

## **Aggregate Holdings S.A.: Half year results 2022**

- **Build & Hold: Ongoing projects Quartier Heidestrasse and Fuerst progressing well**
- **Build & Sell: Further sale price uplift in Prata to €8,000/sqm**
- **Sale of Quartier Heidestrasse launched with first sale now closed**
- **Strengthened Board of Directors with Cevdet Caner appointed as CEO**
- **Total assets of €7.9bn, and LTV of 63.5% as of HY 22**

Luxembourg, 28 October 2022 – Aggregate Holdings S.A. (“Aggregate”) today publishes HY 2022 results. The first half of 2022 was a period during which Aggregate focused on disposals and refinancings, to prepare for the evolving market conditions and to increase its financial resilience. In line with this focus, Aggregate has strengthened its Management, Board of Directors and corporate governance.

Aggregate’s total assets was at €7.9bn (FY21 €7.9bn), Build & Hold investment properties had a net increase due to capex and revaluations to €3.9bn (FY21 €3.6bn), with total net debt at €4.8bn (€4.5bn FY21), and LTV at 63.5% as of HY 22.

“Aggregate’s strategy continues to be to focus on its core projects in Germany and to reduce its leverage ratio over time, with the aim to achieve the financial strength to take advantage of the expected future opportunities.” commented Cevdet Caner, Chief Executive Officer of Aggregate.

### **Build & Hold division (“B&H”): Continued robust operational progress**

The Build & Hold projects under construction made excellent progress in H1 2022. In Quartier Heidestrasse, over 90% of the project is on track to be completed by end 2023, and SAP, the core tenant for the ‘QH Track’ building, is currently moving in. In Q3 2022, Aggregate leased 23,000 sqm in Quartier Heidestrasse to a leading DAX40 group, taking the pre-let ratio to c.70%, assuming all residential fully let, and reached construction completion of c.73% at end August. Further, in September 2022, Aggregate closed the sale of QH Core and signed an agreement for the sale of QH Spring, for a combined gross purchase price of €456m, a premium to book value. QH Core and QH Spring together represent c.15% of the value of the project. Aggregate is targeting the closing of further QH sales in Q4 2022.

For Fuerst, the redevelopment is progressing well, with significant leases in advanced stages of negotiation. Given current market conditions for construction, there has been an increase in total capex expected for completion of the project versus the initial budget, with the project expected to be largely completed by end 2023, and full completion targeted by H1 2024. Aggregate remains highly confident of the long-term prospects of this landmark project, with the cost increases expected to be largely offset by increased lettings prices well above the original budget. There continues to be strong leasing momentum in Berlin, differentiated towards Grade A office locations.



### **Build & Sell Division (“B&S”): Strong market environment driving expected sales prices**

In the Build & Sell segment, the strong fundamentals and performance of Portuguese residential real estate continued. The Prata project in Lisbon has again exceeded expectations, recently achieving sales prices of €8,000/sqm. The initial budget in 2018 was based on an average of €5,000/sqm, demonstrating the strength of the market and assets. Plot 1 is 100% completed with deliveries during H1 and H2 2022, with Plot 2 and 2A 85% and 55% complete respectively and initial works on plots 6 and 5 already on going. In H1 2022, 77 apartments were delivered for a total sales value of €47m.

The adjacent Matinha project’s sales prices and construction costs have been validated by the strong Prata actual outcomes, with Matinha urbanisation plan now expected in H1 2023. The Pinheirinho project near Comporta continues to benefit from an extremely strong local environment, with international demand increasing every year. Aggregate is exploring multiple options, including refinancing and asset sales, to repay the VIC convertible bond.

### **Financial Real Estate and Other Assets (“FREA”): Focus on non-core assets**

In Financial Real Estate and Other Assets, the 26.6% stake in Adler group was reduced to 6.1% in February 2022, as the loan from Vonovia was swapped against Adler shares at a price of €10.44 per share.

In FREA, Aggregate has eleven assets in its non-core portfolio worth €0.9bn and is in ongoing discussions with multiple investors for disposals. Given ongoing price dislocation in the current real estate market, Aggregate will continue to maintain pricing discipline, with the intent of disposing the non-core assets at the appropriate price, and in the meantime progressing development where possible, in order to build value.

