

 **Aggregate**
Aggregate Holdings S.A.

Société Anonyme

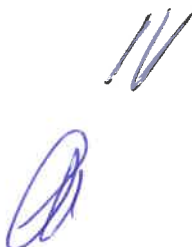
Consolidated Financial Statements

For the Year Ended 31 December 2019

With Report of the Réviseur d'Entreprises Agréé

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Consolidated Management Report

1.1 Principal Activities and Review of Business

Aggregate Holdings S.A. (hereinafter together with its subsidiaries “the Group”). The Board of Directors of the Group presents to the members the Management Report and audited consolidated financial statements of the Group for the year ended 31 December 2019.

Principal activities and nature of operations of the Group

The principal activities of the Group are unchanged from last year.

Review of current position and performance of the Group

Consus Real Estate AG and its subsidiaries

Strengthened position as leading developer in Germany’s Top 9 Cities

As of 31 December 2019, Consus Real Estate AG and its subsidiaries (hereinafter referred as “Consus”)’s development portfolio comprised 65 residential projects with a Gross Development Value (GDV) of around EUR 12,3bn, and a total net area of 2,25m square meters. The significant increase in scale was achieved through a combination of acquisitions and development gains.

Full integration of Consus

CG Gruppe AG has been fully integrated in the Consus group. Christoph Gröner, the founder of Consus, has left the executive board and moved to the Consus supervisory board of CG Gruppe. The name of CG Gruppe has been changed to Consus RE AG and management functions are now completely integrated.

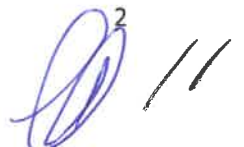
Strong performance: Consus adjusted EBITDA increased to EUR 344,4m

Consus reports sales of EUR 671,1m and an overall performance EUR 863,8m for 2019, driven by strong growth in forward sales revenue and also an increase in upfront sales. Adjusted EBITDA amounted to EUR 344,4m, with reported EBITDA at EUR 236,4m.

Quartier Heidestrasse Gmbh and its subsidiaries

In 2019, Quartier Heidestrasse Gmbh and its subsidiaries (hereinafter referred as “QH”) continued developing its landmark project in Berlin – Quartier Heidestrasse. QH Core project was under construction and its finalisation is planned for the fourth quarter of 2020. A major anchor tenant has leased out around 30,000 sqm net rental area at QH-Track building.

Building applications were submitted for further projects, QH Straight, QH Colonnades, QH Crown I, QH Crown II and QH-Track. All building permits, with the exemption of QH Crown I which is expected in Quarter II 2020, have been received. Construction works on all projects are progressing, excluding QH Crown I building, as planned. Construction work on both QH Crown buildings is foreseen to start still in 2020 and are therefore within the framework of the development plan.



Consolidated Management Report (continued)

Quartier Heidestrasse GmbH and its subsidiaries (continued)

German disease and epidemic control is advised by the Robert Koch Institute (RKI) according to a national pandemic plan. Since 13 March 2020, the pandemic has been managed with German states mandating school and kindergarten closures, postponing academic semesters and prohibiting visits to nursing homes to protect the elderly. Two days later, borders to five neighbouring countries were closed. On 22 March 2020, all regional governments had announced curfews or restrictions in public spaces.

In effect, no delays have been monitored as a consequence of the Corona Pandemic in connection to the overall district development plan. The number of employees on the construction site remained stable since the lock down on 23 March 2020. Even after Easter with an average of approximately 350 employees on site, no material effect has been observed. The average number of employees on the construction site has not changed in the last four weeks. Construction site operations continue to run without major difficulties.

Some obstruction reports have been received. Some construction companies indicate the loss of several employees due to quarantine measures. There are also delivery bottlenecks in the electrical trades. There might be signals of minor disruptions here - the effects on deadlines are currently being examined.

Contribution in kind of VIC Properties S.A. and VIC Properties Holding S.A.

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

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

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

In 2019, VIC Properties S.A. (VIC) progressed well with construction on its landmark project in central Lisbon – Prata Riverside Village. During 2019, the first plot of 12 of this c.128,000 sqm gross construction area development project, the building structure and outer facades on Plot 7 have been completed and estimated completion date is targeted for Q3 2020. In December 2019 construction started on Plot 1 and in March 2020 on Plot 2 with Plot 2a to follow soon.

After issuance of a EUR 250,000,000 Pre-IPO convertible bond in May 2019, VIC completed in the following month its acquisition of Matinha, its second large-scale development project in central Lisbon. With c. 246,390 sqm gross construction area Matinha will provide for roughly 2,000 modern apartments and is directly bordering Prata Riverside Village, linking it to Lisbon's new vibrant business district Parque das Nações. The environmental study was approved in December 2019 and decontamination works on the soil and infrastructure works will start in Q2 2020.

Consolidated Management Report (continued)

Contribution in kind of VIC Properties S.A. and VIC Properties Holding S.A. (continued)

In October 2019 at the Lisbon Real Estate Fair (SIL), VIC was assigned Portugal's "Best Real Estate Development" award in the housing category for its Prata Riverside Village project by the AIP Foundation and SIL's strategic council. SIL is the leading real estate exhibition in Portugal and the most prominent meeting point for investors, businesses, technicians and public bodies.

As response to the COVID-19 pandemic, VIC imposed strict social distancing regime on its development sites and offices with daily temperature measuring of construction workers and other protective measures. To the date of this report there have not been any significant delays in project phases and no supply shortages.

Call and put option agreement signed by on 15 December 2019

On 15 December 2019, Aggregate Holdings S.A. entered into a call/put option agreement with a third party to sell 50.97% shares held in Consus, representing 69,619,173 shares, being the relevant shares. The consideration for one (1) relevant share subject to the call/put option agreement shall be 0.2390 newly issued no par value shares by the third party, provided that this ratio will be adjusted to any dividends and equity raise done by the third party or Aggregate Holdings S.A., as relevant. The call option is exercisable from the date of signing the option agreement, i.e., 15 December 2019, until 16 June 2021. If the third party wants to exercise the option, it needs to issue an exercise notice and the assignment of the shares needs to occur within 15 business days after all the relevant merger clearance approvals have been obtained. Under the put option, Aggregate Holdings S.A. shall have the right to request from the third party to acquire the relevant shares, if a change of control event at the level of the third party occurs. It shall be exercisable by Aggregate Holdings S.A. within 5 business days after the occurrence of a change of control event by giving the written notice thereof to the third party. At the date of the approval of these consolidated financial statements, the Group is not aware of any exercise notice.

COVID-19

On 30 January 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of COVID-19. Since 11 March 2020, the WHO has classified the spread of the COVID-19 as a pandemic. The further spread of the Coronavirus and its consequences on the business of Aggregate Holdings S.A. and its subsidiaries are constantly being monitored. The impact of the COVID-19 on the overall economic situations in Luxembourg, Germany, United Kingdom, Cyprus and Portugal is uncertain at the time the financial statements were prepared. Consequently, the Group is not in a position at this stage to predict fully the severity of the consequence of COVID-19 on its financial performance.

1.2 Financial performance

During the year 2019, the Group has earned a net profit of EUR 57,526 thousand (2018: EUR 10,889 thousand).

On 31 December 2019 the total assets of the Group were EUR 7,311,752 thousand (2018: EUR 5,014,006) and the net assets of the Group were EUR 1,703,345 (2018: EUR 735,049).

Taking as a reference EPRA adjustment in deferred tax, Management shows below the reconciliation between the Group IFRS NAV (including equity attributable to hybrid holders and non-controlling interests) as at 31 December 2019 and the Management NAV:

Consolidated Management Report (continued)

1.2 Financial performance (continued)

Management NAV (thousands of EUR)	31 December 2019	31 December 2018
Total equity as per IFRS consolidated financial statements	2,204,586	1,173,692
Deferred tax	187,904	224,863
Equity attributable to Hybrid instrument holders	(151,637)	(151,637)
Non controlling interest	(353,754)	(287,006)
Management NAV	1,887,099	959,912

1.3 Risk Management and Capital Management

The Group's risk management and capital management policies are described in detail in Note 24 of the Consolidated Financial Statements.

1.4 Future Prospects

During 2020, the Group intends to focus on its assets in Germany and other European countries, mainly in Portugal. It will also continue and further accelerate the forward sale arm of its development business and further enhance cash flow generation within its 'build to hold' assets.

Board of Directors



Mr. Massimo Longoni
Director Class A



Mrs. Elena Guaraldi
Director Class B

Independent auditor's report

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aggregate Holdings S.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2019 in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

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

Other information

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

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



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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

Report on other legal and regulatory requirements

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

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jesus Orozco

Luxembourg, 9 June 2020

Aggregate Holdings S.A.
Consolidated Financial Statements

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December

<i>In thousands of EUR</i>	Note	2019	2018
Revenue	5	864,283	466,884
Other operating income	6	195,231	126,553
Total revenue		1,059,513	593,437
Operating expenses			
Expenses for materials	7 (i)	(525,519)	(286,278)
Expenses for hired services	7 (ii)	(47,798)	(64,699)
Expenses for salaries and social security		(71,712)	(41,103)
Depreciation and amortisation	4, 11	(9,099)	(2,759)
Other operating expenses	8	(68,498)	(46,737)
Result from operating activities		336,887	151,861
Finance income	9	76,476	23,016
Finance costs	9	(385,690)	(180,064)
Net finance costs		(309,214)	(157,048)
Profit related to equity accounted investees (net of income tax)	14	9,702	87
Profit/(Loss) before income tax		37,375	(5,100)
Income tax	10	20,151	14,525
Profit for the year from continued operation		57,526	9,425
Discontinued operation			
Profit for the year from discontinued operation, net of tax		-	1,464
Profit for the year		57,526	10,889
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	13	(5,620)	-
Foreign currency translation differences from foreign operations		2,684	(2,112)
Other comprehensive loss for the year, net of tax		(2,946)	(2,142)
Total comprehensive income for the year		54,580	8,747
Profit attributable to :			
Owners of the Company		44,134	(930)
Non-controlling interest		13,392	11,819
Profit for the year		57,526	10,889
Total comprehensive income attributable to			
Owners of the Company		41,188	(3,125)
Non-controlling interest	19	13,392	11,872
Total comprehensive income for the year		54,580	8,747

The accompanying notes form an integral part of these consolidated financial statements.

