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## **GRAND CITY PROPERTIES S.A. ANNOUNCES A GOOD START INTO 2019 DRIVEN BY OPERATIONAL PROFITABILITY**

- Rental and operating income was up 5% YOY to €139 million as compared to the €132 million recorded in Q1 2018.
- Adjusted EBITDA generated during the first quarter of 2019 was €73 million, higher by 7% compared to Q1 2018.
- Sustainable operational profitability evident with FFO I growing 6% to €53 million for the first three months of 2019 YOY.
- FFO I per share in Q1 2019 reached €0.32, a 7% growth YOY. FFO I per share after perpetual attribution was €0.27, 4% growth YOY.
- EPRA NAV expanded to €3.9 billion and to €23.4 on a per share basis as of the end of March 2019, 4% growth from year-end 2018.
- EPRA NAV including perpetual notes increased by 3% to €4.9 billion and increased to €29.5 per share.
- Total Equity was €4.7 billion as at the end of March 2019, resulting in a stable and secure equity ratio of 53%.
- Solid financial platform further reinforced by a longer average debt maturity of 8.7 years and a lower average cost of debt of 1.5%.
- Conservative financial structure retained with a low LTV of 35%, robust ICR of 6.2x and a significant unencumbered assets ratio of 76%, translating to €5.8 billion in value.
- Internal growth enabling top-line development evident in the robust like-for-like rental growth of 3.9% (3.6% coming from in-place rent increases and 0.3% from occupancy increases).
- Guidance for 2019 confirmed

**Luxembourg, May 20, 2019** – Grand City Properties S.A. ("GCP" or the "Company") had a strong start to the year with the top-line growing 5% from the corresponding period in 2018, while operational profitability continued to progress with Adjusted EBITDA growing 7% YOY to €73 million and the FFO I increased to €53 million for the first quarter of 2019, up 6% from the comparable period in 2018. GCP continued to display strong organic growth with robust like-for-like net rent increases of 3.9% during the quarter, with 3.6% coming from in-place rent increases.

The Company disposed of assets worth over €120 million at a substantial profit margin of 160% over total cost, reflecting a 10% premium on its last appraised book values. During the quarter, GCP also acquired properties for approx. €200 million, mainly in London. Overall, the Company continued to witness an improving asset quality with the value per square meter increasing to €1,314 and the average in-place rent growing 7% YOY to €6.15/sqm as of the end of March 2019.

During the first three months of 2019, GCP prepaid over €200 million of high interest bearing debt with short maturities while also issuing approx. €130 million of straight bonds with long maturities and low coupon rates. As a result of these debt optimizing measures, GCP achieved a longer average debt maturity period of 8.7 years while reducing its average cost of debt to 1.5% as of March 2019. In addition, GCP's sources of liquidity were further reinforced with the unencumbered assets ratio rising 11 percentage points to 76% and €5.8 billion in value.

Christian Windfuhr, CEO of Grand City Properties: "We have begun 2019 with a strong start and a confidence in our stride. With a robust financial platform to support our strong portfolio with sufficient growth potential, we confirm our 2019 guidance and delivering on our goals for the year."

The financial statements for Q1 2019 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 44-47 of the financial statements for Q1 2019 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/2019/GCP\\_Q1\\_2019.pdf](https://www.grandcityproperties.com/fileadmin/user_upload/03_investor_relations/Downloads/2019/GCP_Q1_2019.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 property 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 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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CORPORATE NEWS

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