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## GRAND CITY PROPERTIES S.A. ANNOUNCES RESULTS FOR FY 2022 WITH SOLID OPERATIONAL PERFORMANCE DESPITE MACRO-ECONOMIC UNCERTAINTY

- In 2022, net rental income of €396 million, increasing 6% as compared to €375 million in 2021.
- Portfolio vacancy reached a historic low at 4.2% as of December 2022 continuing strong declining trend from 5.1% as of December 2021 and 6.2% as of December 2020.
- Like-for-like rental growth of 2.9% with 2.2% from in-place rent increases and 0.7% from occupancy increases.
- Adjusted EBITDA of €308 million in 2022, up by 3% as compared to €299 million in 2021.
- Solid FFO I growth, with FFO I for 2022 amounting to €192 million, 3% higher YOY. FFO I per share of €1.14 per share in 2022, increasing by 3% as compared to €1.11 per share in 2021.
- Strong liquidity position with cash and liquid assets of €429 million as of December 2022 which cover debt maturities until Q2 2025.
- Conservative financial profile with a low LTV of 36% and strong ICR of 6.6x as of December 2022. Large pool of unencumbered assets amounting to €8.7 billion and representing 88% of total portfolio value. Low average cost of debt of 1.3% and a long average debt maturity of 5.9 years.
- Profit for the year of 2022 amounted to €179 million reflecting a basic EPS of €0.77 and a diluted EPS of €0.76
- Full year 2022 property revaluation of 1% positive like-for-like growth.
- EPRA NTA of €5.1 billion and €29.6 per share as of December 2022.
- Guidance for FY 2022 met and guidance for FY 2023 published.
- Due to macro-economic uncertainty, the company will not pay dividend for 2022.

**Luxembourg, March 16, 2023** – Grand City Properties S.A. (“GCP” or the “Company”) announces results for the financial year 2022. Net rental income in 2022 amounted to €396 million, increasing by 6% as compared to 2021. This solid growth was the result of the impact of net acquisitions that were made in past periods and the strong operational result. In 2022, the Company recorded like-for-like rental growth of 2.9% which comprised of 2.2% from in-place rent growth and 0.7% from occupancy increases. The strong letting performance resulted in the portfolio reaching an all-time low vacancy rate of 4.2% and continues a strong trend of vacancy reduction. FFO I also grew 3% on both a nominal and per share basis to €192 million or €1.14 in 2022 from €186 million or €1.11 in 2021.

In 2022, the Company made accretive acquisitions in the amount of approx. €250 million which consisted of approx. 1,000 units in Berlin and London. During the same period, the Company made disposals in the amount of €18 million of mostly non-core assets, development, and



condominiums. The Company's held-for-sale portfolio increased to approx. €330 million, of which over €170 million disposals have been signed. For the full year 2022, GCP recorded portfolio like-for-like valuation gains of 1% but recorded devaluations of 1% in Q4 2022 as compared to September 2022. GCP's portfolio valuations remain well below replacement costs and the structural supply demand imbalance in the German residential market, support valuations in the medium to long term.

GCP continues to maintain a conservative financial profile with a low LTV of 36% and large pool of unencumbered assets worth €8.7 billion and representing 88% of total portfolio value. In 2022, GCP repaid over €615 million in debt which included redeeming the €450 million Series F convertible bonds and prepaying over €165 million in shorter maturity secured financing while raising a total of €135 million in new bank debt at rates below current public market rates. The Company's average cost of debt remains low at 1.3% with a long average maturity of 5.9 years. GCP also retains a strong liquidity position with €429 million in cash and liquid assets that represent 11% of total debts and cover debt maturities until Q2 2025. The company's debts have a 95% interest hedging ratio, which is expected to reduce to 91% as some interest rate hedging matures throughout 2023, and the operational profitability of the business substantially covers interest payments as exemplified by the ICR of 6.6x.

As the market environment has deteriorated and there is greater uncertainty surrounding macro-economic risks, GCP has put greater emphasis on preserving liquidity. As a result, GCP announced this morning its intention not to pay the 2022 dividend. The Company believes that preserving cash and equity, will enable GCP to better navigate through these times and come out stronger and better positioned.

Refael Zamir, CEO of Grand City Properties: "Throughout 2022, we continued our focus on delivering solid operational improvements that have brought portfolio vacancy to a record low of 4.2% and met 2022 guidance targets. I want to thank every member of the organisation for their hard work in 2022 and look forward to delivering on all our goals in the year ahead."

Financial statements for FY 2022 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 76 - 83 of the consolidated annual report for FY 2022, 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/2022/GCP\\_FY\\_2022.pdf](https://www.grandcityproperties.com/fileadmin/user_upload/03_investor_relations/Downloads/2022/GCP_FY_2022.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](http://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 37, Boulevard Joseph II, L-1840 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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