Aggregate Holdings S.A.
Consolidated Financial Statements

Consolidated statement of financial position as at 31 December 2019

<i>In thousands of EUR</i>	Note	31 December 2019	31 December 2018
Assets			
Property, plant and equipment	11	15,412	12,614
Intangible assets and Goodwill	4	1,520,271	697,453
Investment property	12	205,803	238,845
Investment property under construction	12	1,237,177	880,102
Advances		43,237	3,226
Non-derivative financial assets	13 (i)	145,372	61,307
Derivative financial assets	17	21,468	-
Contract assets	13 (ii)	13,856	23,096
Investments in equity accounted investees	14	42,362	33,124
Non-current assets		3,244,958	1,949,767
Inventories	15	3,054,682	2,140,507
Trade and other receivables	16	95,276	96,265
Non-derivative financial assets	13 (i)	312,319	483,718
Contract assets	13 (ii)	321,347	198,504
Cash and cash equivalents	18	257,070	143,916
Assets held for sale		26,100	1,329
Current assets		4,066,794	3,064,239
Total assets		7,311,752	5,014,006

The accompanying notes form an integral part of these consolidated financial statements.

Aggregate Holdings S.A.
Consolidated Financial Statements

Consolidated statement of financial position as at 31 December 2019 (continued)

<i>In thousands of EUR</i>	Note	31 December 2019	31 December 2018
Equity			
Share capital	19	951,429	475,080
Share premium	19	476,349	-
Reserves	19	(21,258)	(112)
Retained earning		248,542	261,011
Profit for the year		44,134	(930)
Equity attributable to the owners of the Group		1,699,196	735,049
Equity attributable to hybrid holders	19	151,637	151,637
Non-controlling interests	19	353,754	287,006
Total equity		2,204,586	1,173,692
Liabilities			
Derivative financial instruments	17	17,669	14,062
Loans and borrowings	20	2,574,962	1,635,425
Provisions, non-current	21	3,744	-
Deferred tax liabilities	22	187,904	224,863
Other non-current liabilities		60,087	15,017
Non-current liabilities		2,844,366	1,889,367
Derivative financial instruments	17	12,108	-
Loans and borrowings	20	1,510,135	1,326,151
Income tax payable		53,558	44,496
Provisions, current	21	7,751	4,070
Trade and other payables	23	626,082	544,072
Contract liabilities	13 (ii)	53,166	32,158
Current liabilities		2,262,800	1,950,947
Total liabilities		5,107,166	3,840,314
Total equity and liabilities		7,311,752	5,014,006

The accompanying notes form an integral part of these consolidated financial statements.

Aggregate Holdings S.A.
Consolidated Financial Statements

Consolidated statement of changes in equity
For the year ended 31 December 2019

<i>In thousands of EUR</i>	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehensive income	Retained earnings	Total for the Group	Hybrid Instrument	Non-controlling interests	Total equity
Balance at 1 January 2019		475,080	-	(5,013)	4,901	-	260,081	735,049	151,637	287,006	1,173,692
Other movements		-	-	(192)	61	-	-	(131)	-	-	(131)
Fair value movement financial assets through other comprehensive income	13 (i)	-	-	-	-	4,873	(4,873)	-	-	-	-
Put option	3 (s)	-	-	-	(14,308)	-	-	(14,308)	-	(13,192)	(27,500)
Adjusted balance at 1 January 2019		475,080	-	(5,205)	(9,346)	4,873	255,208	720,610	151,637	273,814	1,146,061
Total profit or loss for the year											
Profit or loss		-	-	-	-	-	44,134	44,134	-	13,392	57,526
Other comprehensive income											
Foreign currency translation differences		-	-	2,684	-	-	-	2,684	-	-	2,684
Fair value movement financial assets through other comprehensive income	13	-	-	-	-	(5,620)	-	(5,620)	-	-	(5,620)
Actuarial gains and losses		-	-	-	(10)	-	-	(10)	-	-	(10)
Total other comprehensive income		-	-	2,684	(10)	(5,620)	-	(2,946)	-	-	(2,946)
Total comprehensive income for the year		-	-	2,684	(10)	(5,620)	44,134	41,188	-	13,392	54,580
Movement during the year											
New shares issued	19	476,349	-	-	-	-	-	476,349	-	-	476,349
Share premium paid	19	-	476,349	-	-	-	-	476,349	-	-	476,349
Total transactions		476,349	476,349	-	-	-	-	952,698	-	-	952,698
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interest	4, 19	-	-	-	15	-	-	15	-	71,091	71,106
Changes in non-controlling interests without a change in control	19	-	-	-	(8,649)	-	(8,001)	(16,650)	-	(19,313)	(35,963)
Effect of PPA finalisation		-	-	-	-	-	1,335	1,335	-	14,770	16,105
Total transactions		-	-	-	(8,634)	-	(6,666)	(15,300)	-	66,547	51,247
Balance at 31 December 2019		951,429	476,349	(2,521)	(17,990)	(747)	292,676	1,699,196	151,637	353,754	2,204,586

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)
For the year ended 31 December 2018

<i>In thousands of EUR</i>	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehensive income	Retained earnings	Total for the Group	Hybrid Instrument	Non-controlling interests	Total equity
Balance at 1 January 2018		475,080		(2,848)	-	-	254,217	726,449	158,461	203,177	1,088,087
Effect from initial application of IFRS 15 (net of tax)		-		-	(994)	-	-	(994)	-	2,444	1,450
Adjusted balance at 1 January 2018		475,080	-	(2,848)	(994)	-	254,217	725,455	158,461	205,621	1,089,537
Total profit or loss for the year											
Profit or loss		-		-	-	-	(930)	(930)	-	11,819	10,889
Other comprehensive income											
Foreign currency translation differences		-		(2,165)	-	-	-	(2,165)	-	53	(2,112)
Actuarial gains and losses		-		-	-	-	(30)	(30)	-	-	(30)
Total other comprehensive income		-	-	(2,165)	-	-	(30)	(2,195)	-	53	(2,142)
Total comprehensive income for the year		-	-	(2,165)	-	-	(960)	(3,125)	-	11,872	8,747
Hybrid bonds		-		-	-	-	6,824	6,824	(6,824)	-	-
		-	-	-	-	-	6,824	6,824	(6,824)	-	-
Changes in ownership interests in subsidiaries											
Acquisition of subsidiary with non-controlling interest	19	-	-	-	-	-	-	-	-	77,428	77,428
Changes in non-controlling interests without a change in control	19	-		-	5,895	-	-	5,895	-	27,956	33,851
Disposal of subsidiary with non-controlling interest	19	-	-	-	-	-	-	-	-	(35,871)	(35,871)
Total transactions		-	-	-	5,895	-	-	5,895	-	69,513	75,408
Balance at 31 December 2018		475,080	-	(5,013)	4,901	-	260,081	735,049	151,637	287,006	1,173,692

The accompanying notes form an integral part of these consolidated financial statements.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019
Consolidated statement of cash flows

<i>In thousands of EUR</i>	Note	2019	2018
Cash flows from operating activities			
Profit for the year		57,526	10,889
Adjustments for:			
- Net increase of fair value of investment property	6, 12	(165,480)	(84,461)
- Gain on disposal of investment property		-	(2,893)
- Loss on loan settlement in exchange of shares		11,397	-
- Net finance costs	9	309,214	157,048
- Depreciation	11	3,190	2,190
- Fair value of artifacts	11	(681)	-
- Amortisation of intangible assets	4	5,909	569
- Share of the profit of equity accounted investees	14	(9,702)	(87)
- Impairment of receivables	24	1,875	-
- Loss/(Gain) on disposal of financial instruments		45,095	(13,272)
- Income tax expense	10	(20,151)	(14,525)
		238,192	55,458
Changes in working capital:			
- Trade and other receivables		(3,344)	69,269
- Prepayments on development projects		(106,957)	356,326
- Inventories and contractual assets		(243,380)	(333,149)
- Prepayments		(40,309)	7,306
- Trade and other payables and contractual liabilities		(48,834)	308,944
- Provisions		7,425	(18,086)
Net cash (used in)/generated from operating activities		(197,207)	446,068
Interest paid		(331,120)	(110,130)
Income tax paid		(9,070)	(7,525)
Net cash from operating activities		(537,397)	328,413
Cash flows from investing activities			
Interest received		3,729	17,337
Change in non-current and current non-derivative financial assets		(39,947)	(1)
Investments in associates		955	(20,945)
Acquisition of subsidiary, net of cash acquired		(4,858)	(169,318)
Proceeds from disposal of subsidiaries, net of cash disposed of		-	94,944
Acquisition of investment property / capital expenditure	12	(2,112)	(14,649)
Acquisition of investment property under construction / capital expenditure	12	(270,745)	(100,622)
Acquisition/disposal of property, plant and equipment and intangible assets		(30,636)	(4,668)
Net cash used in from investing activities		(343,613)	(197,922)
Cash flows from financing activities			
Proceeds from issue of convertible bonds		129,096	-
Proceeds from new borrowings		2,200,722	793,452
New loans provided		(68,567)	(142,633)
Reimbursement of loans provided		57,152	60
Repayment of borrowings		(1,324,239)	(731,663)
Net cash generated from/(used in) financial activities		994,164	(80,784)
Net increase in cash and cash equivalents		113,154	49,707
Cash and cash equivalents at 1 January		143,916	96,374
Effect of exchange rate fluctuations on cash held		-	(2,165)
Cash and cash equivalents at 31 December	18	257,070	143,916

The accompanying notes form an integral part of these consolidated financial statements.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements

1. Reporting entity

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

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

The main activity of the Group is the acquisition, development and project management of real estate development assets with either focus on subsequent disposal in its ‘build to sell’ business pillar or letting and management of completed projects in its “build to hold segment”. Through its various investments, the Group has built an attractive real estate development pipeline, predominantly in Germany across prime German A city locations, and recently also in Portugal, with a general focus on large-scale residential development assets. Supported by local and experienced management teams with long-standing track records, the Group has a strong real estate development and asset management expertise.

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

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

The consolidated financial statements of the Group comprise the statement of financial position, financial results and statement of cash flows of the Group as at and for the year ended 31 December 2019.



Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

1. Reporting entity (continued)

The list of the consolidated subsidiaries and sub-Groups as per 31 December 2019 is as follows:

Name of the subsidiary	Country	2019		2018		Consolidation Method
		% Control control	% Interest interest	% Control control	% Interest interest	
Aggregate UK S.A.	Luxembourg	100	100	100	100	Full
VIC Properties Holdings S.A.	Luxembourg	100	100	-	-	Full
VIC Properties S.A.	Luxembourg	68	68	-	-	Full
VIC One S.A.R.L.	Luxembourg	68	68	-	-	Full
Smarfil S.A.	Luxembourg	68	68	-	-	Full
VIC Management Lda	Portugal	68	68	-	-	Full
VIC Mediação Imobiliária Lda	Portugal	68	68	-	-	Full
Potential Sketch Limited	Portugal	68	68	-	-	Full
Lisfundo Fund	Portugal	68	68	-	-	Full
Montarius Holding Ltd.	Cyprus	100	100	100	100	Full
Aggregate Isle of Mann 2 Ltd.	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 3 Ltd.	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 4 Ltd.	Isle of Mann	100	100	100	100	Full
Fliptag Investments Ltd. BV.	British Virgin Islands	100	100	100	100	Full
Havza Ltd.	Ireland	100	100	100	100	Full
Oldbourne & Oldbourne Hospitality Ltd.	UK	100	100	100	100	Full
Solenti Ltd.	Cyprus	100	100	100	100	Full
Aggregate Deutschland S.A.	Luxembourg	100	100	100	100	Full
Aggregate Management GmbH	Germany	100	100	100	100	Full
Quartier Heidestrasse GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs II GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs III GmbH i.Gr.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 1 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 2 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 3 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 4 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 5 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 6 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 7 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 8 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Development 9 GmbH & CO.	Germany	94.9	94.9	94.9	94.9	Full
QH Management GmbH i.Gr.	Germany	94.9	94.9	94.9	94.9	Full
QH Betriebsvorrichtungen GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co II GmbH & Co.	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co GmbH & Co.	Germany	94.9	94.9	94.9	94.9	Full
LHC Beteiligungs GmbH	Germany	100	100	100	100	Full
Aggregate HH GmbH	Germany	100	100	100	100	Full
Go West GmbH	Germany	100	100	100	100	Full
Alster Krug Chausse 366 Verwaltungs GmbH	Germany	72.5	72.5	72.5	72.5	Full
AEIOU 102 GmbH	Germany	72.5	72.5	72.5	72.5	Full
SSN Group AG*	Switzerland	48.6	48.6	53.7	53.7	Full
SG Development GmbH**	Germany	50.3	50.3	54.7	54.7	Full
Wilhelmstrasse 1 GmbH	Germany	53.7	53.7	58.4	58.4	Full
Consus Real Estate AG***	Germany	52.0	52.0	57.5	57.5	Full

*In September 2019, SSN Group AG name was changed to Consus Swiss Finance AG as part of the integration of Consus RE AG Group.

**SG Development GmbH changed its name to Consus Projekt Development GmbH during the year 2019.

***Consus Real Estate AG is direct and indirect owner of 198 (2018: 187) fully consolidated subsidiaries. On 19 March 2020, CG Gruppe AG changed its name to Consus RE AG.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

2. Basis of preparation

(a) Compliance

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

The consolidated financial statements of Aggregate Holdings, S.A. and its subsidiaries (collectively, the Group) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 9 June 2020.

(b) Going concern

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

The management is not aware of any significant uncertainties related to events or circumstances that could threaten the ability of the Group to continue as going concern. The management has a reasonable expectation that the available capital resources and sources of financing (cash flows from operating activities and loan contracts) will be adequate to meet its obligations in the course of 2020.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgments

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

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

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgments (continued)

Judgments

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

- Note 4 – Business combinations under IFRS 3 require recognition of all assets and liabilities at their fair value as of the closing date. In order to derive the fair value of the assets and liabilities, specific inputs underlie each valuation. For the valuation of real estate inventory, for example, future expenses as well as the future selling price are key inputs. Deriving the fair value of financial liabilities heavily depends on inputs such as the applied market interest rates.
- Note 5 - Revenue recognition for income from real estate inventory disposed of as well as income from property development underlie significant estimates and management judgements. Income from property development strongly relies on the business plan in order to measure project progress as well as projected revenues. The business plan is subject to management estimates and assumptions. The Group uses the cost to cost method to determine the project development at each balance sheet date. Therefore, the accrued costs (including fair value adjustments due to business combinations and accrued interests) are compared with the total project costs concerning the actual business plan. The business plan is set up on a project by project basis. Therefore, the Group uses the same business plan as for the impairment test done by the year end. The margin of each project is calculated also on a project-by-project basis taking the agreed forward selling price for each real estate inventory into consideration. The forward selling price is subject to some future uncertainties like the total leasable space after construction and the rental rate the Group could achieve after completion of the building. The cost-to-cost method provides the most faithful depiction of the construction progress because it mostly presents the risk of future cash outflows in the development. The used method for revenue recognition implicated in the most cases an earlier revenue recognition compared to the agreed payment terms. In most cases the contracts with customers determine the payment terms on the basis of completion of sub-works and, therefore, payments are mostly done when a sub-work is completed. Similarly, income from real estate inventory disposed of underlies management estimates and assumptions. For example, the revenue is measured at the transaction price agreed under the contract and might involve management estimates, e.g. amount and timing of contingent's consideration. From time to time sales prices can include industry specific features such as variable components. In such case management is required to make estimates regarding the amount of the purchase price. Furthermore, also the point in time of revenue recognition is partly subject to uncertainties in estimation. In certain cases, a right to rescind in case specified building permits are not issued after a time frame might be agreed upon. In these cases, the Group assures that sales will not be recognised until all prerequisites according to IFRS 15 have been met. For this purpose, management assesses the respective probabilities of occurrence of the possible scenarios at each balance sheet date.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

Judgments (continued)

- Note 12 - Measurement of investment property - the input factors applied in the valuation models to determine the market values of investment property, such as expected cash flows, presumed development of rents, presumed vacancy rates, the discount rates and the capitalisation rate represent significant measurement parameters. These input factors are based on assumptions about the future. The input factors are determined by external valuation experts, based on publicly available market information, as well as the insights of the Group.
- Note 19 – During the year 2016, the Group successfully placed EUR 151,637 thousand in aggregate principal amount of Hybrid capital notes. This is an unsecured, non-recourse and perpetual instrument considered equity due to its features.
- Note 22 – Deferred tax: recognition of deferred tax assets- availability of future taxable profits against which tax losses carried forward can be used;
- Group manager's assessment of significant influence: Through its subsidiaries the Group is active as an asset manager for single object property funds in which the Group holds minority participations of 5.1% of outstanding share capital of said funds. Under the asset management contracts, the Group receives far stretching rights in order to administer and develop the Group's property. After consideration of all facts and circumstances the Company considers it does neither have control under IFRS 10, nor significant influence under IAS 28. Accordingly, the participations are presented as financial instruments under IFRS 9 and have a carrying value of EUR 404 thousand as of 31 December 2019 (2018: EUR 324 thousand).

Assumptions and estimation uncertainties

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

- Note 4 – Goodwill, acquisition of subsidiaries and non-controlling interests: fair value measured on a provisional basis;
- Note 12 – Investment properties- valuation;
- Note 22 – Deferred tax: recognition of deferred tax assets- availability of future taxable profits against which tax losses carried forward can be used; and
- Note 21 – recognition and measurement of provisions and contingencies.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

Measurement of fair values

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

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

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

Significant valuation issues are reported to the Board of Directors.

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

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

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

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

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

- Note 4 – Acquisition of subsidiaries and non-controlling interests;
- Note 24 – Financial instruments.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies

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

(a) Basis of consolidation

(i) Business combinations and goodwill

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2019.

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
 - Exposure, or rights, to variable returns from its involvement with the investee;
 - The ability to use its power over the investee to affect its returns.
- Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee;
 - Rights arising from other contractual arrangements; and
 - The Group's voting rights and potential voting rights.

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

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

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

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

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

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

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Acquisitions of non-controlling interests

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

(iv) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interest in associate a joint venture.

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

Interests in associates and joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the equity-accounted investees from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

(v) Transactions eliminated on consolidation

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

(vi) Property acquisitions and business combinations

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

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities (of the entity) based on their relative values at the acquisition date.

Accordingly, no goodwill or deferred taxation arises.

**Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019**

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vii) Investment entities

The Group through one of its subsidiaries, holds majority of equity stake in Icarus Equity Fund (formerly known as DB8 Opportunity Fund) and Fairwater European Real Estate Opportunities Fund. The Group does not have control, does not have rights, to variable returns from its involvement with the investee, nor has the ability to affect those returns through its power over the investee of the underlying investee companies. As such, these investee companies are classified as investment entity, based on the characteristics as defined per IFRS 10 – Consolidated financial statements:

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

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

(b) Foreign currency

(i) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the statement of profit or loss, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(ii) Foreign operations

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(b) Foreign currency (continued)

(ii) Foreign operations (continued)

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

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

(c) Financial assets and financial liabilities

Financial assets

Initial recognition and measurement

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

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(c) Financial assets and financial liabilities (continued)

Financial assets (continued)

Subsequent measurement

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes equity instruments and derivative financial instruments which are further described in Note 13 and 17.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are carried in the statement of financial position at fair value with net changes in fair value recognised in other comprehensive income. Refer to Note 13.

Financial assets at amortised cost

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

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

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

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(c) Financial assets and financial liabilities (continued)

Financial assets (continued)

Derecognition

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

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

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Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(c) Financial assets and financial liabilities (continued)

Financial liabilities (continued)

Subsequent measurement

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

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

The EIR amortisation is included as finance costs in the statement of profit or loss. Derivative financial instruments are classified as financial assets at fair value through profit or loss and are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Refer also to the accounting policy in Note 17 and Note 24.

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9. For more information on the interest-bearing loans and borrowings, refer to Note 20.

Derecognition

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

(d) Impairment of financial assets

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

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Impairment of financial assets (continued)

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

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

Non-financial assets

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

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

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(e) Offsetting of financial instruments

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(f) Derivative financial instruments

Initial recognition and subsequent measurement

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

The Group has not opted for hedge accounting.

(g) Property, plant and equipment

(i) Recognition and measurement

Initial recognition

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

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

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

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

Subsequent measurement

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

(ii) Subsequent costs

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

(iii) Depreciation

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

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

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

(h) Intangible assets

(i) Other intangible assets

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

(ii) Subsequent expenditure

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

(iii) Amortisation

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

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

(i) Investment property

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

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(i) Investment property (continued)

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

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

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

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

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

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

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

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

(k) Leases

Until 31 December 2018, leases were accounted for in accordance with IAS 17. Where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(k) Leases (continued)

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

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

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

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

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

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

(l) Share Capital

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

(m) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(m) Employee benefits (continued)

(ii) Annual paid leave

The Group recognises as a liability the undiscounted amount of the estimated costs related to annual leave expected to be paid in exchange for the employee's service for the period completed.

