



## **Aggregate Holdings S.A. : Full year results 2021**

Luxembourg, 29 June 2022

### **Aggregate Holdings S.A. achieved strong asset growth in FY 2021 and is focused on planned sales to further deleverage**

- **Acquisition of 3 large scale development projects in Berlin support future growth**
- **Build & Hold: Ongoing projects Quartier Heidestrasse and Fuerst progressing well**
- **Build & Sell: Further planning progress and strong market pricing**
- **Financial Real Estate Assets: Ongoing non-core asset disposals**
- **LTV of 59.8% following strategic acquisitions and Adler impairment**
- **Strategic focus on existing core assets**

Luxembourg, 29 June 2022 - Aggregate Holdings S.A. ("**Aggregate**") today publishes FY 2021 results. 2021 was a period of strong asset growth for Aggregate Holdings, in particular in its Build & Hold division, where Aggregate completed the acquisition of three prime, large-scale projects in Berlin with a Gross Floor Area of c.820,000 sqm. Aggregate's total assets increased to €7.9bn (FY20 €4.8bn), investment properties increased to €3.6bn (FY20 €1.5bn) and Group EBITDA for the year reached €324m (FY20 €335m).

Aggregate's net debt at year end was €3,838m (€1,987 FY20), with LTV at year end of 59.8%. The increase was primarily attributed to strategic acquisitions and ongoing capex, and also the impairment of the Adler stake. The medium-term LTV target continues to be c.50%.

"Aggregate has successfully completed transformational acquisitions and financings in 2021. The operational performance, in a challenging period, has continued to be strong. The business is positioned to take advantage of the fundamental value in its core real estate assets, while focusing on deleveraging." commented Benjamin Lee, Chief Financial Officer of Aggregate.

#### **Build & Hold division ("B&H"): Strong progress with underlying market strength in Berlin**

Aggregate believes strongly in the resilience and long-term growth prospects of German commercial and residential real estate with its core strategy of acquiring, developing and retaining high-quality, large-scale, mixed use real estate assets in Germany's top cities. In 2021, the company successfully executed this plan with the Build & Hold division, currently focussed solely on Berlin, more than doubling in size and having a combined estimated rental value of more than €240m per annum.

The three Build & Hold acquisitions in 2021 were the Fuerst project on Kurfuerstendamm in central Berlin, and the Walter and Green Living projects in the Berlin neighbourhoods of Schoenefeld and Treptow-Koepenick, respectively, with a combined appraised residual value of €1.8bn and Gross Development Value of €4.3bn at FY 21.

The company's Build & Hold projects under construction made strong progress in 2021. In Quartier Heidestrasse, the 'Core' segment is completed and virtually fully let, and in the 'Track' segment,



SAP is expected to move in the second half of 2022, with over 90% of the project expected to be completed by end 2023. For Fuerst, the redevelopment is progressing well, with strong pricing expectations for lettings. 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**

On the Build & Sell segment, the strong fundamentals and performance of Portuguese residential real estate has confirmed the company’s view that the VIC Properties business has excellent growth potential in an undervalued sector. The market value of the three projects increased from €825m at FY 2020 to €1,137m at FY 2021.

Prata continues to sell apartments at prices more than 10% above revised budgets. Plot 1 is 100% completed with deliveries happening during H1 2022, with Plot 2 and 2A 75% and 52% complete respectively. The last phase of Prata is planned to be completely sold by 2025, with the revised schedule expected to further strengthen prices as this new vibrant Lisbon district continues to consolidate. In 2021, Prata achieved average pricing of more than €6,000 per sqm.

The adjacent Matinha project, whose sales prices and construction costs have been validated by the strong Prata actual outcomes, is expected to receive the urbanisation plan by mid-2022. The Pinheirinho project near Comporta on the coast south of Lisbon is benefitting from an extremely strong local environment, with international demand increasing every year. The project is in advanced negotiations with a top luxury hotel brand to anchor the project, and 95% of the infrastructure works is complete with construction start expected in H2 2022.

### **Financial Real Estate and Other Assets (“FREA”): Disposal of non-core assets acquired at attractive entry prices initiated**

In Financial Real Estate and Other Assets, the group added 9 development projects in Berlin, Duesseldorf and Frankfurt at attractive prices, 8 of which were part of the 10-project portfolio acquisition. These assets are now on the balance sheet as held for sale, as the group optimises them for subsequent disposal.

