2021

Aggregate Holdings S.A.

Annual Report

aggregateholdings.com

Aggregate

Contents

1. Letter from Management 4

2. Aggregate Holdings S.A. 6

About the Company 7
Key Highlights FY 2021 7
Our Management 8

3. Business Overview 9

Core strategy 10
2021 Milestones 12
Build & Hold 14
Quartier Heidestrasse 14
Fürst 16
Walter and Green Living 18
Build & Sell 20
VIC Properties 20
Financial Real Estate Assets 22

4. Management Report 24

Corporate Profile 25
Business Report 32
Overview of Business Performance 36
Events post Balance Sheet 39
Outlook 39
Sustainability Framework 40
Opportunities and Risk Report 50

5. Independent Auditor's Report 58

6. Consolidated Financial Statements 61

7. Notes to the Financial Statements 70

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

"2021 was a period of strong asset growth for Aggregate Holdings, in particular in its Build & Hold division, where Aggregate completed the acquisition of three very high quality, large-scale projects in Berlin that will significantly increase the company's future rental cashflows."

Benjamin Lee, Chief Financial Officer and John Nacos, Chief Investment Officer

Letter from **Management**

Dear Stakeholders,

2021 was a period of strong asset growth for Aggregate Holdings, in particular in its Build & Hold division, where Aggregate completed the acquisition of three very high quality, large-scale projects in Berlin that will significantly increase the company's future rental cashflows. H2 2021 was also a period of challenge following the short-seller attack on Adler Group. Aggregate's strategy is to focus on its core projects and reduce its leverage ratio, with the aim to achieve the financial strength to take advantage of future opportunities.

Aggregate believes strongly in the long-term resilience and growth prospects for German commercial and residential real estate with its core strategy of acquiring, developing and retaining high-quality, large-scale, mixed-use real estate assets in Germany's top cities. In 2021, the company successfully executed this plan, with the Build & Hold division, currently focussed solely on Berlin, more than doubling in size. Outside of Germany, the continued strong performance of Portuguese real estate has demonstrated that the Build & Sell division is in an undervalued sector with excellent growth potential.

The three Build & Hold acquisitions in 2021 were the Fürst project on Kurfürstendamm in central Berlin, and the Walter and Green Living projects in the Berlin neighbourhoods of Schönefeld and Treptow-Köpenick, respectively. Aggregate believes that Berlin real estate is significantly undervalued as compared to other leading German cities and European capitals. The Fürst refurbishment and redevelopment project is in one of the most prime locations in the former West Berlin and is expected to become Berlin's premier office complex.

The Build & Hold projects under construction made strong progress in 2021. In Quartier Heidestrasse, the 'QH Core' building is fully completed and virtually fully let, and in the 'QH Track' building, SAP is expected to move in the second half of 2022, with over 90% of the project expected to be completed by end 2023. For Fürst, the redevelopment is progressing well, with the project expected to be completed in 2023 and expectations on achieved lettings prices increased in the market.

In the Build & Sell division, the significant market value uplift of the three projects again demonstrated the underlying strength of the Portuguese market, driven by both domestic and international factors. Aggregate is seeing tangible evidence of this resilience in the strong pricing being achieved in sales at the Prata Riverside Village development in Lisbon.

In Financial Real Estate and Other Assets, the group added nine development projects in Berlin, Düsseldorf and Frankfurt at attractive prices. These assets are now held for sale, as they are optimised prior to disposal. In Q4 2021, the group sold its only non-core asset outside of Germany and the stake in S IMMO which had been bought earlier in the 2021.

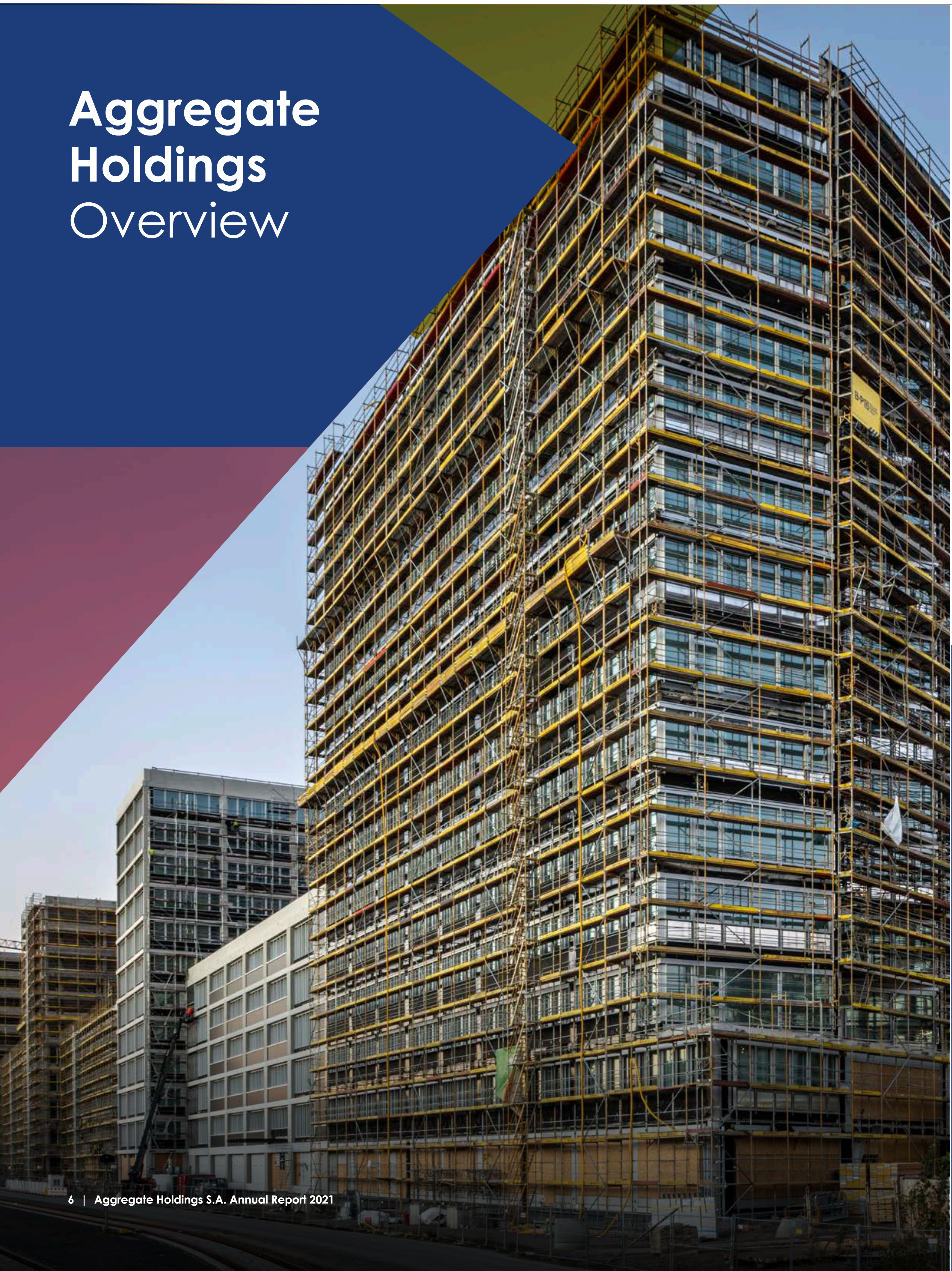
Aggregate held a stake of 26.6% in Adler group at year end 2021, which reduced to 6.1% in February 2022. The attack by the short-seller on Adler has impacted the price of Aggregate's listed bonds, as the value of the Adler stake decreased and various allegations were made. An independent report prepared by Hogan Lovells International LLP found no evidence to support any of the allegations made against Aggregate Holdings SA by the short-seller.

Financings and refinancings to term out debt and provide cashflow along with sales, are a key element of Aggregate's strategy. In 2021, the company successfully financed or refinanced a significant volume of facilities, demonstrating again the strength of Aggregate's portfolio. Notable financings and refinancings included the Quartier Heidestrasse bank debt to provide bank financing for full construction of the project, with a structure in place which provides for an automatic reduction in the interest rate when construction of a phase is completed, and the financing package for the Fürst acquisition, including a full capex reserve.

In 2021, Aggregate initiated its first Environmental, Social and Governance materiality assessment in which it determined those areas to focus on and measure in the near and medium term.

In 2022, Aggregate's focus is disposing of non-core assets, reducing leverage and improving Aggregate's credit status. An important part of this strategy is the planned sale of Quartier Heidestrasse, where Aggregate has transformed an unpermitted railway siding in central Berlin in to one of the largest prime new office quarters in Germany. The ongoing actions will reduce financing complexity and optimise the company's portfolio, while progressing core projects.

Aggregate Holdings Overview



Introduction | AH Overview | Business Overview | Management Report | Auditor's Report | Financials

We are Aggregate Holdings

Aggregate Holdings S.A., headquartered in Luxembourg is a predominantly German focused real estate investment company with interests also in Portugal (Germany exposure: 80% and Portugal 20% exposure). Aggregate actively evaluates investment opportunities in large-scale residential or commercial real estate developments, and often mixed-use projects creating vibrant neighbourhoods and commercial hubs in key locations.

Aggregate invests in both real estate companies and development projects, with the concentration on undervalued assets and special situations with potential for significant value creation. The company applies a diversified and sustainable long-term value creation approach, paving the way for ground-breaking real estate developments.

At the end of FY 2021, Aggregate had €7.9bn of assets and a €9.9bn gross development value (GDV) project portfolio. The group has three strategies; Build & Hold ("B&H"); Build & Sell ("B&S"); and Financial Real Estate Assets (FREA). The comany's core strategies consist of B&H and B&S.

As a fully integrated real estate development platform, Aggregate Holdings is covering the entire value chain in its investments: from acquisition and financing to planning, development and marketing with the aim to then either sell to third parties or keep as yielding asset for the long-term. 2021 has seen extensive progress and optimisation of key development projects.

Key Highlights FY 2021

€7.9BN
Total assets

€9.9BN
Appraised Core GDV

€3.3BN
Management NAV
(see Overview of Business Performance)

59.8%
LTV

1.7M²
Core Gross Floor Area

80%
Assets in Germany

Our **Management**

Benjamin Lee

Chief Financial Officer

Benjamin Lee, Chief Financial Officer, has almost 30 years of experience in the finance industry, 14 years of which he worked in the investment banking sector at UBS in London. He has 10 years experience as a board member and CFO for listed companies, in both the UK and Germany. Benjamin Lee is responsible for accounting, finance and capital markets at Aggregate.

~30YRS
industry experience

John Nacos

Chief Investment Officer

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

30+YRS
industry experience

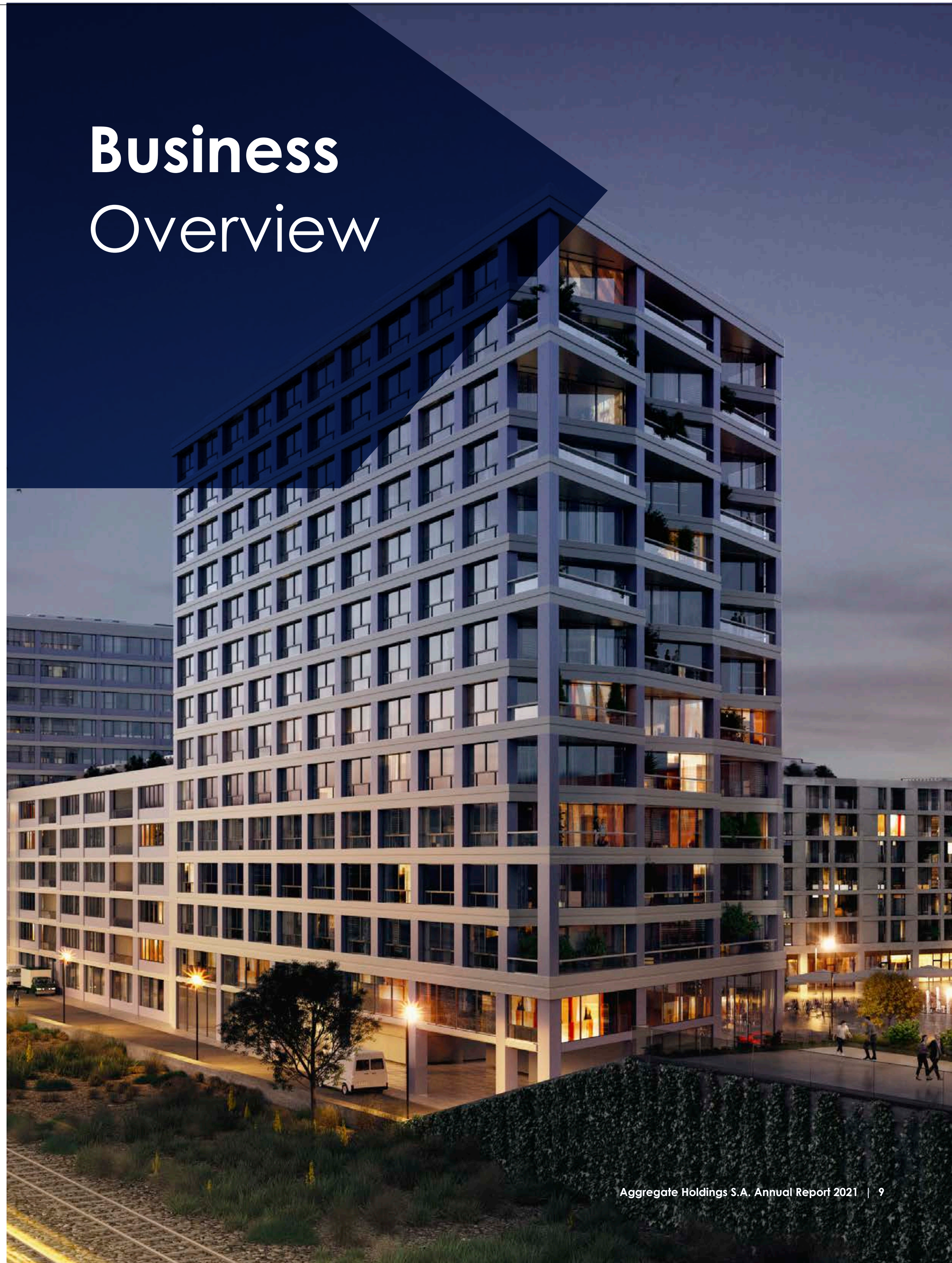
Boris Lemke

Investment Director

Boris Lemke was previously Director at Deutsche Bank, heading up the London based team focussing on private debt syndicate. He has over 20 years experience in the financial industry with 16 years at Deutsche Bank's Investment banking division and 3 years at Morgan Stanley's Investment banking division. Boris Lemke is responsible for deal structuring, investment trading and syndication interests.

20+YRS
industry experience

Business Overview



Introduction | AH Overview | Business Overview | Management Report | Auditor's Report | Financials

Business Overview

Aggregate Holdings S.A. is a real estate investment company, with business interests mainly in the German real estate market but also in Portugal. Aggregate is a significant investment real estate company in Germany, focused on cash-flow yielding assets, development and financial real estate assets over the following three strategies and corresponding core assets:

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

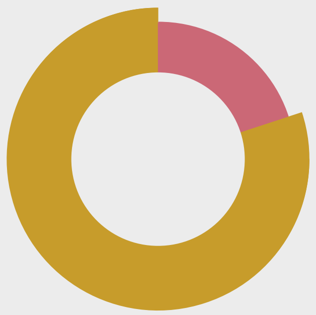
Sustainable Value Creation Strategy

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

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

Value and Cashflow Creation Process

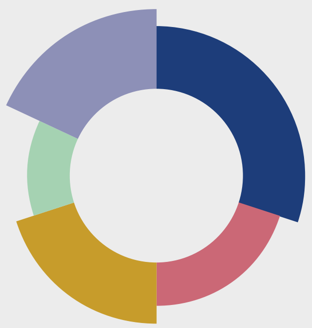
Country exposure
% of assets market value



80% Germany

20% Portugal

Market value distribution of tangible assets



30% QH/Germany

20% Fürst/Germany

20% VIC/Portugal

12% Walter and Green Living/Germany

18% Other/Germany

Segment	Build & Hold	Build & Sell	Financial Real Estate Assets:
Key Assets (Year end 2021)	**Quartier Heidestrasse Fürst** (Berlin)	**VIC Properties** (Portugal)	**Other non-core real estate assets** **26.6% stake in ADLER Group**
Operational Focuses	Planning optimisation Building permit obtained Construction of asset Letting phase Long-term active asset management Recurring cash-flow & rental	Planning optimisation Building permit obtained Projects sold in advance to retail and institutional investors in parallel with construction Transfer of ownership at completion Revenue generation	Strategic long-term vs short-term investments Number of strategies can be applied Various investment timeframes Focus to maximise shareholder value Successful disposals Cash-flow generation
Future Evolution	**Commercial / Mixed-use** Germany/Berlin QH structured sale process ongoing	**Well-defined project pipeline** - Lisbon - Comporta / Algarve	**Strategic stakes and Asset sales** Current stake of c.6% in ADLER Group
Investors	Institutions	Individuals and Institutional potential	Financial markets, corporates and real estate investors

Key Achievements in 2021

Q1 2021

January 2021: Project Quartier Heidestrasse first phase completed and yielding, with commercial and residential tenants moving in, the project has an estimated rental value of €89 million.

29 January 2021: Aggregate acquired 9.03% stake in S IMMO AG and later increased stake to 10.79%, S IMMO is a Vienna-listed real estate company focussing on capital cities across Germany and Austria. The S IMMO portfolio comprises of c.70% commercial properties and c.30% residential properties, with c.70% of the portfolio located in Germany.

23 March 2021: The foundation stone was laid for QH Colonnades, QH Straight, and QH Crown II. A small ceremony took place to celebrate the three buildings and the Heidestrasse neighbourhood milestone.

31 March 2021: Banking services provider Berliner Sparkasse signed agreement for commercial space in QH Core.

Q2 2021

18 May 2021: Issuance of €250m senior unsecured bond with 3-year term and 5.5% coupon, the transaction was executed as a private placement. The volume raised was a testament to the strength of the asset base.

11 June 2021: Aggregate acquired project "Fürst", a landmark prime Berlin commercial real estate, located on the Kurfürstendamm in central Berlin. The part completed and yielding rental income asset has Gross Floor Area (GFA) of c.183,000, Residual value approximately €1.1bn and Gross Development Value €1.6bn to €2.2bn. Project is fully funded to completion and the ERV at completion is c.€50m run-rate.

30 June 2021: The company completed the acquisition of a real estate portfolio consisting of ten real estate development projects in Germany, spread across Berlin, Düsseldorf, and Frankfurt. The mixed property class portfolio's combined development Gross Floor Area (GFA) of approximately 1.2m sqm. The portfolio's Residual value stands at c.€1.3bn with the Gross Development Value (GDV) of approximately €4.8bn.

Introduction AH Overview **Business Overview** Management Report Auditor's Report Financials

Q3 2021

09 August 2021: Aggregate successfully placed a €100m tap of its €500m 11/2025 6.875% senior bond, increasing the total nominal amount to €600m. The tap was executed as a private placement at par. Net proceeds from the issue will be used for general corporate purposes.

24 September 2021: Aggregate released its first Sustainability Report which sets out the company's environmental, social and governance ("ESG") framework and targets. In addition, the company has provided a sustainability roadmap describing its objectives over the next two years to further progress the group's sustainability performance. Demonstrating the path to greater transparency in non-financial information and the company's commitment to fulfil its obligations in terms of environmental responsibilities.

30 September 2021: Prata Riverside Village continued to sell apartments at prices >10% above revised budgets, with further apartments released to market expected to drive significant increases in Prata sales. A total of 21% of all Prata apartments have been sold including reservations, and further 22% of all apartments were available for sale as at end Q3 2021. Almost €16m of cash inflow from completed or pre-sales was realised in Q3.

Q4 2021

05 October 2021: SAP Group, a market leader in business software, has signed a second lease in Quartier Heidestrasse in Berlin, thereby expanding its presence in the QH Track smart building complex to around 37,000 sqm. SAP is developing its "Digital Campus" in Quartier Heidestrasse. The "Digital Campus" will serve to strengthen SAP Group's technology areas such as artificial intelligence, machine learning and blockchain. SAP's lease expansion further evidences the location's exceptional quality.

08 October 2021: Vonovia SE acquired an option over a 13.3% stake in Adler Group from Aggregate Holdings at a price of €14 per share. As part of the agreement, Aggregate repaid the margin loan provided by financial institutions with a loan provided by Vonovia.

03 November 2021: Established IT digital platform provider Elopage GmbH signed agreement for office space in Fürst.

01 December 2021: Mindspace, a global-boutique coworking provider signed agreement for office space in Fürst.

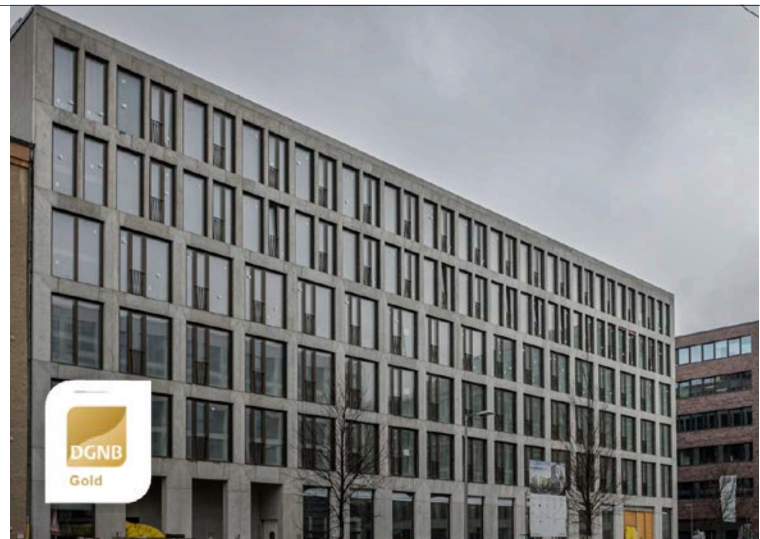
02 December 2021: Aggregate successfully sold its 10.79% stake in S IMMO AG. The stake was sold at a premium to the closing share price day prior to closing. The transaction further demonstrated Aggregate's commitment to focus further on its core real estate business.

Introduction | AH Overview | Business Overview | Management Report | Auditor's Report | Financials

quartier HEIDESTRASSE

Build & Hold

Quartier Heidestrasse is the largest real estate development in Central Berlin with c.236,000 sqm of Net Lettable Area. Phase one, QH Core, is completed and yielding rental income. The project is due to be almost all complete by end of 2023. QH Core segment is a mix of offices, apartments and restaurants. The rental of units is successfully concluded and commercial spaces are virtually fully occupied by established corporate tenants.



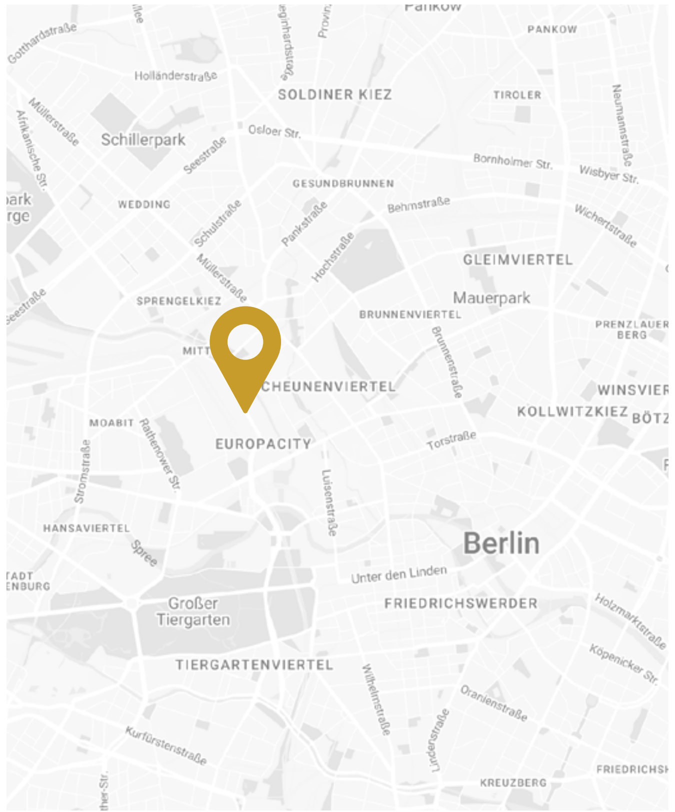
Gold pre-certification achievement for QH Track from DGNB Construction systems. Cross-quarter building control technology and eco-efficient automation. DGNB Gold planned and targeted for remaining segments at completion.

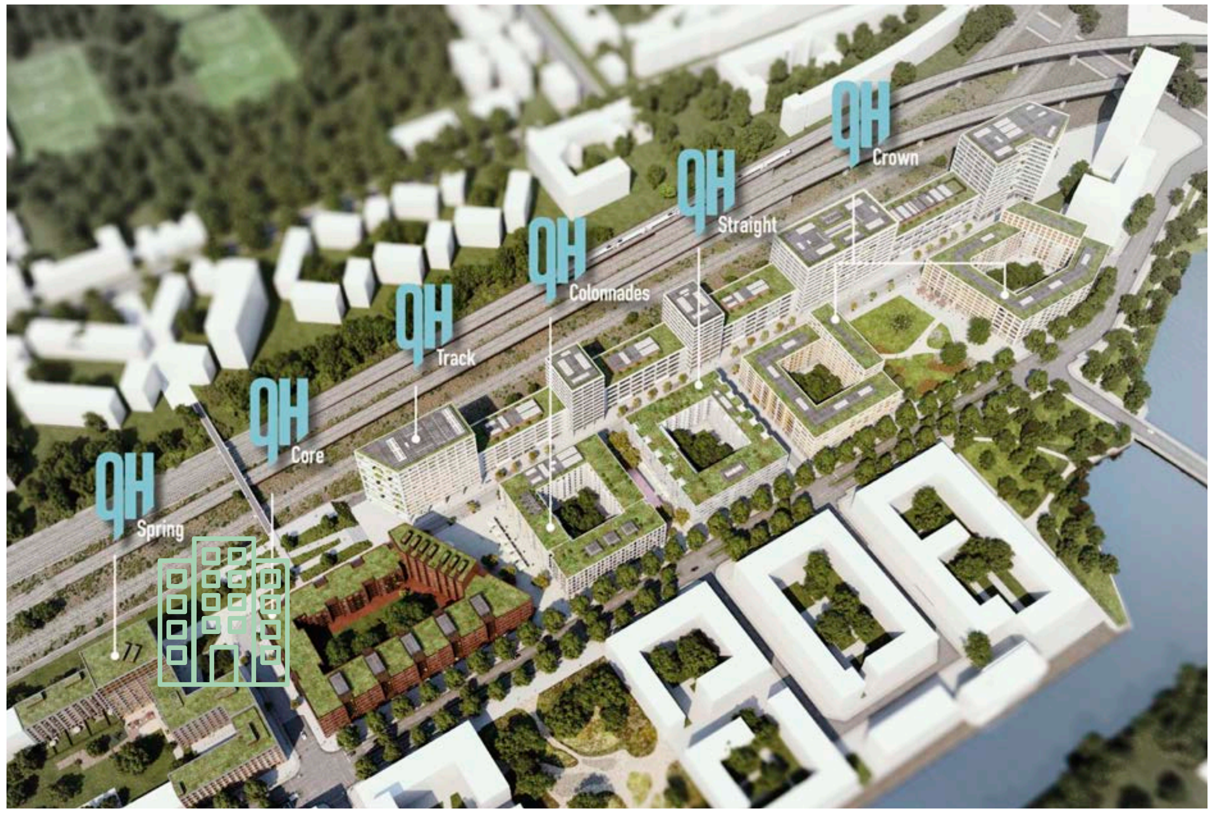
QH Core segment completed in Q4'2020 is a mix of offices, apartments and restaurants. The rental of residential units almost complete and commercial spaces are being occupied by established corporate tenants. The supermarket chain REWE opened its doors at the end of January 2021.

€1.7BN
Appraised Residual Value

c.236,000m²
Net Lettable Area

c.297,000m²
Gross Floor Area (above ground)





Over 90% to be completed by end 2023, with phase one already completed.

QH Core: 100% completed
QH Spring: 77% completed
QH Track: 68% completed
QH Crown 2: 44% completed
QH Crown 1: 21% completed
Straight/Colonnades: 55% completed
Completion percentages as of Q1 2022

Nearly 50% of total office space has already been pre-let. SAP, the world's leading producer of enterprise software applications, has secured 37,000 sqm of office space and is considered to be an anchor tenant.

64%
Completed based on Total Construction Cost as of Q1'22

c.€89M
Estimated Rental Value

60% Office
28% Residential
6% Retail
6% Hotel & other

€2.5BN – €3.4BN
Gross Development Value (appraised) – Management Expected GDV

Aggregate announced in May 2022 the planned sale of Quartier Heidestrasse, the largest and most innovative quartier development in Berlin. Project well positioned to take advantage of rising rents in the tight Berlin prime office market. Residential component of 28%, of which 20% is already completed and let. Total estimated rental value ("ERV") on completion of close to €90m for the whole project.

