

# Aggregate Holdings S.A.

## FY 2020 Results Presentation

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# New Proven Senior Management Team

## Management Team

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### **Benjamin Lee, Managing Director and Chief Financial Officer**

- Previously CFO of Consus Real Estate, successfully raising € 450m of public debt and selling the company to achieve strong returns for stakeholders
- Over 27 years experience in the financial industry with 14 years at UBS (IB)
- Over 7 years of experience as board member and CFO of publicly listed companies



### **John Nacos, Managing Director and Chief Investment Officer**

- John Nacos has over 30 years of experience in the financial industry in New York and London
- Previously Global Head of Commercial Real Estate debt at Deutsche Bank AG
- Mr. Nacos served as Supervisory Board member at CA IMMO, a Vienna-listed property company from 2015 to 2019



### **Boris Lemke, Investment Director**

- Previously a Director at Deutsche Bank in London, heading the London team of the Private Debt Syndicate
- Over 19 years experience in the Financial industry with 16 years at Deutsche Bank (IB) and 3 years at Morgan Stanley (IB)
- Broad experience in deal structuring, trading and syndication, gained across various roles and positions

# I. Financial and Operational Highlights

# FY 2020 Results Overview

## Key Financial Figures

**€4.8bn**  
Total Assets

**€165m**  
Liquid Financial Assets

**€335m**  
Reported  
EBITDA

**75%**  
German Exposure  
(% of asset market value)

**41.9% LTV**

**€2.0bn**  
Net Asset Value

Presentation Source: Aggregate Holdings S.A. 2020 annual report publication and 31 December 20 project valuations

# FY 2020 Financial Highlights

LTV reduction and Consus sale reflect transformational year for Aggregate

## LTV reduction

- Revenue of EUR 648m, EBITDA of EUR 335m and net profit of EUR 172m
- Net Debt decreased to EUR 1,987m from EUR 3,828m (FY19)
- **LTV decreased to 41.9% from 54.3% (FY19), ahead of guidance**
- Disposal of material subsidiary Consus Real Estate was largest driver of LTV decrease

## Gain on Sale / Adler strategic stake

- **Successful sale of Consus Real Estate subsidiary for EUR 95m gain**
- Strategic stake in Adler Group, 4<sup>th</sup> largest German residential platform, received as consideration
- Aggregate participated in Adler EUR 500m rights issue and increased further its stake to 26.6% in Q4 '20
- Adler stake equity accounted at EUR 870m, versus EPRA NRV valuation of over EUR 1,600m

## Developments created Value

- **Value increase of EUR 244m in 2020 from development, despite Coronavirus pandemic**
- Prime mixed use assets continue to perform very strongly
- Growth reflects construction progress, phase 1 completion and favourable market conditions

## Balance Sheet strengthened

- **NAV increased to EUR 2,027m, from EUR 1,851m (FY19)**
- Total assets increased to EUR 4,814m (EUR 3,607m FY19 PF for Consus sale)
- EUR 500m of corporate bonds issued, reflecting strong investor support
- Liquid securities increased to EUR 165m (EUR 115m FY19), plus Adler stake

# FY 2020 Operational Highlights

Aggregate commences transition to yielding asset business with strong business performance

## Build & Hold

- **Quartier Heidestrasse de-risked : office nearly 50% pre-let; first phase completed**
- Residential letting on plan at c. EUR 18/sqm/pcm
- Construction on track for completion in 2023
- Valuations increasing across the EuropaCity quarter as location matures and robust fundamentals

## Build & Sell

- **Sales prices achieved at Prata flagship 20% ahead of original budget**
- Prata flagship construction fully-financed with first completions planned for June 2021
- Matinha project on track for construction start in H2 2021
- Acquisition of new Pinherinho project in 2020 at significant discount to market value

## Financial Real Estate and Other Assets

- **Adler Group has strongest growth profile across major German residential platforms**
- Strong upside potential with Adler EPRA NRV of EUR 51.38 at c.80% premium to YE20 share price
- Adler audited results published reflecting all acquisitions; first dividend announced
- Liquid securities, excluding 26.6% Adler stake, increased to EUR 165m

## Management Team

- **New proven management in place with deep capital markets and real estate experience**
- Full disclosure via Annual Report, website and roadshows
- Semi-annual reporting going forward, plus regular performance updates
- ESG materiality analysis initiated

# 2021 Progress to date

## Financial and Operational Highlights

1

### **Impact of Coronavirus Pandemic remains immaterial**

- All building sites remain functioning and valuations in company's prime assets are increasing

2

### **Management has important addition of John Nacos as Managing Director and CIO**

3

### **Balance sheet further strengthened through issuance of EUR 331m of mandatory convertible bonds**

- Issued as consideration for 32% minority stake in VIC

4

### **Acquisition of 10.79% stake in S Immo and option over 10.54% joint stake in IMMOFINANZ \***

- Strategic acquisition reflecting long-term value potential

5

### **Aggregate continues to see opportunities to buy high quality assets and listed stakes at attractive prices**

- Actively working on a number of potential development projects in Germany

Note : \* - reflects executed contract where conditions have not yet been fulfilled

