, the identified Direct Participant, or Clearstream on its behalf, as the case may be, must deliver to the Offeror good and marketable title to the relevant Existing Notes, free and clear of all liens, charges, claims, encumbrances, interests, rights of third parties and restrictions of any kind; and
- in return the Holder will receive, as applicable, by credit to the Clearstream account in which the Existing Notes being offered were held, the New Notes and the cash to which they are entitled.

Under no circumstances will interest on any Cash Consideration be paid by the Offeror by reason of any delay in making payment on the Settlement Date, provided that the Offeror has made payment on the Settlement Date of the Cash Consideration in respect of the Notes to the Clearing System. Should there be a delay caused by the failure of the Offeror to make payment of the Cash Consideration to the Clearing System in respect of the Existing Notes on the Settlement Date, then the Existing Notes will continue to

accrue interest in accordance with their terms up to (but excluding) the date that the Offeror makes payment of the Cash Consideration in respect of the Notes, and the Offeror shall pay the Holders an equivalent cash amount.

Under no circumstances will any additional interest be payable by the Offeror to a Holder due to any delay in the transmission of funds from the relevant Clearing System or any other Intermediary with respect to such Existing Notes of that Holder.

Extension, Amendment and Termination

Subject to any applicable laws, the Offeror expressly reserves the right (but will not be obligated), in its sole and absolute discretion, at any time or from time to time, prior to any acceptance and exchange by the Offeror of Existing Notes validly tendered for exchange pursuant to the Exchange Offer, to:

- extend the Expiration Time and/or the Settlement Date, or re-open the Exchange Offer (in which case all references to the Expiration Time shall, unless the context otherwise requires, be to the latest time and date to which the Expiration Time has been so extended or the Exchange Offer re-opened);
- otherwise amend the Exchange Offer in any respect (including, but not limited to, any amendment to any of (i) the Exchange Ratio for the Existing Notes or (ii) the Settlement Date);
- delay acceptance or, subject to applicable laws, exchange of Existing Notes tendered for exchange in the Exchange Offer, even if the Exchange Offer has expired; or
- terminate the Exchange Offer including with respect to any Exchange Instructions submitted before the time of such termination.

The Offeror also reserves the right at any time to waive any or all of the General Conditions of the Exchange Offer as set out in this Offer to Exchange Statement.

The Offeror will ensure an announcement is made of any such extension, delayed acceptance, amendment or termination as soon as is reasonably practicable after the relevant decision is made. In the case of an extension of the Expiration Time and/or the Settlement Date, the Offeror will make an announcement, at or around 10:00 a.m., Frankfurt time, on the next Business Day after the previously scheduled Expiration Time and/or the Settlement Date or the next Business Day after such decision is made to extend the Expiration Time and/or the Settlement Date.

Except in the limited circumstances described below, each Tender for Exchange submitted by a Holder pursuant to the Exchange Offer is irrevocable. If the Offeror amends the Exchange Offer in any way that, in the opinion of the Offeror (in consultation with the Dealer Managers), is materially prejudicial to Holders that have already submitted Exchange Instructions before the announcement of such amendment, such Holders may withdraw such Exchange Instructions at any time from the date and time of the announcement of such amendment until the relevant deadline specified by the Offeror, such deadline being at least 48 hours from the time of the announcement (subject to the earlier deadlines required by the Clearing System and any Intermediary through which Holders hold their Notes).

For the avoidance of doubt, any extension or re-opening of the Exchange Offer (including any amendment in relation to the Expiration Time and/or Settlement Date) shall not be considered so materially prejudicial.

If a Holder withdraws or revokes its tender for exchange of Existing Notes prior to the Expiration Time, such Holder will have the right to re-tender for exchange Existing Notes at or prior to the Expiration Time in accordance with the procedures described above for tendering for exchanging Existing Notes.

Costs and Expenses

Any charges, costs and expenses incurred by the Holders or any intermediary in connection with the Exchange Offer shall be borne by such Holders. No brokerage costs are being levied by the Dealer Managers or the Exchange Agent. Holders should check whether their brokers or custodians will charge any fees.

Conditions of the Exchange Offer

The Offeror reserves the right, in its sole and absolute discretion, not to accept any Exchange Instructions for any reason.

In addition, notwithstanding any other provisions of the Exchange Offer, the Exchange Offer is conditional upon:

- (a) there not having been threatened, instituted or pending any action or proceeding before any court or governmental, regulatory or administrative body that: (i) prohibits or delays the Exchange Offer or places material restrictions on the Exchange Offer; (ii) makes or seeks to make illegal the acceptance of payment of, or payment for, any of the Existing Notes pursuant to the Exchange Offer; (iii) would or might result in a delay in, or restrict, the ability of the Offeror to accept for payment or pay for any of the Exchange Notes pursuant to the Exchange Offer; or (iv) imposes or seeks to impose limitations on the ability of the Offeror to exchange any of the Existing Notes accepted for exchange;
 - (b) there shall not have occurred: (i) any general suspension of trading in, or limitation on prices for, securities in the European Union (the “EU”) or the United Kingdom; (ii) a material impairment in the trading market for debt; (iii) a declaration of a banking moratorium or any suspension of payments in respect of banks in any member state of the EU or the United Kingdom; (iv) any limitation (whether or not mandatory) by any governmental authority on, or other event having a reasonable likelihood of affecting, the extension of credit by banks or other lending institutions in the EU or the United Kingdom; (v) any attack on, outbreak or escalation of hostilities or acts of terrorism involving the member states of the EU or the United Kingdom that would reasonably be expected to have a materially adverse effect on the Offeror or its affiliates’ business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects; or (vi) any significant adverse change in the EU or United Kingdom securities or financial markets generally or, in the case of any of the foregoing existing on the date of this Offer to Exchange Statement, a material acceleration or worsening thereof;
 - (c) there not existing any actual or threatened legal or regulatory requirement or impediment to the Exchange Offer or any other circumstances that would materially adversely affect the transactions contemplated in the Exchange Offer or which could in the Offeror’s opinion result in failure to comply with any such legal or regulatory requirement;
 - (d) there shall not have occurred any development which would, in the judgement of the Offeror, materially adversely affect its or its affiliate’s business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects; and
 - (e) the New Notes being eligible for clearing and settlement through the Clearing System,
- (collectively, the “**General Conditions**”).

Each of the foregoing General Conditions is for the sole benefit of the Offeror and may be waived by the Offeror, in whole or in part, at any time and from time to time, in its discretion. Any determination by the Offeror concerning the General Conditions set forth above (including whether or not any such General Condition has been satisfied or waived) will be final and binding upon all parties. If the foregoing General Conditions are not satisfied, in the opinion of the Offeror, or waived by the Offeror in full, the Exchange Offer will lapse.

In all cases, the exchange of Existing Notes pursuant to the Exchange Offer will only be made after the submission of a valid Exchange Instruction in accordance with the procedures described in “*Procedures for Participating in the Exchange Offer.*”

Any payment pursuant to the Exchange Offer may be delayed in the sole discretion of the Offeror in order to comply with applicable laws.

Subject to applicable laws, the Offeror may reject any tender for exchange of Existing Notes if it considers in its sole discretion that tenders for exchange have not been validly tendered in the Exchange Offer and the Offeror is not under any obligation to any relevant Holder to furnish any reason or justification for refusing to accept such tenders for exchange. **For example, tenders for exchange of Existing Notes may be rejected and not**

accepted and may be treated as not having been validly tendered for exchange in the Exchange Offer if any such tender for exchange does not comply with the applicable legal requirements or restrictions.

The Offeror will reject any Exchange Instruction from individuals or entities that are the subject of or targeted by, any trade, economic or military sanctions issued, administered or enforced against any nation, individual or entity by the United Nations or any governmental or regulatory authority of the European Union, the United States, or the United Kingdom, or any orders or licenses publicly issued under the authority of any of the foregoing.

In the event of any dispute or controversy regarding the determination of Accrued Interest or the Cash Consideration for any Existing Notes tendered for exchange pursuant to the Exchange Offer, the Offeror's determination shall be conclusive and binding, absent manifest error.

Holder are advised that the Offeror may, in its sole discretion, accept tenders for exchange of Existing Notes pursuant to the Exchange Offer on more than one date if such Exchange Offer is extended or re-opened, subject to applicable laws.

All conditions to the Exchange Offer set out in this Offer to Exchange Statement will, if any Existing Notes are to be accepted for exchange on the Settlement Date, be either satisfied or waived by the Offeror by the Settlement Date (subject to the right of the Offeror to extend, re-open, amend and/or terminate the Exchange Offer). If any of the conditions are not satisfied by the Settlement Date, the Offeror may, but will not be obligated to, in its sole discretion and without giving any notice, subject to applicable laws, (i) terminate the Exchange Offer, or (ii) extend the Exchange Offer and continue to accept tenders for exchange.

The failure by the Offeror at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an on-going right that may be asserted at any time and from time to time.

The failure of any person to receive, or any delay in any person's receipt of, a copy of this Offer to Exchange Statement or any announcement made or notice issued by the Offeror in connection with the Exchange Offer shall not invalidate any aspect of the Exchange Offer. No acknowledgement of receipt of any Exchange Instruction and/or other documents will be given by the Offeror or the Exchange Agent, as the case may be.

Subject as aforesaid and the right of the Offeror to amend or terminate the Exchange Offer in accordance with this Offer to Exchange Statement, the acceptance of Existing Notes validly tenders for exchange in accordance with the terms of the Exchange Offer will constitute binding obligations of the submitting Holders and the Offeror to settle the Exchange Offer.

Announcements

Announcements in connection with the Exchange Offer will be made by the delivery of notices to the Clearing System for communication to Direct Participants, which may also be made through a Notifying News Service. Copies of all announcements and notices will be available from the Exchange Agent, whose contact details are on the last page of this Offer to Exchange Statement. Delays may be experienced where notices are delivered to the Clearing System and Holders are urged to contact the Exchange Agent for the relevant announcements during the course of the Exchange Offer. In addition, Holders may contact the Dealer Managers for information using the contact details on the last page of this Offer to Exchange Statement.

If the Offeror is required to make an announcement relating to an extension of the Expiration Time, to a waiver, amendment or termination of the Exchange Offer, or to acceptance for payment of the Existing Notes, the Offeror will do so as promptly as practicable, and in the case of an extension, no later than 10:00 a.m., Frankfurt time, on the next Business Day after the previously scheduled Expiration Time or the next Business Day after such decision is made to extend the Expiration Time.

Governing Law

This Offer to Exchange Statement, the Exchange Offer, each Exchange Instruction, any exchange of Existing Notes pursuant to the Exchange Offer and any non-contractual obligations arising out of or in connection with the Exchange Offer shall be governed by and construed in accordance with German law. By submitting a Exchange Instruction the relevant Holder will irrevocably and unconditionally agree for the benefit of the

Offeror, the Dealer Managers and the Exchange Agent that the competent German courts are to have jurisdiction to settle any disputes that may arise out of or in connection with the Exchange Offer or such Exchange Instruction and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

PROCEDURES FOR PARTICIPATING IN THE EXCHANGE OFFER

Holders that need assistance with respect to the procedures for participating in the Exchange Offer should contact the Exchange Agent, whose contact details are on the last page of this Offer to Exchange Statement. The Offeror will only accept tenders for exchange of Existing Notes in the Exchange Offer which are made in accordance with the procedures set out in this section.

Exchange Instructions

The tendering for exchange of Existing Notes in the Exchange Offer will be deemed to have occurred upon receipt by the Exchange Agent of a valid Exchange Instruction (as defined herein) submitted in accordance with the requirements of the Clearing System. The receipt of an Exchange Instruction by the Clearing System will be acknowledged in accordance with the standard practices of the Clearing System.

Holders who hold their Existing Notes through Clearstream and wish to tender for exchange their Existing Notes must submit an electronic exchange instruction in the form specified in the Clearing System Notice to be sent to Direct Participants by Clearstream (the “**Exchange Instruction**”) on or about the date of this Offer to Exchange Statement informing Direct Participants of the procedures to be followed in order to participate in the Exchange Offer.

To tender for exchange Notes in the Exchange Offer, a Holder must deliver, or arrange to have delivered on its behalf a valid Exchange Instruction, on or prior to the Expiration Time. Exchange Instructions must be submitted in respect of a principal amount of Existing Notes of no less than EUR 100,000.

Only a Direct Participant in the Clearing System may submit an Exchange Instruction. If a Holder is not a Direct Participant in the Clearing System and holds its Existing Notes through a custodian or other intermediary, such Holder must contact the relevant intermediary to instruct such intermediary to submit an Exchange Instruction on its behalf. In the event that the relevant intermediary is unable to submit an Exchange Instruction on its behalf by one of the methods described herein, the Holder should contact the Exchange Agent for assistance in submitting its Exchange Instruction. There can be no assurance that the Exchange Agent will be able to assist any such Holder in successfully submitting an Exchange Instruction.

Holders who are not Direct Participants are advised to check with the relevant intermediary through which they hold Existing Notes when such intermediary would require to receive instructions from a Holder in order for that Holder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Exchange Offer before the deadlines specified in this Offer to Exchange Statement. The deadlines set by any such intermediary and the Clearing System for the submission and withdrawal of Exchange Instructions will be earlier than the relevant deadlines specified in this Offer to Exchange Statement.

Holders must take the appropriate steps through the Clearing System or the relevant Direct Participant, as applicable, so that no transfers may be effected in relation to such Existing Notes tendered for exchange at any time after the date of submission of such Exchange Instruction, in accordance with the requirements of the Clearing System and the deadlines required by the Clearing System. Each Direct Participant will be deemed to consent to have the Clearing System provide details concerning such Direct Participant’s identity to the Exchange Agent (and for such Exchange Agent to provide such details to the Offeror and Dealer Managers, and their respective legal advisers).

Exchange Instructions for the Existing Notes the Holder wishes to exchange must contain the following information:

- (a) the event or reference number issued by Clearstream;
- (b) the name of the Direct Participant and the securities account number in which the Existing Notes the Holder wishes to exchange are held;
- (c) the ISIN of the Existing Notes the Holder wishes to exchange;
- (d) the principal amount of the Existing Notes that the Holder wishes to exchange;

- (e) an instruction to effect (by instructing their Custodian Bank, which is the Direct Participant, as necessary) the rebooking of the Existing Notes, which are held in their securities deposit account and for which they wish to participate in the Exchange Offer, to ISIN DE000A28ZT89 at the Clearing System, and
- (f) any other information as may be required by Clearstream and duly notified to the Holder prior to the submission of the Exchange Instruction.

Withdrawal of Tenders for Exchange

Except in the limited circumstances described below, each Tender for Exchange submitted by a Holder pursuant to the Exchange Offer is irrevocable. If the Offeror amends the Exchange Offer in any way that, in the opinion of the Offeror (in consultation with the Dealer Managers), is materially prejudicial to Holders that have already submitted Exchange Instructions before the announcement of such amendment, such Holders may withdraw such Exchange Instructions at any time from the date and time of such announcement until the relevant deadline specified by the Offeror, such deadline being at least 48 hours from the time of the announcement (subject to the earlier deadlines required by the Clearing System and any Intermediary through which Holders hold their Notes).

For the avoidance of doubt, any extension or re-opening of the Exchange Offer (including any amendment in relation to the Expiration Time and/or Settlement Date) shall not be considered so materially prejudicial.

If a Holder withdraws or revokes its tenders for exchange of Notes prior to the Expiration Time, such Holder will have the right to re-tender for exchange Notes at or prior to the Expiration Time in accordance with the procedures described above for tendering Notes for exchange.

Holder Representations, Warranties and Undertakings

By tendering for exchange Existing Notes pursuant to this Offer to Exchange Statement, in addition to the representations, warranties and undertakings elsewhere in this Offer to Exchange Statement, the Holder represents, warrants and undertakes to the Offeror, the Dealer Managers and the Exchange Agent that:

- (a) the Holder tendering Existing Notes for exchange has: (i) received this Offer to Exchange Statement, (ii) undertaken an appropriate analysis of the implications of the Exchange Offer and an investment in the New Notes without relying on the Offeror, the Dealer Managers or the Exchange Agent and (iii) has reviewed, accepts and agrees to be bound by the terms and conditions of the Exchange Offer, risk factors and the Exchange Offer restrictions, and the Offeror may enforce such agreement against such Holder, all as described in this Offer to Exchange Statement;
- (b) none of the Offeror, the Dealer Managers or the Exchange Agent is responsible for, and none of the Offeror, the Dealer Managers or the Exchange Agent is making any representation to them concerning the accuracy or completeness of this Offer to Exchange Statement;
- (c) the Existing Notes are, at the time of acceptance, and will continue to be, until the payment on the Settlement Date or the termination or withdrawal of the Exchange Offer or revocation of an Exchange Instruction (in the limited circumstances in which such revocation is permitted), held by it in Clearstream;
- (d) it acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of such Holder tendering Existing Notes for exchange shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of such Holder and shall not be affected by, and shall survive, the death or incapacity of such Holder;
- (e) it understands that a validly delivered Exchange Instruction pursuant to any of the procedures set forth in this Exchange Offer to Exchange Statement will constitute its acceptance of the terms and conditions of the Exchange Offer;
- (f) the Holder tendering Existing Notes for exchange has full power and authority to tender for exchange, sell, assign and transfer the Existing Notes tendered for exchange;

- (g) the Existing Notes will, on the Settlement Date be transferred or caused to be transferred by such Holder tendering Existing Notes for exchange to the Offeror in accordance with the terms of the Exchange Offer, and the Offeror will acquire good, marketable and unencumbered title thereto, with full title guarantee free from all liens, restrictions, charges and encumbrances, not subject to any adverse claim or right, and together with all rights attached thereto;
- (h) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Offeror, any of its directors or any person nominated by the Offeror in the proper exercise of his or her powers and/or authority hereunder;
- (i) the Holder tendering Existing Notes for exchange will, upon request, execute and deliver any documents deemed by the Exchange Agent or the Offeror to be reasonably necessary or desirable to complete the sale, assignment and transfer of the Existing Notes tendered for exchange;
- (j) it is not a person to whom it is unlawful to make an invitation pursuant to the Exchange Offer or to distribute the Offer to Exchange Statement to under applicable securities laws, it has not distributed or forwarded this Offer to Exchange Statement or any other documents or materials relating to the Exchange Offer to any such person(s) and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Exchange Instruction in respect of the Existing Notes it is tendering for exchange) complied with all laws and regulations applicable to it for the purposes of its participation in the Exchange Offer;
- (k) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers, as it deems necessary or appropriate in order to make an informed decision with respect to its exchanging of Existing Notes in the Exchange Offer and an investment in the New Notes; it is not relying on any communication (written or oral) made by the Offeror, the Dealer Managers, the Exchange Agent or any such party's affiliates as constituting a recommendation to exchange Existing Notes, and it is willing to bear the economic risks of participating in the Exchange Offer and investing in the New Notes;
- (l) it is not (i) owned or controlled by an individual or entity that is the subject of or targeted by, any trade, economic or military sanctions issued, administered or enforced against any nation, individual or entity by the United Nations or any governmental or regulatory authority of the European Union, the United States and the United Kingdom or any orders or licenses publicly issued under the authority of any of the foregoing, subject to the applicability of Council Regulation (EC) No. 2271/96 of 22 November 1996 protecting against the effects of the extraterritorial application of legislation adopted by a third country and actions based thereon or resulting therefrom, as amended or superseded (the "**EU Blocking Regulation**") or any law or regulation implementing the EU Blocking Regulation (collectively, the "**Sanctions**"), or (ii) has been engaged in any transaction, activity or conduct that is in violation of Sanction;
- (m) no information has been provided to it by the Offeror, the Dealer Managers, the Exchange Agent or any of their respective directors, officers, employees, agents or Affiliates with regard to the tax consequences for Holders arising from the tendering for exchange of the Existing Notes pursuant to the Exchange Offer and the receipt of the New Notes or Accrued Interest or the Cash Consideration in respect of such Existing Notes accepted for exchange, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its tendering for exchange Existing Notes pursuant to the Exchange Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Offeror, the Dealer Managers, the Exchange Agent or any of their respective directors, officers, employees, agents or Affiliates, or any other person, in respect of such taxes and payments;
- (n) it shall indemnify the Offeror, the Dealer Managers and the Exchange Agent against all and any losses, costs, claims, liabilities, expenses, charges, actions or demands which any of them may incur or which may be made against any of them as a result of any breach of any of the terms of, or any of the acknowledgements, representations, warranties and/or undertakings given pursuant to, the Exchange Offer (including any Exchange Instruction thereunder) by any such Holder;

- (o) it agrees that the Cash Consideration and Accrued Interest on the Notes accepted for exchange by the Offeror pursuant to the Exchange Offer shall be paid on the Settlement Date notwithstanding any other provision of the Existing Notes;
- (p) either (a) (i) it is the beneficial owner of the Existing Notes that are the subject of the Exchange Offer and (ii) it is a non-U.S. person located outside the United States and is submitting the tender for exchange of its Existing Notes from outside the United States or (b) (i) it is validly acting on behalf of the beneficial owner of the Existing Notes that are the subject of the Exchange Offer on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is a non-U.S. person and it is located and resident outside the United States and is submitting the tender for exchange of its Existing Notes from outside the United States;
- (q) it is not a person who is one (or more) of: (1) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (2) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (3) not a qualified investor as defined in the Prospectus Directive, in each case, in the European Economic Area;
- (r) it is not resident and/or located in the United Kingdom or, if it is resident and/or located in the United Kingdom, it is (1) an existing member or creditor of the Offeror or other person within Article 43(2) of the Financial Promotion Order, or (2) any other person to whom this Exchange Offer or the document relating to this Exchange Offer may lawfully be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Offeror;
- (s) it is not located or resident in the Republic of Italy, or, if it is located in the Republic of Italy, it is an authorised person or is tendering Existing Notes for exchange through an authorised person and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (t) it is not located or resident in France or, if it is located or resident in France, it is a qualified investor (*investisseur qualifié*), other than individuals, acting for its own account, as defined in and in accordance with Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*;
- (u) it has observed all relevant laws and acquired all necessary consents, approvals or authorisations of, or made all registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange or any other person, that are required in connection with its Tender for Exchange and it has not taken or omitted to take any action in breach of the terms of the Exchange Offer or which will or may result in the Offeror, the Dealer Managers, the Exchange Agent or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Exchange Offer;
- (v) it is not submitting more than one Exchange Instruction in relation to the same position of Existing Notes that it purports to hold;
- (w) it understands that the Offeror's acceptance for payment of Existing Notes offered pursuant to any of the procedures described in this Offer to Exchange Statement will constitute a binding agreement between such Holder and the Offeror in accordance with the terms and subject to the conditions of the Exchange Offer;
- (x) it understands that validly offered Existing Notes (or defectively offered Existing Notes with respect to which the Offeror has waived, or has caused to be waived, such defect) will be deemed to have been accepted by the Offeror if, as and when the Offeror gives oral or written notice thereof to the Exchange Agent;
- (y) the terms and conditions of the Exchange Offer shall be deemed to be incorporated in, and form a part of, the Exchange Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such Holder in the Exchange Instruction is true and will be true in all respects at the time of the exchange of the Notes tendered for exchange on the Settlement Date;

- (z) it accepts that the Offeror is under no obligation to accept tenders of Existing Notes for exchange pursuant to the Exchange Offer, and accordingly such Tender for Exchange may be accepted or rejected by the Offeror in its sole and absolute discretion and for any reason;
- (aa) the Holder understands that the deadline for the receipt of any Exchange Instructions by the Exchange Agent is the Expiration Time, as relevant, and that any Exchange Instructions must be submitted in time and in valid form for them to be received by the Exchange Agent by the Expiration Time, as relevant;
- (bb) if the Notes tendered for exchange are accepted by the Offeror (a) the Accrued Interest and Cash Consideration will be paid in euros and will be deposited by or on behalf of the Offeror with the relevant Clearing System on the Settlement Date; (b) on receipt of such cash amounts, the Clearing System will make payments promptly to the accounts in the Clearing System of the Holders; and (c) payment of such cash amounts to or to the order of the Clearing System will discharge the obligation of the Offeror to such Holder in respect of the payment of the cash amounts, and no additional amounts shall be payable to the Holder in the event of a delay in the payment of such cash amounts by the Clearing System or an intermediary to the Holder;
- (cc) it acknowledges that the Offeror has not provided guaranteed delivery procedures in conjunction with the Exchange Offer or under this Offer to Exchange Statement or other material provided therewith;
- (dd) it has instructed Clearstream that, if the Offeror exchanged any of its Existing Notes Clearstream should credit the New Notes and the Accrued Interest and the Cash Consideration to the account in which those Existing Notes were held immediately before exchange;
- (ee) in respect of any tenders of Existing Notes for exchange that it holds through Clearstream, (a) it holds and will hold, until the time of settlement on the Settlement Date, the Existing Notes in Clearstream, and in accordance with the requirements of, and by the deadline required by, the Clearing System, it has submitted, or has caused to be submitted, the relevant Exchange Instruction to the Clearing System and it has authorised (i) the disclosure of the name of the Direct Participant and information about the foregoing instructions with respect to such Existing Notes to the Exchange Agent (and for the Exchange Agent to provide such details to the Offeror and the Dealer Managers, and their respective legal advisers) and (ii) the transfer of such Existing Notes (or such lesser portion as shall be accepted for exchange) upon receipt of an instruction by the Exchange Agent to have such Existing Notes transferred, and debit such Existing Notes (or such lesser portion as shall be accepted for exchange) for exchange from such Holder's account(s) with Clearstream on the Settlement Date; and (b) it understands that, in the event of a withdrawal from, or termination of, the Exchange Offer, the Exchange Instructions with respect to such Existing Notes will be deemed to be withdrawn; and
- (ff) it understands and agrees that the Offeror, the Dealer Managers and the Exchange Agent will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings.

By tendering Notes for exchange as set forth herein, and subject to and effective upon acceptance for exchange of the Existing Notes tendered for exchange therewith, a Holder tendering Existing Notes for exchange (i) irrevocably sells, assigns and transfers to the Offeror all right, title and interest in and to all the Existing Notes tendered for exchange thereby and accepted for exchange pursuant to the terms hereof, (ii) waives any and all other rights with respect to the Existing Notes (including, without limitation, such Holder's waiver of any existing or past defaults and their consequences in respect of the Existing Notes), (iii) releases and discharges the Offeror from any and all claims such Holder may have now, or may have in the future, arising out of, or related to, such Existing Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to such Existing Notes or to participate in any purchase, redemption or defeasance of the Notes, and (iv) irrevocably constitutes and appoints the Exchange Agent as the true and lawful agent and attorney-in-fact of such Holder (with full knowledge that the Exchange Agent also acts as the agent of the Offeror) with respect to any such Existing Notes tendered for exchange, with full power of substitution and re-substitution to (a) transfer ownership of such Existing Notes on the account books maintained by the Clearing System, together with all accompanying evidences of transfer and authenticity, to the Offeror, (b) present such Existing Notes for transfer on the relevant security register, and (c) receive all benefits or otherwise exercise all rights of beneficial ownership of such Existing Notes.

The receipt of an Exchange Instruction by the Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Settlement Date in respect of all of the Existing Notes the relevant Holder has tendered for exchange in the Exchange Offer and which are accepted for exchange by the Offeror, upon receipt by the Clearing System of an instruction from an Exchange Agent to receive such Existing Notes for the account of the Offeror and against credit of the New Notes, the Accrued Interest and the Cash Consideration for such Notes, subject to the automatic revocation of those instructions on the date of any termination of the Exchange Offer (including where such Existing Notes are not accepted for exchange by the Offeror) or the valid revocation of such tenders for exchange in the limited circumstances in which such revocation is permitted as set out in this Offer to Exchange Statement.

By tendering Existing Notes for exchange pursuant to the Exchange Offer, the Holder will be deemed to have agreed that the delivery and surrender of the Existing Notes is not effective, and the risk of loss of the Existing Notes does not pass to the Exchange Agent, until receipt by the Exchange Agent of an electronic exchange instruction, together with all accompanying evidences of authority and any other required documents in form satisfactory to the Offeror.

General

Tenders for Exchange and instructions other than in accordance with the procedures set out in this section will not be accepted.

The Offeror will only accept tenders for exchange of Existing Notes in the Exchange Offer by way of the submission of valid Exchange Instructions in accordance with the procedures set out in this section “*Procedures for Participating in the Exchange Offer.*” It is also each Holder’s responsibility to inform itself of, and arrange for timely tendering for exchange of its Existing Notes in accordance with, the procedures and deadlines applicable to the Clearing System.

Irregularities

All questions as to the validity, form and eligibility (including time of receipt) of any Exchange Instruction, or as to the revocation thereof, will be determined by the Offeror in its sole discretion, and such determination will be final and binding.

The Offeror expressly reserves the absolute right to reject any and all Exchange Instructions or (in the limited circumstances in which revocation is permitted) revocation instructions not in proper form or in respect of which the acceptance by the Offeror may be unlawful. The Offeror also expressly reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Exchange Instructions or revocation instructions. The Offeror also expressly reserves the absolute right to waive any such defect, irregularity or delay in respect of particular Existing Notes, whether or not the Offeror elects to waive similar defects, irregularities or any delay in respect of other Existing Notes.

Any defect, irregularity or delay must be cured within such time as the Offeror determines, unless waived by it. Exchange Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Offeror, the Dealer Managers or the Exchange Agent shall be under any duty to give notice to a Holder of any defects, irregularities or delays in the receipt or non-receipt of any Exchange Instruction or revocation instructions, nor shall any of them incur any liability for failure to give such notice.

Irrevocability

All Exchange Instructions will be irrevocable (except in the limited circumstances described in “*Withdrawal of Exchanges*”).

CERTAIN TAX CONSIDERATIONS

In view of the number of different jurisdictions where tax laws may apply to a Holder or to a beneficial owner of the Existing Notes, this Offer to Exchange Statement does not discuss the tax consequences for Holders or such beneficial owners of the Existing Notes arising from the exchange of Existing Notes by the Offeror pursuant to the Exchange Offer and the receipt of the Accrued Interest and Cash Consideration. Holders and such beneficial owners of the Existing Notes are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Existing Notes and the receipt of the New Notes, Accrued Interest and the Cash Consideration. Holders and beneficial owners of the Existing Notes are liable for their own taxes and have no recourse to the Offeror, the Dealer Managers or the Exchange Agent with respect to taxes arising in connection with the Exchange Offer.

DEALER MANAGERS AND EXCHANGE AGENT

The Offeror has retained Deutsche Bank Aktiengesellschaft and Banco Santander, S.A. to act as the Dealer Managers and Lucid Issuer Services Limited to act as the Exchange Agent in connection with the Exchange Offer. The Offeror has entered into a dealer manager agreement with the Dealer Managers, which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Exchange Offer.

The Dealer Managers and their respective Affiliates may contact Holders regarding the Exchange Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Offer to Exchange Statement and related materials to Holders.

The Dealer Managers and their respective Affiliates may provide and continue to provide certain investment banking services to the Offeror (and its Affiliates) for which they may receive compensation that is customary for services of such nature.

The Dealer Managers and/or their respective Affiliates may have a holding in, or may from time to time provide advice or other investment services in relation to, or engage in transactions involving, the Existing Notes. Further, the Dealer Managers may, subject always to the restrictions set forth under “*Exchange Offer and Distribution Restrictions*” submit Exchange Instructions (i) for their own accounts and (ii) on behalf of other Holders.

In the ordinary course of their respective businesses, the Dealer Managers and the Exchange Agent are entitled to hold positions in the Existing Notes either for their own account or for the account, directly or indirectly, of third parties. In the ordinary course of their respective businesses, they are entitled to continue to hold or dispose of, in any manner they may elect, subject to applicable law, any Existing Notes they may hold as at the date of this Offer to Exchange Statement. No such submission or non-submission by the Dealer Managers or the Exchange Agent should be taken by any holder of Existing Notes or any other person as any recommendation or otherwise by the Dealer Managers or the Exchange Agent, as the case may be, as to the merits of participating or not participating in the Exchange Offer.