Introduction AH Overview **Business Overview** Management Report Auditor's Report Financials

FŪRST

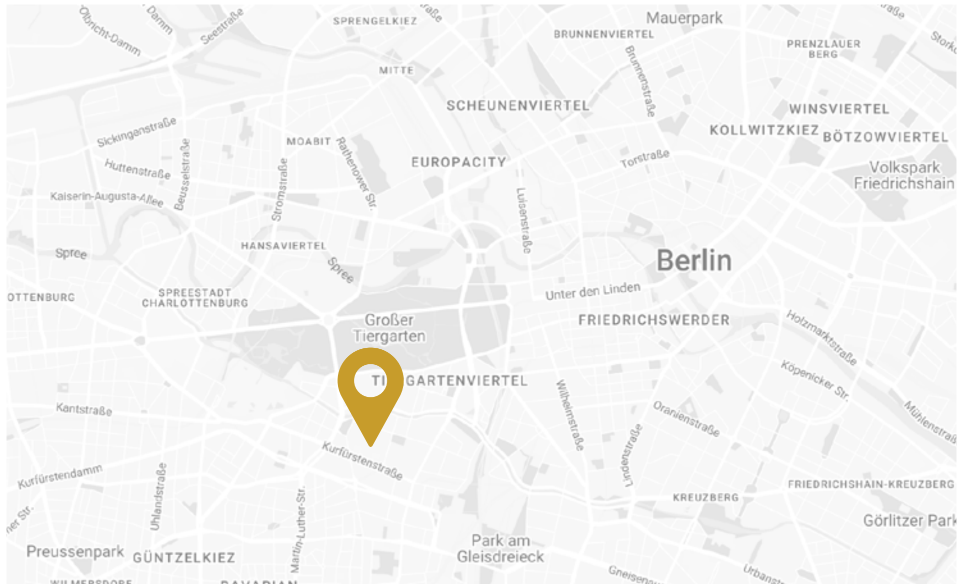
Build & Hold

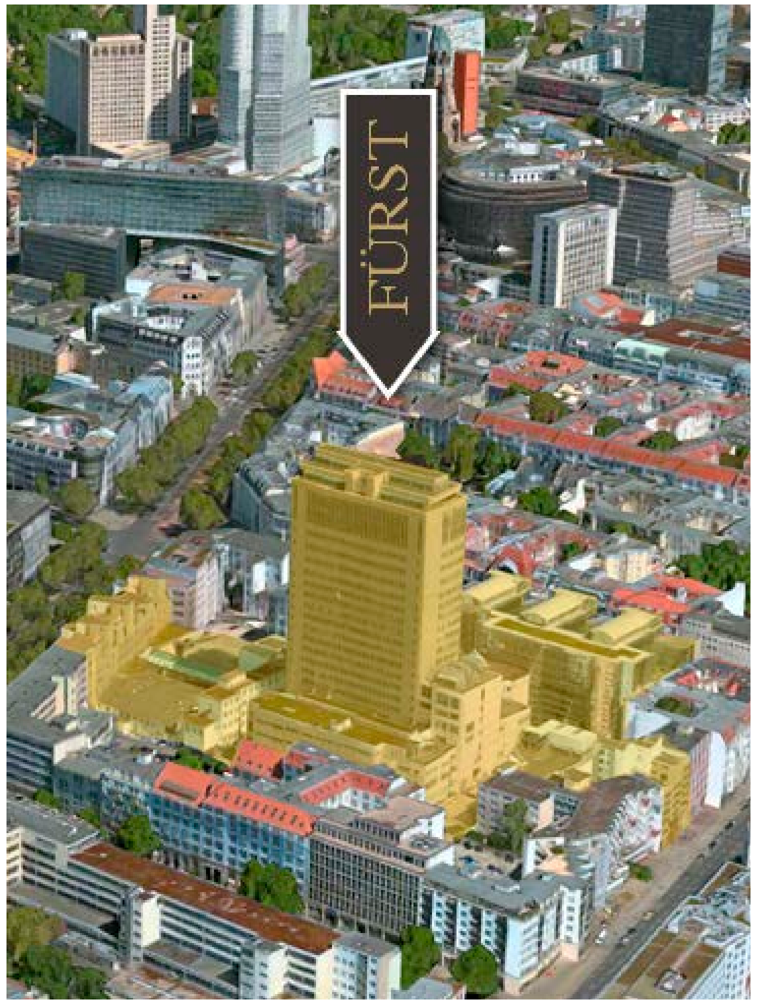
The Fürst project is a prime asset located on Kurfürstendamm in central Berlin with c.109,000 sqm of Net Lettable Area, to be completed by end 2023. The project is under construction and the first phase of construction is already complete. The completed phase is mainly office-use with retail units on ground floor; corporate tenants have moved in and started paying rent. The remaining phases are planned to be completed through to the end of 2023.

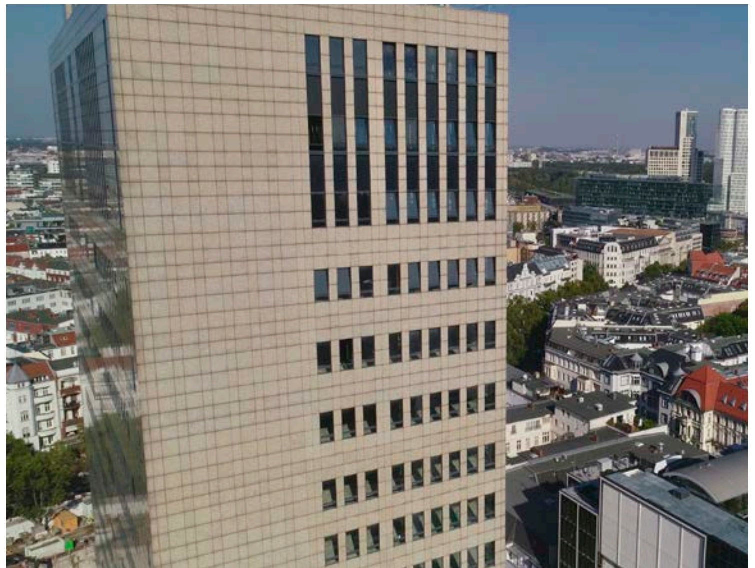
€1.1 BN
Appraised residual value

c.109,000m²
Net Lettable Area

c.183,000m²
Gross Floor Area







Full completion targeted by end 2023, with phase one already completed.

Completed Eastern Building Area: 100% completed
Middle Building Area: 18% completed
North Building Area: 41% completed
South Building Area: 45% completed
Completion percentages as of Q1 2022

Platinum pre-assessment achievement from LEED Construction Systems. The highest possible achievement for sustainable construction from LEED Construction Systems.

more than **45%**
Completed based on Total Construction Cost as of Q1'22

c.€50M
Estimated Rental Value

60% Office	**10%** Retail
17% Leisure	**13%** Hotel and restaurants

€1.6BN – €2.2BN
Gross Development Value (appraised) – Management Expected GDV

Nearly 20% of total rental space is either already occupied by tenants or pre-let, with advanced negotiations on a significant further portion. Existing tenants include REWE Markt GmbH, Cells Bauwelt GmbH, Komödie Berliner Privattheater GmbH and RTL Radio Center Berlin GmbH (RTL Radio).

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Key Berlin projects

Two significant additional projects in Berlin will be developed as Build & Hold projects. These developments, Project Walter and Project Green Living, will be constructed and progressed in the Build & Hold division as core yielding assets. Estimated rental value of c.€105m is expected to be generated once construction is completed in stages.

Strategy Optimising

c.€107M Estimated Rental Value

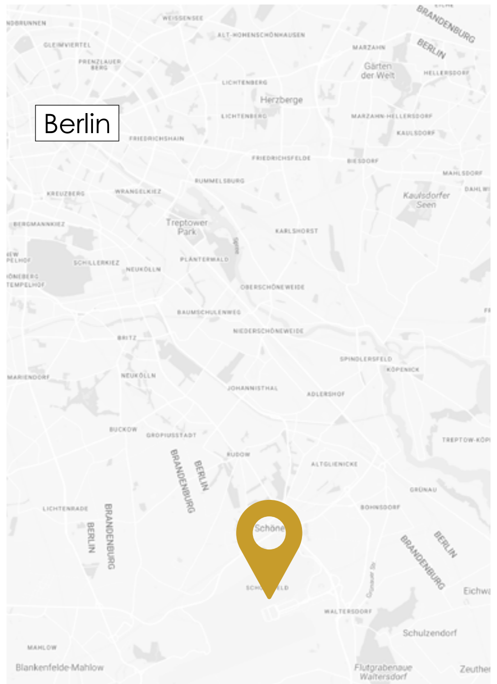
Landmark Berlin Projects

Project Walter

The project plot area extends over 142,425 sqm and is located in Schönefeld, a town near the new airport, located just beyond the city limits of Berlin in the state of Brandenburg. The development will have a Gross Floor Area (GFA) above ground of 277,000 sqm and a Net Lettable Area (NLA) of 241,375 sqm. The project's NLA encompasses 165,500 sqm of office area, 44,000 sqm of hotel area, and 31,875 sqm of conferencing hotel area. The project plan includes 1,695 underground car parking spaces.

The project is located within the area of application of the local development plans "Landmarke" and "Bohnsdorfer Weg", a preliminary draft B-Plan was submitted Q4 2020 and a confirmation of the development plan is anticipated by H2 2023.

Given the location near the new airport BER (Berlin-Brandenburg), the project has excellent accessibility by private/public transportation.



€396M Appraised residual value

€60M Estimated Rental Value

c.277,000m² Gross Floor Area

€1.4BN Gross Development Value (appraised)

69% Office

31% Hotel and conferencing

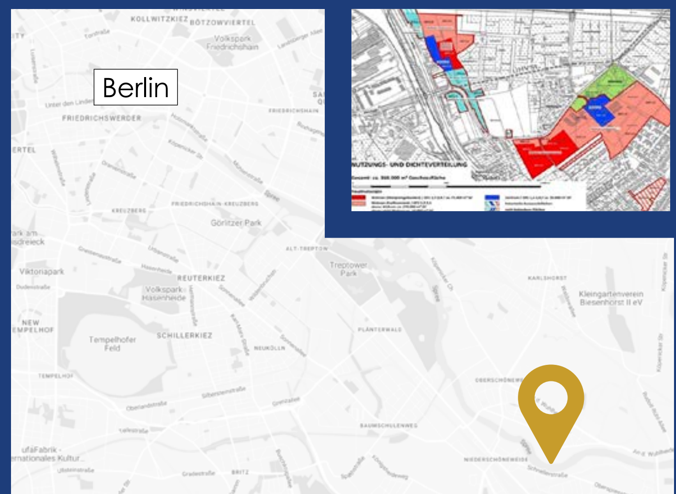
c.241,000m² Net Lettable Area

Project Green Living

The project plot area extends over 309,300 sqm and is located in Berlin's Treptow-Köpenick district, the project site is alongside the canal Britzer Verbindungskanal.

The development will have a Gross Floor Area (GFA) above ground of 356,800 sqm and a Net Lettable Area (NLA) of 294,296 sqm. The project is within the urban development concept "Leben in der Baumschule" and the project's NLA encompasses 147,200 sqm of residential area, 60,720 sqm of subsidised housing area, 51,600 sqm of office area, 25,920 sqm of retail area. The development also incudes c.4000 car parking spaces.

Zoning resolution to revise the land use plan on the basis of clarified urban-planning parameters and the completion of the zoning plan is expected by Q2 2023.



c.357,000m² Gross Floor Area

c.285,000m² Net Lettable Area

€292M Appraised residual value

€47M Estimated Rental Value

€1.3BN Gross Development Value (appraised)

73% Residential

18% Office

9% Retail

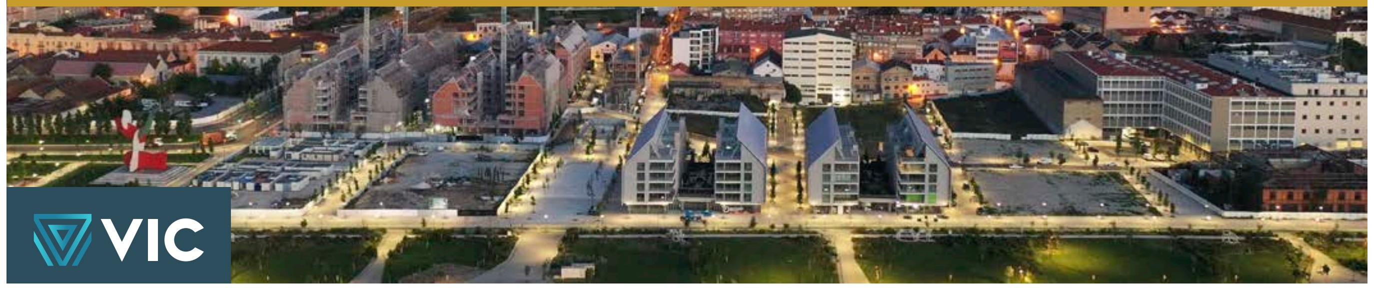
Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Build & Sell

The Build & Sell division's core asset is VIC Properties, the largest real estate developer in Portugal, with two developments on the Lisbon waterfront and a development near to Comporta, just south of Lisbon. VIC's flagship project, PRATA, is completing its first phase and full completion will take place in 2025. The division operates as a real estate developer focused on the construction and sale of real estate to individuals and investors frequently via forward sales.

Prata

Prata is the large-scale flagship project in Lisbon and is considered to be the most iconic residential project under construction at a central prime river front location in one of Lisbon's trendiest neighbourhoods, Marvila, offering 781 modern apartments over 129,000 sqm Gross Construction Area. This plot (with VIC's Matinha plot) are the only plots directly on the river Tagus between the city centre and Lisbon's modern business district Parque das Nações. Designed by famous architect Renzo Piano (architect of 'the Shard', London) it received SIL's "Best Residential Housing Development Award Portugal 2019".



Start of Construction: **2019**

Full completion: **2025**

Appraised residual value: **€338M**

€610M Appraised GDV

Total Units: **781**

Current average residential sales price: **€7K/SQM**

Total Gross Construction Area: **129,000SQM**

Matinha

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

First Completions: **2024** **c.2000** Total Units

€1.3BN Appraised GDV

Appraised residual value: **€370M**

Total Gross Construction Area: **245,000SQM**

Average residential sales price: **€7.5K/SQM**

Pinheirinho

Pinheirinho is an excellently located leisure project, with a total Gross Construction Area of c.197,000 sqm for villas and town houses, and includes a boutique and a 5-star hotel incorporating an already completed 18-hole golf course. A fully valid development permit is already granted and the key infrastructure is almost complete. Located right on the Alentejo Coast in the exclusive Comporta region just south of Lisbon, with a vast shoreline of c.40km unspoilt connected sandy beaches.

First Completions: **2024**

c.827 Total Units including **218** units from two hotels

€1.1BN Appraised GDV

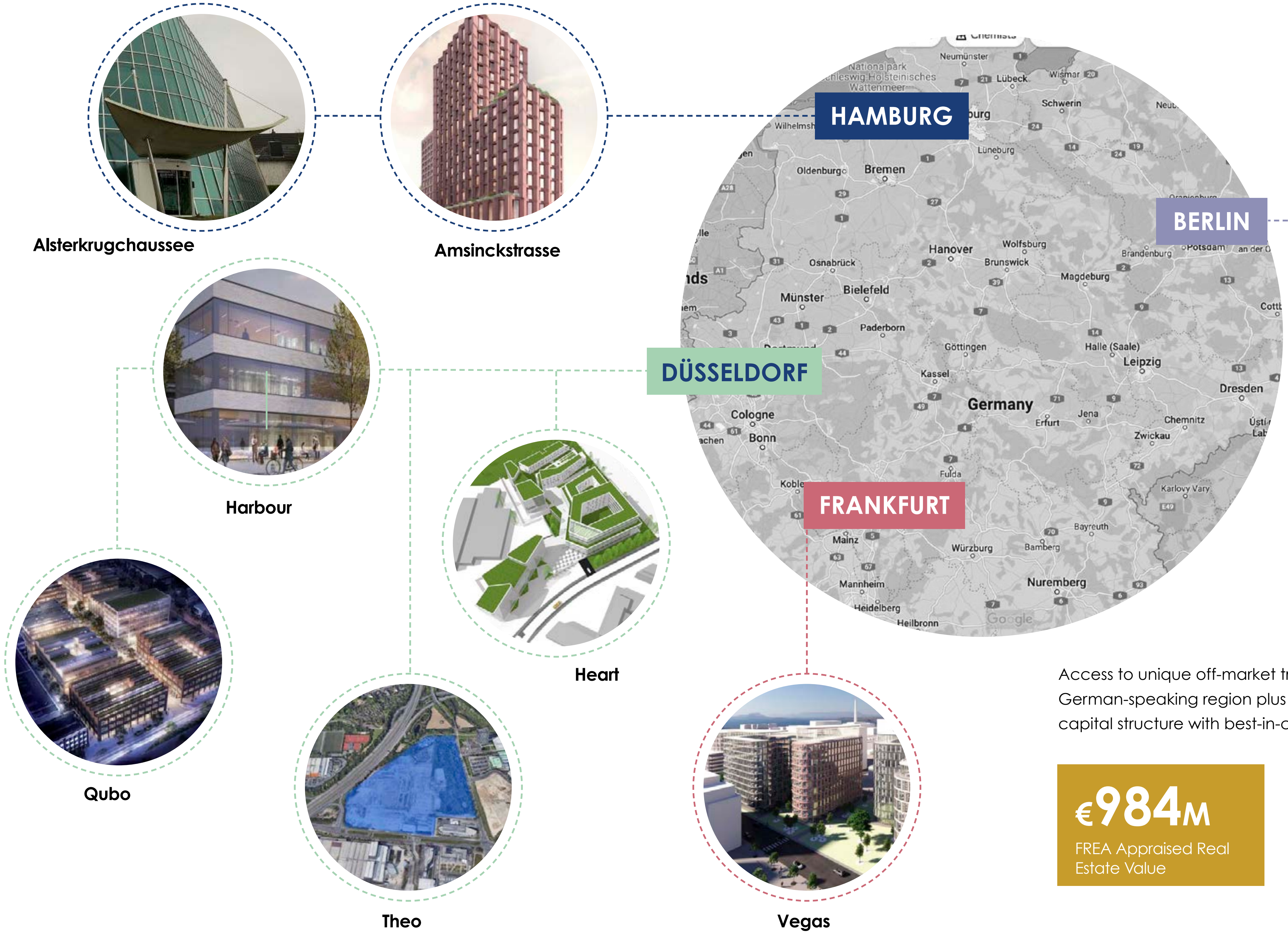
Appraised residual value: **€428M**

Total Gross Construction Area: **197,000SQM**

Average residential sales price: **€7.6K/SQM**

Financial
Real Estate Assets

This segment includes various investments, which is the combination of strategic long-term and short-term investments. The different strategies can be applied across various investment time frames to either focus on maximising shareholder value or to create liquid investment profiles. Aggregate has historically utilised this segment efficiently to hold stakes in some of the largest real estate companies in Germany and the German-speaking region. The segment currently holds an impressive development portfolio of eleven real estate projects, located in the major cities of Berlin, Hamburg, Frankfurt and Dusseldorf, as short-term investments now for sale.



Access to unique off-market transactions, through a long-lasting business network established across Germany, the German-speaking region plus Portugal, profitable utilization of own land reserves, ability to further optimize existing capital structure with best-in-class assets.

€984M
FREA Appraised Real Estate Value

100%
FREA Assets in Germany

c.6%
Adler Group Stake as of June 2022

€2.1BN
FREA Segment Total Assets

Management Report

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Corporate Profile

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

Business Model and Strategy

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

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

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Aggregate Holdings investments
Build & Hold

Aggregate's Build & Hold division is centred on developing prime assets in Germany to retain as long-term holdings, generating stable, recurring cashflows once completed. The two major components of the company's Build & Hold segment are Quartier Heidestrasse, the largest and most innovative quarter development in Berlin and one of the largest real estate development sites in Europe, located in Berlin's central Europacity district, and Fürst, a landmark redevelopment in one of Berlin's most sought after commercial areas, Kufürstendamm. In addition, two very significant assets acquired in 2021, Walter, a large site near the new Berlin Brandenburg International Airport, and Green Living, a large site between the airport and the Berlin city centre focussed on residential, are also key elements of the company's future development plans.

As of 31 December 2021, the build and hold division accounted for €3.91 billion of Aggregate's total assets, and €2.61 billion of its liabilities. After minority interest of €318 million, this division therefore represented €981 million of the Equity attributable to owners of the Group.

Quartier Heidestrasse, Berlin

The largest part of this business segment is Aggregate's subsidiary Quartier Heidestrasse GmbH. Quartier Heidestrasse GmbH and its subsidiaries ("QH") are currently developing Quartier Heidestrasse in Berlin, one of the largest available plots under construction in the central city of Berlin. Quartier Heidestrasse is comprised of seven properties; "QH-Core", "QH-Track", "QH-Spring", "QH-Colonnades", "QH-Straight", "QH-Crown I" and "QH-Crown II" are located in the new district Europacity which is centrally located in the north-western part of Berlin-Mitte.

As of fiscal year-end 2021, appraised residual value of the Quartier Heidestrasse development project was €1.72 billion and the management expected Gross Development Value was €3.4 billion. This equates to a capital value of €14,403/sqm, with an average rent of €33/sqm/month and a target multiple of 36.75x. As of 31 December 2021, Quartier Heidestrasse accounted for €1.78 billion of total assets, €1.22 billion of liabilities, and after minority interest, €520 million of the Equity attributable to owners of the Group. This is a development of an entire new quartier or neighbourhood development, with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. Quartier Heidestrasse has plans for approximately 297,000 sqm Gross Floor Area (GFA) above ground and approximately 236,000 sqm Net Lettable Area of commercial, residential and retail space, comprising 143,000 sqm of office lettable area, 65,000 sqm of residential lettable area and 14,000 sqm of retail lettable area, 1,020 parking units and around 945 residential units – subsidised housing in line with the Berlin model of cooperative building land development. The project has been fully approved with all building permits for the entire project having been obtained. The development is circa 65% completed as of 31st March 2022, and the first phase of the project "QH Core" has now been completed and it is operational and a yielding asset. Construction and letting out are expected to be concluded by the end of 2023 for more than 90% of the project, with the remaining less than 10% expected to be completed by Q3 2024. The management expected project estimated rental vale ("ERV)" is €89 million. The total construction cost when completed is expected to be c.€1.2 billion.

45% of the total office space in QH has already been pre-let, with tenants including SAP, the major technology company, and the project is able to take advantage of rising rents in the tight Berlin prime office market for the remaining space. Several handovers to tenants in QH Core were carried out in January 2022. Due to issues arising from the COVID-19 pandemic, construction was subject to certain delays and supply chain issues which have led to revisions of the expected completion dates. It is now envisaged that QH Spring will be completed by September 2022, QH Colonnades will be completed by March 2023, QH Straight will be completed by March 2023, Crown II will be completed by June 2023, QH Track will be completed by December 2023, and QH Crown 1 will be completed by September 2024.

In H1 2022, Aggregate took the decision to sell Quartier Heidestrasse in a structured sale process in order to crystalise the very significant value created from this asset alone, and to use the proceeds to pay down debt and reduce the company's cost of capital. The sale process is ongoing at the current time.

Fürst Berlin

Fürst is a landmark Grade A commercial development in Kufürstendamm, one of Berlin's top sub-markets. The Kufürstendamm area in which it is located is a prime shopping district, with a large number of high end department stores. The Gross Floor Area under development by Aggregate is approximately 183,000m², with a Net Lettable Area of 109,000m² across a mix of different use types.

At year-end 2021, appraised residual value of the project was €1.14bn, while the management expected gross development value at completion is €2.2 billion, based on an ERV of €50m. Construction of phase 1 is now complete, and let. In relation to remaining areas after the handover of the excavation pit on the northern building area took place in October 2021, construction activity on this area began with the creation of the base. On the middle building area, the structural engineer is working with planners, while on the southern building area the preparatory work for the shell has begun.

Walter & Green Living, Berlin

The Walter comprises of two adjoining development plans with the use class office and hotel, located in Schönefeld, a town just beyond the city limits of Berlin in the state of Brandenburg where the new Berlin Brandenburg International Airport is based. At year-end 2021, the project had an appraised residual value of €396 million, and a Gross Development Value of €1.38 billion. The project plot area extends over 142,425 sqm, with a Gross Floor Area (GFA) above ground of 277,000 sqm and a Net Lettable Area (NLA) of 241,375 sqm. The project's NLA encompasses 165,500 sqm of office area, 44,000 sqm of hotel area, and 31,875 sqm of conferencing hotel area. The project plan includes 1,695 underground car parking spaces. The project is located within the area of application of the local development plans "Landmarke" and "Bohnsdorfer Weg", a preliminary draft B-Plan was submitted Q4 2020 and a confirmation of the development plan is anticipated by H2 2023.

277,000SQM

Walter, Gross Floor Area ("GFA")

Green Living is a mixed-use development located in Berlin, the project appraised residual value totals €292 million and a GDV of 1.34 billion, as at year-end 2021. The project plot area extends over 309,300 sqm and is located in Berlin's Köpenick district, the project site is alongside the canal Britzer Verbindungskanal. The development will have a Gross Floor Area (GFA) above ground of 356,800 sqm and a net lettable area (NLA) of 285,440 sqm. The project is within the urban

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

development concept "Leben in der Baumschule" and the project's NFA encompasses 147,200 sqm of residential area, 60,720 sqm of subsidised housing area, 51,600 sqm of office area, 25,920 sqm of retail area. The development also includes c.4000 parking spaces. Zoning resolution to revise the land use plan on the basis of clarified urban-planning parameters and the completion of the zoning plan is expected by Q2 2023.

Both the Walter & Green Living are considered part of the Build & Hold division, the projects are in planning stage and the company has been focusing on optimising the development profile since acquisition in June 2021.

Build & Sell

Aggregate's Build & Sell division is focused on the construction and sale of real estate to third-party investors, primarily via sales direct to individuals. The core of this segment is Aggregate's subsidiary VIC Properties S.A. ("VIC") which is the leading real estate development company in Portugal.

As of 31 December 2021, €1.88 billion of the Group's total assets were attributable to the Build & Sell business segment and €658 million of the Group's total liabilities. Therefore, as of 31 December 2021, the Equity attributable to owners of the Group of the Build & Sell segment was €1.22 billion.

Build & Sell segment
Total Assets

€1.9BN

VIC Properties S.A., a fully owned and controlled subsidiary of Aggregate, is Portugal's leading real estate developer with a focus on large scale development schemes and mainly residential projects. VIC's business model is to source large-scale construction projects and subsequently to develop, design, construct and market such developments to individual and institutional investors. VIC operates a fully integrated real estate platform in line with the group's strategy to cover the entire value chain. Its core business is the development of residential multi-storey buildings and large development schemes in Portugal's largest cities, such as Lisbon and its surrounding areas and Porto, and development schemes in the high value second home areas such as Comporta and the Algarve region. The realization of a standard development project in this segment typically takes between 30 to 42 months, with the breakdown being three months for land acquisitions, six to twelve months for project design, 18 to 24 months for construction and three months for delivery.

VIC Properties, Management GDV:

€3.4BN

Given its in-house local development expertise, capital markets knowledge and wide experience in large development schemes, VIC specialises in the development of entire neighbourhoods with a view of developing high quality real estate offerings, with an emphasis on midsized units with two or three bedrooms. VIC is offering new living concepts, including the newest technological features, modern kitchens in open-space living room design, panoramic balconies or terraces and generous communal areas. Targeted buyers include the domestic Portuguese demand as well as international investors. The targeted EBITDA margin for VIC upon stabilisation, is forecasted at approximately 25%. Domiciled in Luxembourg, but with operational headquarters and locally embedded management team in Lisbon, VIC benefits from strong local market access and connections in the strong Portuguese real estate market. VIC's access to capital market financing as well as traditional bank lending, means that it is well placed to capture market opportunities and large-scale projects which, due to high market entry barriers, may typically be inaccessible to local and international competition. VIC aims to fund its investments using a mixture of equity and debt financing. The strong value generation of VIC lies in the creation of its development platform since 2018 through deep in-country relationships and acquisitions of large-scale projects at undervalued prices.

As of fiscal year-end 2021, the combined market value of VIC's development assets Prata, Matinha and Pinheirinho was €1,137 million. The current combined management Gross Development Value of all three projects is €3,360 million, with a potential combined completion value upside estimated at approximately +20% once all projects are sold and completed. As per the FY 2021 valuation carried out by the appraiser, the sales prices for Prata, Matinha and Pinheirinho are €7,000/sqm, €7,500/sqm and €7,600/sqm on average for the residential units. Prata and Matinha are both strategically well-located in Marvila, one of the most up-and-coming neighbourhoods of Lisbon. Both projects are predominantly residential constructions offering modern living spaces with high-end quality and located in one of the emerging locations of Lisbon along the river Tagus and together are the natural southern extension of Parque das Nações on the way to the historical city centre.

The development permit for Prata has already been granted and the project comprises around 800 residential units, from which around 50% are already completed or under construction. The Matinha project already has the detailed plan approved and the allotment permit has already been submitted to municipality. The Pinheirinho project, located in Melides close to Comporta, in the municipality of Grandola is a large-scale high quality leisure focused development in an area which is seeing very strong interest from international leisure visitors and investors. It has a residual value of approximately €428 million and appraised GDV of €1,149 million and a total planned Gross Construction Area of c.197,000 sqm for villas, town houses, boutique hotels and a 5-star hotel with an already completed and licensed 18-hole golf course and direct access to the beach. The development permit for this project has already been granted.

Pinheirinho, total planned gross construction area

c.197,000m²

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Financial real estate and other assets ("FREA")

Aggregate's FREA division invests in private and public real estate assets, which may be either long-term and strategic, or short-term and opportunistic in nature, and either private or public. The key components of the FREA divisions assets at FY 2021 were (i) real estate assets held for sale, (ii) minority equity stakes in other real estate companies, and (iii) strategic loans, primarily to fund real estate developments.

Real estate assets held for sale

In June 2021, the Group acquired a portfolio of 10 development projects, located in Berlin (5), Dusseldorf (4), and Frankfurt am Main (1), of which 8 are considered to be assets held for sale (Walter and Green Living projects are projects that Aggregate intends to develop and are in the Build & Hold segment). The company was able to take advantage of a period of significant uncertainty during the Covid-19 pandemic in order to acquire these assets. As at year-end 2021, these 8 assets held for sale had a residual value of €652 million, and a GDV of €2.1 billion. The Group's plans for these assets was primarily to resell at a premium following an opportunistic acquisition, with the timing dependent on market conditions. There are number of discussions and processes regarding sales on-going at the time of this report.

In September 2021, Aggregate acquired Ringbahnhofe, a mixed-use development located in the Berlin Neukölln district. The property is in the advanced stage of the urban land use planning process for a mixed-use development, with a total of 96,127m^2 of Net Lettable Area. At year-end 2021, Ringbahnhofe had a Gross Development Value of €719 million.

Other real estate assets held for sale include the developments Alsterkrugchaussee 366 (AKC) and Amsinckstrasse 45, (Amsinck), both located in Hamburg.

The stake in ADLER Group

At year-end 2021, the Group held a 26.6% stake in Adler Group. ADLER Group is one of Germany's largest real estate companies, with total assets of €13 billion at year-end 2021. At year-end 2021, Aggregate's Adler shareholding was valued at €329 million after an impairment loss of €219 million and Net loss from equity accounted investments of €308 million. Aggregate remains convinced in the strong underlying fundamentals of Adler group, and believes that there is significant upside potential from its shareholding to be realised over the long-term, despite Adler being subject to significant disruption in connection with short-seller activity, internal investigations and an FY 2021 disclaimed audit opinion.

Note that this shareholding has subsequently reduced as a consequence of certain events described in "Subsequent events – See Note 31".

Sale of S Immo stake

In Q1 2022, Aggregate acquired a 10.79% stake in S IMMO AG, a listed European real estate company, as part of a strategy of investing in under-valued high quality European listed real estate companies, with a view to realising value through taking Board seats and influencing the strategy to generate and release more value. John Nacos, Chief Investment Office of Aggregate Holdings, joined the Supervisory Board of S IMMO AG in 2021. On 2 December 2021, the company sold its stake in S Immo AG aspart of Aggregate's strategy to dispose of non-core assets to focus on its core business and reduce net debt.

The combined impact from all net losses from fair value adjustments and disposals of financial assets is €270 million.