## II. Business Update

# II. Build & Hold: Quartier Heidestrasse / Berlin

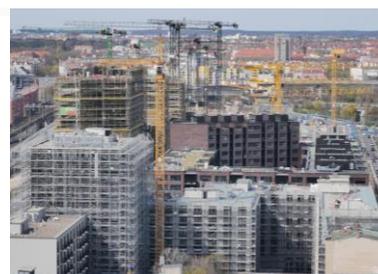
## Business Update

### QH development is materially de-risked

- Transition to yielding asset commenced
  - QH Core segment fully completed, REWE opened in Jan'21
  - c.50% of construction completed (% of construction cost)
  - Fully complete in 2023
- Nearly 50% of total commercial lettable spaces already let
  - Commercial rents achieved in line with plan
- Residential letting of Phase 1 'QH Core' well progressed at average EUR 18 / sqm
- Expected NRI of EUR 75m run-rate on completion
- Significant value creation of EUR 440m
  - Reflects construction, completed first phase now valued on DCF basis and yield compression
  - Quartier Heidestrasse development valued at 2.95% initial yield
- Significant Material further upside as project completed
  - Initial GDV target range of EUR 2.3 bn to EUR 3.4 bn upside
  - Total debt post-construction expected at c. EUR 1.1 bn.
  - Over EUR 1bn potential value upside

### Appraised value has significant upside potential

<b>Current value:</b>	<b>€ 1,428m (FY 20)</b>	
Plan + Target value/sqm:	€ 9,745	€ 15,000
Total gross lettable sqm:	230,000 sqm	
<b>Appraised + Upside Completion Value:</b>	<b>c.€2.26bn</b>	<b>c.€ 3.4bn</b>
Average rents per month:	€ 27/sqm	€ 33/sqm
Target multiple- gross rent:	30.25x	36.75x
Value:	€ 9,745	€ 15,000



### Completion timeline

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 2022				133,597	46%	
			Q4 2022						
Phase 3: Spring			Q1 2022				27,778	9%	
Phase 4: Colonades/Straight			Q4 2022				43,083	15%	Development
Phase 5: Crown 1			Q2 2023				51,900	18%	Construction
Phase 5: Crown 2			Q4 2022						

As at completion of the project; as per 31 Dec-20 valuation received

# II. Build & Sell: VIC Properties

## Business update

### VIC Properties : strong sales momentum

- Prata flagship progressing well
  - Construction of all 128k sqm fully funded
  - Current sales c.20% above original plan, despite Coronavirus
  - First completions and reported revenues expected June 2021
  - Full completion expected 2023
- Matinha project construction expected start H2 2021
  - Site preparation for construction of 245k sqm GCA ongoing
  - First completions expected 2023
- VIC acquired Pinheirinho project in 2020
  - Second home focussed project in strong market location
  - Construction planned to start 2021; preparations ongoing
  - Purchase of 197k sqm plot at discount to EUR 200m fair value
- Aggregate now has 100% ownership of VIC
  - Plan to build out VIC pipeline further in 2021

### Projects overview



	<b>GDV</b>	<b>GAV</b>	<b>GCA</b>
Prata	€583m	€279m	128k sqm
Matinha	€1,163m	€343m	245k sqm
Pinheirinho	€752m	€203m	197k sqm
<b>Total</b>	<b>€2.5bn GDV</b>	<b>€825m GAV</b>	<b>c.570k sqm GCA</b>

Source copy if required.

As at completion of the project; as per 31 Dec-20 valuation received

## II. Financial Real Estate and Other Assets

### ADLER Group update and other assets

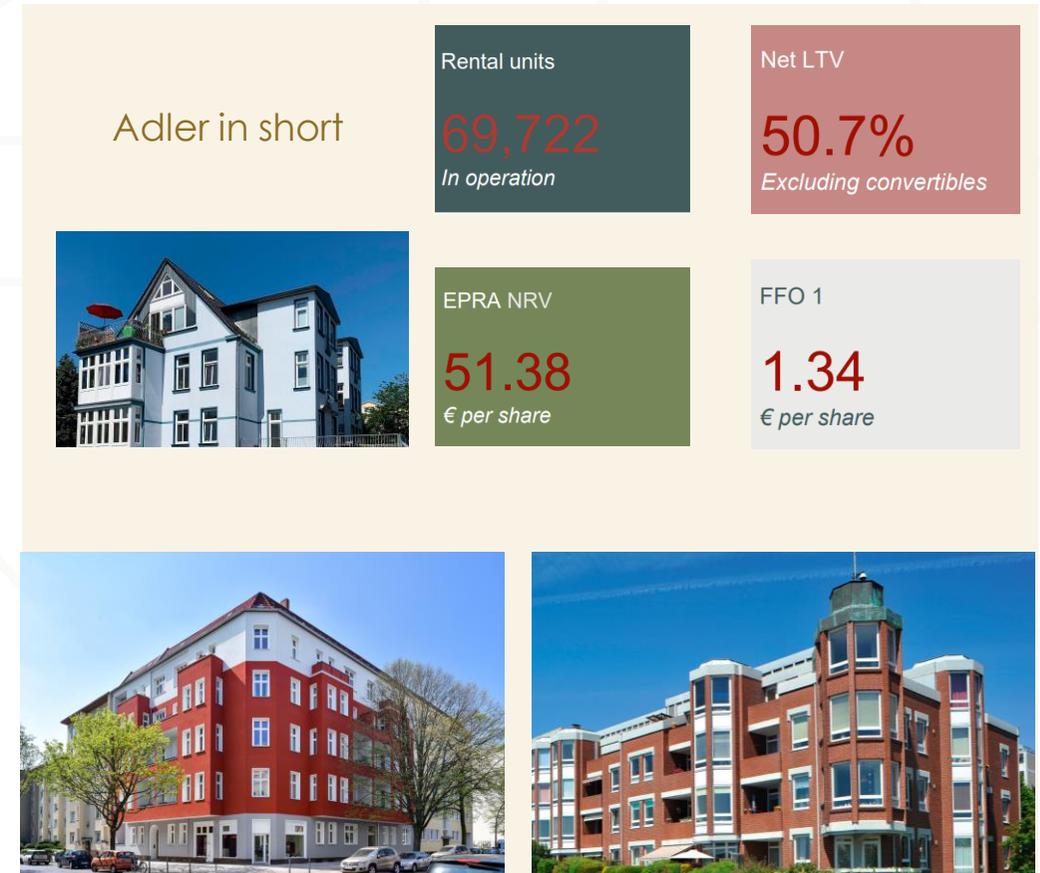
#### Adler Group is a long-term strategic holding

