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GRAND CITY PROPERTIES S.A. ANNOUNCES RESULTS FOR FY 2021 WITH STRONG VALUE UPLIFT AND OPERATIONAL PERFORMANCE

- Net rental income for 2021 amounted to €375 million as compared to €372 million in 2020, slightly higher as result of acquisitions and like-for-like rental growth, offset by disposals of non-core and mature assets. Net rent like-for-like rent increased by 2.8%, 2.2% in-place rent increases and 0.6% occupancy increases.
- Portfolio vacancy reached a historic low at 5.1% as of year-end 2021, driven by strong operational performance and asset recycling.
- Strong property revaluations and capital gains of €695 million in 2021, 8% like-for-like, compared to €343 million in 2020 underlining the portfolio quality and embedded potential, supported by strong market dynamics.
- Solid FFO I growth, with FFO I for 2021 of €186 million, up by 2% as compared to 2020. FFO I per share for 2021 at €1.11 per share, increasing 4% from €1.07 per share generated in 2020 and yielding 5.5%, based on a share price of €20.2. Expected dividend for the year 2021 set at €0.834, subject to AGM approval.
- Profit for the year of 2021 amounted to €617 million, 37% higher than in 2020 and reflecting a basic EPS of €3.12 and a diluted EPS of €2.90.
- EPRA NTA at the end of December 2021 at €5.0 billion and €30.4 per share, increasing substantially by 10% and 15% respectively.
- Conservative debt profile and leverage maintained with a low average cost of debt of 1%, long average debt maturity of 6 years, low LTV of 36%, large pool of unencumbered assets amounting to approx. €8.4 billion (88% of total portfolio value), and strong interest coverage with an ICR of 6.4x.
- Accretive acquisitions of over €700 million, which will continue to support rental growth in the future, offset by €360 million disposals closed at 22% above book value
- Guidance for FY 2021 met and guidance for FY 2022 published.

Luxembourg, March 16, 2022 – Grand City Properties S.A. (“GCP” or the “Company”) announces results for the financial year 2021. Net rental income for the year amounted to €375 million, slightly higher compared to the €372 million recorded in 2020. The improvement in net rental income was primarily due to a combination of organic growth with like-for like rental growth of 2.8% and quality acquisitions amounting to over €700 million during the year, offset by 2021 disposals and 2020 disposals which had a full year impact in 2021. In 2021 GCP acquired over 6,700 units at an average multiple of 18x mainly in NRW, London, Berlin, Dresden and Munich. Acquisitions included an increased stake in a joint venture resulting in a full consolidation.



Disposals in 2021 amounted to €360 million, carried at a premium of 22% over book values, and reflecting a profit margin over total costs including capex of 39%. Disposed assets were primarily non-core properties located in eastern Germany as well as secondary cities in NRW.

Adjusted EBITDA for 2021 amounted to €299 million, stable in comparison to 2020. FFO I for 2021 amounted to €186 million, growing by 2% as compared to 2020. FFO I growth was driven primarily by further improvements to the financial profile resulting in financing cost reductions, and was further supported by the strong operations of the Company. The FFO I per share increased by 4% to €1.11 due to the accretive effects of the share buyback program and the tender offer amounting to €270 million in 2021. The company further recorded a strong €695 million in revaluation and capital gains, increasing the portfolio by 8% on a like-for-like basis excluding capex, due to the strong performance of the portfolio and supportive market conditions that highlight and confirm GCPs portfolio quality and value-adding acquisition strategy.

GCP undertook a variety of measures aimed at optimizing the financial profile in 2021. In January the Company issued its largest bond-to-date of €1 billion at a very low coupon of 0.125% and with a 7-year maturity. The funds were primarily used for the refinancing of over €1.1 billion of higher interest-bearing debt. As a result, GCP decreased its average cost of debt to 1% in December 2021 from 1.3% as of the end of December 2020 while maintaining a well-balanced maturity schedule with a long average maturity of 6 years and no material near term maturities. These efforts on debt optimization have also resulted in higher interest coverage with an ICR of 6.4x in 2021, compared to 5.7x in 2020. The Company continues to maintain a conservative financial platform with a low leverage of 36% and a strong portfolio of unencumbered assets worth €8.4 billion, reflecting an unencumbered asset ratio of 88%. Furthermore, the refinancing of its perpetual notes in December 2020 and final redemption in February 2021 significantly reduced the coupon attributable to perpetual notes investors, supporting the growth in the Company's FFO further.

Rafael Zamir, CEO of Grand City Properties: "Throughout 2021, we continued our focus on delivering progress across all activities, delivering continued sustainable stakeholder value creation, benefiting tenants, the environment, our local communities, and rewarding our shareholders. Furthermore, optimization of the portfolio and the financial profile provide us with a strong platform to take advantages of opportunities that may arise in the coming years. I am grateful for all the efforts provided by each member of the organization and am confident that GCP enters 2022 in a strong position to succeed."

Financial statements for FY 2021 are available on the Company's website:
<https://www.grandcityproperties.com/investor-relations/publications/financial-reports/>

For definitions of the alternative performance measures please see the relevant section in the pages 68 - 73 of the consolidated annual report for FY 2021, which you can find on the website under investor relations > publications > financial reports or follow this link:
https://www.grandcityproperties.com/fileadmin/user_upload/03_investor_relations/Downloads/2021/GCP_FY_2021.pdf

About the Company

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas primarily in Germany. The Company's strategy is to improve its properties by repositioning and



intensive tenant management, and then create value by subsequently raising occupancy and rental levels. Further information: www.grandcityproperties.com

Grand City Properties S.A. (ISIN: LU0775917882) is a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and being registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés Luxembourg) under number B 165 560. The shares of the Company are listed on the Prime Standard segment of Frankfurt Stock Exchange.

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