Loan portfolio:

The company has invested in loans to a range of counterparties, primarily focused on financing the development of other real estate projects. At year-end 2021, the total third party loan portfolio totalled €375 million (2020: €210 million). This strategy enables key insights into real estate investment market.

Management and Board

Management Team

Benjamin Lee, Chief Financial Officer, has almost 30 years of experience in the finance industry, 14 years of which he worked in the investment banking sector at UBS in London. He has 10 years experience as a board member and CFO for listed companies, in both the UK and Germany. Benjamin Lee is responsible for accounting and capital markets at Aggregate.

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

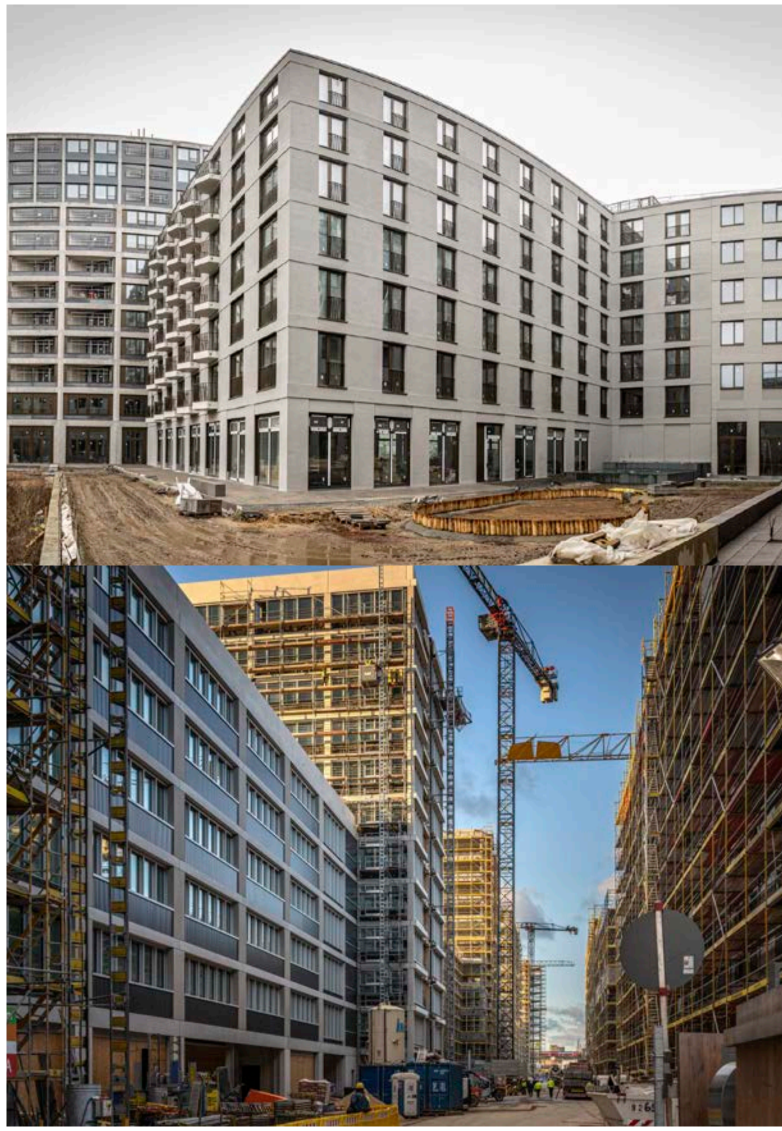
Boris Lemke, Investment Director was previously Director at Deutsche Bank, heading up the London based team focussing on private debt syndicate. He has over 20 years experience in the finance industry with 16 years at Deutsche Bank's Investment banking division and 3 years at Morgan Stanley's Investment banking division. Boris Lemke is responsible for deal structuring, investment trading and syndication interests.

Board of Directors

Massimo Longoni, Managing Director of the Board, has over 25 years of experience in the financial and private equity industry across Europe. After graduation in economics, he has undertaken project finance at Finmeccanica, and then became head of corporate finance at Intesa Sanpaolo. Founder of Electa Group in 2003, he is currently a member of the board of a number of large pan European investment funds.

Elena Guaraldi, Board Director, has over 10 years experience in the financial industry. After graduation in accounting and tax, Elena worked 3 years in accounting and audit. Since 2014, Elena has been working as corporate and client relationship manager at Groupe Electa S.A., in charge of corporate procedures, coordination of the legal, technical and administrative aspects with particular focus on regulated entities and real estate group. Elena is also board member in a number of private equity and real estate holding companies.

Valérie Ravizza, Board Director, has over 29 years of experience in domiciliation and management of companies in Luxembourg. Valérie has been working as corporate manager at Global Trust Advisors S.A., in charge of corporate procedures, coordination of the legal, technical and administrative aspects. Valérie is also board member in a number of private equity and she is responsible for a client portfolio based mainly in Europe (Italy, Spain Germany.)



Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Business Report

The disruption due to COVID-19 pandemic has relatively improved, but the recent geopolitical uncertainty, high inflation, and recent central bank policies have resulted in supply chain disruptions, lower consumer demand, and general market uncertainty, causing market volitility. The consequences of these are constantly being monitored.

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

The invasion of Ukraine is an unbearable tragedy on our continent and generates misery for millions of people. It is for the time being difficult to measure precisely the effect but it is probable that this deteriorated environment will impact most businesses. Energy and raw material prices are expected to increase further and current levels of inflation might increase for a longer period. One significant impact is that supply chain disruptions created by COVID-19 are now being amplified, and likely prolonged, by the war in Ukraine, with energy and food price increases currently adding to the complexity.

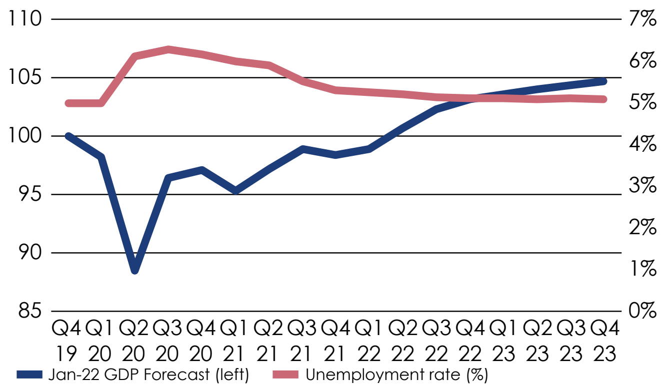
Overall, in 2021 Aggregate and its subsidiaries had limited impact by the Coronavirus Pandemic and the war in Ukraine. The Group will continue to monitor the impact of both these events going forward in 2022, in particular in relation to the impact of inflation on the cost of materials and rental prices achieved, where the group has seen increases in both categories.

German Economy Outlook

The economy is projected to grow by 4.1% in 2022 and 2.4% in 2023. The recovery is being hampered by shortages of key manufacturing inputs, although a large stock of unfilled orders signals a strong potential rebound as supply constraints ease. Private consumption will accelerate in 2022 as confidence improves. Solid investment in quality assets are expected to continue. However, inflation is likely to remain elevated. Future rises in COVID-19 cases and persistent supply shortages in critical industries could slow the recovery.

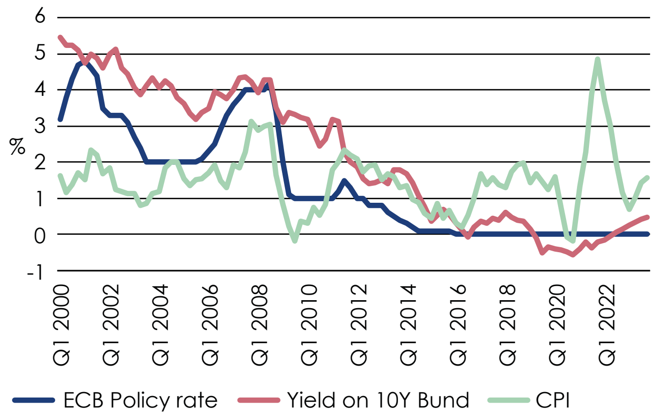
Development of real gross domestic product and unemployment in Germany

Q4 2019 = 100



Source: OECD

Historical inflation and interest rates



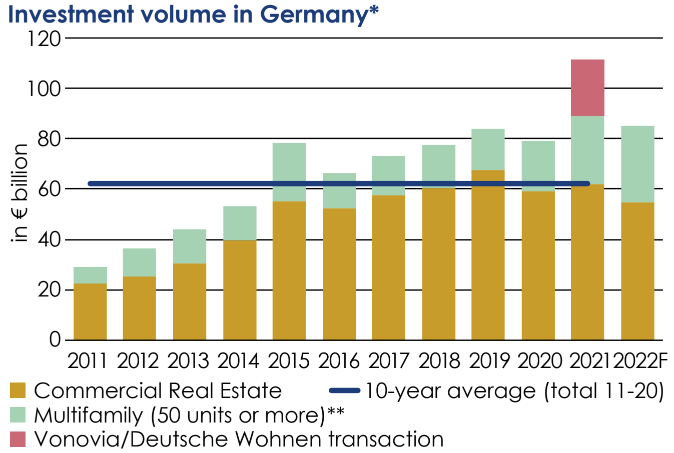
Source: CBRE

German Real Estate

Aggregate expects that there will be a strong and steady demand for core and core plus investments leading to a flight to quality in coming quarters.

The German real estate investment market proved to be largely unaffected by the COVID-19 pandemic and its consequences, and 2021 delivered a new record volume of €111bn of transactions, marking year-on-year growth of 40%. Mergers and corporate takeovers, in particular the Vonovia/Deutsche Wohnen transaction, made a major contribution. As per CBRE estimates in January 2022, the demand for German real estate in 2022, both from domestic and from international investors, is expected to continue to run strongly, with more than €80bn of transaction volume expected in 2022. While in 2021, the residential segment was primarily dominated by major consolidations, in 2022 portfolio transactions are expected to continue. The residential property in the institutional segment continues to perform strongly, with commensurately high occupancy figures ensuring stable and sustainable rental income. Based on this scenario, yields were expected to be heading in the direction of the two-percent mark. However, recent developments around inflation and interest rate expectations are likely to result in this scenario being adjusted.

Investment volume in Germany*



Source: CBRE Research; *excluding proportion of company share takeovers, **investments in residential properties (50 or more units)

Investors' main focus in the commercial segment remains on office real estate, particularly core and core plus properties that can also effectively adjust to the change caused by the pandemic toward hybrid working and more space for meeting and collaboration, combined with health and wellbeing amenities. The office markets are increasingly getting back on track as companies are requiring their employees to return to the office again, at least in part. This was particularly evident at year-end from very dynamic office take-up and rents in an uptrend. In view of the limited supply of premium office space, higher growth rates are expected in the medium term, particularly in prime rents. In summary, the demand for defensive investments is still strong, with excess demand therefore producing further yield compression.

More than

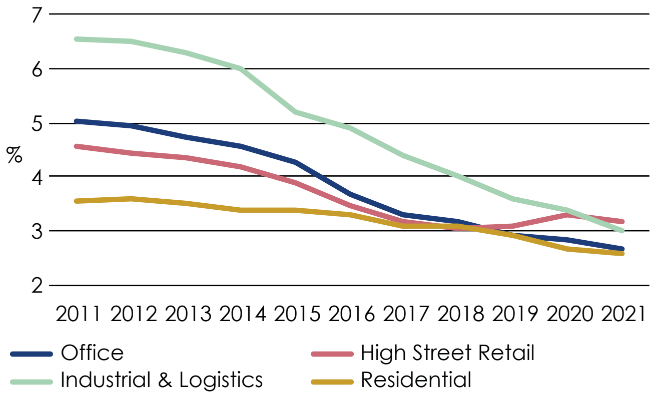
€80BN

of transaction volume expected in 2022

Limited product availability, above all in the core segment, is the number one factor of constrain on the German investment market even though a great of capital is seeking a home here.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Development of prime yields



Source: CBRE Research

German Office Market

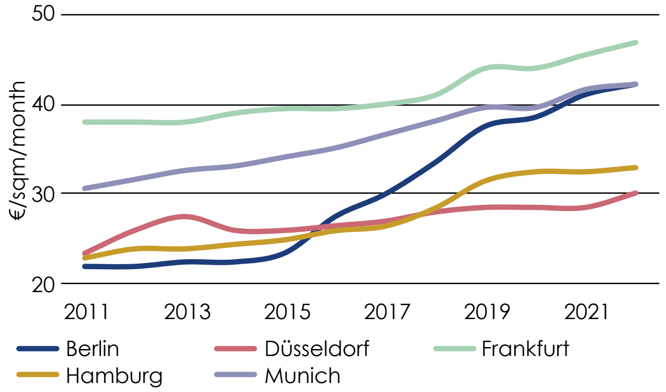
The recovery in the office leasing markets is ongoing thanks to pent up demand due to reduced activity during the COVID-19 pandemic. Emphasis continues to be placed on contemporary and high-quality office space – where short supply in the core segment is driving rents higher, especially in the Berlin office market. Aggregate believes that there will be a great need for office space in the coming years. By the end of 2024, around 7 million sqm of newly built or fully renovated office space will come on the market over this period in Germany. Currently, 40% of this volume is already pre-let or absorbed by owner-occupiers. In 2022 alone, 2 million sqm is likely to be put on the market, with a pre-letting rate of currently 56%. The significance of property development to providing modern suitable premises in the office market is illustrated by the high proportion of pre-lettings in the overall take-up of the Top 5 that totaled 35% in total in 2021. Since the demand for contemporary and efficient office space is set to remain high and potentially intensify, the impact on vacancies is likely to remain moderate despite the high completion volume. Old office buildings in more peripherial locations will feel the shift in occupiers' quality awareness, especially when ESG criteria start to play a stronger role in leasing decisions.

By the end of 2024, around

7 MIL SQM

of newly built or fully renovated office space will come on the market

Development of prime office rents



Source: CBRE Research

Macroeconomic Environment and Portuguese Real Estate Markets

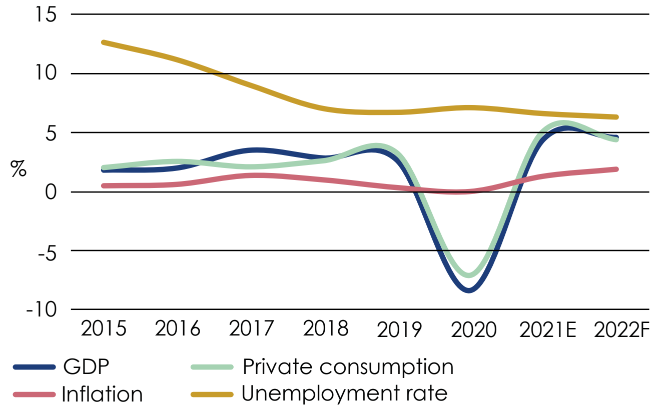
The economy is projected to grow by 4.6% in 2022. GDP should surpass its pre-crisis level around mid-2022. Robust growth is mainly driven by domestic demand, and will be boosted by the absorption of EU funds. The current rise in production costs, driven essentially by energy prices, is not currently expected to fuel underlying price pressures substantially given still sizeable slack in the economy.

The economy is projected to grow by

4.6% IN 2022

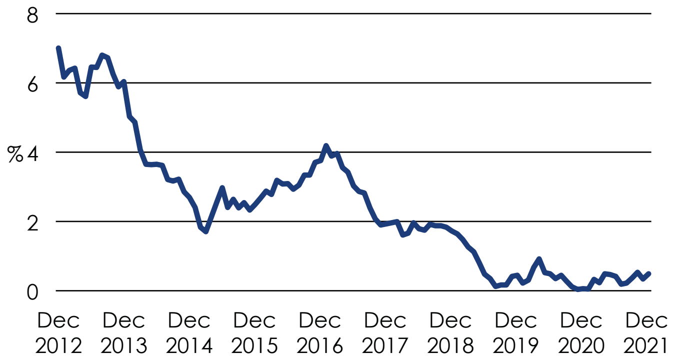
The fiscal stance is expected to remain supportive over the forecast horizon, mainly due to sizeable absorption of Next Generation EU grants. The non-performing loan (NPL) ratio, though decreasing, is among the highest in Europe, which is a possible source of financial stress. Since some reallocation of activities and jobs is inevitable in the aftermath of the COVID-19 crisis, strengthening insolvency regimes would facilitate it, while allowing the economy to cope better with a possible surge in business failures and NPLs. It is important to avoid reversing past labour market reforms, which can undermine a sustainable recovery.

Key economy indicators



Source: Oxford Economics

10-year Portuguese bond yields



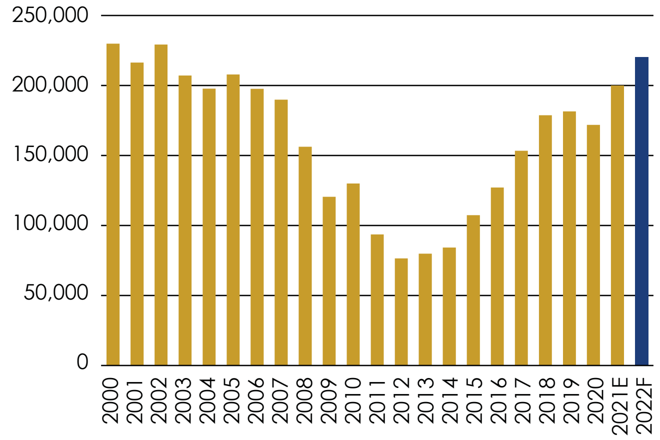
Source: www.investing.com

House sales will continue to rise

The residential market reached a record performance in 2021, with a current estimate of approximately 200,000 homes sold, 16% more than in the previous year and 10% higher than 2019. The number of homes sold will continue to increase in 2022, as not only has there been an increase in licensing in 2021 (rising more than 10% compared to 2020) but there is still high unmet demand throughout the country.

Indeed, the volume of development continues to lag behind the natural dynamic of demand. Furthermore, given the lockdowns and prospects for a hybrid work model (home and office), the residential sector came out on top of this pandemic: people spend more time at home and need more space. The lack of supply will continue to be reflected in a predominance of sales of properties off-plan or under construction. However, the rise in construction costs may lead some developers to revise their sale strategies to hedge from extraordinary cost increases. Although the market fundamentals are extremely positive, the construction of this growth cycle in housing sales is only feasible with accessible mortgages.

Number of homes sold in Portugal



Source: INE and CBRE

The Housing Price Index shows successive increases since 2014, and in 2021 the rise was around 8%, with a slowdown in the growth rate of resale homes. A similar dynamic for 2022 is expected. Indeed, development is expanding to a growing number of councils (aside from Lisbon and Porto) and, as new product enters the market, prices are expected to rise in those locations.

Competitiveness and Business environment

OECD	Forbes	WORLD BANK GROUP	eurostat
2018 67 countries	2019 161 countries	2019 190 countries	2018 28 countries
2nd most open country for FDI OECD FDI restrictiveness indicator	Best countries for business	Trading across borders	EU-28 country with the largest share of energy from renewable sources (% of gross final energyconsumption)
#2	#25	#1	#6

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Overview of Business Performance

2021 was a very significant year for Aggregate, as the Company materially grew its asset base through the acquisition of the prime Fürst development in Berlin and the portfolio of development projects in Berlin, Düsseldorf and Frankfurt and the Ringbahnhoefe asset in Berlin. The group diversified its funding base and undertook a significant refinancing at Quartier Heidestrasse, while managing the impact of the significant decline in the share price of Adler, where it held a significant stake.

Loan-to-Value

LTV is an important measure for the Aggregate Group due to the company's status as an asset company transitioning to a yielding portfolio. The LTV at 31 December 2021 is 59.8% (FY 2020: 41.9%) including non-current and current debts held by the Group and debts under liabilities held for sale as at 31 December 2021. Total assets minus cash increased by significantly more than net debt, with net debt increasing by €2.49 billion compared to total assets (net of cash) increasing by €2.75 billion. The significant growth in assets reflected the attractive opportunities available to Aggregate during the year 2021. Aggregate Group is targeting in the medium-term LTV for the group to be under 50%.

Management NAV

The Management Net Asset Value represents the calculation of the excess of the fair value of assets over liabilities of Aggregate Group on an ongoing and long-term basis in management's view. It includes adjustments of (i) fair value of inventories compared to book value in the Build & Sell segment (ii) Adding back deferred taxes and financial liabilities relating to derivatives at 31 December 2021 that are not expected to crystallise on an ongoing basis, (iii) fair value uplift of Quartier Heidestrasse and Fürst based on adjusted residual value calculated by taking the average of JLL appraised and Management expected GDV on completion, less JLL appraised costs to complete as at 31 December 2021, (iv) valuing Adler Group holding of 6.1% at market price of €4.45 as of June 24, 2022. As at 31 December 2021, the Management NAV of Aggregate stood at €3.3bn. The Group is continuing to strive to grow its net assets, supported by the advanced stages of construction for Quartier Heidestrasse and Fürst, and the existing land bank in Germany and Portugal.

Management NAV	€ million
Shareholders equity (including hybrid)	1,959
Fair value Inventory uplift	425
Deferred Taxes	265
Net financial liabilities relating to derivatives	8
Adjusted NAV	**2,658**
QH fair valuation uplift	431
Fürst fair valuation uplift	278
Adler fair value write-down	(46)
Management NAV	**3,320**

Profit & Loss

For the financial year 2021, total revenue generated by Aggregate amounted to €76 million as compared to €648 million, comprising primarily of sales of apartments at Prata and rental income from Quartier Heidestrrasse. The net decrease of €572 million is mainly driven as follows:

- Included in 2020 total revenue is an amount of €628 million relating to Consus for the 6 months period to 30 June 2021, which was disposed in July 2020.
- Increase of €34 million in income from property development, mainly driven by apartments sold in Portugal.

Aggregate focused on the development of its projects in Germany and Portugal, with the key area of activity being construction of its properties (both for Build & Hold and for Build & Sell). The revenue reflects the group's position at the beginning of its strong ramp up.

Overall performance reduced to €107 million (2020: €572 million), mainly due to the Consus disposal.

Net income from fair value adjustments of investment properties and investment properties under constructions increased to €861 million (2020: €244 million) primarily due to the successful acquisition at a significant discount of the 10-project portfolio, with significant contributions also from the increase in fair value of Quartier Heidestrasse, Project Fürst and Ringbahnhofe.

Net loss from the fair value adjustments and disposals of financial assets of €270 million (2020: €5 million) relates to realised loss incurred by Aggregate on the disposal of financial real estate financial assets during the year 2021.

During the financial year 2021, Aggregate Group recognised an impairment loss of €219 million on the Equity accounted investments held in ADLER Group due to the recent developments in relation to the publication of the consolidated financial statements of ADLER Group as of 31 December 2021. In addition to the above, Aggregate Group recognised a share of loss of €308 million thousand on ADLER Group.

Finance costs amounted to €307 million, out of which €248 million (€254 million) relates to interest expense paid on loans and borrowings. Included in 2020 finance costs is an amount of €143 million relating to the 6 months period ended 30 June 2020 of Consus. The increase in interest expense during the financial year 2021 is largely in line with the increase in loans and borrowings of Aggregate.

For the financial year ended 2021, Aggregate reported a loss of €575 million which is attributable to the owners of the Group as compared to a profit of €159 million in 2021.

Cashflow

The cashflow statement reflects Aggregate's status as developing and constructing assets prior to receiving income, in the Build & Hold division in 2021. Operating cashflows were €14 million mainly due to the following:

- Net increase of €157 million from trade and other payables, which includes net movement of €301 million relating to mandatory convertible bonds issued to finance the remaining 32.00% acquisition of VIC Properties Holdings S.A. minorities stake and €124 million in relation to mandatory convertible bonds issued in relation to the acquisition of Ringbahnhofe.
- Net movement in assets and liabilities held for sale and discontinued operations for an amount of €19 million.
- Interest paid for an amount of €159 million during the year 2021.

Net cash used in from investing were €1,160 million mainly due to:

- Net cash paid for an amount of €505 million for the acquisition of new subsidiaries during the year 2021 Project Fürst, the 10-project portfolio and Ringbahnhofe.
- Net capital expenditure incurred during the year for a total amount of €283 million.
- Dividend income received from ADLER Group's stake in 2021 for an amount of €18 million.
- Net movements in financial assets and financial derivatives, and loans receivable from third parties and related parties for an amount of €387 million.

Cashflow from financing was €1,498 million, reflecting the financing undertaken for the new acquisitions in 2021. Fürst, Ringbahnhofe and the 10-project development portfolio were materially funded by debt raised specifically for the purpose of acquiring these assets. For the 10 development projects portfolio, the acquisition was financed through taking over the existing project debt and raising an acquisition loan at the development holding company level. The acquisition debt is expected to be repaid via the disposals.

The net result was for cash to increase from €68 million to €392 million, with the majority of the increase reflecting the capex and interest reserve accounts set up as part of the Fürst financing, plus cash balances included at the project level as part of the 10-project portfolio acquisition.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Balance Sheet

The total balance sheet of Aggregate increased from €4.8 billion in 2020 to €7.9 billion, reflecting primarily the increase in investment properties through acquisitions of Fürst and the 10-project portfolio in the Build & Hold division, but also the increase in valuation in Quartier Heidestrasse. Other movements were the increase in inventory in Build & Sell, the increase in financial assets and the decrease in equity accounted investments through the reduction in the valuation of the Adler stake. The total assets split per business units are as follows:

- Build and hold: €3,909 million.
- Build and sell: €1,878 million.
- Financial real estate and other assets: €2,118 million.

Goodwill and intangible assets amounts to €1,136 million reflecting the acquisition in prior years of VIC Properties.

Investment properties and investment properties under constructions have a fair value of €3,560 million (2020: €1,543 million) as of the balance sheet date. The increase was driven by the key first phase of Quartier Heidestrasse which was completed and through a combination of acquisitions, with Fürst, Ringbahnhofe and the 10-project portfolio adding €1,817 million, and also capex and revaluations of existing properties. The Quartier Heidestrasse project is already financed with the current target completion date for over 90% of the development of end 2023.

Inventories increased to €712 million (2020: €682 million), with the change reflecting €31 million mainly due to net construction costs incurred and borrowing costs capitalised during the year 2021 after taking account of sales. All the inventories on the balance sheet relate to the activities of VIC Properties in the Build & Sell division.

Non-current and current financial assets increased to €585 million (2020: €451 million), with the net increase resulting from:

- An increase in loans granted to third parties and related parties for a total amount of €268 million.
- Net decrease of €146 million in financial real estate financial assets mainly due to disposal made during the year 2021and impairment charges booked as at year-end.

As of 31 December 2021, the Group held 26.59% in ADLER Group which is listed on the stock exchange market. The Group's interest in ADLER Group is accounted for using the equity method in the consolidated financial statements (see further note 31 for Subsequent event).

As of 31 December 2021, the Group has assessed the recoverable amount of ADLER Group and an amount of €219 million was booked as impairment loss taking into account the recent developments in relation to the publication of the consolidated financial statements of ADLER Group as of 31 December 2021 plus a share loss of €308 million bringing the book value of ADLER Group to €329 million (2020: €871 million).

Cash and cash equivalents significantly increased to €392 million at year end 2020 (2020: €68 million). The majority of the increase is due to the capex and interest reserve accounts created as part of the fully-funded financing of the Fürst project.

Assets from discontinued operations relates to Fliptag Investment Ltd, Havza Limited and Oldbourne & Oldbourne Hospitality Limited pursuant to the Share Purchase Agreement signed on 9 November 2021. The sale was concluded on 28 February 2022.

Assets from held for sales relates to 8 development assets from the 10-project portfolio acquired, the Ringbahnhofe project and two other real estate portfolios held by the Group. To note that investment properties, investment properties under development, trade and other receivables, cash at bank are included under this caption. Please see note 19 for more details.

Total equity amounted to €2,301 million (2020: €2,063 million) and is mainly composed of subscribed capital, share capital and retained earnings, plus hybrids and minority interests. The Company did not acquire its own shares in 2021 and 2020. Mandatory convertible bonds increased to €425 million reflecting mandatory convertible bonds issued for the payment for the acquisition of the minority stake in VIC Properties, and for part-payment for Ringbahnhoefe. The non-controlling interests of €342 million (2020: €36 million) relate primarily to the Build & Hold division, with the significant increase relating to the acquisition of the 10-project portfolio.

Non-current and current loans and borrowings amount to €4,229 million (2020: €2,055 million), with the significant increase primarily to fund the new acquisitions being made but also due an increase in loans funding the capex associated with the continued development of the Company's core projects.

Trade and other payables reduced to €297 million (2020: €503 million) mainly due to payment via issuance of mandatory convertible bond to settle the outstanding trade payable relating to the purchase of 32% of VIC Properties in 2020.

Liabilities from discontinued operations relates to loans and borrowings and trade and other payables of Fliptag Investment Ltd, Havza Limited and Oldbourne & Oldbourne Hospitality Limited as at year-end. The sale was concluded on 28 February 2022.

Liabilities held for sale relating to 8 development assets from the 10-project portfolio, the Ringbahnhofe project and two other real estate portfolios held by the Group and consists of trade and other payables, loans and borrowings and deferred tax liabilities as at year-end. Please see note 19 for more details.

Net Loan to Value (Net-LTV), defined as net debt divided by total real estate assets minus cash, amounts to 59.8% (2020: 41.9%). The significant growth in assets reflected the attractive opportunities available to Aggregate during 2021. Aggregate Group is targeting in the medium-term LTV for the group to be under 50%.

Events post Balance Sheet

Financings

The Group has undertaken a number of refinancings post balance sheet date, including refinancings and incremental financings at the Quartier Heidestrasse project and refinancings of various project debt. In addition, the group has extended the repayment date of the put option on the VIC Convertible Bonds to 28 September 2022.

Planned sale of Quartier Heidestrasse

On 10 May 2022, the Group announced the planned sale of the Quartier Heidestrasse development. The decision to sell Quartier Heidestrasse will enable Aggregate to release unrecognised value on its balance sheet, pay down debt coming due and provide strategic optionality for upcoming refinancings.

Outlook

During 2022, the Group intends to focus on its disposal processes, in particular for Quartier Heidestrasse and also for its assets held for sale. This will enable Aggregate to release value on its balance sheet, de-lever the company and provide strategic optionality for upcoming refinancings. The Group will remain focussed on its assets in Germany and also in Portugal.

The Group believes that there will be significant opportunities available in 2023 in the German real-estate market, and is working on de-levering the company so that it will prepared to take advantage of potential interesting situations in the upcoming environment. The Group believes that prime commercial real estate assets will be available at prices wich will not reflect their fundamental long-term value. The Group's business in Portugal continues to see opportunities to potentially acquire and develop residential projects in Portugal and the surrounding regions.