(n) Provisions

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

(i) Restructuring

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

(ii) Legal disputes

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

(o) Revenue

(i) Sale of goods

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

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

(ii) Services rendered

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

Aggregate Holdings S.A.
Consolidated Financial Statements
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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(o) Revenue (continued)

(iii) Investment property rental income

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

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

(iv) Revenue from contracts with customers

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

- Identification of the contract(s) with the buyer:
 - i. The parties have approved the contract and undertake to perform their obligations;
 - ii. The Group can identify the rights of each party with respect to the residential units to be transferred;
 - iii. The Group is able to identify the conditions for payment of the residential units to be transferred;
 - iv. The contract has commercial substance;
 - v. It is likely that the economic benefits associated with the transaction will flow into the Group.
- Identification of the obligations to be fulfilled separately in the contract(s):
 - i. The Group evaluates the residential units promised in the contract with the buyer;
 - ii. The fulfilment of performance obligations occurs when the Group has transferred to the buyer the control of ownership of the assets.
- Determining the price of the transaction:
 - i. The Group determines the price of the transaction based on its business plan, current market conditions and best practices in real estate development industry;

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Consolidated Financial Statements
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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(o) Revenue (continued)

(iv) Revenue from contracts with customers (continued)

- Allocation of transaction price to performance obligations in the contract:
 - i. The Group allocates the transaction price for each performance obligation in the proportion of its individual sales price.
- Recognition of revenue as the performance obligation is met:
 - i. The Group recognises revenue when control of the goods is transferred to the buyer.

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

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

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

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

(v) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on financial assets;
- the net gain or loss on re-measurement to fair value of financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and financial liabilities.

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

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

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

Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(p) Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

**Aggregate Holdings S.A.
Consolidated Financial Statements
For the year ended 31 December 2019**

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(p) Income tax (continued)

(ii) Deferred tax (continued)

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

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

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

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

(q) Changes in accounting policies and disclosures

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2019

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The nature and the impact of each amendment is described below:

IFRS 16 Leases

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard (i.e. lessors continue to classify leases as finance or operating leases).

Aggregate Holdings S.A.
Consolidated Financial Statements
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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

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

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2019 (continued)

IFRS 16 Leases (continued)

In addition, the nature of expenses related to those leases will now change as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. Please refer to Note 25 for impact on implementation of IFRS 16.

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. An entity is required to use judgement to determine whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty.

The Group does not have tax balances which are associated with uncertainty related to tax treatment and is not affected by the amendments described above.

The IASB has issued the Annual Improvements to IFRS 2015 – 2017 Cycle, which is a collection of amendments to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Group does not expect material impact on the Group's consolidated financial statements. Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. The Group does not expect material impact on the Group's consolidated financial statements. Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

IAS 12 Income Taxes: The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits has been recognised. The Group does not expect material impact on the Group's consolidated financial statements. Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

IAS 23 Borrowing Costs: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally. The Group does not expect material impact on the Group's consolidated financial statements. Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

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Consolidated Financial Statements
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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

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

New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2019 (continued)

The IASB has issued **Amendments to IAS 19 and IAS 28**. They are effective from 1 January 2019 and the Group plans adoption from 1 January 2019.

The Group does not expect material impact on the Group's consolidated financial statements.

Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

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

IFRS 3: Business Combinations (Amendments)

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted.

The strategy of the Group is to acquire investment properties, which constitute the inputs defined by IFRS, but not substantive processes which were in place with previous owners. As a result, the Group does not expect to have acquisitions which meet the definition of business combination according to IFRS 3.

The Group does not expect material impact on the Group's consolidated financial statements.

Management does not expect that the amended Standard will have material impact on the Group's consolidated financial statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) as a first reaction to the potential effects the IBOR reform could have on financial reporting. The amendments are effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.

Conceptual Framework in IFRS standards

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. The objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

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Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(r) Changes in the presentation of contract assets in accordance with IAS 8.41

The Group considers contract assets which are realised within a period of one year from the reporting date as current, whereas contract assets which are realised after more than one year are classified as non-current. Previously, the Group used the expected completion date of the respective projects to determine if contract assets related to this project are current or non-current. Under the new approach, contract assets are now reported on the basis of the expected date of advance payment.

(s) Changes in the accounting of a put option in accordance with IAS 8.41

Under a contract dated 10 December 2018, Mr Gröner, as a minority shareholder of Consus RE AG (referred as "Consus" hereafter), was granted a right entitling him to demand the acquisition by Consus of all or certain Consus shares that he owned or controlled.

This option can be exercised no earlier than 1 December 2021 and is settled partly by delivery of Consus shares and partly by payment of money. A financial liability of EUR 27,500 thousand (present value of the possible repurchase amount) is recognised against equity for the proportionate consideration in cash.

The pro rata consideration in shares was recognised as a derivative financial liability at fair value through profit or loss with a carrying amount of EUR 0 in accordance with the provisions of IAS 8.41 this was omitted in the financial year of 2018 and was now accounted for in the comparative period of 2018. Accounting of a synthetic liability resulted in a reduction in other reserves and an increase in liabilities to related parties in the same amount.

In accordance with the regulations of IAS 8.41, this was recorded retrospectively as of 31 December 2018.

4. Acquisition of subsidiaries and non-controlling interests

(i) Acquisitions within Consus RE AG Group

- a) On 3 June 2019, the Group through its subsidiary Consus acquired 89.9 % of the share capital of GEM Ingenieur GmbH Müller & Partners ("GEM") for a total consideration of EUR 29,860 thousand. The takeover occurred by settling the cash purchase price of EUR 28,500 thousand and transferring the building of EUR 1,360 thousand. As a result of the transaction, Consus indirectly controls all relevant GEM decisions and negative goodwill for an amount of EUR 2,136 thousand was recognised in the statement of profit or loss of the Group.
- b) On 3 December 2018, Consus through its subsidiaries, acquired 93.4% of the shares in Consus Swiss Finance AG (formerly SSN Group AG, Zug, Switzerland) (hereafter "Consus Swiss Finance") for a total consideration of EUR 245,000 thousand. The consideration paid for the shares was EUR 208,250 thousand allocated into two instalments, first instalment of EUR 198,250 thousand which was already paid, and a second instalment of EUR 10,000 thousand. Conditions to be met for payment of the second instalment is an earn-out condition and is measured by accumulated profit of the Consus Swiss Finance, which should not be less than EUR 834,000 thousand until 1 October 2022. The payment of the second instalment shall become due and payable on the third business day following the 7th anniversary of the Closing date, if the earn out condition is satisfied until 1 October 2022. Management assumes the probability that the threshold will be met to be close to 0%, accordingly the fair value of the contingent consideration is EUR 0 million for the year ended 31 December 2019 and 2018.

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Notes to the consolidated financial statements (continued)

(i) Acquisitions within Consus RE AG Group (continued)

In the second quarter 2019, the purchase price allocation of Consus Swiss Finance was finalised and the impact on the goodwill recognised in these consolidated financial statements is considered as immaterial to the Group. The effect on Non-controlling interest following the finalization has been recognised by the Group under "Transactions with non-controlling interests without a change in control" in Note 19 – Non-controlling interest.

- c) The Group gained control over Consus as defined by IFRS 10 on 21 December 2017 and the purchase price allocation was finalised within the second quarter of the financial year 2018.

(ii) Acquisition of VIC Properties Holding S.A.

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

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

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

The effective date of consolidation of VIC Properties Holding S.A. in the Group is 27 December 2019. The profit and loss results for the period from 27 December 2019 to 31 December 2019 of VIC Properties Holding S.A. has not been considered in the statement profit or loss of the Group as the aggregated amount for the 3 business days was considered as immaterial to the results reported by the Group as of 31 December 2019. The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

<i>in thousands of EUR</i>	Fair Value as per PPA
Inventories	581,304
Trade and other receivables	3,038
Cash and cash equivalents	21,872
Loans and borrowings	(359,419)
Income tax payable	(15)
Trade and other payables	(20,819)
Deferred tax liability	(364)
Derivative liability	(3,458)
Net Assets	222,139
Consideration transferred	
thereof equity interest	952,698
Non-Controlling Interests	71,091
Goodwill impact	801,630

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Notes to the consolidated financial statements (continued)

4. Acquisition of subsidiaries and non-controlling interests (continued)

Goodwill and intangible assets as of 31 December 2019 amounts to EUR 1,520,271 thousand (31 December 2018: EUR 697,453 thousand):

<i>In thousands of EUR</i>	2019	2018
Consus	512,780	512,780
Consus Swiss Finance	178,931	176,388
DIPLAN	2,095	2,095
VIC Properties Holding S.A.	801,630	-
Goodwill	1,495,436	691,263
Other intangible assets	24,835	6,190
Total intangible assets	1,520,271	697,453

In accordance with IFRS 10, a total amount of EUR 131,831 thousand of Goodwill relating to Consus, Consus Swiss Finance and Diplan have been relocated between Controlling and Non-Controlling Interest following the change in ownership interests during the year 2019 out of which EUR 36,153 relates to the movement for the year 2019 and EUR 95,678 thousand relates to the movement for the year 2018.

Goodwill is allocated to the groups of cash-generating units of the Group that benefit from the synergies of the business combination. The cash-generating units correspond to the respective legal units. The recoverable amount of a cash-generating unit or a group of cash-generating units represents the higher amount of fair value less costs to sell and value in use. The estimated future cash flows used for impairment testing are based on the financial planning, with a planning horizon of 5 years. Cash flows outside the planning period are extrapolated using individual growth rates, taking relevant market information into account. The growth rate outside the planning horizon was 0.75 %. The weighted average discount rate after tax (Weighted Average Cost of Capital – WACC), used to discount the estimated cash flows was 4.60%. The fair value less costs to sell was classified as Level 3 fair value in accordance with IFRS 13 on the basis of the inputs for the valuation methods used.

The impairment tests performed on the goodwill allocated to cash-generating unit in Consus, Consus Swiss Finance, Diplan and VIC Properties Holding S.A. did not reveal any evidence of impairment. The Group assumes that the recoverable amounts, in case of slight changes in the parameters, still exceed the carrying amount of the goodwill. Internally generated intangible assets were not recognised in the years presented in these consolidated financial statements.

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Notes to the consolidated financial statements (continued)

5. Revenue

In 2019, the Group continuously built up its property portfolio, both by acquisition of real estate assets and by business combinations.

