17 February 2021

Aggregate Holdings S.A.

Aggregation of cash flows driven by undervalued real estate businesses

Aggregate Holdings S.A. (Aggregate) is a real estate investment company specialising in developing residential and commercial real estate targeting Germany´s top locations as well as interest in Portugal. Investors should focus on the company´s full project portfolio which we expect to unfold a dynamic sales and earnings growth momentum in the upcoming years. Furthermore, Aggregate has a 26.6% strategic stake in the ADLER Group (Liquid stake of approx. EUR 900m based on 31 December 2020 share price) which generates cash flows from dividends and potential value enhancement by the market position of the ADLER Group. The investment in ADLER GROUP and the recently announced investments in S IMMO and IMMOFINANZ demonstrate Aggregate's long-term strategic commitment towards significantly undervalued and high-quality real estate businesses.

Despite the Covid-19 pandemic there is strong demand for real estate in growing metropolitan areas

The demand for commercial and residential properties in Germany has risen since the beginning of 2009, even though Covid-19 has been a harassing fire, the German real estate market is still characterized by both a shortage and inelastic supply. We expect that economic improvements stipulate further demand as supply remains scare, thus the market will likely remain tight for years to come, implying a favorable environment for Aggregate´s business model. The same development is likely to support Aggregate's Portugal business.

ADLER GROUP

Purchase of high quality assets and strategic stakes

Aggregate's strategic focus across all three of its divisions is to acquire undervalued assets and optimise their scope and scale. Following their optimisation and development, the assets are either added to the portfolio as yielding properties or sold to institutions and individuals. In the current climate, Aggregate continues to see opportunities at attractive prices for high quality assets and strategic stakes related to German real estate.

Solid solvency ratios

According to management projections and our calculations Aggregate has robust solvency ratios. Considering important ratios (gearing, interest coverage, net financial debt /EBIT) and free cash flow generation, it supports our assumption that Aggregate has the ability to service its financial debt if a sudden market deterioration (new financial crises, longer existing corona pandemic) does not occur. Within the next 12-18 months the management plans to get a Credit Rating which might improve financing conditions.

Key figures	2020e	2021e	2022e	2023e	2024e	2025e
Total revenue (EUR m)	256	314	530	481	473	573
EBIT (EUR m)	114	169	270	185	156	252
Net income (EUR m)	73	168	252	178	161	248
Total equity (EUR m)	2,052	2,637	2,904	3,099	3,278	3,546
Equity ratio (%)	44%	49%	48%	48%	50%	53%
Net financial debt (EUR m)	2,013	2,343	2,672	2,666	2,403	1,994
Net debt/Equity	1.0	0.9	0.9	0.9	0.7	0.6
Interest cover	1.2	1.4	2.2	1.4	1.3	2.3
Net debt/EBITDA	17.2	13.6	9.7	14.0	14.9	7.7
LTV	43%	45%	46%	44%	39%	35%

Source: Quirin Privatbank estimates

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Company profile

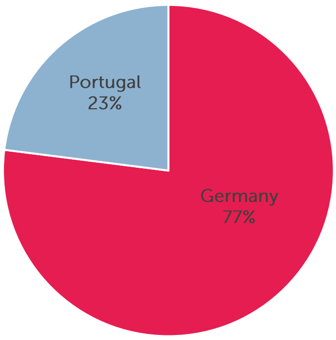
Aggregate Holdings S.A. (Aggregate Group), headquartered in Luxembourg, is a predominantly German-focused real estate investment company, with interests also in the DACH region (Germany exposure: 77%) and Portugal (23% exposure). The Aggregate Group is actively evaluating investment opportunities in either large-scale residential or commercial real estate developments, but often mixed-use projects creating vibrant neighbourhoods.

At the end of FY 2019, the group had EUR 3.6bn of assets and a EUR 6.3bn gross development value (GDV) project portfolio over the following three divisions:

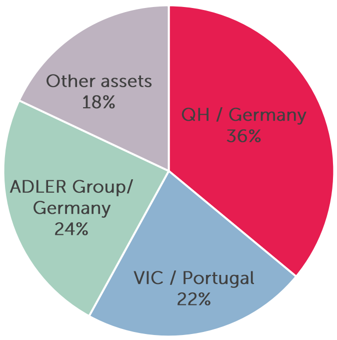
- The 'Build-to Hold' division contains Quartier Heidestrasse, the largest real estate development in Central Berlin with over 230,000 sqm of gross lettable area, which is due to be fully completed by 2023.
- The 'Build-to-Sell' division contains VIC, the largest developer in Portugal, with two developments on the Lisbon waterfront and a development near to Comporta, just south of Lisbon on the coast. The flagship Prata project has had first completions in 2020, with full completion in 2023.
- Additionally, Aggregate Group is an active investor in financial real estate assets.

Besides a liquid treasury portfolio of generally tradable listed securities, fund shares in real estate assets, opportunistic short-term (often secured) lending to third parties and investments in connection with real estate projects, a core and strategic long-term investment in Aggregate´s portfolio is the stake in ADLER Group S.A., of which the current holding is 26.6% of the company’s outstanding voting rights. Aggregate Group is the largest shareholder in the ADLER Group, one of the largest listed residential real estate companies in Europe with a significant footprint in Berlin, Cologne, Düsseldorf, Frankfurt am Main, Hamburg, Munich and Stuttgart ('Top 7 Cities').

Country exposure (Yielding assets + GDV)



Market value distribution of tangible assets



Source: Aggregate Holdings S.A. presentation 28 January 2021, Quirin Privatbank AG

Business model and Strategy

Aggregate's business model consists of three main segments/divisions with a focus on Germany, Portugal and German- speaking countries:

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

Business model overview - Three strategic pillars

Segment	Build & Hold: Cash-flow Yielding Assets	Build & Sell: Real Estate Development Business	Financial Real Estate Assets: Liquid & Strategic Assets
Strategy	Development of real estate assets to be held long-term and managed in portfolio.	Development of real estate assets and entire, fully integrated platforms with focus to sell after completion. Platforms are forward sale specialists and mainly condominium/residential developers.	Private and public real estate investments with either opportunistic short-term or a strategic long-term and value-add investment proposition
Aim	Cash-flow & rental income generation, value creation	Revenue & value generation via forward sales	Value creating strategic stake plus primarily short-term liquid investments and loans
Core Asset	Quartier Heidestrasse (Berlin)	VIC Properties (Portugal)	26.6% stake in ADLER Group
Operational focus	•Planning optimisation •Building permit obtained •Construction of asset •Letting phase •Long-term active asset management •Recurring cash-flow & rental income	•Planning optimisation •Building permit obtained •Projects forward sold to retail and institutional investors either in parallel with or prior to construction •Transfer of ownership at completion •Revenue generation	•Strategic long-term vs. opportunistic short-term investments •Number of strategies can be applied •Various investment timeframes •Focus to maximise shareholder value •Liquid investment profile •Revenue and cash-flow generation

Source: Aggregate Holdings S.A., Quirin Privatbank AG

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

Build & Hold

In its Build & Hold Division Aggregate Group is focused as a developer on real estate properties which it keeps as long-term holdings in its portfolio. The core of this business segment is Aggregate's subsidiary Quartier Heidestrasse GmbH. As of 31 December 2019, EUR 1.07bn of Aggregate's total assets were attributable to the Build & Hold business segment and EUR 484m of Aggregate's total liabilities. Furthermore, as of 31 December 2019, EUR 30m of Aggregate's minority interest was attributable to the Build & Hold business segment. Therefore, as of 31 December 2019, the NAV of the Build & Hold segment was EUR 556m.

Quartier Heidestrasse (QH)

Build & Hold: Quartier Heidestrasse project /Berlin

Source: Aggregate Holdings S.A., Quirin Privatbank AG

Quartier Heidestrasse GmbH and its subsidiaries (QH) are currently developing Quartier Heidestrasse in Berlin, one of the largest available plots under construction in the city centre of Berlin. The subject properties "QH-Core", "QH-Track", "QH-Spring", "QH-Colonnades", "QH-Straight", "QH-Crown I" and "QH-Crown II" are located in the district Europacity centrally located in the north-western part of Berlin-Mitte.

One strong value creation contributor for Quartier Heidestrasse GmbH and its subsidiaries lies in the off-market acquisition price of land in 2016. As of fiscal year-end 2019, the market value of the development project Quartier Heidestrasse was EUR 981m and the completion value EUR 2.1bn (EUR 9,250/sqm with an average rent of EUR 27/sqm and a target multiple of 28.75) as measured by GDV per independent appraiser and based on year-end 2019 rent and cost estimates. The targeted completion value is estimated at approximately EUR 3.4bn (EU 15,000/sqm with an average rent of EUR 31/sqm and a target multiple of 31.25) in the year 2023, which represents a targeted uplift of more than 50% once all projects are let and completed.