- Aggregate believes in the short-term and long-term upside in the Adler Group
  - Adler share price is significantly undervalued versus EPRA NRV (EUR 51.38 per share)
  - German residential real estate has excellent underlying remaining long-term growth
- Adler Group has the best growth forecast of the large German residential owners
  - Strong consolidated group results recently released
  - Announced first dividend to be paid in H1 2021

#### Other assets

- Liquid investments increased to EUR 165m from EUR 115m
  - Primarily real-estate focussed investments
- Other financial assets of EUR 285m, including real-estate-related loans
- Non-core real estate investments of EUR c.100 m
  - Potential for disposals in 2021

#### Adler Group Overview

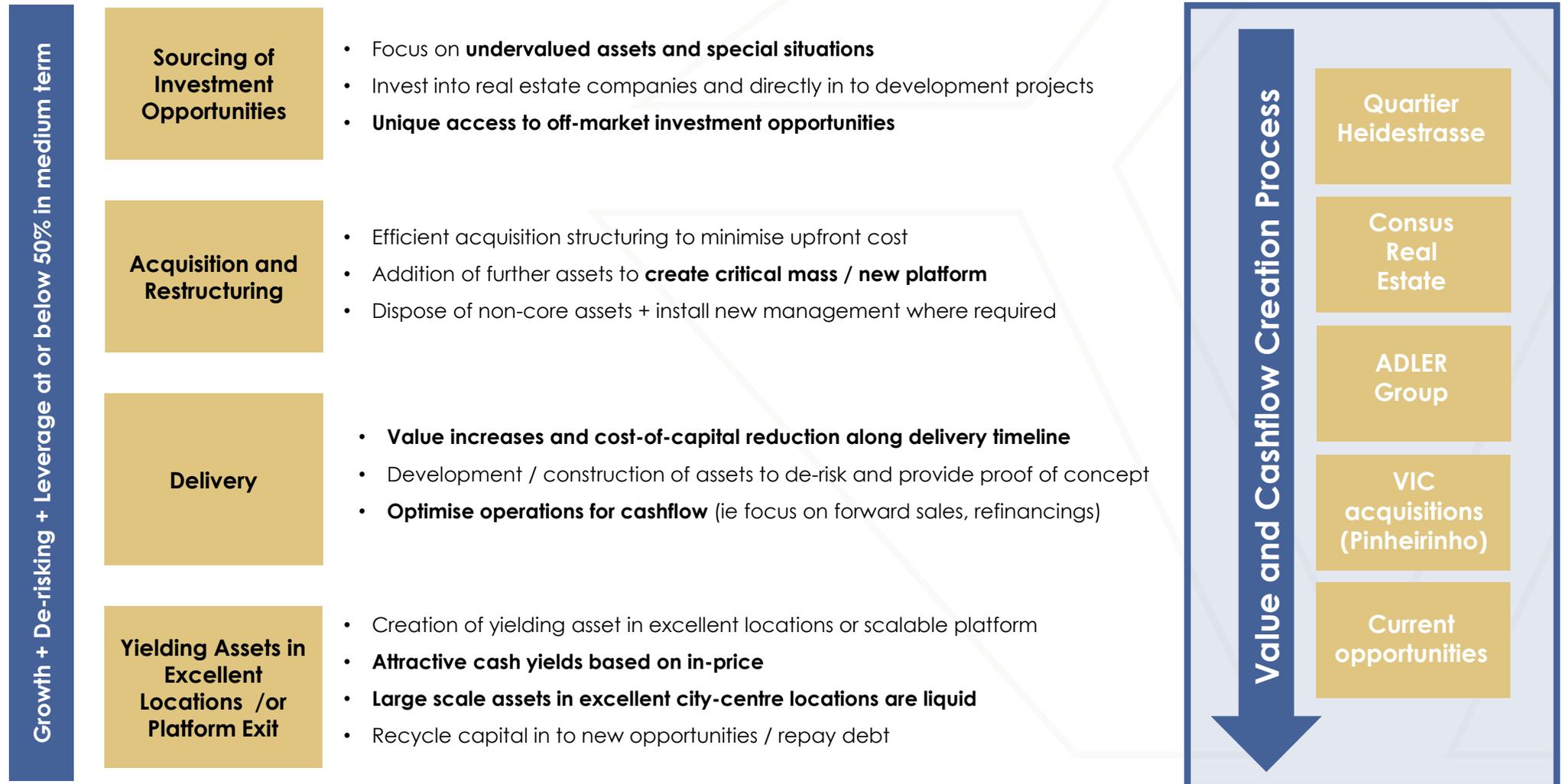


Source: Adler Group S.A. Annual report 2020 publication and Adler Group S.A. FY2020 results company presentation

