Aggregate

2021

Aggregate Holdings S.A.

Half-Year Financial Report 2021

aggregateholdings.com

Contents

Letter from the Management

Dear Stakeholders,

H1 2021 was a period of strong growth for Aggregate Holdings, in particular in its Build & Hold division, within which Aggregate completed a number of acquisitions that will significantly increase the company's future rental cashflows.

Aggregate continues to believe in the long-term growth prospects for German residential and commercial real estate and accelerated its core strategy of acquiring, developing and retaining high-quality, large-scale, mixed-use real estate assets in Germany's top cities, to provide the company with a solid cash flow base. This plan was successfully executed, with the Build & Hold division more than doubling in size and forecast future net rental income increasing from €75 million to €225 million per annum. Within the Financial Real Estate and Other Assets division, the 26.6% stake in Adler Group remains a core long-term strategic holding, based on Adler's asset quality, the underlying resilience of the German residential market and the growth trajectory of the platform. Aggregate acquired a 10.79% stake in S IMMMO AG, reflecting the fundamental value in the listed Austrian real estate companies and in particular in their German assets. Outside of Germany, VIC Properties in the Build & Sell division has confirmed the company's conviction that Portuguese real estate is an undervalued sector with material growth potential in the key locations.

The Build & Hold acquisitions in H1 2021 consisted of the Fürst project on Kurfürstendamm in central Berlin, and the Walter and Green Living projects in the Berlin neighbourhoods of Schönefeld and Treptow, respectively, Aggregate believes that Berlin real estate is significantly undervalued as compared to other leading

Aggregate more than doubled the size of its Build & Hold division with future net rental income of €225 million targeted

– Benjamin Lee
Managing Director and CFO

German cities and European capitals. The Fürst project has a gross construction area of 183,000 sqm, and a market value of €1.1 billion. Roughly 60% is office, with the remainder a hotel, retail and leisure. This refurbishment and redevelopment project, in one of the best locations in the former West Berlin, will become Berlin's premier office complex. The Walter and Green Living projects are of similar sizes to each other, with a total gross construction area of 620,000 sqm, with the Walter being 100% commercial and Green Living almost 100% residential.

The company's existing Build & Hold projects made strong progress in H1 2021. Quartier Heidestrasse has almost fully let out its completed Phase 1 'Core' and continues to make good progress on signing leases for the remainder of the project. The percentage of construction completed has increased to over 50% of planned capex, and its market value is now €1,564 million.

In the Build & Sell division, the strength of the Portuguese market was demonstrated by a very significant valuation uplift in the projects, with total market value as at H1 2021 rising to €1.08 billion, from €825 million at FY 2020. Aggregate is seeing tangible evidence of this in the strong pricing being achieved in sales at the Prata Riverside Village development in Lisbon. The second phase of Prata was completed, with corresponding revenues starting to be recognised in H1 2021.

In Financial Real Estate and Other Assets, the Adler Group delivered a strong set of results providing detail on its growth profile as well as the strong current performance. Aggregate received its first dividend from Adler in H1 2021.

Financings and refinancings to reduce the average cost of debt and to term out debt are a key element of Aggregate's strategy. In H1 2021, the company successfully refinanced 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. In addition, the company successfully raised the financing package for the Fürst acquisition, including a capex reserve of €250 million, which also included the private placement of a €250 million 2024 bond. This means the Fürst project is financed through to its final completion of construction, which is targeted end 2023. In August 2021, the company tapped its €500 million 2025 existing bond by €100 million via a private placement, demonstrating the demand from investors.

Finally, in H1 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. There is a summary in this H1 report and an initial ESG report will be issued in H2 2021.

In H2 2021, Aggregate's focus will be on integrating the acquisitions made in H1, progressing our existing projects, disposing of non-core assets and furthering the company's Environmental, Social and Governance agenda.

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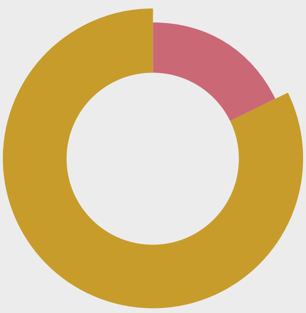
Aggregate believes that Berlin real estate is significantly undervalued as compared to other leading German cities and European capitals

Aggregate Holdings Overview

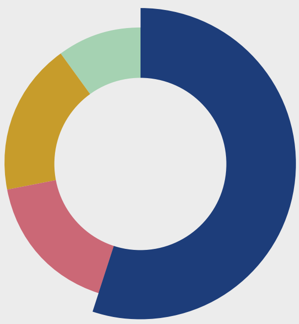
Country exposure
% of assets market value



83% Germany*
17% Portugal

* Other countries total approximately 1%

Market value distribution of tangible assets



55% Build&Hold
17% Build&Sell
18% FREA
10% Assets held for sale

We are Aggregate Holdings

Aggregate Holdings S.A., headquartered in Luxembourg, is a predominantly German focused real estate investment company (Germany exposure: 83%) and Portugal (17% exposure). Aggregate actively evaluates investment opportunities in large-scale residential or commercial real estate developments, and often mixed-use projects creating vibrant neighbourhoods.

At the end of Half-Year 2021, Aggregate had €8.3bn of assets and a €9.5bn gross development value (GDV) project portfolio over three strategies; Build & Hold; Build & Sell; and Financial Real Estate and Other Assets. Aggregate invests in both real estate companies and development projects, with the concentration on undervalued assets and special situations with potential for significant value creation. H1'21 has continued last year's extensive progress in key development projects, which in turn, has further contributed to the company's transition from development assets to a yielding assets holding group.

Key Highlights H1 2021

€8.3BN
Total assets

26.6%
ADLER Group largest shareholder

52.5%
LTV (pro forma for disposals)

€9.5BN
Gross development value

1.7msqm
Gross construction area

€180M
Liquid Financial Assets

Aggregate is on track to becoming one of the leading investment real estate companies in Germany and Europe. The company'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.

Key achievements in Half-Year 2021

Q1 2021

January 2021: Project Quartier Heidestrasse first phase completed and yielding, with commercial and residential tenants moving in, the project is on course to achieve €75 million of rental per annum when completed.

28 January 2021: Aggregate increased its stake in Adler Group SA to 26.6% reflecting strong commitment to Adler Group and confidence in the long-term prospects of German residential real estate.

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.

Aggregate continues to sustain an intensive and transparent dialogue with bondholders and stakeholders as the repercussions of the coronavirus pandemic continue to influence economic activity. Development sites continued to operate within government COVID-secure guidelines for all relevant jurisdictions.

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.

Aggregate Holdings completed its first comprehensive materiality analysis and increased focus to its Environmental, Social and Governance ("ESG") strategy. A sustainability roadmap report to be issued in Q3 2021.