Timeline of completion of Quartier Heidestrasse

Segment	2018	2019	2020	2021	2022	2023	Gross floor area (sqm)	Gross floor area (%)
Phase 1: Core		Completed					36,607	12%
Phase 2: Track			Q1 22				133,597	46%
			Q4 22					
			Q4 23					
Phase 3: Spring			Q1 22				27,778	9%
Phase 4: Colonades/Straight			Q4 22				43,083	15%
Phase 5: Crown 1			Q2 23				51,900	18%
Phase 5: Crown 2			Q4 22					

Development
Construction

Source: Aggregate Holdings S.A., Quirin Privatbank AG

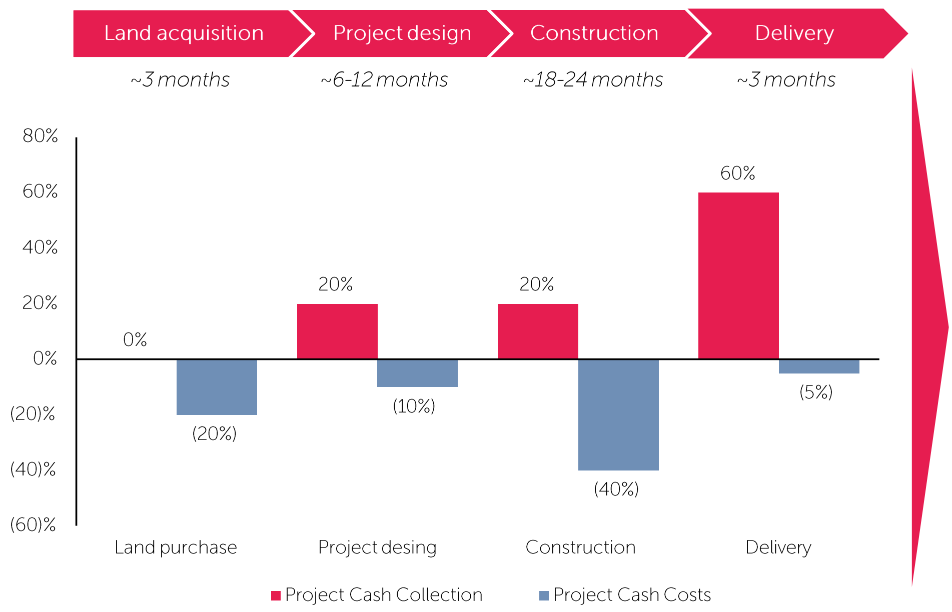
Quartier Heidestrasse is a neighbourhood development with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. Quartier Heidestrasse has plans for approximately 295,000 sqm gross construction area (GCA) and approximately 230,000 sqm gross lettable area (GLA) of commercial and retail space, comprising of around 147,000 sqm of office lettable area, 65,600 sqm of residential lettable area and 16,600 sqm of retail lettable area, 1,133 parking units and around 920 residential units – with 25% allocated as subsidised housing in line with the Berlin model of cooperative building land development. The project has been fully approved with all building permits for the entire project obtained and 80% of the entire project (including all phases) is currently under construction. Construction and lease up are expected to be concluded by the end of 2023 and nearly 50% of the total office space has already been pre-let. SAP, a leading enterprise software producer leased around 30,000 sqm net rental area of office space in September 2019. Once finalised and fully let, the project is expected to generate approximately EUR 75m of net rental income and is expected to have a gross development value of approximately EUR 2.13bn as per the valuation received on 31 December 2019. As of 31 December 2019, EUR 981m of Aggregate's total assets were attributable to the Quartier Heidestrasse development project. The total debt post-construction is expected to be approximately EUR 1.1bn.

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

Build & Sell

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

Illustration of development project cash flows



- **Land investment**: Land is debt and equity financed at acquisition
- **Project design**: Along with project design, VIC Properties begins marketing the units and collecting reservations from customers once the product definition is launched (20% down payment when the contract is signed)
- **Construction** works start at the same time sales start and marketing continues in parallel (10% payment after 6 months and another 10% after 12 months). Payments are not-restricted cash
- **Delivery**: Upon delivery, customers pay the remaining ~60%

Source: Aggregate Holdings S.A., VIC, Quirin Privatbank AG

As of 31 December 2019, EUR 1.408bn of Aggregate's total assets were attributable to the Build & Sell business segment and EUR 408m of Aggregate's total liabilities. As of 31 December 2019, the NAV of the Build & Sell segment was EUR 929m.

VIC Properties

VIC Properties S.A. (VIC), domiciled in Luxembourg, but with operational headquarters and locally embedded management team in Lisbon, is a fully owned and controlled subsidiary of the Aggregate Group. VIC benefits from its strong local market access and connections in the Portuguese real estate market and is one of Portugal's leading real estate developers with a focus on large scale development schemes and mainly residential projects. VIC's business model is to source large-scale construction projects and subsequently to develop, design, construct and market such developments to individual but also institutional investors, often on a forward sale basis at the start or during the construction phase. VIC operates a fully integrated real estate platform in line with the Aggregate Group's strategy to cover the entire value chain. VIC's 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, Porto and development schemes in the Algarve region. Given VIC's in-house local development expertise, capital markets knowledge and wide experience in large development schemes, the company is a specialist of entire neighbourhoods with a view of developing high quality but affordable real estate offerings. It is anticipated that no more than 20% of VIC's real estate portfolio will be outside of its geographic and sector target markets. Targeted buyers include the domestic Portuguese demand as well as international investors. The targeted EBITDA margin for VIC is forecasted at approximately 25%. 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.

Overview of Portuguese development projects – Lisbon assets – excellent locations

Source: Aggregate Holding S.A., Quirin Privatbank AG

VIC currently develops three large-scale projects: Prata Riverside Village (Prata), under construction, expected completion 2023; Matinha, construction started, expected completion 2028; and Pinheirinho (Comporta). These projects have a combined EUR 2.4bn GDV, EUR 804m gross asset value (GAV) and approximately 571,000 sqm gross construction area (GCA). In the following chart the important KPIs of these projects are summarized.

Important KPIs of Portuguese development projects

Current Projects	€2.4bn GDV	€804m GAV	~571k sqm GCA

Projects	GDV	GAV	GCA
Prata	€559m	€235m	129k sqm
Matinha	€1,163m	€346m	245k sqm
Comporta	€656m	€223m	197k sqm

Source: Aggregate Holdings S.A., Quirin Privatbank AG

Financial Real Estate Assets

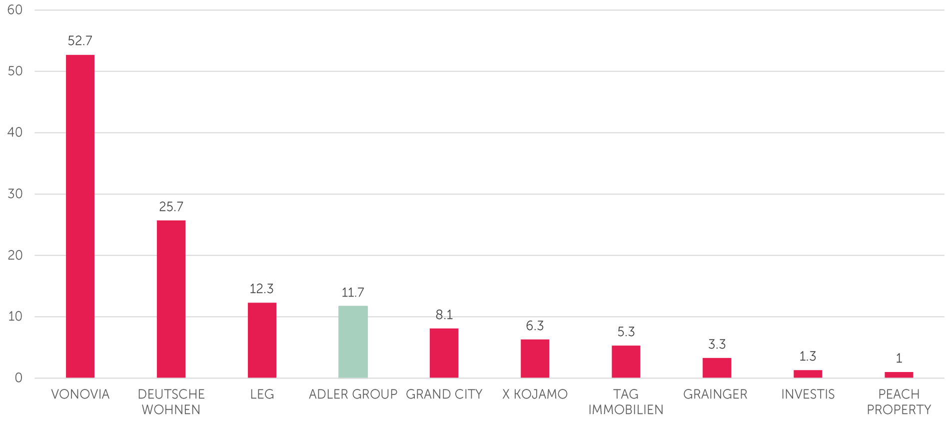
The Aggregate Group invests in private or public real estate assets. It mainly focuses on liquid assets in this segment, either short-term and opportunistic or long-term and strategic in nature. Accordingly, the Aggregate Group invests in listed equities, listed bonds, listed funds and short-duration real estate related loans, often secured by the underlying real estate asset. Investing in liquid and tradeable securities as well as short-duration loans allows the Aggregate Group to build a portfolio that is diversified across a number of investments, exposed to real estate assets, value accretive and liquid. The core of this segment is Aggregate's long-term and strategic ownership of approximately 26.6% of the voting rights in the ADLER Group S.A.

As of 31 December 2019, EUR 1.129bn of Aggregate's total assets were attributable to this segment and EUR 314m of the group's total liabilities. Furthermore, as of 31 December 2019, EUR 1m of Aggregate Group's minority interest was attributable to this segment. Therefore, as of 31 December 2019, the NAV of the Financial Real Estate Assets segment was EUR 816m.

ADLER Group S.A. investment

On 15 December 2019, the Aggregate Group entered into a call/put option agreement with the ADLER Group to sell 50.97% of the shares in Consus Real Estate AG, representing 69,619,173 shares of Consus Real Estate. On 29 June 2020, the ADLER Group exercised the call option for the Consus shares and the Aggregate Group received approximately 22.5% of the voting rights in the ADLER Group as consideration. Following the exercise of the call option by the ADLER Group on 29 June 2020, the ADLER Group issued 1,946,093 new shares and transferred 14,692,889 existing shares previously held by the ADLER Group to the Aggregate Group in exchange for 69,619,173 shares in Consus Real Estate. As a result, the Aggregate Group held approximately 22.5% in the ADLER Group and the ADLER Group is the majority shareholder of Consus Real Estate. Moreover, the ADLER Group intends to make an offer to all Consus Real Estate's shareholders to acquire their Consus Real Estate shares by way of a voluntary public tender offer in the form of an exchange offer. In connection with the Consus Tender Offer, the ADLER Group has received irrevocable undertakings from Consus Real Estate shareholders representing a total of approximately 21.1% of Consus Real Estate's share capital, to tender their shares into the Tender Offer, resulting in a shareholding of at least 85.6% in Consus at the launch of the Tender Offer. Alternatively, in relation to one Consus Real Estate shareholder holding in aggregate 20.5% in Consus Real Estate, ADLER Group may enter into a share purchase agreement regarding such shareholding in lieu of such shareholder accepting the offer.

Listed European Residential Real Estate companies by GAV (in EUR bn)



Source: Aggregate Holdings S.A., companies, Quirin Privatbank AG

On 2 July 2020, ADO Properties (renamed to ADLER Group S.A.) announced a fully underwritten rights issue of EUR 450m, named as the ADO capital increase, which was successfully completed by 21 July 2020. Approximately 98% of subscription rights were exercised, including Aggregate's participation in the rights issue. The subscription ratio to existing shareholders of the ADLER Group was 5:12 with a subscription price of EUR 14.60

per share. The Aggregate Group subscribed to additional 6,932,909 shares, which brought its total holdings to 23,571,891 ADLER Group shares. On 21 July 2020 the remaining ADLER Group shares of less than 0.8 million were also successfully placed in a rump placement at the previous day's closing price of EUR 24.50. Following the ADO capital increase a total of 104,785,930 ADLER Group shares were outstanding with Aggregate's stake maintained at approximately 22.5% and valued at approximately EUR 600m post completed rights issue.

On 28 January 2021 Aggregate announced that its ADLER stake increased to 26.6%.