## II. Sustainable Value Creation Strategy

Track record of success

Aggregate continues to see opportunities to build on successful track record in current market



# II. Aggregate Path to Value Creation

## Business Update

### Build & Hold

- Quartier Heidestrasse value will increase materially
  - Largely driven by completion of the project
  - Further upside from yield compression and rents achieved
  - Potential NAV upside of EUR 1.1bn from higher GDV at completion
- Further Build & Hold acquisitions to create additional value
  - Increasing value and scale of future yielding assets

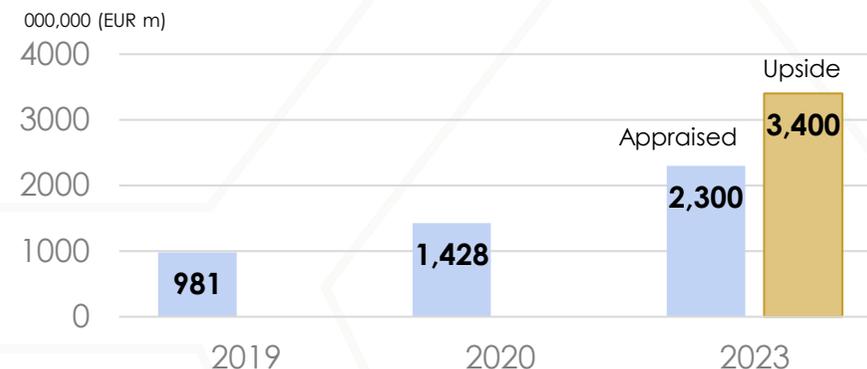
### Build & Sell

- VIC Properties revenue and profit increases materially through to 2023
- VIC Properties market value is over 20%% higher than book value
- VIC Properties consistently acquires projects materially below market value

### Financial Real Estate Assets

- Adler Stake value is materially higher than book value
- Adler stake valued at EPRA NAV is at c.60% premium to book value
- Adler stake valued at EPRA NRV is at c.85% premium to book value
- Long-term potential in Adler as highest growth large-scale residential owner

### Quartier Heidestrasse Valuation



### VIC Inventory Valuation



### 26.6% stake Adler Value



## II. Multiple sources of liquidity

### Business Update

#### Cash flow generation based on well diversified & liquid financial real estate asset portfolio

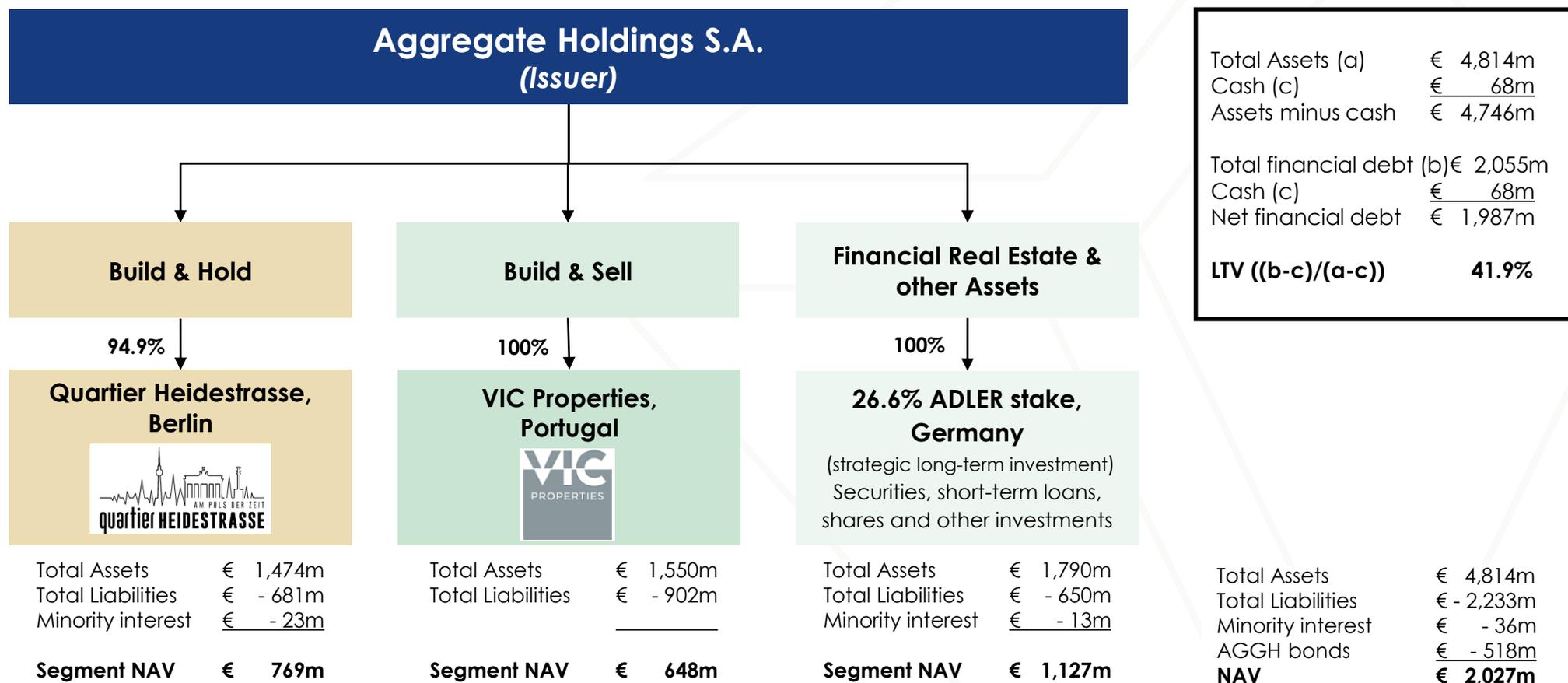
<b>Cash-flow from QH NRI</b>	~ <b>€75m</b> – annual Net Rental Income (NRI) expected from Quartier Heidestrasse from completion in 2023 (Phased ramp-up)
<b>Income from Financing</b>	<b>FY20 €15m</b> – income from third party real estate loan portfolio with short-term maturities
<b>Dividends</b>	~ <b>€14m</b> – 2021 expected dividends from 26.6% stake in ADLER Group Future growth from 50% FFO I dividend policy
<b>Liquid, opportunistic Financial RE Assets</b>	<b>c. €165m</b> – position held in liquid, tradeable securities (FY20) <b>c. €285m</b> – position in other financial real estate assets (FY20)
<b>Liquid, strategic stake</b>	<b>c. €900m</b> – liquid stake of <b>26.6% in ADLER</b> Group (market value : YE20)