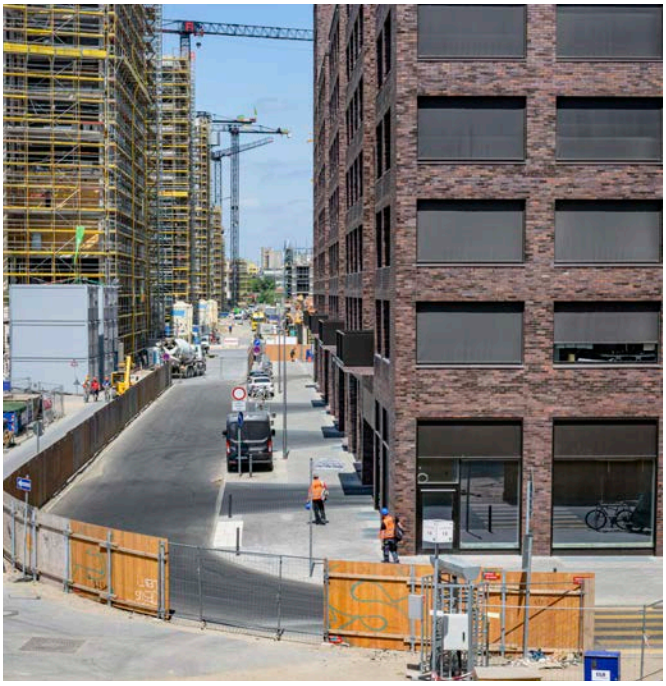
11 June 2021: Aggregate acquired project 'Fürst', a landmark prime Berlin commercial real estate, located on the Kurfürstendamm in central Berlin. The part completed and yielding rental income asset has Gross Construction Area (GCA) of c.183,000, Residual value approximately €1.1bn and Gross Development Value €1.6bn. Project is fully funded to completion and the expected total rental income 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 (GCA) of approximately 1.2m sqm. The portfolio's Residual value stands at c. €1.3bn with the Gross Development Value (GDV) of approximately €4.5bn.

VIC Properties, principal asset for the Build & Sell division: Average sales values surpass business plan forecast, VIC Properties continues to exceed capital recycle estimates by being well placed for the influx of Portuguese second-home buyers.

Core Strategy Build & Hold

Build & Hold transformational acquisitions



Key divisional metrics

c.€225M net rental income from H2 2025

c.€125M net rental income from H2 2023

€6.7BN Gross Development Value

€3.4BN Market Value

1.1M sqm Gross Construction Area

Build & Hold

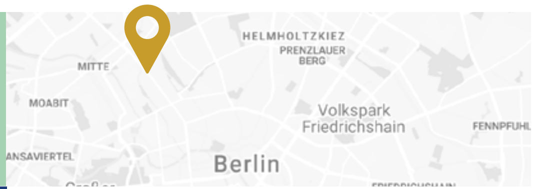
This division operates as a real estate developer and retains completed properties in its portfolio for the purpose of rental income and cash-flow generation. Core assets in this division are Quartier Heidestrasse, Fürst and two further assets in Berlin from the recently acquired portfolio.

Assets in the Build & Hold division are quartier developments located in prime and key locations in Germany's capital city, Berlin, with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. Currently developing approximately 1.1m sqm gross construction area ("GCA") and approximately 890,000 sqm gross lettable area ("GLA").

Upon completion by end 2023, Quartier Heidestrasse and Fürst will generate approximately €125 million of net rental income per annum. The projects are fully financed to completion and approved with building permits. First phases for both projects are constructed, tenanted and currently operated as yielding assets.

Aggregate Holdings will develop two selected Berlin assets equal to c.50% of the development portfolio acquired. These projects will be completed through to the end of 2025. Once these further developments are stabilised and yielding, Aggregate will generate a total of approximately €225 million of net rental income per annum from the Build & Hold division alone.

quartier HEIDESTRASSE



Build & Hold

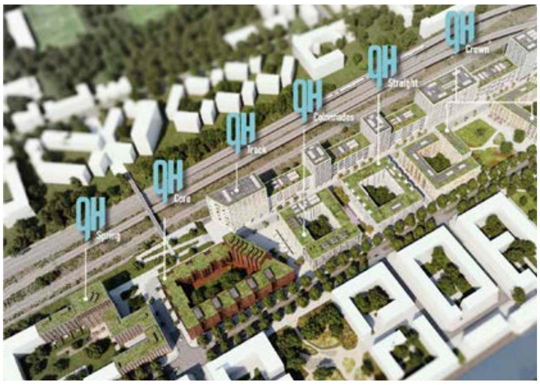
Quartier Heidestrasse is the largest real estate development in Central Berlin with over 230,000 sqm of gross lettable area. Phase one, QH Core, is completed and yielding rental income. The project is due to be fully completed in H2 2023. QH Core segment is a mix of offices, apartments and restaurants. The rental of units is successfully concluded and commercial spaces are fully occupied by established corporate tenants. The supermarket chain REWE opened its doors at the end of January 2021.

€1.6BN
Market value

c.230,000m²
Gross lettable area

c.295,000m²
Gross construction area

Gold pre-certification achievement from DGNB Construction systems. Cross-quarter building control technology and eco-efficient automation.



c.51%
Completed based on Total Construction Cost

c.€75M
Net rental income expected

Full completion targeted for 2023, with phase one already completed.

QH Core: 100% completed
QH Spring: 71% completed
QH Track: 55% completed
QH Crown 2: 40% completed
QH Crown 1: 17% completed
Straight/Colonnades: 41% completed

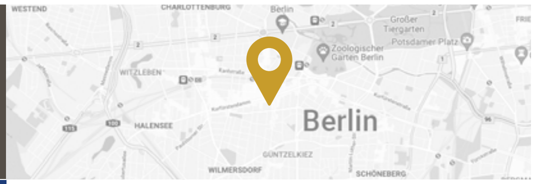
28%
Residential

72%
Commercial

€2.4BN-€3.4BN
Gross Development Value (appraised) — Upside potential

Nearly 50% of total office space has already been pre-let. SAP, the world's leading producer of enterprise software applications, has secured 30,000 sqm of office space and is considered to be an anchor tenant.

FÜRST



Build & Hold

Fürst

The Fürst project is a prime asset located on Kurfürstendamm in central Berlin with c.108,000 sqm of gross lettable area, also to be completed by end 2023. The project is under construction and the first phase, BT6, is 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 will be completed through to the second-end of 2023.

€1.1BN
Market value

c.108,000m²
Gross lettable area

c.183,000m²
Gross construction area

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

c.38%
Completed based on Total Construction Cost

c.€50M
Net rental income expected

100%
Commercial

Full completion targeted for 2023, with phase one already completed.

BA1: 100% completed
BA2: 10% completed
BA3: 27% completed
BA4: 37% completed

€1.6BN-€2.5BN
Gross Development Value (appraised) — Upside potential

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).

Build & Hold

Two new Berlin projects

Two projects in Berlin, equivalent to c.50% of the value of development portfolio acquired, will be developed as Build & Hold projects. These developments, Project Walter and Project Green Living, will be constructed and retained in the Build & Hold division as core yielding assets. Construction is expected to complete in H2 2025, and a net rental income of c.€100m is expected to be generated. The remaining assets in the portfolio will be disposed of prior to construction.