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

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Annual review of sustainability framework and ESG progression

"Having initiated an ESG focus in 2021, Aggregate released the first sustainability report for the entire group, conducting a holistic approach to sustainability analysis and to the core points of corporate social responsibility which is equally applicable to all our subsidiaries and business interests. The 2021 sustainability report represents the group's increased focus to deliver energy efficient buildings, sustainable companies, healthy employees, and engaged communities. Aggregate also recognises its responsibility to prevent climate change at a corporate and institutional level, as should most companies. Compliance with environmental standards in real estate is an absolute priority and the company is implementing this ethos to its entire value chain. Stakeholders are increasingly, and rightly, focused on investments that evidence environmental protection, respect for social standards and corporate governance. Aggregate continues to take ownership of these expectations and will continue to progress the company Environmental, Social and Governance activities."

Chief Financial Officer, Benjamin Lee and Chief Investment Officer, John Nacos

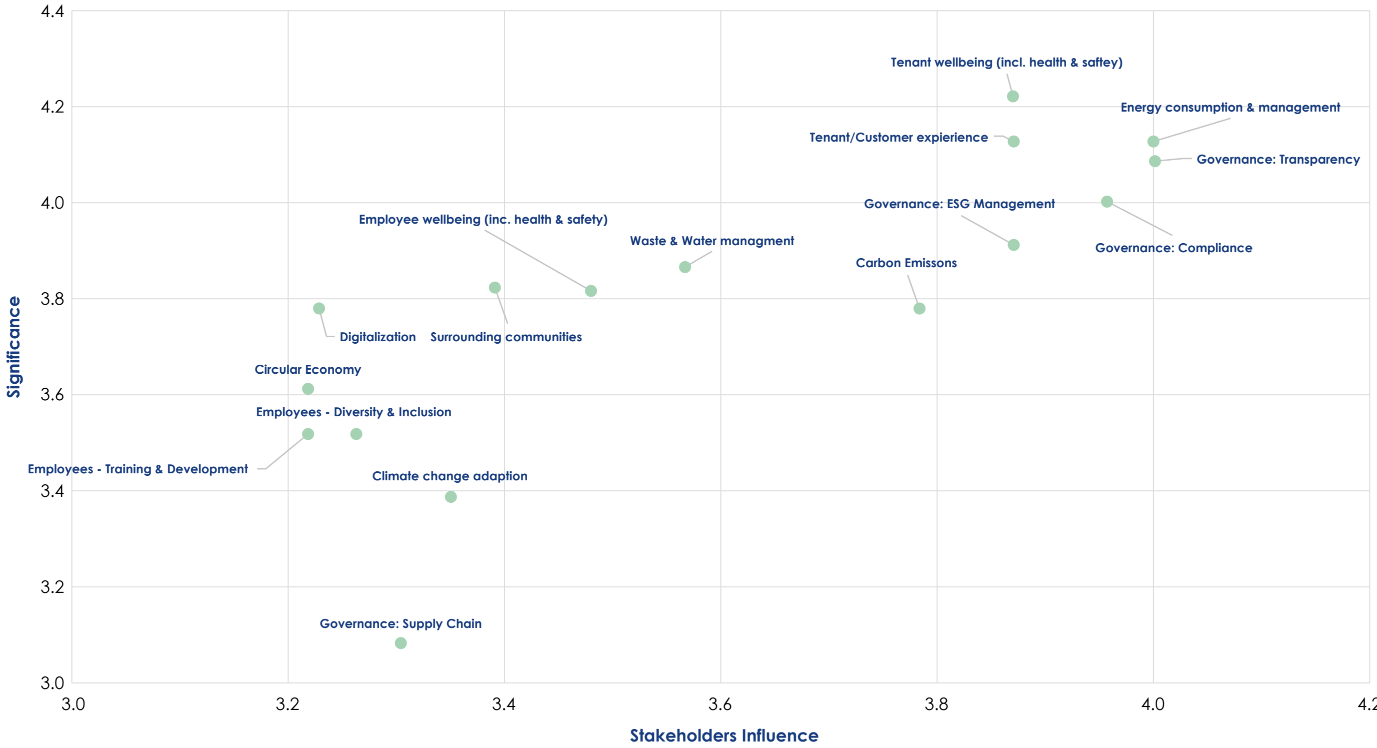
Aggregate Holdings S.A. published its first sustainability report with the title "Progressing our sustainability agenda" in 2021, which included a sustainability roadmap and company targets, with a clear action plan for its sustainability journey. The report represents a thought-out overview of the challenges in transforming Aggregate Holdings S.A. into a signficant company for sustainability in the real estate industry.

Aggregate continues to conduct an analytical review of its sustainability agenda, which includes both strategic issues and operational implementations. Using the asisstance of best-in-class advisors the company has conducted a holistic approach to its sustainability development. 2021's sustainability agenda was focused on the following guiding corporate workstreams:

- To analyse the status quo of sustainability and the value chain
- Market trends relevant to the group, such as target groups, risk, and success factors in relation to the status quo
- Analyse and prioritize the sustainability topics relevant to the company and the value chain
- To identify sustainability potentials and goals
- Develop essential reporting standards and reporting tools and their application in the context of the value chain
- To identify the most appropriate sustainability reporting method
- Determining the metrics and indicators for measuring sustainability
- Differentiating the indicators in international, national, company-specific and product-specific levels and establish a link between them
- The development of a concept for the measurement of sustainability and the integration into the controlling function
- To develop controlling instruments (strategic and operational) and their application in terms of sustainability
- Further development of strategy for sustainable corporate transformation
- To anchor sustainability in the structures of the company

Considering the market standards of sustainability maturity levels of an organization, Aggregate's current set of development and characteristics presents a clear progression. This establishes Aggregate's transition and successful near completion from a compliance maturity level, to a baseline level which will mainly focus on the company's ability to put together a robust environmental management system and accomplish milestone corporate developments. As part of the company's ESG compliance progress, the onboarding of reporting frameworks was a natural phase which was conducted in parallel to focus on relevant KPIs for real estate development projects. Amongst other considerations, a draft outline based on the GRI Framework including GRI-Index, GRI-KPI's and reference to UN-SDG was put together to determine which combination of indicators are suitable and feasible for the company. This was in combination to a collection sheet with a combination of GRI and GRESB (real estate development project) indicators. The same approach is intended of being implanted to EPRA, SASB and Sustainalytics.

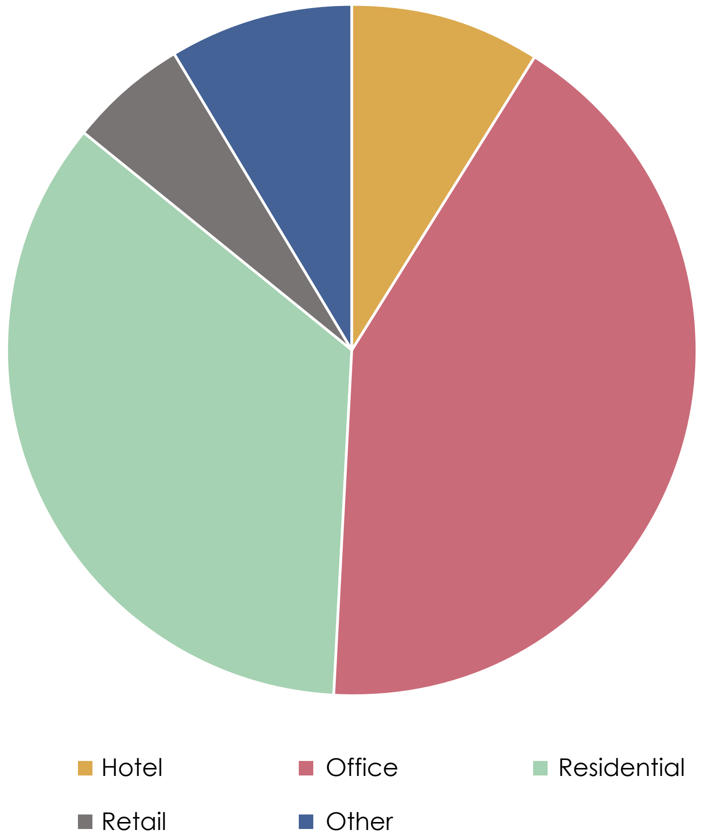
Aggregate Holding S.A. Materiality Matrix with key stakeholders



Based on the Aggregate Holding S.A. comprehensive materiality analysis, a market leading advisor for the group conducted an ESG questionnaire. The questionnaire assessed key sustainability topics from both the company and selected perceived stakeholder perspectives. The analysis was of a qualitative approach, by rating the materiality topics from a scale of 1 (low) to 5 (high). Two dimensions were utilised in the execution of this analysis, y-axis signifying 'Significance of company's ESC impacts', whereas the x-axis signified 'Influence on the assessments and decisions of stakeholders'.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Aggregate's Real Estate development portfolio (Gross Floor Area)



Introduction AH Overview Business Overview **Management Report** Auditor's Report Financials

Environmental matters

Climate change, and the associated challenges facing the economy and society are crucial to sustainable commercial growth. In partnership with best-in-class consultants, all core real estate development sites are designed to achieve or exceed benchmark environmental standards.

Green building certification

All of the company's major projects currently under development, including QH, Fürst and VIC are intended to achieve a green building certification, or have achieved a precertification status, under either the DGNB or LEED standards. In particular, QH Track has achieved DGNB precertification at a "Gold" certification level, reflecting that significant attention was given to creating a green building management system during the planning and execution phase of the project set-up. The green building management system reflects an approach that takes into account ecological, economic, socio-cultural and functional issues, as well as technical aspects of the planning and construction process. A similar approach is intended for assets including QH Core, QH Spring, QH Colonnades, QH Crown 1, Crown 2 and QH Straight. Fürst is intended to achieve LEED Gold certification, and compliance with the requirements of this certification has been verified by a third party acting as the LEED auditor during the previous phases of the project, to ensure that this status is on track.

The completed eastern building area (known as BT6) of Fürst has been awarded the Gold LEED certificate with an achievement of 76 points, only four points away from the highest possible grade, the Platninum certification.

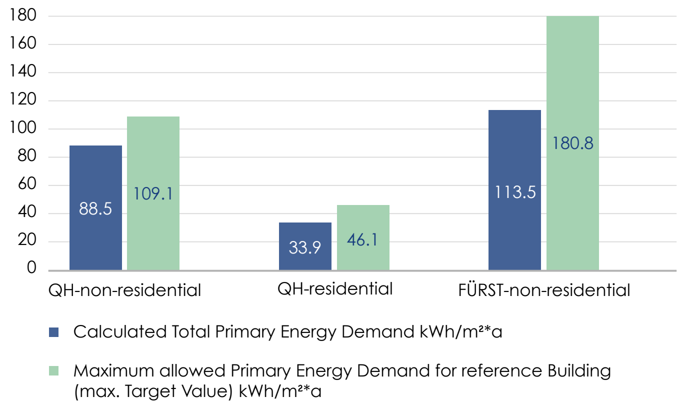
The German Sustainable Building Council (DGNB) certification system is internationally recognised as one of the global benchmarks for sustainability in real estate construction. With a share of over 80% in new-build construction and over 60% in the overall commercial property market, the DGNB is considered to be the market leader for providing construction certification in Germany. Their system is based on three fundamental factors: life cycle assessment, a holistic approach, and emphasis on performance. The Gold precertification achievement from DGNB is the second highest possible achievement in their certification awards, meaning the development has performed extremely well in the DGNB total performance index. The index is based on the following parameters: i) Ecological quality, ii) Economic quality iii) Sociocultural and functional quality, iv) Technical quality v) Process quality vi) Site evaluation.

The LEED (Leadership in Energy and Environmental Design) designation is a certification process developed by the US Green Building Council, and is one of the most widely utilised certifications in real estate internationally. LEED focuses on eight key areas: 1) Infrastructural integration of the location, 2) Property qualities, 3) Water efficiency, 4) Energy and global environmental impacts, 5) Material cycles and resource conservation, 6) Indoor air quality 7) Innovation, 8) Criteria with location-specific importance.

Energy design

Across QH and Fürst, Aggregate's projects have significantly lowered calculated emissions below the maximum allowed under Germany's EnEV (energy saving ordinance) requirements. For example based on its EnEV preliminary energy performance certificate, QH non-residential has total calculated primary energy demand that is 19% below the EnEV maximum, whilst QH residential is 26% below the EnEV maximum on the same basis. In addition, Fürst's calculated total energy demand is 37% below the EnEV maximum.

Energy efficiency according to EnEv total primary energy demand kwh/(m²*a)



Water conservation strategy and waste management

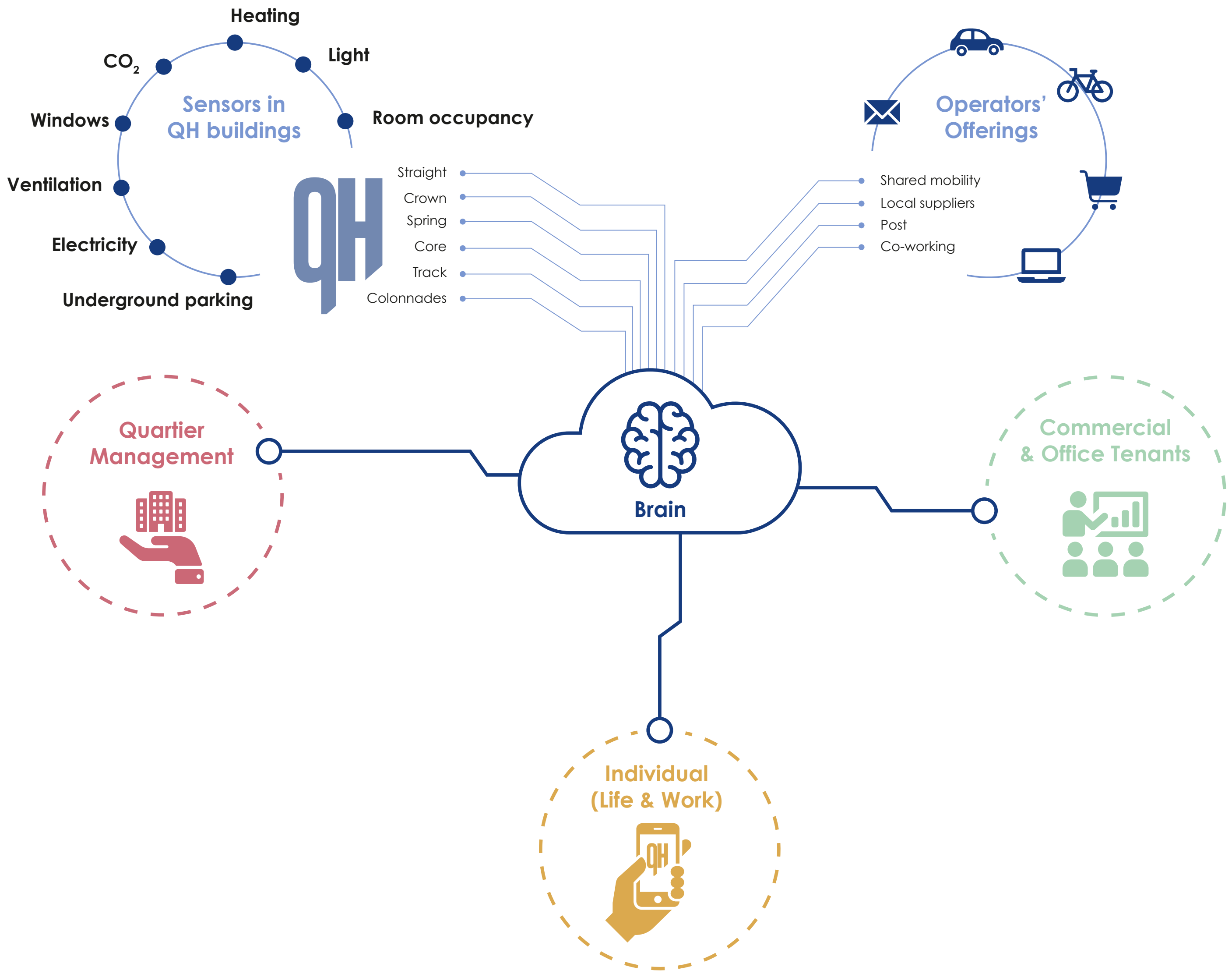
In relation to Quartier Heidestrasse and Fürst, there are water conservation strategies such as limitation of flow rates in bathroom facilities, whilst in Matinha and Pinheirinho rainwater is used for irrigation purposes. For certain buildings, including QH Track and Fürst, Aggregate creates a building life cycle assessment, as part of the green building certification process, whilst in other projects, the company implements initiatives based on circular principles, such as reusing and recycling cardboard packaging, and recycling construction aggregate after demolition for use in unbound layers of pavements.

Smart Neighbourhood – QH

The development utilises a modern mobility concept that creates a safe and eco-efficient environment for the residents, commercial areas and visitors. Crossquarter building control technology and building automation will enable smart functionalities. The functionalities for the 'Smart-Home' and 'Smart-Office' units will allow control of heating and blinds via a central control unit. The central control unit will also deliver and receive data from the building creating control and eco-efficiency in many aspects including the measurement of Room occupancy, Infrared Temperature, Humidity and Ventilation CO2 Value/ Climate. Using smart-technology and digitalisation provides a streamlined connectivity to all residents, commercial areas and visitors in terms of transport, service and support through the use of apps and desktop/hardware control panels.

Case study
Smart Developments

Smart City functions are enabled in Quartier Heidestrasse through the use of a central system referred to as the "Quarter's Brain", this platform sets the foundation for simple and secure smart functionalities across buildings and quarters, the highly complex infrastructure enables maximum utility for the users and connects all stakeholders and all applications. Tenants and residents are able to benefit from this efficiency through the user-friendly "Quartier's App" for all aspects of working and living.



Introduction | AH Overview | Business Overview | Management Report | Auditor's Report | Financials

United Nations Sustainable Development and Qualitative Targets

Aggregate has aligned company activities with the United Nations Sustainable Development Goals ("UNSDGs") and has embedded those goals most relevant to our business activities into our sustainability strategy.

Sustainability strategy and targets

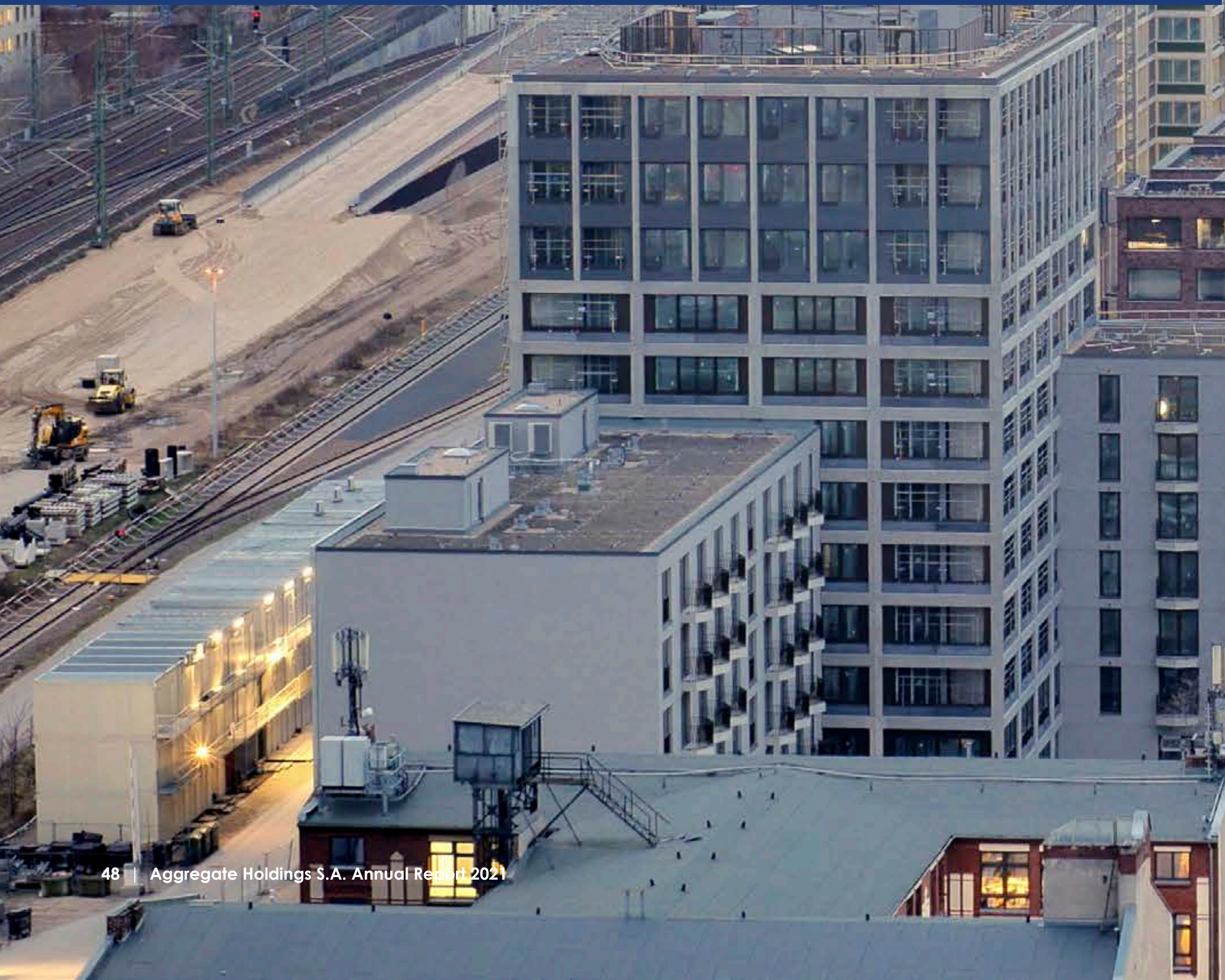
Materiality Pillars	Relevant Aggregate Issues	United Nations Sustainable Development Goals Aggregate Holdings is in the process of aligning all activities with the United Nations Sustainable Development Goals ("UNSDGs") and has embedded those goals most relevant to our business activities into our sustainability strategy.	Targets
Environmental Matters	- CO_2 emissions - Circular economy - Waste & Water	7 Affordable and clean energy: We will further develop capabilities to track and improve CO_2 emissions and energy consumption performance. We take sustainability criteria into account in all new construction projects. 9 Industry, innovation and infrastructure: We incorporate all the required environmental standards in all construction projects and seek to progressively improve performance in reducing CO_2 emissions.	- Increase capability to record environmental performance in CO_2, water consumption and energy ("KWH") consumption - Identify offset activities to mitigate CO_2 produced in construction - Constantly review and improve environmental standards for all developments
Social Matters	- Infrastructure contributions - Smart development initiatives - Educational donations - Local community initiatives	11 Sustainable cities and communities: We create residential and commercial neighborhood projects with a healthy social mix in sustainable environments.	- Further engage local communities to maximise Aggregate Holdings support - Targetting 1% of profits to be allocated to education in Germany - Identify and on-board charity and non-profit organisation partners
Employee Matters	- Accident reporting - Employee incentives - Labour standards - Health & Wellbeing initiatives	3 Good health and well-being: We empower and motivate employees. We are cautious of hazardous materials in construction and comply with all health and safety obligations. 5 Gender equality: We promote diversity and non-discrimination in all forms. We treat women and men as equals. We seek to provide a healthy work-life balance.	- Employee support and development (Training programmes) - Implement LTIPs and STIPs - Employee engagement surveys to assess satisfaction and feedback
Governance Matters	- Environmental policies - Employment policies - Sustainability governance - Corporate Governance initiatives	8 Decent work and economic growth: We prioritise the alignment of salaries with market standards and the maintenance of occupational health and safety. We aspire for robust company growth in our respective economic activities. 12 Responsible consumption and production: We are standardising energy efficient technologies in development projects and aspiring to a minimum energy performance level. We continually encourage the application of environmental criteria when selecting constructions suppliers.	- Maximise transparency in key company reporting and disclosures - Develop a Sustainability Management structure

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Case study Committed to affordable housing

As part of Aggregate's commitment to the communities in which it operates, the company not only provides much needed housing and infrastructure, but also ensures that a percentage of domestic units are affordable.

Project Quartier Heidestrasse, located 15 minutes walking distance from Berlin Central Station, offers affordable housing as part of its social corporate responsibility. The building QH-Spring will include approximately 231 social housing apartments spread over an estimated area of 10,983m2 (c.47m2 on average per unit). The social housing area includes four, three, two and one bedroom apartments.



Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Opportunities and Risk Report

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

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

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

Risks Report

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

Strategic Risks

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

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

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

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

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

Fair Value of Real Estate Property Risks

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

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

There can be no assurance that the value of the Group's real estate properties reflects the future sales prices. For future projects, any failure to sell the estimated number of residential or commercial real estate properties or selling at prices lower than expected may result in a lower revenue than estimated.

In addition, the Group's ability to increase its income from properties being developed to hold and properties being developed to sell, is dependent on its ability to increase occupancy and rent levels of the developed residential real estate properties. Consequently, the loss of current tenants could lead to a reduction or loss in rental income if the relevant member of the Group is not able to find new tenants in a timely manner.

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

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

Construction Cost Risks or Delays of Construction Periods

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

With respect to the construction of development projects, the Company or any member of the Group is exposed to various risks relating to defective construction work or the use or installation of defective construction materials by third-party suppliers or contractors. The warranty, guarantee or indemnity protection set forth in the contracts with such third-party suppliers and contractors, and the arrangements with insurance providers to insure against certain risks, may prove to be insufficient or may not adequately protect Aggregate or any member of the Group against relevant risks. Furthermore, the Group may not be able to enforce claims in the respective amount, or at all, due to the third-party contractor's or supplier's insolvency or for other reasons. Significant liabilities may not be identified or may only come to light after the expiry of warranty, guarantee or indemnity claims.

Any claims relating to defects arising from or related to one of the development projects of the Group may give rise to contractual or other liabilities, which can extend, depending on the relevant contractual or statutory

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

provisions, for five years following completion of the development project, and may not be covered by claims against any contractors or suppliers of the Group.

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

Contractors and service providers carrying out construction work may be adversely affected by economic downturns, insolvencies or any other risks inherent to the provision of construction services. These risks include damages caused by severe weather conditions (e.g., fires, floods or natural disasters) and construction-related delays due to personnel shortages, strikes, building site safety, governmental permits or restrictions on construction activity, shortage of or inability to source building materials and transportation issues, any of which may be influenced by the respective parties' reliance on third parties. Among others, any of the aforementioned risks may result in significant cost overruns and project delays. For example, in connection with the ongoing Coronavirus pandemic, national, regional or local authorities have mandated social distancing measures which resulted in decreased activity on some of the Group's construction sites. Such restrictions, or a complete halt of construction activity may be mandated again in the future. Furthermore, the Group is exposed to cost increases in connection with services of contractors, service providers and sub-contractors. Any cost increases could adversely affect the ability of the Group to earn the projected yields related to the development projects.

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

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

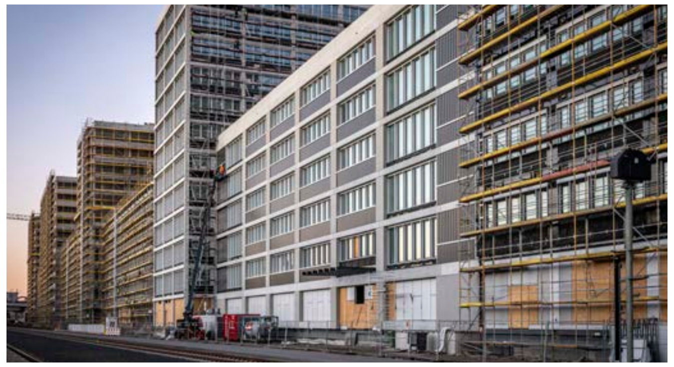
Illiquid Assets Risks

Land plots and real estate properties can be relatively illiquid assets because they may not be easily sold and converted into cash when markets deteriorate. The Group may be required to sell entire land plots or properties in certain circumstances, including due to changes in development plans, failure to obtain required building permits, the decision not to proceed with the development, changes in economic or property market conditions, negative political developments affecting the residential real estate or commercial letting market, including any expropriation or nationalization of real estate property, rental caps or financial distress. The illiquidity of real estate properties may affect the ability of the Group to dispose of or liquidate parts of its development portfolio in a timely fashion and/or at satisfactory prices when required or desirable, and the Group may incur additional costs until it is able to sell such land plots or properties. This could have a material adverse effect on the business, financial condition and results of operations of the Group.

Risk Related to the Real Estate Market

The Group's core business is in real estate investments. The Group focuses on acquiring, developing, managing and selling residential and commercial real estate predominantly in Germany, in particular in Berlin, but also with an interest in Portugal. The Group's business success is therefore especially dependent on the performance of the real estate markets it operates in, the demand for properties, including rented properties, in Germany and in particular in Berlin as well as Portugal, in particular in and around Lisbon, and the level of achievable rents, the expenses necessary to generate the rental income, as well as the achievable purchase and sale prices and market values of properties. The real estate market, in turn, is dependent in particular on the performance of the overall economy, political developments, including changes in legislation, and the demand for real estate in the respective country. Key factors affecting macroeconomic developments in Germany and Portugal include the state of the German and Portuguese economies, as well as European and global economy, the development of commodity prices and inflation rates, the extent of national indebtedness, and interest rates. The 2021 worldwide economic downturn, a rise in the inflation rate, deflationary tendencies or an upturn in interest rates could adversely affect macroeconomic performance. Moreover, in the last recession in the Eurozone, particularly the need for some governments to cut back on spending to retain credibility in the financial markets, impacted economic developments in Germany and to a more significant degree in Portugal and an increasing level of national indebtedness could have consequences, including reduced economic output, a higher inflation rate, rising taxes, and lower income, thus reducing the willingness of private individuals and institutional investors to invest. A deflation may have similar effects.

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



Coronavirus Pandemic

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

The Group continues to follow the recommendations of governments from around the world and is managing response in line with the World Health Organization (WHO) guidelines. It has implemented measures to reduce the risk of the virus spreading at its operations. These include introduction of pandemic safety protocols, ensuring sufficient supplies of sanitation products and essential personal protective equipment, strictly following social distancing procedures, conducting enhanced and regular cleaning operations and monitoring the health of employees when they enter and exit work premises.

Wherever possible, the Group implemented remote working. Employees were provided support, advice and guidance they needed to adjust to working in challenging times. The Group has been in continuous contact with leadership teams in all the jurisdictions where it operates to ensure the right decisions are being taken for the wellbeing of employees.

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

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

Commercial property has been more significantly impacted given the government requirements to work from home. However, the sector is expected to recover

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

strongly when the pandemic restrictions are removed, particularly for the portfolio in central areas and strong city locations.