The Aggregate management believes that the acquisition of Consus Real Estate by ADLER Group is a strategic move to consolidate as a leading player in Germany's key residential markets. It is accretive to long term net asset value of the ADLER Group and the ADLER Group's funds from operations upon completion of the build-to-hold, and positions the ADLER Group to benefit from long-term growth opportunities. As the largest shareholder of ADLER Group, the Aggregate Group is well positioned to benefit from the shareholder value creation.

Acquisition of minority stakes in S IMMO and IMMOFINANZ

On 29 January 2021 Aggregate announced that it has acquired non-controlling minority stakes in two listed Austrian real estate companies, S IMMO AG and IMMOFINANZ AG, which have significant exposures to Germany and the DACH region.

On 29 January 2021, Aggregate had an existing stake of 9.03% in S IMMO AG, the Vienna-listed real estate company focussed on capital cities across Germany and Austria. On 11 February 2021 Aggregate announced that it acquired a further 1.76% stake, holding now a 10.79% stake in S IMMO AG.

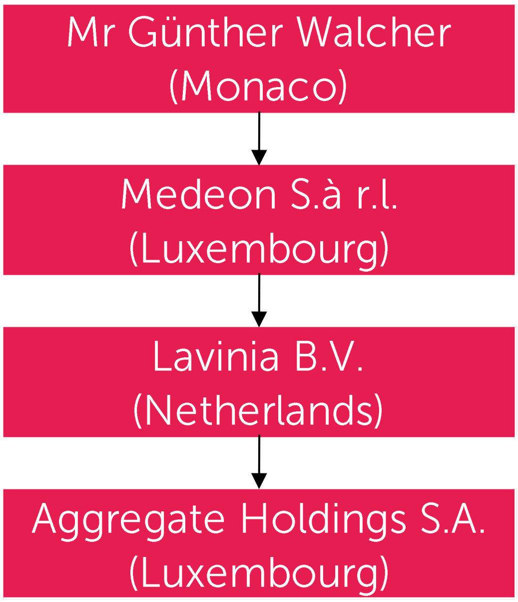
The S IMMO portfolio comprises of approx. 70% commercial properties and approx. 30% residential properties, with around 70% of the portfolio located in Germany. Additionally, S IMMO AG has an approx. 6% strategic minority stake in CA Immobilien Anlagen AG. As publicly stated on 20 January 2021, Aggregate confirmed that it may be considering a potential acquisition of a stake in CA Immobilien Anlagen AG.

Simultaneously, Aggregate has also acquired joint control over a 10.54% stake in IMMOFINANZ AG, the Vienna-listed real estate company focussed on major office locations in Germany and capital cities in Central and Eastern Europe.

Ownership Structure

Aggregate Holding S.A. is 100 per cent owned by Lavinia B.V. with its registered office in the Netherlands. Lavinia B.V. is in turn 100 per cent owned by Medeon S.à r.l. whose sole ultimate beneficial owner is Günther Walcher.

Shareholder structure



Source: Aggregate Holdings S.A., Quirin Privatbank AG

Key role biographies

Management board:

Benjamin Lee (General Manager / CFO)

- Previously Mr Lee was the CFO of Consus Real Estate, successfully raising EUR 450m of public debt and selling the company to achieve strong returns for stakeholders
- Over 25 years experience in the financial industry with 14 years at UBS (IB)
- Seven years of experience as board member and CFO of publicly listed companies

Boris Lemke (Investment Director)

- Previously Mr Lemke was a Director at Deutsche Bank in London, heading the London based team of the Private Debt Syndicate
- Over 19 years experience in the financial industry with 16 years at Deutsche Bank (IB) and three years at Morgan Stanley (IB)
- Broad experience in deal structuring, trading and syndication, gained across various roles and positions

Source: Aggregate Holdings S.A., Quirin Privatbank AG

SWOT

Strengths

- Strong GDV of EUR 6.3bn with high margin development projects
- Strong and experienced management team in real estate project development
- High market expertise in buying profile and chosen regions
- Strong mixed real estate portfolio offers refinancing for growing development business
- Lean and flexible business concept

Weaknesses

- Smaller player in consolidating construction development market
- Expensive financing does limit bottom line profits
- Historical low transparency regarding reporting

Opportunities

- Real estate pricing continue to rise in residential and commercial
- Rising demand from local buyers and international buyers
- To acquire new projects in growing tight residential and commercial markets
- To buy listed real estate assets largely below NAV
- Credit Rating to improve financing conditions

Threats

- Rising interest rates
- Project development risks (time, costs, construction, dimension)
- High project development volume (concentration of risk)
- Covid 19 current pandemic situation, especially in Portugal
- High debt repayment requirements from 2025 onwards
- Weaker performance of minority stakes

Competitive landscape

Only few players in German market

The competitive landscape of the German commercial and residential real estate development market is highly fragmented and follows the decentralized structure of the individual German property markets. There are only a few nationwide German players active in all major markets across Germany, whilst regional players tend to play an important role in their local markets. Most of the players are not publicly listed companies. Noteworthy, Aggregate can not be classified as a pure play developer, the company is more an owner of real estate assets as described in the business model section. Major real estate developers include

- Instone Real Estate AG ('Instone'): The Company, headquartered in Essen, is a German residential developer. Instone develops attractive multi-family and residential buildings as well as publicly subsidized housing, designs modern urban quarters and refurbishes listed buildings for residential use. Buyers are mainly owner-occupiers, private investors and institutional investors.

- Gateway Real Estate AG is a German residential and commercial real estate developer of modern, urban, and high-quality properties, which are either newly built or redeveloped to a high standard to increase value.

- ZECH Group: The Zech Group GmbH, based in Bremen, is a strategic management holding company incorporating six divisions (Construction, Real Estate, Hotel, Environment/Technology, Industry and International & Consulting) with their own actively operating controlling companies. The Real Estate business is bundled under Deutsche Immobilien Holding AG, which is a listed company on the stock exchange and operates in the real estate sector throughout Germany. The company supports and manages commercial real estate and entire apartment buildings, represents the field of asset and property management.

- Ten Brinke Group: The Group, based in Varsseveld, the Netherlands together with its subsidiaries, develops and sells residential and commercial properties in Germany, the Netherlands, Spain, and Greece. It offers land acquisition, financing, planning, construction, letting, and asset management services, as well as provide construction and utilization concepts. Ten Brinke Group serves customers in the areas of housing and other companies, local authorities, investors, private owners, external or internal project developers, and joint-venture partners.

- PANDION AG: The Company, based in Cologne, Germany, constructs and develops real estate properties at its headquarters as well as in Berlin, Bonn, Düsseldorf, Mainz and Munich. It builds and sells residential units; and offers commercial and technical property management services. The company also provides advice; and act as an intermediary between the seller and buyer, or the property owner and tenant.

- Noratis AG: The Company, based in Eschborn, Germany, invests in, acquires, develops, and sells residential property portfolios in Germany. Its property portfolio primarily includes housing estates, and employee housing and quarters comprising multi-family houses and apartments.

The competitive landscape of the Portuguese commercial and residential real estate development market is characterized by local and international players.

Competitive landscape of VIC Properties in the real estate development market in Portugal

Source: VIC Properties, Quirin Privatbank AG

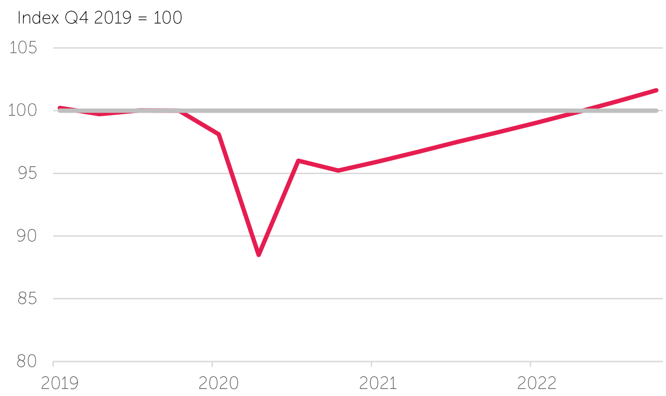
Macro picture in Germany and Portugal

Corona pandemic with huge impact on GDP and labour market on both economies

According to OECD Germany´s GDP is projected to contract by around 5.5% in 2020, driven by falling private consumption, business investment and exports. Looking forward, growth is set to recover slowly to 2.8% in 2021 and 3.3% in 2022 respectively.
However uncertainty will constrain the recovery of investment as well as demand for capital goods exports before general deployment of a vaccine increases confidence. Noteworthy, the short-time work has cushioned the increase in unemployment, but sustained falls in the unemployment rate are not expected until after mid-2021, once employees on short-time work have been reabsorbed.

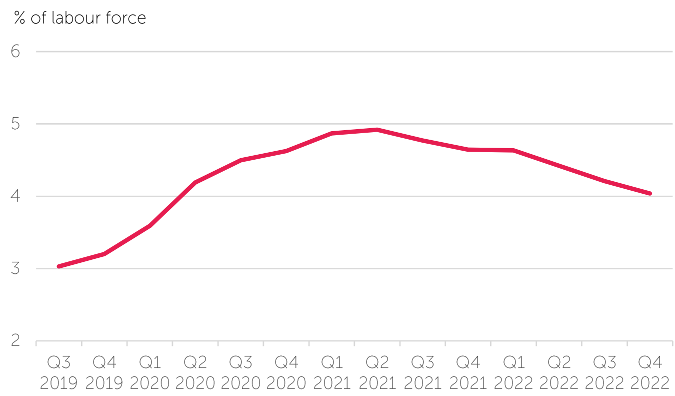
OECD forecasts Portugal´s GDP to fall by 8.4% in 2020 before recovering by 1.7% in 2021 and 1.9% in 2022. Worth mentioning the pick-up in 2021 will mainly be supported by pent-up demand. Afterwards, a broader recovery is forecasted to unfold, notably in the most affected sectors such as tourism and hospitality, under the assumption of an improved sanitary situation as an effective vaccine is deployed. According to OECD the unemployment rate will peak in 2021 and remain above its pre-crisis level through the end of 2022.