Project Walter

€384M
Market value

€1.3BN
Gross Development Value

c.290,000m²
Gross construction area

c.241,000m²
Gross lettable area

100%
Commercial



Project Green Living

€308M
Market value

€1.2BN
Gross Development Value

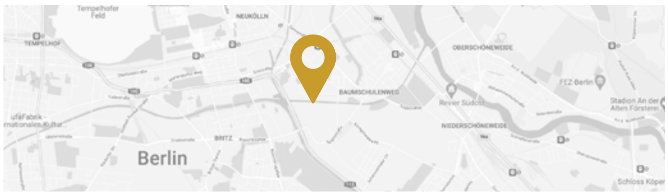
c.330,000m²
Gross construction area

c.285,000m²
Gross lettable area

96%
Residential

4%
Commercial





In line with Strategy

c.€100M
expected net rental income
Timing: **2025**

Advanced Planning Status

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 around the end of 2023. The division operates as a real estate developer focused on the construction and sale of real estate to individuals and investors.

Prata

Prata is the large-scale flagship project in Lisbon and is considered to be the most iconic residential project under construction in Lisbon.

First Completions: **2021**

Market Value **€343M** **€607M** GDV

80% Residential **20%** Commercial

Total gross construction area: **129,000SQM**

Matinha

Matinha is the largest residential neighbourhood project in Lisbon, currently being developed.

Start of Construction: **2022**

First Completions: **2024**

Market Value **€364M** **€1.22BN** GDV

80% Residential **20%** Commercial

Total gross construction area: **246,000SQM**

Pinheirinho

Excellently located leisure project in the exclusive Comporta region just south of Lisbon.

Start of Construction: **2021**

First Completions: **2023**

Market Value **€368M** **€929M** GDV

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

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

The VIC projects in Lisbon, and in particular in the Comporta region, have demonstrated very strong value growth. This is reflected in actual sales prices in Prata, and in comparable sales prices achieved in the Comporta region.

Financial Real Estate Assets

Aggregate is the largest shareholder of Adler Group S.A., which is positioned to be the second largest listed residential real estate company in Germany. Adler Group has the strongest growth profile and will have a best-in-class portfolio from its development pipeline. Aggregate operates as an active investor in private and public real estate investments where there is a value-add, long-term or distressed investment opportunity.

ADLER GROUP

c.70,000+
Rental units

Net LTV
52.3%
Excluding convertibles

EPRA NTA H1'2021
€42.12
per share

26.6%
Adler strategic stake

c.€958M
Adler Stake Book Value

Fully-developed Net Rental Income
€600M p.a.

Fully-developed FFO 1
€350M p.a.

Other Assets

Assets include **10.79%** stake in S Immo AG and other investments, non-core projects and loans.

c.€180M
Aggregate Liquid Financial Assets

c.€440M
Other financial and real estate assets

Progressing our sustainability agenda

As part of its requirement and desire to address climate change and conduct itself as a responsible business, Aggregate Holdings has set out for stakeholders the range of measures that have already been put in place, those that are planned over the short and medium term, and the progress already made towards the company's sustainability ambitions.

Growing trends in urbanisation, global city growth and a redefining of living spaces all have an impact on Aggregate's activities. Compliance with environmental standards in real estate is an absolute priority for the business and the company is implementing these same standards on all subsidiaries and, in future, on all suppliers.

Stakeholders are increasingly, and rightly, focussed on investments that evidence environmental protection, respect for social standards and corporate governance. Aggregate takes ownership of these expectations and has started the process to report and track Environmental, Social and Governance (ESG) activities.

Materiality pillars
Having successfully completed an in-depth materiality assessment, Aggregate Holdings has identified four materiality pillars which will further define its approach to sustainability. These are:

Further details on these, and both current and future activities, can be found in our first ever sustainability report which will be released in Q3 2021. On the facing page is a short summary of where Aggregate is and where it is going.

In further developing Aggregate's strategic focus on Environmental, Social, Governance and Corporate Responsibility, the company has begun to establish sustainability management systems together with associated reporting which will be steadily improved and developed over the medium term. The company is very proud of what has already been achieved and will continue to target its sustainability goals in all business activities.

Environmental matters

Social matters

Employee matters

Governance matters

Environmental matters

Climate change and the associated challenges facing the economy and society are crucial to sustainable commercial growth. Aggregate is creating a sustainability management system reporting on its environmental footprint. This includes the active monitoring of business activities of subsidiaries on an environmental basis to continually identify areas for improvement. This includes, but is not limited to the following underlying areas:

- Energy consumption
- Waste and recycling
- Material use in construction and maintenance
- Relevant certification from internationally recognised environmental frameworks for real estate construction (DGNB, LEED)
- Energy Performance Rating B or above

All active development sites are designed to achieve or exceed benchmark environmental standards.

Employee matters

Employee satisfaction is a major focus for Aggregate. The company will continue to monitor and review diversity and inclusion data, and the work/ life balance of employees. Aggregate takes a pro-active interest in the health and performance of our employees at all real estate sites and offices as occupational health and safety is paramount if we are all to benefit from our growth ambitions.

The company has developed specialist skill sets to monitor workstations and shared workspaces that identify and eliminate health & safety issues. This is reinforced by active dialogue with employees on health and safety matters to minimise any occupational hazard risk.

Social matters

Aggregate takes its social responsibility very seriously. The company creates and will maintain long-term real estate quarters through its development projects. A healthy living and working environment, good service and fair rents and prices are an intrinsic part of the Aggregate business model and are applied across all activities from initial construction right through to maintenance, renovation and refurbishment.

Aggregate projects have to date contributed over Euro 16 million for the creation of public footpaths, roads and squares which greatly enhance community facilities.

Governance matters

The management oversees all business activity in accordance with the Articles of Association. The management is committed to acting in the company's best interest at all times, and in particular has a focus on strategic sustainable development and risk management.

Governance is a focus of the company, which plans to add further structure and policies to enhance this area. The company's four pillar IT approach – Infrastructure, Monitoring, Security, Remote Management – employs the latest technology to facilitate efficient and secure corporate activity and protect operational systems.

Summary

Aggregate plans to expand its ESG credentials to encompass market standard sustainability frameworks and their respective criteria to enhance transparency and reporting. In the short-term Aggregate will continue to conduct a holistic approach to sustainability analysis and will focus on core points of sustainability which are equally applicable to all its subsidiaries and business interests.

Interim Management Report

Consolidated Management Report for First Half of 2021

H1 2021 Overview

The first half of 2021 was a very successful period for Aggregate Holdings S.A. and its subsidiaries ("Aggregate"). In addition to the progress in operations set out below, the company hired John Nacos as Chief Investment Officer and Managing Director, to further strengthen the management team. The company also brought increased focus to its Environmental, Social and Governance ("ESG") strategy, where it has undertaken its first comprehensive materiality analysis. A sustainability roadmap report will be issued in Q3 2021, as a precursor to a detailed sustainability report on 2021 being issued in H1 2022.

In the Build & Hold division, the group made two significant acquisitions to grow the assets base and to underpin the transition to increased focus on yielding assets. The future income from Build & Hold has grown from €75 million to €225 million with the addition of three further assets to the Build & Hold division. The new assets are all in Berlin, which Aggregate continues to believe has excellent long-term growth potential.

The Build & Sell division performed well, with pricing demonstrating the strength of the projects which Aggregate has in both Lisbon and the Comporta region. This strong pricing has resulted in an updated independent market valuation for these assets, which has increased from €825 million to €1.1 billion. This valuation is not reflected on the balance sheet, as the assets are held as inventory, but it does demonstrate the future potential performance for the Build & Sell division.