In thousands of EUR

	2019	2018
Rental income	21,807	33,182
Income from real estate inventory disposed of	397,241	144,511
Income from property development	401,621	278,992
Income from service and management activities	43,613	10,199
	864,283	466,884

Included under the caption "Income from real estate inventory disposed of" is an amount of EUR 192,700 thousand (2018: Loss of EUR 19,004 thousand) relating to change in project which comprises the changes from sale of projects and beginning of over-time realisation as well as the increase through capitalisation of building and construction costs.

6. Other operating income

In thousands of EUR

	Note	2019	2018
Net gain on sale of securities		-	13,272
Gain on revaluation of Investment property	12	165,480	84,461
Other income		22,543	25,527
Income from provided services		7,208	3,293
		195,231	126,553

Other income is comprised of insurance indemnifications, income from prior years, reversals of allowances/impairments, derecognition of assets and liabilities other miscellaneous items.

7. Expenses for materials and hired services

i. Expenses for materials

Cost of materials result from developing activities and mainly consist of expenses for the acquisition of land, for construction and ancillary building costs.

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Notes to the consolidated financial statements (continued)

7. Expenses for materials and hired services (continued)

ii. Expenses for hired services

In thousands of EUR

	2019	2018
Other commissions and professional fees	28,053	33,745
Legal fees	5,103	4,214
Accounting and audit fees	443	1,211
Repairs & Maintenance	302	535
Director's fees	198	7
Other hired services	13,700	24,987
	47,798	64,699

Other commissions and professional fees are mainly composed of expenses incurred by the Group in relation to legal and professional fees and fees paid to financial advisory services.

Other hired services comprise primarily of marketing costs.

	2019	2018
Average number of employees	987	800

8. Other operating expenses

<i>In thousands of EUR</i>	Note	2019	2018
Impairment of receivables and loan receivables	24	1,875	1,987
Other taxes		16,642	4,396
Other expenses		49,980	40,354
		68,498	46,737

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

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Notes to the consolidated financial statements (continued)

9. Net finance income/ (costs)

In thousands of EUR

Finance income

	2019	2018
Interest income	20,881	16,273
Gain from change in fair value of financial instruments	4,604	2,294
Gain from disposal of financial assets	3,810	-
Net foreign exchange gain	-	810
Other finance income	47,181	3,639
	76,476	23,016

Finance costs

Interest expense	(296,090)	(159,170)
Loss from change in fair value of financial instruments	(10,789)	1,022
Loss from disposal of financial instruments	(34,296)	-
Net foreign exchange loss	(1,262)	-
Other financial costs	(43,253)	(21,916)
	(385,690)	(180,064)
Net finance costs	(309,214)	(157,048)

10. Income tax

Recognised in the statement of profit or loss

In thousands of EUR

Current tax (expense)/income

Current tax (expense)/income

Deferred tax

Derecognition of previously recognised deferred tax asset on tax losses

Deferred tax liabilities recognised in current year

Deferred tax assets recognised in current year

Adjustment of deferred tax liabilities from prior years

Total income tax revenue recognised in the statement of profit or loss

Note	2019	2018
	(8,127)	910
	-	13,615
22	(27,724)	-
22	3,428	-
22	52,575	-
	28,278	13,615
	20,151	14,525

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Notes to the consolidated financial statements (continued)

10. Income tax expense (continued)

Reconciliation of effective tax rate

In thousands of EUR

	2019	2019	2018	2018
	%		%	
Profit/(Loss) before tax		37,375		(5,100)
Corporate tax based on domestic tax rate	24.94%	9,321	24.94%	(1,272)
Effect from non-recognition of deferred tax assets on loss carry forward		(28,208)		(9,571)
Effect on non-deductible expenses		9,757		-
Effect of exempt income		(3,850)		-
Effect of different tax rates in foreign jurisdictions		(521)		2,614
Net movement in deferred tax liability		33,651		-
Effect of share of profit of equity-accounted investees reported net of tax		-		24
Reversal of tax provisions for prior years		-		22,741
Other		-		(11)
		10,830		15,797
		20,151		14,525

11. Property, plant and equipment

In thousands of EUR

	Technical equipment & machinery	Office and operating equipment	Artifacts	Total
Costs				
As at 1 January 2019	2,850	9,577	2,879	15,306
Additions	793	4,383	-	5,176
Reclassifications	(41)	295	-	254
Disposals	(17)	(205)	-	(222)
Fair value adjustments	-	-	681	681
As at 31 December 2019	3,585	14,050	3,560	21,195
Accumulated depreciation				
As at 1 January 2019	156	2,536	-	2,692
Charge for the year	284	2,906	-	3,190
Disposals	(1)	(98)	-	(99)
As at 31 December 2019	439	5,344	-	5,783
As at 31 December 2019	3,146	8,706	3,560	15,412
As at 31 December 2018	2,694	7,041	2,879	12,614

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Notes to the consolidated financial statements (continued)

12. Investment properties

The movement of Investment property during 2019 is as follows:

<i>In thousands of EUR</i>	Note	2019	2018
<i>Investment property in use</i>			
At 1 January		238,845	498,806
Foreign exchange impact		3,504	-
Reclassification to held for sale		(28,330)	-
Acquisition costs		-	-
Additions through business combination		-	28,689
Disposal of subsidiary with investment property		-	(316,530)
Capital expenditure on owned property		2,112	14,649
Change in fair value during the year	6	(10,328)	13,231
Total completed investment property at 31 December		205,803	238,845
<i>Investment property under construction</i>			
		2019	2018
At 1 January		880,102	708,250
Reclassification to work in progress		(89,480)	-
Additions through business combination		89,717	-
Capital expenditure on owned property		181,030	100,622
Change in fair value during the year	6	175,808	71,230
Total investment property under construction as at 31 December		1,237,177	880,102

A portion of the investment property in use and investment property under construction of the Group have been pledged to secure bank loans.

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Notes to the consolidated financial statements (continued)

12. Investment properties (continued)

(i) Investment property in use

Valuation technique and significant unobservable inputs

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

Valuation technique	Significant unobservable inputs
<p><i>Discounted cash flows:</i> Discounted cash flows consider the present value of the net cash flows expected to be generated from the facility, taking into account the budgeted EBITDA growth rate and budgeted capital expenditure growth rate; the expected net cash flows are discounted using a risk-adjusted discount rate.</p> <p>The duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.</p>	<p><i>Continental Europe</i></p> <p>Market rent, weighted average per sq./m.- EUR 8</p> <p>Gross multiplier on market rent, weighted average- 15.00</p> <p>Long-term vacancy rate weighted average- 12%</p> <p>Discount rate – 7%</p>

Fair value hierarchy

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

Notes to the consolidated financial statements (continued)

12. Investment properties (continued)

Valuation technique and significant unobservable inputs

The external valuation was performed using the residual value method.

Valuation technique and significant unobservable inputs (continued)

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

Valuation technique	Significant unobservable inputs
<i>Residual value method:</i> The value of the investment property under construction is based on market conventions on the value the investment property under constructions would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	<p>Market rent, per sq./ m:</p> <ul style="list-style-type: none"> • Residential (non-rent controlled) 18.00 EUR/m² • Social Housing (rent-controlled) 8.00 EUR/m² • Retail 22.00 EUR/m² • Kindergarten 6.00 EUR/m² • Storage 15.00 EUR/m² • Office 31.00 EUR/m² • Hotel 26.36 EUR/m² • Parking 125 EUR/unit <p>Gross multiplier on market rent, weighted average- 28.00</p> <p>Long-term vacancy rate weighted average - n/a due to residual value method used</p> <p>Capitalisation rate- weighted average- 3.1% - 4%.</p> <p>Discount rate- n/a due to residual value method used</p> <p>Vacancy rate after completion - 5% (for 12 months)</p>

As in the prior year as of 31 December 2019, the investment property held was valued by independent third-party appraisers.

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Notes to the consolidated financial statements (continued)

12. Investment properties (continued)

Valuation technique and significant unobservable inputs

The analysis for investment property shows the potential fluctuation in the fair value of investment property as the three main input factors increase or decrease by a certain percentage as of 31 December 2019, relating to Consus:

<i>in thousand EUR - Sensitivity</i>	Market rent			Capitalisation rate			Vacancy rate		
as at 31/12/2019	-10%	0%	+10%	-0.25%	0%	+0.25%	-10%	0%	+10%
Investment property in use	151,040	167,820	184,500	174,500	167,820	161,640	171,160	167,820	162,090
<i>in thousand EUR - Sensitivity</i>	Market rent			Capitalisation rate			Vacancy rate		
as at 31/12/2019	-10%	0%	+10%	-0.25%	0%	+0.25%	-10%	0%	+10%
Investment property (under construction)	164,520	216,220	267,770	249,130	216,220	184,570	261,760	216,220	169,300

<i>in thousand EUR - Sensitivity</i>	Market rent			Capitalisation rate			Vacancy rate		
as at 31/12/2018	-10%	0%	+10%	-0.25%	0%	+0.25%	-10%	0%	+10%
Investment property in use	153,124	171,324	187,144	177,639	171,324	165,021	176,239	171,324	165,640
<i>in thousand EUR - Sensitivity</i>	Market rent			Capitalisation rate			Vacancy rate		
as at 31/12/2018	-10%	0%	+10%	-0.25%	0%	+0.25%	-10%	0%	+10%
Investment property (under construction)	122,225	156,702	172,628	175,915	156,702	140,981	181,136	156,702	133,140

Fair value hierarchy

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

(iii) Capitalised borrowing costs

During the year, a Company from the Group capitalised borrowing costs related to the acquisition of the land and the construction of property of EUR 129,833 thousand (2018: EUR 61,891 thousand).

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Notes to the consolidated financial statements (continued)

13. Non-derivative financial assets and Contract assets

i. Non-derivative financial assets

In thousands of EUR

	2019	2018
Non-current		
Loans receivable from related parties	28,843	42,658
Third party loans	68,696	6,338
Financial assets at fair value through other comprehensive income	5,328	9,559
Deposits	217	75
Restricted cash with a maturity of more than three months	42,053	-
Other financial assets	235	2,677
	145,372	61,307
Current		
Loans receivables from related parties	80,517	37,167
Third party loans	91,687	247,508
Financial assets at fair value through profit or loss	115,072	173,459
Deposits	396	230
Other financial assets-current	24,647	25,354
	312,319	483,718
Total	457,691	545,025

Third party loans

The Group has granted third party loans for a total amount of EUR 160,383 thousand (2018: EUR 253,846 thousand). These loans have maturity terms of 6 to 36 months and interest varies from 2% to 12%.

Management of the Group has performed an analysis on the expected credit losses from the implementation of IFRS 9 and has assessed them at EUR 716 thousand (2018: EUR 1,120 thousand). Refer to Note 24 for more details.