Germany´s real GDP projections (Indexed Q4 2019= 100)

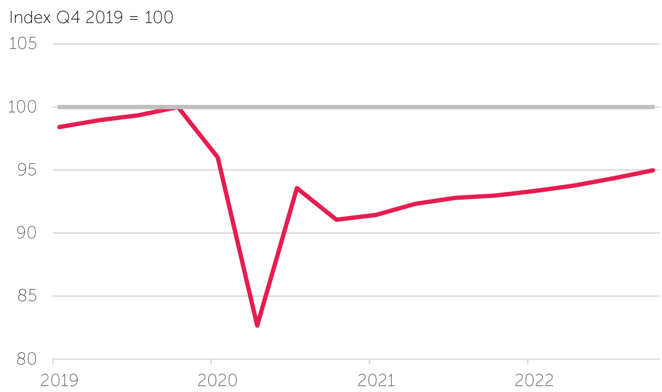


Source: OECD, Quirin Privatbank

Germany´s unemployment rate forecast

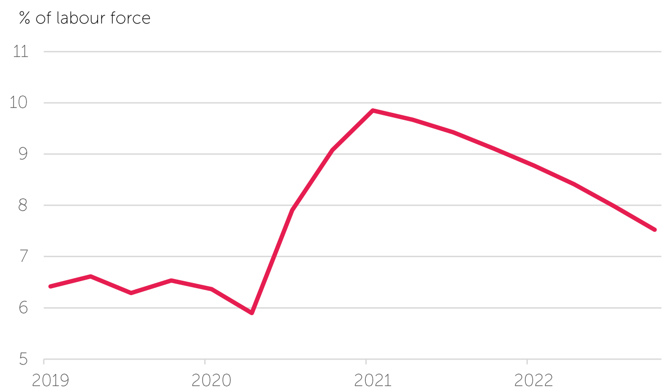


Portugal´s real GDP projections (Indexed Q4 2019= 100)



Source: OECD, Quirin Privatbank

Portugal´s unemployment rate forecast

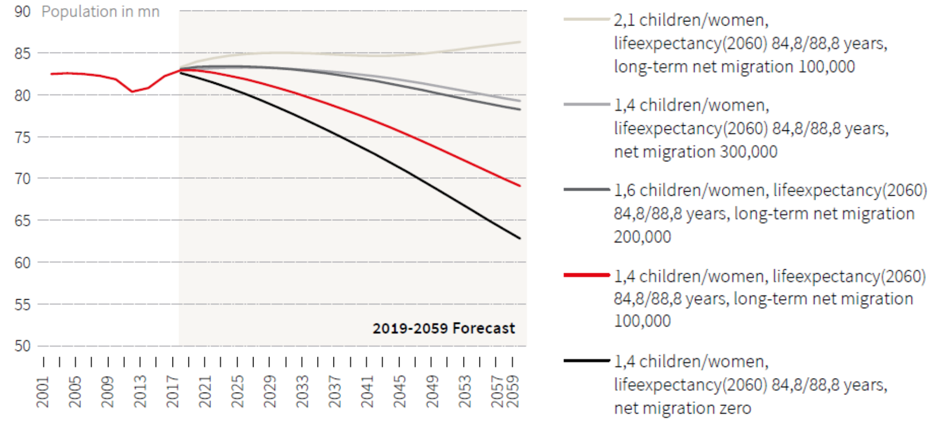


German Real Estate Market

Population development

Despite the population trends of recent years in Germany, a decline in the population is expected in the long term according to the forecasts by the Federal Statistical Office. However, the actual extent of the population decline depends mainly on future developments in fertility rates, life expectancy and migration.

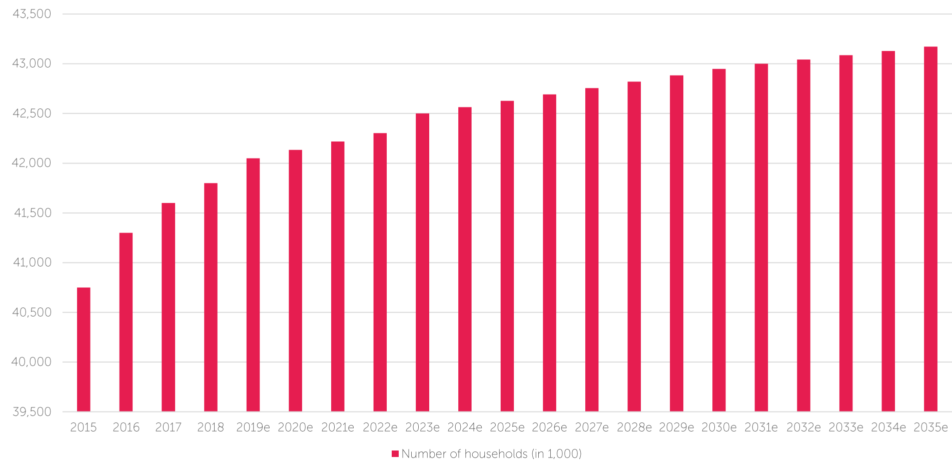
Population development until 2060



Source: JLL, destatis, Quirin Privatbank

Despite the expectations that the population might decline from 2021 onwards, the number of households is expected to grow to approximately 43.2m by 2035 according to the forecasts by the Federal Statistical Office. There are two main trends in household developments which can be observed: First, there is a continuous decline in the size of the household, the number of people per household is falling. One explanation can be the change in the age structure of the population. Noteworthy, the older age cohorts whose relative share of the total population is growing steadily have smaller household sizes. However there are also more people of the other age groups increasingly living alone. Summarized, this process of singularization is due to a changing way of life for people, characterized by an increased number of divorced and single parents, declining household sizes in younger age groups and a shift in the age of starting a family. Closely linked to the above mentioned development is the second observation, a steady growth in the number of households. While the population in Germany grew in average by approx. 0.85% per year between 2011 and 2018, the number of households increased even by approx. 0.95% per year to 41.4m over the same period (39.5m in 2011). Consequently, reducing the size of average households can increase the number of households despite the overall population declining.

Number of households forecast

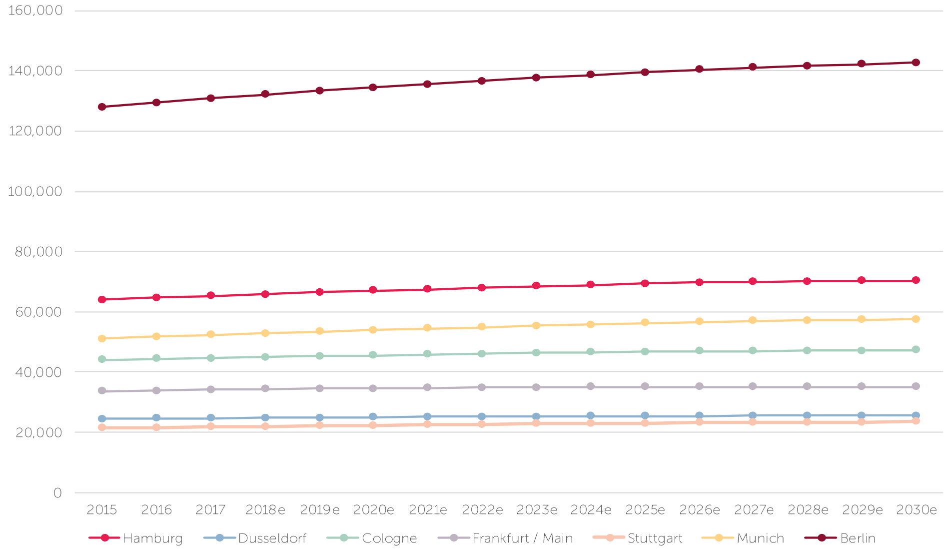


Source: JLL, destatis, Quirin Privatbank

Residential real estate market

The real estate markets in Germany might continue to grow in the long-term despite the impact by the corona pandemic, mainly driven by the expected positive economic conditions. We expect that the demand, combined with a shortage of space, lead to sustained rent increases in the office and residential segments. The Top-7-cities are attractive living and working locations, with high population growth. At the same time, the housing market is failing to satisfy demand, as a result sustained rent increases are likely to going forward. The same situation is also observed in the office markets, where vacancy rates have reached their lowest level in two decades years. According to 'BBSR-Wohnungsmarktprognose 2030' forecast, the demand for residential sqm will be stable or even further increase in the upcoming years, thus indicating promising business development for the Aggregate Group.

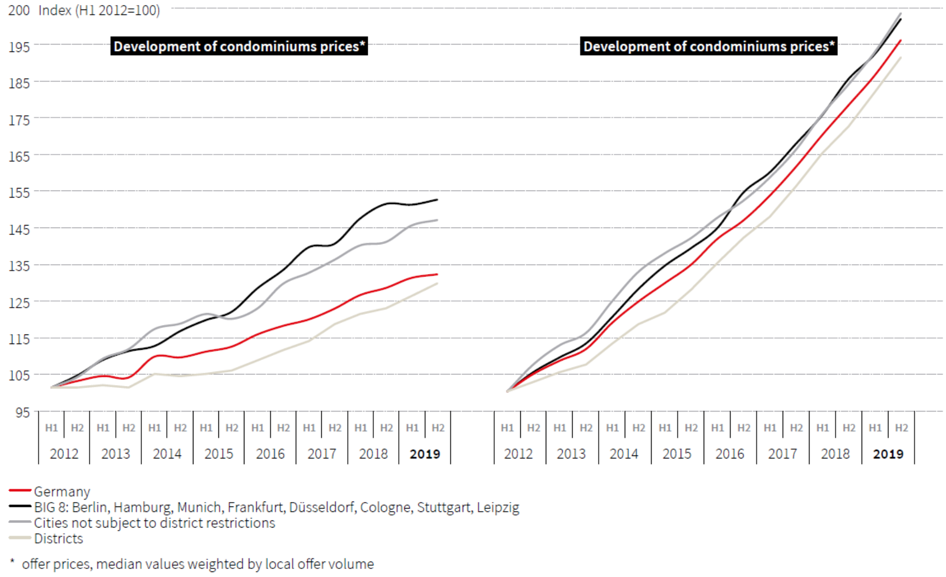
Demand forecast for residential space (in 1,000 sqm) in selected cities