In Financial Real Estate and Other Assets, the group's 26.6% stake in Adler Group S.A. continues to be the core investment. The stake in Adler is a strategic long-term holding for Aggregate, and the company believes strongly in Adler's long-term growth prospects in the attractive German residential market. Aggregate acquired a stake in S IMMO AG, a business which it believes is undervalued and has significant potential.

In July 2020, the group divested itself of Consus Real Estate AG in return for a significant stake in the Adler Group. The results of Consus were therefore deconsolidated in the 2020 financial statements with effect from 1 July 2020. The H1 2020 results are therefore not directly comparable with H1 2021 results.

Finally, despite the remaining issues being faced due to the Covid-19 pandemic's periodic resurgence in its core markets, the group continued to operate all divisions of the business. Due to measures taken by the management team to ensure that all employees could continue to work safely where the business operated, the operating impact felt by the business due to Covid-19 has been minimal.

Profit & Loss

Aggregate has continued to focus 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. Total revenue for H1 2021 was €36.2 million. This was comprised of €12.6 million from Build & Sell as the sale of the first Prata apartments was notarized, with a similar amount expected in the second half. Total revenue also incorporated other operating income which included €10.8 million of income from the Aggregate loans outstanding.

Consolidated Management Report for First Half of 2021 (continued)

Change in Project Related Inventory of €22.1 million reflected the net impact of the increase in inventory as the Prata project is built out, netted off against the inventory reduction from the sales of completed apartments.

EBITDA of €822.0 million (H1 2020 ex-Consus: €192.7 million) reflected the very strong income from the fair value increase of investment properties. The great majority of this increase resulted from the acquisition of the portfolio of 10 properties at the end of June, where an increase of over €742.5m was achieved across the 10 properties. This again demonstrates the group's ability to successfully acquire high quality assets at attractive prices. The remaining increase in fair value from investment properties was spread across Quartier Heidestrasse and Fürst, reflecting a combination of capex spent on the projects and some tightening of yields and developer's profit as the project progresses.

The €61.4 million loss from fair value adjustments from financial assets reflected a reduction in value of financial assets. Other operating expenses of €42.8m includes increased commissions and professional fees due to the transactions that occurred in the period.

Finance costs of €99.0 million were significantly higher than the same period in 2020, reflecting the acquisitions made in Build & Hold and Build & Sell, plus the increased debt from financing the construction of the portfolio. The net income from equity accounted investments increased significantly compared to the same period in 2020, reflecting the 26.6% Adler Group SA stake received as consideration for the sale of the stake in Consus Real Estate AG completed in July 2020, plus a contribution from the 10.8% S IMMO AG stake acquired in January 2021 and reached €107.2 million.

The profit for the period to 30 June 2021 was €662.5 million.

Cashflow

The cashflow statement reflects Aggregate's status building assets prior to receiving income, in particular in the Build & Hold division in H1 2021. Operating cashflow was €(311.7) million reflecting the building up of inventory in Build & Sell, interest paid €(28.7) million and overhead costs.

Cashflows from investing were €(833.1) million, combining the acquisitions of Fürst, the 10-project development portfolio and the 10.8% S IMMO AG stake, and €(88.0) million of capital expenditure. The capital expenditure has primarily been in Quartier Heidestrsse in H1 2021, and will increase in H2 2021 as the capital expenditure from Fürst is added. Also included is the acquisition of the S IMMO AG stake and the increase in the loan portfolio.

Cashflow from financing was €1,524.5 million, reflecting the financing of the new acquisitions in H1 2021. Fürst and the 10-project development portfolio were funded by debt raised specifically for the purpose of acquiring these assets, which for Fürst included project debt and a portion of the €250 million 2024 private placement at the Aggregate Holdings SA level. For the 10 development project 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 €67.8 million to €447.5 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.

Consolidated Management Report for First half of 2021 (continued)

Balance sheet

Aggregate recorded a significant increase in its total assets to €8.28 billion (FY 2020 €4.81 billion), reflecting primarily the acquisitions of Fürst and the 10-project portfolio in the Build & Hold division, but also the increase in valuation in Quartier Heidestrasse, the increase in inventory in Build & Sell, and the increase in equity accounted investments. Investment property in use increased materially to €474.6 million (FY 2020 €57.2m) as the key first phase of Quartier Heidestrasse was completed. Investment properties under construction increased to €2.96 billion (FY 2020 €1.49 billion) through a combination of acquisitions, with Fürst and the 10 project portfolio adding €1.29 billion, and also capex and revaluations of existing properties. The Quartier Heidestrasse project is already financed with the current target completion date for the whole development of H2 2023.

The increase in value in Equity Accounted Investments to €1.23 billion (FY2020: €870.6 million) was as the result of the new acquisition of a 10.8% stake in S Immo AG as well as strong performance from the 26.6% stake in Adler Group. Inventories increased by a net €22.2 million to €703.8 million, combining an increase due to construction of apartments in Build & Sell division, netted off against the reduction from the sale of apartments.

The financial asset base grew strongly to €623.0 million (FY 2020: €450.6 million) with the increase of €132.4 million resulting from an increase in loans granted to third parties and related parties of €140.6 million and an increase due to the acquisition of financial assets and loans as part of the combination of acquisitions of €15.0 million. Cash balances also increased very substantially with the group's cash resources increasing to €447.5 million from the FY 2020 balance of €67.8 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 held for sale reflect 47% by value of the 10-project portfolio, constisting of projects in Duesseldorf, Berlin and Frankfurt, that Aggregate intends to sell on. The Berlin assets being retained are included in Investment Properties under Construction in the Build & Hold division.

Loans and borrowings value (both current and non-current) increased to €4.23 billion (31 Dec 2020: €2.05 billion) in the period. This increase is primarily to fund the new acquisitions being made but also the continued development of the company's core projects.

Trade and other payables were reduced significantly to €222.5 million (FY 2020: €502.6 million) mainly due to payment via issuance of a mandatory convertible bond to settle the outstanding trade payable relating to the purchase of 32% of VIC Properties in 2020. The Liabilities for discontinued operations reflect the liabilities of the projects that Aggregate will be disposing of from the 10 project portfolio acquisition, and which are in Assets held for sale.

Net Assets

The net assets (total equity minus minority interests) of Aggregate increased to €2.91 billion (FY 2020: €2.03 billion). This growth was driven by the group's ability to purchase high quality assets at attractive prices and was further increased by the issuance of the €331 million mandatory convertible bond, accounted for as equity attributable to hybrid holders. The biggest increase in the asset values was in Investment property under construction where acquisitions and continued investment drove total investment property values from €1.54 billion at FY 2020 to €3.43 billion, plus the related increase in Assets held for sale from the acquisition of the 10 project portfolio. The acquisitions of Fürst and the 10-project development added €1.51 billion with Quartier Heidestrasse's ongoing development contributing the rest of the increase.

Consolidated Management Report for First half of 2021 (continued)

The mandatory convertible bond, issued as consideration for the outstanding payment for the purchase of the remaining 32% minority of VIC Properties in 2020 was also a material contributor (€297 million) to the net asset value increase.