- **Strong and increasing annual cash flow generation** from existing financial real estate investments
- **Key focus as transition to yielding assets**
- **C. €165m of liquid, tradeable securities (FY20)**
- **Diversified positions** across number of investments
- **Value accretive investment entry** levels provide for optimised trading gains when realised
- Most **project financings of subsidiaries are cash flow neutral** due to established interest reserve accounts

# III. Financial Performance

## II. Simplified Group Structure & NAV

Divisional breakdown



» Target medium-term LTV of below 50%

Source: Aggregate Holdings S.A. 2020 annual report publication

# III. Financial Results 2020 – Overview

## Financial Results Preparation

### Profit & Loss

- Line Items reclassified to provide further transparency sources of profit

### Consus Real Estate

- Consus deconsolidated from half year post sale.
- P&L ex-Consus provided to give transparency on underlying Aggregate performance

### ADLER Group Stake

- Accounted for as an equity investment, based on net tangible asset value basis
- Net income recorded in P&L under income from equity investments

### Net Asset Value

- Calculated on basis of total equity minus minorities
- Issuance of EUR 331m Mandatory Convertible Bonds in Q1 2021 will increase NAV

### Goodwill

- Increase reflects ownership of 100% of VIC

# III. Consolidated FS 2020: Balance Sheet/ Assets

## Financial Performance

### Assets (current & non-current)

in kEUR , 31 Dec	FY 2020	FY 2019 Pro-forma ex-Consus	FY 2019
Property, plant and equipment	2,925	4,336	15,412
Goodwill and intangible assets	2 1,136,494	804,401	1,520,271
Investment property	57,161	66,643	205,803
Investment property under construction	3 1,486,136	992,293	1,237,177
Advances	16,136	43,237	43,237
Financial assets	202,971	92,819	145,372
Financial assets relating to derivatives	-	-	21,468
Contract assets	-	-	13,856
Equity accounted investments	4 870,552	656,243	42,362
<b>Total non-current assets</b>	<b>3,772,375</b>	<b>2,659,972</b>	<b>3,244,958</b>
Inventories	5 681,607	582,061	3,054,682
Trade and other receivables	28,808	13,334	95,276
Financial assets	6 247,669	245,039	312,319
Contract assets	-	-	321,347
Cash and cash equivalents	67,770	106,419	257,070
Assets held for sale	15,319	-	26,100
<b>Total current assets</b>	<b>1,041,173</b>	<b>946,853</b>	<b>4,066,794</b>
<b>TOTAL ASSETS</b>	<b>1 4,813,548</b>	<b>3,606,825</b>	<b>7,311,752</b>

1. Total assets increased to EUR 4,813m FY 2020 from EUR 3,607m for FY 2019 pro-forma
2. Goodwill of EUR1,136,494 related to 100% ownership of VIC Properties
3. EUR 1,428m are attributed to Quartier Heidestrasse Berlin (under construction)
4. Book value of the 26.6% ADLER Group stake, based on tangible book value
5. Inventory of three projects of VIC Properties under construction
6. Financial assets includes c. EUR 165m of liquid securities and c. EUR 285m of other financial and real estate assets