Financial assets at fair value through other comprehensive income

Financial asset at fair value through other comprehensive income relates to equity investment held for an amount of EUR 5,328 thousand (2018: EUR 9,559 thousand) and the respective amount recognised in fair value through other comprehensive income reserve is unrealised loss of EUR 5,620 thousand (2018: unrealised gain of EUR 4,873 thousand).

During the year ended 31 December 2018, "Financial asset at fair value through other comprehensive income" was included under the caption "Financial assets at fair value through profit or loss". For the year ended 31 December 2019 and 31 December 2018, the investment was properly disclosed under "Financial asset at fair value through other comprehensive income" and the comparative figures for the year 31 December 2018 were reclassified accordingly.

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Notes to the consolidated financial statements (continued)

13. Non-derivative financial assets and Contract assets (continued)

i. Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represents investment held in shares and bonds for a total amount of EUR 115,072 thousand (2018: EUR 173,459 thousand). Net changes in fair value of financial assets were:

<i>In thousands of EUR</i>	2019 Net gain/losses	2018 Net gain/losses
Financial assets at fair value through profit or loss	(1,656)	13,272

ii. Contract assets

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

<i>In thousands of EUR</i>	Book value as of:	
	2019	2018
Net contract assets - non-current	13,856	23,096
Gross contract assets – non-current	13,856	23,096
Net contract assets - current	321,347	198,504
Gross contract assets - current	619,430	384,212
Prepayments received on current contract balances	(298,083)	(185,708)
Net contract liabilities	(53,166)	(32,158)
Net contract assets (liabilities)	282,037	189,442

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

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Notes to the consolidated financial statements (continued)

14. Investments in equity accounted investees

In thousands of EUR

	2019	2018
Balance at 1 January	33,124	79
Additions	(464)	32,958
Adjustments	-	-
Disposals	-	-
Profit related to equity accounted investees (net of tax)	9,702	87
Balance at 31 December	42,362	33,124

The Group's investments in associates comprise of:

In thousands of EUR

	MAP Leigenschaft GmbH (Germany)	LHC Holding GmbH (Germany)	EMC GmbH (Germany)
Net book value of the investments	21,450	11,134	76
Profit related to equity accounted investees (net of tax)	-	9,702	-
	21,450	20,836	76

15. Inventories

Inventories consist of the following:

In thousands of EUR

	2019	2018
Real estate "Institutional"	1,528,728	1,069,201
Real estate "Parking"	26,822	17,078
Real estate "Apartments for sale"	882,365	1,016,021
Real estate "Other construction work"	352,896	38,206
Land and sites	263,871	-
	3,054,682	2,140,506

As at 31 December 2019, inventories, excluding land development held in Matinha have been pledged to secure bank loans.

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Notes to the consolidated financial statements (continued)

16. Trade and other receivables

<i>In thousands of EUR</i>	Note	2019	2018
Trade receivables	24	42,476	56,434
Tax receivables		17,040	11,130
Prepayments		2,356	2,176
Other receivables		33,404	26,525
		95,276	96,265

17. Derivative financial instruments

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

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

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

Derivative financial assets

<i>In thousands of EUR</i>	Note	2019	2018
Derivatives financial instrument: non-current	17 a)	21,468	-
		21,468	-

Derivative financial liabilities

<i>In thousands of EUR</i>	Note	2019	2018
Embedded derivatives: non-current	17 a)	17,669	14,062
Interest rate swap	24	10,789	-
Options	17 b), 24	1,280	-
Total return swaps	24	39	-
		29,777	14,062

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Notes to the consolidated financial statements (continued)

17. Derivative financial instruments (continued)

a) Embedded derivatives: non-current relates to:

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

b) On 15 December 2019, the Company entered into a call/put option agreement with a third party to sell 50.97% shares held in Consus, representing 69,619,173 shares, being the relevant shares. The consideration for one (1) relevant share subject to the call/put option agreement shall be 0.2390 newly issued no par value shares by the third party, provided that this ratio will be adjusted to any dividends and equity raise done by the third party or the Company, as relevant. The call option is exercisable from the date of signing the option agreement, i.e., 15 December 2019, until 16 June 2021. If the third party wants to exercise the option, it needs to issue an exercise notice and the assignment of the shares needs to occur within 15 business days after all the relevant merger clearance approvals have been obtained. Under the put option, the Company shall have the right to request from the third party to acquire the relevant shares, if a change of control event at the level of the third party occurs. It shall be exercisable by the Company within 5 business days after the occurrence of a change of control event by giving the written notice thereof to the third party. Management has assessed the fair value of the call/put option agreement at EUR 0 as of 31 December 2019.

On 26 March 2020, the call/option agreement signed by the Company and the third party was amended, whereby the third party and the Company being the original seller to permit the entry into a financing transaction.

18. Cash and cash equivalents

<i>In thousands of EUR</i>	Note	2019	2018
Cash in hand		15	26
Cash in transit		(95)	5
Restricted cash - current*		224,297	65,714
Current accounts with banks		32,853	78,171
Total cash and cash equivalents	24	257,070	143,916
Cash and cash equivalents in the consolidated statement of cash flows			
Restricted cash - current		224,297	65,714
Current accounts with banks, cash in hand and cash in transit		32,773	78,202
		257,070	143,916

*Restricted cash with bank grouped under current accounts with banks for the year 2018 and has been reclassified accordingly.

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19. Registered capital and reserves

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

Registered (share) capital

<i>In thousands of EUR</i>	2019	2018
At 1 January	475,080	475,080
Issued during the year	476,349	-
At 31 December	951,429	475,080

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

Equity attributable to hybrid holders

On 30 December 2016, the Group successfully placed EUR 151,637 thousand in aggregate principal amount of Hybrid capital notes. This is an unsecured, non-recourse and perpetual instrument considered equity due to its features. The notes shall bear interest on their principal amount as follows:

- a) From 30 December 2016 until 30 December 2023, or any other date that may be agreed on by the issuer and the holder (the First Call Date), at the rate of 4,5% per annum; and
- b) From the First Call Date to the date on which the Issuer redeems the notes in whole, at the relevant Reset Rate of Interest, as defined in the terms and conditions of the hybrid capital notes.

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

Other reserves

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

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

Translation reserve

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

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Notes to the consolidated financial statements (continued)

19. Registered capital and reserves (continued)

Non-controlling interest

The non-controlling interest acquired during the financial year 2019 results from business combinations with Consus, Quartier Heidestrasse and VIC Properties S.A..

In thousands of EUR

	2019	2018
NCI at 1 January	287,006	203,177
Acquisition of subsidiaries with NCI	71,091	77,428
Impact on NCI of results of subsidiaries during the year	13,392	11,872
Transactions with non-controlling interests without a change in control	(19,313)	27,957
Put option	(13,192)	-
Impact of PPA finalisation	14,770	-
Disposals of subsidiaries with NCI	-	(35,871)
Impact from first time adoption of IFRS 15	-	2,444
	353,754	287,006

Profit and loss

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

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Notes to the consolidated financial statements (continued)

20. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings. For more information about the Group's exposure to interest rate and foreign currency exchange risks under Note 24.

	Note	2019	2018
Non-current liabilities			
Bank and third party loans - non-current portion	24	1,255,362	919,360
Related party loans - non-current portion	24	7,643	-
Bonds issued	24	1,311,957	716,065
		2,574,962	1,635,425
Current liabilities			
Bank and third party loans - current portion/short term	24	1,498,512	1,269,282
Coupon interest due on bonds issued		11,510	6,869
Related party loans - current portion	24	113	50,000
		1,510,135	1,326,151
Total loans and borrowings		4,085,097	2,961,576

The detail of the bonds issued is as follows:

In thousands of EUR

	Type of debt	Effective interest rate	Maturity	2019	2018
Aggregate Holdings S.A.	Unsecured notes	5.00%	10/Aug/21	348,429	354,080
Solenti Limited	Exchangeable bonds	5.00%	19/Jan/20	-	20,000
Solenti Limited	Exchangeable bonds	5.00%	29/Jan/20	-	4,854
Solenti Limited	Exchangeable bonds	7.00%	26/Mar/21	11,100	-
Consus Real Estate AG	Issued notes	4.75%	8/Nov/24	150,000	150,000
Consus Real Estate AG	Convertible bonds	4.00%	29/Nov/22	194,000	194,000
Consus Real Estate AG	Senior secured notes	9.63%	15/May/24	449,004	-
VIC Properties S.A.	Unsecured notes	5.00%	24/Aug/23	6,751	-
VIC Properties S.A.	Convertible bonds	3.00%	28/May/25	164,174	-
Quartier Heidestrasse GmbH	Secured notes	3.00%	16/Jun/20	130,000	-
AEIOU 102 GmbH	Junior certificate	14.00%	26/Sep/20	10,000	-
Total				1,463,458	722,934

The exchangeable bonds issued by Solenti Limited with maturity dates 19 January 2020 and 29 January 2020 were fully repaid on 26 February 2019.

The maturity date of the secured notes issued by Quartier Heidestrasse GmbH has been extended to 30 September 2020.

The bank loan agreements for the Group indicate that the LTV ratio as defined in each agreement. During the year 2019 and as of 31 December 2019 and 31 December 2018, the Group was compliant with this covenant.

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Notes to the consolidated financial statements (continued)

21. Provisions

In thousands of EUR

	2019	2018
Balance at 1 January	4,070	23,358
Increase in provisions	11,251	800
Provisions released (reversed) during the year	(981)	(20,088)
Provision used	(2,845)	-
Balance at 31 December	11,495	4,070
Current part	7,751	4,070
Non-current part	3,744	-

The provision includes the following provisions:

Legal provision	2,943	2,057
Personnel provision	793	780
Others	7,759	1,233

22. Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are attributable to the following:

In thousands of EUR

	Assets		Liabilities		Net	
	2019	2018	2019	2018	2019	2018
Investment property	-	-	(109,601)	(136,890)	(109,601)	(136,890)
Property, plant and equipment	2,058	-	(12,154)	-	(10,096)	-
Intangible assets	-	-	(295)	-	(295)	-
Inventories	187,513	-	(68,642)	(117,813)	118,870	(117,813)
Other non current assets	21,044	-	(45,697)	-	(24,653)	-
Other assets	7,016	-	(88,816)	-	(81,800)	-
Provisions	1,551	198	-	-	1,551	198
Loans to financial institutions	-	10,429	-	(757)	-	9,672
Financial liabilities	8,449	-	(12,109)	-	(3,660)	-
Other financial liabilities	5,927	-	(1,092)	-	4,835	-
Other liabilities	21,996	-	(153,574)	(5)	(131,578)	(5)
Losses carried forward	48,523	19,975	-	-	48,523	19,975
Tax assets (liabilities)	304,077	30,602	(491,980)	(255,465)	(187,904)	(224,863)
Set off of tax	(300,649)	(30,602)	300,649	30,602	-	-
Net tax assets (liabilities)	3,428	-	(191,331)	(224,863)	(187,904)	(224,863)

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Notes to the consolidated financial statements (continued)

22. Deferred tax assets and liabilities (continued)

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

During the year 2018/2019, Quartier Heidestrasse GmbH incorporated in Germany established new GmbH & Co. KGs. During the course of the year 2018/2019, the properties under Quartier Heidestrasse GmbH were transferred to the new GmbH & Co. KGs, with the intention to hold the properties for a long-term period. With the establishment of the new GmbH & Co. KGs, Quartier Heidestrasse GmbH will benefit from a reduced trade tax rate from 30.175% in 2018 to 15.825% in 2019. Consequently, for the year ended 31 December 2019, deferred tax rate of 15.825% was applied on the revaluation gains on investment property recognised in 2019 and from prior years for Quartier Heidestrasse GmbH which resulted in an amount of EUR 52,575 thousand (see Note 10).