Net Debt

The net indebtedness of Aggregate increased to €3.79 billion (FY 2020: €1.99 billion). This increase was driven primarily by the debt used to finance (and in the case of Fürst fund capex and interest) the new acquisitions, with an additional impact from the debt increase at Quartier Heidestrasse to fund construction. This increase was partially offset by the cash retained in capex and interest accounts. Non-strategic assets from these acquisitions will be sold over the course of the next 12 months,with funds received being utilised to pay down the related indebtedness.

Loan-to-Value (LTV)

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 H1 2021 was 52.5% (FY 2020: 41.9%) pro forma for the disposal of the Assets held for sale, which removes both the Assets held for sale and the related liabilities from the calculation. Including the Assets held for sale and the related liabilities, the LTV would be 54.0%. Total assets minus cash increased by significantly more than net debt, with net debt increasing by €2.23 billion compared to total assets (net of cash) increasing by €3.07 billion. The significant growth in assets reflected the attractive opportunities available to Aggregate during H1 2021. Aggregate Group is targeting in the medium-term LTV for the group to be under 50%.

EPRA NAV

EPRA NAV represents the fair value of net assets on an ongoing, long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value of derivatives and deferred taxes on property valuation surpluses, are therefore excluded. Inventories are adjusted to their fair value under the EPRA NAV measure. This indicative EPRA NAV is a measure that reflects that value of Aggregate's investments as they become yielding assets.

EUR thousand	30 June 2021	31 December 2020
Total equity attributable to owners of the company	2,459,668	1,875,070
Hybrid instruments	297,625	–
Revaluation of inventories	371,240	143,495
Deferred tax	295,373	122,418
Fair value of financial instruments	10,409	237,391
EPRA NAV incl. hybrid	3,434,316	2,378,374

Recent developments

In August, Aggregate undertook a €100 million tap of its €500m 6.875% senior bond due in November 2025. The bond was placed with investors to be used for general corporate purposes.

In September, Aggregate acquired a further project, Ringbahnhöffer, in Berlin. The project is a mixed-use 105,791 sqm gross floor area development. The residual value at acquisition date is €226 million and the expected market value at completion is expected to be €552 million with expected net annual rental income of €19 million. The acquisition has been part financed by debt and part financed by a mandatory convertible bond.

Consolidated Management Report for First half of 2021 (continued)

Outlook

Aggregate Group continues to believe that the German residential and commercial real estate markets in the top German cities, and in particular Berlin, will remain a robust and appreciating asset class to invest in. Currently all of Aggregate's Build and Hold assets are based in Berlin with the acquisitions signed in the first half increasing the presence in Berlin.

Development in Portugal continues with pricing proving strong for the residential developments in Lisbon. In addition, the Pinheirinho asset is benefitting from a very strong demand environment. Work on the new Pinheirinho development in the Comporta region is expected to start by the end of 2021, and strong demand for the properties is expected. The Build & Sell division will also continue to look for new sites to acquire and develop for the Portuguese market.

Risk Management

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.

Clear 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.

The risk profile of Aggregate remains materially unchanged and in line with the risks and opportunities out-lined in our Consolidated Financial Statements and Management Report dated 31 December 2020.

The Coronavirus pandemic outbreak continues to have significant social and economic impacts on many countries around the world. The Group continues to monitor the associated risks to protect the wellbeing of its employees and continues to follow government and World Health Organization (WHO) guidelines, to ensure the correct procedures are followed to ensure the wellbeing of employees. The Group continues to operate in a resilient real estate environment in spite of the Coronavirus pandemic and has not been and does not expect to be materially impacted.

The risk profile for the business has been largely unchanged during H1 2021 and in line with the risks and opportunities out-lined in our Consolidated Financial Statements and Management Report dated 31 December 2020. The Group continues to monitor a number of items across our risk framework, including financing risks, real estate fair value risks, and risks associated with construction delays. The Group continues to view the German real estate market very favourably for long-term value and growth potential, and sees significant opportunities in the commercial real estate sector in Germany.

Board of Directors

Mr. Massimo Longoni
Director Class A

Mrs. Elena Guaraldi
Director Class B

Consolidated Financial Statements

Interim condensed consolidated statement of profit or loss and other comprehensive income

For the six months period from 1 January 2021 to 30 June 2021

In thousands of EUR	Note	For the six months ended 30 June 2021	 30 June 2020
Income from letting activities		4,762	56,949
Income from property development	3	12,491	557,484
Other operating income	4	18,922	17,525
Total revenue		**36,175**	**631,958**
Change in project related inventory		22,141	(108,094)
Overall performance		**58,316**	**523,864**
Net income from fair value adjustments of investment properties		892,145	248,774
Net loss from fair value adjustments and disposals of financial assets		(61,387)	(66,717)
Cost for materials	5	(20,584)	(302,928)
Personnel expenses		(3,644)	(40,436)
Other operating expenses	6	(42,883)	(58,935)
Earnings before interest, tax, depreciation and amortisation		**821,963**	**303,422**
Depreciation and amortisation		(205)	(3,800)
Earnings before interest and tax		**821,758**	**299,622**
Finance income	7	11,784	23,608
Finance costs	7	(99,031)	(200,412)
Net gain from fair value adjustments of financial derivatives		2,297	29,461
Net income from equity accounted investments		107,219	(226)
Earnings before tax		**844,027**	**152,053**
Income tax		(179,625)	(44,063)
Profit for the period from continued operation		**664,402**	**107,990**
Discontinued operation			
Loss for the year from discontinued operation, net of tax		(1,930)	–
Profit for the period		**662,472**	**107,990**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of profit or loss and other comprehensive income

For the six months period from 1 January 2021 to 30 June 2021 (continued)

In thousands of EUR	For the six months ended 30 June 2021	 30 June 2020
Other comprehensive income		
Items that will never be reclassified to profit or loss:		
Actuarial loss	–	–
Items that are or may be reclassified subsequently to profit or loss:		
Revaluation of financial assets at fair value through other comprehensive income	(2,652)	6,697
Foreign currency translation differences from foreign operations	1,158	(3,452)
Other comprehensive profit/(loss) for the period, net of tax	**(1,494)**	**3,245**
Total comprehensive income for the period	**660,978**	**111,234**
Owners of the Company	**584,644**	**91,066**
Owners of the Company	586,574	91,066
Loss from discontinued operations	(1,930)	–
Non-controlling interest	**77,828**	**16,924**
Non-controlling interest – continued operations	77,828	16,924
Non-controlling interest – discontinued operations	–	–
Total comprehensive income for the period	**662,472**	**107,990**
Attributable to		
Owners of the Company	**583,150**	**94,310**
Profit from continuing operations	585,080	94,310
Loss from discontinued operations	(1,930)	–
Non-controlling interest	**77,828**	**16,924**
Non-controlling interest – continuing operations	77,828	16,924
Non-controlling interest – discontinued operations	–	–
Total comprehensive income for the period	**660,978**	**111,234**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