Neither the Dealer Managers nor the Exchange Agent (nor any of their respective directors, officers, employees, agents or Affiliates) assumes any responsibility for the accuracy or completeness of the information concerning the Exchange Offer, the Offeror, any of its Affiliates or the Existing Notes contained in this Offer to Exchange Statement or for any failure by the Offeror to disclose events that may have occurred and may affect the significance or accuracy of such information.

Neither the Dealer Managers nor the Exchange Agent (nor any of their respective directors, officers, employees or Affiliates) makes any representation or recommendation whatsoever regarding the Exchange Offer or any recommendation as to whether Holders should exchange Existing Notes in the Exchange Offer or otherwise participate in the Exchange Offer.

The Exchange Agent is the agent of the Offeror and owes no duty to any Holder of Existing Notes.

Any questions or requests for assistance in connection with the delivery of Exchange Instructions or requests for additional copies of this Offer to Exchange Statement or related documents, which may be obtained free of charge, may be directed to the Exchange Agent at the telephone numbers or e-mail addresses provided on the back cover of this Offer to Exchange Statement.

FEES AND EXPENSES

The Offeror will not pay any fees or commissions to any broker, dealer or other person other than the Dealer Managers, the Exchange Agent and any distribution agent appointed by the Offeror in connection with the solicitation of tenders for exchange of Existing Notes pursuant to the Exchange Offer.

MISCELLANEOUS

No person has been authorised to give any information or make any representation on behalf of the Offeror that is not contained in this Offer to Exchange Statement, and, if given or made, such information or representation should not be relied upon.

APPENDIX A
PRELIMINARY OFFERING MEMORANDUM



Aggregate Holdings S.A.

(a limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg)

as Issuer

EUR [●] [●] per cent. Notes due 2025

Issue Price: [●] per cent.

Aggregate Holdings S.A. (the “**Issuer**” or “**Aggregate**” and, together with its direct and indirect subsidiaries, the “**Group**”) will issue EUR [●] [●] per cent. fixed rate notes, of which EUR [●] relate to the new issue (the “**Tranche 1 Notes**”) and which will be issued on or about [●] 2020 (the “**Tranche 1 Issue Date**”), and EUR [●] relate to the Exchange Offer (as defined below) which will be issued on or about [●] 2020 (the “**Tranche 2 Issue Date**”) (the “**Tranche 2 Notes**” and together with the Tranche 1 Notes, the “**Notes**”). The Tranche 2 Notes will have identical terms as the Tranche 1 Notes other than in respect of their issue date. On the Tranche 2 Issue Date, the Tranche 2 Notes will be consolidated, form a single series and be fully fungible with the Tranche 1 Notes (*Gesamtemission*). The Notes will be issued in bearer form due 2025 with a denomination of EUR 1,000 each and a minimum subscription amount per investor of EUR 100,000. The Notes will be redeemed at par on [●] 2025. The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and will bear interest from and including the Tranche 1 Issue Date on their principal amount that will be payable annually in arrears. The Notes will be governed by the laws of the Federal Republic of Germany (“**Germany**”).

Investing in the Notes involves risks. See “Risk Factors” beginning on page 1.

This offering memorandum (the “**Offering Memorandum**”) constitutes a prospectus for purposes of Part IV of the Luxembourg law on prospectuses for securities dated 16 July 2019 but does not constitute a prospectus within the meaning of article 6 of, and for the purpose of Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, as amended from time to time.

Application has been made to the Luxembourg Stock Exchange in its capacity as market operator of the Euro MTF market (the “**Euro MTF**”) under the Luxembourg Act relating to prospectuses for securities (*loi relative aux prospectus pour valeurs mobilières*) to list the Notes on the Euro MTF. The Euro MTF is a multilateral trading facility for the purposes of Directive 2014/65/EU of 15 May 2014 on markets in financial instruments, as amended (“**MiFID II**”).

References in this Offering Memorandum to the Notes being listed (and all related references) shall mean that the Notes have been admitted to the official list of the Luxembourg Stock Exchange and have been admitted to trading on the Euro MTF. The Euro MTF is not a regulated market for the purposes of MiFID II.

The Notes have been assigned the following securities codes: ISIN [●], Common Code [●], WKN [●].

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the “**Securities Act**”). The Notes are being offered to non-U.S. persons outside the United States of America (the “**United States**” or “**U.S.**”) by the Managers (as defined below) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Managers

DEUTSCHE BANK

**SANTANDER CORPORATE & INVESTMENT
BANKING**

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Offering Memorandum and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Memorandum to the best of its knowledge is in accordance with the facts and contains no omission likely to affect its import.

This Offering Memorandum should be read and understood in conjunction with any documents incorporated herein by reference. Any website referred to in this Offering Memorandum is referred to for information purposes only and does not form part of this Offering Memorandum. This does not apply to websites/links granting access to documents incorporated by reference into the Offering Memorandum.

The Issuer has confirmed to Deutsche Bank Aktiengesellschaft and Banco Santander, S.A. (the “**Managers**”) that this Offering Memorandum contains the information which, in accordance with the nature of the Issuer and of the Notes admitted to trading on the Euro MTF of the Luxembourg Stock Exchange, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses, and prospects of the Issuer and of the rights attaching to the Notes; that the information contained herein with respect to the Issuer and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which, in the context of the issue and offering of the Notes, would make any statement, whether fact or opinion, in this Offering Memorandum misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

DISCLOSURE REGARDING FORWARD LOOKING STATEMENTS

This Offering Memorandum contains forward looking statements. Forward looking statements provide the Issuer’s current expectations or forecasts of future events. Forward looking statements include statements about the Issuer’s expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as “anticipate”, “believe”, “continue”, “estimate”, “expect”, “intend”, “may”, “on-going”, “plan”, “potential”, “predict”, “project”, “will” or similar words or phrases, or the negatives of those words or phrases, may identify forward looking statements, but the absence of these words does not necessarily mean that a statement is not forward looking. Examples of forward looking statements in this Offering Memorandum include, but are not limited to, statements regarding the Issuer’s disclosure concerning its operations, cash flows, capital expenditure and financial position.

Forward looking statements appear in a number of places in this Offering Memorandum including, without limitation, in the “Risk Factors” and “Business of the Group and Principal Markets” sections of this Offering Memorandum.

Investors are cautioned that forward looking statements are not guarantees of future performance. Forward looking statements may, and often do, differ materially from actual results. Any forward looking statements in this Offering Memorandum speak only as of the date of this Offering Memorandum, reflect the Issuer’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Issuer’s operations, results of operations, growth strategy and liquidity. Investors should specifically consider the factors identified in this Offering Memorandum which could cause actual results to differ before making an investment decision. All of the forward looking statements made in this Offering Memorandum are qualified by these cautionary statements. The Issuer undertakes no obligation to update or review any forward looking statement, whether as a result of new information, future developments or otherwise. All subsequent written and oral forward looking statements attributable to the Issuer or individuals acting on behalf of the Issuer are expressly qualified in their entirety by this paragraph.

Neither the Managers nor any other person mentioned in this Offering Memorandum, other than the Issuer, is responsible for the information contained in this Offering Memorandum or any other document incorporated herein by reference, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents or any responsibility for any acts or omissions of the Issuer or any other person (other than the Managers) in connection with the Offering Memorandum or the issue and offering of the Notes.

The Managers will not be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in this Offering Memorandum or any agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ARE ONLY TARGET MARKET: Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should

take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the Issuer is not a MiFID regulated entity and does not qualify as a distributor or a manufacturer under the MiFID II product governance rules.

This Offering Memorandum is distributed only to and directed only at persons who are not classified as a retail client as defined in point (11) of Article 4(1) of MiFID II or equivalent applicable local regulatory classification.

This Offering Memorandum may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In this Offering Memorandum all references to “dollars”, “USD”, “U.S. dollars”, “U.S.\$” “United States dollars” or “\$” are to the currency of the United States of America, references to “€”, “EUR” or “Euro” are to the currency introduced at the start of the third stage of the European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended.

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1. RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes.

An investment in the Notes involves a high degree of risk. Each potential investor should carefully consider the following risks, together with other information provided in this Offering Memorandum, in deciding whether to invest in the Notes. The occurrence of any of the events discussed below could materially adversely affect the Issuer's business, financial condition or results of operations. If these events occur, the trading prices of the Notes could decline, the Issuer may not be able to pay all or part of the interest on or principal of the Notes, and holders of the Notes (the "Holders" and each a "Holder") may lose all or part of their investment. Additional risks not currently known to the Issuer or that they now deem immaterial may also harm the Issuer and affect the Holders' investment.

This Offering Memorandum contains "forward looking" statements that involve risks and uncertainties. Actual results may differ significantly from the results discussed in the forward looking statements. Factors that might cause such differences include those discussed below and elsewhere in this Offering Memorandum.

1.1 RISKS RELATING TO THE ISSUER AND THE GROUP

1.1.1 Risks related to the Issuer's business activities

The Group bears risks in connection with possible acquisitions and investments. These risks include unexpected liabilities, greater indebtedness, higher interest expenses, higher compensations 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 Group is active as developer of real estate properties which it keeps as long-term holding in its portfolio ("Build & Hold" business segment). Core of the Build & Hold business segment is Aggregate's subsidiary Quartier Heidestrasse GmbH. Quartier Heidestrasse GmbH and its subsidiaries are currently developing Quartier Heidestrasse in Berlin, a neighbourhood development scheme with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. The success of the project mainly depends on the ability of the Group to generate earnings from rentals. As a result, the performance depends largely on the amount of rental income generated, which in turn is significantly dependent on the vacancy levels of the units. If the Group is not able to let these properties after completion of the project at the currently expected level of rent or at all, or should the Group incur an increase in vacancy levels in the future, this could have an adverse effect on the Group's financial results as a result of their nature of "investment properties under construction" valued at their anticipated gross development value.

Investments in property also involve other considerable risks. The acquisition of additional real estate needs to be financed, partially by taking on additional debt with banks or by issuing new shares or debt in the capital markets or by a combination thereof. If the Group is unable to obtain the necessary capital on reasonable terms or at all, it may be unable to make further acquisitions to the extent envisaged. Any additional debt incurred in connection with future acquisitions could have a significant negative impact on the Group's loan-to-value ratio ("LTV-Ratio") and could result in higher interest expenses for the Group. If Aggregate or its respective Group companies were no longer able to obtain the debt or equity financing they need to acquire additional land for development, or if they were able to do so only on unfavourable terms, its further business development and competitiveness could be severely constrained. In addition, acquisitions could result in a breach of financial covenants.

Furthermore, the properties acquired by the Group may suffer from hidden defects, such as contamination, and may thus require significant investments. In addition, in the course of the acquisition of companies or residential and other property portfolios or developable land, specific risks may not be, or might not have been, identified or evaluated correctly. As a result, legal and economic liability may be, or might have been, overlooked or misjudged. Although sellers typically make various warranties in purchase agreements that the Group companies enter into in connection with such property acquisitions, it is possible that these warranties do not cover all risks or that they fail to cover such risks sufficiently. Additionally, a warranty made by a seller may be unenforceable due to the seller's insolvency or for other reasons. In some cases, a seller makes no representation or warranty as to the completeness and correctness of the information that is made available in the context of due diligence, or as to whether such information remains correct during the period between the conclusion of the due diligence and the closing of the relevant acquisition.

Consequently, in particular in the case of acquisitions of large-volume properties, Aggregate or its Group companies, as the case may be, could have overestimated earning potential upon development, underestimated the rental and cost risks and consequently paid a purchase price higher than the portfolio's actual value for the Group. Furthermore, the properties could be inaccurately appraised by the Group for other reasons, even if they were acquired on the basis of valuation reports and due diligence reviews. Therefore, neither a particular target return from rentals, nor, if applicable, a certain price upon resale can be guaranteed with respect to acquired property.

Moreover, the Group is active as a real estate developer focused on the construction and sale of real estate to third-party buyers (mainly via forward sales) (“**Build and Sell**” business segment). The core of this business segment is Aggregate’s stake in VIC Properties S.A. (“**VIC**”). VIC develops real estate projects in Portugal, focused on large scale development schemes with a predominant focus on residential projects. Substantial funds of the Group are tied up in various real estate development projects in Portugal, especially in Lisbon and its surrounding areas, but also targeting pipeline projects in Porto and the Algarve region, that may not be realised until the relevant project is completed. It is currently expected that the main development projects Prata Riverside Village and Matinha in Portugal will be completed in 2023 and 2027, respectively. Any delay in the completion or additional costs in connection with such projects may cause liquidity risks for the Group and thus Aggregate.

Furthermore, the Group is active in investing in financial real estate assets (“**Financial Real Estate Assets**” business segment). On 15 December 2019, Aggregate entered into a call/put option agreement with ADLER Group S.A. (the “ADLER Group”) (formerly ADO Properties S.A.) to sell 50.97% of the shares in Consus Real Estate AG (“**Consus**”), representing 69,619,173 shares of Consus. On 29 June 2020, the ADLER Group exercised the call option for the Consus shares and Aggregate received approximately 22.5% of the voting rights in the ADLER Group as consideration. There is no assurance that the anticipated benefits of the acquisition of the ADLER Group shares will realize in full or at all. In particular, the Group may not have been in a position to adequately and sufficiently identify and assess all risks in connection with the exercise of the call/put option agreement and acquisition of the ADLER Group shares. It is possible that the Group will carry out further acquisitions and investments in financial real estate assets in the future. Such transactions involve certain risks. The Group may not be able to realise anticipated synergies, future earnings, transfer of know-how or other benefits that it intends to achieve from the acquisitions and investments. The Group cannot guarantee that any acquisition or investments will yield benefits that are sufficient to justify the expenses the Group has incurred.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

The business success of the Group depends on a small number of projects and inventories and problems with these inventories could have a disproportionate impact on the business success of the Group and thus Aggregate.

The business success of the Group depends on a small number of large-scale projects and inventories, especially the projects developed in Berlin (Quartier Heidestraße) and in Portugal by VIC Properties S.A., which account for a substantial portion of sales. If in addition to the general customer dependency in form of a bulk risk 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.

Aggregate may not be able to acquire real estate properties or participations due to a lack of attractive properties or participations available for purchase or competition for such acquisitions.

The extent of Aggregate’s success is also dependent on the Group’s ability to acquire suitable real estate properties or participations on a continuous basis 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.

Given the current strong demand for residential real estate in Europe and particularly in Germany, there may be fierce competition for attractive properties, and acquisition opportunities may be unavailable or available only on unfavourable terms (i.e., at higher prices and lower yields). Competitors with acquisition strategies similar to the Group may possess greater financial resources and lower cost of capital than Aggregate and may therefore be able to offer higher prices.

In addition, during the acquisition of real estate properties and participations, unforeseen problems can arise as a result of substantial economic or legal obstacles. Some transactions may be subject to a number of closing conditions and certain rights of withdrawal. If conditions precedent set out in a purchase agreement are not fulfilled or if the parties fail to reach an agreement with respect to, among other things, the loan documentation, such transaction may not occur in the form or within the timeframe originally anticipated, or at all. In the event Aggregate or its Group companies are unable to complete an anticipated acquisition, the Group may have to bear any associated transaction costs or compensate seller’s losses.

Furthermore, Aggregate relies on access to financial markets in order to refinance its debt liabilities and secure acquisition financing. Aggregate might consider financing its future growth also through equity capital markets measures. In this regard, Aggregate may be dependent on the general economic environment and the level of demand in the capital markets as well as further factors, which may lie outside its control. Any worsening of the economic environment or restrictions in the financial markets may reduce its ability to refinance its existing or future liabilities or gain access to new financing. Aggregate’s counterparties may not be able to fulfil their obligations under the respective agreements due to a lack of

liquidity, operational failure, bankruptcy or other reasons. Furthermore, an increase in interest rates could adversely impact its business by making financing more expensive and might force Aggregate to secure financing under economically unattractive conditions, which could, in turn, require Aggregate to dispose of properties or participations. A forced sale of properties or participations in a timely manner may only be possible on unfavourable terms and for a purchase price below market value.

There is no guarantee that Aggregate and its Group companies will manage the acquisition of new properties effectively. Any inability to complete anticipated acquisitions or acquire and develop properties could impair its strategy to realize growth opportunities by increasing its portfolio and to capitalize on economies of scale.

If Aggregate and its Group companies are not able to identify and acquire suitable properties at reasonable prices, this could have a material adverse effect on business, financial condition and results of operations of Aggregate.

The Group may achieve lower revenue from its business than estimated.

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 interest 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. 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 property development is dependent on its ability to increase occupancy and rent levels of the developed residential real estate properties before such properties are sold. 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.

Furthermore, if relationships with key tenants were to deteriorate, if tenants fail to fulfil their rental payment obligations, if tenants were to reduce the amount of space they lease from the Group or terminate their rental agreements, the Group may suffer a decline in rental income, especially if the Group is unable to maintain previous rental rates with the new tenants.

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.

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, Aggregate 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. Furthermore, the Group may not be able to enforce claims in the respective amount, or at all, due to the third-party contractor's or supplier's insolvency or for other reasons. Significant liabilities may not be identified or may only come to light after the expiry of warranty, guarantee or indemnity claims. 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 of 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 (e.g., fires, floods or natural disasters) and construction-related delays due to personnel shortages, strikes, building site safety, governmental permits or restrictions on

construction activity, shortage of or inability to source building materials and transportation issues, any of which may be influenced by the respective parties' reliance on third parties. 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.

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.* Aggregate 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. Aggregate or any member of the Group may be liable for the costs of removal, investigation or remediation of hazardous or toxic substances (including asbestos) located on, under or in a property currently or formerly owned by the Group, whether or not Aggregate or any member of the Group caused or knew of it. Furthermore, the Group may also be deemed to be responsible for latent or historic risks from unknown contamination, or may incur greater liability or costs than originally anticipated. The costs of remediation, investigation or defending against claims can be substantial, and they may not be covered by warranties and indemnities from the seller of the affected land plot or property or by any insurance policies of the Group, or may prove unenforceable. Any failure in HSE performance, including any delay in responding to changes in HSE regulations, may result in penalties for non-compliance with relevant regulatory requirements. Monitoring and ensuring HSE best practices may become increasingly expensive for the Group in the future if additional HSE requirements were to come into effect.

Aggregate or any member of the Group is also exposed to a liability risk arising in connection with non-compliance with or introduction of new building codes or environmental regulations. It is also possible that landlord responsibilities could be further expanded with respect to fire protection and environmental protections, which could require additional development, refurbishment, maintenance and modernization measures or result in lower proceeds from the sale of real estate properties. The project cost of such measures is based on the assumption that the required permits are issued promptly and in consistence with Aggregate's plans.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

Land plots and real estate properties can be illiquid assets and could significantly impede the ability of the Group to respond to adverse changes in the real estate or financial markets.

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, including due to changes in development plans, failure to obtain required building permits, the decision not to proceed with the development, changes in economic or property market conditions, negative political developments affecting the residential real estate or commercial letting market, including any expropriation or nationalization of real estate property, rental caps or financial distress. 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.

Future offerings of debt or equity securities by the ADLER Group may adversely affect the market price of the ADLER GROUP shares held by Aggregate and future capitalisation measures could lead to a substantial dilution of Aggregate's interests in the ADLER Group and ultimately the value of the asset.

On 15 December 2019, Aggregate entered into a call/put option agreement with ADLER Group S.A. (the “**ADLER Group**”) (formerly ADO Properties S.A.) to sell 50.97% of the shares in Consus Real Estate AG (“**Consus**”), representing 69,619,173 shares of Consus. On 29 June 2020, the ADLER Group exercised the call option for the Consus shares and Aggregate received approximately 22.5% of the voting rights in the ADLER Group as consideration. On 2 July 2020, ADO Properties (renamed to ADLER Group S.A.) announced a fully underwritten rights issue of EUR 450 million (the “**ADO Capital Increase**”) which was successfully completed by 21 July 2020. Aggregate subscribed to additional 6,932,909 shares, which brought its total holdings to 23,571,891 ADLER Group shares. Therefore, following the ADO Capital

Increase a total of 104,785,930 ADLER Group shares are outstanding with Aggregate's stake maintained at approximately 22.5% post completed rights issue.

Aggregate bears the risk that ADLER Group S.A. (the "ADLER Group") (formerly ADO Properties S.A.) may issue new shares in the future resulting in a declining market price of the ADLER Group shares and a dilution of its holdings in ADLER Group. The occurrence of any of the aforementioned risks could have material adverse effects on the assets and financial position of the Group and thus Aggregate.

Aggregate has a small number of employees in central functions and in senior management positions overseeing its business. Aggregate is dependent on recruiting and retaining qualified staff and employees in key positions. Any inability to retain or replace key personnel may be a challenge for Aggregate in the future.

Aggregate only has a small number of senior management executives responsible for managing its core business. The Group's success depends significantly on the performance and expertise of its management executives and the qualified employees in key positions, in particular, the management board members as well as other executives. It will be important for Aggregate to hire additional qualified employees to the extent that an expansion exceeds its available resources or to replace departed employees. Any unexpected loss of any of the key employees, also in connection with changes of internal structures at Aggregate, could have a detrimental effect. Any inability to recruit new highly-qualified management executives could impair the Group's growth and make it difficult for the Group to manage its business operations effectively.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

Aggregate's risk management organisation could be insufficient or might not be updated in line with Aggregate's growth. Thus, risks could arise with respect to deviations of Aggregate's actual business performance from its business planning.

The Group's risk management and monitoring systems may not be adequate to support and effectively monitor Aggregate's business operations and prevent or detect inadequate practices, fraud and violations of law by Aggregate, other members of the Group, employees or third parties acting on behalf of the Group. Failure or alleged failure to comply with applicable law and regulation may result in legal proceedings, penalties, unfavourable media reporting, damage to the Group's reputation and other detrimental consequences. This may in turn have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

In addition, the data underlying Aggregate's business planning, especially revenue, income, and expenses, is largely based on forward-looking projections and estimates that take into account all of the insights gained up to the time the planning was prepared, historical figures, and the expectations of Aggregate's management board at the time the planning was prepared. Whether the assumptions and estimates in the planning will actually materialize is uncertain. There is a risk that the earnings and liquidity of the Issuer may not develop according to plan due to negative deviations from the earnings and expense expectations in the planning. Moreover, there is a risk that, due to planning deviations, the Issuer's liquidity situation may not permit the Issuer to make interest and principal payments due under various financing agreements, including the Notes, at the relevant due date either in whole or in part.

If the Group were to fail to suitably develop further its internal organisational, information, risk monitoring, and risk management structures, align these with the planned further growth of Aggregate and adapt them to a possibly changing environment for business operations in order to identify, assess, monitor, and manage potential risks as early as possible, unfavourable business or administrative developments could occur and incorrect decisions could be made that could have material adverse effects on Aggregate.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

Aggregate could suffer material losses from damage that is not covered by insurance, or that exceeds its insurance coverage.

To cover damage that it or third parties might incur as a consequence of its business operations, Aggregate has taken out insurance contracts. However, insurance coverage is not unlimited, but subject to liability limitations and liability exclusions both in terms of the amount and with respect to the individual claim. Consequently, Aggregate could incur damage not covered by its insurance or exceeding coverage limits. In addition, Aggregate could fail to obtain sufficient insurance protection in the future or such coverage may only be available at significantly higher premiums. In the event of a large number of claims or any major loss, insurance contracts could be terminated by the respective insurance company, insurance premiums could be increased or insurance terms could become less favourable in any other respect. In addition, insurance companies could become insolvent, which may have an adverse effect on the value of the insurance contracts entered into by Aggregate with such insurance companies.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

The current IT-systems and protection measures with regard to sensitive and confidential information of the Group could be prone to faults, insufficiently secure or not fully functional.

The Group is dependent on having constantly accessible and functional information technology (IT) systems in order to carry out its business. In addition sensitive and confidential information, especially customer information, must be protected at all times against unauthorised access by third parties. The current systems and protection measures could be prone to faults, insufficiently secure or not fully functional. Any interruptions, failures, manipulation or damage to these information technology systems, including as a result of the outsourcing of property and facility management functions as well as Aggregate's IT systems, could lead to delays or interruptions in Aggregate's business processes. A range of factors beyond Aggregate's control, such as telecommunication problems, software errors, inadequate capacity at IT centres, fire, power outages, attacks by third parties, computer viruses and the delayed or failed implementation of new computer systems, could interfere with the availability of its IT systems. Any material disruption or slowdown of Aggregate's systems could cause information to be lost. Aggregate's existing safety systems, data backup, access protection, user management and IT emergency planning may not be sufficient to prevent information loss or disruptions to its IT systems. In addition, if changes in technology cause Aggregate's IT systems to become obsolete, or if Aggregate's IT systems are inadequate to handle its growth, its reputation may be damaged and Aggregate may incur additional unplanned expenses. Future technological developments may require Aggregate to spend substantial funds to prevent and repair malfunctions of Aggregate's IT systems. There can be no assurance that any of Aggregate's detected malfunctions will not be repetitive in the future despite the installation of additional security measures. Furthermore, the integration of IT systems of newly acquired real estate companies may cause the incurrence of additional costs and, simultaneously, lead to malfunctions of Aggregate's IT systems, which, in turn, may disrupt its real estate activities in multiple ways.

The occurrence of any of the aforementioned risks could have adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

Infringements of the General Data Protection Regulation and/or failures to safeguard confidential data could expose Aggregate to significant regulatory fines or penalties, liability and/or reputational damage.

The Regulation (EU) 2016/679 ("General Data Protection Regulation" or "GDPR") came into force on 25 May 2018. The General Data Protection Regulation standardises the rules for the processing of personal data by private companies, public companies and public authorities. As well as additional amendments to the rules, the regulation also increased the possible fines for data protection violations. The maximum fine for particularly serious violations is now EUR 20 million or 4% of global revenue in the previous financial year, depending on which figure is higher. If Aggregate or a subcontractor engaged by Aggregate were to breach requirements stipulated by GDPR, this could also have a negative impact on its business performance. The realisation of this risk could negatively impact Aggregate's reputation and its net assets, financial position and results of operations.

1.1.2 Risks related to the real estate market

Aggregate is dependent on the development of the real estate market predominantly in Germany, in particular in Berlin, but also with an interest in the broader DACH region (Germany, Austria and Switzerland) and Portugal. The real estate market, in turn, depends on the performance of the overall economy and on the demand for real estate and rental space. Unfavourable macroeconomic developments could adversely affect Aggregate's business and may also result in restricted access to debt and equity financing and potential payment defaults of Aggregate's business partners.

Aggregate'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 and thus Aggregate'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 Lisbon, Porto and the Algarve region 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 current worldwide economic downturn, a rise in the inflation rate, deflationary tendencies or an upturn in interest rates could adversely affect macroeconomic performance. Moreover, the last recession in the Eurozone, particularly the need for some governments to cut back on spending to retain credibility in the financial markets, has 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 euro-to-dollar rate, could have a material effect on German exports and therefore also on the performance of the German economy as a whole.

In addition, the rapid spread of SARS-CoV-2 (the “**Coronavirus**”), first identified in December 2019, has resulted in a deterioration of the political, socio-economic and financial situation across the globe, including Germany, Portugal and the European Union as a whole. In response to the pandemic, authorities all over the world imposed severe restrictions on public life and businesses which disrupted global supply chains, lowered equity market valuations, created significant volatility and disruption in financial markets, and increased unemployment levels. The extent of the impact of the Coronavirus pandemic on the global economy and the Group’s business remains uncertain at the time of this Offering Memorandum. The extent, duration and magnitude of the Coronavirus pandemic’s effects will depend on future developments, all of which are highly uncertain and difficult to predict, including the impact of the pandemic on global and regional economies, travel, and economic activity, as well as actions taken by governments, business and individuals in response to the pandemic or any future resurgence. However, it is already expected that the gross domestic product (“**GDP**”) in the European Union will drop in 2020 (Source: European Commission). More specifically, the real GDP for Germany is forecasted to drop by 6.25% in 2020 and the GDP for Portugal is forecasted to drop by 9.75% for 2020 (Source: European Commission).

In particular, lockdowns and travel restrictions could have a material adverse effect on the tourism sector in Portugal and the overall productivity of the European Union. Any widespread health crisis, including the Coronavirus and future pandemics, could result in tenants being unable to pay their rents when due or at all, adversely affect the fair value of the Group’s real estate properties and other assets, cause a significant decline of aggregate rent levels in affected areas and, ultimately, affect Aggregate’s ability to access debt and equity capital on attractive terms, or at all. In addition, lockdowns and travel restrictions could result in material layoffs and therefore a rise in unemployment figures and decrease in incomes, which, in turn, could have a material adverse effect on the purchasing power and a lower demand for real estate purchases in the European Union. Furthermore, lockdowns can have an adverse effect on the execution of the Group’s projects and may cause delays in construction work due to, e.g., government mandated work stoppages, social distancing measures, procurement or personnel shortages.

The demand for real estate is driven mostly by demographic developments, interest rate levels, financing conditions, labour market performance, the personal debt levels of potential buyers, consumer confidence, the real income levels of individuals, and foreign investor activity on the real estate market. A population decline could result in shrinking demand for residential space. In addition, demand for office properties may change in terms of location, the size of space required, and services, including as a result of the growth of mobility, and the trend towards working from home which may have been accelerated due to working experience during the Coronavirus pandemic. In addition, a decrease in real income and an increase in unemployment could adversely affect the population’s buying power, and therefore its propensity to acquire residential real estate, or to lease large or high-end residential spaces. An increase in national indebtedness and the unpredictable consequences of the United Kingdom’s decision to leave the EU (“**Brexit**”), an increase in interest rates or a deflation could also lower private and institutional investors’ propensity to invest in real estate.

In Europe, potential future changes to monetary policy, renewed doubts about the future of the Eurozone, political uncertainty arising from populist movements, insufficient deleveraging in the private and public sectors, a halt in implementing structural and financial reforms and an elevated level of political uncertainty could adversely affect the real estate markets as well the Group’s operations. Moreover, since early 2018, the United States announced a series of potential measures relating to international trade. The current administration imposed tariffs on certain products and retaliatory tariffs have been announced by several trading partners of the United States, including the EU and China. These measures and further changes to U.S. trade policy could result in further retaliatory tariffs (so called “trade wars”), which individually or in aggregate may have a material adverse effect on the German economy.

In addition, when granting loans, credit institutions could require stricter eligibility criteria for borrowers. This could lower investors’ propensity to invest in real estate due to the restricted access to or less attractive terms of financing options.

A deterioration in Germany’s and Portugal’s economic performance and falling demand for real estate or rental property in Germany and Portugal, respectively, could negatively affect the Group’s business performance and could have material adverse effects on the Group’s and thus Aggregate’s business, net assets, financial condition and results of operations.

Moreover, there is the risk of an unfavourable development in economic conditions in the European Union driven by instability in the Eurozone, especially due to Brexit but also due to political instability in other countries, such as Spain with regard to Catalonia’s controversial strive for independence. Any such political instability in the Eurozone may result in an unfavourable development of the real estate market in Germany and Portugal and thus indirectly negatively affect Aggregate’s business.

A negative trend in the economic environment could, for example due to the introduction of stricter eligibility criteria for borrowers, also adversely affect Aggregate’s or the Group’s ability to finance its acquisition of real estate portfolios by

debt capital and refinance its existing and future liabilities and could result in a lack of liquidity, operational loss, insolvencies or other developments at Aggregate's and the Group's business partners as a result of which they could no longer be in the position to meet their obligations under the contracts entered into with Aggregate or members of the Group.