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

Financing Risks

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

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

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

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

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

Interest rate risks are relevant because of the Group's financial liabilities. In order to minimise interest rate risk, the Group follows a policy of mixing loans with fixed interest rates and variable rate loans. The Group also seeks to over time further increase the share of long-term financing through fixed interest rates. However, increases in the refinancing interest rates of the central banks may make property financing more expensive and could thus lead to a reduction in the demand for real estate. All real estate transactions generally also carry a risk in relation to their timely refinancing. Forward sales reduce this risk considerably. The Group has financings as part of financing mix that need to be refinanced in the short term. In the case of loans with variable interest rates, an upward change in the interest rate level leads to a detrimental effect on the consolidated earnings. At balance sheet date, €1,873 million (2020: €1,160 million) related to loans with variable interest rates and €3,018 million (2020: €908 million) to fixed rate instruments. Interest payable on variable interest rate loans is on average significantly lower due to its prevailing senior loan characteristic. The Board and management regard the risk of interest rate changes and their effects on the asset, financial and earnings position given the current and medium-term expected interest rate level as not relevant.

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

The covenant requirements are monitored in order to prevent breach of covenant (default). As of 31 December 2021, there were no defaults. The Board and management regards this risk and its effects on the asset, financial and earnings position due to the potential loss exposure as relevant. Moreover, a persistently restrictive lending policy could negatively affect the demand for real estate in general, and thus result in impairments for the inventory properties of the Group, and in lower proceeds from newly developed properties.

As of 31 December 2021, the Group has net debt of approximately €4,476 million (2020: €1,987 million, an unaudited LTV of 59.8% (2020: LTV of 41.9%) and gross current financial debt of approximately €949 million (2020: €396 million). In relation to the existing loans for financing the properties and shares in real estate companies held by the Group, the refinancing of the ongoing business activities, and the new borrowing required to acquire additional properties and stakes in real estate companies, there is a risk that company-specific and market-specific developments may make it harder to borrow funds and/or make such borrowing possible only on less favourable terms.

As of 31 December 2021, the Group has taken out loans and borrowings in a total outstanding amount of €4,330 million (2020: €2,055 million) that are subject to certain covenants agreed with the banks (financial covenants). Breaches of these covenants could trigger payments into blocked accounts or early repayment obligations on the basis of a contractually agreed escalation procedure.

Risk from Significant Goodwill

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

As of 31 December 2021, the Group has taken out loans and borrowings in a total outstanding amount of

€4,330MIL

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

Tax Risks

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

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

The Group currently holds real estate in Germany and shares in companies which own real estate in Germany. Under current German law, the transfer of real estate or of a 90% or greater interest in a company that owns real estate triggers a potential liability for RETT.

Total attributable Build & Sell assets

90%

or greater interest in a company that owns real estate triggers a potential liability for RETT.

Risk Relating to Selling Individual Apartments

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

Interest Limitations Deduction

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

the deductibility of net interest expenses is generally limited to

30% of EBITDA

Opportunity of the Group

The Group believes that there is significant opportunity in the commercial real estate sector in Germany and German-speaking countries in Europe. The Group believes that the current value of prime commercial real estate assets does not reflect their fundamental long-term value, in particular in relation to development assets. The Group business in Portugal continues to see opportunities to potentially acquire and develop residential projects in Portugal and the surrounding regions.

Board of Directors

Mr. Massimo Longoni	Mrs. Elena Guaraldi
Director Class A	Director Class B

Mazars Luxembourg
5, rue Guillaume J. Kroll
L-1882 Luxembourg
Luxembourg
Tel: +352 27 114 1
Fax: +352 27 114 20
www.mazars.lu

Société Anonyme
RCS Luxembourg B 159962
TVA LU24665334

Independent Auditor's Report

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 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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 ("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 as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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.

Material uncertainty on going concern

We draw attention to notes 2 (b) and 31 to the consolidated financial statements which describes the current refinancing situation of the Group further to the exercise of an early put option by the bondholders.

As described in note 2 (b) to the consolidated financial statements, the Group is dependent on the successful negotiation of refinancing as well as the timely completion of the sale of Quartier Heidestrasse to meet its various obligations. The financing options available depend on several factors that cannot all be influenced by the Group.

These events and conditions, along with the other matters as set forth in notes 2 (b) and 31 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw your attention to the notes 14 and 31 b) to the financial statements that further describe the specific considerations that led to the determination of the recoverable value of the Group's interests in Adler Group as at 31 December 2021 and the related impairment.

Our opinion is not modified in respect of this matter

Independent Auditor's Report

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 20 April 2021.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated 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 for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Financial Statements

The objectives of our audit 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 dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit.

Independent Auditor's Report

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.

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.

Luxembourg, 29 June 2022

For Mazars Luxembourg, Cabinet de révision agréé5, rue Guillaume J. Kroll
L-1882 Luxembourg

Guillaume BROUSSE
Réviseur d'entreprises agréé

Consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December

In thousands of €	Note	2021	2020
Income from letting activities		10,792	57,211
Income from property development	5	35,283	558,615
Other operating income	6	30,143	32,161
Total revenue		**76,218**	**647,987**
Change in project related inventory	7	31,209	(75,901)
Overall performance		**107,427**	**572,086**
Net income from fair value adjustments of investment properties and investment properties under development	12 (iv)	841,565	244,148
Net loss from fair value adjustments and disposals of financial assets		(270,350)	(5,477)
Costs for materials	8	(48,064)	(327,775)
Personnel expenses		(7,224)	(45,326)
Other operating expenses	9	(80,477)	(102,462)
Impairment of equity accounted investments	14	(219,199)	–
Earnings before interest, tax, depreciation and amortisation		**323,678**	**335,194**
Depreciation and amortisation		68	(4,809)
Earnings before interest and tax		**323,746**	**330,385**
Finance income	10	10,723	35,434
Finance costs	10	(307,899)	(294,517)
Net (loss)/gain from fair value adjustments of financial derivatives		(1,976)	30,577
Net (loss)/income from equity accounted investments	14	(307,640)	22,324
Gain on disposal of subsidiary		–	95,062
(Loss)/Earnings before tax		**(283,046)**	**219,265**
Income tax	11	(189,265)	(46,943)
(Loss)/Profit for the year from continued operations		**(472,311)**	**172,321**
Discontinued operation			
Profit/(Loss) for the year from discontinued operations, net of tax		2,507	(5,527)
(Loss)/Profit for the year		**(469,804)**	**166,795**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

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

For the year ended 31 December

In thousands of €	Note	2021	2020
(Loss)/Profit for the year		**(469,804)**	**166,795**
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Revaluation of financial assets at fair value through other comprehensive income	13	126	1,994
Foreign currency translation differences from foreign operations		1,670	(1,825)
Other comprehensive profit for the year, net of tax		**1,796**	**169**
Total comprehensive (loss)/income for the year		**(468,008)**	**166,963**
Attributable to			
Owners of the Company		**(574,542)**	**158,720**
(Loss)/Profit for the year		(577,049)	164,247
Profit/(Loss) from discontinued operations		2,507	(5,527)
Non-controlling interest		**104,738**	**8,075**
Non-controlling interest – continued operations		104,738	7,354
Non-controlling interest – discontinued operations		–	721
Total (loss)/profit for the year		**(469,804)**	**166,795**
Attributable to			
Owners of the Company		**(572,746)**	**158,889**
Comprehensive (loss)/income for the year from continued operations		(575,253)	164,416
Comprehensive income/(loss) for the year from discontinued operations		2,507	(5,527)
Non-controlling interest		**104,738**	**8,075**
Non-controlling interest – continued operations		104,738	7,354
Non-controlling interest – discontinued operations		–	721
Total comprehensive (loss)/income for the year		**(468,008)**	**166,964**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2021

In thousands of €	Note	31 December 2021	31 December 2020
Assets			
Property, plant and equipment		5,504	2,925
Goodwill and intangible assets	4	1,136,159	1,136,494
Investment properties	12	556,001	57,161
Investment properties under development	12	3,004,136	1,486,136
Advances		15,982	16,136
Financial assets	13	442,677	202,971
Financial assets relating to derivatives	17	36,444	–
Equity accounted investments	14	329,338	870,552
Non-current assets		**5,526,241**	**3,772,375**
Inventories	15	712,330	681,607
Trade and other receivables	16	47,602	28,808
Financial assets	13	142,816	247,669
Cash and cash equivalents	18	392,156	67,770
Current assets		**1,294,904**	**1,025,854**
Assets from discontinued operations	19	77,044	15,319
Assets held for sale	19	1,007,554	–
Total assets		**7,905,743**	**4,813,548**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Consolidated statement of financial position (continued)

As at 31 December 2021

In thousands of €	Note	31 December 2021	31 December 2020
Equity			
Share capital	20	951,429	951,429
Share premium	20	476,349	476,349
Mandatory convertible bonds	20	425,179	–
Reserves	20	77,978	(4,107)
Retained earning		451,397	292,677
(Loss)/Profit for the year		(574,542)	158,720
Equity attributable to the owners of the Group		**1,807,790**	**1,875,068**
Equity attributable to hybrid holders	20	151,637	151,637
Non-controlling interests	20	341,788	36,440
Total equity		**2,301,215**	**2,063,145**
Liabilities			
Loans and borrowings	21	3,280,810	1,658,462
Financial liabilities relating to derivatives	17	8,654	9,235
Provisions, non-current	22	–	223
Deferred tax liabilities	23	265,382	153,780
Non-current liabilities		**3,554,846**	**1,821,700**
Loans and borrowings	21	948,935	396,455
Financial liabilities relating to derivatives	17	53,048	13,861
Income tax payable		897	522
Provisions, current	22	1,343	1,224
Trade and other payables	24	296,752	502,606
Current liabilities		**1,300,975**	**914,668**
Liabilities from discontinued operations	19	43,048	14,033
Liabilities held for sale	19	705,659	–
Total liabilities		**5,604,529**	**2,750,403**
Total equity and liabilities		**7,905,743**	**4,813,548**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 31 December 2021

In thousands of €	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehen-sive income	Mandatory convertible bonds	Retained earnings	Total for the Group	Hybrid Instrument	Non–controlling interests	Total equity
Balance at 1 January 2021		951,429	476,349	(3,273)	(2,082)	1,247	–	451,397	1,875,068	151,637	36,440	2,063,145
Total profit/(loss) for the year												
(Loss)/Profit for the year		–	–	–	–	–	–	(574,542)	(574,542)	–	104,738	(469,804)
Other comprehensive income												
Foreign currency translation differences		–	–	1,670	–	–	–	–	1,670	–	–	1,670
Fair value movement financial assets through other comprehensive income	13	–	–	–	–	126		–	126	–	–	126
Total other comprehensive income		**–**	**–**	**1,670**	**–**	**126**	**–**	**–**	**1,796**	**–**	**–**	**1,796**
Total comprehensive income for the year		**–**	**–**	**1,670**	**–**	**126**	**–**	**(574,542)**	**(572,747)**	**–**	**104,738**	**(468,008)**
Movement during the year												
Mandatory convertible bonds issued		–	–	–	–	–	**425,179**	–	425,179	–	–	425,179
Total transactions		**–**	**–**	**–**	**–**	**–**	**425,179**	**–**	**425,179**	**–**	**–**	**425,179**
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	4(iii) b),20	–	–	–	80,289	–	–	–	80,289	–	200,610	280,899
Total transactions		**–**	**–**	**–**	**80,289**	**–**	**–**	**–**	**80,289**	**–**	**200,610**	**280,899**
Balance at 31 December 2021		**951,429**	**476,349**	**(1,603)**	**78,207**	**1,373**	**425,179**	**(123,145)**	**1,807,789**	**151,637**	**341,788**	**2,301,215**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity (continued)

For the year ended 31 December 2020

In thousands of €	Note	Share capital	Share premium	Translation reserve	Other reserves	Fair value reserve: financial assets at fair value through other comprehen-sive income	Retained earnings	Total for the Group	Hybrid Instrument	Non–controlling interests	Total equity
Balance at 1 January 2020		951,429	476,349	(2,521)	(17,990)	(747)	292,677	1,699,196	151,637	353,754	2,204,587
Total profit for the year											
Profit for the year		–	–	–	–	–	158,720	158,720	–	8,075	166,795
Other comprehensive income											
Foreign currency translation differences		–	–	(1,825)	–	–	–	(1,825)	–	–	(1,825)
Fair value movement financial assets through other comprehensive income	13	–	–	–	–	1,994	–	1,994	–	–	1,994
Total other comprehensive income		**–**	**–**	**(1,825)**	**–**	**1,994**	**–**	**169**	**–**	**–**	**169**
Total comprehensive income for the year		**–**	**–**	**(1,825)**	**–**	**1,994**	**158,720**	**158,889**	**–**	**8,075**	**166,964**
Changes in ownership interests in subsidiaries											
Disposal of subsidiary with non-controlling interest	20	–	–	1,073	15,908	–	–	16,981	–	(254,298)	(237,317)
Changes in non–controlling interests without a change in control	20	–	–	–	–	–	–	–	–	(71,091)	(71,091)
Total transactions		**–**	**–**	**1,073**	**15,908**	**–**	**–**	**16,981**	**–**	**(325,389)**	**(308,408)**
Balance at 31 December 2020		**951,429**	**476,349**	**(3,273)**	**(2,082)**	**1,247**	**451,397**	**1,875,068**	**151,637**	**36,440**	**2,063,145**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021

In thousands of €	Note	2021	2020
Cash flows from operating activities			
(Loss)/Profit for the year		(469,804)	166,795
Adjustments for :			
– Impairment of receivables	9	1,685	1,443
– Net finance costs	10	297,176	259,083
– Net increase of fair value of investment properties and investment properties under development	12 (iv)	(861,257)	(244,148)
– Depreciation and amortisation		116	4,809
– Gain on disposal of subsidiary		–	(304,388)
– Share of the profit of equity accounted investees	14	307,640	(67,657)
– Impairment of equity accounted investments	14	219,199	–
– Impairment on inventories	15	510	–
– Net (loss)/gain from fair value adjustments of financial derivatives and financial assets		272,326	(30,577)
– Income tax		189,265	46,943
Operating cash flows before movements in working capital		**(43,144)**	**(167,698)**
Changes in working capital:			
– Inventories		(11,196)	(39,572)
– Trade and other receivables		26,392	4,144
– Prepayments on development projects		154	(16,136)
– Trade and other payables		157,494	223,642
– Provisions		(103)	220
Cash generated by operating activities		**129,597**	**4,600**
Interest received		16,483	8,290
Interest paid		(159,830)	(65,223)
Income tax paid		(139)	–
Net cash from operating activities		**(13,889)**	**(52,334)**
Cash flows from investing activities			
Proceeds from disposal of subsidiaries, net of cash disposed of		–	(316,758)
Dividend received		18,346	–
Acquisition of subsidiaries, net of cash acquired		(505,477)	482
Acquisition of investment properties/ capital expenditure	12	(12,633)	–
Acquisition of investment properties under development/ capital expenditure	12	(270,533)	(200,449)
Acquisitions and disposals of financial assets		(77,686)	(9,250)
Acquisition/disposal of property, plant and equipment and intangible assets		(2,360)	2,183
Acquisition of investments in equity accounted investments		–	(292,467)
Net movements in financial assets and financial derivatives		(72,268)	(114,979)
Net movements in loans receivable from third parties and related parties		(237,402)	(11,310)
Net cash used in from investing activities		**(1,160,013)**	**(942,548)**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

(continued)

For the year ended 31 December 2021

In thousands of €	Note	2021	2020
Cash flows from financing activities			
Proceeds from issue of bonds, bank, third parties and related parties loans		3,549,135	1,457,478
Repayment of bonds, bank, third parties and related parties loans		(2,050,847)	(651,896)
Net cash generated from financial activities		**1,498,288**	**805,582**
Net increase/(decrease) in cash and cash equivalents		**324,386**	**(189,300)**
Cash and cash equivalents at 1 January		67,770	257,070
Cash and cash equivalents at 31 December		**392,156**	**67,770**

The accompanying notes on pages from 70 to 138 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. Reporting entity

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

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

The main activity of the Group is the acquisition, development, and project management of real estate development assets with either focus on letting and management of completed projects in its "build to hold segment" or subsequent disposal in its 'build to sell' business pillar. Through its various investments, the Group has built an attractive real estate development pipeline, predominantly in Germany across prime German A city commercial locations, and recently also in Portugal, with a general focus on large-scale residential development assets. In addition, as of 31 December 2021, the Group had a direct 26.59% stake in ADLER Group S.A., a leading owner of residential real estate in Germany. Supported by local and experienced management teams with long-standing track records, the Group has a strong real estate development and asset management expertise. Refer to Note 31 for details about subsequent events.

Through its existing network built over the past years, 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 and the expertise of its shareholder and advisors, 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 consolidated statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group as at and for the year ended 31 December 2021.

2. Basis of preparation

(a) Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and as adopted in the European Union and interpretations issued from the IFRS Interpretation Committee ("IFRIC") and adopted in the European Union.

The consolidated financial statements of Aggregate Holdings, S.A. and its subsidiaries for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 29 June 2022.

(b) Going concern

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

The Group requires debt financing or disposals to refinance existing loans and to fund project development, acquisitions, interest and overheads. Regular refinancing of project level and mezzanine debt are a part of Aggregate's ordinary course of business. The financing options available depend on several factors that cannot all be influenced by the Group, such as market interest rates, the amount of financing required, tax aspects and collateral required, and general market conditions and market sentiment. This may significantly impair the Group's ability to raise new finance to increase the level of completion in its development portfolio, to invest in appropriate acquisition projects or to meet its obligations from financing or other agreements. The Group's access to financing and liquidity may also be affected by the Coronavirus pandemic and will more generally be impacted by the market environment.

Bondholders accounting for over 95% of the VIC Properties S.A. €250 million 3.00% Secured Pre-IPO Convertible Bonds due 2025 ("VIC Bonds") exercised their right to put the Bonds to the Company for repayment on 28 May 2022. Due to a delayed refinancing of the VIC Bonds to fund this put, the Group amended the VIC Bonds via a written resolution dated 10 May 2022, such that:

(i) the put date was extended to 28 September 2022.

(ii) Aggregate Holdings S.A. became a guarantor.

(iii) A repayment premium was added of 5% on top of €285 million amount that was originally due 28 May if repayment was confirmed prior to 28 June 2022, or a premium of 8% if repayment was confirmed prior to 28 September 2022.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(b) Going concern (continued)

Prior to 28 September 2022, the Bondholders have the right to pass a resolution to extend the bonds so that:

(i) From 29 September, the repayment amount increases to €372.4 million due 31 December 2022

(ii) From 28 September onwards, the coupon will be set at 1% per month based on the increase repayment amount

(iii) During this time the Group would work on a potential sale of VIC Properties S.A..

The Group is in discussions with several credit funds for the refinancing of the VIC Bonds. The funding is expected to be completed in advance of the extended date of 28 September 2022 under the revised terms of the Bond. Term sheets have been exchanged. Based on pre-existing relationships and successful transactions in the past between the respective credit funds and the Group as well as the Group's management team members, the Group remains confident that a transaction can be concluded.

In the event that the Group does not succeed with refinancing the VIC Bonds via the credit funds, Aggregate Holdings S.A. would plan to utilise proceeds from the planned sale of its Quartier Heidestrasse assets. The Quartier Heidestrasse sale process was announced 10 May 2022 and is expected to be completed in the second half of 2022.

In the event that the sale process is not completed prior to 28 September 2022, and a refinancing of the VIC Bonds has not been completed, the Group would require the VIC Bondholders to vote to extend the repayment date to 31 December 2022 as per the pre-agreed terms set out above. In that scenario, it is planned that there will be a VIC sale process as a potential alternative source for repayment of the VIC Bonds.

The planned sale of Quartier Heidestrasse is an important element of the Group's expected cashflow and plans for debt repayment, and for the deleveraging process in the second half of 2022. CBRE has been appointed to conduct the sale. The process has been commenced, and the deadline for submission of indicative bids has not yet been reached. Indicative and firm bids are expected in the third quarter of 2022 with closing expected in the second half of 2022, and most likely the fourth quarter. The Group expects that a sale will be achieved at a premium to book value.

In addition to all of the above, the Group would also consider raising equity to strengthen its capital structure.

The cashflows of the Group are subject to a number of key assumptions regarding successful refinancing and successful sales of asset at acceptable prices on certain timelines. In the current economic and market environment, all such assumptions are subject to an increased level of uncertainty.

Considering the facts above, the Group has a reasonable expectation that the available capital resources, the planned proceeds of the sale of the Quartier Heidestrasse project and other disposals, and sources of financing, including cash flows from operating activities will be adequate to meet its obligations in the course of 2022 and consequently these consolidated financial statements have been prepared on a going concern basis.

(c) Basis of measurement

The Group has elected to present a single consolidated statement of profit or loss and other comprehensive income and presents its expenses by nature. The consolidated statement of cash flows from operating activities is presented using the indirect method. Interest received and interest paid are shown separately within operating cash flows. The acquisition of investment properties is disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Even if some of the derivatives held by the Group are settled gross by distinct delivery of the two legs of the agreements, because of the reduced short timing difference between paying and receiving legs, the Group presents all the payments on hedging instruments on a net basis in the consolidated statement of cash flows.

The consolidated financial statements have been prepared on a historical-cost basis, except for investment properties under development, investment properties, investment properties classified as non-current assets held for sale, 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 which have been measured at fair value.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(d) Functional and presentation currency

These consolidated financial statements are presented in €, which is the functional currency of the Group. All financial information is presented in € 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 the Board of Directors 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.

The Board of Directors of the Company believes that the underlying assumptions are appropriate.

Estimates and 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 – The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including investment property, acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, bookkeeping, hotel services, etc.).

  IFRS 3 defines a business as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities. The application guidance to IFRS 3 describes the components of a business as inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs. If the assets acquired and liabilities assumed do not constitute a business, the transaction is to be accounted for as an acquisition of a group of assets and the cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase and goodwill is not recognised.
- Note 4 – Goodwill arises on the acquisition of businesses and represents the excess of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs that is expected to benefit from the synergies of the combination.

  Goodwill impairment reviews incorporate estimates, assumptions, and judgements on the carrying value of the CGU containing the goodwill and its estimated recoverable amount. Refer to Note 4(ii) for further details on goodwill impairment.
- Note 12 – Measurement of investment properties and investment properties under development – 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 17 – The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- Note 20 – During the year 2016, the Group successfully placed €151,637 thousand in aggregate principal amount of Hybrid capital notes. These are unsecured, non-recourse and perpetual instrument considered equity due to its features.
- Note 20 and 21 – During the year ended 31 December 2021, the Group issued mandatory convertible bonds for a total amount of €425,179 thousand relating to the equity component. The treatment of mandatory convertible bonds which compel the holders to convert the bonds (rather than being at the holder's option) depends on whether the number of shares issued on conversion are variable or fixed:

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

Estimates and judgments (continued)

  - If the mandatorily convertible bonds can only be settled by the issue of a variable amount of ordinary shares calculated to equal a fixed amount in the issuer's functional currency (that is, there is a repayment of principal, albeit in shares), the instrument is a liability;
  - If the mandatorily convertible bonds can only be settled by the issue of a fixed number of ordinary shares, that part of the instrument is an equity component.

- Note 11 and 23 – The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions. The deferred taxes recognised as at 31 December 2021 are mainly deriving from temporary differences linked to investment property and investment property under development for which sensitivity analysis is provided in note 12 to the consolidated financial statements.
- The Coronavirus pandemic outbreak has impacted many countries around the world and disrupted the lives of many millions of people. The Group has been taking the risks associated with the outbreak extremely seriously, and the safety and wellbeing of its employees is of paramount importance. The Group continues to follow the recommendations of governments from around the world and is managing response in line with the World Health Organization (WHO) guidelines. It has implemented measures to reduce the risk of the virus spreading at its operations. These include introduction of pandemic safety protocols, ensuring sufficient supplies of sanitation products and essential personal protective equipment, strictly following social distancing procedures, conducting enhanced and regular cleaning operations and monitoring the health of employees when they enter and exit work premises. The Board of Directors continues to monitor COVID-19 developments, and the impact on the operations of the Group. The Board of Directors believes the estimates and assumptions underlying consolidated financial statements are reasonable and supportable based on the information available. However, uncertainty over the ultimate impact of COVID-19 will have on the global economy generally, and on the operation of the Group in particular makes any estimates and assumptions inherently less certain than they would be absent the current and potential impacts of COVID-19.

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

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

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

Measurement of fair values

Several 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 of the Group 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.

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

(e) Use of estimates and judgements (continued)

Measurement of fair values (continued)

The Board of Directors has established a process to identify and review material movements in assets and also to ensure valuation trends are in line with market expectations.

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 – Business combinations and asset acquisitions;
- Note 12 – Investment properties and investment properties under development;
- Note 25 – Financial instruments.

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 of 31 December 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and can 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.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

The Group re-assesses whether 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 profit or loss. Any investment retained is recognised at fair value.

Associated companies are those companies in which the Group generally has between 20% and 50% of the voting rights, or over which the Group exercises significant influence, but which it does not control. Investments in associated companies are accounted for under the equity method or the fair value method where certain criteria are met under IAS 28.

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Business combinations and goodwill (continued)

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

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

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

(ii) Acquisitions of non-controlling interests

Acquisitions of non-controlling interests (NCI) 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 either on fair value or non-controlling interest proportionate share of the acquired subsidiary's net identifiable assets. This decision is made on an acquisition-by-acquisition basis.

(iii) Interests in equity-accounted investments

The Group's interests in equity-accounted investments comprise interests in associates and joint venture arrangements.

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

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

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Transactions eliminated on consolidation

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

(v) Property acquisitions and business combinations

Where property is acquired, via corporate acquisitions or otherwise, the Board of Directors 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.

(vi) Investment entities

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

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

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

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

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

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

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

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

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

- Represents a separate major line of business or geographical area of operations.
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to resale according to IFRS 5.32.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

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

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

(c) Foreign currency

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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

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

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

(d) Financial assets and financial liabilities

Financial assets

Initial recognition and measurement

Financial assets are measured at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset 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.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial assets (continued)

Initial recognition and measurement (continued)

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.

Subsequent measurement

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

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes equity instruments and derivative financial instruments which are further described in Note 13 and Note 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 (item that may be subsequently reclassified to profit or loss). 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 profit or loss when the asset is derecognised, modified or impaired.

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

Derecognition

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(d) Financial assets and financial liabilities (continued)

Financial liabilities

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.

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

The EIR amortisation is included as finance costs in profit or loss. Derivative financial instruments are classified as financial assets at fair value through profit or loss and are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. Refer also to the accounting policy in Note 17 and Note 25.

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

Derecognition

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

Compound financial instruments

Compound financial instruments issued by the Group comprises mandatory convertible bonds denominated in € that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(e) Impairment of financial assets

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

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

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

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

Non-financial assets

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

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

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

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

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

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

(f) Offsetting of financial instruments

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(g) Derivative financial instruments

Initial recognition and subsequent measurement

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

The Group has not opted for hedge accounting.

(h) Property, plant and equipment

(i) Recognition and measurement

Initial recognition

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

Property, plant and equipment includes artifacts 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 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 profit or loss.

Subsequent measurement

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(i) Intangible assets

(i) Other intangible assets

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

(ii) Subsequent expenditure

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

(iii) Amortisation

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

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

(j) Investment properties and investment properties under development

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

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(l) Leases

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

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

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

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

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

In determining the term of leases, the Group considers 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 considered, such as historical leasing periods as well as costs and possible business interruptions.

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

(m) Share Capital

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(n) Provisions

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

(i) Restructuring

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

(ii) Legal disputes

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

(o) Revenue

(i) Sale of goods

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

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

(ii) Services rendered

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

(iii) Investment property letting activities

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

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

(iv) Finance income and finance costs

The Group's finance income and finance costs include:

- interest income from related parties.
- interest expense.
- dividend income.
- the foreign currency gain or loss on financial assets and financial liabilities.
- borrowing costs capitalised (Group's Earnings before interest, depreciation, tax and amortisation (EBIDTA) recorded a positive impact from capitalisation of borrowing costs in the same amount).

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(p) Income tax

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(q) New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2021

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below, if they are expected to have an impact on the Group's consolidated financial statements. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. However, in November 2021, the IASB published an exposure draft which included a proposal to defer the effective date to no earlier than 1 January 2024.

The Group is monitoring the developments and is assessing the impact the amendments will have on its current accounting policies and whether the Group may wish to re-assess covenants in its existing loan agreements or whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

(a) New and amended standards and interpretations effective for annual periods beginning on or after 1 January 2021 (continued)

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier adoption permitted. The Group must apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates – Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g., leases and decommissioning liabilities.

The amendments apply for annual reporting periods beginning on or after 1 January 2023.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions

(i) Goodwill and intangible assets

Goodwill and intangible assets as of 31 December 2021 amounts to €1,136,159 thousand (31 December 2020: €1,136,494 thousand):

In thousands of €	2021	2020
VIC Properties Holding S.A.	1,134,924	1,134,924
Goodwill	**1,134,924**	**1,134,924**
Other intangible assets	1,235	1,570
Total intangible assets	**1,136,159**	**1,136,494**

(ii) Goodwill impairment test performed during 2021

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

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the recoverable amount of goodwill, as well as the significant unobservable inputs used.

Discounted cash flows: The free cash flow to firm methodology is based on the principle that the value of the business is determined by its ability to generate financial resources in the future, which may be distributed to shareholders without compromising the future activity of the business. The calculation of the value to the shareholders was based on the free cash flow to firm, which we understand is the most appropriate methodology for the purposes of determining the technical estimate of the Equity Value of VIC Properties S.A..

The risk associated with each specific project and its current status is reflected in the cash-flow projections and sensitivity analysis depicted throughout this report. Additionally, the discount rates considered in our analysis already reflect current market conditions given the extraction date of supporting information (31 December 2021) and the consideration of a 7-year average to compute risk free rate and country risk premium.

