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GRAND CITY PROPERTIES S.A. ANNOUNCES H1 2020 RESULTS WITH IMPROVED ASSET QUALITY AND INCREASED OPERATIONAL EFFICIENCIES

- No material adverse impact from the coronavirus pandemic.
- Net rental income for the first half of 2020 at €186 million, compared to €189 million for the corresponding period in 2019 due to net disposals.
- Adjusted EBITDA increased by 1% YOY, to €147 million for H1 2020, driven by improved operational efficiencies, offsetting the decline in net rental income due to net disposals.
- FFO I for H1 2020 up by 2% to €108 million in comparison to the first six months of 2019.
- FFO I per share for H1 2020 remained stable at €0.64 as compared to H1 2019. FFO I per share after perpetual notes attribution was higher by 2% YOY at €0.55.
- Profit for the period amounted to €253 million with a basic EPS of €1.23 and diluted EPS of €1.16.
- Disposals of over €350 million during H1 2020, generating a disposal gain of approx. €108 million over total costs (including capex), leading to an FFO II of €216 million for the first half of 2020.
- EPRA NAV as of June 2020 was €4.2 billion and €24.9 per share, 5% higher (dividend adjusted) as compared to year-end 2019 on both an absolute and per-share basis.
- EPRA NAV including perpetual notes as of June 2020 was €5.2 billion and €30.9 on a per share basis.
- Total Equity amounted to €5 billion, reflecting a strong equity ratio of 47%.
- Robust financial platform with a low average cost of debt of 1.4%, long average debt maturity of 7 years along with a low LTV of 36%.
- Strong liquidity position of €1.5 billion as of June 2020 with additional support available from a large pool of unencumbered assets at €6.2 billion (77% of value) providing significant financial flexibility.
- Strong operational cash flows resulting in a strong ICR of 6.1x.
- Solid like-for-like rental growth of 3.1%; 2.1% from in-place rent increases and 1% from occupancy increases.
- FY 2020 Guidance confirmed.

Luxembourg, August 17, 2020 – Grand City Properties S.A. ("GCP" or the "Company") announces results for the first six months of 2020 with improved operational efficiencies and stronger asset quality. Despite a decrease in net rental income due to successful property disposals, adjusted EBITDA increased by 1% to €147 million and FFO I increased by 2% to €108

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million compared to H1 2019, demonstrating the Company's ability to continue optimizing its operational profitability. The increase in operational profitability is the result of GCP's steady like-for-like net rental growth of 3.1% and the disposal of non-core properties which had a relatively higher expense ratio while in parallel acquiring properties of higher-quality. The continuous operational results, in combination with positive tailwinds from the strong dynamics in GCP's main locations, resulted in property revaluations and capital gains of €221 million, +3% on a like for like basis.

With the coronavirus pandemic impacting the first half of 2020, GCP undertook a number of measures in order to safeguard the interests of both tenants and employees. In this regard, business operations were not significantly affected. The Company has utilized a variety of tools available to ensure new lettings continue as usual, while tenant fluctuation has remained low.

Over the first half of 2020, GCP completed disposals including the sale of control over assets in total amounting to over €350 million primarily located in North Rhine-Westphalia. These disposals were concluded above book value and at a profit margin of 43% over total costs. Further, after the reporting period, GCP signed disposals of an amount of approx. €370 million, expected to be concluded by year-end 2020.

Concurrently, GCP also acquired assets in the amount of approx. €150 million, including over 100 units at a multiple of 20x primarily in middle-class neighborhoods in London, and over 200 units in the pre-let stage in London. The acquisitions were concluded towards the end of the reporting period and had therefore only very limited impact on the operational figures. After the reporting period, GCP's acquisition activity has resumed and the Company signed additional acquisitions amounting to over €150 million. As of June 2020, the portfolio was valued at €1,672/sqm with a rental yield of 4.7%.

The Company's robust financial platform with over €1.5 billion in cash and liquid assets, a low cost of debt of 1.4%, long debt maturity of 7 years as well as a large level of unencumbered assets amounting to €6.2 billion reflecting 77% of the total portfolio value, has held GCP in a solid position, especially during the coronavirus pandemic, and will allow the Company to take advantage of attractive opportunities that may arise in the periods to come. GCP's steady operational profitability was also demonstrated in a strong ICR of 6.1x.

Christian Windfuhr, CEO of Grand City Properties: "Despite many challenges, GCP has come out of the last few months even stronger. In spite the voluntary pause on our acquisition pipeline, we managed to continuously grow our FFO I, while disposing further assets and crystalizing the embedded value, creating a solid basis for further growth. At this juncture, the Company is well positioned and remains confident of being able to meet its guidance for the year 2020."

Financial statements for H1 2020 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 34 – 37 of the financial statements for H1 2020, 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/2020/GCP_Q2_2020.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

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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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