The same risks are also applicable to the Financial Real Estate Assets business segment of Aggregate, including Aggregate investments in the ADLER Group and other listed equities, listed bonds, listed funds and short-duration real estate loans always secured by the underlying real estate asset.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

The availability of financing and the competition from other property companies could have a negative impact on the business of the Group.

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 bank financing it may desire for future acquisitions or re-financing purposes. Also, if the capital markets continue to be more volatile as a result of the uncertainties surrounding the Coronavirus pandemic, the Group may face difficulties in accessing the capital markets for new debt or equity financing. Adverse capital market conditions may also lead to increased costs of funding, resulting in an adverse impact on the Group's earnings and cash flows and the Group's ability to refinance maturing liabilities may be limited. 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.

The property sector is characterised by intense competition among numerous providers. Factors such as pricing, product and service quality, development and execution capabilities, financing terms and the ability to quickly adapt to shifts in market demands play an important role in the Group's highly competitive market environment. Therefore, there is the risk that mounting competition will intensify the price pressure and push down margins.

Furthermore, demand for residential properties could also be negatively impacted by the expected decline in the German population and the resulting potential downturn in living space requirements.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

The current economic uncertainty regarding the future of the Eurozone and economic developments in Germany, Portugal and the European Union together with the current favourable low interest rate environment result in comparably high valuations of residential real estate portfolios in Germany and Portugal. Any rise in interest rates could have material adverse effects on the German and Portuguese real estate market and on Aggregate.

The global financial and economic crisis and the slow and uncertain recovery of the global economy have resulted in increased uncertainty regarding future economic developments. In addition, the current economic downturn as a result of the Coronavirus pandemic added further uncertainty to the development of the global economic performance. In particular, national and supranational fiscal stimuli put in place in response to the economic fallout of the Coronavirus pandemic resulted in a steep increase of national indebtedness, which, in turn, increases the already high levels of national indebtedness in the European Union and, in particular, in Portugal. This increased level of national indebtedness may require some governments to cut back on spending to retain credibility in the financial markets and may have an impact on public spending and thus to the economic developments in Germany and Portugal. This uncertain economic outlook has increased demand for investment opportunities that typically provide stable and largely predictable cash flows, including investments for real estate. The low interest rate level in Europe contributes to this trend. As a result, property prices and the value of residential real estate have increased. These developments could reverse themselves if, for example, interest rates were to rise. A rise in interest rates could result from an improvement of the general economic situation, which could lead to greater interest in investments with a higher yield and less interest in real estate investments. Among other consequences, such developments could have an adverse effect on the Group's portfolio optimisation efforts.

In addition, more stringent borrowing requirements could be introduced (including as a result of a deterioration in general economic conditions), which could impair the Group's ability to finance property portfolio acquisitions through debt and its general ability to refinance maturing debts.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

It could become more difficult for the Group to acquire or develop real estate on attractive terms, particularly due to the recent increase in market prices for real estate portfolios, land for development and real estate companies and the increasing consolidation in the residential real estate market, in particular in Germany.

As part of the Group's business, the Group constantly needs to acquire or develop real estate. Such acquisitions or developments may only be implemented, however, if attractive real estate portfolios or land are available for purchase at economically reasonable prices. Given the current high demand for real estate, including in Germany and Portugal, such portfolios and land may be unavailable or available only on unfavourable terms. Due to the increasing consolidation in the German residential real estate market, the number of available real estate portfolios has further decreased in Germany. In addition, competitors with asset acquisition objectives similar to those of the Group may possess greater financial resources and lower costs of capital than Aggregate. Furthermore, it cannot be guaranteed that the Group will be able to generate sufficient funds to finance such envisaged acquisitions of portfolios or land in the future.

Additionally, the supply of real estate portfolios might be limited, for example, due to fewer sales of real estate portfolios by public and private long-term owners. If public long-term owners cease privatising or if they reduce their privatisation activities, supply could be constricted, which could increase competition for acquisitions that would be suitable for the Group and result in the prices of residential properties for example on the German market increasing further. As a consequence of these factors, the Group could be forced to pay higher prices or to acquire fewer (if any) properties.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

1.1.3 Risks related to the Issuer's financial situation

The Group's ability to repay existing debt with loans and other debt instruments could be limited. It may be difficult or expensive to obtain new sources of financing.

As of 31 December 2019, the Group has an unaudited *pro forma* net debt of approximately EUR 1,255.3 million, an unaudited *pro forma* LTV of 35.9% and an unaudited *pro forma* gross current financial debt of approximately EUR 325.8 million. 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.

The line of business currently pursued by the Group is to a large degree influenced by the availability of financing options. A limitation of access to the capital markets or a restrictive lending policy of banks over extended periods of time could negatively impact the business performance and the growth of the Group and thus Aggregate.

The development of real estate is exposed to the risk that a measure may not have been completed at maturity and that a loan rollover or a refinancing on the capital markets is either impossible altogether or possible only on unfavourable terms and/or at increased costs.

As of 31 December 2019, the Group has taken out loans and borrowings in a total outstanding amount of EUR 4,085.1 million 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.

In the future, Aggregate intends to refinance maturing debt with new bonds, notes and loans (or by extending the maturity of such debt). Aggregate's ability to repay existing financial obligations by raising new debt capital (or by extending the maturity of existing debt) could be limited, for example, as a result of market conditions, its business condition or the level of debt of Aggregate or of other Group companies. Large-volume debt financing could require costly restructuring in order to facilitate a refinancing. Although Aggregate was able to refinance its debt and extend maturities of various financial liabilities in the past, Aggregate might no longer be capable to raise new debt funding in the capital markets or with banks, or may only be able to do so on less favourable financial terms or with the requirement of additional security.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

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

Goodwill represents a significant portion of the Group's total assets, primarily related to Aggregate's stake in VIC. As of 31 December 2019, the *pro forma* intangible assets and goodwill (approximately EUR 801 million based on 68% ownership of VIC) amounted to approximately EUR 804.4 million and the *pro forma* total assets amounted to approximately 3,606.8 million. 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 effects on the business, financial condition and results of operations of the Group.

Future acquisitions may not close as originally contemplated or at all, for example, due to conditions in the purchase agreement or a failure to reach final agreements on acquisition financing.

In planned acquisitions of real estate, unforeseen problems could arise. For example, some of these transactions may be subject to a number of closing conditions and certain rights of withdrawal for both parties may be agreed upon. If certain conditions precedent set out in the investment agreement are not fulfilled entered into, such transactions might not occur in the form and/or within the timeframe originally contemplated.

In the event of a failure of any planned acquisitions, the Group would have to bear the associated transaction costs without receiving any of the intended results and benefits from the envisaged acquisition. The materialisation of this risk could have material adverse effects on the business, financial condition, cash flow and results of operations of the Group.

Aggregate's variable rate indebtedness subjects it to interest rate risk, which could cause Aggregate's debt service obligations to increase significantly.

Fluctuations in interest rates may affect Aggregate's interest on existing debt and the cost of new financing. As of 31 December 2019, the Group has taken out loans and borrowings in a total outstanding amount of EUR 4,085.1 million and 64.42% of its notional indebtedness is subject to variable interest rates and unhedged. If interest rates were to increase, Aggregate's debt service obligations on its variable rate indebtedness would increase even though the amount borrowed remains the same, which would require Aggregate to use more of its available cash to service its indebtedness. If interest rates increase significantly, Aggregate could be unable to service its indebtedness, which would exacerbate the risks associated with its leveraged capital structure. This could, in turn, have a material adverse effect on the business, financial condition, results of operations and cash flows of Aggregate.

VIC Properties S.A. has issued convertible bonds which investors may convert into shares of VIC Properties S.A. upon VIC Properties going public. If investors do not convert the convertible bonds into shares of VIC Properties S.A. but instead demand repayment at maturity, VIC Properties S.A. might be forced to secure financing under economically unattractive conditions to refinance such repayment of the convertible bond.

On 26 April 2019, VIC Properties S.A. successfully completed an offering of secured pre-IPO convertible bonds with a nominal amount of EUR 250 million. The convertible bonds were issued at an issue price of 90% of their principal amount and will be redeemed at 105% of their principal amount (the "**Redemption Amount**") on the maturity date. The convertible bonds will mature on 28 May 2025 if not previously purchased, redeemed or converted. The bondholders of such convertible bonds may convert the convertible bonds into shares of VIC Properties S.A. It is expected that the majority of bondholders will use their conversion right, which would dilute Aggregate's stake in VIC Properties S.A. However, if the bondholders do not convert the convertible bonds prior to 25 May 2025 but instead demand repayment at the Redemption Amount, VIC Properties S.A. might be forced to secure refinancing under economically unattractive conditions to refinance such repayment of the convertible bond.

The occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and Aggregate.

The Group expects to incur additional indebtedness in the future.

The indebtedness that the Group may incur in the future, even within the limits set forth in Aggregate's business strategy, could reduce its financial flexibility. The Group typically seeks external funding, including bank debt, for the acquisition and financing of real estate properties and project developments. If certain events occur, including a breach of financial covenants, the borrowing arrangements of the Group may become payable prior to their scheduled repayment date or may otherwise be subject to early termination. If the Group is required to repay borrowed amounts early, members of the Group may be required to sell assets in order to service the payments, which the Group would not otherwise choose to sell, potentially at prices that are lower than expected. Additionally, the relevant members of the Group may be subject to prepayment penalties.

The Group may also find it difficult or costly to refinance indebtedness as it matures, and if interest rates are higher when refinancing the indebtedness, its financing costs could increase. Further, Aggregate may pledge its interest in one or more of its subsidiaries or other financial assets it may hold as collateral for financings from time to time. Additionally, the Group is subject to the risk that the fair value or future cash flows of financial instruments fluctuates due to changes in interest rates which in turn may increase financing costs of the Group. The ability to pay and refinance debt is significantly

reliant on the future operating performance of the Group and its ability to generate a sufficient cash flow. The Group may be unable to achieve any refinancing on a timely basis or on satisfactory terms and may also be limited in its ability to pursue refinancing alternatives by the terms and conditions of its existing debt arrangements. The inability of the Group to refinance its debt obligations on or prior to their maturity on favourable terms or at all could have a material adverse effect on the ability to service and repay the Notes.

Any change to the indebtedness of the Group could have a material adverse effect on its business, financial condition and results of operations.

The Issuer's cash flows and possible future interest payments are dependent on the annual profit and profitability of its subsidiaries and the ability to receive cash from subsidiaries or must be augmented by borrowed capital or the sale of Financial Real Estate Assets.

The Issuer is a holding company and does not conduct its operating business itself but does so through its subsidiaries. To cover the Issuer's operating costs, it relies on, among other things, distributions that it receives from its subsidiaries and other investment interests or, as the case may be, scheduled repayments of loans it has granted to its subsidiaries. The distributions by its subsidiaries depend, in-turn, on the subsidiaries' operating results and their ability to make those distributions under applicable law and potential restrictions of existing and future loan contracts, including the consent of banks to the distribution of surplus cash or the repayment of shareholder loans. Aggregate's two main operative subsidiaries, Quartier Heidestrasse GmbH and VIC, are in the development phase for their respective investments. Quartier Heidestrasse GmbH is not expected to be able to make distributions or other upstream payments to Aggregate in at least the short-term. In addition, any such distributions or payments may be restricted by the terms of their respective financing arrangements. For example, VIC is restricted from making dividend payment to Aggregate. Therefore, Aggregate is dependent on cash flow from its Financial Real Estate Assets or other sources to service its own indebtedness, including the Notes. Such funds, and the ability to source cash from subsidiaries, may not be sufficient in the future to satisfy all of its payment obligations. If the funds are insufficient, the Issuer would need to obtain additional funds to meet its payment obligations, including under the Notes.

Negative developments in connection with any such factors or at the level of each subsidiary, including any impairment of the ability by such subsidiary to make distributions of cash to the Issuer, could force it to sell properties or Financial Real Estate Assets or borrow money on unfavourable terms. The subsidiaries of the Issuer will most likely refrain from paying dividends if available cash is insufficient for the payment thereof. However, any decision to borrow money to facilitate paying dividends could, while in the short-term potentially strengthen the Issuer's position among shareholders, result in increased financial obligations over the long run.

The Pro Forma Financial Information of the Group is only provided for illustrative purposes and is no indicator for the future business-, asset-, financial- and earnings situation of the Group.

The unaudited *pro forma* consolidated financial information of the Group included in this Offering Memorandum (the "**Pro Forma Financial Information**") are only provided for illustrative purposes. It should not be considered as an indicator for the future business-, asset-, financial- and earnings situation of the Group.

The Pro Forma Financial Information are based on historic consolidated financial statements of the Group and, *inter alia*, on the historic consolidated financial statements of Aggregate and Consus Real Estate, subject to certain adjustments, assumptions and estimates. These adjustments, assumptions and estimates are preliminary and based on information that was available during the time of preparation of the Pro Forma Financial Information and which has not been reviewed or audited by the Issuer's independent auditors. In particular, the methodology for valuing the ADLER Group shares is preliminary and has not yet been reviewed by the Issuer's independent auditors. As such, it cannot be excluded that, based on the discussions with the Issuer's review auditor at year end, it will be concluded that a different methodology for the valuation of the ADLER Group shares than the one used for the purposes of the Pro Forma Financial Information will be applied.

Further, for the preparation of the Pro Forma Financial Information only the effects of the de-consolidation of Consus Real Estate and the recognition of the Group's stake in the ADLER Group were taken into account and no other effects were considered. For more details regarding the other events and transactions that are not reflected in the Pro Forma Financial Information, please see note 30 to the Issuer's audited consolidated financial statements as of and for the year ended 31 December 2019. As a result thereof, it must be assumed that the actual prospective business-, asset-, financial- and earnings situation of the Group will differ significantly from the Pro Forma Financial Information. In addition, the assumptions made during the preparation of the Pro Forma Financial Information could prove incorrect or inaccurate and other factors could significantly negatively affect the prospective business-, asset-, financial- and earnings situation as well as the cash flows and prospects of the Group.

1.1.4 Legal and regulatory risks

Legal and regulatory conditions in the real estate industry could change and adversely affect Aggregate's business.

Aggregate's business is influenced by the legal and regulatory conditions applicable to real estate, in particular in Germany and Portugal and to the sale of land. Adverse changes in the applicable laws or administrative provisions or changes in their interpretation or application may have negative effects on Aggregate, the Group and/or its investments. In particular, it cannot be excluded that any changes in tax treaties, tax legislation, administrative practice or jurisprudence, which may occur at any time at short notice, result in negative tax effects for the Group and thus Aggregate.

In particular, an increase in the real estate transfer tax or property tax, changes in capital gains taxation, limitations on tax deductions, or stricter add-back rules for interest expenses could adversely affect the Issuer or any of its present or future subsidiaries. Despite the general principle of non-retroactivity in Germany, any changes in applicable laws, regulations and directives may have a retroactive effect. There have been significant changes in the legal and tax environment in Germany in past years. For example, the German real estate transfer tax ("RETT") has undergone significant changes, the RETT rate has increased from 3.5% to up to 6.5% in some German states and the assessment basis for RETT incurred because of share sales is now similar to the fair market value of the real estate asset. The Issuer cannot rule out that further increases of the tax rate might take place in the future.

Moreover, German residential landlord tenant law (*Wohnraummietrecht*) is considered to be tenant friendly in many respects, including limits on the amount of rent chargeable. The rent control (*Mietpreisbremse*) stipulates that the rent may not exceed the local comparative rent by a maximum of 10% in case of new lettings of residential units in areas designated as a tight residential rental market. However, the rent control only applies if the federal states have implemented ordinances designating areas as tight residential rental market. As of the date of this Offering Memorandum, the rent control entered into force in 13 of the 16 German Federal States but may enter into force in additional German Federal States. There are certain exceptions to the rent control limitation, for example, the first letting of new or fully modernized buildings are excluded from the rent limitation. An abolition of such exclusion from the rent limitation could have a material adverse effect on business, financial condition and results of operations of Aggregate and/or its investments, as the purchase price may need to be adjusted.

In particular, changes in the legal rights of tenants and the protection of tenants against termination could curtail the Issuer's flexibility in changing the tenant structure of its portfolio and negatively affect the overall value of the leased properties. Stricter environmental laws and regulations, especially energy conservation regulations, could increase the Issuer's costs associated with the management of its residential property portfolio and expand its liability.

Tax benefits or regulatory rules concerning investments in real estate companies could be changed, which could dampen general interest in real estate in Germany and Portugal. In particular, this could result in reduced proceeds from the sale of parts of the residential property portfolio.

The legal environment might further be negatively influenced by political developments such as current campaigns for expropriation or nationalisation of real estate property and rental caps with the goal to supply more affordable housing. For example, in June 2019, Berlin's municipal government announced its intention to freeze rents in Berlin for the next five years, which is to take retroactive effect from 18 June 2019. The so-called "Mietendeckel" was passed on 30 January 2020 by Berlin's parliament (*Berliner Abgeordnetenhaus*) and entered into force on 23 February 2020. While lettings in buildings, which were completed after 1 January 2014, are exempt from the law, it may adversely affect the business of Aggregate by potentially impacting the demand for apartments. As a result of these legislative plans and discussions, demand for the real estate properties may decrease, especially if other municipal or state governments introduce similar laws or announce plans to introduce such laws.

Any unfavourable developments in the legal and regulatory environment and the occurrence of any of the aforementioned risks could have material adverse effects on the assets, financial position, and results of operations of the Group and thus Aggregate.

The structure of the Group is mainly influenced by the general tax environment in Luxembourg, Germany and Portugal and changes in the tax environment may increase the Group's tax burden.

In addition to Aggregate, which is established in Luxembourg, the Group includes companies in other European jurisdictions and is invested in other real estate companies in Europe, such as Germany. The Group has registered offices in Germany, Luxembourg, Portugal and other countries (Cyprus, the United Kingdom, Ireland and the Isle of Man). The Group's companies are subject to the tax laws of their jurisdictions of registration and the jurisdictions where they conduct business. The cross-border participation of Aggregate in its subsidiaries or in other real estate companies, which are not subsidiaries, provides for various tax aspects, including cross-border taxation issues governed by directives of the European Union and/or double-tax treaties between Luxembourg and the jurisdictions of the subsidiaries or other real estate companies the Group is invested in. It cannot be excluded that tax authorities in the countries in which the Group is active

may not share the view of the Group's tax assessment, which could lead to additional tax burdens for the Group in any of these countries.

The Group is predominantly subject to the tax environment in Luxembourg, Germany and Portugal. The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof.

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.

A number of factors may also impact the Group's tax situation. The Group is required to file tax declarations *inter alia* in Luxembourg, Portugal and Germany, from time to time, and any tax assessments that deviate from the Group's tax declarations may increase or alter the Group's tax obligations. The individual entities of the Group are regularly subject to tax audits by the competent tax authorities which may result in increases in the Group's tax obligations or penalties and fines. The Group may also be subject to administrative or judicial proceedings with respect to its tax declarations, and may incur substantial time and effort in addressing and resolving tax issues.

In addition, changes in tax treaties, tax legislation, administrative practice or case law, which are possible at any time and may occur on short notice, could have adverse tax consequences for the Group. The applicable tax rates, for example with respect to property tax, property transfer tax or capital gains tax, may also change rapidly and with short notice. Changes in real estate transfer tax may also negatively affect the value of Aggregate's portfolio. Additionally, changes could be made to the ability to depreciate owned real estate. Additionally, divergent statutory interpretations by the tax authorities or the courts are possible.

In addition, based on its decision on 10 April 2018, the German Constitutional Court (*Bundesverfassungsgericht*) ruled that certain real estate tax provisions (*Grundsteuer*) are unconstitutional and must have been amended by 31 December 2019. The legislative amendment process has been passed on 26 November 2019 and the changes will become effective on 1 January 2025. Based on the amended provisions the calculation of the real estate tax (*Grundsteuer*) will change, and, accordingly, the real estate tax may increase. Moreover, there are discussions whether to prohibit the indirect transfer or on-charging of the real estate tax to the tenants. It is currently generally accepted practice to allocate the real estate tax to the tenants on the basis of respective provisions in the rental agreements with the effect that the real estate tax is effectively borne by the tenants. Consequently, the return for the lessor could decrease unless the base rent could be increased by the real estate tax cost. The reform of the real estate tax (*Grundsteuer*) provisions may lead to higher real estate taxes (*Grundsteuer*) in metropolitan areas and may accordingly affect the Group's business.

There can be no assurance that the provisions for tax risks Aggregate and/or the Group made will be sufficient to cover the tax payment obligation resulting from any tax audit in the future. Any obligation to pay additional taxes could have a material adverse effect on the Group's business, financial condition, cash flow and results of operations and thus Aggregate.

Several initiatives are currently being considered at both the national level and the level of the EU that could ultimately affect the taxation of companies in such jurisdictions. The initiatives relate, among others, to changes to the limitation of interest deductions (e.g., in connection with hybrid financial instruments) and the establishment of a common consolidated corporate income tax base. These or any other proposals could have disadvantageous effects on the Group's future tax burden. Therefore, if the aforementioned initiatives, or any other changes in the law, were implemented, any one of them could have a material adverse effect on the Group's business, financial condition, cash flow and results of operations and thus Aggregate.

Amendments to applicable laws, administrative practice and changes in the interpretation of any of the aforementioned may also have a retroactive effect. Any such development could have a material adverse effect on the attractiveness of the acquisition of real estate properties and therefore may have negative effects on the Group's real estate development and sales activities.

If such changes in the legal or tax framework occurred, in particular in relation to a tightening of legislation governing real estate transfer taxes, either individually or in combination, or if any other changes in the legal or tax framework were to occur, any of these could have a material adverse effect on the Group's business, financial condition and results of operations and thus on Aggregate.

The Group is exposed to real estate transfer taxes (RETT).

Increases in the applicable 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. Under current German law, the transfer of real estate or of a 95% or greater interest in a company that owns real estate triggers a potential liability for RETT.

Because of the complexity of the RETT laws in Germany, the Group may from time to time seek to acquire properties with less than a 95% stake in the ownership company. This may result in an increased complexity of the transaction and stronger minority rights of the associate parties. As a consequence, transaction costs and future administrative expenses for the newly acquired property would generally rise, too. Recently proposed changes to German RETT laws aim to tighten the statutory RETT framework with regard to share deals. Accordingly, share deals that do not trigger any RETT may no longer be possible in the future or such acquisitions might be more difficult. In broad terms these proposals are to (i) extend the stricter partnership RETT rules to incorporated companies; (ii) reduce the economic ownership threshold upon which RETT is triggered from 95% of the shares or interest in a property company, as it is currently, to 90%; and (iii) extend the 5 year cooling period to 10 years, respectively 15 years in certain situations. As a result, RETT will be payable unless the seller retains over 10% of the shares or interest in a property company for at least 10 (15) years. While the draft bill originally stipulated that the respective legislative changes shall come into force in January 2020, the political parties currently forming the German government announced in October 2019 that the intended changes to RETT will not come into force as of 1 January 2020 as originally planned. Instead, the coalition parties intended to resolve the draft in the first half of 2020; discussions are, however, still ongoing and the actual timing of a new draft is unclear. It is, furthermore, unclear if and to which extent such changes will enter into force with retroactive effect.

Any increase in applicable RETT rates for the properties in the Group's portfolio could have a material adverse effect on the Group's business, net assets, financial condition, results of operations, cash flows and prospects and thus on Aggregate.

The Group and the external sales partners could face compensation claims from third parties in connection with the consultancy services rendered by demand.

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.

Due to restrictions on the deduction of interest expenses and the forfeiture of interest carry forwards under German tax laws, Aggregate may be unable to fully deduct interest expense from its financial liabilities.

Aggregate 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, Aggregate 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.

For example, interest expense is fully deductible if (a) the interest expense exceeding a business' interest income is less than EUR 3 million (*de minimis* rule); (b) the business in question does not belong to a group, i.e., it does not have to be consolidated with other businesses (so called "stand alone clause"); or (c) the equity ratio test is met, i.e., the equity ratio of the business in question is no more than a maximum of two percentage points lower than the equity ratio of the consolidated group (so called "escape clause"). Any amount of interest expense which exceeds the 30% threshold and, therefore, is non-deductible, can only be carried forward to future periods and may be deductible in future financial years under certain circumstances. An interest carry forward may be forfeited in part or in full in connection with certain measures, for instance, a change of the ownership structure.

In the event that Aggregate's interest expense is non-deductible or only partially deductible due to the interest deduction ceiling or if any risk related to a potential forfeiture of loss and/or interest carry forwards under German tax laws materialize, the occurrence of any of these events could have a material adverse effect on the business, financial conditions and results of operations of Aggregate.

1.2 RISKS RELATING TO THE NOTES

An investment in the Notes involves certain risks associated with the characteristics, specification and type of the Notes which could lead to substantial losses that Holders would have to bear in the case of selling their Notes or with regard to receiving interest payments and repayment of principal. Risks regarding the Notes comprise, *inter alia*, the following risks:

1.2.1 Risks related to the nature and the terms and conditions of the Notes

Risk of a partial or total failure of the Issuer to make interest and/or redemption payments

Any person who purchases the Notes is relying on the creditworthiness of the Issuer and has no rights against any other person. Holders are subject to the risk of a partial or total failure of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. The worse the creditworthiness of the Issuer (see also “1.1. Risks relating to the Issuer and the Group” above), the higher the risk of loss resulting from an investment in the Notes.

The specific risk is that if a credit risk (for example, because of the materialisation of any of the risks regarding the Issuer and/or the Group) realises this may result in partial or total failure of the Issuer to make interest and/or redemption payments under the Notes which in turn may result in a Holder’s loss of the investment in the Notes.

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Notes and the impact the investment in the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the financial markets;
- know that it may not be possible to dispose of the Notes for a substantial period of time, if at all, before maturity; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers prior to investing in the Notes to determine whether and to what extent (i) the Notes are permitted investments for it, (ii) where relevant, the Notes can be used as collateral for various types of borrowing, and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. Each investor should also consider the tax consequences of investing in the Notes and consult its own tax advisers with respect to the acquisition, sale and redemption of the Notes in light of its personal situation.

The specific risk is that if an investment in the Notes turns out to be not a suitable investment for such investor due to the factors set out above, such investor may suffer a substantial loss which may negatively impact its overall investment strategy.

The Notes bear specific risks typical for fixed rate notes.

The Notes are fixed rate notes. Therefore, each Holder is particularly exposed to the risk that the price of the Notes falls as a result of changes in market interest rates. While the nominal interest rate of the Notes as specified in the Terms and Conditions is fixed during the term of the Notes, the current market interest rates typically change on a daily basis. As the market interest rates change, the price of fixed rate notes also changes, but in the opposite direction. If the market interest rate increases, the price of fixed rate notes typically decreases, until the yield of such notes is approximately equal to the market interest rate of comparable issues.

The specific risk is that if Holders are forced to sell their Notes at relevant trading prices such prices may be lower than the amount invested in the Notes which in turn may result in a Holder’s loss of the investment in the Notes.

The Notes are subject to exchange rate risks.

The Issuer will pay principal and interest on the Notes in Euros. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”)

other than Euros. These include the risk that exchange rates may change significantly (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.

The specific risk is that as a result of any of the risks described in this sub-paragraph, investors may receive less interest or principal than expected, or no interest or principal which in turn may result in a Holder's loss of the investment in the Notes.

The Notes are subject to inflation risks.

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on a Note. If the inflation rate is equal to or higher than the nominal yield, the real yield is zero or even negative.

The specific risk is that if the inflation rate increases during the term of the investment or is higher when the Notes are redeemed compared to the point of time of the investment, investors will suffer a lower yield of the investment in the Notes than expected when investing in the Notes which in turn may result in a Holder's loss of the investment in the Notes.

The Notes are subject to a risk of early redemption, including a call right at the option of the Issuer and an automatic early redemption in case of a non-issuance of the Tranche 2 Notes.

The Notes are subject to a risk of early redemption. The Issuer may, at its option, and in accordance with the Terms and Conditions, redeem the Notes for reasons of a minimum outstanding principal amount. Additionally, in accordance with the Terms and Conditions, the Tranche 1 Notes will be automatically redeemed if, for any reason, the Tranche 2 Notes have not been issued on the Tranche 2 Issue Date (which is on or about [●] 2020).

The specific risk is that if the Issuer redeems the Notes prior to the final maturity date of the Notes a Holder is exposed to the risk that due to such early redemption its investment will have a lower than expected yield at the point of time when investing in the Notes. Also, in case of an early redemption of the Notes, a Holder may only be able to reinvest on less favourable conditions as compared to the original investment which may result in a lower yield than expected when investing in the Notes.

The Notes will not be legally but economically subordinated to the Group's debt to the extent such debt is secured.

The Terms & Conditions do not require the Issuer to secure the Notes if it provides security for any other indebtedness (including other bonds or capital market indebtedness). To the extent the Issuer provides security interest over its assets for the benefit of other debt without also securing the Notes, the Notes will be effectively junior to such debt to the extent of such assets. Consequently, holders of (present or future) secured debt of the Group may recover disproportionately more on their claims than the Holders in an insolvency, bankruptcy or similar proceeding. The Issuer may not have sufficient assets remaining to make payments under the Notes.

The Notes will be structurally subordinated to all liabilities of the Issuer's subsidiaries.

None of the Issuer's subsidiaries will guarantee the Notes. Accordingly, the Issuer's subsidiaries do not have any obligation to pay amounts due under the Notes or to make funds available for that purpose. Generally, claims of creditors of a subsidiary, including trade creditors and preference shareholders (if any), will have priority with respect to the assets and earnings of the subsidiary over the claims of creditors of its parent entity, including claims by Holders under the Notes. In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding of any of the Issuer's subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to its parent entity. As such, the Notes will be structurally subordinated to the creditors (including trade creditors) and preference shareholders (if any) of Aggregate's subsidiaries. In addition, the Terms and Conditions as well as the Group's other indebtedness allow the Issuer's subsidiaries to incur additional debt in the future, which will be structurally senior to the Notes.

Under the Terms and Conditions, the Group is permitted to incur substantial additional debt or take other action that could negatively impact the Holders.

The Terms and Conditions restrict the Group's ability to incur additional indebtedness by requiring the maintenance of a loan-to-value ratio. In addition, the Terms and Conditions permit Holders to require the Issuer to redeem or, at the Issuer's option, repurchase the Notes upon the occurrence of a change of control event. However, these restrictions and undertakings

may nonetheless allow the Issuer and its subsidiaries to incur significant additional (secured or unsecured) indebtedness, to grant additional security for the benefit of existing and future indebtedness and to enter into transactions, including reorganisations, mergers, acquisitions and other similar corporate transactions that may adversely affect the Holders. Consequently, the Issuer may not have sufficient assets to make payments on the Notes.

Although the occurrence of specific change of control events will permit the Holders to require redemption of the Notes, the Issuer may not be able to redeem such Notes.

Upon the occurrence of a specific change of control event pursuant to the Terms and Conditions, Holders will have the right to require redemption of the Notes at 101 per cent. of their principal amount, plus accrued and unpaid interest. The Issuer's ability to redeem the Notes upon such a change of control event will be limited by its access to funds at the time of the redemption. Upon a change of control event, the Issuer may be required to immediately repay the outstanding principal, any accrued interest on and any other amounts owed by it under other debt outstanding. The source of funds for these repayments would be the available cash or cash generated from other sources. However, there can be no assurance that there will be sufficient funds available upon a change of control event to make these repayments and any required redemption of the Notes.

The specific risk is that if the Issuer is not able to fund such early redemption due to a change of control event Holders may suffer a loss of their investment.

The Terms and Conditions, including the terms of payment of principal and interest, can be amended by a Holders' resolution and any such resolution will be binding for all Holders. Any such resolution may effectively be passed with the consent of less than a majority of the aggregate principal amount of the Notes outstanding.