- Corporate tax rate - IRC: 21%
- Corporate tax rate LISFUNDO Fund: 10%
- Real GDP growth (% change): range from 1.80% to 4.40%
- Consumer Price inflation (% change): range from 1.20% to 1.40%
- Unemployment rate (% change): range from 5.90% to 6.90%
- Sale prices: range from €2,000/sqm to €7,500/sqm
- Monthly rent: range from €10/sqm to €24/sqm
- Rent yield: range from 5.5% to 7%
- Holding period: range from 2.2 to 5 years
- Hard costs: range from €75/sqm to €2,750/sqm
- Soft costs percentage: range from 1.5% to 3.5%

Estimated equity value of VIC- €1,545 million
Discount rate – 7.92%
Growth rate- perpetuity - 1.40%

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions (continued)

(ii) Goodwill impairment test performed during 2021 (continued)

Valuation technique and significant unobservable inputs (continued)

The analysis for goodwill shows the potential fluctuation in the recoverable amount as the main input factors increase or decrease by a certain percentage as of 31 December 2021:

Discount rate versus perpetuity growth rate

			WACC Variation				
	In million €		-1.0%	-0.5%	0.0%	0.5%	1.0%
Perpetuity Growth Variation		-1.0%	1,789	1,598	1,433	1,288	1,162
		-0.5%	1,872	1,663	1,485	1,330	1,195
		0.0%	1,971	1,740	1,545	1,378	1,233
		0.5%	2,089	1,830	1,615	1,433	1,277
		1.0%	2,233	1,939	1,698	1,497	1,327

Sales price versus construction hard costs

			Sales Price Variation				
	In million €		-5.0%	-2.5%	0.0%	2.5%	5.0%
Hard Costs Variation		-5.0%	1,425	1,572	1,713	1,851	1,987
		-2.5%	1,335	1,485	1,630	1,771	1,908
		0.0%	1,241	1,396	1,545	1,688	1,828
		2.5%	1,142	1,304	1,457	1,604	1,746
		5.0%	1,038	1,207	1,366	1,517	1,663

Residual value cash flow versus discount rate

			Terminal Value Rent Variation				
	In million €		-10.0%	-5.0%	0.0%	5.0%	10.0%
WACC Variation		-1.0%	1,852	1,911	1,971	2,030	2,090
		-0.5%	1,640	1,690	1,740	1,790	1,840
		0.0%	1,460	1,503	1,545	1,587	1,630
		0.5%	1,306	1,342	1,378	1,414	1,450
		1.0%	1,172	1,203	1,233	1,264	1,294

Project acquisition delay versus project acquisition costs variation

			Projects acquisition delay (years)				
	In million €		(2.0)	(1.0)	-	1.0	2.0
WACC Variation		0.0%	1,748	1,642	1,545	1,457	1,378
		10.0%	1,679	1,579	1,488	1,406	1,332
		20.0%	1,611	1,517	1,432	1,355	1,285
		30.0%	1,542	1,454	1,375	1,303	1,238
		40.0%	1,473	1,392	1,318	1,251	1,191

Fair value hierarchy

The fair value less costs to sell was classified as Level 3 fair value in accordance with IFRS 13 on the basis of the inputs for the valuation methods used.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions (continued)

(iii) Asset acquisitions

a) Acquisition of Project Fürst

On 31 December 2020 pursuant to a share purchase agreement, Aggregate Holdings 4 S.à r.l., a subsidiary of the Company, acquired 100% of the shares in Ionview Holdings S.à r.l. (referred as "Project Fürst" hereafter) which consists in a landmark prime Berlin commercial real estate, located on the Kurfürstendamm in central Berlin. The part completed and yielding rental income asset has Gross Construction Area (GCA) of c.183,000, Residual value approximately €1.1 billion and Gross Development Value €1.6 billion. The project is fully funded to completion and the expected total rental income at completion is c.€50 million run-rate. Ionview Holdings S.à r.l in turn holds shares in the following companies:

- 100% of the shares in Project Lietzenburger Straße Holdco S .a r.l. a private limited liability company (societe a responsabilite limitee) under Luxembourg law, having its registered office at 10 Rue Antoine Jans, L-1820, Luxembourg, incorporated and organized under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Societes) under registration number B 178740.
- 39.90% of the shares in Project Lietzenburger Straße PropCo S.a r.l., a private limited liability company (societe a responsabilite limitee) under Luxembourg law, having its registered office at 10 Rue Antoine Jans, L-1820, Luxembourg, incorporated and organized under the laws of the Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register (Registre de Commerce et des Societes) under registration number B 122291.
- 39.90% of the shares in Story of Berlin Betriebsgesellschaft mbH, a limited liability company under German law, with its registered seat in Berlin and registered in the commercial register (Handelsregister) at the local court (Amtsgericht) of Berlin (Charlottenburg) under HRB 205346 B.
- Project Lietzenburger Straße Holdco S.a r.l. also holds:
  - 50% of the shares in Project Lietzenburger Straße PropCo S.a r.l.;
  - 50% of the shares in Story of Berlin Betriebsgesellschaft mbH; and
  - 89.9% of the shares in Kudamm 206 Betriebsgesellschaft mbH a limited liability company under German law, with its registered seat in Berlin and registered in the commercial register (Handelsregister) at the local court (Amtsgericht) of Berlin (Charlottenburg) under HRB 184242 B (referred as "Fixture").

On 20 May 2021, the Group gained control on Fürst also the acquisition was closed on 11 June 2021. The total purchase consideration for shares and shareholder loans amounted to €876,750 thousand (excluding acquisition related costs) (see Note 21) as follows:

- €220,000 thousand bonds issued by Aggregate Holdings S.A.;
- €415,000 thousand Senior Notes issued by Project Lietzenburger Straße Holdco S.a r.l.;
- €85,600 thousand Senior Tier 2 Notes issued by Project Lietzenburger Straße Holdco S.a r.l.;
- €156,145 thousand cash payment.

As per the share purchase agreement, the adjusted purchase consideration included was €871,813 thousand.

The non-controlling interests (NCI) were accounted for on the fair value of the acquired subsidiaries' net identifiable assets at the date of acquisition.

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions (continued)

(iii) Asset acquisitions (continued)

b) Acquisition of 10-project portfolio Project Castle

On 1 March 2021, Castle Investment Holding S.à r.l. entered into a share purchase agreement to acquire 100% of the shares of ZA Castle GmBH (referred as "Project Castle" hereafter) which includes a real estate portfolio consisting of ten real estate development projects in Germany, spread across Berlin, Düsseldorf and Frankfurt. The mixed property class portfolio's combined development Gross Floor Area (GCA) is approximately 1.2m sqm. The portfolio's Residual value stands at c.€1.3 billion with the Gross Development Value (GDV) of approximately €4.5 billion as of 31 December 2021.

ZA Castle GmBH holds, directly, indirectly, the share capital wholly and partially owned in legal entities incorporated in Germany.

The share purchase agreement was closed on 30 June 2021. Total purchase consideration amounted to cash of €117,030 thousand including acquisition related costs for an amount of €4,175 thousand. The purchase consideration was partly financed by bonds issued by Castle Investment Holding S.à r.l. for an amount of €111,000 thousand (see Note 21).

As at 31 December 2021, an amount of €18,000 thousand remains unpaid and is grouped under note "Trade and other payables" (See Note 24).

As at 31 December 2021, the Group recognised an amount of €62,683 thousand in "Other reserves" as a result of transaction with non-controlling interests which did not result in change of control.

The non-controlling interests (NCI) were accounted for on the fair value of the acquired subsidiaries' net identifiable assets at the date of acquisition.

c) Acquisition of Ringbahnhofe

In September 2021, the Group through one of its subsidiaries, acquired Ringbahnhofe, a plot of land located in the Berlin Neukölln district. The property is in the advanced stage of the urban land use planning process for a mixed use development, with a total of 96,127 sqm of lettable area. At year-end 2021, Ringbahnhofe had a residual value of €254.1 million and a gross development value of €718.7 million.

The share purchase agreement was closed on 1 September 2021. Total purchase consideration amounted to €221,068 thousand and split as follows:

- €205,512 thousand equivalent value of shares.
- €15,556 thousand equivalent value of shareholder's loans.

Acquisition related costs for an amount of €495 thousand were incurred. The purchase consideration was financed by senior notes issued by German Invest 2 S.à r.l. for an amount of €130,000 thousand (see Note 21) and mandatory convertible bonds issued by the Company for an amount of €129,800 thousand (see Note 20).

The non-controlling interests (NCI) were accounted for on the fair value of the acquired subsidiaríes' net identifiable assets at the date of acquisition.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

4. Business combinations and asset acquisitions (continued)

(iii) Asset acquisitions (continued)

d) The Board of Directors considers that at acquisition, the projects Fürst, Castle and Ringbahnhofe constituted groups of net assets, rather than businesses as defined in IFRS 3.

As these acquisitions were not accounted for as business combinations and as neither accounting profit nor taxable profit were affected at the time of the transactions, the initial recognition exemption in IAS 12, 'Income taxes' applies, and the Group does not recognise deferred tax that would otherwise have arisen on temporary differences associated with the acquired assets and liabilities at initial recognition.

The assets and liabilities recognised in the consolidated statement of financial position on the dates of acquisition during the year 2021 were:

In thousands of €	Project Fürst	Project Castle	Ringbahn-hofe	Total
Investment properties	198,756	–	–	198,756
Investment properties under development	714,666	764,577	248,995	1,728,238
Other assets	–	303	–	303
Other receivables	13,667	32,615	286	46,568
Financial assets	–	60,163	–	60,163
Cash and cash equivalents	1,821	6,663	2	8,485
Loans and borrowings	(656,354)	(550,956)	–	(1,207,310)
Other payables	(23,559)	(2,784)	(18,439)	(44,782)
Other financial liabilities	–	(61)	–	(61)
Non-controlling interests	(47,816)	(197,695)	(24,836)	(270,347)
Total purchase consideration	**201,181**	**112,825**	**206,007**	**520,013**

5. Income from property development

In thousands of €	2021	2020
Income from real estate inventory disposed of	35,283	340,887
Income from property development	–	217,728
	35,283	**558,615**

6. Other operating income

In thousands of €	Note	2021	2020
Interest income from loans receivable from third parties	13	24,306	14,913
Other income		5,807	16,467
Income from provided services		30	781
		30,143	**32,161**

Other income is comprised of insurance indemnifications and other miscellaneous items.

Notes to the consolidated financial statements (continued)

7. Change in project related inventories

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

In thousands of €	2021	2020
Change in invetory from Consus	–	(122,964)
Capitalised finance costs (See Note 10)	20,037	13,804
Capitalised other expenses (See Note 8)	48,954	36,186
Cost of goods sold	(37,272)	(1,382)
Inventory write downs losses	(510)	(1,545)
	31,209	**(75,901)**

On 7 July 2020, the Group disposed Consus Real Estate AG ("Consus"). For comparative figures purpose, we have included the items for change in inventory relating to Consus in one single line, as these relates to operations for the period from 1 January 2020 to 30 June 2020, taken as per the interim financial statements of Consus published on its website.

8. Cost of raw materials

In thousands of €	2020	2019
Expenses for land acquisition	–	722
Expenses for preparation and development	10,456	14,943
Expenses for Building – Building construction	31,013	157,643
Expenses for Building – Technical equipment	–	15,274
Expenses for outside facilities	–	4,900
Expenses for inside facilities	–	745
Ancillary building costs	328	13,230
Expenses for other construction services	–	7,311
Brokerage and commissions costs	–	737
Administrative costs	–	10,808
Auxiliary costs	–	84,532
Other expenses for raw materials, consumables and supplies and for purchased goods	192	428
Office supplies	–	9
Non-deductible VAT	6,075	7,796
Other services	–	8,697
	48,064	**327,775**

9. Other operating expenses

In thousands of €	Note	2021	2020
Other commissions and professional fees		34,336	42,722
Accounting and audit fees		3,342	462
Repairs & Maintenance		1,065	172
Director's fees		205	104
Other hired services		7,598	14,908
Impairment of receivables and loan receivables	25	1,685	1,163
Other taxes		5,074	2,551
Other expenses		27,172	40,380
		80,477	**102,462**

Notes to the consolidated financial statements (continued)

9. Other operating expenses (continued)

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

(ii) Other hired services comprise primarily of marketing costs and office management expenses.

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

(iv) Number of employees.

	2021	2020
Number of employees	167	79

10. Net finance income/(costs)

In thousands of €	Note	2021	2020
Finance income			
Interest income from related parties	13	4,400	3,227
Dividend income	13	3,971	16
Net foreign exchange gain		521	–
Other finance income		1,831	32,191
		10,723	**35,434**
Finance costs			
Interest expense	21	(248,426)	(253,841)
Net foreign exchange loss		–	(409)
Other finance costs		(59,473)	(40,267)
		(307,899)	**(294,518)**
Net finance costs		**(297,176)**	**(259,083)**

Borrowing costs capitalised during the reporting period amount to €20,037 thousand (2020: €13,804 thousand) (See Note 7). Accordingly, the Group's EBIDTA recorded a positive impact from capitalisation of borrowing costs in the same amount.

11. Income tax

Recognised in the statement of profit or loss

In thousands of €	Note	2021	2020
Current tax expense			
Current tax expense		(1,225)	(13,583)
Deferred tax			
Deferred tax liabilities recognised in current year	23	(194,076)	(36,593)
Deferred tax assets recognised in current year	23	6,036	3,234
		(188,040)	**(33,360)**
Total income tax expense recognised in the statement of profit or loss		**(189,265)**	**(46,943)**

Notes to the consolidated financial statements (continued)

11. Income tax (continued)

Reconciliation of effective tax rate

In thousands of €	2021	2021	2020	2020
(Loss)/Profit before tax	%	(283,046)	%	219,265
Corporate tax based on domestic tax rate	24.94%	(70,592)	24.94%	54,685
Effect from non-recognition of deferred tax assets on loss carry forward		32,772		(62,447)
Effect on non-deductible expenses		45,061		17,309
Effect of exempt income		(7,649)		(23,708)
Effect of different tax rates in foreign jurisdictions		(817)		579
Net movement in deferred tax expenses		(188,040)		(33,360)
		(118,673)		**(101,628)**
		(189,265)		**(46,943)**

12. Investment properties and investment properties under development

The movement during 2021 is as follows:

In thousands of €	Note	2021	2020
Investment properties			
At 1 January		57,161	205,803
Foreign exchange impact		–	(2,712)
Reclassification as discontinued operations	19	(70,357)	–
Reclassifications from investment properties under development		171,334	–
Acquisition of subsidiaries with investment properties	4(iii)d	198,756	–
Disposal of subsidiary with investment properties		–	(139,160)
Capital expenditure on investment properties		12,633	–
Change in fair value during the year		186,474	(6,770)
Total investment properties at 31 December		**556,001**	**57,161**
Investment properties under development			
At 1 January		1,486,136	1,237,177
Reclassification as held for sale	19	(984,220)	–
Reclassification from advances		–	43,433
Reclassification to investment properties		(171,334)	–
Acquisition of subsidiaries with investment properties under development	4(iii)d	1,728,238	–
Disposal of subsidiary with investment properties under development		–	(245,841)
Capital expenditure on investment properties under development		270,533	200,449
Change in fair value during the year		674,783	250,918
Total investment properties under development as at 31 December		**3,004,136**	**1,486,136**

Investment properties and investment properties under development of €3,560,137 thousand (2020: €1,543,297 thousand) have been pledged to secure bank loans.

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

The investment properties under development comprised of Quartier Heidestrasse, Fürst, Walter and Green Living projects in Berlin. The total costs capitalised on these projects for the year ended 31 December 2021 amounted to €283,166 thousand (2020: €200,449 thousand).

All the Group's commitments related to the projects are disclosed in Note 27.

(i) Investment properties

Valuation technique and significant unobservable inputs

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

Valuation technique	Significant unobservable inputs
Quartier Heidestrasse	Net operating profit per year until terminal date
QH Core and QH Spring	Market rent, per sq./m:
Discounted cash flows: The calculation of the market value is based on a Discounted Cash Flow (DCF) model. The DCF was calculated for a 10-year period and assumed a capital value based on a stabilised rental income for the property after this period, the Terminal value. Remaining construction costs have been deducted.	• Residential (non-rent controlled) €18.00/m² • Retail €22.50/m² • Storage €13.00/m² • Office €33.50/m² • Parking €125.00/unit • Hotel €25/m² • Other €10.00/m² Marketing void – n/a Rent free period – 3 months Capitalisation rate – 3.13% Long-term vacancy rate weighted average – 0.00% Discount rate – 3.88%

Fair value hierarchy

The fair value measurement of investment properties 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-party's appraisers, who hold recognised and relevant professional qualification and who have recent experience in the location, and category of the investment properties being valued.

Covid-19 considerations

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

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development

Valuation technique and significant unobservable inputs

The external valuation was performed using the residual value method.

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

Valuation technique	Significant unobservable inputs
Quartier Heidestrasse **Residual value method:** The value of the investment property under construction is based on market conventions on the value the investment property under development would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	Market rent, per sq./m: • Residential (non-rent controlled) €18.00/m² • Retail €22.50/m² • Storage €33.40/m² • Office €33.50/m² • Other lettable area €15.95/m² • Parking €125/unit Gross multiplier on market rent, weighted average – 32.92 Long-term vacancy rate weighted average – n/a due to residual value method used Capitalisation rate – 2.75% Rent free period – n/a Discount rate- n/a due to residual value method used Vacancy rate after completion – 0.00%
Ringbahnhofe **Residual approach:** The residual approach, also known as the extraction approach, is a deductive method for deriving the value of a building land or project that is still undeveloped from its development. The approach is based on the assumption that the price of these properties can be derived from a fictitious (total) market value of a utilisation concept less the services still to be rendered for realisation (construction, development and marketing costs). Consequently, the residual value method is a combination of valuation approaches.	Net operating profit per year until terminal date Market rent, per sq./m: • Residential (non-rent controlled) €17.00/m² • Social Housing (rent-controlled) €6.60/m² • Residential – serviced apartments €28.00/m² • Retail €23.00/m² • Kindergarden €14.00/m² • Gym €15.00/m² • Storage €5.00/m² • Office €28.00/m² • Student apartment €675.00/Unit • Parking €120.00/unit Marketing void – n/a Rent free period – n/a Capitalisation rate – 2.86% Long-term vacancy rate weighted average – n/a

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Valuation technique	Significant unobservable inputs
Fürst **Residual value method:** The value of the investment property under construction is based on market conventions on the value the investment property under development would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	Market rent, per sq./m: • Food establishment area €80.00/m² • Retail €62.14/m² • Storage €15.00/m² • Office €44.58/m² • Other lettable area €15.00 /m² • Hotel €27.92/m² • Leisure €18.10/m² • Parking €195.00/unit Gross multiplier on market rent, weighted average – 35.17 Long-term vacancy rate weighted average – n/a due to residual value method used Capitalisation rate – 2.60% - 2.90% Rent free period – 1 – 3 months Discount rate – n/a due to residual value method used Vacancy rate after completion – 0.00%
Castle Portfolio* **Residual value method:** The value of the investment property under construction is based on market conventions on the value the investment property under development would be sold or respectively purchased as a development project. Due to the unique nature of the investment property, there is no directly comparable purchase or offer prices. The valuation was carried out with the application of the residual valuation method. The residual value is determined by first calculating the net capital value of the investment property under construction after completion of the planned development project. The costs for the assumed development are subtracted from the net capital value, resulting in the remainder.	Market rent, per sq./m: • Residential (non-rent controlled) €15.00/m² • Social housing (rent controlled) €6.50/m² • Rsidential (non-rent controlled) – serviced apartments €6.50/m² • Food establishment area €14.00/m² • Retail €14.32/m² • Storage €5.00/m² • Office €17.07/m² • Hotel €21.14/m² • Parking €93.52 €/unit Gross multiplier on market rent, weighted average – 25.61 Long-term vacancy rate weighted average – 5.87% Capitalisation rate – 3.00% Rent free period 1 – 3 months Discount rate- n/a due to residual value method used Vacancy rate after completion – n/a

* The unobservable inputs are calculated on an average basis.

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

The analysis for investment properties and investment properties under development shows the potential fluctuation in the fair value of investment properties and investment properties under development as the main input factors increase or decrease by a certain percentage as of 31 December 2021:

Quartier Heidestrasse

In thousand € – Sensitivity		Market rent	
As at 31 December 2021	-5.00%	0.00%	5.00%
Market rent			
Fair value of investment properties and investment properties under development	**1,619,300**	**1,724,400**	**1,828,200**

In thousand € – Sensitivity		Capitalisation rate	
As at 31 December 2021	– 25bps	0.00%	+ 25bps
Capitalisation rate			
Fair value of investment properties and investment properties under development	**1,928,300**	**1,724,400**	**1,553,000**

In thousand € – Sensitivity		Construction costs	
As at 31 December 2021	–10%	0.00%	10%
Construction costs			
Fair value of investment properties and investment properties under development	**1,764,300**	**1,724,400**	**1,684,600**

In thousand € – Sensitivity		Construction period	
As at 31 December 2021	– 6 months	0.00%	+ 6 months
Construction period			
Fair value of investment properties and investment properties under development	**1,740,000**	**1,724,400**	**1,709,200**

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Fürst

In thousand € – Sensitivity		Market rent	
As at 31 December 2021	-5.00%	0.00%	5.00%
Market rent			
Fair value of investment properties and investment properties under development	**1,079,800**	**1,141,300**	**1,202,600**

In thousand € – Sensitivity		Capitalisation rate	
As at 31 December 2021	– 25bps	0.00%	+ 25bps
Capitalisation rate			
Fair value of investment properties and investment properties under development	**1,278,100**	**1,141,300**	**1,028,000**

In thousand € – Sensitivity		Construction costs	
As at 31 December 2021	–10%	0.00%	10%
Construction costs			
Fair value of investment properties and investment properties under development	**1,159,200**	**1,141,300**	**1,123,400**

In thousand € – Sensitivity		Construction period	
As at 31 December 2021	– 6 months	0.00%	+ 6 months
Construction period			
Fair value of investment properties and investment properties under development	**1,153,800**	**1,141,300**	**1,129,000**

Ringbahnhofe

In thousand € – Sensitivity		Market rent	
As at 31 December 2021	-5.00%	0.00%	5.00%
Market rent in €	24,274	25,552	26,829
Fair value of investment properties and investment properties under development	**239,200**	**266,900**	**294,600**

In thousand € – Sensitivity		Capitalisation rate	
As at 31 December 2021	– 25bps	0.00%	+ 25bps
Capitalisation rate	2.98%	3.23%	3.48%
Fair value of investment properties and investment properties under development	**311,700**	**266,900**	**228,500**

In thousand € – Sensitivity		Construction costs	
As at 31 December 2021	–10%	0.00%	10%
Construction costs	195,415	217,128	238,840
Fair value of investment properties and investment properties under development	**292,000**	**266,900**	**241,700**

In thousand € – Sensitivity		Construction period	
As at 31 December 2021	– 6 months	0.00%	+ 6 months
Construction period	30	36	42
Fair value of investment properties and investment properties under development	**272,000**	**266,900**	**261,800**

Notes to the consolidated financial statements (continued)

12. Investment properties and investment properties under development (continued)

(ii) Investment properties under development (continued)

Valuation technique and significant unobservable inputs (continued)

Green Living (asset in Castle Portfolio)

		Residual value of the plot – **Total Earnings**						
in million €		1,139.00	1,206.00	1,273.00	1,340.00	1,407.00	1,474.00	1,541.00
		-15%	-10%	-5%	0%	5%	10%	15%
Total costs without plot								
875.75	-15%	244.21	311.21	378.21	445.21	512.21	579.21	646.21
927.26	-10%	192.70	259.70	326.70	393.70	460.70	527.70	594.70
978.78	-5%	141.18	208.18	275.18	342.18	409.18	476.18	543.18
1,030.29	0%	89.67	156.67	223.67	**290.67**	357.67	424.67	491.67
1,081.81	5%	38.16	105.16	172.16	239.16	306.16	373.16	440.16
1,133.32	10%	(13.36)	53.64	120.64	187.64	254.64	321.64	388.64
1,184.84	15%	(64.87)	2.13	69.13	136.13	203.13	270.13	337.13

Walter (asset in Castle Portfolio)

		Residual value of the plot – **Total Earnings**						
in million €		1,173.00	1,242.00	1,311.00	1,380.00	1,449.00	1,518.00	1,587.00
		-15%	-10%	-5%	0%	5%	10%	15%
Total costs without plot								
813.06	-15%	332.06	401.06	470.06	539.06	608.06	677.06	746.06
860.88	-10%	284.23	353.23	422.23	491.23	560.23	629.23	698.23
908.71	-5%	236.40	305.40	374.40	443.40	512.40	581.40	650.40
956.54	0%	188.58	257.58	326.58	**395.58**	464.58	533.58	602.58
1,004.36	5%	140.75	209.75	278.75	347.75	416.75	485.75	554.75
1,052.19	10%	92.92	161.92	230.92	299.92	368.92	437.92	506.92
1,100.02	15%	45.10	114.10	183.10	252.10	321.10	390.10	459.10

Fair value hierarchy

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

(iii) Capitalised borrowing costs

During the year, the Group capitalised borrowing costs related to the acquisition of land and construction costs amounted to € 5,782 thousand (2020: €3,969 thousand).

(iv) Net income from fair value adjustments of investment properties and investment properties under development

In thousands of €	Note	2021	2020
Change in fair value during the year			
Investment properties		186,474	(6,770)
Investment properties under development		674,783	250,918
Total		**861,257**	**244,148**
Net income from fair value adjustments of investment properties and investment properties under development from continued operations		841,565	244,148
Net income from fair value adjustments of investment properties and investment properties under development from discontinued operations	19	19,692	–
		861,257	**244,148**

Notes to the consolidated financial statements (continued)

13. Financial assets

In thousands of €	Note	2021	2020
Non-current			
Loans receivable from related parties	25	103,029	23,277
Loans receivable from third parties	25	317,826	147,972
Financial assets at fair value through other comprehensive income	25	6,698	6,572
Financial assets at fair value through profit and loss	25	–	24,933
Deposits	25	116	217
Other financial assets		15,008	–
		442,677	**202,971**
Current			
Loans receivables from related parties	25	37,064	14,264
Loans receivable from third parties	25	57,086	61,589
Financial assets at fair value through profit or loss	25	48,232	169,445
Deposits	25	136	–
Other financial assets-current		298	2,371
		142,816	**247,669**
		585,493	**450,640**

Loans receivable from third parties

The Group has granted loans to third parties for a total amount of €374,912 thousand (2020: €209,561 thousand). These loans have maturity terms of 0 to 120 months and interest varies from 6.25% to 15.00%. During the year, the Group granted new loans to third parties for a net total consideration of €184,844 thousand (2020: loans reimbursed €93,463 thousand).

During the year 2021, interest income received as follows:

- Interest income from loans and receivables from third parties amounts to €24,306 thousand (2020: €14,913 thousand).
- Interest income from loans and receivables from related parties amounts to €4,400 thousand (2020: €3,227 thousand). See Note 28 for more details.

The Group has performed an analysis on the expected credit losses and an amount of €1,685 thousand (2020: €1,443 thousand) has been recognised during the year 2021. Refer to Note 25 for more details.

Financial assets at fair value through other comprehensive income

Financial asset at fair value through other comprehensive income relates to equity investment held for an amount of €6,698 thousand (2020: €6,572 thousand) and the respective amount recognised in fair value through other comprehensive income reserve.

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 €48,232 thousand (2020: €194,378 thousand).

Dividend income received during the year 2021 amounts to €3,971 thousand (2020: €16 thousand).

Notes to the consolidated financial statements (continued)

14. Equity accounted investments

Investments in equity accounted investees as of 31 December 2021 amounts to €329,338 thousand (31 December 2020: €870,552 thousand):

In thousands of €	2021	2020
Balance at 1 January	870,552	42,362
Disposals of subsidiary	–	(21,526)
Additions	–	848,229
Impairment loss	(219,199)	–
Transfer to assets held for sale	–	(20,836)
Dividend income received	(14,375)	–
(Loss)/Profit related to equity accounted investees (net of tax)	(307,640)	22,324
Balance at 31 December	**329,338**	**870,552**

As at 31 December 2021, the Group holds 26.59% in ADLER Group which is a public entity that is listed on the stock exchange market. The Group's interest in ADLER Group is accounted for using the equity method in the consolidated financial statements.

As at 31 December 2021, the Group has reassessed the recoverable amount of ADLER Group and an amount of €219,199 thousand has been booked as impairment loss considering the recent developments in relation to the publication of the consolidated financial statements of ADLER Group as of 31 December 2021, on which the external auditors of ADLER Group has issued a disclaimer of opinion. The impact of the impairment results in the book value of the 24,082,663 ADLER shares which were appropriated by Vonovia Finance B.V. reflecting the €10.44 per share of value received (see Note 31b)), and the remaining 7,166,727 ADLER shares being booked at €10.90 per share, being the closing share on price at the balance sheet date. Therefore, the value of the ADLER shares reflected as at 31 December 2021 is based on external inputs, and over 75% of that value has crystalised after year-end.

The following table illustrates the summarised financial information of the Group's investment in ADLER Group, extracted from the underlying consolidated financial statements adjusted for Goodwill.

In thousands of €	31 December 2021	31 December 2020
Non-current assets	7,361,641	10,744,994
Current assets	5,583,283	2,887,711
Non-current liabilities	(7,174,997)	(7,119,584)
Current liabilities	(2,167,850)	(2,800,513)
Non-controlling interests	(703,094)	(693,131)
Total equity attributable to owners of ADLER Group	**2,898,983**	**3,019,477**

Notes to the consolidated financial statements (continued)

14. Equity accounted investments (continued)

In thousands of €	31 December 2021	31 December 2020
Total income	1,143,732	758,737
Cost of operations	(1,131,964)	(553,918)
Overall performance	**11,768**	**204,819**
General administration expenses	(122,762)	(107,420)
Other expenses	(1,128,797)	(76,198)
Other income	183,680	109,399
Change in fair value of investment properties	415,142	413,675
Result from operating activities	**(640,969)**	**544,275**
Finance income	133,091	186,500
Financial expenses	(515,560)	(376,566)
Net finance income /(loss)	**(382,469)**	**(190,066)**
Net income (losses) from investment in associated companies	758	(5,666)
Profit before tax	**(1,022,680)**	**348,543**
Income tax expenses	(142,327)	(119,079)
Profit for the year	**(1,165,007)**	**229,464**
Total other comprehensive income /(loss)	20,237	(49,835)
Total comprehensive income for the year	**(1,144,770)**	**179,629**
Attributable to the owners of the company	(1,156,976)	109,862
Adjustment to total comprehensive income for the year:		
Total comprehensive income for the period from 1 January 2020 to 7 July 2020	–	39,904
Attributable to the owners of the Company	–	10,645
Comprehensive income for the period from 7 July 2020 to 31 December 2020 attributable to the owners of the Company	**–**	**99,217**
Group share of comprehensive income for the period from 7 July 2020 to 31 December 2020 attributable to the owners of the Company (26,59%)	**–**	**22,324**

15. Inventories

Inventories consist of the following:

In thousands of €	2021	2020
Real estate "Apartments for sale"	1,955	9,302
Real estate "Other construction work"	299,194	268,931
Land and sites	410,981	402,688
Inventories – supplies	200	686
	712,330	**681,607**

As at 31 December 2021, the inventories consisted of three real estate development projects the Group realises in Portugal.

The Group has recognised net write down on inventories or an amount of €510 thousand (2020: €0) as at 31 December 2021.

As at 31 December 2021, the Group has received €20,747 thousand (2020: €11,655 thousand) as advances for purchase of real estate recognised under "Trade and other payables" within current liabilities.

In 2021, the Group capitalised €20,037 thousand of borrowing costs (2020: €13,804 thousand).

As at 31 December 2021, inventories of €712,330 thousand have been pledged to secure bank loans (2020: €680,921 thousand).

Notes to the consolidated financial statements (continued)

16. Trade and other receivables

In thousands of €	Note	2021	2020
Trade receivables	25	32,110	12,480
Tax receivables		164	4,546
Prepayments		3,843	4,144
Other receivables	25	11,485	7,638
		47,602	**28,808**

17. Financial assets/liabilities relating to derivatives

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

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.