As at 30 June 2021

In thousands of EUR	Note	30 June 2021	31 December 2020
Assets			
Property, plant and equipment		4,843	2,925
Goodwill and intangible assets		1,137,195	1,136,494
Investment property in use	9	474,573	57,161
Investment property under construction	9	2,957,456	1,486,136
Advances		17,490	16,136
Financial assets	10	361,590	202,971
Equity accounted investments	11	1,233,883	870,552
Non-current assets		**6,187,030**	**3,772,375**
Inventories	12	703,760	681,607
Trade and other receivables		60,937	28,808
Financial assets	10	261,409	247,669
Cash and cash equivalents		447,505	67,770
Assets held for sale		618,669	15,319
Current assets		**2,092,280**	**1,041,173**
Total assets		**8,279,310**	**4,813,548**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position

As at 30 June 2021

In thousands of EUR	Note	30 June 2021	31 December 2020
Equity			
Share capital		951,429	951,429
Share premium		476,349	476,349
Reserves		(4,153)	(4,107)
Retained earnings		451,399	292,677
Profit for the period/year		584,644	158,722
Equity attributable to the owners of the Group		**2,459,668**	**1,875,070**
Equity attributable to hybrid holders		449,263	151,637
Non-controlling interests		135,942	36,440
Total equity		**3,044,873**	**2,063,147**
Liabilities			
Loans and borrowings	13	3,509,048	1,658,462
Financial liabilities relating to derivatives		–	9,235
Provisions, non-current		216	223
Deferred tax liabilities	8	320,505	153,780
Other non-current liabilities		500	–
Non-current liabilities		**3,830,269**	**1,821,700**
Loans and borrowings	13	723,939	396,455
Financial liabilities relating to derivatives		10,409	13,861
Income tax payable		2,216	522
Provisions, current		1,346	1,224
Trade and other payables		222,497	502,606
Liabilities held for sale		443,761	14,033
Current liabilities		**1,404,168**	**928,701**
Total liabilities		**5,234,437**	**2,750,401**
Total equity and liabilities		**8,279,310**	**4,813,548**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity

For the six months period from 1 January 2021 to 30 June 2021

In thousands of EUR	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 2021	951,429	476,349	(3,272)	(2,082)	1,247	451,398	1,875,070	151,637	36,440	2,063,147
Total profit for the period										
Profit for the period	–	–	–	–	–	584,644	584,644	–	77,828	662,472
Other comprehensive income										
Foreign currency translation differences	–	–	1,158	–	–	–	1,158	–	–	1,158
Fair value movement financial assets through other comprehensive income	–	–	–	–	(2,652)	–	(2,652)	–	–	(2,652)
Total other comprehensive income	–	–	1,158	–	(2,652)	–	(1,494)	–	–	(1,494)
Total comprehensive income for the period	–	–	1,158	–	(2,652)	584,644	583,150	–	77,828	660,978
Movement during the period										
New bonds issued	–	–	–	–	–	–	–	297,625	–	297,625
Total movement during the period	–	–	–	–	–	–	–	297,625	–	297,625
Changes in ownership interests in subsidiaries										
Acquisition of subsidiary with non-controlling interest	–	–	–	1,448	–	–	1,448	–	21,674	23,122
Total transactions	**–**	**–**	**–**	**1,448**	**–**	**–**	**1,448**	**–**	**21,674**	**23,122**
Balance at 30 June 2021	**951,429**	**476,349**	**(2,114)**	**(634)**	**(1,405)**	**1,036,042**	**2,459,668**	**449,263**	**135,942**	**3,044,873**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity (continued)

For the year ended 31 December 2020

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

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows

In thousands of EUR	For the six months ended 30 June 2021	 30 June 2020
Cash flows from operating activities		
Profit for the period	662,472	107,990
Adjustments for :		
– Net increase of fair value of investment property	(892,145)	(248,774)
– Net finance costs	87,247	173,304
– Depreciation and amortisation	205	(245)
– Share of the profit of equity accounted investees	(107,219)	226
– Impairment of receivables	(80)	80
– Loss from fair value adjustments of financial instruments	61,387	–
– Net (gain) from fair value adjustments of financial derivatives	(2,297)	(29,461)
– Income tax expense/(income)	179,626	44,063
	(10,804)	**47,183**
Changes in working capital:		
– Inventories	(22,153)	128,360
– Trade and other receivables	(6,900)	(403,091)
– Liabilities for discontinued operations	1,929	–
– Prepayments on development projects	(1,354)	(149)
– Trade and other payables	(245,498)	381,815
– Provisions	116	908
Net cash generated from/(used in) operating activities	**(284,664)**	**155,026**
Interest received	1,670	14,931
Interest paid	(28,660)	(253,840)
Net cash generated from/(used in) operating activities	**(311,654)**	**(83,883)**
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(345,416)	–
Acquisition of investment property under construction / capital expenditure	(87,975)	–
Acquisition/disposal of property, plant and equipment and intangible assets	(1,867)	1,463
Acquisitions of investments in equity accounted investments	(256,112)	438
Net movements in financial assets	–	(29,614)
Net movements in loans receivable from third parties and related parties	(141,745)	–
Net cash used in from investing activities	**(833,115)**	**(27,713)**
Cash flows from financing activities		
Issue of capital for Hybrid bond holders	297,626	–
Proceeds from issue of convertible bonds and bonds issued, bank, third parties and related parties loans	1,566,719	(189,901)
Repayment of convertible bonds and bonds issued, bank, third parties and related parties loans	(339,843)	253,840
Net cash generated from financial activities	**1,524,502**	**63,939**
Net (decrease)/increase in cash and cash equivalents	**379,735**	**(47,657)**
Cash and cash equivalents at 1 January	67,770	257,070
Cash and cash equivalents at 30 June	**447,505**	**209,413**

The accompanying notes on pages from 31 to 40 form an integral part of these unaudited interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements

1. Reporting entity

Aggregate Holdings S.A. ("the Company" or together with its subsidiaries, "the Group") 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 interim condensed consolidated financial statements of the Group comprise the interim condensed consolidated statement of financial position, interim condensed consolidated financial results and statement of cash flows of the Group as at and for the six months period from 1 January 2021 to 30 June 2021.

Selected explanatory notes are included to explain events and transactions that are significant for understanding the changes in the Group's financial position and performance since the last annual consolidated financial statements as for the year ended 31 December 2020.

2. Basis of preparation and changes to Group's accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2020.

During H1 2021, the Group adopted IFRS 5 (Non-current Assets held for sale and Discontinued Operations) upon the acquisition of ZA Castle GmbH, where a proportion of the assets acquired are listed as "Assets held for sale". Under IFRS 5, at the time of classification of assets as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRSs. The following conditions are met for the relevant assets categorised as held for sale under IFRS 5:

- Management is committed to a plan to sell
- The asset is available for immediate sale
- An active programme to locate a buyer is initiated
- The sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- Actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn

Apart from the adoption of IFRS 5, the accounting policies applied by the Group in these interim condensed consolidated financial statements are consistent with those applied by the Group in its consolidated financial statements for the year ended 31 December 2020. These interim condensed consolidated financial statements should therefore be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2020. There are no further new accounting policies adopted during the period.