# III. Consolidated FS 2020: Balance Sheet/ Equity & Liabilities

## Financial Performance

### Equity and Liabilities

in kEUR , 31 Dec	FY 2020	2019 Pro forma ex-Consus	FY 2019
Share Capital	951,429	951,429	951,429
Share premium	476,349	476,349	476,349
Reserves + retained profits	447,292	371,476	271,418
Equity attributable to hybrid holders	151,637	151,637	151,637
Non-controlling interests	36,440	100,178	353,754
<b>Total Equity</b>	<b>2,063,147</b>	<b>2,051,069</b>	<b>2,204,586</b>
Loans and borrowings	1,658,462	1,035,898	2,574,962
Derivative Liabilities	9,235	3,467	17,669
Deferred tax liabilities	153,780	76,672	187,904
Other non-current liabilities	223	146	63,831
<b>Total non-current liabilities</b>	<b>1,821,700</b>	<b>1,116,183</b>	<b>2,844,366</b>
Loans and borrowings	396,455	325,813	1,510,135
Derivative Liabilities	13,861	12,108	12,108
Provisions, current	1,224	1,095	7,751
Trade and other payables	503,128	100,557	679,640
Contract liabilities	-	-	53,166
Liabilities discontinued operations	14,033	-	-
<b>Total Current liabilities</b>	<b>928,701</b>	<b>439,573</b>	<b>2,262,800</b>
<b>Total Liabilities</b>	<b>2,750,401</b>	<b>1,555,756</b>	<b>5,107,166</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>4,813,548</b>	<b>3,606,825</b>	<b>7,311,752</b>

1. NAV (equity minus minority interests) increased to EUR 2,027m from EUR 1,951m
2. Non-controlling interest reduction due to acquisition of 32% VIC minority
3. Increase in loans and borrowings ex-Consus reflects increase in Adler stake and further financing of investment properties and inventory
4. Trade and other payables includes EUR 349m payment due to 32% VIC minority acquisition

# III. Consolidated FS 2020: Income Statement ex-Consus

## Financial Performance

### Income Statement – FY 2020

in kEUR , 31 Dec	Aggregate ex – Consus 2020	Consus 2020	Reported FY 2020
Income from letting activities	1,006	56,205	57,211
Income from property development	1,190	557,425	558,615
Other operating income	17,537	14,624	32,161
<b>Total revenue</b>	<b>1</b> 19,733	<b>628,254</b>	<b>647,987</b>
Change in project related inventory	<b>2</b> 47,313	(123,214)	(75,901)
<b>Overall performance</b>	<b>67,046</b>	<b>505,040</b>	<b>572,086</b>
Net income from fair value adjustments of investment properties	<b>3</b> 244,148	-	244,148
Net (loss)/gain from fair value adjustments and disposals of financial assets	(5,477)	-	(5,477)
Costs for materials	(36,251)	(291,524)	(327,775)
Personnel expenses	(7,454)	(37,872)	(45,326)
Other operating expenses	(51,399)	(51,063)	(102,462)
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>210,613</b>	<b>124,581</b>	<b>335,194</b>
<b>Earnings before interest and tax</b>	<b>211,173</b>	<b>119,212</b>	<b>330,385</b>
Net Finance costs	<b>4</b> (122,226)	(136,857)	(259,083)
Net (loss)/gain from fair value adjustments of financial derivatives	(307)	30,884	30,577
Net income from equity accounted investments	22,324	-	22,324
Gain on disposal of subsidiary	<b>5</b> 95,062	-	95,062
<b>Earnings before tax</b>	<b>206,026</b>	<b>13,239</b>	<b>219,265</b>
Income tax	(42,948)	(3,995)	(46,943)
<b>Profit for the year from continued operation</b>	<b>163,078</b>	<b>9,244</b>	<b>172,322</b>
Profit for the year from discontinued operation	(5,527)	-	(5,527)
<b>Profit for the year</b>	<b>157,551</b>	<b>9,244</b>	<b>166,795</b>

1. Total revenue includes interest from property-related loans
2. Change in project-related inventory reflects increase in inventory from construction costs
3. Includes from both investment properties in use and those under construction
4. Net of interest income. Average interest rate of 5.5%
5. Gain on disposal of a subsidiary reflects net tangible assets of Adler Group plus any premium paid

# Guidance

## Loan to Value

- **LTV target of below 50% in the medium term**
- Aggregate evaluating rating for 2022
- Growth in assets via value creating transactions

## Growth profile

- **Aggregate sees strong potential in commercial property in current environment**
- Long-term value growth also expected in German residential property
- Actively working on a number of asset acquisitions
- VIC Properties plans to increase projects given favourable dynamics

## Geographic focus

- **Company will remain focussed on the German and German-speaking market**
  - Large market with significant opportunities well-understood by institutional investors
  - Aggregate has well-established relationships and proven competitive advantage
- German % of market value of assets to increase in the medium term

## Financial Real Estate Assets

- **Adler stake is a long-term strategic hold**
  - Short and long term value growth expected
  - No plans to increase stake further
- Strategic stakes in under-valued public companies provide attractive opportunities

# III. Robust Credit Profile – Summary

2020 provided a key milestone in reducing the risk profile of Aggregate



- 1** **Exposed to favorable macro conditions:** Undersupplied residential and prime commercial market in Europe's strongest economy (Germany) and residential in one of most dynamic real estate markets in Europe (Portugal)
- 2** Track record of **identifying and sourcing undervalued assets** via deep relationships and a focus on off-market transactions in **value-creating transactions**
- 3** **Low LTV (41.9%) :** Guidance of **LTV below 50% in the medium term** and strong institutional approach to the capital markets
- 4** **Large strategic stake in Adler plus large portfolio of liquid assets**
- 5** **Strong operational capabilities and track record and proven management team:** Superior real estate know-how across platforms and asset classes
- 6** **Proven track-record in accessing capital markets:** demonstratable evidence of accessing both equity and debt capital markets