According to the Terms and Conditions and the German Act on Issues of Debt Securities of 2009, Holders can, by resolution, consent to amendments of the Terms and Conditions of such Notes. Accordingly, although no obligation to make any payment or render any other performance may be imposed on any Holder, the Holders may, by resolution, materially change the substance of the Terms and Conditions, in particular in the case of Section 5 paragraph 3 numbers 1 through 9 of the German Act on Issues of Debt Securities. Under the German Act on Issues of Debt Securities and the Terms and Conditions of Notes, such amendments require a resolution of Holders holding in the aggregate at least 75 per cent. of the votes cast in respect of the Notes. Subject to contestation in court, any such resolution will be binding on all Holders.

The voting process under the Terms and Conditions will be governed in accordance with the German Act on Issues of Debt Securities, pursuant to which the required participation of Holder votes (quorum) is principally set at 50 per cent. of the aggregate principal amount of outstanding Notes at the time of the first Holders' meeting or a vote without meeting. If the quorum is not met for the first voting process, there is no minimum quorum for the second voting process in relation to the same resolution (unless the resolution to be passed requires a qualified majority, in which case Holders representing at least 25 per cent. of outstanding Notes by principal amount must participate in the meeting). As the relevant majority for Holders' resolutions is generally based on votes cast, rather than on principal amount of Notes outstanding, the aggregate principal amount of Notes required to vote in favour of an amendment will vary based on the Holders' votes participating.

The specific risk is that Holders are being outvoted and losing rights towards the Issuer against its will in the event that Holders holding a sufficient aggregate principal amount of the Notes participate in the vote and agree to amend the Terms and Conditions of Notes by majority vote in accordance with the Terms and Conditions and the German Act on Issues of Debt Securities which in turn may result in a Holder's loss of the investment in the Notes. Any such majority resolution will even be binding on Holders, who have declared their claims arising from the Notes due and payable based on the occurrence of an event of default, but who have not received payment from the Issuer prior to the amendment taking effect.

Since no Holders' Representative will be appointed as from the issue date of Notes, it will be more difficult for Holders to take collective action with respect to the Notes.

Under the German Act on Issues of Debt Securities, an initial joint representative (*gemeinsamer Vertreter*) of the Holders (the "Holders' Representative") may be appointed by way of the terms and conditions of an issue. The Holders' Representative is not a trustee and its functions differ in material respects from those of a trustee appointed under the U.S. Trust Indenture Act of 1939 or similar legislation. No initial Holders' Representative will be appointed under the Terms and Conditions. Any appointment of a Holders' Representative for the Notes post issuance of the Notes will, therefore, require a majority resolution of the Holders.

The specific risk is that if the appointment of a Holders' Representative is delayed, this will make it more difficult or even impossible for Holders to take collective action to enforce their rights under the Notes.

It is possible that a Holder may be deprived in its individual right to pursue and enforce its rights under the Terms and Conditions if such right was passed on a Holders' Representative.

If a Holders' Representative will be appointed by majority decision of the Holders it is possible that a Holder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions against the Issuer, if such right was passed to the Holders' Representative by majority vote who is then exclusively responsible to claim and enforce the rights of all the Holders.

The specific risk is that Holders may not be able to enforce their rights under the Notes individually but with consent and depending on the action of a Holders' Representative only which in turn may result in a Holder's loss of the investment in the Notes.

If a loan is used to finance the acquisition of the Notes, the loan may significantly increase the risk of a loss.

If a loan is used to finance the acquisition of Notes by a potential investor and the Notes subsequently default, or if the trading price diminishes significantly, the investor may not only have to face a potential loss on its investment, but will also have to repay the loan and pay interest thereon.

A loan may significantly increase the risk of a loss. Potential investors should not assume that they will be able to repay the loan or pay interest thereon from the profits of an investment in the Notes. Instead, potential investors should assess their financial situation prior to an investment in the Notes, as to whether they are able to pay interest on the loan, repay the loan on demand, and the possibility that they may suffer losses instead of realizing gains.

The specific risk is that if Holders are not in a position to repay the loan Holders will suffer a substantial loss in the context of investing in the Notes.

The Notes are subject to transaction costs and charges.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions, as a rule, charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including, but not limited to, domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), potential investors must also take into account any follow-up costs (such as custody fees).

The specific risk is that such additional costs may lower the yield of the investment substantially and in a worst case investors may even suffer a loss. Therefore, potential investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

No assurance can be given as to the impact of any possible judicial decision or change of laws or administrative practices after the date of this Offering Memorandum.

The Terms and Conditions are based on the laws of Germany in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to the laws of Germany or administrative practice or the official application or interpretation of German law after the date of this Offering Memorandum.

The specific risk is that Holders may face detrimental changes in German law which negatively impact their rights under the Notes. This could even lead to situations where Holders are not allowed to enforce their rights under the Notes which in turn may result in a Holder's loss of the investment in the Notes.

The interests of the Issuer's shareholder may be inconsistent with the interests of the Holders of the Notes.

The Group is indirectly wholly owned by Mr. Günther Walcher. The interests of the Issuer's shareholder could conflict with the interests of the Holders of the Notes, particularly if the Group encounters financial difficulties or become unable to pay its debts when due. The Issuer's shareholder could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the Holders of the Notes. Finally, the direct and indirect shareholder of the Issuer may have strategic objectives or business interests that could conflict with the Group's own strategies or interests. If the interests of the Issuer's shareholder conflicts with the Group's interests or the interests of the Holders of the Notes, or if the Issuer's shareholder engages in activities or pursues strategic objectives that conflict with the interests of the Group or the interest of the Holders of the Notes, the Group and the Holders could be disadvantaged.

1.2.2 Risks related to the admission of the securities to trading

The trading price of the Notes could decrease if the creditworthiness of the Issuer worsens or is perceived to worsen.

If, for example, because of the materialisation of any of the risks regarding the Issuer, the Issuer is less likely to be in a position to fully perform all of its obligations under the Notes when they fall due, the market value of the Notes will suffer. In addition, even if the Issuer is not actually less likely to be in a position to fully perform all of the obligations under the Notes when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business areas as the Issuer could adversely change.

The specific risk is that if any of these risks occur, third parties would only be willing to purchase Notes at a substantial discount than before the materialisation of the relevant risk which in turn may result in a Holder's loss of the investment in the Notes.

The Notes do not have an established trading market and an active trading market for the Notes may not develop.

The Notes represent a new issue of securities for which there is currently no established trading market. Although the Issuer intends to obtain admission of the Notes to trading on the Euro MTF of the Luxembourg Stock Exchange, there can be no assurance that a market for the Notes will develop or, if it does develop, continue or that it will be liquid, thereby enabling investors to sell their Notes when desired, or at all, or at prices they find acceptable.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors including the creditworthiness of the Issuer as well as other factors such as the time remaining to maturity of the Notes, the outstanding amount of the Notes and the redemption features of the Notes. Such factors will also affect the market value of the Notes.

The specific risk is that Holders may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by the Issuer is influenced by a number of interrelated factors, including economic, financial and political conditions and events in Germany and other jurisdictions in which the Issuer is active as well as national and global economic conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Germany, UK, Europe, the US or Asia or elsewhere will not cause market volatility or that such volatility will not adversely affect the market price of the Notes or that economic and market conditions will not have any other adverse effect.

The specific risk is that the price at which an investor in the Notes will be able to sell the Notes prior to maturity date of the Notes may be at a discount, which could be substantial, from the issue price of the Notes or the purchase price paid by such investor which in turn may result in a Holder's loss of the investment in the Notes.

1.2.3 Taxation risks relating to the Notes

The Notes are subject to a risk of early redemption, since the Issuer has the right to redeem the Notes prior to maturity if the Issuer is required to pay additional amounts on the Notes for reasons of taxation.

The Issuer has the right to call the Notes prior to the maturity date of the Notes if the Issuer is required to pay additional amounts on the Notes for reasons of taxation as set out in the Terms and Conditions.

The specific risk is that if the Issuer redeems the Notes prior to maturity date of the Notes a Holder is exposed to the risk that due to such early redemption his investment will have a lower than expected yield which in turn may result in a Holder's loss of investment in the Notes. Also, in case of an early redemption of the Notes, a Holder may only be able to reinvest on less favourable conditions as compared to the original investment which in turn may result in a Holder's lower yield than expected or even a negative yield.

Financial Transaction Tax.

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transactions tax (the "**FTT**"). According to the Commission's Proposal, the FTT shall be implemented in certain EU Member States, including Germany (the "**Participating Member States**").

Pursuant to the Commission's Proposal, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction,

or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue. Thus, the issuance of the Notes should not be subject to the FTT.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.2 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Germany has recently submitted a new proposal. Nevertheless, the FTT remains subject to negotiation between the Participating Member States and was (and most probably will be) the subject of legal challenge. In light of the differing views on the scope of the FTT, the final concept may still be adopted and be altered prior to its adoption, the timing of which still remains unclear. Moreover, once any directive has been adopted (the “**Directive**”), it will need to be implemented into the respective domestic laws of the still Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself. Finally, additional EU Member States may decide to participate. Alternatively, some Member States might even decide to introduce their own national FTT.

The specific risk is that the FTT may result in a negative tax treatment applied to the Notes which in turn may result in a Holder’s loss of investment in the Notes. Therefore, potential investors should consult with their tax advisors with regard to the tax treatment in the context of investing in the Notes.

2. USE OF PROCEEDS

The net proceeds from the issue of the Notes, after deduction of commissions, fees and estimated expenses is expected to be approximately EUR [●]. Such proceeds are intended to be used for

- (a) the refinancing of existing indebtedness, in particular the Existing Notes (as defined below), including interest accrued thereon and any incentive payable in connection with the Exchange Offer (as defined below),
- (b) general corporate purposes, and
- (c) potential future acquisitions.

The Tranche 2 Notes will be issued in exchange for the Existing Notes in accordance with the Exchange Offer. Accordingly, no proceeds from the issue of the Tranche 2 Notes will be received.

3. GENERAL INFORMATION ABOUT THE ISSUER AND THE GROUP

3.1 GENERAL INFORMATION

Aggregate Holdings S.A. (the “**Issuer**”, and together with its consolidated subsidiaries, the “**Group**”) is a limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg. The Issuer was originally incorporated on 6 February 2015 for an unlimited period and is registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés*) (the “**RCS**”) under number B 194.538.

Its registered office is 10, rue Antoine Jans, 1820 Luxembourg, Grand Duchy of Luxembourg.

The website of the Issuer is <https://www.aggregateholdings.com>.

3.2 CORPORATE PURPOSE

Pursuant to Article 3 of its Articles of Association, the Issuer has the following corporate purpose:

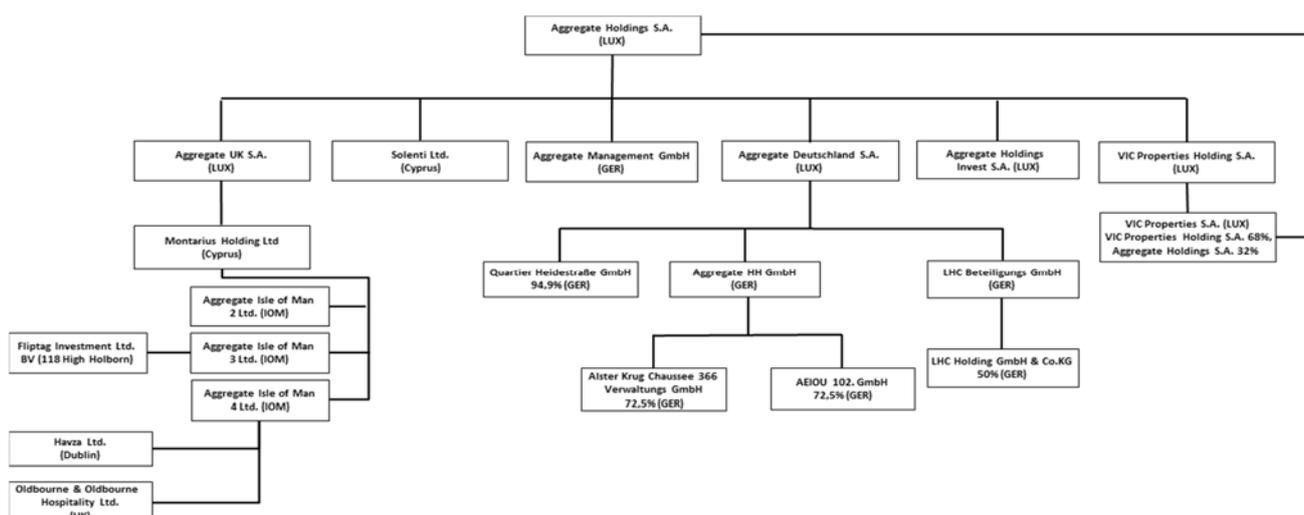
- the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. This includes the acquisition by subscription, purchase and exchange or in any other manner of any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally, any securities and financial instruments issued by any public or private entity
- the participation in the creation, development, management and control of any company or enterprise
- the investment in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin
- the borrowing of money in any form by issuing notes, bonds and any kind of debt and equity securities.

3.3 PRINCIPAL ACTIVITIES

The main activity of the Group is the acquisition, development and project management of real estate development assets with either focus on subsequent disposal in its ‘build to sell’ business segment or letting and management of completed projects in its “build to hold” business segment. Through various investments, the Group has built a 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. For details on the Issuer’s principal activities, please refer to “*Business of the Group and Principal Market*” below.

3.4 ORGANIZATIONAL STRUCTURE

The following diagram provides an overview, in simplified form, the corporate structure of the Issuer and its subsidiaries as of the date of this Offering Memorandum (100% ownership and control where not indicated differently):



3.5 MANAGEMENT

3.5.1 General

The Issuer acts as ultimate holding company of the Group. The governing body of the Issuer is the Board of Directors. The competencies of the Board of Directors are defined in the Issuer's articles of association ("**Articles of Association**").

3.5.2 Management Board

As of the date of this Offering Memorandum, the Board of Directors is composed of three members:

<u>Name</u>	<u>Position</u>	<u>Start of Appointment</u>	<u>End of Appointment</u>
Elena Guaraldi	Director	23 June 2017	For a term until the Annual General Meeting held in 2021
Massimo Longoni	Director	1 February 2017	For a term until the Annual General Meeting held in 2021
Valérie Ravizza	Director	8 June 2017	For a term until the Annual General Meeting held in 2021

The business address of the Board of Directors is 10, rue Antoine Jans, 1820 Luxembourg, Grand Duchy of Luxembourg.

3.6 SHARE CAPITAL

As of 31 December 2019, the share capital of the Issuer amounted to EUR 951,429,179.90 represented by 9,514,291,798 class A shares, having a nominal value of EUR 0.10 each (the Class A shares) and one class B share, having a nominal value of EUR 0.10, all subscribed and fully paid up.

3.7 FISCAL YEAR

The fiscal year of the Issuer is the calendar year.

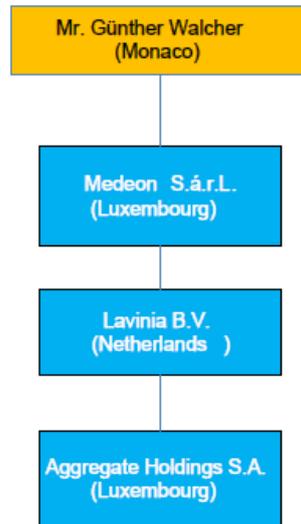
3.8 INDEPENDENT AUDITOR

The Group's independent auditor (*réviseur d'entreprises agréé*) is Ernst & Young, *Société anonyme*, Luxembourg ("**EY**"), with registered office at 35E, avenue John F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg financial sector supervisory authority (*Commission de Surveillance du SectEUR Financier*) as an approved audit firm (*cabinet de révision agréé*) and with the Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés, Luxembourg*) under number B 47 771 and is a member of the Luxembourg Institute of Company Auditors (*Institut des Réviseurs d'Entreprises, Luxembourg*). EY has audited the Group's consolidated financial statements as of and for the fiscal years ended 31 December 2019 and 31 December 2018, prepared in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") and included in this Offering Memorandum, and issued an unqualified auditor's report in each case.

3.9 SHAREHOLDER STRUCTURE

The Issuer is 100 per cent. owned by Lavinia B.V. (“**Lavinia**”) with its registered office in The Netherlands. Lavinia is in turn 100 per cent. owned by Medeon S.à r.l. whose sole ultimate beneficial owner is Günther Walcher.

The following chart sets forth the shareholder structure of the Issuer:



4. HISTORICAL FINANCIAL INFORMATION

The audited consolidated financial statements of the Issuer as of and for the fiscal years ended 31 December 2019 and 2018, which have been prepared in accordance with IFRS, together with the respective report of the independent auditor thereon, are incorporated by reference into the Offering Memorandum.

4.1 GENERAL INFORMATION

The audited consolidated financial statements of the Issuer as of and for the fiscal years ended 31 December 2019, 31 December 2018 and 31 December 2017 have been prepared in accordance with IFRS. EY has audited the aforementioned consolidated financial statements of the Issuer as of and for the fiscal years ended 31 December 2019, 31 December 2018 and 31 December 2017 and issued unqualified independent auditor's reports thereon. The audited consolidated financial statements of the Issuer as of and for the fiscal years ended 31 December 2019 and 31 December 2018 (including figures in respect of the financial year ended 31 December 2017 set out in the consolidated statements of the Issuer as of and for the fiscal year ended 31 December 2018) and the unqualified independent auditor's reports thereon, are incorporated by reference into this Offering Memorandum.

Where financial information in the tables of this Offering Memorandum are labelled "audited", this means that they have been taken from the audited consolidated financial statements of the Issuer mentioned above. The label "unaudited" is used in the tables of this Offering Memorandum to indicate financial information that have not been taken from the audited consolidated financial statements of the Issuer mentioned above.

Certain numerical data, financial information and market data in this Offering Memorandum are subject to rounding adjustments that were carried out according to customary commercial standards. As a result, the aggregate amounts herein may not correspond in all cases to the data contained in the underlying sources.

4.2 SELECTED FINANCIAL INFORMATION FOR THE ISSUER

The financial information contained in the following tables are taken from the Issuer's audited consolidated financial statements as of and for the fiscal year ended 31 December 2019 (including the adjusted prior-year comparative amounts as of and for the fiscal year ended 31 December 2018 due to corrections made in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors") and the fiscal year ended 31 December 2018 (including the adjusted prior-year comparative amounts as of and for the fiscal year ended 31 December 2017). Holders should read the following information together with the Issuer's consolidated financial statements incorporated by reference in the Offering Memorandum.

4.2.1 Selected Information from Consolidated Statement of Financial Position

	As of December 31,		
	2019	2018 (audited) (in € thousand)	2017
Assets			
Property, plant and equipment	15,412	12,614	9,107
Intangible assets and Goodwill	1,520,271	697,453	490,392
Investment property	205,803	238,845	498,806
Investment property under construction	1,237,177	880,102	708,250
Advances	43,237	3,226	10,532
Non-derivative financial assets	145,372	61,307	140,449
Derivative financial assets	21,468	–	–
Contract assets	13,856	23,096	–
Investments in equity accounted investees	42,362	33,124	79
Non-current assets	3,244,958	1,949,767	1,857,615
Inventories	3,054,682	2,140,507	1,323,765
Trade and other receivables	95,276	96,265	74,006
Non-derivative financial assets	312,319	483,718	301,570
Contract assets	321,347	198,504	–
Cash and cash equivalents	257,070	143,916	96,374
Assets held for sale	26,100	1,329	–
Current assets	4,066,794	3,064,239	1,795,715
Total assets	7,311,752	5,014,006	3,653,330
Equity			
Share capital	951,429	475,080	475,080
Share premium	476,349	–	–
Reserves	(21,258)	(112)	(2,848)
Retained earning	248,542	261,011	203,186
Profit for the year	44,134	(930)	51,031
Equity attributable to the owners of the Group	1,699,196	735,049	726,449
Equity attributable to hybrid holders	151,637	151,637	158,461
Non-controlling interests	353,754	287,006	203,177
Total equity	2,204,586	1,173,692	1,088,087
Liabilities			
Derivative financial instruments	17,669	14,062	16,590
Loans and borrowings	2,574,962	1,635,425	1,486,603
Provisions, non-current	3,744	–	20,088
Deferred tax liabilities	187,904	224,863	199,442
Other non-current liabilities	60,087	15,017	8,387
Non-current liabilities	2,844,366	1,889,367	1,731,110
Derivative financial instruments	12,108	–	–
Loans and borrowings	1,510,135	1,326,151	593,457
Income tax payable	53,558	44,496	17,528
Provisions, current	7,751	4,070	3,270
Trade and other payables	626,082	544,072	219,878
Contract liabilities	53,166	32,158	–
Current liabilities	2,262,800	1,950,947	843,133
Total liabilities	5,107,166	3,840,314	2,565,243
Total equity and liabilities	7,311,752	5,014,006	3,653,330

4.2.2 Selected Information from Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the financial year ended December 31,		
	2019	2018	2017
	(audited) (in € thousand)		
Revenue	864,283	466,884	7,676
Other operating income	195,231	126,553	125,657
Total revenue	1,059,513	593,437	133,333
Operating expenses			
Expenses for materials	(525,519)	(286,278)	(17)
Expenses for hired services	(47,798)	(64,699)	(17,034)
Expenses for salaries and social security	(71,712)	(41,103)	(1,086)
Depreciation and amortisation	(9,099)	(2,759)	(52)
Other operating expenses	(68,498)	(46,737)	(18,865)
Result from operating activities.....	336,887	151,861	96,279
Finance income	76,476	23,016	10,758
Finance costs	(385,690)	(180,064)	(66,974)
Net finance costs.....	(309,214)	(157,048)	(56,216)
Profit related to equity and accounted investees (net of income tax)	9,702	87	67,927
Profit/(Loss) before income tax	37,375	(5,100)	107,990
Income tax	20,151	14,525	(52,954)
Profit for the year from continued operation.....	57,526	9,425	55,036
Discontinued operation			
Profit for the year from discontinued operation, net of tax	–	1,464	–
Profit for the year	57,526	10,889	55,036
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss:</i>			
Actuarial loss	(10)	(30)	–
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Revaluation of financial assets at fair value through other comprehensive income	(5,620)	–	–
Foreign currency translation differences from foreign operations	2,684	(2,112)	1,991
Other comprehensive loss for the year, net of tax.....	(2,946)	(2,142)	1,991
Total comprehensive income for the year.....	54,580	8,747	57,027
Profit attributable to:			
Owners of the Company	44,134	(930)	51,031
Non-controlling interest.....	13,392	11,819	4,005
Profit for the year	57,526	10,889	55,036
Total comprehensive income attributable to			
Owners of the Company	41,188	(3,125)	53,022
Non-controlling interest.....	13,392	11,872	4,005
Total comprehensive income for the year.....	54,580	8,747	57,027

4.2.3 Selected Information from Consolidated Statements of Cash Flows

	For the financial year ended December 31,		
	2019	2018 (audited) (in € thousand)	2017
Cash flows from operating activities			
Profit for the year.....	57,526	10,889	55,036
Adjustments for:			
- Net increase of fair value of investment property	(165,480)	(84,461)	(123,184)
- Gain on disposal of investment property	–	(2,893)	(402)
- Loss on loan settlement in exchange of shares	11,397	–	–
- Net finance costs.....	309,214	157,048	56,216
- Depreciation.....	3,190	2,190	39
- Fair value of artifacts	(681)	–	–
- Amortisation of intangible assets.....	5,909	569	13
- Share of the profit of equity accounted investees	(9,702)	(87)	(67,927)
- Impairment of receivables	1,875	–	–
- Loss/(Gain) on disposal of financial instruments.....	45,095	(13,272)	–
- Income tax expense.....	(20,151)	(14,525)	(52,954)
	238,192	55,458	(27,255)
Changes in working capital:			
- Trade and other receivables.....	(3,344)	69,269	(114,111)
- Prepayments on development projects	(106,957)	356,326	–
- Inventories and contractual assets	(243,380)	(333,149)	–
- Prepayments	(40,309)	7,306	(10,532)
- Trade and other payables and contractual liabilities	(48,834)	308,944	39,697
- Provisions.....	7,425	(18,086)	16,622
Net cash (used in)/generated from operating activities.....	(197,207)	446,068	(95,579)
Interest paid	(331,120)	(110,130)	(22,803)
Income tax paid	(9,070)	(7,525)	(79)
Net cash from operating activities.....	(537,397)	328,413	(118,461)
Cash flows from investing activities			
Interest received.....	3,729	17,337	519
Change in non-current and current non-derivative financial assets.....	(39,947)	(1)	(41,643)
Investments in associates.....	955	(20,945)	(106)
Acquisition of subsidiary, net of cash acquired.....	(4,858)	(169,318)	6,424
Acquisition of investment property / capital expenditure	–	94,944	52,544
Acquisition of investment property / capital expenditure	(2,112)	(14,649)	(2,070)
Acquisition of investment property under construction / capital expenditure.....	(270,745)	(100,622)	(186,326)
Acquisition/disposal of property, plant and equipment and intangible assets.....	(30,636)	(4,668)	(388)
Net cash used from investing activities	(343,613)	(197,922)	(119,874)
Cash flows from financing activities			
Proceeds from issue of convertible bonds	129,096	–	96,777
Proceeds from new borrowings	2,200,722	793,452	424,527
New loans provided	(68,567)	(142,633)	(34,575)
Reimbursement of loans provided	57,152	60	4,225
Repayment of borrowings.....	(1,324,239)	(731,663)	(162,284)
Net cash generated from/(used in) financial activities	994,164	(80,784)	328,670
Net increase in cash and cash equivalents	113,154	49,707	90,335
Cash and cash equivalents at 1 January	143,916	96,374	6,039
Effect of exchange rate fluctuations on cash held.....	–	(2,165)	–
Cash and cash equivalents at 31 December	257,070	143,916	96,374

4.3 SELECTED KPIS AND NON-IFRS MEASURES

The following key performance indicators and other financial information set out in the tables below include financial measures that are not defined by IFRS (each a Non-IFRS Measure) and may not be directly comparable to similar measures used by other companies. The Issuer believes this information, along with comparable IFRS measurements, is useful to the investors as it provides a basis for assessing its performance, payment obligations related to performance-based compensation as well as its compliance with covenants. Non-IFRS financial measures should not be viewed or interpreted as a substitute for financial information presented in accordance with IFRS. The tables also include reconciliations of the Non-IFRS financial measures to the financial measures that the Issuer believes are the most directly comparable measures prepared in accordance with IFRS.

	As of and for the financial year		
	2019	2018	2017
	(audited unless indicated otherwise) (in € thousand unless indicated otherwise)		
Total Revenue.....	1,059,513	593,437	133,333
Result from operating activities.....	336,887	151,861	96,279
Inventories, investment properties, investment properties under construction	4,497,662	3,259,454	2,530,821
Management NAV ⁽¹⁾⁽²⁾	2,038,736	1,111,549	1,084,352
Net Debt ⁽¹⁾⁽³⁾	(3,828,027)	(2,817,660)	(1,983,686)
LTV ⁽¹⁾⁽⁴⁾	54.3%	57.9%	55.8%
Total assets	7,311,752	5,014,006	3,653,330

(1) Unaudited Non-IFRS Measure.

(2) Management NAV is defined as the total equity as per IFRS consolidated financial statements *plus* deferred tax *less* non-controlling interest.

(3) Net Debt means the net amount of financial loans and borrowings of the Issuer and its subsidiaries on a consolidated basis *less* cash and cash equivalents of the Issuer and its subsidiaries on a consolidated basis.

(4) Loan-to-value ratio (“LTV”) is defined as Net Debt divided by total assets *less* cash and cash equivalents of the Issuer and its subsidiaries on a consolidated basis.

	As of the financial year		
	2019	2018	2017
	(audited unless indicated otherwise) (in € thousand)		
Total equity as per IFRS consolidated financial statements	2,204,586	1,173,692	1,088,087
Deferred tax liabilities	187,904	224,863	199,442
Non-controlling interests	(353,754)	(287,006)	(203,177)
Management NAV (unaudited)	2,038,736	1,111,549	1,084,352

	As of the financial year ended		
	2019	2018	2017
	(audited unless indicated otherwise) (in € thousand)		
Loans and borrowings	(4,085,097)	(2,961,576)	(2,080,060)
Cash and cash equivalents	257,070	143,916	96,374
Net Debt (unaudited)	(3,828,027)	(2,817,660)	(1,983,686)

5. PRO FORMA OF CONSOLIDATED FINANCIAL INFORMATION OF AGGREGATE HOLDINGS S.A.

The expected effects of the de-consolidation as a result of the sale (the “**Sale**”) of a majority stake in Consus Real Estate AG (“**Consus Real Estate**” and, together with its subsidiaries, the “**Consus Group**”), a public stock corporation (*Aktiengesellschaft*) incorporated under the laws of Germany, by the ADLER Group S.A. (the “**ADLER Group**”) and the acquisition of shares in the ADLER Group are presented below on the basis of *pro forma* financial information.

5.1 INTRODUCTION

On 15 December 2019, the ADLER Group entered into various share purchase agreements with minority shareholders of Consus Real Estate (the “**Share Purchase Agreements**”) to acquire 22.18% of the shares in Consus Real Estate, which, as a result of the completion of the ADLER Group’s business combination with Adler Real Estate, increased to a shareholding of 25.75%. Furthermore, the ADLER Group entered into a call/put-option agreement with Aggregate Holdings S.A. (“**Aggregate**”) for its 69,619,173 shares, equalling a controlling stake of approx. 51 *per cent.* in Consus Real Estate (as amended, the “**Call/Put-Option Agreement**”).

On 29 June 2020, the ADLER Group exercised its call option for Aggregate’s 69,619,173 shares in Consus Real Estate (the “**Call Option Exercise**”). As part of the settlement of the call option, the ADLER Group issued 1,946,093 new shares and transferred 14,692,889 existing shares previously held by ADLER Real Estate AG to Aggregate in exchange for its 69,619,173 shares in Consus Real Estate. As a result, Aggregate held a total of 16,638,982 shares, representing approximately 22.5% of the ADLER Group, and the ADLER Group held approximately 65.1% in Consus Real Estate and thus gained control of Consus Real Estate.

On 2 July 2020, the ADLER Group announced a fully underwritten rights issue of EUR 450 million (the “**ADO Capital Increase**”) which was successfully completed by 21 July 2020. Aggregate participated in the ADO Capital Increase by exercising its subscription rights. The subscription ratio to existing shareholders of the ADLER Group was 5:12 with a subscription price of EUR 14.60 per share. Aggregate subscribed to additional 6,932,909 shares, which brought its total holdings to 23,571,891 ADLER Group shares. Following the ADO Capital Increase, a total of 104,785,930 the ADLER Group shares are outstanding with Aggregate’s stake maintained at approximately 22.5%.

Since the transactions described above are expected to have a material impact on the financial position and results of operations of Aggregate, the following unaudited *pro forma* consolidated balance sheet (the “**Pro Forma Consolidated Balance Sheet**”) (see Column D of the table “Pro Forma Consolidated Balance Sheet” below), unaudited *pro forma* consolidated income statement (the “**Pro Forma Consolidated Income Statement**”) (see Column C of the table “Pro Forma Consolidated Income Statement” below) and unaudited *pro forma* selected KPIs and Non-IFRS-Measures (“**Pro Forma KPIs and Non-IFRS Measures**”) and together with the Pro Forma Consolidated Balance Sheet and the Pro Forma Consolidated Income Statement, the “**Pro Forma Financial Information**”) were prepared by Aggregate. The Pro Forma Financial Information shown in the following tables reflects a simulation of how the Issuer’s consolidated balance sheet and consolidated income statement would have looked like if (1) the Call Option Exercise on its controlling stake in Consus Real Estate and (2) the ADO Capital Increase with Aggregate’s participation had occurred on 31 December 2019 for purposes of the Pro Forma Consolidated Balance Sheet and on 1 January 2019 for the Pro Forma Consolidated Income Statement, respectively.