Aggregate held a stake of 26.6% in Adler group at year end 2021, which had been refinanced by Vonovia following a significant share price decline due to an attack by a short seller. The short seller report on Adler Group SA included limited allegations against Aggregate, which also impacted the price of Aggregate’s listed bonds. Aggregate rejected all claims made in the report and commissioned an independent study by Hogan Lovells to conduct a detailed review of the allegations. The independent report found no evidence to support any of the allegations made against Aggregate.

In February 2022, the stake in Adler reduced to c.6% with a corresponding reduction of €250m of net debt.

Aggregate made a strong start to the disposal programme in 2021, with its stakes in S IMMO and Corestate having been divested and having signed the sale agreement for a non-core real estate



asset above book value. A broad number of discussions are ongoing over the various assets held for sale, with further significant sales expected over the next 12 months.

### **Environmental, Social and Governance (“ESG”): Progressing our sustainability agenda**

In 2021, Aggregate released its first Sustainability Report which sets out the company’s Environmental, Social and Governance framework and targets, and now has a sustainability roadmap setting out its objectives over the next two years.

### **Financing: Refinancing and borrowings secured at attractive terms**

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Financings and refinancings to term out debt and provide cashflow along with sales are a key element of Aggregate’s business. In 2021, the company successfully financed or refinanced more than €2.5bn of facilities, demonstrating again the strength of Aggregate’s portfolio and expertise of management. Notable financings and refinancings in 2021 included the Quartier Heidestrasse bank debt to provide bank financing for construction of the project and fully funded financing package for the Fuerst acquisition, including capex reserve. In addition, in 2021, the company tapped its €500m 2025 existing bond by €100m via a private placement.

In H1 2022, Aggregate initiated the sale of Quartier Heidestrasse and amended the VIC bonds due 2025 to extend the put date to 28 September 2022 from 28 May 2022. Aggregate is working on a full refinancing of the bonds with credit funds, which together with the sale of Quartier Heidestrasse are the key elements of Aggregate’s funding plans going forward.

### **Outlook: Focus on core portfolio and reduction in LTV through sale of non-core assets**

Real estate holdings in Germany and Portugal have proven to be extremely resilient throughout the Coronavirus pandemic, with prime mixed use real estate performing strongly. Aggregate will remain focused on the German and Portuguese markets which continue to provide significant scalable opportunities. Prime newly built asserts with inflation indexed rentals provide the core stability and resilience of Aggregate’s portfolio.

In 2022, Aggregate’s focus is on disposing non-core assets, reducing LTV and improving Aggregate’s credit status. A key part of this strategy is the planned sale of Quartier Heidestrasse in H2 2022 which will repay debt. This step is part of the ongoing actions to reduce complexity in the company’s financings and optimise the acquisitions made in 2021.

A YE 2021 presentation has been published on the website of the company under Investors/ Results Presentations: Annual Report FY 2021



**Aggregate Holdings S.A. : Invitation to conference call on 29 June, 2022, 15:00 CEST (14:00 UK)**  
Aggregate Holdings invites all interested investors to the presentation of the FY 2021 Results in a telephone conference on 29 June 2022, 3:00 PM CET (2:00 PM UK).

For the conference call, please register in advance using the following link: [NTT - Audio Event Registration Portal \(arkadin.com\)](https://arkadin.com). Once registered you will receive a code in your email address providing instruction to join 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 to the conference call (no audio): [FY 21 Investor Call \(webcast-egs.com\)](https://webcast-egs.com)

Webcast link to watch the live stream: [FY 21 Investor Call \(webcast-egs.com\)](https://webcast-egs.com)

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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. The company has €7.9bn of assets and a project portfolio with €9.9bn Gross Development Value. In its Build & Hold division, Aggregate owns Quartier Heidestrasse, the largest mixed use real estate development project in central Berlin with c.297,000 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.634,000 sqm. Aggregate also owns in its Build & Sell division VIC Properties, the largest real estate developer in Portugal with c.570,000 sqm of GCA and €3.1bn Gross Development Value. Additionally, Aggregate holds a c.6% strategic stake in Adler Group SA, among other investments.