Source: BBSR-Wohnungsmarktprognose 2030; Quirin Privatbank

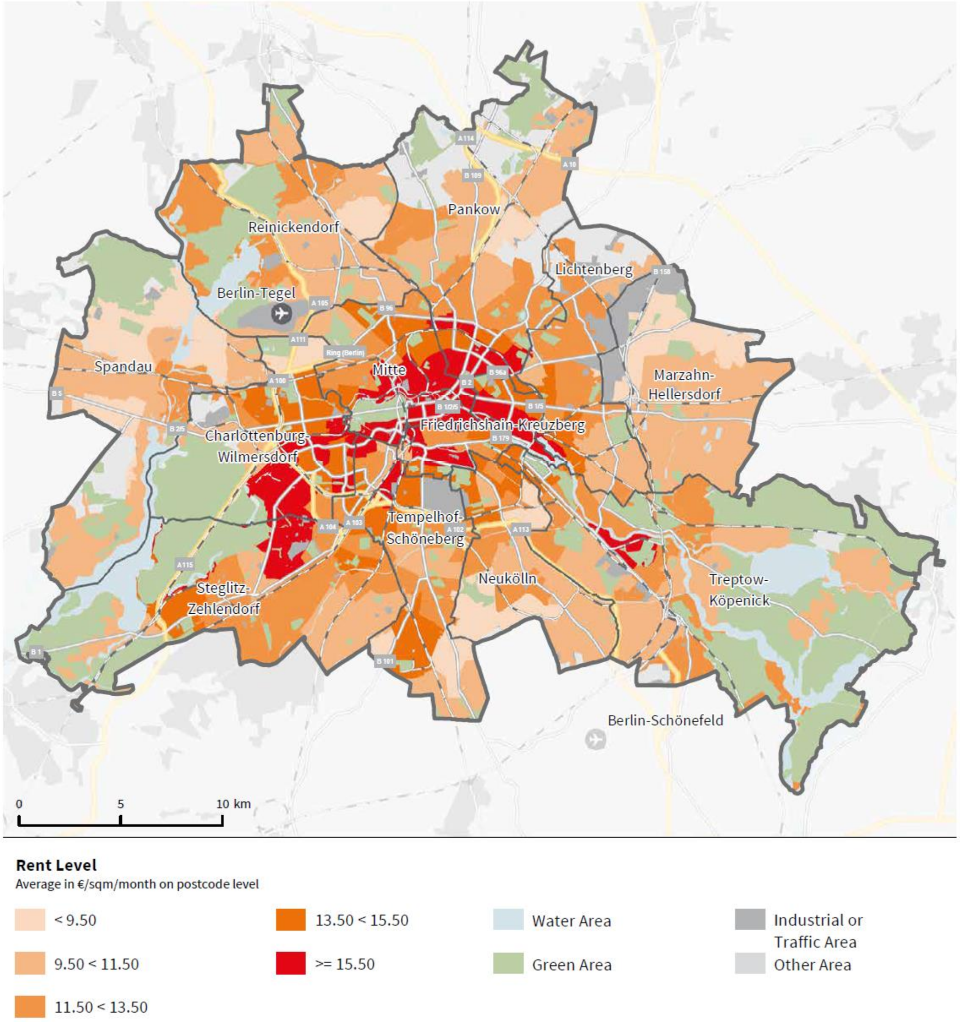
Since 2012 rental and purchase prices in Germany have continued to rise, the following chart shows the indexed rental price trend according to spatial market classifications. The purchase prices for condominium apartments have shown also increases and set themselves clearly apart from rental prices.

Rent and sales price development (indexed)



Source: JLL, empirica systeme, Quirin Privatbank

Berlin hotspot residential real estate market – Overview of asking rental prices



Source: JLL H1 2020, empirica systeme, OpenStreetMap, Quirin Privatbank

Aggregate's project Quartier Heidestrasse is in the hotspot market in Berlin. The subject properties "QH-Core", "QH-Track", "QH-Spring", "QH-Colonnades", "QH-Straight", "QH-Crown I" and "QH-Crown II" are located in the district Europacity centrally located in the north-western part of Berlin-Mitte. It is a neighbourhood development with a mix of residential and office buildings, commercial use, public streets and squares, as well as open green spaces. Quartier Heidestrasse has plans for approximately 295,000 sqm gross construction area (GCA) and approximately 230,000 sqm gross lettable area (GLA) of commercial and retail space, comprising of around 147,000 sqm of office lettable area, 65,600 sqm of residential lettable area and 16,600 sqm of retail lettable area, 1,133 parking units and around 920 residential units.

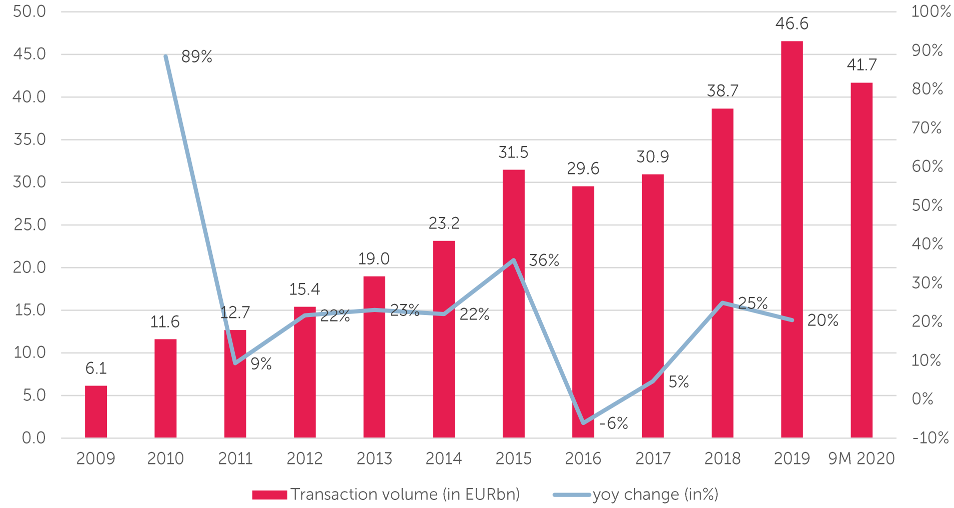
Commercial real estate market

The German commercial real estate market has profited of many factors in the recent years. In the retail sector, rents in prime locations have remained at least on the same level due to the ongoing attractiveness of big cities, for tourists as well as inhabitants. In the office space market, rents were driven by low vacancy and high employment.

Record investment volume in Germany's Top 7 locations in 2019

The investment volume in commercial real estate into A-locations (Berlin, Cologne, Dusseldorf, Frankfurt, Hamburg, Munich, Stuttgart) have more than sextupled since 2009. In 2019 the German A-locations remain in record-breaking form, establishing a new record volume of EUR 46.6bn (+20% yoy). The total turnover at the end of September 2020 was EUR 41.7bn (-3% yoy). Considering the economic environment, which is still impacted negatively by the effects of the corona pandemic, it is obvious that real estate investors have unchanged great confidence in the German real estate markets. In view of the expected economic recovery that can likely be observed, the massive government support measures and the stabilizing effect of short-time work, investors assume that Germany will recover comparatively quickly and that the overall positive trends of recent years will persist.

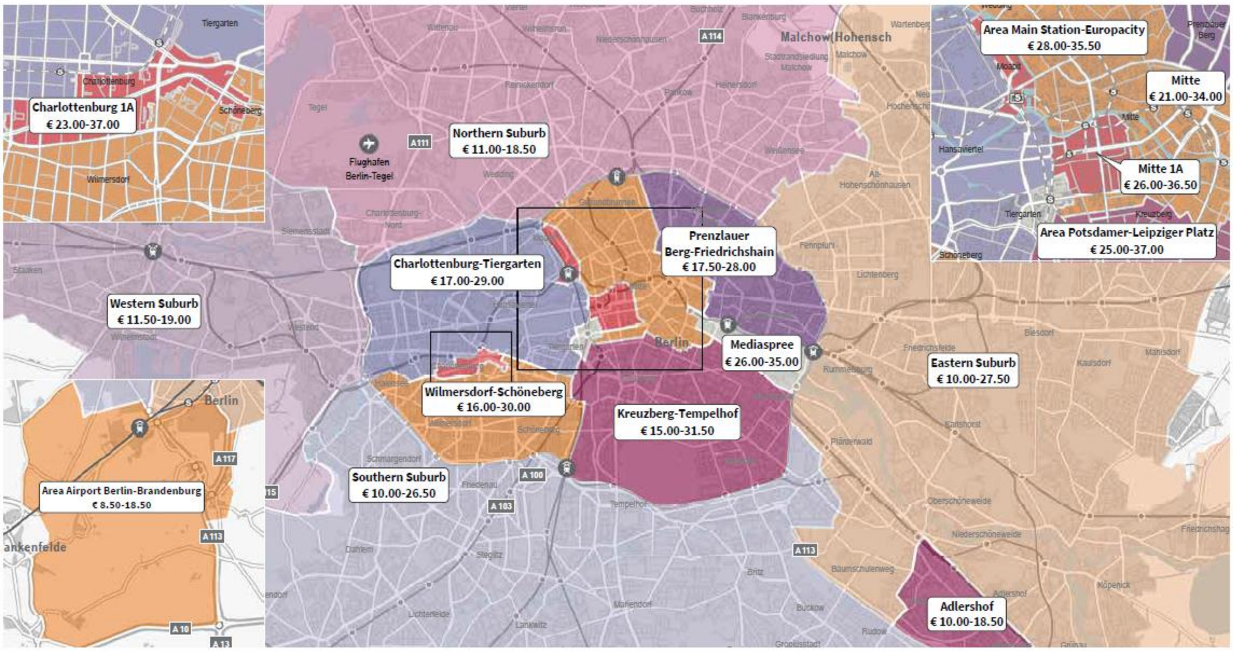
Development of investments in the A-locations



Source: BNP Paribas Real Estate; Quirin Privatbank

Nearly 50% of the total office space of project Quartier Heidestrasse has already been pre-let. SAP, a leading enterprise software producer leased around 30,000 sqm net rental area of office space in September 2019. According to JLL research the vacancy rate in Berlin in Q3 2020 stood at 2.4%, slightly up by 50 bps vs first half 2020 due to companies increasingly examining their options for reducing space, for example by extending lease contracts or subletting surplus space. Furthermore, the volume of vacancies is also rising due to a higher number of speculative completions, with 1.7m sqm of office space currently under construction in the Berlin market area.