The Pro Forma Financial Information are based on assumptions and bear uncertainties and, thus, do not represent the actual performance of the financial development of Aggregate and the results of its operations and its cash flows as neither the Call Option Exercise nor the ADO Capital Increase were already successfully completed as of 31 December 2019. Furthermore, the Pro Forma Financial Information should not be considered as an indicator for the future performance of the financial position of Aggregate and the results of its operations and its cash flows post completion of the Call Option Exercise and the ADO Capital Increase.

There have been other subsequent material transactions since 31 December 2019, which are not reflected in the Pro Forma Financial Information, which, however, have been disclosed in Aggregate’s audited consolidated financial statements for the financial year 2019.

The Pro Forma Financial Information should only be read in conjunction with the historical audited consolidated financial statements of Aggregate as of and for the fiscal year ended 31 December 2019. The Pro Forma Financial Information are not meaningful on a stand-alone basis.

5.2 HISTORICAL FINANCIAL INFORMATION

The preparation of the Pro Forma Financial Information are based on the following underlying information:

- Aggregate’s audited and published consolidated financial statements as of and for the year ended 31 December 2019, prepared in accordance with IFRS as adopted by the European Union (the “**Aggregate Financials 2019**”); and

- the Consus Real Estate audited and published consolidated financial statements as of and for the year ended 31 December 2019, prepared in accordance with IFRS as adopted by the European Union and audited by KPMG AG Wirtschaftsprüfungsgesellschaft (the “**Consus Financials 2019**”).

With regard to the accounting policies applied consistently to the underlying historical financial information of the Pro Forma Financial Information, reference is made to the consolidated financial statements of Aggregate as of and for the fiscal year ended 31 December 2019.

5.3 BASIS FOR PREPARATION

Aggregate and Consus Real Estate have each prepared their consolidated financial statements in accordance with IFRS as adopted by the European Union. The purchase price allocation (in accordance with IFRS 3) has not yet been completed at the time of this transaction.

The Pro Forma Financial Information were prepared based on information available as well as certain assumptions of Aggregate as described below. The preparation was solely conducted for illustrative purposes. Due to their nature, the Pro Forma Financial Information present only a hypothetical situation and not the actual status of the Group.

The Pro Forma Financial Information are presented in Euro. Unless otherwise stated, all figures have been rounded to the nearest € thousand. The presentation of the Pro Forma Financial Information in € thousand may result in rounding differences.

5.4 PROCEDURES AND ASSUMPTIONS

The Pro Forma Financial Information have been prepared based on the assumption that (i) the Call Option Exercise and (ii) the ADO Capital Increase had been successfully completed as of 31 December 2019 for purposes of the Pro Forma Consolidated Balance Sheet and 1 January 2019 for purposes of the Pro Forma Consolidated Income Statement and (iii) a share price of EUR 32.1 for the ADLER Group as of 31 December 2019. Accordingly, Consus Real Estate was deconsolidated with its assets and liabilities derecognized whilst the value of shares in the ADLER Group received following the Call Option Exercise have been recognized within the Pro Forma Financial Information.

Thus, the pro forma figures have been prepared on the basis of the Issuer’s audited consolidated financial statements as of and for the year ended 31 December 2019 (see Column A in the tables below). In respect of the Pro Forma Consolidated Balance Sheet, in a first step, Consus Real Estate was deconsolidated and derecognised as asset per year end 31 December 2019 (see Column B of the table “Pro Forma Consolidated Balance Sheet” below) and in a second step the total value of all shares received in the ADLER Group was recognised and included (see Column C of the table “Pro Forma Consolidated Balance Sheet” below). In this context, the value of the total number of ADLER Group shares received was determined as the sum of the values of (i) the 16,638,982 ADLER Group shares received as a result of the Call Option Exercise valued at the ADLER Group’s closing price of EUR 32.1 per share as of 31 December 2019 and (ii) the additionally subscribed 6,932,909 shares in the ADO Capital Increase valued at the subscription price of EUR 14.60 per share as per terms and conditions of the rights issue. As a result, the Issuer’s shareholding in the ADLER Group with in total 23,571,891 shares was recognised in the *pro forma* figures with a total value of EUR 635.332 million as per year end 31 December 2019. In respect of the Pro Forma Consolidated Income Statement, the result from the disposal of Consus Real Estate was recognised as profit (see Column B of the table “Pro Forma Consolidated Income Statement” below).

The Pro Forma Financial Information do not include deferred tax effects as a result of accounting policy adjustments or other adjustments resulting from the Call Option Exercise. Income tax effects are not considered.

No effects of the conversion of stock options were taken into account for purposes of the Pro Forma Financial Information.

The Pro Forma Financial Information was prepared for illustrative purposes only and addresses a hypothetical situation and, therefore, does not represent Aggregate’s actual results of operations. It is not necessarily indicative of the results of operations that would have occurred during the periods presented if the simulation adjustments actually had taken place as of the dates specified, nor is it necessarily indicative of future results of operations, financial positions or cash flows.

5.4.1 Pro Forma Consolidated Balance Sheet, all as of 31 December 2019

	A	B	C	D
	Aggregate Holdings S.A. Financial Statements as of 31 December 2019 (audited)	Aggregate Holdings S.A. Consus' stake Carve-Out Financial Statements (audited) (in € thousand)	Recognition of investment in ADO Properties (unaudited)	Pro Forma Aggregate Holdings S.A. as of 31 December 2019 (unaudited)
Assets				
Property, plant and equipment	15,412	4,336	-	4,336
Intangible assets and Goodwill	1,520,271	804,401	-	804,401
Investment property	205,803	66,643	-	66,643
Investment property under construction	1,237,177	992,293	-	992,293
Advances	43,237	43,237	-	43,237
Non-derivative financial assets	145,372	92,819	-	92,819
Derivative financial assets	21,468	-	-	-
Contract assets	13,856	-	-	-
Investments in equity accounted investees	42,362	20,912	635,332	656,244
Non-current assets	3,244,958	2,024,641	635,332	2,659,973
Inventories	3,054,682	582,061	-	582,061
Trade and other receivables	95,276	13,334	-	13,334
Non-derivative financial assets	312,319	245,039	-	245,039
Contract assets	321,347	-	-	-
Cash and cash equivalents	257,070	106,419	-	106,419
Assets held for sale	26,100	-	-	-
Current assets	4,066,794	946,853	-	946,853
Total assets	7,311,752	2,971,494	635,332	3,606,826
Equity				
Share capital	951,429	951,429	-	951,429
Share premium	476,349	476,349	-	476,349
Total Reserves (including profit for the year)	271,417	(162,635)	534,111	371,476
Equity attributable to the owners of the Group	1,699,195	1,265,143	534,111	1,799,254
Equity attributable to hybrid holders	151,637	151,637	-	151,637
Non-controlling interests	353,754	100,178	-	100,178
Total equity	2,204,586	1,516,958	534,111	2,051,068
Liabilities				
Derivative financial instruments	17,669	3,467	-	3,467
Loans and borrowings	2,574,962	934,678	101,220	1,035,899
Provisions, non-current	3,744	131	-	131
Deferred tax liabilities	187,904	76,672	-	76,672
Other non-current liabilities	60,087	15	-	15
Non-current liabilities	2,844,366	1,014,963	101,220	1,116,184
Derivative financial instruments	12,108	12,108	-	12,108
Loans and borrowings	1,510,135	325,813	-	325,813
Income tax payable	53,558	520	-	520
Provisions, current	7,751	1,095	-	1,095
Trade and other payables	626,082	100,037	-	100,037
Contract liabilities	53,166	-	-	-
Current liabilities	2,262,800	439,573	-	439,573
Total liabilities	5,107,166	1,454,536	101,220	1,555,756
Total equity and liabilities	7,311,752	2,971,494	635,332	3,606,826

5.4.2 Pro Forma Consolidated Income Statement, all as of 31 December 2019

	A	B	C
	Aggregate Holdings S.A. Financial Statements as of 31 December 2019 (audited)	Result on disposal (unaudited) (in € thousand)	Pro Forma Aggregate Holdings S.A. as of 31 December 2019 (unaudited)
Revenue	864,283	-	864,283
Other operating income	195,231	-	195,231
Total revenue	1,059,513	-	1,059,513
Operating expenses			
Expenses for materials	(525,519)	-	(525,519)
Expenses for hired services	(47,798)	-	(47,798)
Expenses for salaries and social security	(71,712)	-	(71,712)
Depreciation and amortisation	(9,099)	-	(9,099)
Other operating expenses.....	(68,498)	-	(68,498)
Result from operating activities	336,887	-	336,887
Finance income.....	76,476	-	76,476
Finance costs	(385,690)	-	(385,690)
Net finance costs	(309,214)	-	(309,214)
Profit related to equity and accounted investees (net of income tax).....	9,702	-	9,702
Results from the disposal of business	-	81,599	81,599
Profit/(Loss) before income tax	37,375	81,599	118,974
Income tax	20,151	-	20,151
Profit for the year from continued operation.	57,526	-	139,125
Profit for the year	57,526	81,599	139,125
Other comprehensive income			
<i>Items that will never be reclassified to profit or loss:</i>			
Actuarial loss	(10)	-	(10)
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Revaluation of financial assets at fair value through other comprehensive income.....	(5,620)	-	(5,620)
Foreign currency translation differences from foreign operations	2,684	-	2,684
Other comprehensive loss for the year, net of tax	(2,946)	-	(2,946)
Total comprehensive income for the year	54,580	81,599	136,179
Profit attributable to:			
Owners of the Company	44,134	81,599	125,733
Non-controlling interest.....	13,392	-	13,392
Profit for the year	57,526	81,599	139,125
Total comprehensive income attributable to			
Owners of the Company	41,188	81,599	122,787
Non-controlling interest.....	13,392	-	13,392
Total comprehensive income for the year	54,580	81,599	136,179

5.4.3 Pro Forma of selected KPIs and Non-IFRS Measures as per year end 2019

	As of and for the financial year	
	2019	2018
	Pro Forma	Based on Financial Statements
	(unaudited)	(audited unless indicated otherwise)
	(in € thousand unless indicated otherwise)	
Total Revenue.....	1,059,513	593,437
Result from operating activities.....	336,887	151,861
Inventories, investment properties, investment properties under construction	1,640,996	3,259,454
Management NAV ⁽¹⁾⁽²⁾	2,027,563	1,111,549
Net Debt ⁽¹⁾⁽³⁾	(1,255,292)	(2,817,660)
LTV ⁽¹⁾⁽⁴⁾	35.9%	57.9%
Total assets	3,606,829	5,014,006

(1) Unaudited Non-IFRS Measure.

(2) Management NAV is defined as the total equity as per IFRS consolidated financial statements *plus* deferred tax *less* non-controlling interest.

(3) Net Debt means the net amount of financial loans and borrowings of the Issuer and its subsidiaries on a consolidated basis *less* cash and cash equivalents of the Issuer and its subsidiaries on a consolidated basis.

(4) Loan-to-value ratio (“LTV”) is defined as Net Debt divided by total assets *less* cash and cash equivalents of the Issuer and its subsidiaries on a consolidated basis.

	As of the financial year	
	2019	2018
	Pro Forma	Based on Financial Statements
	(unaudited)	(audited unless indicated otherwise)
	(in € thousand)	
Total equity as per IFRS consolidated financial statements	2,051,069	1,173,692
Deferred tax liabilities	76,672	224,863
Non-controlling interests	(100,178)	(287,006)
Management NAV (unaudited)	2,027,563	1,111,549

	As of the financial year ended	
	2019	2018
	Pro Forma	Based on Financial Statements
	(unaudited)	(audited unless indicated otherwise)
	(in € thousand)	
Loans and borrowings	(1,361,711)	(2,961,576)
Cash and cash equivalents	106,419	143,916
Net Debt (unaudited)	(1,255,292)	(2,817,660)

6. BUSINESS OF THE GROUP AND PRINCIPAL MARKETS

6.1 OVERVIEW

Aggregate Holdings S.A. (“**Aggregate**”) is a real estate investment company, with business interests mainly in the German real estate market but also in the wider DACH region (Germany, Austria and Switzerland) and Portugal. Aggregate aims to become one of the leading investment real estate companies across Europe, focused on cash-flow yielding assets, development and financial real estate assets.

As a general business model, the Group is actively screening investment opportunities in either large-scale residential or commercial real estate developments, but often mixed-use projects creating vibrant neighbourhoods. Following a rigorous due diligence process, development projects are often acquired at value accretive “off market” prices and then developed by the Group itself.

As a fully integrated platform, the Group covers the entire real estate development value chain when investing in projects with robust fundamentals and strong growth prospects. 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. Projects are either built to hold for the long-term to let them out and 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, the Group is an active investor in financial real estate assets (“Financial Real Estate Assets” segment). Besides a liquid treasury portfolio of generally tradeable, listed securities and fund shares in real estate assets and opportunistic short-term (often secured) lending to third parties and investments in connection with real estate development projects, the core and strategic long-term investment in its portfolio is the stake of the Group in the ADLER Group S.A. (the “**ADLER Group**”). As of the date of this Offering Memorandum, the Group holds approximately 22.5% of the voting rights in the ADLER Group following the call option exercise by the ADLER Group on 29 June 2020 and is the largest shareholder in the ADLER Group. After completing the acquisition of Adler Real Estate AG and Consus Real Estate AG, the ADLER Group is expected to be the fourth largest listed residential real estate platform in Europe with a significant footprint in Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart (“**Top 7 Cities**”) and a strong growth pipeline in Germany’s urban centres.

For the financial year ended 31 December 2019, the Group generated a net profit of EUR 57,526 thousand compared to EUR 10,889 thousand for the financial year ended 31 December 2018. On 31 December 2019, the total assets of the Group amounted to EUR 7,311,752 thousand and the equity attributable to the owners of the Group were EUR 1,699,196 thousand compared to total assets of EUR 5,014,006 thousand and equity attributable to the owners of the Group of EUR 735,049 thousand on 31 December 2018.

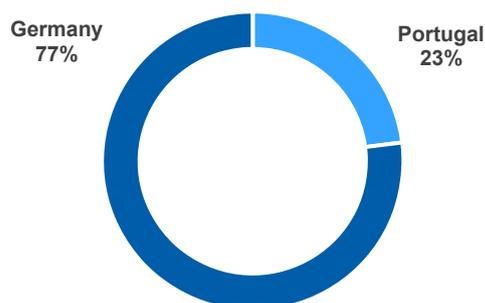
On 31 December 2019, the *pro forma* total assets of the Group amounted to approximately EUR 3.6 billion, of which approximately EUR 944 million derived from its Financial Real Estate Assets segment. On 31 December 2019, the *pro forma* LTV-Ratio of the Group stood at approximately 35.9%. The Group targets a medium-term LTV of around or below 50%. After the de-consolidation of Consus Real Estate, the Group develops projects with a gross construction area of approximately 865,000 sqm, and a gross development value of approximately EUR 6.3 billion as of 30 June 2020.

6.2 BUSINESS MODEL AND STRATEGY

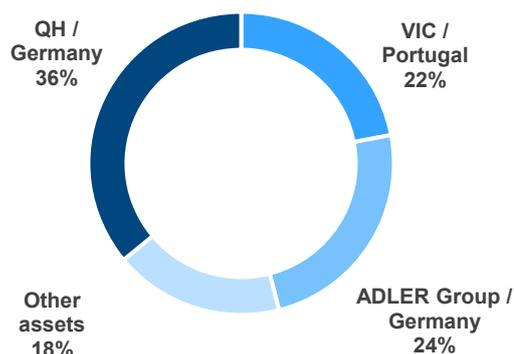
Aggregate’s business model can be divided into three main segments with a focus on Germany, Portugal and German-speaking countries:

- (a) **Build & Hold:** The Group operates as real estate developer and holds the developed properties as long-term holdings in its portfolio with the purpose of rental income and cash flow generation;
- (b) **Build & Sell:** The Group operates as real estate developer focused on the construction and sale of real estate to third-party buyers (mainly via forward sales) and the creation of entire fully-integrated platforms; and
- (c) **Financial Real Estate Assets:** Aggregate operates as investor in private or public real estate investments where there is an opportunistic / value-add or long-term investment proposition.

Country exposure (Yielding assets + GDV)*



Market value distribution of tangible assets**

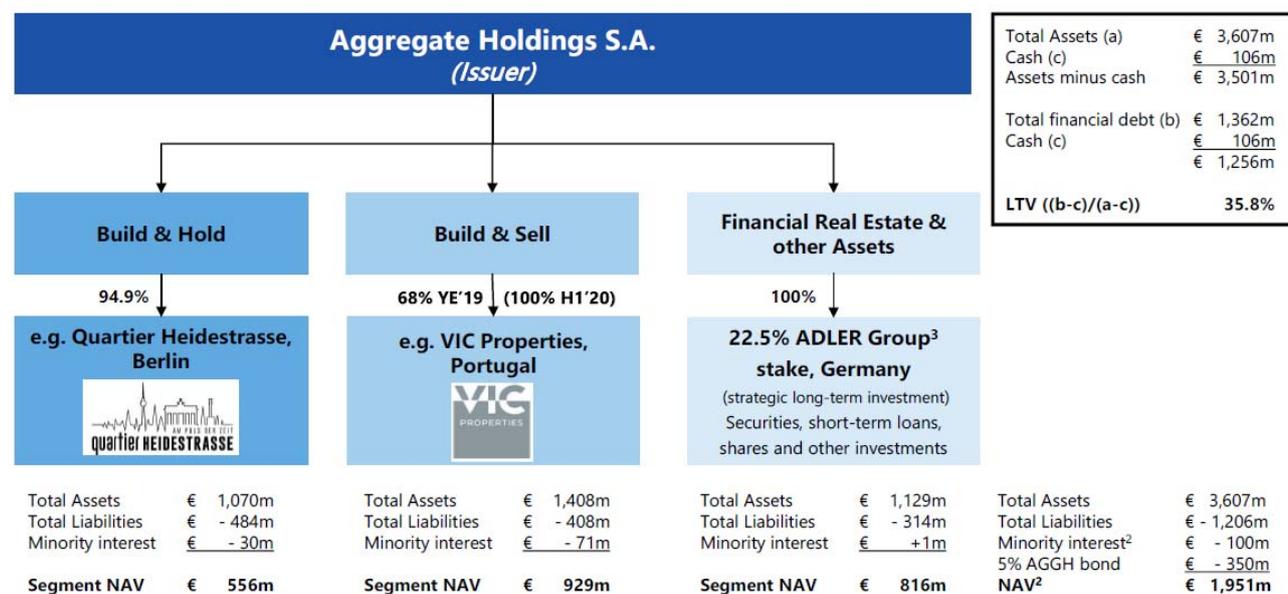


*GDV not including other assets, which are largely located in Germany

**Market value break-down does not include Herdadedo Pinheiro/ Comportaproject by VIC Properties S.A. (acquisition completed 30 April 2020)

With its business model Aggregate targets attractive returns within the real estate markets. Key advantage is the established real estate know-how and the proven knowledge in accessing both equity and debt capital markets as well as the strong network of the group, which provides continuous access to off-market investment opportunities, often for undervalued assets and special situations, that are often not publicly available.

The following chart shows the *pro forma* figures of each segment calculated by the Issuer:

Pro forma simplified group chart (excl. Consus)¹

¹ Pro forma figures calculated by the Issuer as simulation on basis of audited consolidated FS 2019 (IFRS) figures and then (1) deconsolidating Consus Real Estate AG and (2) recognizing the value of the in total received ADO shares, both as per 31 December 2019.

² Including equity attributable to hybrid instrument holders.

³ ADO shares received in option exercise were valued at ADO closing price per year end 2019 and shares subscribed to under ADO rights issue were valued at rights issue terms.

⁴ The VIC Properties NAV means the net amount of the total assets in relation to *VIC Properties S.A.* less its liabilities & financings

⁵ The Quartier Heidestrasse NAV means the net amount of the total assets in relation to *Quartier Heidestrasse GmbH and its subsidiaries* less its liabilities & financings.

⁶ The Financial Real Estate Assets NAV means the net amount of the total assets in relation to *Financial Real Estate Assets* less remaining liabilities & financings of the Group that are not related to VIC Properties S.A. or Quartier Heidestrasse (excluding the Existing Notes).

6.2.2 Build & Hold

The Group 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 2019, EUR 1.07 billion of the Issuer's total assets were attributable to the Build & Hold business segment and EUR 484 million of the Issuer's total liabilities. Furthermore, as of 31 December 2019, EUR 30 million of the Issuer's minority interest was attributable to the Build & Hold business segment. Therefore, as of 31 December 2019, the NAV of the Build & Hold segment was EUR 556 million.

Quartier Heidestrasse

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 Europacity centrally located in the north-western part of Berlin-Mitte.

One strong value creation contributor for Quartier Heidestrasse GmbH and its subsidiaries lies in the off-market acquisition price of land in 2016. As of fiscal year-end 2019, the market value of the development project Quartier Heidestrasse was EUR 981 million and the completion value EUR 2.1 billion (EUR 9,250/sqm with an average rent of EUR 27/sqm and a target multiple of 28.75) as measured by GDV per independent appraiser and based on year-end 2019 rent and cost estimates. The targeted completion value is estimated at approximately EUR 3.4 billion (EU 15,000/sqm with an average rent of EUR 31/sqm and a target multiple of 31.25) 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 a 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 of around 147,000 sqm of office lettable area, 65,600 sqm of residential lettable area and 16,600 sqm of retail lettable area, 1,133 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 have been obtained and 80% of the entire project (including all phases) is currently under construction. Construction and lease up are currently expected to be concluded by the end of 2023 and nearly 50% of the total office space 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 EUR 75 million of net rental income and is expected to have a gross development value of approximately EUR 2.13 billion as per the valuation received on 31 December 2019. As of 31 December 2019, EUR 981 million of the Issuer's total assets were attributable to the Quartier Heidestrasse development project. The total debt post-construction is expected to be c. EUR 1.1 billion.

QH Spring is a mixed use property development with a total rental area of 27,778 sqm. It will consist of a residential tower with 12 floors and approximately 255 apartments, 212 of which are publicly funded. It will also house a child care centre with 120 places, five retail units with 80 to 200 sqm of space, an underground car park, a restaurant with 70 sqm of space and the Althoff Hotel "Urban Loft" which shall comprise 180 rooms.

QH Core is a mixed use property development with a total rental area of 36,607 sqm. It will consist of 166 apartments, 7,704 sqm assigned for retail and food services, five retail units with approximately 40 to 750 sqm of space and three food services units with approximately 160 to 220 sqm of space including terraces. The property shall also include 12,677 sqm of office space, all of which have already been pre-let and a public underground car park.

QH Track is a commercial property development with 133,597 sqm of office space, capable of holding approximately 8,500 workspaces. The layout of the property will be suitable for both single and multi-tenants, with single tenant spaces starting from 6,000 sqm of space. It will have nine building structures with between five to 14 floors each, which offer a distinct address and identity, together with prestigious two storey areas for representative offices. An underground car park will be available at the property.

QH Colonnades is a mixed use property development with a total rental area of 20,953 sqm consisting of residential, office, retail and art studio/gallery space. 130 apartments with a total of 12,459 sqm, together with 5,400 sqm of office space are included in the property. The property will also have 3,151 sqm of retail and food services space, including two retail units with approximately 180 sqm and 300 sqm of space and three food services units with approximately 170 sqm of space. Moreover, six art studios each approximately 50 to 80 sqm of space will be included in the property, together with one unit for exhibitions and/or an art gallery, with approximately 350 sqm of space. An underground car park will be available at the property.

QH Straight is a mixed use property development with a total rental area of 22,130 sqm consisting of residential, office, retail and art studio space. 130 apartments and 5,500 sqm of office space will be included in the property. The property

will also have approximately 2,800 sqm of retail and food space, including 17 retail units with approximately 80 to 900 sqm of space and five art studios each with approximately 80 sqm of space. An underground car park will be available at the property.

QH Crown South and QH Crown North is a mixed use property development with a total rental area of 51,900 sqm. It will consist of a residential tower with twelve floors and 260 apartments. It will have approximately 13,840 sqm of office space and 5,718 sqm of retail and food service space. 14 retail units are available with approximately 75 to 500 sqm of space. Moreover, nine food services units are available with 80 to 350 sqm of space. An underground car park will also be available at the property.

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, is expected to be completed by the end of 2020. 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) and QH Crown II (II) foreseen to start in 2020, and all project phases are therefore within the framework of the development plan. Completion for QH Crown I (South) and QH Crown II (North) 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.

As of the date of this Offering Memorandum, 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 the Group will continue to hold the property as a cash-flow yielding asset in its portfolio with the aim to generate annual rental income.

6.2.3 Build & Sell

The Group is a real estate developer focused on the construction and sale of real estate to third-party investors (mainly via forward sales). The core of this segment is Aggregate’s stake in VIC Properties S.A. (“VIC”).

The realization of a standard development project typically takes between 30 to 42 months, with the breakdown being three months for land acquisition, 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 Group’s Build & Sell segment.



As of 31 December 2019, EUR 1.408 billion of the Issuer’s total assets were attributable to the Build & Sell business segment and EUR 408 million of the Issuer’s total liabilities. Furthermore, as of 31 December 2019, EUR 71 million of the Issuer’s minority interest was attributable to the Build & Sell business segment. Therefore, as of 31 December 2019, the NAV of the Build & Sell segment was EUR 929 million.

VIC Properties

VIC Properties S.A., a fully owned and controlled subsidiary of the Group, is one of Portugal’s leading real estate developers 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 but also 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 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 but affordable 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 designs, 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 connections 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 2019, the combined value of VIC's development assets PRATA and MATINHA was EUR 581 million and including the EUR 223 million market value of its newest acquisition PINHEIRINHO located in the Comporta region (completed in April 2020), the current valuation of VIC's portfolio of development assets is EUR 804 million, all based on fiscal-year 2019 rent and cost estimates. The current combined estimated completion value of all three projects as measured by GDV is EUR 2.4 billion, with a targeted combined completion value uplift estimated at approximately +20% once all projects are sold and completed. The plan prices for PRATA, MATINHA and PINHEIRINHO are 5,520 EUR/sqm, 5,000 EUR/sqm and 3,680 EUR/sqm respectively and a totalling 4,665 EUR/sqm for VIC's portfolio.

Following deep structural reforms in the aftermath of the financial crisis of 2008/2009, Portugal's economy has recovered strongly with GDP growth firmly established above the EU average growth rate in recent years and households benefitting from continuous increases of disposable income and low unemployment rates over the years. As a highly competitive country, nowadays, with friendly low tax regimes for corporates, entrepreneurs, pensioners and wealthy individuals, a strong influx of global companies, investors, expats, pensioners and professionals is contributing strongly to Portugal's economic success. Since 2009 Portugal's real estate market has been underserved with limited new built supply of residential offerings. This structural imbalance between lack of supply and increased demand by a rising Portuguese middle class and international purchasers for modern, newly built residential units is providing for an opportunity for investment profits for VIC with its residential offerings.

Following a booming property market and relatively high price increases in recent years, housing prices in Lisbon are 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 (Source: Savills). Aggregate expects that the newly built and refurbished housing offerings supplied to the market will, over time, create a 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 price increases.

VIC currently develops three large-scale projects: (1) Prata Riverside Village ("PRATA"); (2) Matinha ("MATINHA") and (3) Pinheirinho ("PINHEIRINHO") with a combined EUR 2.4 billion gross development value ("GDV"), EUR 804 million gross asset value ("GAV") and approximately 571,000 sqm gross construction area ("GCA").

In 2018, VIC acquired *Fundo de Investimento Imobiliário Fechado Lisfundo*, a fund vehicle owning one of Lisbon's most famous large-scale residential development projects - PRATA. This architectural project, designed and planned by the world-renowned Italian architect Renzo Piano, is currently the largest ongoing residential project under construction in Lisbon, Portugal. Following this acquisition, VIC established itself as a leading residential property developer with a clear focus on large-scale development projects across the main cities in Portugal. PRATA has a gross development value of approximately EUR 559 million, a gross asset value of approximately EUR 235 million and a gross construction area of c.128,500 sqm. The majority (79.8%) of PRATA's GCA is allocated to residential space. The remaining 20.2% of PRATA's GCA are allocated to retail (13.3%), office (5.5%) and other (1.4%) space. Of the residential units that are under construction, all 781 units will be directly located on the Tagus river, with construction expected to complete by 2023. The average price of initial residential sales for PRATA exceeds EUR 6,000/sqm. Plot 8 (of a total of 11 land plots) of PRATA has been completed and sold and the underground infrastructure of all land plots was completed in December 2018. Construction of plot 7 started in January 2019 and was the first plot constructed by VIC in full. Construction of plot 1 and 2 commenced in October 2019 and in March 2020 respectively.

In June 2019, VIC acquired the large plot of land MATINHA which is neighbouring PRATA and also located directly alongside the river Tagus. MATINHA is the largest residential neighbourhood project in Lisbon with c. 245,000 sqm of GCA, a GDV of EUR 1.2 billion and a GAV of EUR 346 million. The property is expected to provide with approximately

2,000 living spaces, enriched by a number of retail and restaurant areas, a hotel and commercial/office units. Its premium location at the river Tagus is connecting PRATA and Parque das Nações. The preoperational works for this project already started in 2020 with the environmental study having been completed at the beginning of the year and land decontamination and infrastructure works having commenced as well during the first half year of 2020. The MATINHA project is expected to complete by 2027.

The following table provides a breakdown of the expected GCA and gross sellable area for the MATINHA project as of 31 December 2019.

Areas Overview (sqm)	TOTAL	Phase 1	Phase 2
Residential	194,079	101,345	92,439
Office.....	27,532	17,617	9,915
Retail/Hotel	23,752	4,018	19,734
Gross Construction Area – GCA (sqm).....	245,363	123,592	122,088
Residential	164,970	86,395	78,575
Office.....	24,778	15,854	8,924
Retail/Hotel	21,511	4,018	17,493
Gross Sellable Area – GSA (sqm).....	211,259	106,267	104,992
Residential Units (# Approx)	2,000	1,200	800

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 a high-end quality and located in one of the emerging locations of Lisbon along the river Tagus and adjacent to the Parque das Nações.

In April 2020, VIC acquired PINHEIRINHO, a new land plot located in Melides, in the municipality of Grândola with a GAV of approximately EUR 223 million and GDV of EUR 656 million and a deployment area of c. 197,000 sqm GCA 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.

In addition, four new projects were identified for VIC’s pipeline with a total GDV of EUR 1.3 billion and c. 444,000 sqm GCA. If realised, VIC plans to use 80% of the pipeline’s GCA to construct residential properties, with the remaining 20% being used to construct, retail property, social housing and hotels.

6.2.4 Financial Real Estate Assets

Aggregate invests in private or public real estate assets. Aggregate mainly focuses on liquid assets in this segment, either short-term and opportunistic or long-term and strategic in nature. Accordingly, Aggregate invests in listed equities, listed bonds, listed funds and short-duration real estate related loans, often secured by the underlying real estate asset. 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 22.5% of the voting rights in the ADLER Group S.A. (the “**ADLER Group**”).

As of 31 December 2019, EUR 1.129 billion of the Issuer’s total assets were attributable to this segment and EUR 314 million of the Issuer’s total liabilities. Furthermore, as of 31 December 2019, EUR 1 million of the Issuer’s minority interest was attributable to this segment. Therefore, as of 31 December 2019, the NAV of the Financial Real Estate Assets segment was EUR 816 million.