# IV. Appendix

# IV: Build & Hold: Quartier Heidestrasse / Berlin

## Appendix

### Project overview

- Largest land plot under construction in Berlin city centre (Europa-city area in "Berlin Mitte")
- Mixed use development project with c.295,000 sqm GCA (Gross Construction Area) and c.230,000 sqm GLA (Gross Lettable Area)
- Project has full building permits and currently under construction
- Nearly 50% of total office space has already been pre-let
  - SAP, the world's leading producer of enterprise software applications, alone took on 30,000 sqm in September 2019
- Project completion in stages until 2023; first phase completed
- Expected > €75 million NRI and €2.3 bn with upside to €3.4 bn valuation at completion

### Key highlights (Dec-20)

€2.26bn GDV FY 20	Nearly 50% office space already pre-let	65,000 sqm Residential lettable area
€ 1.43bn residual value (FY 20)	Over 90% under construction	138,000 sqm Office lettable area
€75m NRI/year run-rate	Phase 1 completed	15,000 sqm Retail lettable area



# IV: Build & Hold: Quartier Heidestrasse / Berlin

## Appendix

### Project overview

- Unique development asset in Berlin centre (Mitte)
  - Largest city-centre project under construction
  - 94.9% Aggregate owned
- Project de-risked; moving from development phase to yielding asset
- Aggregate identified QH as an outstanding investment opportunity and acquired it in 2016
- Significant development period pre-construction while optimizing configurations / Building permits
- Total debt post-construction expected to be c. €1.1bn; FY 2020 debt of c. €500m



### De-risked project

- Project approx. 1/3 residential, 2/3 commercial
- Significant residential undersupply in central Berlin
  - No risk to achieving letting
  - Strong interest
- Commercial already nearly 50% let, with strong interest continuing post COVID outbreak
  - Significant commercial let at €34/sqm
  - Strong interest in remaining commercial areas
- Phase I completed per schedule
  - Apartments letting process on budget



1,2. JLL valuations as of 31 December 2020

# IV: Build & Sell: VIC Properties

## Appendix

### Company overview

- The leading Portuguese residential developer; founded in 2018
- Lisbon headquartered with locally management team
- Prata Riverside Village (under construction) is Lisbon flagship city centre project
  - 128k sqm GCA and 781 residential units
  - Designed by Pritzker award winning architect Renzo Piano
  - Best Portuguese residential housing project 2019, "SIL"
- Matinha Project (infrastructure started) is largest residential development project in the city of Lisbon
  - c. 245k sqm GCA and c.2,000 residential units
- Recent acquisition of residential development project in Comporta region (all year exclusive holiday destination 1.5 hours from Lisbon)

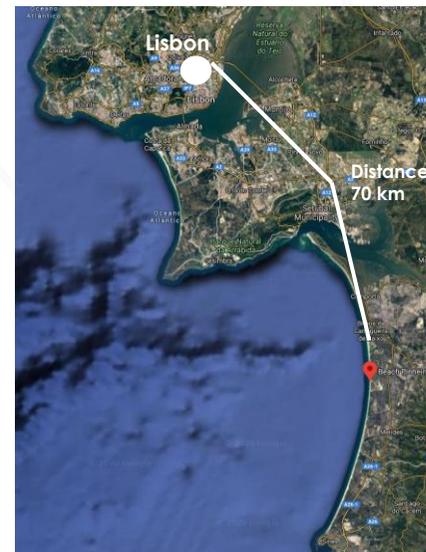
### Lisbon assets – excellent location



Valuation as of 31 December 2020



### Comporta – HNW destination; excellent location



- Total project comprises **c.197,000 sqm GCA at Pinheirinho**
- **No urban planning risk** as a fully valid development permit is already granted
- Located in the exclusive **Comporta region, just south of Lisbon (1.5 hours)**
- Retreat of celebrities and European elite (e.g. Madonna, Starck,) **with c.40km unspoilt connected sandy beaches**

# IV: Build & Sell: VIC Properties

## Appendix

### Portugal economy

- One of fastest growing European economies, with very strong labour market
- Significant investment in Lisbon area ongoing, including corporate relocations (IBM, Google, Microsoft, Sony)
- Lack of supply & under-investment
  - Long-term undersupply post 2008
  - Economic recovery driving middle-class demand
- VIC/Aggregate are largest developer – very limited availability of local financing for large scale plots limits competition
  - Potential for institutional sales

### Significant value creation to come

	Prata	Matinha	Pinheirinho	Total
Current valuation <sup>(1)</sup>	€ 279m	€ 343m	€ 203m	<b>€ 825m</b>
Plan price (€/sqm)	5,520 €/sqm	5,000 €/sqm	3,680 €/sqm	<b>4,665 €/sqm</b>
Gross Construction Area (k sqm)	128k sqm	245k sqm	197k sqm	<b>570k sqm</b>
Gross Development Value	€ 582m	€ 1,163m	€ 752m	<b>€2.5bn</b>

