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GRAND CITY PROPERTIES S.A. ANNOUNCES GOOD START FOR Q1 2023, DRIVEN BY SOLID OPERATIONAL RESULTS

- Net rental income of €101 million in Q1 2023, higher by 4% as compared to €97 million in Q1 2022.
- Solid like-for-like rental growth of 2.6% with 2.1% from in-place rent increases and 0.5% from occupancy increases. Portfolio vacancy rate remains at historic low of 4.2%.
- Adjusted EBITDA amounting to €80 million in the first quarter of 2023, increasing by 4% as compared to €76 million the respective period in 2022.
- FFO I of €47 million and €0.27 per share in Q1 2023, both lower as compared to €48 million and €0.29 per share in Q1 2022 due to increase in financing costs.
- Net loss of €12 million recorded in Q1 2023 mostly as a result of negative property revaluations in the amount of €53 million, mostly due to capex invested in the assets.
- Disposals of approx. €145 million in Q1 2023 with an additional €100 million signed but not closed disposals.
- New bank debt of €60 million in Q1 2023 with additional €150 million signed.
- Cash and liquid assets including signed disposals cover debt maturities through 2025.
- Low average cost of debt of 1.4% and a long average debt maturity of 5.8 years.
- Solid Debt Financing KPIs characterized by low LTV of 35%, strong interest coverage ratio of 5.9x, and large pool of unencumbered assets amounting to €8.5 billion and representing 88% of total portfolio value.
- EPRA NTA (now reflected excluding RETT) of €4.6 billion or €26.9 per share as of the end of March 2023, as compared to €4.7 billion or €27.0 per share as of year-end 2022. EPRA NTA with RETT of €5.1 billion or €29.5 per share as of the end of March 2023.
- Solid equity base reflected in equity ratio of 53% as of the end of March 2023.
- FY 2023 guidance confirmed and all financial KPI's are in line.

Luxembourg, May 17, 2023 – Grand City Properties S.A. (“GCP” or the “Company”) announces results for the three-month period ending March of 2023. Net rental income totaled €101 million increasing 4% year-over-year mostly as a result of the like-for-like rental growth of 2.6% and the impact of net acquisitions made over past periods. Portfolio vacancy remains at the historically low rate of 4.2%. FFO I totaled €47 million in the first quarter of 2023, lower by 3% YOY mostly as a result of the higher finance expenses and higher perpetual notes attribution. FFO I per share amounted to €0.27 per share in Q1 2023, as compared to €0.29 per share in Q1 2022 which was also impacted by the higher average share count from the high participation rate in the 2022 scrip divided which allowed the company to retain cash.



Across the first three months of 2023, GCP executed disposals in the amount of approx. €145 million, around 1% below book value. The disposals consisted primarily of mature properties in London and were mostly signed in Q4 2022 and were classified as assets held for sale. Year to date, GCP signed an additional ca. €100 million disposals which it expects to complete in the upcoming months. Cash proceeds from disposals and net cash provided by operating activities helped strengthen the Company's liquidity position to €571 million in cash and liquid assets as of the end of March 2023, representing 14% of total debt. GCP's portfolio of investment properties continue to benefit from high demand as a result of its strategic locations in growing metropolitan areas and a systemic supply-demand imbalance in German residential market.

In the first quarter of 2023, the Company made additional improvements to its financial platform. GCP raised €60 million in new bank debt with an additional approx. €150 million debt signed after the reporting period. As a result of these and past measures, the debt maturity profile remains clean and the Company's liquidity position including signed disposals cover debt maturities through 2025. GCP had a cost of debt of 1.4% with an average debt maturity of 5.8 years as of the end of March 2023.

Refael Zamir, CEO of Grand City Properties: "We have begun the year with a positive operational result marked by solid like-for-like rental growth. Our conservative financial platform and strong cash yielding portfolio, as well as our continued focus on strengthening our liquidity and balance sheet, have positioned the Company well to weather the current challenging market conditions."

Financial statements for Q1 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 30 - 34 of the financial statements for Q1 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_Q1_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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