ADLER Group S.A. investment

On 15 December 2019, Aggregate entered into a call/put option agreement with the ADLER Group to sell 50.97% of the shares in Consus Real Estate AG (“**Consus Real Estate**”), representing 69,619,173 shares of Consus Real Estate. On 29 June 2020, the ADLER Group exercised the call option for the Consus shares and Aggregate received approximately 22.5% of the voting rights in the ADLER Group as consideration.

The ADLER Group specialises in and focuses on the purchase, management and development of income-producing multi-family residential real estate. As of 31 March 2020, the ADLER Group together with ADLER Real Estate Aktiengesellschaft (“**ADLER**”) and their subsidiaries have a portfolio value of approximately EUR 8.8 billion and their property portfolio consisted of 73,500 residential units with a total residential lettable area of 4,511,127 sqm, 2,332 commercial units (retail, office and other commercial) with a total commercial lettable area of 280,506 sqm and 17,610 parking spaces and spaces for storage, antennas, etc.

Following the exercise of the call option by the ADLER Group on 29 June 2020, the ADLER Group issued 1,946,093 new shares and transferred 14,692,889 existing shares previously held by the ADLER Group to Aggregate in exchange for 69,619,173 shares in Consus Real Estate. As a result, Aggregate holds approximately 22.5% in the ADLER Group and the ADLER Group is the majority shareholder of Consus Real Estate as of the date of this Offering Memorandum.

Moreover, the ADLER Group intends to make an offer to all Consus Real Estate's shareholders to acquire their Consus Real Estate shares by way of a voluntary public tender offer in the form of an exchange offer (the "**Consus Tender Offer**"). In connection with the Consus Tender Offer, the ADLER Group has received irrevocable undertakings from Consus Real Estate shareholders representing a total of approximately 21.1% of Consus Real Estate's share capital, to tender their shares into the Tender Offer, resulting in a shareholding of at least 85.6% in Consus at the launch of the Tender Offer. Alternatively, in relation to one Consus Real Estate shareholder holding in aggregate 20.5% in Consus Real Estate, ADLER Group may enter into a share purchase agreement regarding such shareholding in lieu of such shareholder accepting the offer. Consus Real Estate has a growth path of EUR 8 billion GDV of developments in Germany's core cities.

On 2 July 2020, ADO Properties (renamed to ADLER Group S.A.) announced a fully underwritten rights issue of EUR 450 million (the "**ADO Capital Increase**") which was successfully completed by 21 July 2020. Approximately 98% of subscription rights were exercised, including Aggregate's participation in the rights issue. The subscription ratio to existing shareholders of the ADLER Group was 5:12 with a subscription price of EUR 14.60 per share. Aggregate subscribed to additional 6,932,909 shares, which brought its total holdings to 23,571,891 ADLER Group shares. On 21 July 2020 the remaining ADLER Group shares of less than 0.8 million were also successfully placed in a rump placement at the previous day's closing price of EUR 24.50. Following the ADO Capital Increase a total of 104,785,930 ADLER Group shares are outstanding with Aggregate's stake maintained at approximately 22.5% and valued at approximately EUR 600 million post completed rights issue.

Through the completed acquisition of ADLER and Consus Real Estate, the ADLER Group plans to consolidate its position as a leading German residential player and becomes the fourth largest listed European residential real estate company based on the combined gross asset value ("**GAV**") with a significant footprint in the Top 7 Cities, providing a strong platform for growth. Following the proposed acquisitions, the ADLER Group, ADLER and Consus Real Estate will have a combined GAV of approximately EUR 14 billion (based on the ADLER Group's and ADLER's combined gross asset value of EUR 8.9 billion (including EUR 0.3 billion of inventory and PP&E) and the approximately EUR 4.7 to 5.3 billion of *pro forma* GAV of Consus Real Estate based on management estimates). The ADLER Group, ADLER and Consus Real Estate have a combined net rental income of approximately EUR 520 million to 540 million, an EBITDA of between EUR 385 to 405 million and an approximate total rental area of between 5.5 million to 5.6 million sqm, with each square meter being valued at approximately EUR 2,500 and yielding approximately EUR 8 of rent per sqm. Moreover, approximately 65% of the combined portfolio of the ADLER Group, ADLER and Consus Real Estate will be located in the Top 7 Cities and will consist of over 76,000 rental units.

Aggregate believes that the acquisition of Consus Real Estate by the ADLER Group is a strategic move to consolidate the ADLER Group as a leading player in Germany's key residential markets, is accretive to long term net asset value ("**NAV**") of the ADLER Group and the ADLER Group's funds from operations upon completion of the build-to-hold, and positions the ADLER Group to benefit from long-term growth opportunities. As the largest shareholder of the ADLER Group, Aggregate is well positioned to benefit from the shareholder value creation. Consus Real Estate is expected to have a combined net rental income of approximately EUR 160 million to EUR 180 million, an EBITDA of between EUR 140 million to EUR 160 million and a total rental area of between 780,000 to 820,000 sqm. Each square meter is approximately valued at between EUR 5,800 to EUR 6,000, yielding between EUR 17 to 19 per sqm. The current EUR 1 billion landbank is expected to yield a GAV of between EUR 4.7 billion and EUR 5.3 billion at the completion of the development, representing a EUR 1 billion to EUR 1.6 billion gain. Whilst the Consus Real Estate landbank is developed to form yielding assets, the remaining develop-to-sell projects will continue to generate cashflows for the ADLER Group.

6.3 SOURCES OF LIQUIDITY AND CASHFLOW

Aggregate is a holding company and does not conduct its operating business itself but does so through its subsidiaries. Consequently, its cashflows and liquidity are derived from different sources of income from its subsidiaries and investments. While the project developments of its two main subsidiaries are in the development phase, Aggregate's cashflow generation is based on income generated from a well-diversified and liquid real estate portfolio. Aggregate has the following sources of cashflow:

- (1) **Dividends:** Aggregate expects to profit from an annual cash flow. The Group is expecting annual dividend payments from its stake in the ADLER Group to amount to approximately EUR 12 to 14 million each year, based on the ADLER Group's public guidance and starting with the dividend payment for the year 2021.
- (2) **Income from financing:** Aggregate benefits from an annual income from granting short-term loans to third parties targeting up to EUR 20 million each year.

- (3) Cash-flow from Net Rental Income (“NRI”): The QH project is expected to generate approximately EUR 75 million of annual NRI at completion (in 2021 estimated at roughly EUR 8 million and then increasing each year until 2023).
- (4) Cash-flow from Forward Sales: VIC Properties S.A. is expected to generate approximately EUR 300 million in the next three years.
- (5) Liquid, opportunistic financial real estate assets: 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. As at 2019 year end, Aggregate held approximately EUR 115 million in liquid, tradable securities and approximately EUR 160 million in short-term real estate loans.
- (6) Liquid, strategic financial real estate assets: The 22.5% stake in the ADLER Group would have amounted to a value of EUR 635 million as per 31 December 2019, if determined as sum of the 16,638,982 shares received at ADLER Group option exercise valued at the closing share price of EUR 32.1 for ADLER Group shares as of 31 December 2019 plus the additional shares subscribed in the rights issue valued at the terms of the rights offer.

6.4 MATERIAL CONTRACTS

6.4.1 EUR 350 million notes due 2021 issued by Aggregate Holdings S.A.

On 10 August 2016, Aggregate issued EUR 350 million senior secured notes with a fixed rate coupon of 5.00% *per annum*. The notes will mature on 10 August 2021 and are subject to the exchange offer contemplated by this Offering Memorandum.

6.4.2 EUR 250 million pre-IPO convertible bonds issued by VIC Properties S.A.

On 26 April 2019, VIC Properties S.A., a Group company, completed an offering of EUR 250 million secured pre-IPO convertible bonds (“VIC Convertible Bond”). The convertible bonds were issued at an issue price of 90% of their principal amount and must be redeemed at 105% of their principal amount (the “Redemption Amount”) on the maturity date. The convertible bonds carry interest at a rate of 3.00% *per annum* payable semi-annually in arrear in equal instalments since 28 November 2019 and will mature on 28 May 2025 if not previously purchased, redeemed or converted.

VIC Properties S.A. granted a Luxembourg law first ranking pledge over 100% of the shares of its subsidiaries VIC One S.à.r.l. and over 100% of the shares of Smarfil S.A. Further, VIC Properties S.A. granted an English law fixed charge over a bank account in its name into which the first six interest payments were deposited on the closing date of the bond transaction and released as the interest payment becomes due.

The bondholders of the VIC Convertible Bond may convert the convertible bonds into shares of VIC Properties S.A. The initial conversion price will be set at a premium of 20.0% above the initial reference price which will be determined depending on the timing of the contemplated initial public offering of VIC Properties S.A. and the free float of VIC Properties S.A., as further described in the terms and conditions of the convertible bonds.

VIC Properties S.A. provided an undertaking, among other things, not to incur any debt if, following the use of the net proceeds of any such debt, the loan-to-value ratio would exceed 70%. The convertible bonds included additional covenants and restrictions on subsidiaries, use of proceeds, reporting obligations and others. Furthermore, as long as the VIC Convertible Bond is outstanding, VIC is restricted from paying dividends to Aggregate.

Bondholders have the right to request the early redemption of the convertible bonds on the 3rd and/or 4th anniversary of the issuance of the convertible bonds at the Redemption Amount plus all the remaining interest payments to and including the maturity date.

The convertible bonds are admitted to trading on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange.

6.5 TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since 31 December 2019. No developments are currently foreseen that are reasonably likely to have a material adverse effect on the prospects of the Issuer.

6.6 SIGNIFICANT CHANGES IN THE PRO FORMA FINANCIAL POSITION OR PERFORMANCE

Except as disclosed in this Offering Memorandum, there has been no significant change in the financial position or performance of the Issuer or the Group since 31 December 2019, the end of the last financial period for which financial information has been published, other than disclosed in this Offering Memorandum.

6.7 RECENT EVENTS

6.7.1 Coronavirus

The rapid spread of the Coronavirus, first identified in December 2019, has resulted in a deterioration of the political, socio-economic and financial situation across the globe, including Germany, Portugal and the European Union as a whole. Even though the initial rapid expansion of the Coronavirus in the European Union has been slowed or contained by various counter-measures, the negative impact on Aggregate's business cannot be adequately determined or reliably quantified as of the date of this Offering Memorandum.

6.7.2 Shareholder of the ADLER Group and deconsolidation of Consus Real Estate

On 29 June 2020, the ADLER Group exercised its call option for Aggregate's 69,619,173 shares in Consus Real Estate (the "**Call Option Exercise**"). As part of the settlement of the call option, the ADLER Group issued 1,946,093 new shares and transferred 14,692,889 existing shares previously held by ADLER Real Estate AG to Aggregate in exchange for its 69,619,173 shares in Consus Real Estate. As a result, Aggregate holds approximately 22.5% of the ADLER Group and the ADLER Group holds approximately 65.1% in Consus Real Estate and thus gained control of Consus Real Estate.

On 2 July 2020, ADO Properties (renamed to ADLER Group S.A.) announced a fully underwritten rights issue of EUR 450 million (the "**ADO Capital Increase**") which was successfully completed by 21 July 2020. Approximately 98% of subscription rights were exercised, including Aggregate's participation in the rights issue. The subscription ratio to existing shareholders of ADLER Group was 5:12 with a subscription price of EUR 14.60 per share. Aggregate subscribed to additional 6,932,909 shares, which brought its total holdings to 23,571,891 ADLER Group shares. On 21 July 2020 the remaining ADLER Group shares of less than 0.8 million were also successfully placed in a rump placement at the previous day's closing price of EUR 24.50. Following the ADO Capital Increase a total of 104,785,930 ADLER Group shares are outstanding with Aggregate's stake maintained at approximately 22.5% post completed rights issue.

6.7.3 Appointment of Benjamin Lee as incoming CFO and expected appointment of Andreas Steyer as CEO

On 7 October 2020, Benjamin Lee was hired as Chief Financial Officer of the Issuer. As senior executive, Benjamin Lee will be responsible for managing the financial actions of the Issuer.

Benjamin Lee has over 25 years of experience in corporate finance with 14 years at UBS in London. Prior to joining the Issuer as CFO, he has had long experience as a board member and CFO of listed companies, *inter alia* as former CFO of Consus Real Estate AG.

The Board of Directors expects to appoint Andreas Steyer as Chief Executive Officer of the Issuer after completion of existing mandates and obligations at Consus Real Estate AG. Andreas Steyer has over 30 years of operational and leadership experience in German real estate companies, *inter alia* as former CEO of Consus Real Estate AG and DEMIRE Deutsche Mittelstand Real Estate AG. Further, Andreas Steyer held leading positions/partnerships at Deka Immobilien, Ernst & Young Real Estate and Arthur Andersen.

6.8 LEGAL AND ARBITRATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings, during the previous twelve months which may have, or have had in the recent past significant effects on the Issuer or the Group's financial position or profitability.

6.9 EXCHANGE OFFER

On 22 October 2020, the Issuer launched an exchange offer (the "**Exchange Offer**") to exchange any and all of the EUR 350,000,000 5.00% notes due 10 August 2021 (the "**Existing Notes**"). The Exchange Offer provides for an exchange of the Existing Notes against the Tranche 2 Notes and payment of a cash portion in relation to interest accrued and a cash consideration per principal amount of EUR 1,000, being equal to EUR 1,000 multiplied with an exchange price of 101.00% and the Issue Price. Accrued interest in relation to the Existing Notes as well as the cash consideration is to be financed by using a partial amount from the proceeds from the issuance of the Tranche 1 Notes. The Exchange Offer will expire at 5.00 p.m. (CET) on 29 October 2020, unless extended or earlier terminated by the Issuer.

The Exchange Offer is subject to the satisfaction or waiver of certain conditions as described in the offer to exchange statement dated 22 October 2020 (the "**Offer to Exchange Statement**") being sent to the holders of the Existing Notes through Clearstream Banking AG, Frankfurt am Main, including (i) the successful pricing of the issue of the Notes and the settlement of the Notes on terms reasonably acceptable to the Issuer, with a minimum yield of 5.50 per cent. *per annum* and (ii) certain general conditions, in each case as described in more detail in the Offer to Exchange Statement. If any of the conditions are not satisfied, the Issuer may (i) terminate the Exchange Offer and return tendered Existing Notes;

(ii) waive unsatisfied conditions and accept for payment and purchase all Notes validly tendered for exchange; (iii) extend the Exchange Offer or (iv) otherwise amend the Exchange Offer.

All Existing Notes exchanged pursuant to the Exchange Offer will be cancelled. The complete terms and conditions of the Exchange Offer are set forth in the Offer to Exchange Statement.

7. CONDITIONS OF ISSUE

Aggregate Holdings S.A.

EUR [●] Mio. [●]% Schuldverschreibungen 2020/2025

EUR [●] million [●]% Notes 2020/2025

ISIN: [●]

WKN: [●]

Common Code: [●]

Anleihebedingungen (die „Anleihebedingungen“)	Terms and Conditions of the Notes (the “Terms and Conditions”)
§ 1 Wahrung, Form, Nennbetrag und Stuckelung	§ 1 Currency, Form, Principal Amount and Denomination
(a) Diese Anleihe der Aggregate Holdings S.A., Luxemburg (die „ Emittentin “), im Gesamtnennbetrag von EUR [●] (in Worten: [●] Millionen Euro (die „ Emissionswahrung “)) ist in [●] auf den Inhaber lautende, untereinander gleichberechtigte Teilschuldverschreibungen (die „ Schuldverschreibungen “) im Nennbetrag von jeweils EUR 1.000 (der „ Nennbetrag “) eingeteilt.	(a) This issue of Aggregate Holdings S.A., Luxembourg (the “ Issuer “), in the aggregate principal amount of EUR [●] (in words: [●] million Euros (the “ Issue Currency “)) is divided into [●] notes (the “ Notes “) payable to the bearer and ranking <i>pari passu</i> among themselves in the denomination of EUR 1,000 (the “ Principal Amount “) each.
(b) Die Schuldverschreibungen werden fur ihre gesamte Laufzeit durch eine Inhaber-Globalschuldverschreibung (die „ Globalurkunde “) ohne Zinsscheine verbrieft.	(b) The Notes will be represented for the whole life of the Notes by a global bearer note (the “ Global Note “) without interest coupons attached.
(c) Die Globalurkunde wird bei der Clearstream Banking AG, Frankfurt am Main („ Clearstream “) hinterlegt. Der Anspruch der Anleiheglaubiger auf Ausgabe einzelner Schuldverschreibungen oder Zinsscheine ist ausgeschlossen.	(c) The Global Note will be deposited with Clearstream Banking AG, Frankfurt am Main (“ Clearstream “). The Holders have no right to require the issue of definitive Notes or interest coupons.
(d) Den Anleiheglaubigern stehen Miteigentumsanteile oder Rechte an der Globalurkunde zu, die nach Magabe des anwendbaren Rechts und der Regeln und Bestimmungen von Clearstream ubertragen werden konnen.	(d) The Holders will receive co-ownership participations or rights in the Global Note, which are transferable in accordance with applicable law and the rules and regulations of Clearstream.
(e) Im Rahmen dieser Anleihebedingungen bezeichnet der Ausdruck „ Anleiheglaubiger “ den Inhaber eines Miteigentumsanteils oder Rechts an der Globalurkunde.	(e) The term “ Holder ” in these Terms and Conditions refers to the holder of a co-ownership participation or right in the Global Note.
§ 2 Status der Schuldverschreibungen, Negativverpflichtung	§ 2 Status of the Notes, Negative Pledge
(a) Die Schuldverschreibungen begrunden unmittelbare, unbedingte und nicht nachrangige Verbindlichkeiten der Emittentin und stehen im gleichen Rang untereinander und mindestens im gleichen Rang mit allen anderen gegenwartigen und zukunftigen nicht nachrangigen Verbindlichkeiten der Emittentin, soweit	(a) The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other unsubordinated obligations of the Issuer, present and future save for certain mandatory exceptions provided by law.

bestimmte zwingende gesetzliche Bestimmungen nichts anderes vorschreiben.

- (b) Die Emittentin verpflichtet sich, solange Schuldverschreibungen ausstehen, und stellt für ihre Tochtergesellschaften sicher, keine Sicherheiten (mit Ausnahme der Erlaubten Sicherheiten) an ihrem gegenwärtigen oder künftigen Geschäft, Unternehmen oder Vermögen oder an ihren gegenwärtigen oder künftigen Einnahmen zur Besicherung von Kapitalmarktverbindlichkeiten zu bestellen oder bestehen zu lassen, ohne gleichzeitig oder zuvor die Schuldverschreibungen im gleichen Rang und anteilig zu besichern.

„**Erlaubte Sicherheit**“ bezeichnet (a) jede Sicherheit eines Unternehmens, die zum Zeitpunkt der Verschmelzung oder des Zusammenschlusses dieses Unternehmens mit der Emittentin bzw. einer anderen Konzerngesellschaft oder seines Erwerbs durch die Emittentin bzw. eine andere Konzerngesellschaft bereits besteht, vorausgesetzt, diese Sicherheit wurde nicht in Anbetracht dieser Verschmelzung oder dieses Zusammenschlusses oder Erwerbs bestellt und der besicherte Nennbetrag wurde nicht in Anbetracht dieser Verschmelzung oder dieses Zusammenschlusses oder Erwerbs oder nach dieser Verschmelzung, diesem Zusammenschluss oder diesem Erwerb erhöht; (b) jede Sicherheit an Vermögenswerten oder Aktiva, die bereits vor dem Erwerb derselben durch die Emittentin bzw. eine andere Konzerngesellschaft besteht, vorausgesetzt, diese Sicherheit wurde nicht in Anbetracht dieses Erwerbs bestellt und der besicherte Nennbetrag wurde nicht in Anbetracht dieses Erwerbs oder nach diesem Erwerb erhöht; (c) jede durch die Emittentin oder eine andere Konzerngesellschaft in Verbindung mit einer Verbriefung oder Projektfinanzierung gewährte Sicherheit; (d) jede am Begebungstag der Tranche 1 Schuldverschreibungen ausstehende Sicherheit; oder (e) jede Verlängerung oder Ersetzung einer Sicherheit, die gemäß Absatz (a) bis (d) (einschließlich) dieser Definition zulässig ist, vorausgesetzt, dass in Bezug auf diese Sicherheit (i) der besicherte Nennbetrag nicht erhöht und (ii) die Sicherheit nicht auf zusätzliche Vermögenswerte erweitert wurde.

„**Kapitalmarktverbindlichkeit**“ bezeichnet jede Finanzverbindlichkeit der Emittentin in Form von oder verbrieft in Schuldverschreibungen oder vergleichbaren Wertpapieren, die jeweils an einer Wertpapierbörse oder in einem Wertpapiermarkt (u.a. einschließlich einem over-the-counter Markt) zugelassen sind oder notiert oder gehandelt werden oder

- (b) The Issuer shall not, and shall not permit any of its Subsidiaries to create or permit to subsist any Lien (other than Permitted Liens) upon, or with respect to, any of its present or future business, undertaking, assets or revenues to secure any Capital Market Indebtedness, without at the same time or prior thereto securing the Notes equally and rateably therewith, so long as any Notes are outstanding.

“**Permitted Lien**” means (a) any Lien of a company existing at the time that such company is merged into, or consolidated with or acquired by, the Issuer or any other member of the Group (as the case may be), provided that such Lien was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such merger, consolidation or acquisition; (b) any Lien existing on any property or assets prior to the acquisition thereof by the Issuer or any other member of the Group (as the case may be), provided that such Lien was not created in contemplation of, and the principal amount secured has not increased in contemplation of or since, such acquisition; (c) any Lien granted by the Issuer or any other member of the Group in connection with a Securitization or Project Financing; (d) any Lien outstanding on the issue date of the Tranche 1 Notes; or (e) any renewal of or substitution for any Lien permitted by any of subparagraphs (a) to (d) (inclusive) of this definition, provided that with respect to any such Lien (i) the principal amount secured has not increased and (ii) the Lien has not been extended to any additional assets.

“**Capital Market Indebtedness**” means any Indebtedness of the Issuer which is in the form of, or represented by, notes or any similar securities which are, for the time being, or are ordinarily capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-

üblicherweise dort zugelassen, notiert oder gehandelt werden können, einschließlich Finanzverbindlichkeiten aus Schuldscheindarlehen.

„**Konzern**“ bezeichnet die Emittentin und ihre Tochtergesellschaften.

„**Projektfinanzierung**“ bezeichnet jede Finanzierung aller oder eines Teils der Kosten eines Projekts, vorausgesetzt, dass (i) jede von der Emittentin oder einer anderen Konzerngesellschaft in Verbindung damit bestellte Sicherheit ausschließlich auf diese Aktiva oder das Kapital einer Projektfinanzierungsgesellschaft für dieses Projekt beschränkt ist, und (ii) die Dokumentation für diese Finanzierung eine Rückgriffsbeschränkung auf die finanzierten Aktiva und die sich aus ihnen ergebenden Einkünfte (einschließlich Versicherungsleistungen) als Hauptquelle für die Rückzahlung der aufgenommenen Gelder vorsieht.

„**Sicherheit**“ bezeichnet in Bezug auf einen Vermögenswert jede Hypothek, jedes Pfandrecht, jede Verpfändung, jede Grundschuld, jedes Sicherungsrecht oder jedwede Belastung. Für Zwecke dieser Definition ist eine Person als Eigentümer eines Vermögenswertes anzusehen, den sie nach Maßgabe eines Kaufvertrags mit Eigentumsvorbehalt, einer Kapitalleasing- oder sonstigen Vereinbarung erworben hat oder hält, gemäß der das Eigentum des Vermögenswertes für Sicherungszwecke einer anderen Person vorbehalten ist oder übertragen wird, und ein solcher Eigentumsvorbehalt eine „**Sicherheit**“ darstellt.

„**Verbriefung**“ bezeichnet jede Verbriefung bestehender oder künftiger Aktiva und/oder Einnahmen, vorausgesetzt, dass (i) jede damit verbundene Sicherheit ausschließlich auf die Aktiva und/oder Einnahmen beschränkt ist, die Gegenstand der Verbriefung sind; und (ii) sich der Rückgriff in Verbindung mit dieser Verbriefung auf die verbrieften (als Sicherheiten gestellten) Aktiva und/oder Einnahmen als Hauptquelle für die Rückzahlung der ausgereichten Gelder beschränkt.

counter market), including any indebtedness under Schuldscheindarlehen.

“**Group**” means the Issuer together with its subsidiaries.

“**Project Financing**” means any financing of all or part of the costs of a project, provided that (i) any Lien created by the Issuer or any other member of the Group in connection therewith is limited solely to such assets or the share capital of a project finance company relating to that project, and (ii) the documentation in respect of such financing provides for recourse to be limited to the assets financed and the revenues (including insurance proceeds) derived from such assets as the principal source of repayment for the money borrowed.

“**Lien**” means, with respect to any property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind. For the purposes of this definition, a person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, capital lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes, and such retention of title shall constitute a “Lien”.

“**Securitization**” means any securitization of existing or future assets and/or revenues, provided that (i) any Lien in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitization; and (ii) recourse in respect of such securitization is limited to the assets and/or revenues so securitized as the principal source of repayment for the money advanced.

§ 3 Verzinsung

- (a) Die Schuldverschreibungen werden ab dem [●] 2020 (einschließlich) bezogen auf ihren Nennbetrag mit [●] % jährlich (der „**Zinssatz**“) verzinst. Die Zinsen sind jährlich nachträglich jeweils am [●] eines jeden Jahres (jeweils ein „**Zinszahlungstag**“ und der Zeitraum ab dem [●] 2020 (einschließlich) bis zum ersten Zinszahlungstag (ausschließlich) und danach von jedem Zinszahlungstag (einschließlich) bis zum nächstfolgenden Zinszahlungstag (ausschließlich) jeweils eine „**Zinsperiode**“) zahlbar. Die erste Zinszahlung ist am [●] 2021 fällig.
- (b) Die Verzinsung der Schuldverschreibungen endet mit Beginn des Tages, an dem sie zur Rückzahlung fällig werden, oder, sollte die Emittentin eine Zahlung aus diesen Schuldverschreibungen bei Fälligkeit nicht leisten, mit Beginn des Tages der tatsächlichen Zahlung. Leistet die Emittentin eine Zahlung bei Fälligkeit nicht, wird der jeweils anzuwendende Zinssatz in Bezug auf die nicht geleistete Zahlung gemäß diesem § 3(a) zuzüglich [●] per annum bestimmt.
- (c) Sind Zinsen im Hinblick auf einen Zeitraum zu berechnen, der kürzer als eine Zinsperiode ist, so werden sie berechnet auf der Grundlage der Anzahl der tatsächlichen verstrichenen Tage im relevanten Zeitraum (gerechnet vom letzten Zinszahlungstag (einschließlich)) dividiert durch die tatsächliche Anzahl der Tage der Zinsperiode (365 Tage bzw. 366 Tage - Schaltjahr) (Actual/Actual).

§ 4 Fälligkeit, Rückzahlung, vorzeitige Rückzahlung sowie Rückkauf

- (a) Die Schuldverschreibungen werden am [●] 2025 (der „**Fälligkeitstermin**“) zum Nennbetrag zurückgezahlt. Eine vorzeitige Rückzahlung findet außer in den nachstehend genannten Fällen nicht statt.

§ 3 Interest

- (a) The Notes will bear interest on their principal amount at a rate of [●] % per annum (the “**Coupon**”) as from [●] 2020. Interest is payable annually in arrears on [●] and of each year (each an “**Interest Payment Date**” and the period from [●] 2020 (inclusive) up to the first Interest Payment Date (exclusive) and thereafter as from any Interest Payment Date (inclusive) up to the next following Interest Payment Date (exclusive) being an “**Interest Period**”). The first interest payment will be due on [●] 2021.
- (b) The Notes shall cease to bear interest from the beginning of the day they are due for redemption, or, in case the Issuer fails to make any payment under the Notes when due, from the beginning of the day on which such payment is made. If the Issuer fails to make any payment under the Notes when due, the respective rate of interest on such overdue amount shall be determined pursuant to this § 3 (a) plus [●] per annum.
- (c) Where interest is to be calculated in respect of a period which is shorter than an Interest Period the interest will be calculated on the basis of the actual number of days elapsed in the relevant period (from and including the most recent Interest Payment Date) divided by the actual number of days of the Interest Period (365 days and 366 days, respectively, in case of a leap year) (Actual/Actual).

§ 4 Maturity, Redemption, Early Redemption, and Purchase

- (a) The Notes will be redeemed at the Principal Amount on [●] 2025 (the “**Redemption Date**”). There will be no early redemption except in the following cases.

- (b) **Vorzeitige Rückzahlung aus steuerlichen Gründen.** Sollte die Emittentin zu irgendeinem Zeitpunkt in der Zukunft aufgrund einer Änderung des im Großherzogtum Luxemburg oder der Bundesrepublik Deutschland geltenden Rechts oder seiner amtlichen Anwendung verpflichtet sein oder zu dem nächstfolgenden Zahlungstermin für Kapital oder Zinsen verpflichtet werden, die in § 6(a) genannten Zusätzlichen Beträge zu zahlen, und sollte diese Verpflichtung nicht durch das Ergreifen vernünftiger, der Emittentin zur Verfügung stehender Maßnahmen vermieden werden können, so ist die Emittentin berechtigt, mit einer Frist von wenigstens 30 Tagen und höchstens 60 Tagen durch Bekanntmachung gemäß § 13, die Schuldverschreibungen insgesamt zur vorzeitigen Rückzahlung zum Vorzeitigen Rückzahlungsbetrag zuzüglich aufgelaufener Zinsen zu kündigen.

Eine Kündigung gemäß diesem § 4(b) darf allerdings nicht (i) früher als 90 Tage vor dem frühest möglichen Termin erfolgen, an dem die Emittentin verpflichtet wäre, solche Zusätzlichen Beträge zu zahlen, falls eine Zahlung auf die Schuldverschreibungen dann fällig sein würde, oder (ii) erfolgen, wenn zu dem Zeitpunkt, zu dem die Kündigung erfolgt, die Verpflichtung zur Zahlung von Zusätzlichen Beträgen nicht mehr wirksam ist.

Eine solche Kündigung ist unwiderruflich und muss den für die Rückzahlung festgelegten Termin nennen sowie eine zusammenfassende Erklärung enthalten, welche die das Rückzahlungsrecht der Emittentin begründenden Umstände darlegt.

In diesen Anleihebedingungen bezeichnet „**Vorzeitiger Rückzahlungsbetrag**“ den Nennbetrag der Schuldverschreibungen.

- (c) **Vorzeitige Rückzahlung nach Wahl der Anleihegläubiger bei einem Kontrollwechsel.** Wenn ein Kontrollwechsel eintritt, ist jeder Anleihegläubiger berechtigt, von der Emittentin die Rückzahlung oder, nach Wahl der Emittentin, den Ankauf seiner Schuldverschreibungen durch die Emittentin (oder auf ihre Veranlassung durch einen Dritten) zu 101% des Nennbetrags der Schuldverschreibung (der „**Kontrollwechsel-Rückzahlungsbetrag**“) insgesamt oder teilweise zuzüglich aufgelaufener Zinsen zu verlangen (die „**Put Option**“). Die Put Option ist wie nachfolgend unter § 4(d) beschrieben auszuüben.

Ein „**Kontrollwechsel**“ liegt vor, wenn eines der folgenden Ereignisse eintritt:

- (b) **Early Redemption for Tax Reasons.** If at any future time as a result of a change of the laws applicable in the Grand Duchy of Luxembourg or the Federal Republic of Germany or a change in their official application, the Issuer is required, or at the time of the next succeeding payment due in respect of principal or interest will be required, to pay Additional Amounts as provided in § 6(a), and such obligation cannot be avoided taking reasonable measures available to the Issuer, the Issuer will be entitled, upon not less than 30 days' and not more than 60 days' notice to be given by publication in accordance with § 13, prior to the Redemption Date to redeem all Notes at the Early Redemption Amount plus accrued interest.