3. Income from property development

	For the six months ended	
In thousands of EUR	30 June 2021	30 June 2020
Income from real estate inventory disposed of	12,491	339,756
Income from property development	–	217,728
	12,491	**557,484**

Notes to the interim condensed consolidated financial statements
(continued)

4. Other operating income

In thousands of EUR	For the six months ended 30 June 2021	30 June 2020
Interest income from loans receivable from third parties	10,809	2,632
Other income	7,882	14,187
Income from provided services	231	706
	18,922	**17,525**

5. Cost of materials

In thousands of EUR	For the six months ended 30 June 2021	30 June 2020
Expenses for land acquisition	–	722
Expenses for preparation and development	2,199	11,057
Expenses for Building – Building construction	13,126	144,280
Expenses for Building – Technical equipment	–	15,274
Expenses for outside facilities	–	4,900
Expenses for inside facilities	–	745
Ancillary building costs	342	14,139
Expenses for other construction services	–	7,311
Brokerage and commissions costs	387	54
Administrative costs	–	10,808
Auxiliary costs	368	83,882
Other expenses for raw materials, consumables and supplies and for purchased goods	–	372
Office supplies	6	4
Non-deductible VAT	3,772	1,130
Other services	384	8,250
	20,584	**302,928**

6. Other operating expenses

In thousands of EUR	For the six months ended 30 June 2021	30 June 2020
Other commissions and professional fees	29,905	15,596
Accounting and audit fees	1,557	258
Repairs & Maintenance	164	95
Director's fees	50	7
Other hired services	5,576	13,427
Impairment of receivables and loan receivables	80	1,163
Other taxes	514	2,396
Other expenses	5,037	25,993
	42,883	**58,935**

Notes to the interim condensed consolidated financial statements
(continued)

7. Net finance income/(costs)

In thousands of EUR	For the six months ended 30 June 2021	30 June 2020
Finance income		
Interest income from related parties	1,842	900
Dividend income	2	84
Other finance income	9,655	22,582
Net foreign exchange gain	285	42
	11,784	**23,608**
Finance costs		
Interest expense	(87,986)	(181,323)
Other financial costs	(11,045)	(19,089)
	(99,031)	**(200,412)**
Net finance costs	**(87,247)**	**(176,804)**

8. Deferred tax assets and liabilities

	Assets		Liabilities		Net	
In thousands of EUR	30 June 2021	31 December 2020	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Investment property	–	–	(295,373)	(122,418)	(295,373)	(122,418)
Inventories	–	–	(38,023)	(38,023)	(38,023)	(38,023)
Losses carried forward	12,891	6,662	–	–	12,891	6,662
Tax assets/(liabilities)	**12,891**	**6,662**	**(333,396)**	**(160,442)**	**(320,505)**	**(153,780)**
Set off of tax	–	–	–	–	–	–
Net tax assets (liabilities)	**12,891**	**6,662**	**(333,396)**	**(160,442)**	**(320,505)**	**(153,780)**

Notes to the interim condensed consolidated financial statements
(continued)

9. Investment properties

The movement of Investment properties during the period to 30 June 2021 is as follows:

In thousands of EUR	30 June 2021	31 December 2020
Investment property in use		
At 1 January	57,161	205,803
Foreign exchange impact	2,439	(2,712)
Reclassifications from investment property under construction	168,500	
Acquisition of subsidiary with investment property	214,780	
Disposal of subsidiary with investment property	–	(139,160)
Capital expenditure on owned property	3,692	–
Change in fair value during the period/year	28,001	(6,770)
Total completed investment property at period end/year end	**474,573**	**57,161**
Investment property under construction/development		
At 1 January	1,486,136	1,237,177
Reclassification from advances	–	43,433
Reclassification to held for sale	(603,350)	–
Reclassification to Investment property in use	(168,500)	
Additions through business combination	–	–
Acquisition of subsidiary with investment property under construction	1,294,743	–
Disposal of subsidiary with investment property under construction	–	(245,841)
Capital expenditure on owned property	84,283	200,449
Change in fair value during the period/year	864,144	250,918
Total investment property under construction as at period end/year end	**2,957,456**	**1,486,136**

All investment properties and investment properties under construction have been pledged to secure bank loans. The investment properties under construction mainly comprised the Quartier Heidestrasse, Fürst and Walter and Green Living projects in Berlin. The total costs capitalised on these projects for the period from 1 January 2021 to 30 June 2021, amounted to €90,254 thousand (31 December 2020: €199,648 thousand).

Fair value hierarchy

The fair value measurement of investment property has not changed since the year end and the values used are extensions of the calculations prepared by external, third party professional valuers.

Covid-19 considerations

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

Capitalised borrowing costs – Investment property under contruction

During the period, the Group capitalised borrowing costs related to the acquisition of land and the construction of property of €3,721 thousand (31 December 2020: €3,969 thousand).

Notes to the interim condensed consolidated financial statements
(continued)

10. Financial assets

In thousands of EUR	30 June 2021	31 December 2020
Non-current		
Loans receivable from related parties	27,588	23,277
Loans receivable from third parties	309,904	147,972
Financial assets at fair value through other comprehensive income	3,920	6,572
Financial assets at fair value through profit or loss	12,846	24,933
Deposits	263	217
Other financial assets	7,069	–
	361,590	**202,971**
Current		
Loans receivables from related parties	17,889	14,264
Loans receivable from third parties	47,412	61,589
Financial assets at fair value through profit or loss	191,675	169,445
Other financial assets-current	4,433	2,371
	261,409	**247,669**
Total	**622,999**	**450,640**

Loans receivable from third parties

The Group has granted loans to third parties for a total amount of €357,316 thousand (31 December 2020: €209,561 thousand). These loans have maturity terms of 6 to 54 months and interest varies from 3% to 15%. During the period, the Group granted new loans to third parties for a total consideration of €132,409 thousand (31 December 2020: €49,178 thousand) and acquired third party loans as part of acquisitions for a total consideration of €15,000 thousand (2020: nil).

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 €3,920 thousand (2020: €6,572 thousand) and the respective amount recognised in fair value through other comprehensive income reserve is unrealised loss of €2,652 thousand (31 December 2020: unrealised gain of €1,244 thousand).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represent investments held in shares and bonds for a total amount of €204,521 thousand (2020: €194,378 thousand). During the period, the Group has acquired financial assets for a total consideration of €62,352 thousand (31 December 2020: €77,841 thousand).

Notes to the interim condensed consolidated financial statements
(continued)

11. Equity accounted investments

Investments in equity accounted investees as at 30 June 2021 amounts to €1,233,883 thousand (31 December 2020: €870,552 thousand):

In thousands of EUR	30 June 2021	31 December 2020
Balance at 1 January	870,552	42,362
Disposals of subsidiary	–	(21,526)
Additions	256,112	848,229
Profit related to equity accounted investees (net of tax)	107,219	22,324
Transfer to Assets held for sale	–	(20,836)
Balance as at period end/year end	1,233,883	870,552

As at 30 June 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.

During the period Aggregate acquired a 10.79% stake in S Immo AG, a publicly listed Austrian real estate business. This was a strategic acquisition and sits alongside Adler Group in the Financial Real Estate and other Assets portfolio as a value creating and cash generative asset.

12. Inventories

Inventories consist of the following:

	30 June 2021	31 December 2020
Real estate "Apartments for sale"	30,429	9,302
Real estate "Other construction work"	256,845	268,931
Land and sites	415,774	402,688
Inventories – supplies	712	686
	703,760	**681,607**

As at 30 June 2021 the inventories consisted of three real estate development projects the Group is undertaking in Portugal.