Berlin hotspot office space market – Overview of asking rental bands



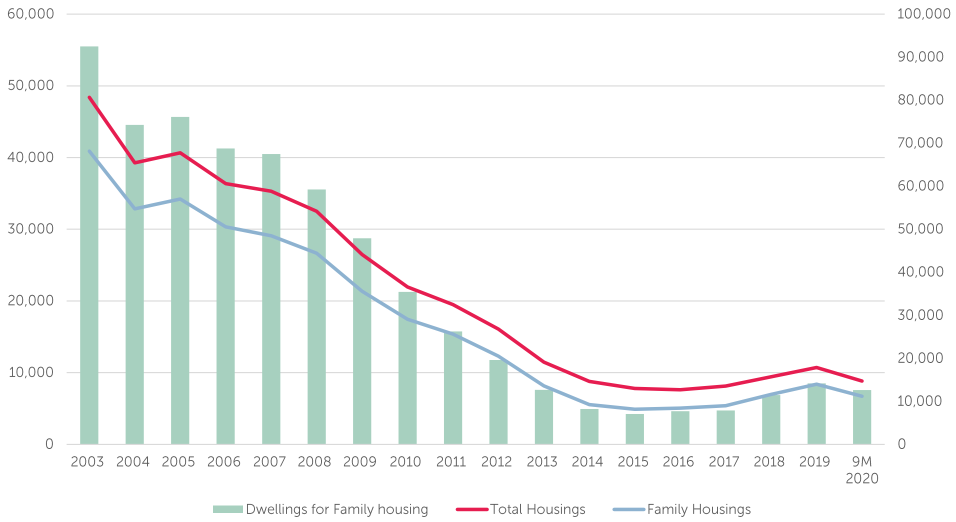
Source: JLL Q3 2020, Quirin Privatbank

Portuguese Real Estate Market

New housing completions still far from previous high levels

During the millennium period Portugal experienced a significant rise in housing stock, the real estate development activity remained strong over the first decade of the Millennium, but fell due to the financial crisis from its previous high levels. Consequently, the construction of new houses was residual over the last decade. Noteworthy, since 2014 residential development has been observed in the Lisbon and Porto city centres, mainly targeting the renovation of numerous buildings. As a result of the introduction of legal and fiscal changes, such as the reform of the Urban Lease Law and a new Urban Renovation Regime, have supported the revamping of the residential redevelopment market in Portugal over the past years, and simultaneously attracted a new foreign market of developers. New housing constructions have increased above two digits over the past years. However, the number of housing completions is still far from the high levels of the previous property cycle between 2000 and 2009, when an average of 84,000 units per year were completed.

Development of new completed homes in Portugal

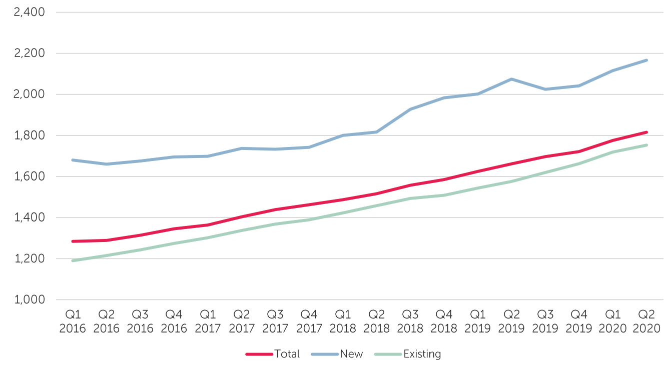


Source: INE; Quirin Privatbank

According to the Instituto Nacional de Estatística (INE) in Portugal the House Price Index (HPI) grew by 7.1% in Q3 2020 when compared with the same period of 2019, 0.7 percentage points below the previous quarter. In Q3 2020, the prices of existing dwellings increased at a faster rate when compared to new dwellings, 7.4% and 5.8%, respectively. Despite the corona pandemic on a qoq basis the HPI increased by 0.5% (0.8% in the Q2 2020), however the lowest quarterly increase since Q3 2015. By category, the existing dwellings prices increased by 0.6%, above that observed for new dwellings (0.1%). The median prices per sqm of new and existing dwellings in Portugal, and especially in the Lisbon and Porto city centres, have increased constantly over the past years, as shown the following charts.

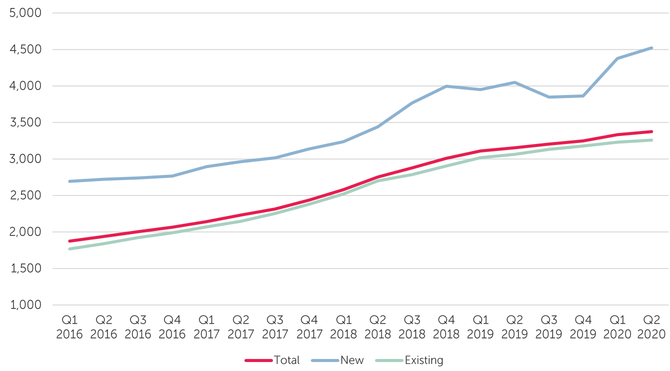
Portugal´s House Price Index (Indexed 2015= 100)

Median value per sqm of dwellings sales (in EUR) in Portugal

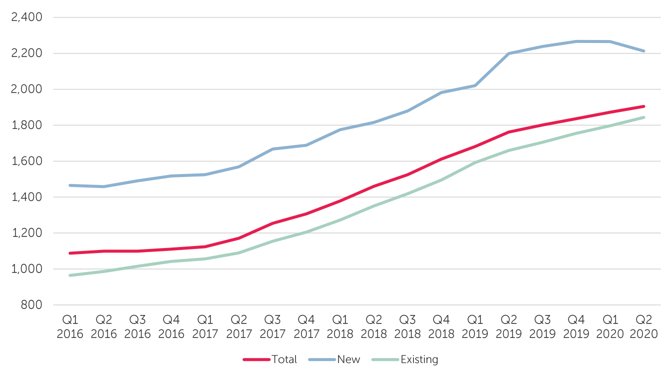


Source: INE, Quirin Privatbank

Median value per sqm of dwellings sales (in EUR) in Lisbon



Median value per sqm of dwellings sales (in EUR) in Porto



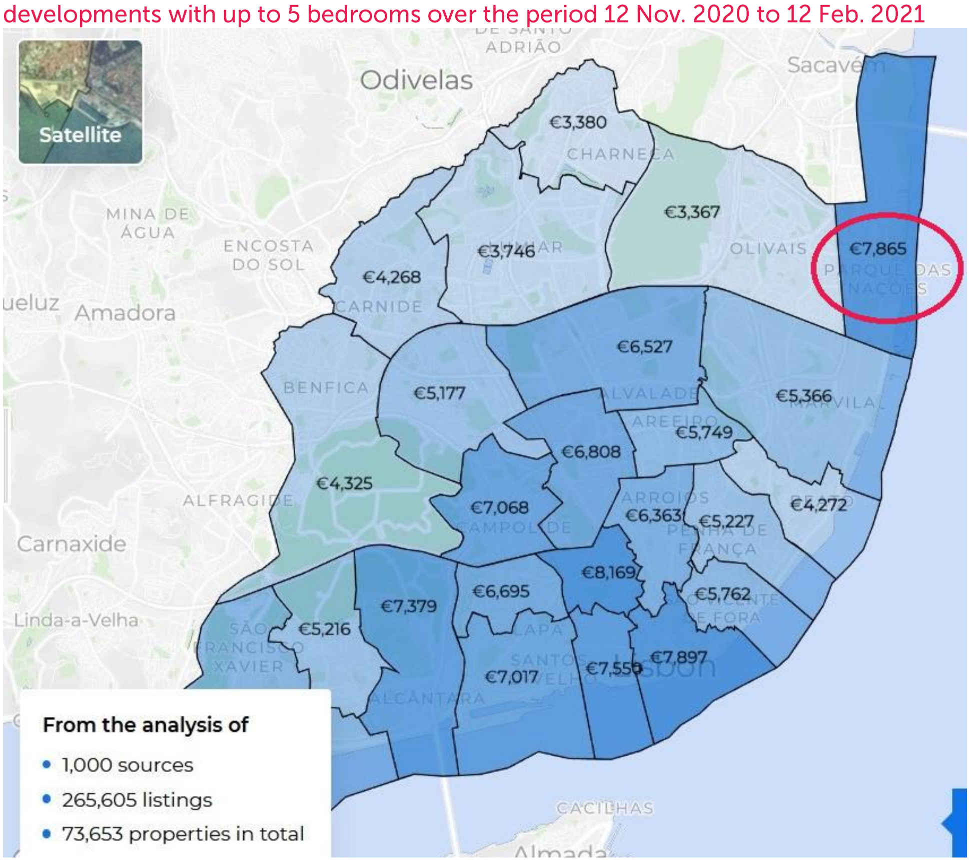
Source: INE, Quirin Privatbank

Aggregate's VIC subsidiary acting in the sweet spot of Lisbon's real estate market

In 2018 VIC acquired Fundo de Investimento Imobiliário Fechado Lisfundo, a fund vehicle owning one of Lisbon's most famous large-scale residential development projects, so-called Prata project. The Prata property is located on the eastern edge of the city, right between Parque das Nações and Santa Apolónia (Lisbon central train station). The property is situated approx. 2.5 km north of the historical and main heart of Lisbon city centre. The Prata project has a GVD of approximately EUR 559m, a gross asset value of approximately EUR 235m and a gross construction area of approx. 128,500 sqm. The majority (79.8%) of Prata's GCA is allocated to residential space. The remaining 20.2% of Prata's GCA are allocated to retail (13.3%), office (5.5%) and other (1.4%) space. The construction is expected to complete by 2023.