No notice of redemption pursuant to this § 4(b) shall be made given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of the Notes was then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts does not remain in effect.

Any such notice shall be irrevocable and must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

In these Terms and Conditions “**Early Redemption Amount**” means the principal amount of the Notes.

- (c) **Early Redemption at the Option of the Holders upon a Change of Control.** If a Change of Control occurs, each Holder shall have the right to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase by a third party of) in whole or in part his Notes at 101% of the Principal Amount of the Notes (the “**Change of Control Redemption Amount**”) plus accrued interest (the “**Put Option**”). The Put Option shall be exercised as set out below under § 4(d).

“**Change of Control**” means the occurrence of any of the following events:

- (i) die Emittentin erlangt Kenntnis davon, dass eine Dritte Person oder gemeinsam handelnde Dritte Personen im Sinne von § 2 Abs. 5 Wertpapiererwerbs- und Übernahmegesetz (WpÜG) (jeweils ein „**Erwerber**“) der rechtliche oder wirtschaftliche Eigentümer von mehr als 50% der Stimmrechte der Emittentin geworden ist; oder
- (ii) die Verschmelzung der Emittentin mit einer oder auf eine Dritte Person oder die Verschmelzung einer Dritten Person mit oder auf die Emittentin, oder der Verkauf aller oder im Wesentlichen aller Vermögensgegenstände (konsolidiert betrachtet) der Emittentin an eine Dritte Person. Dies gilt nicht für Verschmelzungen oder Verkäufe im Zusammenhang mit Rechtsgeschäften, in deren Folge (A) im Falle einer Verschmelzung die Inhaber von 100 % der Stimmrechte der Emittentin unmittelbar vor Wirksamwerden der Verschmelzung wenigstens die Mehrheit der Stimmrechte an dem überlebenden Rechtsträger unmittelbar nach einer solchen Verschmelzung halten und (B) im Fall des Verkaufs von allen oder im Wesentlichen allen Vermögensgegenständen der erwerbende Rechtsträger eine Tochtergesellschaft der Emittentin ist oder wird und Garantin bezüglich der Schuldverschreibungen wird.

„**Dritte Person**“ im Sinne dieses § 4(c)(i) und (ii) ist jede Person außer einer Verbundenen Person der Emittentin.

„**Verbundene Person**“ bezeichnet jede Tochtergesellschaft oder Holdinggesellschaft einer Person sowie jede andere Tochtergesellschaft dieser Holdinggesellschaft.

Wenn ein Kontrollwechsel eintritt, wird die Emittentin unverzüglich nachdem sie hiervon Kenntnis erlangt den Anleihegläubigern Mitteilung vom Kontrollwechsel gemäß § 13(a) machen (die „**Put-Rückzahlungsmitteilung**“), in der die Umstände des Kontrollwechsels sowie das Verfahren für die Ausübung der in diesem § 4(c) genannten Put Option angegeben sind.

- (i) the Issuer becomes aware that any Third Person or group of Third Persons acting in concert within the meaning of § 2 (5) of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*, WpÜG) (each an “**Acquirer**”) has become the legal or beneficial owner of more than 50% of the voting rights of the Issuer; or
- (ii) the merger of the Issuer with or into a Third Person or the merger of a Third Person with or into the Issuer, or the sale of all or substantially all of the assets (determined on a consolidated basis) of the Issuer to a Third Person, other than in a transaction following which (A) in the case of a merger holders that represented 100 % of the voting rights of the Issuer own directly or indirectly at least a majority of the voting rights of the surviving person immediately after such merger and (B) in the case of a sale of all or substantially all of the assets, each transferee becomes a guarantor in respect of the Notes and is or becomes a subsidiary of the Issuer.

“**Third Person**” shall for the purpose of this § 4(c)(i) and (ii) mean any person other than an Affiliated Company of the Issuer.

“**Affiliated Company**” means in respect to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

If a Change of Control occurs, then the Issuer shall, without undue delay, after becoming aware thereof, give notice of the Change of Control (a “**Put Event Notice**”) to the Holders in accordance with § 13(a) specifying the nature of the Change of Control and the procedure for exercising the Put Option contained in this § 4(c).

- (d) Die Ausübung der Put Option gemäß § 4(c) muss durch den Anleihegläubiger innerhalb eines Zeitraums (der „**Put-Rückzahlungszeitraum**“) von 30 Tagen, nachdem die Put-Rückzahlungsmitteilung veröffentlicht wurde, schriftlich gegenüber der depotführenden Stelle des Anleihegläubigers erklärt werden (die „**Put-Ausübungserklärung**“). Die Emittentin wird nach ihrer Wahl die maßgebliche(n) Schuldverschreibung(en) 7 Tage nach Ablauf des Rückzahlungszeitraums (der „**Put-Rückzahlungstag**“) zurückzahlen oder erwerben (bzw. erwerben lassen), soweit sie nicht bereits vorher zurückgezahlt oder erworben und entwertet wurde(n). Die Abwicklung erfolgt über Clearstream. Eine einmal gegebene Put-Ausübungserklärung ist für den Anleihegläubiger unwiderruflich.
- (d) The exercise of the Put Option pursuant to § 4(c), must be declared by the Holder within 30 days after a Put Event Notice has been published (the “**Put Period**”) to the Depositary Bank of such Holder in writing (a “**Put Notice**”). The Issuer shall redeem or, at its option, purchase (or procure the purchase of) the relevant Note(s) on the date (the “**Put Redemption Date**”) seven days after the expiration of the Put Period unless previously redeemed or purchased and cancelled. Payment in respect of any Note so delivered will be made in accordance with the customary procedures through Clearstream. A Put Notice, once given, shall be irrevocable.
- (e) **Vorzeitige Rückzahlung bei Geringem Ausstehenden Gesamtnennbetrag der Schuldverschreibungen.** Wenn 80 % oder mehr des Gesamtnennbetrags der Schuldverschreibungen nach diesem § 4 von der Emittentin oder einer direkten oder indirekten Tochtergesellschaft der Emittentin zurückgezahlt oder angekauft wurden, ist die Emittentin jederzeit berechtigt, nach vorheriger Bekanntmachung gegenüber den Anleihegläubigern gemäß § 13 mit einer Frist von mindestens 30 und höchstens 60 Tagen nach ihrer Wahl die ausstehenden Schuldverschreibungen insgesamt, aber nicht teilweise, zum Nennbetrag zuzüglich bis zum tatsächlichen Rückzahlungstag (ausschließlich) nicht gezahlter, aufgelaufener Zinsen zurückzuzahlen.
- (e) **Early Redemption in case of Minimal Outstanding Aggregate Principal Amount of the Notes.** If 80 per cent. or more of the aggregate principal amount of the Notes have been redeemed or purchased by the Issuer or any direct or indirect Subsidiary of the Issuer pursuant to the provisions of this § 4, the Issuer may at any time, on not less than 30 or more than 60 days’ notice to the Holders given in accordance with § 13, redeem, at its option, the remaining Notes in whole but not in part at the principal amount thereof plus unpaid interest accrued to (but excluding) the date of actual redemption.
- (f) **Automatische Vorzeitige Rückzahlung bei Nichtbegebung der Tranche 2 Schuldverschreibungen (die im Zusammenhang mit dem Umtauschangebot stehen).** Soweit eine Nichtbegebung der Tranche 2 Schuldverschreibungen (wie in diesem § 4 (f) definiert) eingetreten ist, wird die Emittentin, die Schuldverschreibungen jederzeit am oder vor dem fünften Geschäftstag nach dem [●] 2020 (der “**Stichtag**”), das heißt ein Geschäftstag nach dem Begebungstag der Tranche 1 Schuldverschreibungen, (insgesamt, jedoch nicht teilweise) zum Nennbetrag, zuzüglich aufgelaufener Zinsen bis zum Tag der Rückzahlung, zurückzuzahlen.
- (f) **Automatic Early Redemption in case of Non-Issuance of Tranche 2 Notes (relating to the exchange offer).** If a Non-Issuance of Tranche 2 Notes (as defined in this § 4 (f)) occurs, the Issuer will redeem the Notes (in whole but not in part) at any time on or before the fifth Business Day following [●] 2020 (the “**Cutoff Date**”), being the Business Day after the issue date of the Tranche 1 Notes, at their Principal Amount plus accrued interest to, but excluding, the date of redemption.
- Die Emittentin wird die Anleihegläubiger unverzüglich gemäß § 13 über die Nichtbegebung der Tranche 2 Schuldverschreibungen durch Mitteilung gemäß § 13 informieren.
- The Issuer shall notify the Holders without undue delay of the occurrence of the Non-Issuance of Tranche 2 Notes in accordance with § 13.

Eine "**Nichtbegebung der Tranche 2 Schuldverschreibungen**" liegt vor, wenn die Tranche 2 Schuldverschreibungen aus irgendeinem Grund nicht am Stichtag begeben wurden.

"**Tranche 2 Schuldverschreibungen**" bezeichnet die EUR [●] [●]% festverzinslichen Schuldverschreibungen, die im Zusammenhang mit dem Umtauschangebot am Stichtag begeben werden.

- (g) Die Emittentin kann jederzeit und zu jedem Preis im Markt oder auf andere Weise Schuldverschreibungen ankaufen.

§ 5 Zahlungen, Hinterlegung

- (a) Die Emittentin verpflichtet sich, Kapital und Zinsen auf die Schuldverschreibungen bei Fälligkeit in Euro zu zahlen. Die Zahlung von Kapital und Zinsen erfolgt, vorbehaltlich geltender steuerrechtlicher und sonstiger gesetzlicher Regelungen und Vorschriften, über die Zahlstelle zur Weiterleitung an Clearstream oder nach dessen Weisung zur Gutschrift für die jeweiligen Kontoinhaber. Die Zahlung an Clearstream oder dessen Order befreit die Emittentin in Höhe der geleisteten Zahlung von ihren entsprechenden Verbindlichkeiten aus den Schuldverschreibungen. Eine Bezugnahme in diesen Anleihebedingungen auf Kapital oder Zinsen der Schuldverschreibungen schließt jegliche Zusätzlichen Beträge gemäß § 6 ein.
- (b) Falls eine Zahlung auf Kapital oder Zinsen einer Schuldverschreibung an einem Tag zu leisten ist, der kein Geschäftstag ist, so erfolgt die Zahlung am nächstfolgenden Geschäftstag. In diesem Fall steht den betreffenden Anleihegläubigern weder ein Anspruch auf Verzugszinsen noch eine sonstige Zahlung oder eine andere Entschädigung wegen dieser Verzögerung zu.
- (c) „**Geschäftstag**“ im Sinne dieser Anleihebedingungen ist jeder Tag (außer einem Samstag oder Sonntag), an dem (i) das Trans-European Automated Real-time Gross-settlement Express Transfer System 2 (TARGET) und (ii) Clearstream geöffnet sind und Zahlungen weiterleiten.

A "**Non-Issuance of Tranche 2 Notes**" shall have occurred if for any reason the Tranche 2 Notes have not been issued on the Cutoff Date.

"**Tranche 2 Notes**" means the EUR [●] [●] per cent. fixed rate notes relating to the exchange offer which will be issued on the Cutoff Date.

- (g) The Issuer may at any time purchase Notes in the market or otherwise.

§ 5 Payments, Depositing in Court

- (a) The Issuer undertakes to pay, as and when due, principal and interest on the Notes in euros. Payment of principal and interest on the Notes shall be made, subject to applicable fiscal and other laws and regulations, through the Paying Agent for on-payment to Clearstream or to its order for credit to the respective account holders. Payments to Clearstream or to its order shall to the extent of amounts so paid constitute the discharge of the Issuer from its corresponding liabilities under the Terms and Conditions of the Notes. Any reference in these Terms and Conditions of the Notes to principal or interest will be deemed to include any Additional Amounts as set forth in § 6.
- (b) If any payment of principal or interest with respect to a Note is to be effected on a day other than a Business Day, payment will be effected on the next following Business Day. In this case, the relevant Holders will neither be entitled to any interest claim nor to any payment claim or other compensation with respect to such delay.
- (c) In these Terms and Conditions, "**Business Day**" means a day (other than a Saturday or Sunday) on which (i) the Trans-European Automated Real-time Gross settlement Express Transfer System 2 (TARGET) and (ii) Clearstream are operating and settle payments.

(d) Bezugnahmen in diesen Anleihebedingungen auf Kapital der Schuldverschreibungen schließen, soweit anwendbar, die folgenden Beträge ein: den Nennbetrag der Schuldverschreibungen (wie in § 4(a) definiert); den Vorzeitigen Rückzahlungsbetrag (wie in § 4(b) definiert); den Wahl-Rückzahlungsbetrag (Call) (wie in § 4(c) definiert), den Kontrollwechsel-Rückzahlungsbetrag (wie in § 4(d) definiert) sowie jeden Aufschlag sowie sonstige auf oder in Bezug auf die Schuldverschreibungen zahlbaren Beträge. Bezugnahmen in diesen Anleihebedingungen auf Zinsen auf die Schuldverschreibungen sollen, soweit anwendbar, sämtliche gemäß § 6 zahlbaren Zusätzlichen Beträge einschließen.

(e) Die Emittentin ist berechtigt, alle auf die Schuldverschreibungen zahlbaren Beträge, auf die Anleihegläubiger keinen Anspruch erhoben haben, bei dem Amtsgericht in Frankfurt am Main zu hinterlegen. Soweit die Emittentin auf das Recht zur Rücknahme der hinterlegten Beträge verzichtet, erlöschen die betreffenden Ansprüche der Anleihegläubiger gegen die Emittentin.

§ 6 Steuern

(a) Sämtliche in Bezug auf die Schuldverschreibungen zu zahlenden Beträge werden ohne Abzug oder Einbehalt von oder wegen gegenwärtiger oder zukünftiger Steuern oder sonstiger Abgaben jedweder Art gezahlt, die durch oder für das Großherzogtum Luxemburg oder für dessen Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde durch Abzug oder Einbehalt an der Quelle auferlegt oder erhoben werden, es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben.

In diesem Fall wird die Emittentin diejenigen zusätzlichen Beträge (die „**Zusätzlichen Beträge**“) zahlen, die erforderlich sind, um sicherzustellen, dass der nach einem solchen Abzug oder Einbehalt verbleibende Nettobetrag denjenigen Beträgen entspricht, die ohne solchen Abzug oder Einbehalt zu zahlen gewesen wären.

(b) Zusätzliche Beträge gemäß § 6(a) sind nicht zahlbar wegen Steuern oder Abgaben, die:

(i) von einer als Depotbank oder Inkassobeauftragter des Anleihegläubigers handelnden Person oder sonst auf andere Weise zu entrichten sind als dadurch, dass die Emittentin aus den von ihr zu leistenden Zahlungen von Kapital oder

(d) References in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Principal Amount of the Notes (as defined in § 4(a)); the Early Redemption Amount (as defined in § 4(b)); the Call Redemption Amount (as defined in § 4(c)); the Change of Control Redemption Amount (as defined in § 4(d)) and any premium and any other amounts which may be payable under or in respect of the Notes. References in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 6.

(e) The Issuer may deposit with the local court (*Amtsgericht*) in Frankfurt am Main any amounts payable on the Notes not claimed by Holders. To the extent that the Issuer waives its right to withdraw such deposited amounts, the relevant claims of the Holders against the Issuer shall cease.

§ 6 Taxes

(a) All amounts payable under the Notes will be paid without deduction or withholding for or on account of any present or future taxes or duties of whatever nature imposed or levied by way of deduction or withholding at source by or on behalf of the Grand Duchy of Luxembourg or by or on behalf of any political subdivision or authority thereof or therein having power to tax, unless such deduction or withholding is required by law.

In such event the Issuer will pay such additional amounts (the “**Additional Amounts**”) as may be necessary in order that the net amounts after such deduction or withholding will equal the amounts that would have been payable if no such deduction or withholding had been made.

(b) No Additional Amounts will be payable pursuant to § 6(a) with respect to taxes or duties which:

(i) are payable by any person acting as custodian bank or collecting agent on behalf of a Holder, or otherwise in any manner which does not constitute a deduction or withholding by the Issuer from

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| <p>Zinsen einen Abzug oder Einbehalt vornimmt; oder</p> <p>(ii) durch den Anleihegläubiger wegen einer anderen gegenwärtigen oder früheren persönlichen oder geschäftlichen Beziehung zum Großherzogtum Luxemburg zu zahlen sind als der bloßen Tatsache, dass Zahlungen auf die Schuldverschreibungen aus Quellen in des Großherzogtums Luxemburg stammen (oder für Zwecke der Besteuerung so behandelt werden) oder dort besichert sind;</p> <p>(iii) aufgrund (A) einer Richtlinie oder Verordnung der Europäischen Union betreffend die Besteuerung von Zinserträgen oder (B) einer zwischenstaatlichen Vereinbarung über deren Besteuerung, an der das Großherzogtum Luxemburg oder die Europäische Union beteiligt ist, oder (C) einer gesetzlichen Vorschrift, die diese Richtlinie, Verordnung oder Vereinbarung umsetzt oder befolgt, abzuziehen oder einzubehalten sind; oder</p> <p>(iv) aufgrund einer Rechtsänderung zu zahlen sind, welche später als 30 Tage nach Fälligkeit der betreffenden Zahlung von Kapital oder Zinsen oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 13 wirksam wird;</p> <p>(v) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle in einem Mitgliedsstaat der Europäischen Union die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können.</p> | <p>payments of principal or interest made by it; or</p> <p>(ii) are payable by reason of the Holder having, or having had, another personal or business connection with the Grand Duchy of Luxembourg than the mere fact that payments in respect of the Notes are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, the Grand Duchy of Luxembourg;</p> <p>(iii) are deducted or withheld pursuant to (A) any European Union Directive or Regulation concerning the taxation of interest income, or (B) any international treaty or understanding relating to such taxation and to which the Grand Duchy of Luxembourg or the European Union is a party, or (C) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or</p> <p>(iv) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or, if this occurs later, after all due amounts have been duly provided for and a notice to that effect has been published in accordance with § 13;</p> <p>(v) are withheld or deducted by a Paying Agent, if the payment could have been made by another paying agent in a Member State of the European Union without such deduction or withholding.</p> |
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Die gegenwärtig im Großherzogtum Luxemburg erhobene Steuer auf Kapitalerträge ist keine Steuer oder sonstige Abgabe im oben genannten Sinn, für die Zusätzliche Beträge seitens der Emittentin zu zahlen wären.

The capital gains tax currently levied in the Grand Duchy of Luxembourg does not constitute a tax or duty as described above in respect of which Additional Amounts would be payable by the Issuer.

§ 7 Kündigungsründe

- (a) Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen zur Rückzahlung fällig zu stellen und deren sofortige Tilgung zum Vorzeitigen Rückzahlungsbetrag zuzüglich aufgelaufener Zinsen zu verlangen, falls

§ 7 Events of Default

- (a) Each Holder will be entitled to declare his Notes due and demand immediate redemption of his Notes at the Early Redemption Amount plus accrued interest, if

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| (i) | die Emittentin Kapital oder Zinsen nicht innerhalb von 14 Tagen nach dem betreffenden Fälligkeitstag zahlt; | (i) | the Issuer fails to provide principal or interest within 14 days from the relevant due date; |
| (ii) | die Emittentin irgendeine andere Verpflichtung aus den Schuldverschreibungen nicht ordnungsgemäß erfüllt und die Unterlassung, sofern sie nicht heilbar ist, länger als 20 Geschäftstage fort dauert, nachdem die Emittentin hierüber eine Benachrichtigung von einem Anleihegläubiger erhalten hat; | (ii) | the Issuer fails to duly perform any other obligation arising from the Notes and such default, except where such default is incapable of remedy, continues unremedied for more than 20 Business Days after the Issuer has received notice thereof from a Holder; |
| (iii) | die Emittentin oder eine Wesentliche Tochtergesellschaft aus Finanzverbindlichkeiten resultierende Zahlungsverpflichtungen, die Euro 100.000.000 übersteigen, oder aufgrund einer Bürgschaft oder Garantie, die für solche Verbindlichkeiten Dritter gegeben wurde, in einer solchen Höhe bei (ggf. vorzeitiger) Fälligkeit bzw. nach Ablauf einer etwaigen Nachfrist bzw. im Falle einer Bürgschaft oder Garantie nicht innerhalb von 30 Tagen nach Inanspruchnahme aus dieser Bürgschaft oder Garantie, erfüllt (<i>Drittverzug</i>), | (iii) | the Issuer or a Material Subsidiary fails to fulfil payment obligations in excess of a cumulative amount exceeding Euro 100,000,000 under Financial Indebtedness, or under any guaranty or suretyship for any such indebtedness with such an amount of a third party, when due (including in case of any acceleration) or after expiry of any grace period or, in the case of such guarantee or surety ship, within 30 days of such guarantee or suretyship being invoked (cross default), |
| (iv) | die Emittentin oder eine Wesentliche Tochtergesellschaft schriftlich erklärt, dass sie ihre Schulden bei Fälligkeit nicht zahlen kann (<i>Zahlungseinstellung</i>); | (iv) | the Issuer or a Material Subsidiary states in writing that it is unable to pay its debts as they become due (Cessation of payment); |
| (v) | (A) ein Insolvenzverfahren über das Vermögen der Emittentin oder einer Wesentlichen Tochtergesellschaft eröffnet wird, oder (B) die Emittentin oder eine Wesentliche Tochtergesellschaft ein solches Verfahren einleitet oder beantragt oder eine allgemeine Schuldenregelung zu Gunsten ihrer Gläubiger anbietet oder trifft, oder (C) ein Dritter ein Insolvenzverfahren gegen die Emittentin oder eine Wesentliche Tochtergesellschaft beantragt und ein solches Verfahren nicht innerhalb einer Frist von 30 Tagen aufgehoben oder ausgesetzt worden ist, es sei denn es wird mangels Masse abgewiesen oder eingestellt; | (v) | (A) the Issuer's or a Material Subsidiary's assets have been subjected to an insolvency proceeding, or (B) the Issuer or a Material Subsidiary applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally, or (C) a third party applies for insolvency proceedings against the Issuer or a Material Subsidiary and such proceedings are not discharged or stayed within 30 days, unless such proceeding is dismissed due to insufficient assets; |
| (vi) | die Emittentin ihre Geschäftstätigkeit ganz einstellt oder ihr gesamtes oder wesentliche Teile ihres Vermögens an Dritte (außer der Emittentin oder einer ihrer jeweiligen Tochtergesellschaften) abgibt und dadurch der Wert des Vermögens der Emittentin (auf Konzernebene) wesentlich vermindert wird. Eine solche wesentliche Wert- | (vi) | the Issuer ceases its business operations in whole or sells or transfers its assets in whole or a material part thereof to a third party (except for the Issuer and any of its subsidiaries) and this causes a substantial reduction of the value of the assets of the Issuer (on a consolidated basis). In the event of a sale of assets such a substantial |

minderung wird im Falle einer Veräußerung von Vermögen angenommen, wenn der Wert der veräußerten Vermögensgegenstände 65 % der konsolidierten Bilanzsumme der Emittentin übersteigt;

- (vii) die Emittentin oder eine Wesentliche Tochtergesellschaft in Liquidation tritt, es sei denn, dies geschieht im Zusammenhang mit einer Verschmelzung oder einer anderen Form des Zusammenschlusses mit einer anderen Gesellschaft oder im Zusammenhang mit einer Umwandlung und die andere oder neue Gesellschaft übernimmt im Wesentlichen alle Aktiva und Passiva der Emittentin oder der Wesentlichen Tochtergesellschaft, einschließlich aller Verpflichtungen, die die Emittentin im Zusammenhang mit den Schuldverschreibungen hat;

„**Wesentliche Tochtergesellschaft**“ bezeichnet eine Tochtergesellschaft der Emittentin, deren Bilanzsumme 10 % der konsolidierten Bilanzsumme der Emittentin übersteigt, wobei die Schwelle anhand der Daten in dem jeweils letzten geprüften oder, im Fall von Halbjahreskonzernabschlüssen, ungeprüften Konzernabschluss der Emittentin nach IFRS und in dem jeweils letzten geprüften (soweit verfügbar) oder (soweit nicht verfügbar) ungeprüften nicht konsolidierten Abschluss der betreffenden Tochtergesellschaft zu ermitteln ist.

„**Finanzverbindlichkeit**“ bezeichnet für Zwecke dieses Paragraphen (i) Verpflichtungen aus der Aufnahme von Darlehen, (ii) Verpflichtungen unter Schuldverschreibungen, Schuldscheinen oder ähnlichen Schuldtiteln, (iii) die Hauptverpflichtung aus Akzept-, Wechseldiskont- und ähnlichen Krediten und (iv) Verpflichtungen unter Finanzierungsleasing und Sale und Leaseback Vereinbarungen.

- (b) Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

reduction shall be assumed if the value of the assets sold exceeds 65 % of the consolidated total assets of the Issuer;

- (vii) the Issuer or a Material Subsidiary is wound up, unless this is effected in connection with a merger or another form of amalgamation with another company or in connection with a restructuring, and the other or the new company effectively assumes substantially all of the assets and liabilities of the Issuer or the Material Subsidiary, including all obligations of the Issuer arising in connection with the Notes;

“**Material Subsidiary**” means a Subsidiary of the Issuer whose total assets exceed 10 % of the consolidated total assets of the Issuer, where the threshold shall be calculated on the basis of the last audited or, in case of half yearly accounts, unaudited consolidated financial statements of the Issuer in accordance with IFRS and in the last audited (if available) or (if unavailable) unaudited unconsolidated financial statements of the Subsidiary.

“**Financial Indebtedness**” shall mean for the purpose of this paragraph (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) the principal component of obligations in respect of letters of credit, bankers’ acceptances and similar instruments, and (iv) capitalized lease obligations and attributable indebtedness related to sale/leaseback transactions.

- (b) The right to declare the Notes due and demand immediate redemption shall cease if the reason for the termination has been rectified before the exercise of the termination right.

- (c) Eine Benachrichtigung oder Kündigung gemäß § 7(a) ist durch den Anleihegläubiger entweder (i) schriftlich in deutscher oder englischer Sprache gegenüber der Emittentin zu erklären und zusammen mit dem Nachweis in Form einer Bescheinigung der Depotbank gemäß § 14(d) oder in einer anderen geeigneten Weise, dass der Benachrichtigende zum Zeitpunkt der Benachrichtigung Anleihegläubiger ist, persönlich oder durch eingeschriebenen Brief an die Emittentin zu übermitteln. Eine Benachrichtigung oder Kündigung wird jeweils mit Zugang bei der Emittentin wirksam.

§ 8 Zusicherungen

- (a) **Verschuldungsbegrenzung.** Die Emittentin verpflichtet sich, sicherzustellen dass an keinem Referenztag die Verschuldung (wie nachfolgend definiert) auf konsolidierter Basis 65 % der Konzern-Bilanzsumme übersteigt (die „LTV Ratio“).
- (b) **Berichtspflichten.** Die Emittentin verpflichtet sich, während der Laufzeit dieser Schuldverschreibungen (i) ihre Konzernabschlüsse innerhalb einer Frist von maximal 180 Tagen nach dem Ende des jeweiligen Geschäftsjahres zu erstellen, (ii) ihre Konzernhalbjahresabschlüsse innerhalb einer Frist von maximal 120 Tagen nach dem 30. Juni des maßgeblichen Jahres zu erstellen und (iii) im Rahmen der jährlichen und halbjährlichen Berichterstattung zur LTV Ratio zu berichten.
- (c) **Beschränkungen bezüglich Dividendenzahlungen.** Die Emittentin verpflichtet sich, während der Laufzeit dieser Schuldverschreibungen keine Dividenden oder andere Ausschüttungen auf ihr Aktienkapital vorzunehmen oder zu zahlen oder ihr Aktienkapital zurückzukaufen.
- (d) **Zinsdeckung.** Die Emittentin verpflichtet sich, jederzeit einen Betrag an Handelbaren Sicherheiten zu halten, der dem 1,5 fachen des jährlich zahlbaren Zinssatzes entspricht.
- (e) **Definitionen.** Zum Zwecke dieses § 8 finden die folgenden Definitionen Anwendung:

„**Handelbare Sicherheiten**“ bezeichnet Zahlungsmittel oder Zahlungsmitteläquivalente sowie Wertpapiere (in Form von Fremd- oder Eigenkapital), die jeweils an einer Wertpapierbörse oder in einem Wertpapiermarkt (u.a. einschließlich einem *over-the-counter* Markt) zugelassen sind oder notiert oder gehandelt werden.

- (c) A notification or termination pursuant to § 7(a) has to be effected by the Holder either (i) in writing in the German or English language vis-a-vis the Issuer together with a special confirmation of the Depositary Bank in accordance with § 14(d) hereof or in any other adequate manner evidencing that the notifying person is a Holder as per the notification, to be delivered personally or by registered mail to the Issuer. A notification or termination will become effective upon receipt thereof by the Issuer.

§ 8 Covenants

- (a) **Limitation of Indebtedness.** The Issuer shall procure that its Indebtedness (as defined below) on a consolidated basis as of any Reference Date does not exceed 65 % of its Consolidated Total Assets (the “LTV Ratio”).
- (b) **Reporting Obligations.** The Issuer undertakes during the term of the Notes to (I) prepare its annual consolidated financial statements within a maximum period of 180 days following the end of each respective financial year, (ii) prepare its half-yearly consolidated financial statements, within a maximum period of 120 days following the end of 30 June of the respective year and (iii) within the scope of the annual and semi-annual reporting, to report on the LTV Ratio.
- (c) **Restrictions on Dividend Payments.** The Issuer undertakes during the term of the Notes to not make or pay any dividends or any other distributions on, or repurchase, any of its share capital.
- (d) **Interest Coverage.** The Issuer undertakes to ensure that it holds an amount in Tradeable Securities equivalent to 1.5 times the Coupon payable in each year.
- (e) **Definitions.** For the purpose of this § 8 the following definitions apply:

“**Tradeable Securities**” means any cash and cash equivalents and any debt or equity similar securities which are, for the time being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

„**Konzern-Bilanzsumme**“ ist die Bilanzsumme der Emittentin (abzüglich Zahlungsmitteln oder Zahlungsmitteläquivalenten) wie im jeweils letzten Konzernabschluss bzw. Konzernzwischenabschluss ausgewiesen.

„**Person**“ ist jede natürliche oder juristische Person, jede Personengesellschaft oder jede juristische Person des öffentlichen Rechts.

„**Referenztag**“ bezeichnet den 31. Dezember und den 30. Juni eines jeden Jahres. Sollte die Gesellschaft ihr Geschäftsjahr ändern, bezeichnet „Referenztag“ den jeweiligen Bilanzstichtag für den Konzernabschluss bzw. den Konzernhalbjahresabschluss der Emittentin.

„**Verschuldung**“ im Sinne dieses § 8 bedeutet jede Finanzverbindlichkeit, abzüglich Zahlungsmitteln oder Zahlungsmitteläquivalenten, der Emittentin oder einer Tochtergesellschaft einschließlich aller Beträge, die im Rahmen anderer Transaktionen (einschließlich besicherter Terminkauf- oder besicherter -verkaufvereinbarungen, wobei dies auch Erlöse aus Terminverkäufen umfasst, die die Emittentin erhält im Rahmen derer, der institutionelle Anleger als Käufer irgendeine Form von Sicherheit von der Emittentin erhält) aufgenommen wurden, die die kommerzielle Wirkung einer Kreditaufnahme haben, jedoch mit Ausnahme von Bankgarantiefazilitäten (in der jeweils gültigen Fassung), die der Emittentin oder einer Tochtergesellschaft von Finanzinstituten zur Verfügung gestellt wurden oder werden, wobei die Emittentin oder die jeweilige Tochtergesellschaft die Ausstellung einer Bankgarantie oder von Bankgarantien zugunsten einer Person verlangen kann, die sich zum Kauf einer Immobilie im Eigentum der Emittentin oder einer Tochtergesellschaft bereit erklärt hat, wie in dem aktuellsten Konzernabschluss der Emittentin dargestellt.