- Initial residential sales at Prata with average price >€6,000/sqm

<sup>1</sup> Valuations as of 31 December 2020

### Development in progress and performing well

- Flagship project PRATA project under construction and making strong progress
  - First plot (c.5%) completed in Q1 for handover
  - Two of the twelve plots almost completely sold
  - Averages sales price of > € 6,000 sqm for new apartments
  - Project virtually all completed in 2023 (c.20% by end '21; >40% by H1 2022)
- On-line process enables sales to continue through the current environment
  - Sales prices exceeding targets, with potential upside to values/profits
- Matinha execution based on successful PRATA delivery
  - construction completion expected '28, first completions H2 '23
- Comporta construction starting in H2 2021, with first completions expected H2 '23
- Large modern projects in fragmented under-capitalised environment

### Effective capital recycling



# IV: Build & Sell: VIC Properties

## Appendix

### Portuguese real estate market – demand drivers

#### Strong domestic demand / rising Portuguese middle class

	Portugal		Euro Area	
	2019	2018	2019	2018
Annual Real GDP (growth rate)	1.94%	2.44%	1.22%	1.88%
Household Disposable Income (growth rate)	2.51%	2.93%	-	1.65%
Unemployment rate	6.57%	6.56%	7.37%	7.89%
Consumer confidence index (CCI)	100.79	100.8	100.61	100.64

#### Highly attractive for international investors

**#3** **Best country** for expats to live in globally (#1 in Europe)

**21%** **Corporate tax rate** (EU average is 23.3%)

**#3** **Most peaceful country** in the world

**TOP** One of the world's most **attractive Golden Visa** programs

**#34** **Most competitive country** in the world

**TOP** Attractive **low income tax regime** for pensioners & wealthy individuals (NHR)

- » Successful economic reforms made Portugal a highly competitive country with low corporate taxes
- » Global companies increasingly move business to Lisbon and Porto, fuelling residential and office space demand (e.g. IBM, Google, BNP, Microsoft, Sony)
- » Attractive tax regime combined with high quality of life attracts international entrepreneurs, pensioners, professionals and wealthy individuals (NHR tax regime)
- » Outstanding Golden Visa program attracts investors from Hong Kong, China, Brazil, South Africa and other global destinations
- » Having benefitted from Portugal's strong economic recovery, a rising Portuguese middle class fuels domestic demand for modern residential offerings
- » **The structural imbalance of supply & demand in Portugal's property market is the basis for a long-lasting boom phase**

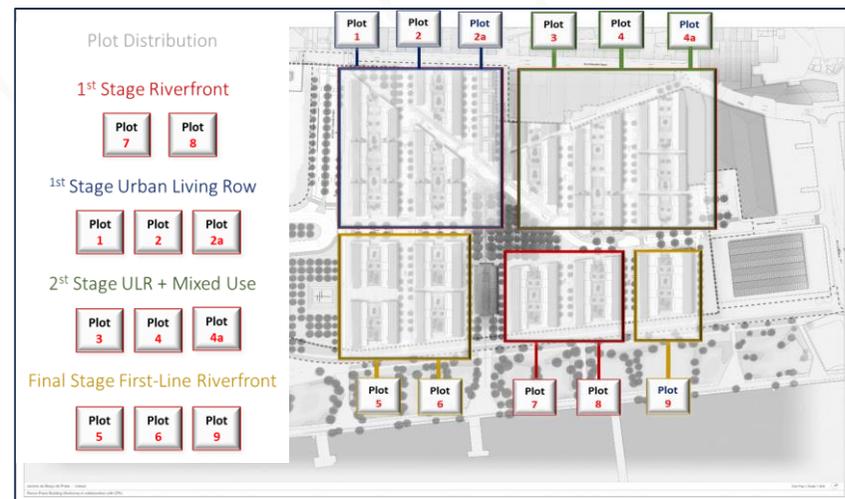
Sources: OECD, World Economic Forum, Bank of Portugal, INE, PORDATA, JLL

# IV: Build & Sell: VIC Properties

## Appendix

### Prata Riverside Village (under construction, expected completion 2023)

- Large-scale flagship project in Lisbon, sourced at attractive off-market conditions out of complex bankruptcy case from local seller
- Most iconic residential project under construction in Lisbon in central river front location, designed by world famous architect Renzo Piano (awarded Portugal's best residential housing development award 2019 by SIL)
- Vibrant mix of 781 modern residential offerings on c.128,500 sqm GCA in one of Lisbon's trendiest neighbourhoods (Marvila)
- Together with Matinha the only large land plot available directly at the river Tagus between central Lisbon and Parque das Nações (Lisbon's modern business district)



PRATA: areas overview	GCA sqm	% GCA
Residential	102,588	79.8%
Office	7,025	5.5%
Retail	17,108	13.3%
Others	1,780	1.4%
<b>Total</b>	<b>128,501</b>	<b>100.0%</b>
# Resi units (before VIC acquisition)	499	
# Resi units (post VIC acquisition)	695	
# floors above ground	6-7	
# floors below ground	1-2	
# plots	12	
Planning status	Under construction	
Construction timeline	Until FY 2023	

# IV: Build & Sell: VIC Properties

## Appendix

### Matinha Project (expected completion 2028)



#### Areas Overview (sqm)

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



- Largest residential neighbourhood project in Lisbon with 245,363 sqm Gross Construction Area
- Approximately 2,000 vibrant residential living spaces
- Enriched by a number of retail and restaurant areas, a hotel and commercial/office units
- Premium location at the river Tagus connecting Prata Riverside Village and Parque das Nações
- Targeting domestic buyers and international demand