In June 2019, VIC acquired the large plot of land Matinha which is neighbouring Prata. Matinha is the largest residential neighbourhood project in Lisbon with approx. 245,000 sqm of GCA, a GDV of EUR 1.163bn and a GAV of EUR 346m. The Matinha construction has started in 2020. The project is expected to complete by 2028.

Overview of average sqm sales price per parish in Lisbon for new built residential developments with up to 5 bedrooms over the period 12 Nov. 2020 to 12 Feb. 2021



Source: Casafari, Aggregate Holdings S.A.

Operational Performance and Financials

Sources of liquidity and cash flows

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

- Dividends: The Aggregate management expects to profit from an annual cash flow. The Group is expecting annual dividend payments from its stake in the ADLER Group to amount to approximately EUR 14 to 16m each year, based on the ADLER Group's public guidance and starting with the dividend payment for the year 2021.

- Income from financing: Aggregate benefits from an annual income from granting short-term loans to third parties targeting up to EUR 20m each year.

- Cash-flow from Net Rental Income (NRI): The QH project is expected to generate approximately EUR 75m of annual Net Rental Income at completion (in 2021 estimated at roughly EUR 8m and then increasing each year until 2023).

- Cash-flow from Forward Sales: VIC Properties S.A. is expected to generate approximately EUR 300m in the next three years.

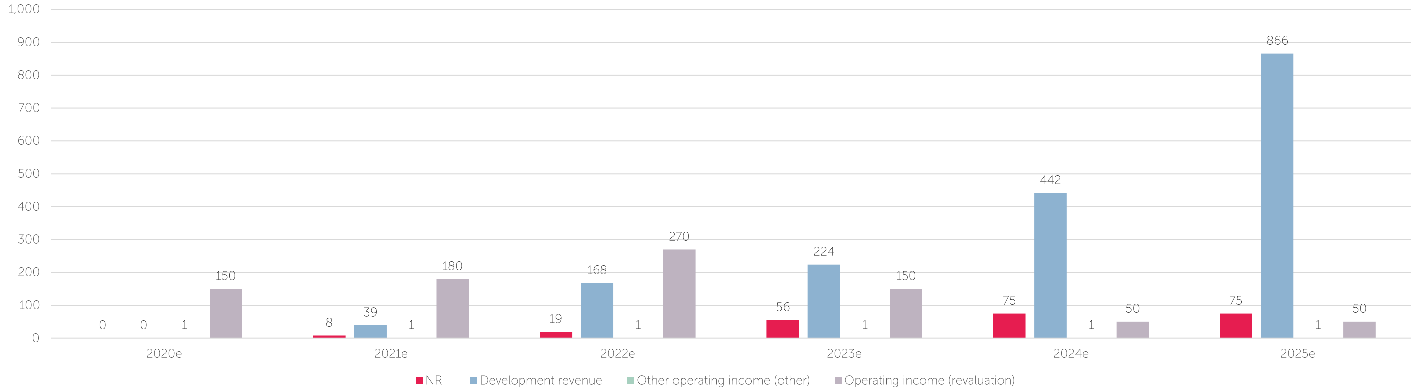
- Liquid, opportunistic financial real estate assets: Investing in liquid and tradeable securities as well as short- duration loans allows Aggregate to build a portfolio that is diversified across a number of investments, exposed to real estate assets, value accretive and liquid. As at 2020 year end, the Aggregate Group held approximately EUR 160m in liquid, tradable securities and approximately EUR 175m in short-term real estate loans.

- Liquid, strategic financial real estate assets: The 26.6% stake in the ADLER Group would have amounted to a value of approx. EUR 900m as per 31 December 2020.

FY 2020-25 estimates

As mentioned above Aggregate generates sales and income from different sources from its subsidiaries and investments. According to management projections we expect that sales and earnings will pick up in the upcoming fiscal years. The major contribution to total revenue will come from development revenues by 2025e from its business in Portugal. In addition the QH project in Berlin is expected to generate approximately EUR 75m of annual Net Rental Income (NRI) at completion in 2024e. Furthermore, the company expects revaluation gains due to value enhancement of its properties. Please find below our sales estimates for Aggregate until FY 2025e.

Sales split forecast by business segments (in EUR m)



Source: Quirin Privatbank estimates

EBIT and EBT as main KPIs – strong growth out of project development portfolio and investments ahead

We see group EBIT as the main performance criteria for the current and next fiscal years. We expect for FY 2021e group EBIT of EUR 169m vs EUR 114m in FY 2020e. This might largely be driven by revaluation gains from Aggregate's Berlin property (QH), in our calculation investment property is estimated with approx. EUR 2.5bn, thereby according to the management there is a upside potential up to EUR 3.4bn. Driven by the successful business development of all segments, group EBIT is forecasted to reach EUR 252m by 2025e.

Taking into account net financial result group EBT is expected to increase from EUR 89m in 2021e to EUR 303m in 2025e. Noteworthy, as of the end of FY 2020e Aggregate owns financial liabilities of EUR 2.1bn. Beside bank debt, it includes a EUR 500m senior bond with a 6.875% p.a. coupon and a maturity of five years through a EUR 400m initial offering and then a subsequent EUR 100m tap. In addition there is a secured pre-IPO convertible bond (VIC Convertible Bond) outstanding which has interest rate of 3.0% p.a.. Other financial result includes the expected value enhancement (profits) of its equity investments. Noteworthy, the recently executed stake investments are not taking into account in our estimates/report.

Effective tax rate at low 11-18%

While the tax ratio of the consolidated FY 2021e accounts for around 11% of profit before tax the ratio is expected to range between 11% to 18% by 2025e depending on deferred taxes assumptions.

P&L forecast until 2025e

Profit & loss statement (EUR m)	2020e	2021e	2022e	2023e	2024e	2025e
Revenue	151	228	458	430	568	992
Change in inventories	105	86	72	51	-94	-419
Total revenue	**256**	**314**	**530**	**481**	**473**	**573**
Operating costs	-141	-145	-260	-296	-317	-321
Operating result (EBIT)	**114**	**169**	**270**	**185**	**156**	**252**
Financial income	16	32	25	25	25	26
Financial expenses	-94	-123	-121	-132	-123	-110
Other financial result	53	111	117	123	129	135
EBT	**89**	**190**	**290**	**201**	**188**	**303**
Income taxes	-16	-22	-38	-23	-27	-55
Net income	**73**	**168**	**252**	**178**	**161**	**248**

Source: Quirin Privatbank estimates

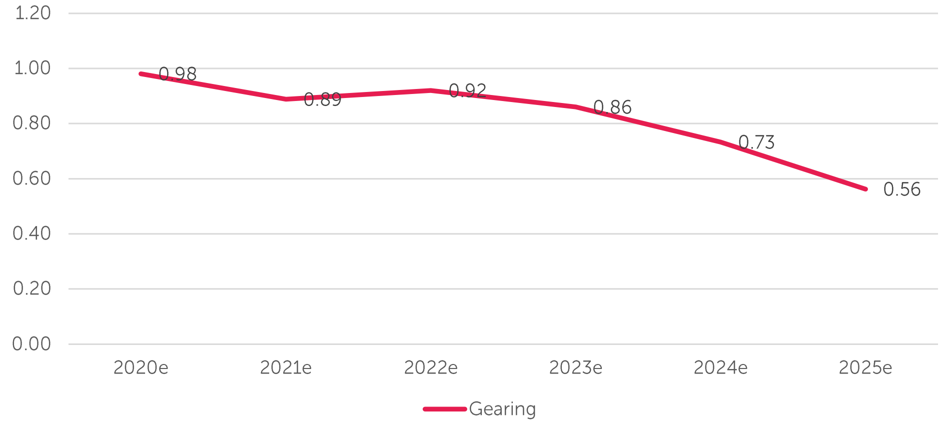
Balance sheet

Aggregate's balance sheet ratios are on a solid level. As of 31 December 2020, total assets are expected to stand at EUR 4.7bn. At the end of December 2020, equity is forecasted at EUR 2.1bn, corresponding to an equity ratio of 44%. Assuming the company does not make sizeable acquisitions and the planned financial projections of the management will be achieved, we estimate that equity will increase to EUR 3.5bn as of 31 December 2025e, resulting in an equity ratio of 53%. Based on Aggregate´s growth prospects for the future, we expect following key financial ratios:

Gearing

The gearing of Aggregate based on FY 2020e accounts for 0.98. This might largely change by 2025e due to earnings increases and repayment of debt. The gearing ratio (net financial debt/equity) will improve until FY 2025e to 0.56.

Aggregate's Gearing

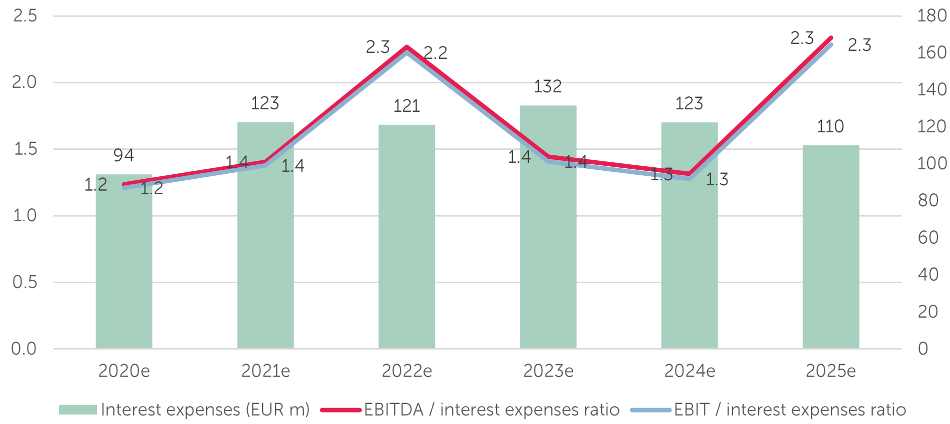


Source: Quirin Privatbank estimates

Interest coverage ratio – EBIT interest coverage

When considering to what extent Aggregate is able to service its interest payments, we focus on the interest coverage ratio, based on the EBIT, as the company has only a small amount of depreciation and amortization. Starting from an unfavorable interest coverage ratio (EBIT / interest expense) of 1.2 in FY 2020e, at least 1.5 is desirable, the figure is likely to improve steadily thanks to the estimated rising profits FY 2021-2025e and the expected improved financial debt profile.