Financial assets relating to derivatives

In thousands of €	Note	2021	2020
Interest rate swap – non-current		583	–
Options	17 c)	35,861	–
		36,444	**–**

Financial liabilities relating to derivatives

In thousands of €	Note	2021	2020
Embedded derivatives: non-current		–	9,235
Interest rate swap: – non current		8,654	14,347
Options	17 e)	1,033	(486)
Embedded derivatives: current	21 h)	52,015	–
		61,702	**23,096**

a) In 2021, Aggregate Holdings Invest S.A. entered a call option agreement with Vonovia Finance B.V., whereby the Group extends to the lender the irrevocable offer to purchase up to 15,624,695 ADLER shares. The lender can accept such offer to purchase the Option Shares in accordance with Article 3 of the call option agreement during the Call Exercise Period at the Call Option Price of €14.00 per Option Share and be adjusted downward by the amount of any dividend per ADLER Share paid prior to the Closing Date, being 7 April 2023. As the loan was repaid via the appropriation of the ADLER shares pledged on 22 February 2022, the fair value of the option is €0 as of 31 December 2021 (See Note 31 b)).

b) In 2021, the Company being the Purchaser, entered into a put option agreement and hereby grants to a third party, being the Seller, a put option, pursuant to which the Seller, may, at any time, during the put option exercise period by service of a written notice on the Purchaser, requires the Purchaser to purchase from the Seller the 5,850,000 shares in ADLER Group S.A. on the terms and conditions per the agreement. The consideration of €4.62 per share plus 6% coupon on the share price per annum to be calculated on the basis of the actual number of days elapsed during the call option period. As the Company does not directly control the conditions per the put option agreement to exercise the option, the Group has assessed the fair value of the put option agreement at €0 as of 31 December 2021.

Notes to the consolidated financial statements (continued)

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

c) In 2021, one of the subsidiaries of the Group, being the Purchaser, entered into a call option agreement and hereby grants to a third party, being the Seller, a call option, pursuant to which the Purchaser, may, at any time, during the put option exercise period by service of a written notice on the Seller, requires the Seller to sell to the Purchaser the 5,850,000 shares in ADLER Group S.A. on the terms and conditions per the agreement. The consideration of €4.62 per share plus 6% coupon on the share price per annum to be calculated on the basis of the actual number of days elapsed during the call option period. Exercise of the call option is conditional on the conditions laid down in Clause 4 of the call option agreement, being satisfied (or any that have not been satisfied being waived in writing by agreement between the Purchaser and the Seller) during the call exercise period. If any of the ongoing conditions are not satisfied, the Purchaser is not entitled the call option unless and until the ongoing condition is satisfied. If all the conditions are not satisfied, the call option agreement shall be terminated immediately, and upon such termination, no party shall have any liability hereunder saved for any antecedent breach of the call option agreement.

The Group is of the opinion that the likelihood that the conditions as laid down in the call option agreement will be fulfilled during the put option exercise period is more probable and has determined a fair value of €35,861 thousand as of 31 December 2021 and recorded under financial assets relating to derivatives.

d) In 2021, the Company and the Sellers holding 10.10% of shares in Fürst entered into a put option agreement, under which, the Company irrevocably offers to the sellers to purchase the 10.10% participation, together with a third party. Per the option agreement, as amended subsequently, the Company and the Nominee is a co-debtor for the purchase price consideration for an amount of €62,000 thousand. The Group has assessed the fair value of the put option agreement and determined a fair value of €0 as of 31 December 2021.

e) In 2021, a subsidiary of the Company and a third party entered into call options, exercisable by the third party at any time prior to 30 June 2024 on three subsidiaries of ZA Castle GmbH.

The fair value of these call options is €1,033 thousand as of 31 December 2021 and booked under financial liabilities relating to derivatives.

18. Cash and cash equivalents

Cash and cash equivalents exclusively comprise balances with banks. The cash and cash equivalents represent the financial resources of the Group.

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

In thousands of €	Note	2021	2020
Cash in hand		1	13
Restricted cash - current		317,039	48,425
Current accounts with banks		75,116	19,332
Total cash and cash equivalents	**25**	**392,156**	**67,770**
Cash and cash equivalents in the consolidated statement of cash flows			
Restricted cash - current		317,039	48,425
Current accounts with banks, cash in hand and cash in transit		75,117	19,345
		392,156	**67,770**

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

19. Assets and liabilities from discontinued operations and held for sales

(i) Assets and liabilities from discontinued operations

Fliptag Investment Ltd

On 9 November 2021, Aggregate Isle of Man 3 Limited, being the holding company of Fliptag Investment Ltd, signed a Share Purchase Agreement (SPA) with a third party for the sale and purchase of the entire issued share capital of Fliptag Investment Ltd for a total consideration as follows:

- The Share consideration – £1,133 thousand and subject to any adjustments is to be calculated and satisfied with the provisions of Schedule 7 of the SPA; and
- Shareholder loan consideration – £4,978 thousand.

Havza Limited and Oldbourne & Oldbourne Hospitality Limited

On 9 November 2021, Aggregate Isle of Man 4 Limited, being the holding company of Havza Limited and Oldbourne & Oldbourne Hospitality Limited, signed a Share Purchase Agreement (SPA) with a third party, for the sale and purchase of the entire issued share capital of Havza Limited and Oldbourne & Oldbourne Hospitality Limited for a total consideration as follows:

Havza Limited

- The Share consideration – £1, and
- Shareholder loan consideration – £14,296 thousand and subject to any adjustments is to be calculated and satisfied with the provisions of Schedule 7 of the SPA.

Oldbourne & Oldbourne Hospitality Limited

- The sale consideration, as estimated in the completion accounts, amounts to £1,906 thousand and subject to any adjustments is to be calculated and satisfied in accordance with the provisions of Schedule 7 of the SPA.

The transaction should be completed as per Clause 5 of the SPAs, which is 5 business days after the date of this agreement, or any other date agreed in writing between the parties or notified by the buyer to the seller pursuant to the SPA.

Per Clause 3 of the SPA, the Seller and the Buyer have agreed, at the request of the Buyer, that the Buyer will be entitled to an option to defer the Completion date to a later date on the terms set in Clause 3 of the SPA.

This brings the revised completion date no earlier than 15 November 2021 and no later than 28 February 2022. The sales were closed on the 28 February 2022.

As at 31 December 2021, the Group recognised an impairment loss of €10,861 thousand in relation to the net realisable value of the assets from discontinued operations.

Notes to the consolidated financial statements (continued)

19. Assets and liabilities from discontinued operations and held for sales (continued)

(ii) As of 31 December 2021, the details of the assets and liabilities from discontinued operations and held for sale are as follows:

Assets from discontinued operations

In thousands of €	Note	2021	2020
Investment properties	12	70,357	–
Trade and other receivables	25	5,250	15,308
Cash and cash equivalents	25	1,437	11
		77,044	**15,319**

Assets held for sale

In thousands of €	Note	2021	2020
Investment properties under development	12	984,220	–
Trade and other receivables	25	2,035	–
Cash and cash equivalents	25	21,299	–
		1,007,554	**–**

Liabilities from discontinued operations

In thousands of €	Note	2021	2020
Loans and Borrowings	25	38,951	14,006
Trade and other payables	25	4,097	27
		43,048	**14,033**

Liabilities held for sale

In thousands of €	Note	2021	2020
Loans and Borrowings	25	622,604	–
Deferred tax liabilities	23	76,437	–
Trade and other payables	25	6,618	–
		705,659	**–**

Notes to the consolidated financial statements (continued)

20. Registered capital and reserves

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

Registered (share) capital

In thousands of €	2021	2020
At 1 January	951,429	951,429
At 31 December	**951,429**	**951,429**

Equity attributable to hybrid holders

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

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

a) From 30 December 2016 until 30 December 2023, or any other date that may be agreed on by the issuer and the holder (the First Call Date), at the rate of 4.50% 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.

Mandatory convertible bonds

a) On 30 and 31 March 2021, the Group placed unsecured, fixed-rate mandatory convertible bonds with a total nominal amount of €331,000 thousand. The mandatory convertible bonds carry 2.00% per annum and matures on 1 December 2025. Interest shall be paid annually in arrears. In case of a change of control and the Company not redeeming the mandatory corporate bonds in whole, the applicable rate of interest of the mandatory convertible bonds will increase by an additional 5% per annum.

   The net proceeds of the mandatory convertible bonds were mainly used to finance the remaining 32.00% acquisition of VIC Properties Holdings S.A. minorities stake. As of 31 December 2021, the interest portion of the mandatory convertible bonds is classified as a financial liability and is grouped under loans and borrowings for an amount of €30,200 thousand (see Note 21).

b) On 23 August 2021, the Group placed unsecured, fixed-rate mandatory convertible bonds with a total nominal amount of €129,800 thousand. The mandatory convertible bonds carry 2.00% per annum and matures on 31 August 2024. Interest shall be paid annually in arrears. In case of a change of control and the Company not redeeming the mandatory convertible bonds in whole, the applicable rate of interest of the bonds will increase by an additional 5% p.a. The net proceed of the mandatory convertible bonds was used to fund the acquisition of Ringbahnhofe during the year. As of 31 December 2021, the interest portion of the corporate bond is grouped under loans and borrowings for a total consideration of €7,186 thousand (see Note 21).

Based on the features of the mandatory convertible bonds, principal outstanding amount have been classified as equity in line with IAS 32 and interest portion as financial liability and grouped under "Bonds issued" (See Note 21).

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 shareholder.

Translation reserve

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

Introduction | AH Overview | Business Overview | Management Report | Auditor's Report | Financials

Notes to the consolidated financial statements (continued)

20. Registered capital and reserves (continued)

Non-controlling interest

The non-controlling interest acquired during the financial year 2021 results from business combinations are as follows:

In thousands of €	2021	2020
NCI at 1 January	36,440	353,754
Acquisition of subsidiaries with NCI	200,610	–
Impact on NCI of results of subsidiaries during the year	104,738	8,075
Changes on non-controlling interest as a result of adjustments made in 2020 during the measurement period	–	287,591
Changes in non-controlling interests without a change in control	–	(358,682)
Disposals of subsidiary with NCI	–	(254,298)
	341,788	**36,440**

Profit and loss

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

21. Loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

For more information about the Group's exposure to credit risks, liquidity risks and market risks under Note 25.

In thousands of €	2021	2020
Non-current liabilities		
Bank and third party loans – non-current portion	1,330,469	1,003,970
Related party loans – non-current portion	34,617	5,784
Bonds issued	1,915,724	648,708
	3,280,810	**1,658,462**
Current liabilities		
Bank and third party loans – current portion/short term	503,605	142,930
Related party loans – current portion	23,494	455
Bonds issued	402,475	231,639
Coupon interest due on bonds issued	19,362	21,432
	948,935	**396,455**
Total loans and borrowings	**4,229,746**	**2,054,917**

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

The detail of the bonds and notes issued is as follows:

In thousands of €	Type of debt	Interest rate	Maturity	2021	2020
Aggregate Holdings S.A.	Unsecured notes	5.00%	10/Aug/21	–	66,873
Aggregate Holdings S.A.	Unsecured notes	5.50%	17/May/24	252,675	–
Aggregate Holdings S.A.	Unsecured notes	6.88%	9/Nov/25	542,533	450,773
Aggregate Holdings S.A.	Mandatory convertible bonds	2.00%	31/Aug/24	30,200	–
Aggregate Holdings S.A.	Mandatory convertible bonds	2.00%	1/Dec/25	7,186	–
Aggregate Holdings 4 S.A.	Junior notes	13.10%	28/Nov/23	25,709	–
Project Lietzenburger Straße Propco S.à r.l.	Secured Notes	4.50%	28/Mar/23	761,690	–
Project Lietzenburger Straße Propco S.à r.l.	Secured Notes	7.00%	28/Mar/22	139,977	–
Aggregate Deutschland S.A.	Unsecured notes	12.00%	31/Dec/22	123,886	–
VIC Properties S.A.	Unsecured notes	5.00%	24/Aug/23	6,767	6,713
VIC Properties S.A.	Convertible bonds	3.00%	28/May/25	227,496	207,271
Green Living PG GmbH	Secured Notes	3.00%	3/Mar/23	100,573	–
The Walter PG Holding GmbH	Secured Notes	3.00%	4/Dec/22	25,185	–
The Walter PG GmbH	Secured Notes	3.00%	28/Feb/23	48,486	–
The Walter PG II GmbH	Secured Notes	3.00%	7/Apr/23	25,183	–
The Walter PG III GmbH	Secured Notes	3.00%	21/Jun/22	20,016	–
Quartier Heidestraße GmbH	Secured notes	3.00%	16/Mar/21	–	134,060
AEIOU 102 GmbH	Assignable Loan	3.50%	28/Sep/21	–	29,089
AEIOU 102 GmbH	Junior certificate	14.00%	26/Mar/21	–	7,000
Total				**2,337,561**	**901,779**

a) On 24 March 2021 and 25 March 2021, Aggregate HH GmbH issued senior notes for a total amount of €15,000 thousand and €11,000 thousand with maturity date 31 March 2023 and interest rate of 18.00% per annum. At issuance date, an amount of €10,900 thousand and €8,600 thousand were drawn. As at 31 December 2021, the outstanding bonds balance is shown under "Liabilities held for sale" (See Note 19 for more details).

b) On 29 March 2021, AEIOU 102 GmbH issued senior notes for a total amount of €29,000 thousand with maturity date 29 March 2023 and interest rate of 3.50% per annum. As at 31 December 2021, the outstanding bonds balance is shown under "Liabilities held for sale" (See Note 19 for more details).

c) In relation to the acquisition of Fürst portfolio during the year 2021, the following financings were put in place:

- On 17 May 2021, the Company issued unsecured notes for a total consideration €250,000 thousand with maturity on 17 May 2024 and interest of 5.50% per annum and €220,000 thousand was given in kind as consideration for the acquisition of Fürst portfolio.
- Project Lietzenburger Straße PropCo S.à r.l. issued the following financing instruments:
  - (i) Senior financing instruments amounting to €775,000 thousand were issued on 28 May 2021, having an annual interest rate of 4.50% per annum and maturity date of 28 November 2023.
  - (ii) Senior Tier 2 financing instruments amounting to €150,000 thousand were issued on 28 May 2021, having an annual interest rate of 7.00% per annum and maturity date is 28 November 2023.
- On 28 May 2021, Aggregate Holdings 4 S.à r.l. issued junior notes for a total consideration of €25,100 thousand and €70,000 thousand with maturity on 28 November 2023 and interest of 13.10% per annum and 12.50% per annum respectively.

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

d) In relation to the acquisition of the Castle portfolio, the following financings were put in place:

- On 30 June 2021, the Group acquired existing notes for a total consideration of €218,000 thousand with a maturity ranging from 21 June 2022 to 3 March 2023 and interest of 3.00% per annum. As at 31 December 2021, a portion of the existing notes were classified as liabilities held for sale (See Note 19 for more details).
- On 30 June 2021, bonds amounting to €111,000 thousand were issued with a maturity date on 31 December 2022 and bearing interest at 18.00% per annum. As at 31 December 2021, the outstanding bonds balance is shown under "Liabilities held for sale" (See Note 19 for more details).

e) On 31 August 2021, German Invest 2 S.à r.l. issued Senior Notes for a total amount of €130,000 thousand to finance the acquisition of Ringbahnhofe. The Senior Notes bear an interest of 15.00% per year and are due on 31 August 2022. As of 31 December 2021, the outstanding bonds balance is shown under "Liabilities held for sale" (See Note 19 for more details).

f) On 7 October 2021, the margin loan amounting to €220,000 thousand received on 4 July 2020 was repaid, through a refinancing undertaken from Vonovia Finance B.V. for a total amount of €250,000 thousand. Under the new facility agreement, the 31,249,390 shares held in ADLER Group S.A. previously pledged with the repaid lender were pledged in respect of the loan received on 7 October 2021 (See Note 31).

g) On 31 December 2021, Aggregate Deutschland S.A. issued Notes for a nominal amount of €131,463 thousand with maturity on 31 December 2022 and interest of 12.00% per annum. The proceeds were used to refinance existing loans and repurchase €71,020 thousand Aggregate Holdings S.A. 2025 Notes at a material discount.

h) On 11 June 2019, VIC Properties S.A successfully issued a €250,000 thousand secured Pre-IPO convertible bond (the "Bonds") that can be converted into new and/or existing ordinary shares at the discretion of the Company. The Bonds have a maturity of six years and a denomination of €100 thousand. The issue price was 90% of their principal amount and the coupon is set at 3.00% per annum, payable semi-annually in arrears in equal instalments, commencing on 28 November 2019. If the Bonds are not earlier purchased, redeemed, put, or converted, they will be redeemed at 105% of their principal amount on maturity date.

Pursuant to Condition 8(f) (Redemption at the Option of the Bondholders on any Optional Put Date) of the Bonds terms and conditions, the Bondholders had the right to require the Issuer to redeem the Bonds on the First Optional Put Date of 28 May 2022 (the "Put Right") at the Early Redemption Amount together with accrued but unpaid interest up to (but excluding) 28 May 2022. The Early Redemption Amount (as defined in the Conditions) amounts to 114 % of each €100,000 in principal amount of the Bonds to be redeemed (the "Put Price"). The period for the Bondholders to exercise the Put Right by delivering an Optional Put Exercise Notice expired on 28 April 2022.

As of 28 April 2022, irrevocable Optional Put Exercise Notices had been delivered in accordance with Condition 8(f) (Redemption at the Option of the Bondholders on any Optional Put Date) of the Bonds terms and conditions, for an aggregate amount of €240,700 thousand thereby representing 96.28% of the total outstanding principal amount of the Bonds, being €250,000 thousand.

Pursuant to Condition 8(b)(iv) (Redemption at the Option of the Issuer) of the Bonds terms and conditions, the Issuer of the Bonds has the right to redeem the remaining principal amount of the Bonds at any time, if 80% or more in principal amount of the Bonds originally issued have been redeemed, converted or purchased and cancelled (the "Clean-up Call"). The exercise of such Clean-up Call would result in the redemption of the Bonds at a redemption price of 105% of their principal amount, together with accrued but unpaid interest up to the Optional Redemption Date (as defined in the Conditions) (the "Call Price").

As of 31 December 2021, the value of the Bonds issued was €234,395 thousand. The redemption amount of the Bonds, as calculated in accordance with Condition 8(f) (Redemption at the Option of the Bondholders on any Optional Put Date) of the Bonds terms and conditions, amounts to €286,411 thousand.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

21. Loans and borrowings (continued)

Consequently, the fair value liability of the Redemption Option amount has been determined at €52,015 thousand.

As a result of the Put Rights by the Bondholders to be exercised by 28 May 2022, the conversion option attached to the Bonds in accordance with Condition 7(a) of the Bonds terms and conditions are assessed as remote, and thus a fair value of €0 has been determined.

i) Loans and Borrowings bear an average interest rate of 6.4% per annum (2020: 5.5% per annum). The average maturity of loans and borrowings is 2.3 years (2020: 3.3 years). The cost of issuance for loans and borrowings amounts to €72,718 thousand (2020: €25,407 thousand).

j) Most of the loan agreements have imposed requirements in the form of financial covenants. Loans secured by properties which constitute the bulk of a loan agreement usually include financial covenants at the level of the subsidiary. Most secured loans contain loan to cost ratios (LTC) and/or loan-to-value (LTV) ratios, and some include minimum/maximum debt service coverage ratios (DSCR). The loan agreements for the Group indicate the financial covenants as defined in each agreement. During the year 2021 and as of 31 December 2021 and 31 December 2020, the Group was compliant with its financial covenants.

22. Provisions

In thousands of €	2021	2020
Provisions for bonus	124	120
Legal costs provision	–	404
Other provisions	1,219	923
	1,343	**1,447**
Current part	1,343	1,224
Non-current part	**–**	**223**

Notes to the consolidated financial statements (continued)

23. Deferred tax assets and liabilities

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

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
In thousands of €	2021	2020	2021	2020	2021	2020
Investment properties and investment properties under development	–	–	(240,057)	(122,418)	(240,057)	(122,418)
Inventories	–	–	(38,023)	(38,023)	(38,023)	(38,023)
Losses carried forward	12,698	6,662	–	–	12,698	6,662
Deferred tax assets/(liabilities)	**12,698**	**6,662**	**(278,080)**	**(160,442)**	**(265,382)**	**(153,780)**

Liabilities held for sale

	Assets		Liabilities		Net	
In thousands of €	2021	2020	2021	2020	2021	2020
Investment properties under development	–	–	(76,437)	–	(76,437)	–
Deferred tax liabilities	**–**	**–**	**(76,437)**	**–**	**(76,437)**	**–**
Deferred tax assets/(liabilities)	**12,698**	**6,662**	**(354,517)**	**(160,442)**	**(341,819)**	**(153,780)**

In thousands of €	Balance at 1/1/2021	Statement of profit or loss	Held for sale	Balance at 31/12/2021
Investment properties and investment properties under development	(122,418)	(194,076)	76,437	(240,057)
Inventories	(38,023)	-	-	(38,023)
Losses carried forward	6,662	6,036	-	12,698
	(153,780)	**(188,040)**	**76,437**	**(265,382)**

In thousands of €	Balance at 1/1/2020	Disposal of subsidiary	Statement of profit or loss	Balance at 31/12/2020
Investment properties and investment properties under development	(109,601)	28,554	(41,372)	(122,418)
Property, plant and equipment	(10,096)	10,096	–	–
Intangible assets	(295)	295	–	–
Inventories	118,870	(156,894)	–	(38,023)
Other non current assets	(24,653)	24,653	–	–
Other assets	(81,800)	81,800	–	–
Provisions	1,551	(1,551)	–	–
Financial liabilities	(3,660)	3,660	–	–
Other financial liabilities	4,835	(4,835)	–	–
Other liabilities	(131,578)	131,578	–	–
Losses carried forward	48,253	(48,523)	6,662	6,662
	(187,904)	**68,834**	**(34,710)**	**(153,780)**

Notes to the consolidated financial statements (continued)

23. Deferred tax assets and liabilities (continued)

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

During the year 2021, the Group has recognised deferred tax assets for an amount of €12,698 thousand (2020: €6,662 thousand) on tax losses reported by Quartier Heidestrasse GmbH and its subsidiaries.

The Group has not recognised deferred tax assets on accumulated tax losses carried forward for an amount of €821,947 thousand across all subsidiaries as it is not probable that the temporary difference will be reversed in the foreseeable future and that taxable profit will be available against which the temporary difference will be utilised. The tax losses are carried forward for a period not exceeding 17 years.

24. Trade and other payables

In thousands of €	Note	2021	2020
Payable to Subsidiary of Associates (non - subsidiaries)	25	21,000	21,000
Payables to suppliers	25	133,073	107,765
Payables to personnel		2,228	731
Taxes payable		7,639	4,969
Guarantees	25	–	1,362
Advances received for real estate under construction	15	20,747	11,665
Deposits received		553	–
Deferred consideration		24,374	485
Other payables	25	87,138	354,629
		296,752	**502,606**

25. Financial instruments

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

- Credit risks.
- Liquidity risks.
- Market risks.

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 and advisors oversee the management of these risks. The Group's senior management and advisors ensure that 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 risks

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.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Credit risks (continued)

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 mitigating 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. The Group's maximum exposure to credit risk for the components of the statement of financial position as of 31 December 2021 and 2020 is the carrying amounts of each class of financial instruments.

Credit risks exposures

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

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

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

b) Analysis of repayments received during the year, both capital and interest. The Group did not identify any significant delays in capital and interest repayment during the year 2021. Accrued interest as of 31 December 2021 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 debt instruments.

As such, the Group 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.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Credit risks (continued)

Credit risks exposures (continued)

The maximum credit exposure at the reporting date was:

In thousands of €	Note	2021	2020
Loans receivable from related parties	13	140,093	37,541
Loans receivable from third parties	13	374,912	209,561
Deposits and guarantees	13	252	217
Financial assets at fair value through other comprehensive income	13	6,698	6,572
Other financial assets	13	15,306	2,371
Trade and other receivables	16	43,595	20,118
Cash and cash equivalents	18	392,156	67,770
Assets from discontinued operations and assets held for sale			
Trade and other receivables	19	7,285	15,308
Cash and cash equivalents	19	22,736	11
		1,003,033	**359,469**

Credit risks ratings

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

	Credit risk rating	
Country	2021	2020
Austria	Aa1	Aa1
British Virgin Islands	Caa3	Caa3
Cayman Islands	Aa3	Aa3
Cyprus	Ba1	Baa2
Germany	Aaa	Aaa
Isle of Man	–	Aa3
Ireland	–	A2
Luxembourg	Aaa	Aaa
Netherlands	–	Aaa

Impairment losses/Expected credit losses

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

		2021		2020	
In thousands of €	Note	Gross	Impairment	Gross	Impairment
Not overdue or overdue less than 1 year	9, 13, 16	427,477	(1,685)	246,150	(1,163)
Overdue more than 1 year		–	–	–	–
Overdue more than 2 years		–	–	–	–
Overdue more than 3 years		–	–	–	–
		427,477	**(1,685)**	**246,150**	**(1,163)**

As of 31 December 2021, the Group has booked an amount of €1,685 thousand (2020: €1,163 thousand) as ECLs.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Credit risks (continued)

Cash and cash equivalents

The Group has cash and cash equivalents amounting to €392,156 thousand as at 31 December 2021 (2020: €67,770 thousand) held with reputable financial institutions with high ratings and represent its maximum credit exposure on these assets.

Liquidity risks

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

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

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

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

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

31 December 2021

In thousands of €	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans - non-current portion and current portion	1,834,074	2,055,745	514,837	1,389,842	151,066
Related party loans - non-current portion	34,617	40,629	–	40,629	–
Bonds and notes issues	2,337,561	3,220,077	464,232	2,755,845	–
Related party loans - current portion	23,494	25,244	25,244	–	–
Trade and other payables	241,211	241,211	241,211	–	–
Total	**4,470,956**	**5,582,906**	**1,245,524**	**4,186,316**	**151,066**
Liabilities of discontinued operations and liabilities held for sale					
Bank and third party loans - non-current portion and current portion	39,145	39,681	39,681	–	–
Bonds and notes issues	622,410	677,632	677,632	–	–
Trade and other payables	10,715	10,715	10,715	–	–
Total	**672,270**	**728,028**	**728,028**	**–**	**–**

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Liquidity risks (continued)

31 December 2020

In thousands of €	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years
Non-derivative financial liabilities					
Bank and third party loans – non-current portion and current portion	1,146,899	1,296,514	146,101	1,005,494	144,918
Related party loans – non-current portion	5,784	6,220	–	6,220	–
Bonds and notes issues	901,779	1,084,991	257,284	827,627	–
Related party loans – current portion	455	479	479	–	–
Trade and other payables	834,188	834,188	834,188	–	–
Total	**2,889,105**	**3,222,393**	**1,238,052**	**1,839,341**	**144,918**
Liabilities of discontinued operations and liabilities held for sale					
Bank and third party loans - non-current portion and current portion	14,006	14,006	14,006	–	–
Trade and other payables	27	27	27	–	–
Total	**14,033**	**14,033**	**14,033**	**–**	**–**

Market risks

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

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

In thousands of €	Note	2021	2020
Financial assets at fair value through other comprehensive income	13	6,698	31,505
Financial assets at fair value through profit or loss	13	48,232	169,445
		54,930	**200,950**

Sensitivity analysis

An increase in equity price by of the financial assets held by the Group 10% on 31 December 2021 would have increased in profit or loss by €5,493 thousand (2020: €20,095 thousand). For a decrease of 10% there would be an equal and opposite impact in profit or loss.

Option contracts

During the year 2021, the Company and its subsidiaries entered into several options agreements with third parties to purchase or sell listed shares and bonds.

The fair value of the options on 31 December 2021 is the difference between the strike price and the market price of the listed shares and bonds.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Market risks (continued)

Option contracts (continued)

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

Financial assets relating to derivatives

	Average strike price		Quantity		Fair value	
In thousands of €	2021	2020	2021	2020	2021	2020
Less than one year	4.62	–	5,850	–	35,861	–
	4.62	**–**	**5,850**	**–**	**35,861**	**–**

Financial liabilities relating to derivatives

	Average strike price		Quantity		Fair value	
In thousands of €	2021	2020	2021	2020	2021	2020
Less than one year	77.00%	70.60%	285,000	2,571	(53,048)	(486)
	77.00%	**70.60%**	**285,000**	**2,571**	**(53,048)**	**(486)**

Cash flow sensitivity analysis for fixed rate instruments

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

Sensitivity analysis of cash flows for variable rate instruments

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

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

	Effect on statement of profit or loss		Effect in equity	
In thousands of €	0.1% increase	0.1% decrease	0.1% increase	0.1% decrease
31 December 2021				
Variable rate instruments	36	(36)	–	–
Cash flow sensitivity (net)	**36**	**(36)**	**–**	**–**

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

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Currency risks

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

Exposure to currency risks

All the subsidiaries of the Group where a foreign exchange risk arising from £ exposure exists were considered as discontinued operations as at 31 December 2021 (see Note 19). Consequently, foreign exchange risk is not considered material to the Group and therefore sensitivity to £ has not been presented for the year ended 31 December 2021. We have disclosed the foreign risk exchange from £ exposure for the year ended 31 December 2020.

The following significant exchange rates applied during the year:

	Average		Balance sheet date	
	2021	2020	2021	2020
1 GBP	–	1.1248	–	1.1123

Sensitivity analysis

A 10 % strengthening of the Euro (€) 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 2021.

In thousands of €	Equity	Profit or loss
2021		
10% appreciation of € against GBP	–	–
2020		
10% appreciation of € against GBP	–	3,440

A weakening of the € 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 risks

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

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Interest rate risks (continued)

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

In thousands of €	2021	2020
Fixed rate instruments		
Financial assets	537,261	276,587
Financial liabilities	(3,018,082)	(908,018)
	(2,480,821)	**(631,431)**
Variable rate instruments		
Financial liabilities	(1,873,218)	(1,160,905)
	(1,873,218)	**(1,160,905)**

Interest rate swap contracts

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

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

	Average contracted fixed interest rate		Notional principal value		Fair value	
In thousands of €	2021 %	2020 %	2021	2020	2021	2020
More than 5 years	1.2% + Euribor 3 months	1.2% + Euribor 3 months	129,125	117,766	(8,071)	(14,347)

Cash flow sensitivity analysis for fixed rate instruments

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

Sensitivity analysis of cash flows for variable rate instruments

A change of 0.1% in interest rates as at 31 December would increase (decrease) equity and profit or loss by the amounts set out below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Interest rate swap contracts (continued)

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

In thousands of €	Effect on profit or loss 0.1% increase	0.1% decrease	Effect in equity 0.1% increase	0.1% decrease
31 December 2021				
Variable rate instruments	(1,873)	1,873	–	–
Cash flow sensitivity (net)	**(1,873)**	**1,873**	**–**	**–**
31 December 2020				
Variable rate instruments	(1,161)	1,161	–	–
Cash flow sensitivity (net)	**(1,161)**	**1,161**	**–**	**–**

Capital management

The Group policy is to maintain a strong capital base to reinforce customer, creditor and market confidence and to sustain future development of the business.

