

This document is an update to the previous version with marked changes dated 5 July 2018.
The changes in particular relate to the subscription price and the subscription ratio.

These materials are not an offer or the solicitation of an offer for the sale or subscription of the shares of Grand City Properties S.A. in the United States of America. The subscription rights and the shares referred to herein may not, at any time, be offered, sold, exercised, pledged, delivered or otherwise transferred within or into the United States of America except to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (“**Securities Act**”)) in accordance with Section 4(a)(2) of the Securities Act or another applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Grand City Properties S.A. has not registered and does not intend to register the subscription rights and/or the shares under the Securities Act or publicly offer the subscription rights and/or shares in the United States of America.



Information on the Scrip Dividend

The Board of Directors of Grand City Properties S.A. (“**GCP**” or “**Company**”) ~~will propose~~ proposed to the annual general meeting of GCP ~~to be~~ held on 27 June 2018 under Item 8 of the agenda (resolution on the distribution of a dividend) to distribute a dividend for the 2017 financial year in the amount of EUR 0.73 (gross) per share. This dividend will, at the shareholders’ choice, be paid either (i) only in cash, or (ii) in cash for a portion of the dividend in order to settle tax liabilities and, for the remaining portion of the dividend, in the form of shares of the Company (“**Scrip Dividend**”), or (iii) in cash for a portion of the shareholder’s shares and as Scrip Dividend for the other portion of the shareholder’s shares.

The document containing information about the number and type of the shares and outlining the reasons and details of the offer, which exempts from the requirement to publish and authorise a prospectus for the public offer and the admission to trading pursuant to article 5 (3) lit. d) of the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended (“**Luxembourg Prospectus Law**”) and § 4 (1) No. 4 and (2) No. 5 German Securities Prospectus Act (“**WpPG**”), is published on the GCP website at <http://grandcityproperties.com/en/investor-relations>. Any interested person should read thoroughly the abovementioned document as well as the other documents mentioned therein before making any investment decision.

Which options do I have as a shareholder?

Which options do I have?

You can receive the dividend either (1) in cash only, or (2) in cash for a portion of the dividend in order to settle tax liabilities and for the remaining portion of the dividend in the form of GCP shares (“**Scrip Dividend**”) or (3) partly in cash and partly as Scrip Dividend.

What do I have to do to receive my dividend in cash only?

In this case you do not need to do anything. You can expect to receive your cash dividend on 17 July 2018.

What do I have to do to receive my dividend as

You must notify your depository bank (“**Depository Bank**”) within the period specified by your Depository Bank, which ~~is expected to last~~ lasts from 28 June

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Scrip Dividend?

2018 to 10 July 2018 at the latest. To do this, please use the declaration of subscription and cession form provided by your Depository Bank which you ~~will receive~~ should have received at the beginning of the subscription period, ~~expected to start~~ on 28 June 2018.

A portion of your dividend, amounting to EUR 0.219 per share, which equals 30% of the gross dividend per share (“**Dividend Base Portion**”), will always be distributed to you in cash. This partial amount serves to cover your possible tax liabilities with regard to the entire dividend right of EUR 0.73 (gross) per share. This ensures that, if you opt for the Scrip Dividend, you are not required to make any additional cash payments in order to meet your possible tax liabilities. The remaining portion of EUR 0.511 per share or 70% of the gross dividend per share (“**Partial Dividend Right**”) can be used to subscribe to new shares. To the extent you cede Partial Dividend Rights which in total (calculated by multiplying the number of shares for which the Scrip Dividend is chosen with the Partial Dividend Right) exceed an integer multiple of the subscription price (as described in more detail below), the difference between the largest possible integer multiple of the subscription price and the total of the ceded Partial Dividend Rights (the “**Residual Balance**”) will be paid out in cash.

Do I have to exercise my choice uniformly for all my shares?

No, you do not need to exercise your choice uniformly for all of your shares – even if they are held in a single depository account. However, it is only possible to request either the cash payment or the Scrip Dividend for each GCP share as part of your dividend right.

Can I change my decision once it has been made?

No, your decision to exercise your option is irrevocable once it has been made.

Are there any costs relating to participation in the Scrip Dividend?

Please directly consult your Depository Bank in this respect.

Any Depository Bank fees that may be incurred for processing the Scrip Dividend will neither be covered by the Company nor by Berenberg as settlement agent and must be borne by yourself. For shareholders with only a small number of GCP shares, the Scrip Dividend option may be uneconomical due to the individual Depository Bank fees which may be incurred, and/or depending on the subscription price and subscription ratio which are still to be determined.

What deadlines and significant dates must be observed?

27 June 2018	Annual general meeting
28 June 2018	Beginning of the subscription period with publication of the subscription offer
5 July 2018	Announcement of the subscription price of the new shares and the subscription ratio
10 July 2018	End of the subscription period
17 July 2018	Payment of the cash dividend, the cash components as part of the Scrip Dividend and the Residual Balance
23 July 2018	Delivery of the new shares and start of crediting them to the accounts*

* The actual crediting of the shares to the shareholder's account may be subject to delays.