During the year 2019, the Group has recognised deferred tax assets for an amount of EUR 3,428 thousand (2018: EUR 0) on tax losses reported by Quartier Heidestrasse GmbH and its subsidiaries.

The Group has not recognised deferred tax losses on accumulated tax losses carried forward for an amount of EUR 64,806 thousand as it is not probable that the temporary difference will be reversed in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. The tax losses is carried forward for a period not exceeding 17 years.

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Notes to the consolidated financial statements (continued)

23. Trade and other payables

<i>In thousands of EUR</i>	Note	2019	2018
Payable to related parties (non - subsidiaries)	24	53,806	28,645
Payables to suppliers	24	143,103	55,246
Payables to personnel		5,121	6,823
Taxes payable		20,970	9,716
Guarantees	24	1,445	1,375
Advances received for real estate under		319,611	323,986
Deferred consideration for purchase of Havza Limited		485	485
Other payables		81,541	117,796
		626,082	544,072

24. Financial instruments

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

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

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

Risk management framework

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

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

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

Credit risk

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

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Credit risk (continued)

Tenant receivables

Tenants are assessed according to Group criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals in advance. The credit quality of the tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major tenants. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset.

Receivables resulting from the sale of inventory property

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

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year, subject to approval of the Group's management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts of each class of financial instruments.

Credit risk exposure

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

The management of the Group has performed an analysis on the ECLs from the implementation of IFRS 9. Due to the nature of the financial instruments within the Company and its subsidiaries, the Management believes that the 12 months ECLs will approximate the lifetime ECLs for the respective financial instruments for which ECLs have been assessed, taking into consideration the following criteria:

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Credit risk (continued)

Credit risk exposure (continued)

- a) Maturity of the loan, classified:
 - Less than 3 months;
 - More than 3 months and less than one year;
 - More than one year but less than two years; and
 - More than 2 years.
- b) Analysis of repayments received during the year, both capital and interest. The Group did not identify any significant delays in capital and interest repayment during the year 2019. Accrued interest as of 31 December 2019 relates to current period with no overdue amount.
- c) Identification of collaterals received.
- d) Historical data and past knowledge of significant write-off in relation to the all debt instruments.

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

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

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

The maximum credit exposure at the reporting date was:

<i>In thousands of EUR</i>	Note	2019	2018
Related party receivables	13 (i)	109,360	79,825
Third party loans	13 (i)	160,383	253,846
Contract assets	13 (ii)	335,203	221,600
Deposits and guarantees	13 (i)	613	305
Restricted cash with a maturity of more than three months	13 (i)	42,053	-
Trade and other receivables	16	42,476	56,434
Cash and cash equivalents	18	257,070	143,885
		947,158	755,895

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Credit risk (continued)

Credit risk exposure (continued)

Impairment losses / Expected credit losses

The aging of third party loans and trade receivables at the reporting date was:

<i>In thousands of EUR</i>	Note	2019		2018	
		Gross	Impairment	Gross	Impairment
Not overdue or overdue less than 1 year	13 (i), 16	135,852	(1,689)	58,421	(1,987)
Overdue more than 1 year	13 (i)	68,882	(186)	-	-
Overdue more than 2 years		-	-	-	-
Overdue more than 3 years		-	-	-	-
		204,734	(1,875)	58,421	(1,987)

As of 31 December 2019, the Group has booked an amount of EUR 716 thousand (2018: 1,120 thousand) as ECLs.

Cash and cash equivalents

The Group has cash and cash equivalents amounting to EUR 257,070 thousand at 31 December 2019 (2018: EUR 143,916 thousand) held with reputable financial institutions with high ratings and represent its maximum credit exposure on these assets.

Liquidity risk

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

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

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

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

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

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Liquidity risk (continued)

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

31 December 2019

<i>In thousands of EUR</i>	Note	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities						
Bank and third party loans - non-current portion and current portion	20	2,613,882	2,613,882	1,358,512	1,255,370	-
Related party loans - non-current portion	20	7,643	7,643	-	7,643	-
Bonds and notes issues	20	1,463,458	1,463,458	140,000	1,159,284	164,174
Related party loans - current portion	20	113	113	113	-	-
Trade and other payables	23	198,354	198,354	198,354	-	-
Total		4,283,451	4,283,451	1,696,979	2,422,297	164,174

31 December 2018

<i>In thousands of EUR</i>	Note	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities						
Bank and third party loans - non-current portion and current portion	20	2,188,642	1,047,067	122,853	924,214	-
Bonds and notes issues	20	722,934	718,080	6,869	711,211	-
Related party loans - current portion	20	50,000	50,000	50,000	-	-
Trade and other payables	23	85,266	85,266	85,266	-	-
Total		3,046,842	1,900,413	264,988	1,635,425	-

Market risk

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

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

<i>In thousands of EUR</i>	Note	2019	2018
Financial assets through other comprehensive income	13 (i)	5,328	9,559
Financial assets through profit or loss	13 (i)	115,072	173,459
		120,400	183,018

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Market risk (continued)

Sensitivity analysis

An increase in equity price by 10% at 31 December 2019 would have increased in the statement of profit or loss by EUR 12,040 thousand (2018: EUR 20,959 thousand). For a decrease of 10% there would be an equal and opposite impact in the statement of profit or loss.

Option contracts

During the year 2019, the Company and its subsidiaries entered into several options agreements with third parties to purchase or sell shares held in listed shares and bonds.

The fair value of the options at 31 December 2019 is the difference between the strike price and the market price of shares held in listed shares and bonds.

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

<i>In thousands of EUR</i>	Average strike price		Quantity		Fair value	
	2019	2018	2019	2018	2019	2018
Less than one year	94.73%	-	11,922	-	(1,210)	-
1 to 2 years	95.00%	-	500	-	(70)	-
	-	-	12,422	-	(1,280)	-

Cash flow sensitivity analysis for fixed rate instruments

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

Sensitivity analysis of cash flows for variable rate instruments

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

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Market risk (continued)

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

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

Currency risk

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

Exposure to currency risk

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

<i>In foreign currency</i>	Note	GBP	GBP
<i>In thousands</i>		2019	2018
Trade receivables	16	1,537	2,339
Trade payables	23	(1,160)	(1,035)
Loan payables		(30,894)	(32,445)
Gross exposure		(30,517)	(31,141)
Forecasted annual sales		4,449	2,186
Forecasted annual purchases		-	-
		4,449	2,186

Aggregate Holdings S.A.
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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Currency risk (continued)

The following significant exchange rates applied during the year:

	2019	2018	2019	2018
1 GBP	1.1754	1.1413	1.1399	1.1179

Sensitivity analysis

A 10 % strengthening of the Euro (EUR) against the following currencies at 31 December would increase (decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

<i>In thousands of EUR</i>	Equity	Profit or loss
2019		
10% appreciation of EUR against GBP	-	3,479
2018		
10% appreciation of EUR against GBP	-	3,481

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

Interest rate risk

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

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

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

<i>In thousands of EUR</i>	2019	2018
Fixed rate instruments		
Financial assets	457,691	545,025
Financial liabilities	(1,453,458)	(722,934)
	(995,767)	(177,909)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(2,631,639)	(2,238,642)
	(2,631,639)	(2,238,642)

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Interest rate risk (continued)

Interest rate swap contracts

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

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

<i>In thousands of EUR</i>	Average contracted fixed interest rate		Notional principal value		Fair value	
	2019 %	2018 %	2019	2018	2019	2018
Less than one year	1.2% + Euribor 3 months	-	82,014	-	(10,789)	-

Cash flow sensitivity analysis for fixed rate instruments

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

Sensitivity analysis of cash flows for variable rate instruments

A change of 0.1% in interest rates as at 31 December would increase (decrease) equity and the statement of profit or loss by the amounts set out below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

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

<i>In thousands of EUR</i>	Effect on profit or loss		Effect in equity	
	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2019				
Variable rate instruments	(2,632)	2,632	-	-
Cash flow sensitivity (net)	(2,632)	2,632	-	-
31 December 2018				
Variable rate instruments	(2,243)	2,243	-	-
Cash flow sensitivity (net)	(2,243)	2,243	-	-

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Interest rate risk (continued)

Total return swap contracts

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

The following tables detail various information regarding total return swap contracts outstanding at the end of the reporting year end. Total return swap contract liability is included in Note 17.