Aggregate Interest coverage ratio – EBITDA and EBIT interest coverage



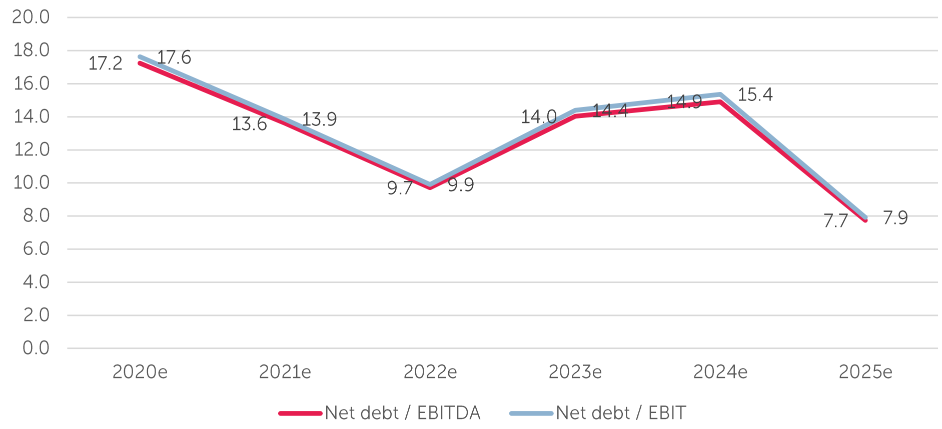
Source: Quirin Privatbank estimates

Net Fin. Debt/EBIT ratio to decrease by 2025e

Aggregate Net Financial Debt / EBITDA and EBIT

The net debt / EBITDA and net debt / EBIT ratios show the relationship between the operating result (EBITDA or EBIT) and financial debt. It describes how many years of EBITDA or EBIT are required for the complete repayment of the financial liabilities. Coming from a high net debt /EBIT ratio of 17.6 in FY 2020e the ratio is expected to decline to a much more favorable value of 7.9 in FY 2025e. Not only will the debt level decrease due to the debt repayments but also group EBIT might perform strong due to the rising profit contribution out of the project development business. Despite our calculation of a high Free cash flow generation in FY 2025e, supporting the ability of Aggregate to service its financial debt, it would nevertheless wise to put down this ratio below 5.0 as the Deutsche Börse proposes as a solid level.

Aggregate Net Financial Debt / EBITDA and EBIT

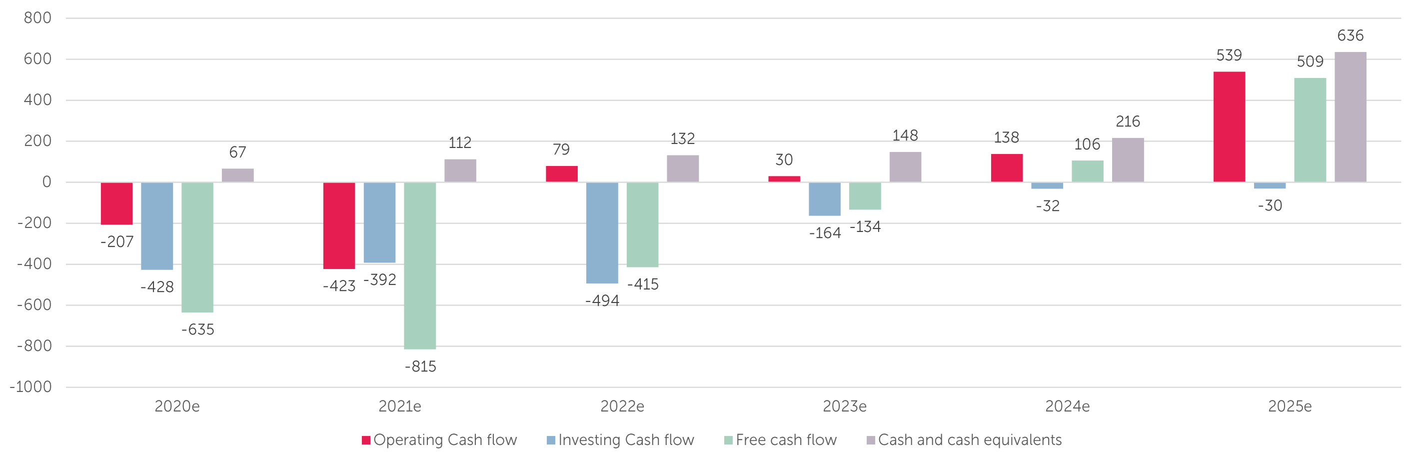


Source: Quirin Privatbank estimates

Free Cash flow and cash position

Aggregate´s positive operating cash inflow is expected to come in starting from 2022e onwards mainly driven by more finished development projects. Consequently, free cash flow generation and cash position are expected to increase by 2025e markedly. FY 2020e to FY 2023e are characterized by high CAPEX levels due to construction stages, afterwards coming down by 2025e.

Overview of FCF and cash development and forecast (in EURm)



Source: Quirin Privatbank estimates

Appendix

Term sheet of bonds

Aggregate Holdings EUR 500,000,000 6.875% 11/25 Bond

Issuer	Aggregate Holdings SA (Luxembourg)
Issuance Volume (in EUR)	EUR 500,000,000
Rank, Status	Senior unsecured notes, ranking pari passu
Coupon (in %)	6.875% fixed rate
Redemption price (in %)	100%
Interest Payment	Annually, in arrears on 9th November of each year
Issue Date	09.11.2020
Maturity / Redemption Date	09.11.2025
Denomination	EUR 1,000
Minimum Subscription Amount	EUR 100,000
Governing Law	German Law
ISIN / WKN	DE000A28ZT71 / A28ZT7
Listing of Bonds	Euro MTF Market Segment in Luxembourg

Source: Company data

VIC Properties S.A. EUR 250,000,000 3.0% 19/25 Convertible Bond

Issuer	VIC Properties S.A.
Issuance Volume (in EUR)	EUR 250,000,000
Rank, Status	Senior secured
Coupon (in %)	3.0%
Interest Payment	payable semi-annually in arrear in equal instalments since 28 November 2019
Issue Date	28.05.2019
Maturity / Redemption Date	28.05.2025
Minimum Subscription Amount	EUR 100,000
ISIN / WKN	XS1964739715 / A2R2HD
Extraordinary cancellation type	unconditional investor put rights at 105% and conditional issuer call rights post IPO
Extraordinary cancellation date	May 2022 & 2023 for investor put rights and June 2019, 2022 & 2023 for issuer Call rights post IPO

Source: Company data, Börse Frankfurt, Quirin Privatbank

Profit & loss statement

Profit & loss statement (EUR m)	2020e	2021e	2022e	2023e	2024e	2025e
Revenue	151	228	458	430	568	992
Change in inventories	105	86	72	51	-94	-419
Total revenue	**256**	**314**	**530**	**481**	**473**	**573**
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Financial income	16	32	25	25	25	26
Financial expenses	-94	-123	-121	-132	-123	-110
Other financial result	53	111	117	123	129	135
EBT	**89**	**190**	**290**	**201**	**188**	**303**
Income taxes	-16	-22	-38	-23	-27	-55
Net income from continued operations	73	168	252	178	161	248
Income/loss from discontinued operations	0	0	0	0	0	0
Net income	**73**	**168**	**252**	**178**	**161**	**248**

Source: Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2020e	2021e	2022e	2023e	2024e	2025e
Assets						
Intangible assets and Goodwill	1,122	1,122	1,122	1,122	1,122	1,122
Investment property	1,418	1,810	2,304	2,468	2,500	2,530
Investments in equity accounted investees	937	1,034	1,136	1,243	1,354	1,469
Other non-current assets	63	63	63	63	63	63
Total fixed assets	**3,540**	**4,030**	**4,626**	**4,896**	**5,039**	**5,185**
Inventories	686	772	843	894	800	381
Receivables and other assets	418	434	443	452	462	472
Cash and cash equivalents	67	112	132	148	216	636
Total current assets	**1,170**	**1,317**	**1,418**	**1,494**	**1,477**	**1,488**
Total assets	**4,710**	**5,347**	**6,044**	**6,390**	**6,516**	**6,673**
Equity & Liabilities						
Shareholder's equity incl. minorities	**2,052**	**2,637**	**2,904**	**3,099**	**3,278**	**3,546**
Long-term liabilities						
Financial liabilities	2,079	2,455	2,804	2,814	2,619	2,630
Tax liabilities and others	92	113	151	175	202	218
Total long-term liabilities	**2,171**	**2,568**	**2,955**	**2,989**	**2,821**	**2,847**
Short-term liabilities						
Trade payables	449	58	68	86	89	86
Financial liabilities and others	37	83	116	216	329	193
Total short-term liabilities	**487**	**142**	**184**	**303**	**418**	**280**
Total equity & liabilities	**4,710**	**5,347**	**6,044**	**6,390**	**6,516**	**6,673**

Source: Quirin Privatbank estimates

Financial key ratios

Key ratios	2020e	2021e	2022e	2023e	2024e	2025e
Cash flow						
Operating Cash flow	-207	-423	79	30	138	539
Investing Cash flow	-428	-392	-494	-164	-32	-30
Financial ratios						
Total equity (EUR m)	2,052	2,637	2,904	3,099	3,278	3,546
Equity ratio (%)	44%	49%	48%	48%	50%	53%
Net financial debt (EUR m)	2,013	2,343	2,672	2,666	2,403	1,994
Net debt/Equity	1.0	0.9	0.9	0.9	0.7	0.6
Interest cover	1.2	1.4	2.2	1.4	1.3	2.3
Net debt/EBITDA	17.2	13.6	9.7	14.0	14.9	7.7
LTV	43%	45%	46%	44%	39%	35%

Source: Quirin Privatbank estimates (excluding Consus)

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