No write down on inventories has been recorded as at 30 June 2021.

As at 30 June 2021, the Group has received €15,939 thousand (2020: €11,655 thousand) as advances for purchase of real estate recognised under "Trade and other payables" within current liabilities.

In the period to 30 June 2021, the Group capitalised €10,180 thousand of borrowing costs (31 December 2020: €13,804 thousand) relating to inventories.

As at 30 June 2021, inventories of €703,760 thousand have been pledged to secure bank loans (2020: €681,607 thousand).

Notes to the interim condensed consolidated financial statements
(continued)

13. Loans and borrowings

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

In thousands of EUR	30 June 2021	31 December 2020
Non-current liabilities		
Bank and third party loans – non-current portion	1,502,851	1,003,970
Related party loans – non-current portion	12,042	5,784
Bonds issued	1,994,155	648,708
	3,509,048	**1,658,462**
Current liabilities		
Bank and third party loans – current portion/short term	447,287	142,930
Related party loans – current portion	40,015	455
Bonds issued	142,466	231,639
Coupon interest due on bonds issued	94,171	21,432
	723,939	**396,455**
Total loans and borrowings	**4,232,987**	**2,054,917**

14. Commitments and contingent liabilities

Aggregate Deutschland S.A. provided a guarantee facility for an amount of €46 million (2020: €33 million) to an insurance company for Quartier Heidestrasse GmbH to secure possible overrun of construction costs of a maximum 7.5% of the expected total costs for the construction until 31 January 2024.

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

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

Aggregate Holdings S.A. has given a corporate guarantee of GBP 16 million (2020: GBP 12 million) plus any future interest and capitalised interest on the bank loan of a subsidiary based in the United Kingdom.

Aggregate Holdings S.A. has given a corporate guarantee for an amount of €289 million (2020: €173.7 million) to credit institutions on behalf of its subsidiaries and third parties.

In June 2021, Aggregate, as part of its sustainability agenda, agreed to acquire 21.35% of a renewable energy operation based in northern Germany.

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

Notes to the interim condensed consolidated financial statements
(continued)

15. Related parties

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

Other related parties transactions

Name of related party	Type of relation	Type of transaction/ balance	Statement of profit or loss for the six months ended 30 June 2021	30 June 2020	Balance as at 30 June 2021	31 Dec 2020
Lavinia B.V.	Common UBO	Loan receivable	–	–	37,871	35,041
		Interest (income)/ receivable	(1,167)	(846)	3,391	2,267
		Loan payable	–	–	(4,995)	(5,033)
		Interest expense (payable)	115	177	–	–
		Other payables	–	–	–	(8)
Medeon S.à r.l.	Ultimate parent and UBO	Loan receivable	–	–	2,886	–
		Interest (income)/receivable	(88)	(13)	142	–
Aggregate Debt Advisory GmbH	Common UBO	Loan receivable	–	(41)	–	–
LHC Holding GmbH	Joint venture 50%	Loan receivable	–	–	14	14
Passiva Participations 2 S.à r.l. (previously: Aggregate Participations 2 S.à r.l.)	Common ultimate parent and UBO	Loan receivable	–	–	255	255
		Interest (income)/receivable	(29)	(2)	11	2
Group Electa S.A.	Advisor of the Group	Other payables	–	–	(4)	(6)
Consus	Subsidiary of Associate	Other payables	–	–	(21,000)	(21,000)
Corestate Bank GmbH (previously: Aggregate Financial Services GmbH)	Common UBO	Brokerage fees	11,313	–	–	–
		Other payables	–	–	(8,189)	(2,500)
Passiva Participations S.à r.l.	Common ultimate parent and UBO	Loan payable	–	–	(10,059)	–
		Interest expense (payable)	–	–	(51)	–

Notes to the interim condensed consolidated financial statements
(continued)

16. 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; and

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

As of 30 June 2021

In thousands of EUR	Build and Hold	Build and Sell	Financial Real Estate and Other Assets	Total
Total revenue	6,844	12,604	16,727	36,175
Earnings before interest and tax	879,630	6,551	(64,423)	821,758
Total assets	3,807,220	1,876,800	2,595,290	8,279,310
Total liabilities	2,429,671	542,758	1,689,040	4,661,469
Aggregate Holdings S.A. Unsecured notes issued	–	–	572,967	572,967
Non-controlling interests	124,028	–	11,913	135,942
Net asset value	1,253,521	1,334,042	321,368	2,908,931
Net Debt	1,690,911	428,588	1,665,983	3,785,482
Total assets excluding cash and cash equivalents				**7,213,136**
LTV (Net debt excluding liabilities held for sale/Total assets excluding cash and cash equivalents and Assets held for sale)				**52.48%**
LTV (Net debt including liabilities held for sale/Total assets excluding cash and cash equivalents and including Assets held for sale)				**54.00%**

*Net asset value includes Hybrid capital notes issued to Hybrid holders.

As of 31 December 2020

In thousands of EUR	Build and Hold	Build and Sell	Financial Real Estate and Other Assets	Consus Consus Real Estate AG	Total
Total revenue	250	2,370	17,112	628,255	647,987
Earnings before interest and tax	240,169	5,452	(36,639)	121,403	330,385
Total assets	1,473,537	1,550,152	1,789,859	–	4,813,548
Total liabilities	681,214	901,685	649,856	–	2,232,755
Aggregate Holdings S.A. Unsecured notes issued	–	–	517,646	–	517,646
Non-controlling interests	23,179	–	13,261	–	36,440
Net asset value	769,144	648,467	609,097	–	2,026,708
Net debt	469,797	438,667	1,078,683	–	1,987,147
Total assets excluding cash and cash equivalents					**4,745,778**
Loan to value ratio					**41.87%**

Notes to the interim condensed consolidated financial statements
(continued)

Geographical information

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

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

In thousands of EUR	Revenue For the six months ended 30 June 2021	Revenue For the six months ended 30 June 2020	Total assets 30 June 2021	Total assets 31 December 2020
Germany	9,887	628,254	4,056,422	2,551,560
Portugal	12,604	1,052	1,876,800	1,550,152
Other	13,683	2,652	2,346,088	711,836
	36,175	**631,958**	**8,279,310**	**4,813,548**

17. Operating environment

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

18. Subsequent events

On 9 August 2021, Aggregate successfully issued via a private placement a €100 million tap of its €500 million 11/2025 6.875% senior bond. The total nominal amount outstanding is now €600 million. The bonds carry an interest rate of 6.875% and mature on 9 November 2025.

On 31 August 2021, Aggregate Holdings S.A. issued a mandatory convertible bond issue totalling €129.8 million. The term of the bond is 3 years and the bonds bear an interest rate of 2%, and are convertible in to equity of Aggregate Holdings S.A.. The bonds were issued as part consideration for the acquisition of the Ringbahnhöfe project.

On 2 September 2021, Aggregate completed a transaction to acquire Ringbahnhöfe, a mixed use development in Neukölln, Berlin. The 105,791 sqm gross floor area development will include high rise office and commercial space, student accomodation and a group of buildings up to 8 storeys high for residential, commercial and office space.