<i>In thousands of EUR</i>	Average contracted fixed interest rate		Notional principal value		Fair value	
	2019	2018	2019	2018	2019	2018
	%	%				
	EURO					
Less than one year	1m+0.5%	-	850	-	(39)	-

Capital management

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

Fair values versus carrying amounts

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

- Related party receivables (Note 13);
- Trade and other receivables (Note 16);
- Cash and cash equivalents (Note 18);
- Loans and borrowings with variable rates (Note 20); and
- Trade and other payables (Note 23)

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

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

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Fair values versus carrying amounts (continued)

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

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



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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values

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

Fair values versus carrying amounts

31 December 2019

31 December 2019									Fair value			
<i>In thousands of EUR</i>	Note	Designated at fair value through profit or loss	Fair value-hedging instruments	Held-to-maturity	Amortised costs	Fair value through other comprehensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value												
Equity securities	13 (i)	115,072	-	-	-	5,328	-	120,400	115,072	5,328	-	120,400
Embedded derivative	17	21,468	-	-	-	-	-	21,468	-	-	21,468	21,468
		21,468	-	-	-	-	-	21,468	-	-	21,468	21,468
Financial assets not measured at fair value												
Trade and other receivables	16	-	-	-	95,276	-	-	95,276	-	-	-	-
Cash and cash equivalents	18	-	-	-	257,070	-	-	257,070	-	-	-	-
Loan receivables	13 (i)	-	-	-	269,743	-	-	269,743	-	-	-	-
		-	-	-	622,089	-	-	622,089	-	-	-	-
Financial liabilities measured at fair value												
Embedded derivative	17	17,669	-	-	-	-	-	17,669	-	-	17,669	17,669
Interest rate swap	17	10,789	-	-	-	-	-	10,789	-	10,789	-	-
Options	17	1,280	-	-	-	-	-	1,280	-	1,280	-	-
Total return swaps	17	39	-	-	-	-	-	39	-	39	-	-
		29,777	-	-	-	-	-	29,777	-	12,108	17,669	17,669
Financial liabilities not measured at fair value												
Bank loans and other borrowings	20	-	-	-	-	-	2,761,630	2,761,630	-	-	-	-
Bonds and notes	20	-	-	-	-	-	1,323,467	1,323,467	-	-	-	-
Trade and other payables	23	-	-	-	-	-	198,354	198,354	-	-	-	-
		-	-	-	-	-	4,283,451	4,283,451	-	-	-	-

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Notes to the consolidated financial statements (continued)

24. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values

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

Fair values versus carrying amounts

31 December 2018

31 December 2018	Carrying amount								Fair value				
In thousands of EUR	Note	Held for trading	Designated at fair value through profit or loss	Fair value -hedging instruments	Held -to-maturity	Amortised costs	Available-for- sale	Fair value through other comprehensive income	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value													
Loan receivables	13 (i)	-	-	-	-	-	-	-	-	-	-	-	-
Equity securities	13 (i)	173,459	-	-	-	-	9,559	-	183,018	173,459	9,559	-	183,018
		173,459	-	-	-	-	9,559	-	183,018	173,459	9,559	-	183,018
Financial assets not measured at fair value													
Trade and other receivables	16	-	-	-	-	96,265	-	-	96,265	-	-	-	-
Cash and cash equivalents	18	-	-	-	-	143,916	-	-	143,916	-	-	-	-
Loan receivables	13 (i)	-	-	-	-	327,333	-	-	327,333	-	-	-	-
		-	-	-	-	567,514	-	-	567,514	-	-	-	-
Financial liabilities measured at fair value													
Embedded derivative		14,062	-	-	-	-	-	-	14,062	-	-	14,062	14,062
Corporate bonds	20	20,000	-	-	-	-	-	-	20,000	-	-	-	-
		34,062	-	-	-	-	-	-	34,062	-	-	14,062	14,062
Financial liabilities not measured at fair value													
Bank loans and other borrowings	20	-	-	-	-	-	-	2,238,642	2,238,642	-	-	-	-
Bonds and notes	20	-	-	-	-	-	-	722,934	722,934	-	-	-	-
Trade and other payables	23	-	-	-	-	-	-	65,266	65,266	-	-	-	-
		-	-	-	-	-	-	3,026,842	3,026,842	-	-	-	-

There was no changes in fair value hierarchy during the year ended 31 December 2019 and 31 December 2018.

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Notes to the consolidated financial statements (continued)

25. Leases

On adoption of IFRS 16, Consus, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was in the range between 2.3 - 2.7 %. As a result of the adoption of IFRS 16, the Group recognised lease liability of EUR 12,133 thousand as of 31 December 2018 and EUR 19,779 thousand on operating lease commitment. Consequently, for 31 December 2019, the Group recognised EUR 19,779 thousand (2018: EUR 12,133 thousand) as right-of-use assets which is included under the caption "Intangible assets and Goodwill" (Note 4).

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

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

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

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

In thousands of EUR

	2019	2018
Up to one year	292,945	3,707
1-5 years	2,308	11,726
Over 5 years	426	2,261
Total	295,678	17,694

26. Capital commitments

At the end of 2019 and 2018, there were no significant capital commitments.

27. Contingent liabilities

Aggregate Deutschland S.A. provided a guarantee facility for an amount of EUR 17,000 thousand to an insurance company for Quartier Heidestrasse GmbH to secure possible overrun of construction costs of a maximum 7,5% of the expected total costs for the construction until 31 January 2024.

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

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

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Notes to the consolidated financial statements (continued)

27. Contingent liabilities (continued)

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

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

28. Related parties

Identification of related parties the Group has a related party relationship with the Executive Directors and the management of the companies within the Group.

Transactions with key management personnel

In thousands of EUR

	2019	2018
Management Board		
Short-term benefits	(1,560)	(6,396)
Severance payments	-	(1,286)
	(1,560)	(7,682)
Severance payments	-	-
	-	-

Balances outstanding with key management personnel at 31 December

In thousands of EUR

	2019	2018
Management Board		
Short-term benefits	99	(279)
Severance payments	-	-
	99	(279)
Management Board		
Short-term benefits	-	(169)
Severance payments	-	-
	-	(169)
Professional fees		
Financial Intermediary Services	301	-
	301	-

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Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related parties transactions

Name of related party	Type of relation	Type of transaction/balance	Statement of profit or loss		Balance as at	
			2019	2018	31 December 2019	31 December 2018
Lavinia B.V.	Common ultimate parent and UBO	Loan receivable	-	-	31,013	25,735
		Interest (income)/ receivable	(10)	(1,093)	1,451	1,349
		Loan payable	-	-	(7,644)	-
		Interest expense (payable)	167	-	-	-
		Other payables	-	-	(76)	-
Medeon S.à r.l.	Common ultimate parent and UBO	Loan receivable	-	-	75	60
		Interest (income)/ receivable	-	4	14	10
Aggregate Debt Advisory GmbH	Associated company of Lavinia B.V. and Medeon S.à r.l.	Loan receivable	-	-	1,758	-
LHC Holding GmbH	Joint venture 50%	Loan receivable	-	-	-	499
Mr. von Hesse	Key management LHC	Other payables	-	-	-	(57)
Gröner Unternehmensbeteiligungen GmbH / Mr. Gröner	Key management Consus	Expenses /(financial liabilities and other liabilities)	3,300	-	(58,293)	(20,701)
		Interest expense/(payable)	2,700	-	(2,700)	-
		(Revenues)/Trade receivable	(33,100)	-	65,798	55,508
MAP Liegschaften GmbH	Associated company of former CG	(Financial liability)	-	-	(19,200)	-

Notes to the consolidated financial statements (continued)

29. Segment information

For management purposes, the Group's business is focused into a single segment which is the development sale and rental of real estate assets, primarily based in Germany and Portugal. The real estate operations are organised in several main subsidiary groups Consus, VIC Properties S.A. and Quartier Heidestrasse GmbH.

30. Subsequent events

On 30 January 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of COVID-19. Since 11 March 2020, the WHO has classified the spread of the COVID-19 as a pandemic. The further spread of the Coronavirus and its consequences on the business of Aggregate Holdings S.A. and its subsidiaries are constantly being monitored. The impact of the COVID-19 on the overall economic situations in Luxembourg, Germany, United Kingdom, Cyprus and Portugal is uncertain at the time the financial statements were prepared. Consequently, the Group is not in a position at this stage to predict fully the severity of the consequence of COVID-19 on its financial performance.

The Group is constantly monitoring the impact of COVID-19; however, this event has been considered as a non-adjusting event in the preparation of these consolidated financial statements.

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

- Aggregate Holdings 2 S.A., incorporated on 24 January 2020, with registered address 10, Rue Antoine Jans, 1820, Luxembourg; and
- Aggregate Holdings Invest S.A. incorporated on 5 February 2020, with registered address 10, Rue Antoine Jans, 1820, Luxembourg.

On 21 February 2020, Consus entered a Letter of Intent with ADO Properties regarding the sale of the Hamburg Holsten project for EUR 320 million.

On 20 March 2020, the founder and CEO of Consus, Christoph Gröner, left the Executive Board of Consus and moved to the Supervisory Board.

On 6 April 2020, pursuant to a Share Purchase Agreement, Aggregate Holdings S.A. acquired the 32% share capital in VIC Properties S.A. previously held by the minority shareholders.

On 30 April 2020, pursuant to an Assignment of Contractual Position Agreement in the Promissory Share Purchase and Sale and Assignment of Shareholder's Credits between Aggregate Holdings S.A. as the assignor and VIC One S.A.R.L as the assignee, the assignor assigned its contractual position in the agreement in favour of the assignee, who reciprocally accepted the assignment of such position and this acquire the shares in the aforementioned companies and the Shareholder's credits.

On 30 April 2020, the Group raised a new loan from of EUR 89,000 thousand with proceeds financing the acquisition of a plot of land in the northern part of the Alentejo Coast (EUR 60,000 thousand), preliminary works on Matinha project (EUR 20,000 thousand) and an interest reserve account (EUR 9,000 thousand). The loan maturity is 4 years, bears interest at EURIBOR 3M increased by the margin of 5% per year and is secured by mortgage on the land acquired in the northern part of the Alentejo Coast.

Notes to the consolidated financial statements (continued)

30. Subsequent events (continued)

On 30 April 2020, the Group finalised the acquisition of the plot of land located in the northern part of Alentejo Coast, adjacent to Comporta. The development permit allows a maximum construction area of 197,000 square meters. The acquisition has been structured as a share deal.

On 8 May 2020, Consus announced a significant asset sale as part of its deleveraging strategy. The total transaction value amounted to around EUR 690 million with an initial reduction of project debt of around EUR 475 million. The agreed sale price represented a double-digit premium to the market values as at 31 December 2019. The total gross development value ("GDV") of the development projects disposed of is EUR 2,3 billion. In addition, Consus has in principle decided to acquire the remaining 25% minority stake (on a fully diluted basis) in Consus RE AG primarily against issuance of new Consus shares and a cash component in order to simplify its corporate structure. The transaction is expected to close not later than Q3 2020.

On 15 May 2020, the Group successfully raised a new loan for Prata project. The facility of EUR 200,000 thousand will be primarily used to refinance existing bank borrowings from Novo Banco and CGD and also to finance subsequent construction works. The loan is secured by first ranking global land charge over the Prata project and its maturity is 3 years. The interest rate is fixed at 4.00% per year and a PIK element of 4.75% per year.

The Management Board of Consus approved to sell 8 development projects with a GDV of EUR 2,0 billion on 20 May 2020.