Fair values versus carrying amounts

The Group 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 21); and
- Trade and other payables (Note 24)

The Group 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, the Group 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.

The Group 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, the Group 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.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values

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

Fair values versus carrying amounts

31 December 2021 In thousands of €	Designated at fair value through profit or loss	Fair value – hedging instruments	Amortised costs	Fair value through other compre-hensive income	Other financial liabilities at amortised costs	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities	48,232	–	–	6,698	–	54,930	48,232	6,698	–	54,930
Interest rate swap	583	–	–	–	–	583	–	583	–	583
Options	35,861	–	–	–	–	35,861	–	35,861	–	35,861
	84,676	**–**	**–**	**6,698**	**–**	**91,374**	**48,232**	**43,142**	**–**	**91,374**
Financial assets not measured at fair value										
Trade and other receivables	–	–	47,602	–	–	47,602	–	–	–	–
Cash and cash equivalents	–	–	392,156	–	–	392,156	–	–	–	–
Loan receivables	–	–	515,005	–	–	515,005	–	–	–	–
	–	**–**	**954,763**	**–**	**–**	**954,763**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value										
Interest rate swap	8,654	–	–	–	–	8,654	–	8,654	–	8,654
Embedded derivatives	52,015		–	–	–	52,015	–	–	52,015	52,015
Options	1,033	–	–	–	–	1,033	–	–	1,033	1,033
	61,702	**–**	**–**	**–**	**–**	**61,702**	**–**	**8,654**	**53,048**	**61,702**
Financial liabilities not measured at fair value										
Bank loans and other borrowings	–	–	–	–	1,892,185	1,892,185	–	–	–	–
Bonds and notes	–	–	–	–	2,337,561	2,337,561	–	–	–	–
Trade and other payables	–	–	–	–	241,211	241,211	–	–	–	–
	–	**–**	**–**	**–**	**4,470,957**	**4,470,957**	**–**	**–**	**–**	**–**

Notes to the consolidated financial statements (continued)

25. Financial instruments (continued)

Fair values versus carrying amounts (continued)

Accounting classifications and fair values (continued)

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

Fair values versus carrying amounts

31 December 2020							Fair value			
In thousands of €	Designated at fair value through profit or loss	Fair value – hedging instruments	Amortised costs	Fair value through other compre-hensive income	Other financial liabilities at amortised costs	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Equity securities	169,445	–	–	31,505	–	200,950	169,445	31,505	–	200,950
	169,445	**–**	**–**	**31,505**	**–**	**200,950**	**169,445**	**31,505**	**–**	**200,950**
Financial assets not measured at fair value										
Trade and other receivables	–	–	28,808	–	–	28,808	–	–	–	–
Cash and cash equivalents	–	–	67,770	–	–	67,770	–	–	–	–
Loan receivables	–	–	247,102	–	–	247,102	–	–	–	–
	–	**–**	**343,680**	**–**	**–**	**343,680**	**–**	**–**	**–**	**–**
Financial liabilities measured at fair value										
Embedded derivative	9,235	–	–	–	–	9,235	–	–	9,235	9,235
Interest rate swap	14,347	–	–	–	–	14,347	–	14,347	–	14,347
Options	(486)	–	–	–	–	(486)	–	(486)	–	(486)
	23,096	**–**	**–**	**–**	**–**	**23,096**	**–**	**13,861**	**9,235**	**23,096**
Financial liabilities not measured at fair value										
Bank loans and other borrowings	–	–	–	–	1,153,138	1,153,138	–	–	–	–
Bonds and notes	–	–	–	–	901,779	901,779	–	–	–	–
Trade and other payables	–	–	–	–	834,188	834,188	–	–	–	–
	–	**–**	**–**	**–**	**2,889,106**	**2,889,106**	**–**	**–**	**–**	**–**

There were no changes in fair value hierarchy during the year ended 31 December 2021 and 31 December 2020.

26. Leases

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

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

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

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

26. Leases (continued)

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

In thousands of €	2021	2020
Up to one year	877	140,121
1-5 years	2,015	1,871
Over 5 years	284	284
Total	**3,177**	**142,276**

27. Commitments and contingent liabilities

a) Quartier Heidestrasse GmbH Group has pledged all of its bank accounts and shares, first ranking land charge rights, insurance claims and other claims in favour of certain lenders.

b) Aggregate Holdings S.A. provided a guarantee of up to €291,000 thousand in favour of a certain lender to the Quartier Heidestrasse companies.

c) Aggregate Deutschland S.A. provided guarantee facilities for an amount of €46,000 thousand for Quartier Heidestrasse GmbH Group to secure possible overrun of construction costs.

d) During the year 2021, Aggregate Holdings S.A. replaced Aggregate Deutschland S.A. as guarantor and provided a guarantee facility for an amount of €33,000 thousand to an insurance company for Quartier Heidestrasse GmbH Group to secure possible overrun of construction costs of a maximum 7.50% of the expected total costs for the construction until 31 January 2024.

e) An insurance company entered a guarantee facility on behalf of Quartier Heidestraße for a total consideration of €3,500 thousand to secure possible overrun of construction costs.

f) The Project Fürst entities have guaranteed, pledged most of its bank accounts and shares, all first ranking land charge rights, insurance claims and other claims in favour of a financial consortium in relation to its financing.

g) Aggregate Holdings S.A. provided a guarantee of up to €48,000 thousand in favour of certain finance parties regarding any possible cost overrun on Project Fürst.

h) The Castle Investment Holdings S.à r.l. and its subsidiaries have pledged most of its bank accounts and shares, all first ranking land charge rights, insurance claims and other claims in favour of certain financing parties.

i) Aggregate Deutschland 5 S.a r.l. and German Invest 2 S.à r.l. and its subsidiaries have pledged its shares, bank accounts and shares in its subsidiaries, in favour of the certain financing parties.

j) Aggregate HH GmbH and AEIOU.102 GmbH pledged all their bank accounts, shares and first ranking land charge rights in Alsterkrugchaussee GmbH and AEIOU.102 GmbH and rights arising from sales agreement to secure the notes entered during the year.

k) Aggregate Holdings S.A. has given a corporate guarantee of £32,250 thousand plus any future interest and capitalised interest on the bank loan of a subsidiary based in the United Kingdom. The corporate guarantee has been released on 28 February 2022 as part of the share sales agreements closing.

l) VIC Group has pledged shares in certain of its subsidiaries, and first ranking land charge rights on Matinha, Pinherino and Prata in favour of certain financings parties.

m) Shares of certain subsidiaries of the Company have been pledged in support of a guarantee granted by Lavinia B.V. to a third party regarding commitments given to the vendor of Fürst in relation to the distribution of certain debt instruments.

n) The shares of a certain subsidiary of the Company have been pledged to secure the share purchase price of a third party.

o) During the year 2021, Aggregate Holdings S.A. replaced its pledge as part of third-party loan agreements through a consortium of companies, which do not form part of the group.

p) Certain subsidiaries of Aggregate Holdings S.A. have given typical warranties and indemnities to the buyer of L'Oscar Hotel up to a total value of £60,000 thousand. Aggregate Holdings S.A. has guaranteed the obligations of these subsidiaries capped at the same value.

q) Save as disclosed above, Aggregate Holdings S.A. has given corporate guarantees for an amount of €387,813 thousand to credit institutions on behalf of its subsidiaries and third parties.

Notes to the consolidated financial statements (continued)

27. Commitments and contingent liabilities (continued)

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 material 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 of significant subsidiaries within the Group.

Remunerations of executive directors

In thousands of €	2021	2020
Remunerations	(99)	(1,316)
Severance payments	–	(2,800)
	(99)	**(4,116)**

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related party transactions

Name of related party	Type of relation	Type of transaction/ balance	Nature of settlement	Statement of profit or loss 2021	Statement of profit or loss 2020	Balance as at 31 Dec 2021	Balance as at 31 Dec 2020
Lavinia B.V.	Common UBO	Loan receivable	Cash	–	–	59,831	35,041
		Interest income/receivable	Cash	2,780	1,972	2,661	2,267
		Loan payable	Cash	–	–	(4,894)	(5,033)
		Interest (expense)/ (payable)	Cash	(232)	(307)	(232)	–
		Other payables	Cash	–	–	–	(8)
Medeon S.à r.l.	Ultimate parent and UBO	Loan receivable	Cash	–	–	8,205	–
		Interest income/receivable	Cash	219	40	149	–
		Other income/Other receivable	Cash	7	–	7	–
Aggregate Debt Advisory GmbH	Common UBO	Interest income	Cash	–	41	–	–
LHC Holding GmbH	Joint venture 50%	Loan receivable	Cash	–	–	–	14
"Passiva Participations 2 S.à r.l. (previously: Aggregate Participation 2 S.à r.l.)"	Common ultimate parent and UBO	Loan receivable	Cash	–	–	257	255
		Interest income/receivable	Cash	37	2	18	2
		Other income/Other receivable	Cash	21	–	21	–
Group Electa S.A.	Contracts with board member	Other payables	Cash	(4)	–	–	(6)
Consus Real Estate AG	Subsidiary of Associate	Interest income/receivable	Cash	–	10	–	–
		Other payables	Cash	–	–	(21,000)	(21,000)
		Interest (expense)/ (payable)	Cash	–	(1)	–	–
Corestate Bank GmbH (formerly: Aggregate Financial Services GmbH)*	Former common UBO	Financial intermediary fees	Cash	(8,965)	(2,760)	–	–
		Other payables	Cash	–	–	–	(2,500)
Passiva Participations S.à r.l.	Common ultimate parent and UBO	Loan receivable	Cash	–	–	45,979	–
		Interest income/receivable	Cash	358	–	358	–
		Loan payable	Cash	–	–	(51,236)	–
		Interest (expense)/(payable)	Cash	(882)	–	(1,344)	–
		Other income/Other receivable	Cash	–	–	18	–
Passiva Participations 3 S.à r.l.	Common ultimate parent and UBO	Other income/Other receivable	Cash	12	–	12	–
Passiva Participations 4 S.à r.l.	Common ultimate parent and UBO	Other income/Other receivable	Cash	12	–	12	–
Passiva Participations Holding 5 S.à r.l.	Common ultimate parent and UBO	Other income/Other receivable	Cash	6	–	6	–
Passiva Participations 5 S.à r.l.	Common ultimate parent and UBO	Other income/Other receivable	Cash	244	–	244	–

Notes to the consolidated financial statements (continued)

28. Related parties (continued)

Other related party transactions (continued)

Bank Alpinum AG	Common ultimate parent and UBO	(Bank charges)/Cash and cash equivalent	Cash	(57)	–	60	–
Taurecon Invest V GmbH	Contracts with board member	Interest income/Loan receivable	Cash	618	582	10,366	9,749
Taurecon Invest VIII GmbH	Contracts with board member	Interest income/Loan receivable	Cash	122	115	2,040	1,918
Taurecon Invest IX GmbH	Contracts with board member	(Interest expense)/Loan (payable)	Cash	(5)	–	(406)	–
Taurecon Invest XI GmbH	Contracts with board member	Interest income/Loan receivable	Cash	187	–	9,055	–
Taurecon Real Estate Consulting GmbH	Contracts with board member	Interest income/Loan receivable	Cash	79	72	855	777
		(Project advisory fees)/(Trade payable)	Cash	(2,389)	(4,554)	(630)	–
		(Treasury fees)/(Trade payable)	Cash	(54)	(54)	(54)	–

* On 30 November 2021, the shares held in Corestate Bank GmBh were disposed. Accordingly, only transactions incurred in the statement of profit or loss from 1 January 2021 till 30 November 2021 are disclosed as related parties transactions.

29. Segment information

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

a) Build and Hold.

b) Build and Sell.

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

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

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

Notes to the consolidated financial statements (continued)

29. Segment information (continued)

As of 31 December 2021

In thousands of €	Build and Hold	VIC Build and Sell	Rest of Group Financial Real Estate and Other Assets	Total
Total revenue	15,252	35,406	25,560	76,218
Earnings before interest and tax	588,801	6,251	(271,307)	323,746
Total assets	3,909,118	1,877,788	2,118,838	7,905,743
Total liabilities	2,609,345	658,238	1,504,353	4,771,937
Aggregate Holdings S.A. Unsecured notes issued and financial liability on mandatory convertible bonds			832,591	832,591
Non-controlling interests	318,274	-	23,515	341,788
Equity attributable to the owners of the Group *	981,499	1,219,550	(241,621)	1,959,427
Net Debt including debts held for sale and discontinued operations	1,904,624	497,182	2,074,602	4,476,409
Total assets excluding Cash and cash equivalents and excluding Cash and cash equivalents as held for sale and discontinued operations				**7,490,851**
LTV (Net debt including liabilities held for sale and discontinued operations / Total assets net of cash and cash equivalents and net of cash in assets held for sale and discontinued assets)				**59.76%**

*Net asset value includes hybrid capital notes issued to hybrid holders and mandatory convertible bonds (Note 20).

As of 31 December 2020

In thousands of €	Build and Hold	VIC Build and Sell	Rest of Group Financial Real Estate and Other Assets	Consus Real Estate AG	Total
Total revenue	250	2,370	17,112	628,255	647,987
Earnings before interest and tax	240,169	5,452	(36,639)	121,403	330,385
Total assets	1,473,537	1,852,368	1,487,643	–	4,813,548
Total liabilities	681,214	901,685	649,856	–	2,232,755
Aggregate Holdings S.A. Unsecured notes issued	–	–	517,646	–	517,646
Non-controlling interests	23,179	–	13,261	–	36,440
Equity attributable to the owners of the Group*	769,143	950,682	306,880	–	2,026,705
Net Debt	469,797	438,667	1,078,683	–	1,987,147
Total assets excluding cash and cash equivalents					**4,745,777**
LTV (Net debt/Total assets excluding cash and cash equivalents)					**41.87%**

*Net asset value includes hybrid capital notes issued to hybrid holders (Note 20).

Notes to the consolidated financial statements (continued)

29. Segment information (continued)

Geographical information

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

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

Income from letting activities

In thousands of €	2021	2020
Germany	10,792	56,941
Other	–	271
	10,792	**57,211**

Income from property development

In thousands of €	2021	2020
Germany	–	558,615
Portugal	35,283	–
	35,283	**558,615**

Other operating income

In thousands of €	2021	2020
Germany	4,251	14,948
Portugal	124	–
Other	25,768	17,213
	30,143	**32,161**

Total assets

In thousands of €	2021	2020
Germany	3,927,560	2,551,560
Portugal	1,877,788	1,550,152
Other	2,100,396	711,836
	7,905,743	**4,813,548**

30. Operating environment

During 2020, the World Health Organization ("WHO") declared COVID-19 a pandemic, and national governments have implemented a range of policies and actions to combat it. The impact of the COVID-19 pandemic continues to evolve and has resulted in quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty which causes market volatility. The Board of Directors continues to monitor COVID-19 developments, and the impact on the operations of the Group. The further spread of the Coronavirus and its consequences on the business of the Group are constantly being monitored.

The invasion of Ukraine is an unbearable tragedy on our continent and generates misery for millions of people. The war and the economic sanctions it causes are not expected to have a direct impact neither on the Company nor on the subsidiaries as none are significantly active in that region. Nevertheless, energy and raw material prices are expected to increase further. Current levels of inflation might increase for a longer period. The business climate might deteriorate and slow down growth. It is for the time being difficult to measure precisely the effect on the operations of the Group but it is probable that this deteriorated environment will impact most businesses. The Board of Director continues to monitor invasion of Ukraine developments, and the impact on the operations of the Company and the Group and believes the estimates and assumptions underlying the annual accounts are reasonable and supportable based on the information available.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

31. Subsequent event

a) The following subsidiaries were incorporated for which the Group is the main shareholder:

- QH1 GP S.a r.l. incorporated on 26 January 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QH2 GP S.a r.l..incorporated on 27 January 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QH1 SCS incorporated on 26 January 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QH2 SCS incorporated on 28 January 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QHC1 GP S.a r.l. incorporated on 29 April 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QHC1 SCS incorporated on 4 May 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg;
- QHC2 SCS incorporated on 14 June 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg; and
- QHC2 GP S.a r.l. incorporated on 14 June 2022 with registered address 10, rue Antoine Jans, 1820, Luxembourg.

b) On 7 October 2021, a subsidiary of the Group entered into a facility agreement with Vonovia Finance B.V. (referred as the "lender" hereafter) for a total amount of €250,000 thousand to repay an existing loan. Under facility agreement, the 31,249,390 shares held in ADLER Group S.A. (referred as "ADLER shares" hereafter) by the subsidiary, previously pledged with the lender of the existing loan were pledged with the lender.

On 31 January 2022, the lender sent a letter to the Group, which claimed that a breach of LTV ratio has occurred on 28 January 2022. According to this Margin Call Notice, the lender requested the Group to transfer a Margin call amount to cure the LTV breach identified including a certificate of no default event to be provided.

On 22 February 2022, the Group received an enforcement notice whereby the lender has enforced the pledge over the ADLER shares and appropriated 24,082,663 ADLER shares based on €10.44 per share with immediate effect. As a result of such appropriation with immediate effect, the lender became the sole owner of the 24,082,663 ADLER shares. Consequently, after the appropriation of the ADLER shares by the lender, the fair value of the call option signed on 7 October 2021 is determined at €0 as of 31 December 2021. The remaining 7,166,727 ADLER shares pledged and not appropriated by the lender were released on 29 April 2022.

c) On 10 May 2022, The Group announced the planned sale of Quartier Heidestrasse, the largest and most innovative quartier development in Berlin, in whole or in parts. The Group expects the sale to close in the second half of 2022, and most likely the fourth quarter.

d) Pursuant to a written resolution dated 19 May 2022, and in accordance with the terms and conditions of the Bonds and the Trust Deed, VIC Properties S.A. requested the Bondholders to consider and, if thought fit, approve the amendment and restatement of, inter alia, the Trust Deed (including the Conditions) and the Agency Agreement to, among other things, extend the First Optional Put Date to 28 September 2022 and effect the accession of the Guarantor, being Aggregate Holdings S.A., thereunder, in order to facilitate the Issuer's ongoing refinancing exercise and separately to also allow for the completion of the sale of the Quartier Heiderstrasse mixed-use development by Aggregate Deutschland S.A., in whole or in part, in order to also provide for the funding of the redemption of the Bonds.

As per the amendment of the Trust deed:

(i) during the amendment period from 28 May (inclusive) up and until 28 September (exclusive), the interest step-up will be calculated as follows:

- an effective total 5.00 per cent calculated by or on behalf of the Issuer by reference to the Premium Notional Amount of the Bonds if the Bonds are called for repayment prior to 28 June, paid in addition to the unchanged and accruing coupon payment on original bond nominal amount as per original bond T&C, and
- an effective total 8% calculated by or on behalf of the Issuer by reference to the Premium Notional Amount of the Bonds if the Bonds are called for repayment post 28 June and prior to 28 September, paid in addition to the unchanged and accruing coupon payment on original bond nominal amount as per original bond terms and conditions.

(ii) from 28 September (inclusive) onwards, the coupon will be set at 1% per month and to be calculated on basis of the Standstill Notional Amount.

Notes to the consolidated financial statements (continued)

31. Subsequent event (continued)

(iii) during the amendment period, the principal amount of each Bond outstanding from time to time, as the case may be:

- from (and including) the Amendment and Restatement Date to (but excluding) 28 September 2022, an aggregate notional amount of €285,000 thousand for the aggregate principal amount of Bonds originally issued (the "Premium Notional Amount"); or
- on 28 September 2022, an aggregate notional amount of €310,327 thousand for the aggregate principal amount of Bonds originally issued (the "Extension Notional Amount"), reflecting the principal amount plus the interest step-up; or

(iv) from (and including) 29 September 2022, an aggregate notional amount of €372,392 thousand for the aggregate principal amount of Bonds originally issued (the "Standstill Notional Amount"), reflecting the Extension Notional Amount plus the 20% Default premium.

(v) subsequent to 28 September 2022, the Bondholders have the right to vote to extend the bonds on the terms described above to 31 December 2022 allowing further time to the Group to repay the convertible bonds, including through a sale of VIC.

The Group is in discussions with several credit funds for the refinancing of the VIC Bonds. The funding is expected to be completed in advance of the extended date of 28 September 2022 under the revised terms of the Bond. Termsheets have been exchanged. Based on pre-existing relationships and successful transactions in the past between the respective credit funds and the Group as well as the Group's management team members, the Group remains confident that a transaction can be concluded.

In the event that the Group does not succeed with refinancing the VIC Bonds via the credit funds, Aggregate Holdings S.A. would plan to utilise proceeds from the planned sale of its Quartier Heidestrasse assets. The Quartier Heidestrasse sale process was announced 10 May 2022 and is expected to be completed in the second half of 2022. In the event that the sale process is not completed prior to 28 September 2022, and a refinancing of the VIC Bonds has not been completed, the Group would require the VIC Bondholders to vote to extend the repayment date to 31 December 2022 as per the pre-agreed terms set out above. In that scenario, it is planned that there will be a VIC sale process as a potential alternative source for repayment of the VIC Bonds.

e) On 8 April 2022, the newly incorporated QH2 SCS replaced QH Holdco GmbH & Co. KG as borrower in a loan agreement entered with a third party. In addition, the lender agreed to increase the loan principal from €110,000 thousand to €370,000 thousand. An indemnity for tax guarantee for an amount of €91,000 thousand was given in relation to the facility.

f) On 2 May 2022, a loan at Quartier Heidestrasse GmbH which had a balance of €291,800 thousand at year-end was paid down to €165,988 thousand. This facility was subsequently increased by €50,650 thousand on the 08 June 2022.

g) On 2 June 2022, Aggregate Holdings S.A. issued a mandatory convertible bond due 2024 in the amount of €14,700 thousand, consolidated and forming a single series with and increasing the total principal amount of the €129,800 thousand 2.00% mandatory convertible bonds due 2024.

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

32. List of shareholdings

The list of the consolidated subsidiaries and sub-Groups as per 31 December 2021 is as follows:

		2021		2020		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
Aggregate UK S.A.	Luxembourg	100	100	100	100	Full
VIC Properties Holdings S.A.	Luxembourg	100	100	100	100	Full
VIC Properties S.A.	Luxembourg	100	100	100	100	Full
VIC One S.A.R.L.	Luxembourg	100	100	100	100	Full
Smarfil S.A.	Luxembourg	100	100	100	100	Full
Aggregate Deutschland S.A.	Luxembourg	100	100	100	100	Full
Aggregate Deutschland 2 S.à r.l.	Luxembourg	100	100	100	100	Full
Aggregate Deutschland 3 S.A.	Luxembourg	100	100	–	–	Full
Aggregate Deutschland 4 S.à r.l.	Luxembourg	100	100	–	–	Full
Aggregate Deutschland 5 S.à r.l.	Luxembourg	100	100	–	–	Full
Aggregate Deutschland 6 S.à r.l.	Luxembourg	100	100	–	–	Full
Aggregate Holdings Invest S.A.	Luxembourg	100	100	100	100	Full
Adler Group S.A.	Luxembourg	26.6	26.6	26.6	26.6	Equity
Aggregate Holdings 2 S.A.	Luxembourg	100	100	100	100	Full
Castle Investment Holding S.à r.l. (previously Aggregate Holdings 3 S.à r.l.)	Luxembourg	100	100	100	100	Full
Aggregate Holdings 4 S.à r.l.	Luxembourg	100	100	100	100	Full
Aggregate Energy S.A. (previously Aggregate Holdings 7 S.A.)	Luxembourg	100	100	–	–	Full
Aggregate Holdings 6 S.à r.l.	Luxembourg	100	100	–	–	Full
Deutsche Nordsee Energie S.à r.l. (previously Aggregate Holdings 7 S.à r.l.)	Luxembourg	100	100	–	–	Full
Aggregate Holdings 8 S.à r.l.	Luxembourg	100	100	–	–	Full
German Invest 2 S.à r.l.	Luxembourg	100	100	100	100	Full
Revenite Austria Holdings S.A.	Luxembourg	100	100	100	100	Full
Revenite Austria S.à r.l.	Luxembourg	100	100	100	100	Full
Ionview Holdings S.à r.l.	Luxembourg	100	100	–	–	Full
Project Lietzenburger Straße Holdco S.à r.l.	Luxembourg	100	100	–	–	Full
Project Lietzenburger Straße PropCo S.à r.l.	Luxembourg	89.9	89.9	–	–	Full
Sarir Holding GmbH	Austria	100	100	–	–	Full
Sulafat Holding GmbH	Austria	100	100	–	–	Full
Etamin GmbH & Co. KG	Austria	100	100	–	–	Full
Hamamelis GmbH & Co. KG	Austria	100	100	–	–	Full
VIC Management Lda	Portugal	100	100	100	100	Full
VIC Mediação Imobiliária Lda	Portugal	100	100	100	100	Full
Potential Sketch Limited	Portugal	100	100	100	100	Full

Notes to the consolidated financial statements (continued)

		2021		2020		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
Fundo de Investimento Imobiliário Fechado Lisfundo	Portugal	100	100	100	100	Full
Herdade do Pinheirinho Resort S.A.	Portugal	100	100	100	100	Full
Herdade do Pinheirinho II – Investimento Imobiliàro S.A.	Portugal	100	100	100	100	Full
Roundialogue	Portugal	100	100	–	–	Full
Revovering Dreams	Portugal	100	100	–	–	Full
Reality Followers	Portugal	100	100	–	–	Full
Joyful Terrace	Portugal	100	100	–	–	Full
Montarius Holding Limited	Cyprus	100	100	100	100	Full
Solenti Limited	Cyprus	100	100	100	100	Full
Aggregate Isle of Mann 2 Limited	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 3 Limited	Isle of Mann	100	100	100	100	Full
Aggregate Isle of Mann 4 Limited	Isle of Mann	100	100	100	100	Full
Fliptag Investments Limited BV.	British Virgin Islands	100	100	100	100	Full
Havza Limited	Ireland	100	100	100	100	Full
Oldbourne & Oldbourne Hospitality Limited	United Kingdom	100	100	100	100	Full
Aggregate UK Services Limited	United Kingdom	100	100	-	-	Full
DVIPA Holdings Maldives PVT Limited	Maldives	99	99	-	-	Full
Aggregate Management GmbH	Germany	100	100	100	100	Full
Quartier Heidestrasse GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs II GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs III GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs IV GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Verwaltungs V GmbH	Germany	94.9	94.9	94.9	94.9	Full
QH Development 1 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 2 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 3 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 4 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full

Introduction AH Overview Business Overview Management Report Auditor's Report Financials

Notes to the consolidated financial statements (continued)

		2021		2020		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
QH Development 5 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 6 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 7 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 8 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Development 9 GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
QH Management GmbH	Germany	94.9	94.9	94.9	94.9	Full
QH Mobility GmbH	Germany	94.9	94.9	94.9	94.9	Full
QH Betriebsvorrichtungen GmbH	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co II GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
Quartier Heidestrasse Hold Co III GmbH & Co. KG	Germany	94.9	94.9	94.9	94.9	Full
Aggregate HH GmbH	Germany	100	100	100	100	Full
Go West GmbH	Germany	100	100	100	100	Full
Alster Krug Chausse 366 Verwaltungs GmbH	Germany	72.5	72.5	72.5	72.5	Full
AEIOU 102 GmbH	Germany	72.5	72.5	72.5	72.5	Full
KMS 232 Invest GmbH	Germany	89.9	89.9	-	-	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH	Germany	89.9	89.9	-	-	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH II	Germany	89.9	89.9	-	-	Full
Projektgesellschaft Ringbahnstr. 2-14 GmbH III	Germany	89.9	89.9	-	-	Full
Kudamm 206 Betriebsgesellschaft mbH	Germany	89.9	89.9	-	-	Full
Story Berlin Betriebsgesellschaft mbH	Germany	89.9	89.9	-	-	Full
ZA Castle GmbH	Germany	100	100	-	-	Full
Niederrad Entiwcklungs GmbH	Germany	100	100	-	-	Full
AHZ Adlershof Entwicklungs GmbH	Germany	100	100	-	-	Full
The Harbour Projekt GmbH	Germany	100	100	-	-	Full
The Walter PG GmbH	Germany	100	100	-	-	Full
The Walter PG Holding GmbH	Germany	100	100	-	-	Full
The Walter PG II GmbH	Germany	100	100	-	-	Full
The Walter PG III GmbH	Germany	100	100	-	-	Full

Notes to the consolidated financial statements (continued)

		2021		2020		
Name of the subsidiary	Country	% control	% interest	% control	% interest	Consolidation Method
Hauptstadt Living PG GmbH	Germany	100	100	-	-	Full
Heart Office PG GmbH	Germany	100	100	-	-	Full
Northrine DUS GmbH	Germany	100	100	-	-	Full
Green Living PG GmbH	Germany	100	100	-	-	Full
Green Living EG GmbH	Germany	100	100	-	-	Full
CBP Entwicklungsgesellschaft mbH	Germany	89.9	89.9	-	-	Full
NPG Niederrad Projekt GmbH	Germany	89.9	89.9	-	-	Full
Spree-Elster-Area GmbH	Germany	85	85	-	-	Full
The Harbour Entwicklungsgesellschaft mbH	Germany	89.9	89.9	-	-	Full
The Walter Development GmbH	Germany	89.9	89.9	-	-	Full
J.O. Housing I GmbH	Germany	89.9	89.9	-	-	Full
J.O. Housing II GmbH	Germany	89.9	89.9	-	-	Full
J.O. Housing III GmbH	Germany	89.9	89.9	-	-	Full
Small Walter GmbH	Germany	89.9	89.9	-	-	Full
Rhine and Fine PG GmbH	Germany	89.9	89.9	-	-	Full
Hauptstadt Living Entwicklungs GmbH	Germany	89.9	89.9	-	-	Full
Heart Office Entwicklungs GmbH	Germany	89.9	89.9	-	-	Full
Baumschulen Berlin Baumschulenweg GmbH *	Germany	75.1	75.1	-	-	Full
The Theo PG GmbH	Germany	89.9	89.9	-	-	Full
LHC Beteiligungs GmbH	Germany	-	-	100	100	Full
LHC Holding GmbH & Co. KG	Germany	-	-	50	50	Full
LHC 1 GmbH	Germany	-	-	50	50	Equity
LHC 2 GmbH	Germany	-	-	50	50	Equity
LHC 3 GmbH	Germany	-	-	50	50	Equity
LHC 5 GmbH	Germany	-	-	50	50	Equity

*The balance sheet and profit and loss account included in the consolidation scope are based on management accounts as of 31 December 2021 and for the period ended 31 December 2021 as the entity year-end is 30 June.