How many new shares will I receive?

How many new shares do I receive for my dividend right?

The subscription price of EUR 21.8731 and subscription ratio of 42.8045 : 1 ~~are expected to be~~ were published on 5 July 2018 on the GCP website at <http://grandcityproperties.com/en/investor-relations>. Hereby, it ~~will be~~ is determined

how many new shares you will finally receive. The subscription ratio is calculated as follows: ~~A certain~~The reference price of the GCP share of EUR 22.5496 is divided by the Partial Dividend Right of EUR 0.511. Based on this result, GCP grants a discount of ~~presumably~~3.0%. The resulting figure is then rounded down to four decimal places and set as a ratio in relation to one new share.

The Reference Price of EUR 22.5496 is the volume-weighted average GCP share price in euros in the Xetra trading system of the Frankfurt stock exchange on the last trading day before the subscription price ~~is~~was published (“**Reference Price**”). The Reference Price ~~is expected to be~~was determined on 4 July 2018.

The Subscription Price of EUR 21.8731 corresponds to the number of Partial Dividend Rights that need to be ceded and contributed in order to subscribe to one new share or the number of existing shares that entitle the holder to subscribe to one new share multiplied by the Partial Dividend Right of EUR 0.511 and rounded down to four decimal places (“**Subscription Price**”).

What other aspects should be noted?

The cash dividend is paid out via two simultaneous cash bookings.

For processing-related technical reasons, the cash-only dividend is made in the form of two cash bookings, and is expected to be paid out on 17 July 2018. In the course of the first booking, you will receive the Dividend Base Portion of EUR 0.219 per share, less withholding tax payable by the Depository Bank to the tax authorities on the entire dividend amount of EUR 0.73 (gross) per share. In the course of the second booking, you will receive an amount of EUR 0.511 per share net, i.e. without any further deductions. The foregoing is a general explanation of payment of the cash-only dividend, and may not reflect the exact processing of the cash-only dividend by your Depository Bank.

Can I sell my shares in the period between 28 June 2018 and 17 July 2018?

As from 28 June 2018, GCP shares ~~will be~~were listed “**ex-dividend**” on the stock exchange and consequently also “**ex-subscription rights**”. You can sell your shares ~~after~~from this date on without losing your dividend and subscription rights.

What dividend rights and other features will the new shares have?

The new shares carry full dividend rights from 1 January 2018. The new shares will be nominal value bearer shares just like the existing shares. The new and the existing shares are freely transferable.

How will the cash dividend and the Scrip Dividend be treated for tax purposes?

The following statement contains a general explanation of certain Luxembourg and German tax implications in relation to the distributions notified by the Company. The concise statement does not claim to provide comprehensive, definitive or complete description of Luxembourg and German tax aspects that could be relevant to shareholders. As a result, this summarising overview is no substitute for the individual consultation of a tax advisor.

Withholding tax accrues for the cash-only dividends and for the Scrip Dividend, as well as for the alternative with partial cash payment and partial Scrip Dividend in the notification period for withholding tax in 2018.

Luxembourg withholding tax is 15% of the entire dividend (Scrip Dividend and / or cash dividend). Shareholders from other jurisdictions, e.g. Germany, may be subject to other withholding tax their depository banks are obliged to withhold and transfer to the relevant tax authorities.

Luxembourg withholding tax is covered through payout of the Dividend Base

Portion of EUR 0.219 per share, which is always distributed in cash.

In Germany the domestic depot bank or other depot holding financial services institution withholds German tax of 26.375% including solidarity surcharge on the entire dividend (Scrip Dividend and / or cash dividend), whereas any tax already withheld in Luxembourg will fully be credited to this amount.

To the extent the shareholder is subject to church tax, the tax liability is increased accordingly. The church tax is also withheld, unless the shareholder has objected to his/her data being passed on to the German Federal Central Tax Office (*Bundeszentralamt für Steuern*) (blocking notice). The amount of church tax withheld depends on the shareholder's religion and his/her place of residence.

German withholding tax including solidarity surcharge and, if applicable, church tax is covered through payout of the Dividend Base Portion of EUR 0.219 per share, which is always distributed in cash.

Since the information given here is subject to changes, we would like to encourage you to keep up to date about the current state of affairs on the GCP website at <http://grandcityproperties.com/en/investor-relations>.

This document is neither a prospectus nor does it constitute an offer to sell or the solicitation of an offer to purchase the shares or other securities of GCP. The document which according to article 5 (3) lit. d) of the Luxembourg Prospectus Law and § 4 (1) No. 4 and (2) No. 5 WpPG, exempts from the obligation to publish a prospectus is available on the website of GCP (<http://grandcityproperties.com/en/investor-relations>). The shares will be offered to the public exclusively in the Grand Duchy of Luxembourg and Germany on the basis of the above mentioned document.