§ 9 Vorlegungsfrist, Verjährung

Die Vorlegungsfrist gemäß § 801 Absatz 1 Satz 1 BGB für die Schuldverschreibungen beträgt zehn Jahre. Die Verjährungsfrist für Ansprüche aus den Schuldverschreibungen, die innerhalb der Vorlegungsfrist zur Zahlung vorgelegt wurden, beträgt zwei Jahre von dem Ende der betreffenden Vorlegungsfrist an.

„**Consolidated Total Assets**“ means total assets (excluding cash and cash equivalents) of the Issuer as shown in the most recent consolidated financial statements or interim consolidated financial statements.

„**Person**“ means any individual, legal entity, partnership or legal entity governed by public law.

„**Reference Date**“ means 31 December and 30 June of each year, respectively. Should the Issuer change its financial year, „Reference Date“ means the balance sheet date of its consolidated annual and semi-annual financial statements of the Issuer.

„**Indebtedness**“ within the meaning of this § 8 means any Financial Indebtedness net of cash and cash equivalents of the Issuer or any Subsidiary and including any amount raised under any other transaction (including any secured forward sale or secured purchase agreement, it being understood that this also includes forward sale proceeds received by the Issuer whereby the institutional investor as buyer receives any form of security from the Issuer) having the commercial effect of a borrowing, but excluding bank guarantee facilities (as amended from time to time) made or to be made available by financial institutions to the Issuer or a Subsidiary under which the Issuer or the respective Subsidiary may request the issue of a bank guarantee or bank guarantees in favor of a person who agrees to purchase a real estate property owned by the Issuer or a Subsidiary, as shown in the most recent consolidated financial statements of the Issuer.

§ 9 Presentation Period, Prescription

The period for presentation of the Notes (§ 801 paragraph 1 sentence 1 German Civil Code) will be ten years. The period of limitation for claims under the Notes presented during the period for presentation will be two years calculated from the expiration of the relevant presentation period.

§ 10 Zahlstellen

- (a) Die Quirin Privatbank AG ist Zahlstelle. Die Quirin Privatbank AG in ihrer Eigenschaft als Zahlstelle und jede an ihre Stelle tretende Zahlstelle wird in diesen Anleihebedingungen als „Zahlstelle“ bezeichnet. Die Zahlstelle behält sich das Recht vor, jederzeit ihre bezeichneten Geschäftsstellen durch eine andere Geschäftsstelle in derselben Stadt zu ersetzen.
- (b) Die Emittentin wird dafür Sorge tragen, dass stets eine Zahlstelle vorhanden ist. Die Emittentin ist berechtigt, andere Banken von internationalem Standing als Zahlstelle zu bestellen. Die Emittentin ist weiterhin berechtigt, die Bestellung einer Bank zur Zahlstelle zu widerrufen. Im Falle einer solchen Abberufung oder falls die bestellte Bank nicht mehr als Zahlstelle tätig werden kann oder will, bestellt die Emittentin eine andere Bank von internationalem Standing als Zahlstelle. Eine solche Bestellung oder ein solcher Widerruf der Bestellung ist gemäß § 13 oder, falls dies nicht möglich sein sollte, durch eine öffentliche Bekanntmachung in sonstiger Weise bekannt zu machen.
- (c) Die Zahlstelle haftet dafür, dass sie Erklärungen abgibt, nicht abgibt oder entgegennimmt oder Handlungen vornimmt oder unterlässt, nur, wenn und soweit sie die Sorgfalt eines ordentlichen Kaufmanns verletzt hat. Alle Bestimmungen und Berechnungen durch die Zahlstelle erfolgen in Abstimmung mit der Emittentin und sind, soweit nicht ein offenkundiger Fehler vorliegt, in jeder Hinsicht endgültig und für die Emittentin und alle Anleihegläubiger bindend.
- (d) Die Zahlstelle ist in dieser Funktion ausschließlich Beauftragte der Emittentin. Zwischen der Hauptzahlstelle und den Anleihegläubigern besteht kein Auftrags- oder Treuhandverhältnis.
- (e) Die Zahlstelle ist von den Beschränkungen des § 181 BGB und etwaigen gleichartigen Beschränkungen des anwendbaren Rechts anderer Länder befreit.

§ 11 Begebung weiterer Schuldverschreibungen

Die Emittentin behält sich vor, jederzeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit im wesentlichen gleicher Ausstattung wie die Schuldverschreibungen (gegebenenfalls mit

§ 10 Paying Agents

- (a) Quirin Privatbank AG will be the paying agent. Quirin Privatbank AG in its capacity as paying agent and any successor paying agent are referred to in these Terms and Conditions as “Paying Agent”. The Paying Agent reserves the right at any time to change its specified offices to some other office in the same city.
- (b) The Issuer will procure that there will at all times be a Paying Agent. The Issuer is entitled to appoint banks of international standing as Paying Agent. Furthermore, the Issuer is entitled to terminate the appointment of the Paying Agent. In the event of such termination or such bank being unable or unwilling to continue to act as Paying, the Issuer will appoint another bank of international standing as Paying Agent. Such appointment or termination will be published without undue delay in accordance with § 13, or, should this not be possible, be published in another way.
- (c) The Paying Agent will be held responsible for giving, failing to give, or accepting a declaration, or for acting or failing to act, only if, and insofar as, it fails to act with the diligence of a conscientious businessman. All determinations and calculations made by the Paying Agent will be made in conjunction with the Issuer and will, in the absence of manifest error, be conclusive in all respects and binding upon the Issuer and all Holders.
- (d) The Paying Agent acting in such capacity, act only as agents of the Issuer. There is no agency or fiduciary relationship between the Paying Agents and the Holders.
- (e) The Paying Agent is hereby granted exemption from the restrictions of § 181 German Civil Code and any similar restrictions of the applicable laws of any other country.

§ 11 Further Issues

The Issuer reserves the right to issue from time to time, without the consent of the Holders, additional notes with substantially identical terms as the Notes (as the case may be, except for the issue date, interest

Ausnahme des Begebungstages, des Verzinsungsbeginns und/oder des Ausgabepreises) zu begeben, einschließlich in der Weise, dass sie mit den Schuldverschreibungen zu einer einheitlichen Serie von Schuldverschreibungen konsolidiert werden können und ihren Gesamtnennbetrag erhöhen. Der Begriff „**Schuldverschreibung**“ umfasst im Falle einer solchen Konsolidierung auch solche zusätzlich begebenen Schuldverschreibungen. Die Begebung weiterer Schuldverschreibungen, die mit den Schuldverschreibungen keine Einheit bilden und die über andere Ausstattungsmerkmale verfügen, sowie die Begebung von anderen Schuldtiteln bleiben der Emittentin unbenommen.

§ 12 Änderung der Anleihebedingungen durch Beschluss der Anleihegläubiger; Gemeinsamer Vertreter

(a) **Änderung der Anleihebedingungen.** Die Anleihebedingungen können durch die Emittentin mit Zustimmung der Anleihegläubiger aufgrund Mehrheitsbeschlusses nach Maßgabe der §§ 5 ff. des Gesetzes über Schuldverschreibungen aus Gesamtemissionen („**SchVG**“) in seiner jeweiligen gültigen Fassung geändert werden. Die Anleihegläubiger können insbesondere einer Änderung wesentlicher Inhalte der Anleihebedingungen, einschließlich der in § 5 Absatz 3 SchVG vorgesehenen Maßnahmen, mit den in dem nachstehenden § 12(b) genannten Mehrheiten zustimmen. Ein ordnungsgemäß gefasster Mehrheitsbeschluss ist für alle Anleihegläubiger verbindlich. Ein Mehrheitsbeschluss der Anleihegläubiger, der nicht gleiche Bedingungen für alle Anleihegläubiger vorsieht, ist unwirksam, es sei denn die benachteiligten Anleihegläubiger stimmen ihrer Benachteiligung ausdrücklich zu.

(b) **Qualifizierte Mehrheit.** Vorbehaltlich des nachstehenden Satzes und der Erreichung der erforderlichen Beschlussfähigkeit, beschließen die Anleihegläubiger mit der einfachen Mehrheit der an der Abstimmung teilnehmenden Stimmrechte. Beschlüsse, durch welche der wesentliche Inhalt der Anleihebedingungen, insbesondere in den Fällen des § 5 Absatz 3 Nummern 1 bis 9 SchVG, geändert wird, bedürfen zu ihrer Wirksamkeit einer Mehrheit von mindestens 75 % der an der Abstimmung teilnehmenden Stimmrechte (eine „**Qualifizierte Mehrheit**“).

commencement date and/or issue price), including in a manner that the same can be consolidated to form a single Series of Notes and increase the aggregate principal amount of the Notes. The term “**Note**” will, in the event of such consolidation, also comprise such additionally issued Notes. The Issuer shall not be limited in issuing additional notes, which are not consolidated with the Notes and which provide for different terms, as well as in issuing any other debt securities.

§ 12 Amendments to the Terms and Conditions by resolution of the Holders; Joint Representative

(a) **Amendments to the Terms and Conditions.** The Issuer may amend the Terms and Conditions with consent by a majority resolution of the Holders pursuant to § 5 et seq. of the German Act on Issues of Debt Securities (*Gesetz über Schuldverschreibungen aus Gesamtemissionen* - “**SchVG**“), as amended from time to time. In particular, the Holders may consent to amendments which materially change the substance of the Terms and Conditions, including such measures as provided for under § 5(3) of the SchVG, by resolutions passed by such majority of the votes of the Holders as stated under § 12(b) below. A duly passed majority resolution shall be binding upon all Holders. Resolutions which do not provide for identical conditions for all Holders are void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

(b) **Qualified Majority.** Except as provided by the following sentence and provided that the quorum requirements are being met, the Holders may pass resolutions by simple majority of the voting rights participating in the vote. Resolutions which materially change the substance of the Terms and Conditions, in particular in the cases of § 5(3) numbers 1 through 9 of the SchVG, may only be passed by a majority of at least 75 % of the voting rights participating in the vote (a “**Qualified Majority**“).

(c) **Beschlussfassung.** Beschlüsse der Anleihegläubiger werden entweder in einer Gläubigerversammlung nach § 12(c)(i) oder im Wege der Abstimmung ohne Versammlung nach § 12(c)(ii) getroffen.

(i) Beschlüsse der Anleihegläubiger im Rahmen einer Gläubigerversammlung werden nach §§ 9 ff. SchVG getroffen. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können schriftlich die Durchführung einer Gläubigerversammlung nach Maßgabe von § 9 SchVG verlangen. Die Einberufung der Gläubigerversammlung regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Einberufung der Gläubigerversammlung werden in der Tagesordnung die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben. Für die Teilnahme an der Gläubigerversammlung oder die Ausübung der Stimmrechte ist eine Anmeldung der Anleihegläubiger vor der Versammlung erforderlich. Die Anmeldung muss unter der in der Einberufung mitgeteilten Adresse spätestens am dritten Kalendertag vor der Gläubigerversammlung zugehen.

(ii) Beschlüsse der Anleihegläubiger im Wege der Abstimmung ohne Versammlung werden nach § 18 SchVG getroffen. Anleihegläubiger, deren Schuldverschreibungen zusammen 5 % des jeweils ausstehenden Gesamtnennbetrags der Schuldverschreibungen erreichen, können schriftlich die Durchführung einer Abstimmung ohne Versammlung nach Maßgabe von § 9 i.V.m. § 18 SchVG verlangen. Die Aufforderung zur Stimmabgabe durch den Abstimmungsleiter regelt die weiteren Einzelheiten der Beschlussfassung und der Abstimmung. Mit der Aufforderung zur Stimmabgabe werden die Beschlussgegenstände sowie die Vorschläge zur Beschlussfassung den Anleihegläubigern bekannt gegeben.

(c) **Passing of Resolutions.** Resolutions of the Holders shall be made either in a noteholder's meeting in accordance with § 12(c)(i) or by means of a vote without a meeting (*Abstimmung ohne Versammlung*) in accordance with § 12(c)(ii).

(i) Resolutions of the Holders in a noteholder's meeting shall be made in accordance with § 9 et seq. of the SchVG. Holders holding Notes in the total amount of 5 % of the outstanding aggregate principal amount of the Notes may request, in writing, to convene a noteholders' meeting pursuant to § 9 of the SchVG. The convening notice of a noteholders' meeting will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions will be notified to Holders in the agenda of the meeting. The attendance at the noteholders' meeting or the exercise of voting rights requires a registration of the Holders prior to the meeting. Any such registration must be received at the address stated in the convening notice by no later than the third calendar day preceding the noteholders' meeting.

(ii) Resolutions of the Holders by means of a voting not requiring a physical meeting (*Abstimmung ohne Versammlung*) shall be made in accordance with § 18 of the SchVG. Holders holding Notes in the total amount of 5 % of the outstanding principal amount of the Notes may request, in writing, the holding of a vote without a meeting pursuant to § 9 in connection with § 18 of the SchVG. The request for voting as submitted by the chairman (*Abstimmungsleiter*) will provide the further details relating to the resolutions and the voting procedure. The subject matter of the vote as well as the proposed resolutions shall be notified to Holders together with the request for voting.

- (d) **Stimmrecht.** An Abstimmungen der Anleihegläubiger nimmt jeder Gläubiger nach Maßgabe des Nennwerts oder des realen Anteils seiner Berechtigung an den ausstehenden Schuldverschreibungen teil. Das Stimmrecht ruht, solange die Anteile der Emittentin oder einem mit ihr verbundenen Unternehmen (§ 271 Absatz (2) Handelsgesetzbuch) zustehen oder für Rechnung der Emittentin oder eines mit ihr verbundenen Unternehmens gehalten werden. Die Emittentin darf Schuldverschreibungen, deren Stimmrechte ruhen, einem anderen nicht zu dem Zweck überlassen, die Stimmrechte an ihrer Stelle auszuüben; dies gilt auch für ein mit der Emittentin verbundenes Unternehmen. Niemand darf das Stimmrecht zu dem in Satz 3 erster Halbsatz bezeichneten Zweck ausüben.
- (e) **Nachweise.** Anleihegläubiger haben die Berechtigung zur Teilnahme an der Abstimmung zum Zeitpunkt der Stimmabgabe durch besonderen Nachweis der Depotbank gemäß § 14(d) und die Vorlage eines Sperrvermerks der Depotbank zugunsten der Zahlstelle als Hinterlegungsstelle für den Abstimmungszeitraum nachzuweisen.
- (f) **Gemeinsamer Vertreter.** Die Anleihegläubiger können durch Mehrheitsbeschluss zur Wahrung ihrer Rechte nach Maßgabe des SchVG einen gemeinsamen Vertreter für alle Gläubiger (der „Gemeinsame Vertreter“) bestellen.
- (i) Der Gemeinsame Vertreter hat die Aufgaben und Befugnisse, welche ihm durch Gesetz oder von den Anleihegläubigern durch Mehrheitsbeschluss eingeräumt wurden. Er hat die Weisungen der Anleihegläubiger zu befolgen. Soweit er zur Geltendmachung von Rechten der Anleihegläubiger ermächtigt ist, sind die einzelnen Anleihegläubiger zur selbständigen Geltendmachung dieser Rechte nicht befugt, es sei denn der Mehrheitsbeschluss sieht dies ausdrücklich vor. Über seine Tätigkeit hat der Gemeinsame Vertreter den Anleihegläubigern zu berichten. Die Bestellung eines Gemeinsamen Vertreters bedarf einer qualifizierten Mehrheit, wenn er ermächtigt wird, wesentlichen Änderungen der Anleihebedingungen gemäß § 12(b) zuzustimmen.
- (ii) Der Gemeinsame Vertreter kann von den Anleihegläubigern jederzeit ohne Angabe von Gründen abberufen
- (d) **Voting Right.** Each Holder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes. As long as the entitlement to the Notes lies with, or the Notes are held for the account of, the Issuer or any of its affiliates (§ 271(2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.
- (e) **Proof of Eligibility.** Holders must demonstrate their eligibility to participate in the vote at the time of voting by means of a special confirmation of the Depository Bank in accordance with § 14(d) hereof and by submission of a blocking instruction by the Depository Bank for the benefit of the Paying Agent as depository (*Hinterlegungsstelle*) for the voting period.
- (f) **Joint Representative.** The Holders may by majority resolution appoint a joint representative (the “**Joint Representative**”) in accordance with the SchVG to exercise the Holders’ rights on behalf of all Holders.
- (i) The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorized to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The appointment of a Joint Representative may only be passed by a qualified majority if such Joint Representative is to be authorized to consent to a material change in the substance of the Terms and Conditions as set out in § 12(b) hereof.
- (ii) The Joint Representative may be removed from office at any time by the Holders without specifying any

werden. Der Gemeinsame Vertreter kann von der Emittentin verlangen, alle Auskünfte zu erteilen, die zur Erfüllung der ihm übertragenen Aufgaben erforderlich sind. Die durch die Bestellung eines Gemeinsamen Vertreters entstehenden Kosten und Aufwendungen, einschließlich einer angemessenen Vergütung des Gemeinsamen Vertreters, trägt die Emittentin.

- (iii) Der Gemeinsame Vertreter haftet den Anleihegläubigern als Gesamtgläubiger für die ordnungsgemäße Erfüllung seiner Aufgaben; bei seiner Tätigkeit hat er die Sorgfalt eines ordentlichen und gewissenhaften Geschäftsleiters anzuwenden. Die Haftung des Gemeinsamen Vertreters kann durch Beschluss der Gläubiger beschränkt werden. Über die Geltendmachung von Ersatzansprüchen der Anleihegläubiger gegen den Gemeinsamen Vertreter entscheiden die Anleihegläubiger.

- (g) **Bekanntmachungen:** Bekanntmachungen betreffend diesen § 12 erfolgen gemäß den §§ 5 ff. SchVG sowie nach § 13.

§ 13 Bekanntmachungen

- (a) Die Schuldverschreibungen betreffenden Bekanntmachungen werden im Bundesanzeiger, auf der Webseite der Emittentin und/oder gemäß den Bestimmungen gesetzlicher Regularien veröffentlicht. Eine Mitteilung gilt mit dem Tag ihrer Veröffentlichung (oder bei mehreren Mitteilungen mit dem Tage der ersten Veröffentlichung) als erfolgt.
- (b) Sofern die Regularien der Börse, an der die Schuldverschreibungen notiert sind, dies zulassen, ist die Emittentin berechtigt, Bekanntmachungen auch durch eine Mitteilung an Clearstream zur Weiterleitung an die Anleihegläubiger oder durch eine schriftliche Mitteilung direkt an die Anleihegläubiger zu bewirken. Bekanntmachungen über Clearstream gelten sieben Tage nach der Mitteilung an Clearstream, direkte Mitteilungen an die Anleihegläubiger mit ihrem Zugang als bewirkt.

reasons. The Joint Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of a Joint Representative, including reasonable remuneration of the Joint Representative.

- (iii) The Joint Representative shall be liable for the performance of its duties towards the Holders who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Joint Representative may be limited by a resolution passed by the Holders. The Holders shall decide upon the assertion of claims for compensation of the Holders against the Joint Representative.

- (g) **Notices:** Any notices concerning this § 12 shall be made in accordance with § 5 et seq. of the SchVG and § 13.

§ 13 Notices

- (a) Notices relating to the Notes will be published in the Federal Gazette (*Bundesanzeiger*), on the Issuer's website and/or otherwise in accordance with the provisions of legal regulations. A notice will be deemed to be made on the day of its publication (or in the case of more than one publication on the day of the first publication).
- (b) The Issuer will also be entitled to make notifications to the Clearstream for communication by the Clearstream to the Holders or directly to the Holders provided this complies with the rules of the stock exchange on which the Notes are listed. Notifications vis à vis Clearstream will be deemed to be effected seven days after the notification to Clearstream, direct notifications of the Holders will be deemed to be effected upon their receipt.

§ 14 Schlussbestimmungen

- (a) Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger, der Emittentin, und der Zahlstelle bestimmen sich in jeder Hinsicht nach dem Recht der Bundesrepublik Deutschland.
- (b) Erfüllungsort ist Frankfurt am Main, Bundesrepublik Deutschland.
- (c) Gerichtsstand ist Frankfurt am Main, Bundesrepublik Deutschland.

Für Entscheidungen gemäß § 9 Absatz 2, § 13 Absatz 3 und § 18 Absatz 2 SchVG in Verbindung mit § 9 Absatz 3 SchVG ist das Amtsgericht Frankfurt am Main zuständig. Für Entscheidungen über die Anfechtung von Beschlüssen der Anleihegläubiger ist gemäß § 20 Absatz 3 SchVG das Landgericht Frankfurt am Main ausschließlich zuständig.

- (d) Jeder Anleihegläubiger kann in Rechtsstreitigkeiten gegen die Emittentin oder in Rechtsstreitigkeiten, an denen der Anleihegläubiger und die Emittentin beteiligt sind, im eigenen Namen seine Rechte aus den von ihm gehaltenen Schuldverschreibungen geltend machen unter Vorlage (a) einer Bescheinigung seiner Depotbank, die (i) den vollen Namen und die volle Anschrift des Anleihegläubigers enthält und (ii) den Gesamtnennbetrag der Schuldverschreibungen angibt, die am Tag der Ausstellung dieser Bescheinigung dem bei dieser Depotbank bestehenden Depot des Anleihegläubigers gutgeschrieben sind. Im Sinne der vorstehenden Bestimmungen ist „Depotbank“ ein Bank- oder sonstiges Finanzinstitut (einschließlich Clearstream Frankfurt, Clearstream Luxemburg und Euroclear), das eine Genehmigung für das Wertpapier-Depotgeschäft hat und bei dem der Anleihegläubiger Schuldverschreibungen im Depot verwahren lässt.
- (e) Für die Kraftloserklärung abhanden gekommener oder vernichteter Schuldverschreibungen sind ausschließlich die Gerichte der Bundesrepublik Deutschland zuständig.
- (f) Die deutsche Version dieser Anleihebedingungen ist bindend.

§ 14 Final Provisions

- (a) The form and content of the Notes and the rights and duties of the Holders, the Issuer and the Paying Agent will in all respects be governed by the laws of the Federal Republic of Germany.
- (b) Place of performance is Frankfurt am Main, Federal Republic of Germany.
- (c) Place of jurisdiction will be Frankfurt am Main, Federal Republic of Germany.

The local court (*Amtsgericht*) in Frankfurt am Main shall have jurisdiction for all judgments pursuant to § 9(2), § 13(3) and § 18(2) SchVG in accordance with § 9(3) SchVG. The regional court (*Landgericht*) Frankfurt am Main will have exclusive jurisdiction for all judgments over contested resolutions by Holders in accordance with § 20(3) SchVG.

- (d) Any Holder may in any proceedings against the Issuer or to which the Holder and the Issuer are parties protect and enforce in its own name its rights arising under its Notes by submitting the following documents: (a) a certificate issued by its Depository Bank (i) stating the full name and address of the Holder and (ii) specifying an aggregate principal amount of Notes credited on the date of such statement to such Holders' securities deposit account maintained with such Depository Bank. For purposes of the foregoing, "Depository Bank" means any bank or other financial institution authorized to engage in securities deposit business with which the Holder maintains a securities deposit account in respect of any Notes, and includes Clearstream Frankfurt, Clearstream Luxembourg and Euroclear.
- (e) The courts of the Federal Republic of Germany will have exclusive jurisdiction over the annulment of lost or destroyed Notes.
- (f) The German version of these Terms and Conditions shall be binding.

8. TAXATION WARNING

PROSPECTIVE PURCHASERS OF THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR IN WHICH THEY MAY OTHERWISE BE LIABLE FOR TAXES. THE RESPECTIVE RELEVANT TAX LEGISLATION MAY HAVE AN IMPACT ON THE INCOME RECEIVED FROM THE NOTES.

9. SUBSCRIPTION AND SALE OF THE NOTES

9.1 GENERAL

Pursuant to a purchase agreement entered into between the Issuer and the Managers dated [●] 2020 (the “**Placement Agreement**”) and on the basis of certain representations, warranties and agreements therein contained, the Managers have agreed to use its best efforts to assist the Issuer in procuring institutional investors who will subscribe for the Notes on [●] 2020, or on such later date as the Issuer and the Managers may agree (the “**Closing Date**”), at a price of [●] per cent. of the principal amount of the Tranche 1 Notes and at a price of [●] per cent. of the principal amount of the Tranche 2 Notes. The minimum subscription amount per investor is EUR 100,000 in principal amount of the Notes. If and to the extent that institutional investors procured by the Managers on a best effort basis fail to pay for all or part of the Notes on the Closing Date, the Managers are not obliged to acquire, subscribe or pay for any such Notes or any portion thereof. Nothing in the Placement Agreement constitutes an express or implied commitment or undertaking on the part of the Managers or any of its affiliates and related entities to underwrite, provide or place all or any part of any financing and does not ensure or guarantee the successful arrangement, placement or completion of the offering of Notes or any portion thereof. Without limitation of the foregoing, the Managers shall have no liability to the Issuer in the event that any subscription of Notes by any institutional investors is not consummated.

The Issuer has agreed to pay the Managers a fee for its services in connection with the placement of the Notes. Furthermore, the Issuer has agreed to reimburse certain of the expenses of the Managers and to indemnify the Managers in respect of certain losses that may be incurred in connection with the placement of the Notes. The Managers are entitled in certain circumstances to terminate the Placement Agreement prior to and including the Closing Date.

The Managers or their affiliates have provided from time to time, and expect to provide in the future, financial services to the Issuer and its affiliates, for which the Managers or their affiliates have received or will receive customary fees and commissions.

The Issuer has not yet determined the allocation in the event of oversubscription. In the event of a partial allocation due to oversubscription, the investor’s subscription will be reduced to the relevant amount and any amount overpaid will be refunded by repayment to the account of the relevant subscriber.

9.2 SELLING RESTRICTIONS

9.2.1 General

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Memorandum or any other offering material relating to the Notes.

Persons into whose hands this Offering Memorandum comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Memorandum or any other offering material relating to the Notes, in all cases at their own expense.

9.2.2 European Economic Area

Each Manager has represented, warranted and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision the expression retail investor means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II (as amended); or
- (b) a customer within the meaning of Directive 2016/97/EU (as amended or superseded, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in the Regulation (EU) 2017/1129.

9.2.3 United Kingdom

Each Manager has represented, warranted and undertaken that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA

received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

9.2.4 United States

- (a) Each Manager (i) has acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act; (ii) has represented and agreed that it has not offered and sold any Notes, and will not offer and sell any Notes, (x) as part of their distribution at any time and (y) otherwise until 40 days after the later of the commencement of the offering and closing date, only in accordance with Rule 903 of Regulation S under the Securities Act; and accordingly, (iii) has further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirements of Regulation S; and (iv) has also agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from them during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b)(2)(iii) (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph 2 have the meanings given to them by Regulation S.

- (b) Each Manager has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of Notes, except with its affiliates or with the prior written consent of the Issuer.

Each Manager has represented and agreed that:

- (c) (i) it has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and will not deliver within the United States or their possessions definitive Notes that are sold during the restricted period;
- (d) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or their possessions or to a United States person.

10. GENERAL INFORMATION / INCORPORATION BY REFERENCE

10.1 LISTING AND ADMISSION TO TRADING

Application has been made to admit the Notes for trading on the Euro MTF of the Luxembourg Stock Exchange.

10.2 AUTHORISATION AND ISSUE DATE

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated [●]. The Tranche 1 Issue Date is expected to be [●] 2020. The Tranche 2 Issue Date is expected to be [●] 2020. Upon issue of the Tranche 2 Notes, the Tranche 2 Notes will be consolidated and form a single series with the Tranche 1 Notes.

10.3 CLEARING AND SETTLEMENT

The Notes have been accepted for clearance and settlement by Clearstream Banking AG, Frankfurt am Main, Mergenthalerallee 61, 65760 Eschborn, Germany.

The Notes have been assigned the following securities codes: ISIN [●], Common Code [●], WKN [●].

The Issuer's Legal Entity Identifier (LEI) is 529900DA2FX5U5RBXY73.

10.4 INCORPORATION BY REFERENCE

The following documents are incorporated by reference into this Offering Memorandum:

Audited consolidated financial statements of Aggregate Holdings S.A. as of and for the fiscal year ended 31 December 2019 and independent auditor's report thereon

Independent auditor's report	Pages 6-8
Consolidated statement of profit or loss and other comprehensive income	Page 9
Consolidated statement of financial position	Pages 10-11
Consolidated statement of changes in equity	Pages 12-13
Consolidated statement of cash flows	Page 14
Notes to the consolidated financial statements	Page 15-79

Audited consolidated financial statements of Aggregate Holdings S.A. as of and for the fiscal year ended 31 December 2018 and independent auditor's report thereon

Independent auditor's report	Pages 4-6
Consolidated statement of financial position	Pages 7-8
Consolidated statement of profit or loss and other comprehensive income	Page 9
Consolidated statement of changes in equity	Pages 10-11
Consolidated statement of cash flows	Page 12
Notes to the consolidated financial statements	Pages 13-82

All of these pages shall be deemed to be incorporated in by reference, and to form part of, this Offering Memorandum.

The non-incorporated parts of such documents, i.e. the pages not listed in the table above, are either not relevant for the investor or covered elsewhere in the Offering Memorandum.

The documents containing the information incorporated by reference are available free of charge by the Issuer and are published in electronic form on the Issuer's website <https://www.aggregateholdings.com>.

10.5 DOCUMENTS ON DISPLAY

For the duration of the validity of this Offering Memorandum, copies of the following documents will be available free of charge for inspection during regular business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Issuer at 10, rue Antoine Jans, 1820 Luxembourg, Grand Duchy of Luxembourg:

- (a) the Issuer's articles of association;
- (b) the Offering Memorandum; and
- (c) the documents incorporated by reference.

The Issuer's articles of association and the documents incorporated by reference are available on the Issuer's website at <https://www.aggregateholdings.com>. The Offering Memorandum and the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

10.6 MANAGERS TRANSACTING WITH THE ISSUER

The Managers did not, directly or indirectly through any of its affiliates, provide investment and commercial banking, financial advisory and other services to the Issuer and its affiliates. However, the Managers and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Issuer or its affiliates. In addition, the Managers may from time to time enter into swap and other derivative transactions with the Issuer and its affiliates.

The Managers, in their capacity as principal or agent, is involved in a wide range of investment banking activities (including M&A, research, securities issuance, trading and designated sponsoring) from which conflicting interests or duties may arise. In order to avoid adverse effects on the Issuer of such conflicts of interest, the Managers have taken a large number of organisational measures for its protection. Essential measures in this connection include the creation of confidentiality areas (so-called "Chinese walls"), the strict functional separation of responsibilities and the obligation of all employees of the Managers to comply with rules of conduct when carrying out business with customers, transactions for the account of the Managers or private transactions in financial instruments. In the ordinary course of its business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade or hedge debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for its own account and for the accounts of its customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. The Managers, their affiliates and/or other third parties that may have a lending relationship or other exposure with the Issuer may hedge its credit exposure to the Issuer consistent with its policies. Typically, the Managers, their affiliates and/or other affiliated third parties would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of the Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

11. NAMES AND ADDRESSES

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