### **Financing: Large volume of refinancing and borrowings secured**

Along with sales, financings and refinancings to term out debt and provide cashflow are a key element of Aggregate’s strategy. In 2022 to date, the company has partly refinanced and upsized facilities with existing lenders at Quartier Heidestrasse by €434m, extended the VIC Convertible Debt payment date twice, extinguished Vonovia’s €250m facility, undertaken a number of refinancings and extensions in the Castle portfolio, and as part of the sale of QH Core and Spring reduced net debt through the receipt of 5.5% 2024 Aggregate Bonds. This demonstrated again the strength of Aggregate’s portfolio and refinancing capabilities, with the focus on streamlining its capital structure.

Liquidity has been negatively impacted and is constrained in the current environment given pricing dislocation for disposals and the refinancing market. Aggregate regularly has constructive discussions with finance providers to address issues and provide required further flexibility. Aggregate’s net debt at half year was €4.8bn (€4.5bn FY21), with LTV at 63.5%.



### **Strengthened management team and increased corporate governance**

In July 2022, Aggregate took further steps to strengthen its corporate governance to provide further management capacity for the current market conditions. Cevdet Caner was appointed as CEO and joined the Board of Directors, and announced he would become a 20% shareholder, and Aggregate's founder Günther Walcher joined the Board as Chairman. At the same time, to ensure that Aggregate and its management team has constant access to world-class strategic advice from various perspectives, the company has set up an experienced Advisory Board with Michael Cohrs, Luciano Gabriel, and Peter Solmssen.

In February 2022, an independent report prepared by Hogan Lovells International LLP found no evidence to support any of the allegations made against Aggregate by a short-seller, as part of its campaign against Adler Group SA.

### **Outlook: Focus on core portfolio and deleveraging through sale of non-core assets**

In the second half of 2022, Aggregate's focus remains on disposing of non-core assets, and effectively refinancing and extending our loan profile to provide the required flexibility to create value in the future. The key aim is to improve Aggregate's credit status and liquidity and reduce leverage over time. The ongoing actions will reduce financing complexity and optimise the company's portfolio, while progressing core projects. Aggregate has a very experienced team to address these challenges to allow for expected future new value generation opportunities.

A H1 2022 presentation has been published on the website of the company under [Investors/ Results Presentations](#)

### **Aggregate Holdings S.A. : Invitation to conference call on 28 October, 2022, 15:00 CEST (14:00 UK)**

Aggregate Holdings invites all interested investors to the presentation of the H1 2022 Results in a telephone conference on 28 October 2022, 3:00 PM CET (2:00 PM UK). For the conference call, please register in advance using the following link: [Conference Call Registration](#). Once registered you will receive a code in your email address, with instructions on joining the conference call. Please make use of the early dial-in opportunity (10 minutes before the start of the event) so that we can start the event on time. The presentation will also be broadcasted live via webcast, please use the below provided links depending on participation type:

Webcast link for the conference call participants (no audio, no delay): [H1 2022 Investor Call - Conference Call](#)

Webcast link to watch the live stream, not for the conference call participants: [H1 2022 Investor Call - Live Stream](#)

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**About Aggregate Holdings**

Aggregate Holdings SA ("Aggregate") is a predominantly German-focused real estate investment company, with significant presence also in Portugal. As at H1 2022, the company had €7.9bn of assets and a project portfolio with €10.2bn Gross Development Value. In its Build & Hold division, Aggregate owned Quartier Heidestrasse, the largest mixed use real estate development project in central Berlin with c.371,000 sqm of gross floor area ("GFA"), Fuerst, the prime commercial asset located on Kurfuerstendamm in central Berlin with c.183,000 sqm of GFA, and Walter and Green Living projects in Berlin with a combined GFA of c.762,000 sqm. Aggregate also owns in its Build & Sell division VIC Properties, the largest real estate developer in Portugal with c.727,000 sqm of GFA and €3.0bn Gross Development Value. Additionally, Aggregate holds a c.6% strategic stake in Adler Group SA, among other investments.