

Aggregate Holdings SA: Profitable acquisition of Build & Hold assets

- Aggregate Holdings S.A. completed the acquisition of a real estate portfolio consisting of 10 development projects spread across Berlin, Düsseldorf and Frankfurt
 - c. 1,200,000 Gross Construction Area (GCA) sqm
 - c. EUR 4.5bn Gross Development Value (GDV) of mixed-use development assets in Berlin, Frankfurt and Düsseldorf
 - c. EUR 1.3bn residual valuation
- Build & Hold division GCA increased by over 675,000 sqm and target net rental income run-rate increased by c. EUR 100m in the medium term
- Build & Hold division target net rental income run-rate increased to c. EUR 225m off total GDV of c. EUR 7.5bn, with a current value of over EUR 3.1bn

Luxembourg – 30 June 2021. Aggregate Holdings has completed the acquisition of a portfolio of ten projects, which consists of five projects in Berlin, four projects in Düsseldorf and one project in Frankfurt. The portfolio's focus is largely mixed-use urban developments incorporating office (53%), residential (32%), plus commercial, retail and other (15%). Aggregate plans to construct the majority of the Berlin assets as yielding properties in its Build & Hold division and to progress development and then exit the other assets in the portfolio over time. The acquired portfolio's gross development value ("GDV") stands at approximately EUR 4.5 billion, with GDV of over EUR 2.5 billion to be retained in Build & Hold.

The combined gross construction area ("GCA") of the portfolio is c. 1,200,000 sqm across the ten mixed-use developments. The development projects have well advanced planning and building permit applications, with one project having already received a building permit, and five more projects on course to receive building permission in 2021 or early 2022. The remaining projects benefit from zoning plans or project-related local development plans. The residual value of the portfolio as at 31 December 2020 was EUR 1.3 billion on a 100% basis, resulting in a Loan-to-Value for the portfolio post-acquisition of around 50%. The Company has acquired an approximately 85% interest in the projects.

The key Berlin projects are located close to Berlin Brandenburg airport and in the south-east residential area of Treptow-Köpenick. Planned construction for the Berlin-based projects will commence in 2022, with first rental income expected in 2024, following pre-letting in parallel with construction. The retained Berlin assets will be a significant addition to the Build & Hold division, with an expected increase of c. EUR 100 million of net rental income run-rate from the end 2025 onwards, on the basis of a combined additional GCA of approximately 675,000 sqm. The acquisition of the portfolio at a material discount to residual value will result in a significant appreciation in the net asset value of Aggregate group.

Benjamin Lee, Chief Financial Officer and John Nacos, Chief Investment Officer at Aggregate Holdings, said: "This was a great opportunity to acquire high quality, well located real estate assets in Berlin, Düsseldorf and Frankfurt. The entire portfolio was acquired at an attractive price, again demonstrating Aggregate's ability to undertake complex off-market transactions and deliver well-priced yield-to-cost assets. Post completion of Aggregate's increased Build & Hold portfolio, the combined rental income from the division is targeted to be c. EUR 225 million."



Contact

Benjamin Lee, Managing Director and Chief Financial Officer

Tel : +352 20 30 14 60

Mob : +44 7415 121218

b.lee@aggregateholdings.com

Boris Lemke, Investment Director

Tel : +352 20 30 14 60

Mob : +44 7943 025474

b.lemke@aggregateholdings.com

Olaf Zapke, Communications

Tel: +49 (0) 69 921874-89

Mob: +49 (0) 170 7641 971

Finsbury Glover Hering

olaf.zapke@fgh.com

About Aggregate Holdings

Aggregate Holdings SA (“Aggregate”) is a predominantly German-focussed real estate company, with interests also in Portugal. The company had EUR 4.8bn of assets and a project portfolio with a EUR 5.0bn gross development value as at FY 2020. Aggregate’s Build & Hold division at year end included Quartier Heidestrasse, the largest mixed use real estate development project in Central Berlin with c.295,000 sqm of gross construction area, and has recently acquired project “Fürst”, the prime asset located on Kurfürstendamm in central Berlin with c.183,000 sqm of gross construction area. Both these Build & Hold assets are due to be completed by 2023. Aggregate also owns VIC Properties, Build & Sell division, the largest real estate developer in Portugal, with c.570,000 sqm of gross construction area and €2.5bn gross development value. Additionally, Aggregate holds a long-term 26.6% strategic stake in Adler Group SA, one Europe’s largest residential players, among other investments.