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GRAND CITY PROPERTIES S.A. ANNOUNCES FY 2023 RESULTS WITH ROBUST OPERATIONAL GROWTH AND STABLE LTV

- **Top range of FY 2023 guidance achieved.**
- **Net rental income of €411 million, higher by 4% as compared to €396 million in FY 2022.**
- **Solid like-for-like rental growth of 3.3%, as a result of in-place rent increase of 3.1% and occupancy increase of 0.2%.**
- **Historic low vacancy rate of 3.8% as of December 2023, following the strong declining trend from 4.2% as of December 2022 and 5.1% as of December 2021.**
- **Adjusted EBITDA of €320 million in FY 2023, higher by 4% as compared to €308 million in FY 2022.**
- **Increased liquidity position by €800 million to €1.2 billion as of December 2023, reflecting 28% of total debt and covering next 3 years of debt maturities until the end of 2026.**
- **Solid financial position maintained with an LTV ratio of 37% as of December 2023 remaining stable compared to 36% in December 2022**
- **EPRA LTV (considering perpetual notes as debt) as of December 2023 is 48%, up from 46% in December 2022 due to negative property revaluation.**
- **ICR ratio of 5.6x and €6.6 billion of unencumbered assets (75% of total portfolio value).**
- **FFO I of €184 million in 2023 (1.07 per share), lower by 4% as compared to €192 million in 2022, mainly driven by the higher financing cost and perpetual notes attribution.**
- **Full year negative property revaluation of -9% on a like-for-like basis, primarily driven by higher discount and cap rates.**
- **Loss of €638 million as a result of the negative property revaluation, offset by strong operational profits.**
- **EPRA NTA amounted to €4 billion or €23.2 per share as of December 2023.**
- **Due to current macro-economic environment, the company will not pay dividend for 2023.**

Luxembourg, March 13, 2024 – Grand City Properties S.A. ("GCP" or the "Company") announces results for the financial year 2023 with robust operational performance, strong liquidity position and conservative financial leverage maintained. Net rental income increased by 4% to €411 million, mainly due to the solid like-for-like rental growth of 3.3%. The growth is driven by in-place rent growth of 3.1% and occupancy increase of 0.2%, recording an historic low vacancy rate of 3.8%. The historic low vacancy rate along with the increase in the in-place rent underline the Company's ability to extract rental growth potential and are reflective of the strong positive momentum in the market. Adjusted EBITDA increased to €320, from €308 million in 2022, an increase of 4%. FFO I decreased by 4% to €184 million in 2023, as compared to €192 million in the in 2022. The higher finance expenses and perpetual notes attribution are the main drivers of the decrease in FFO I, while the solid operational growth partially offset the decrease. FFO I per share amounted to €1.07 per share 2023, as compared to €1.14 per share in 2022**. FY 2023 FFO I guidance is therefore achieved at the top of the range.**

As part of the full year audited report GCP revalued its full portfolio, recording a like-for-like revaluation loss of 9%. Property revaluation and capital gains amounted to a negative balance of €890 million, as GCP recorded negative revaluation across the entire portfolio. The portfolio has been revalued in full by independent external valuers, bringing the portfolio value to the most up-to-date status. The revaluation loss is driven by higher discount and cap rates as a result of higher interest rates. The yield expansion was partially offset by the operational growth driven by higher in-place rent and lower vacancy. Portfolio valuations remain materially below replacements costs and benefit from the systemic supply/demand imbalance which is resulting in acceleration of rental growth in GCP's portfolio locations.

In 2023, GCP continued its proactive approach of strengthening liquidity, reducing refinance risk and maintaining a conservative financial profile with stable LTV ratio. Successful disposals along with proactive repayment of bonds enhanced the liquidity position of the Company, while the strong operational performance and the suspension of the 2022 dividend allowed GCP to maintain an LTV of 37%, remaining broadly stable compared to the 36% as at the end of 2022. During the year, GCP successfully disposed assets amounting to €306 million, at a slight discount to book value of 3%, thereby generating profit over total cost of €72 million and affirming the company's capacity to successfully dispose properties even in a challenging economic environment.

GCP raised over €550 million of new bank financing in 2023, supporting further its liquidity position. The Company's average cost of debt was 1.9% as at year-end 2023, as compared to 1.3% at year-end 2022. GCP decided to raise secured debt, using its large pool of unencumbered assets, with relatively higher cost of debt compared to its existing debt, and significantly lower compared to the current bond market, in order to significantly strengthening its liquidity position and extending the refinancing period further, thereby significantly reducing the refinancing risk. As of December 2023, GCP had an average debt maturity of 5.3 years and cash and liquid assets of €1.2 billion, which including signed disposals cover its debt maturities for the next three years, until the end of 2026.

While the market situation has recently shown certain improvements, macroeconomic uncertainty remains, and transaction markets have yet to open up sufficiently and thus uncertainty remains as to how the Company's leverage will develop. GCP's management believes that in the current environment it is more prudent to be conservative when it comes to capital and liquidity and to continue its focus on deleveraging. Therefore GCP announced its decision not to pay the dividend for 2023.

Refael Zamir, CEO of Grand City Properties: "I am proud of our team members from all the departments which contributed to achieve all of our main goals of this year. Despite these challenging market conditions we succeeded to reach the top range of our guidance for 2023, recording a strong operational growth and a significant improvement of our solid liquidity position. Our financial profile remained stable, as our successful proactive measures and initiatives counterbalanced the negative revaluation of our portfolio, positioning the Company well to

GCP

execute its internal growth strategy. I wish to express my appreciation to all our team members for their hard work and dedication during this year."

Financial statements for FY 2023 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 128 - 130 of the financial statements for FY 2023, 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/2023/GCP_FY_2023.pdf

About the Company

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas primarily in Germany and London. 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 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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