

THIS ANNOUNCEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, JAPAN, SOUTH AFRICA OR ANY OTHER JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF APPLICABLE LAWS OR REGULATIONS

GRAND CITY PROPERTIES S.A. ANNOUNCES RESULTS FOR H1 2021 WITH VACANCY DECLINING FURTHER AND SUSTAINED IMPROVEMENT IN ASSET QUALITY

- Net rental income for H1 2021 at €183 million, as compared to €186 million in H1 2020. Slightly lower due to disposals at gains over net book values.
- Adjusted EBITDA for H1 2021 of €147 million, stable as compared to H1 2020.
- FFO I for H1 2021 at €94 million, higher by 3% YOY, supported by an optimized financial platform.
- FFO I per share of €0.56 for H1 2021, up 2% as compared to €0.55 in H1 2020, reflecting an FFO I yield of 4.7% (based on a share price of €23.6).
- During H1 2021, disposals mostly of non-core properties amounted to over €300 million at a premium of 13% over net book values. In parallel, GCP acquired in H1 2021 higher quality properties in the amount of €300 million.
- Profit for the period of €157 million with a basic EPS of €0.72 and diluted EPS of €0.68.
- EPRA NTA at the end of H1 2021 at €4.5 billion and €27.0 per share, as compared to €4.6 billion and €26.5 per share at the end of December 2020.
- Solid equity base maintained with total equity of €5.4 billion as of June 2021, corresponding to an equity ratio of 49%.
- Optimized financial platform characterized by a low cost of debt of 1%, long average debt maturity period of 6.7 years, a low LTV of 34%, large level of unencumbered assets of €7.8 billion (92% of total portfolio value) and robust interest coverage with an ICR of 6.5x.
- Like-for-like rental growth continues to support the top-line with net rental income increasing by 2.0% YOY, with 1.4% due to in-place rent increases and 0.6% attributable towards occupancy increases.
- FY 2021 guidance confirmed.

Luxembourg, August 16, 2021 – Grand City Properties S.A. (“GCP” or the “Company”) announces its results for the first half of 2021 with net rental income amounting to €183 million, decreasing marginally due to disposals executed over the last eighteen months. However, the partial impact of accretive acquisitions, a robust and efficient business platform, along with a stable level of like-for-like rental growth, were instrumental in offsetting the decrease in net rental income. Adjusted EBITDA has remained stable at €147 million as compared to H1 2020. FFO I during the first half of 2021 amounted to €94 million, increasing 3% compared to the €92 million recorded in the first



half of 2020. This reflects an FFO I per share of €0.56 for the first half of 2021, as compared to €0.55 per share for the comparable period in 2020. The increase in FFO I was supported by lower finance expenses and perpetual notes attribution as a result of continued optimization of the capital structure.

During the first half of 2021, GCP completed disposals above book value amounting to over €300 million, crystallising total gains of 29% over total costs including capex. The disposals comprised mostly of non-core assets, located across Germany particularly in eastern German states such as Saxony-Anhalt, Thuringia, Saxony, and Brandenburg and in secondary cities in NRW. The disposals above book values have freed up funds utilised for quality acquisitions during the first half of 2021 of approx. €300 million which include units in the pre-letting stage. The acquisitions were executed at an average multiple of 18x and are primarily located in London, Berlin and Dresden. In H1 2021, a €270 million share buyback programme was launched, and is expected to run until the end of 2021. Approx. €160 million of the share buyback was already executed during the first half of 2021.

GCP has also worked towards further optimizing its debt profile and has taken several measures in this regard. During the first half of 2021, GCP issued its largest bond-to-date of €1 billion at a very low coupon of 0.125%. Further, the Company repaid outstanding straight bonds and higher interest-bearing bank financing, amounting to approx. €1 billion. These measures have resulted in GCP's average cost of debt decreasing to 1% from 1.3% as of year-end 2020, while the Company has maintained a long average debt maturity period of 6.7 years. GCP's solid profitability has also ensured that it continues to maintain a strong interest coverage ratio of 6.5x.

Refael Zamir, CEO of Grand City Properties: "With vacancy declining further and our asset quality being further enhanced, at the half year mark of 2021, we are continuing to extract the potential in our portfolio and are well placed to deliver on our guidance for 2021."

Financial statements for H1 2021 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 26 - 29 of the financial statements for H1 2021, 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/2021/GCP_Q2_2021.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

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.

Contact:

Grand City Properties S.A.
1, Avenue du Bois
L-1251 Luxemburg
T: +352 28 77 87 86
E: info@grandcity.lu
www.grandcityproperties.com

Press Contact:

Katrin Petersen
Grand City Properties S.A.
T: +49 (30) 374-381 5218
E: katrin.petersen@grandcity.lu

DISCLAIMER:

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

THE SECURITIES MENTIONED IN THIS ANNOUNCEMENT HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFERING OF THE SECURITIES IN THE UNITED STATES.

THIS ANNOUNCEMENT IS DIRECTED AT AND IS ONLY BEING DISTRIBUTED IN THE UNITED KINGDOM TO (I) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE **ORDER**), (II) HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED FALLING WITHIN ARTICLE 49 OF THE ORDER, AND (III) PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THIS COMMUNICATION MUST NOT BE READ, ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (**EEA**), THIS ANNOUNCEMENT AND ANY OFFER IF MADE SUBSEQUENTLY IS DIRECTED ONLY AT PERSONS WHO ARE "QUALIFIED INVESTORS" WITHIN THE MEANING OF ARTICLE 2(1)(E) OF DIRECTIVE 2003/71/EC, AS AMENDED (THE **PROSPECTUS DIRECTIVE**) (**QUALIFIED INVESTORS**). ANY PERSON IN THE EEA WHO ACQUIRES THE SECURITIES IN ANY OFFER (AN **INVESTOR**) OR TO WHOM ANY OFFER OF THE SECURITIES IS MADE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT IT IS A QUALIFIED INVESTOR. ANY



INVESTOR WILL ALSO BE DEEMED TO HAVE REPRESENTED AND AGREED THAT ANY SECURITIES ACQUIRED BY IT IN THE OFFER HAVE NOT BEEN ACQUIRED ON BEHALF OF PERSONS IN THE EEA OTHER THAN QUALIFIED INVESTORS, NOR HAVE THE SECURITIES BEEN ACQUIRED WITH A VIEW TO THEIR OFFER OR RESALE IN THE EEA TO PERSONS WHERE THIS WOULD RESULT IN A REQUIREMENT FOR PUBLICATION BY THE COMPANY OR ANY OF THE MANAGERS OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

THIS ANNOUNCEMENT MAY CONTAIN PROJECTIONS OR ESTIMATES RELATING TO PLANS AND OBJECTIVES RELATING TO OUR FUTURE OPERATIONS, PRODUCTS, OR SERVICES, FUTURE FINANCIAL RESULTS, OR ASSUMPTIONS UNDERLYING OR RELATING TO ANY SUCH STATEMENTS, EACH OF WHICH CONSTITUTES A FORWARD-LOOKING STATEMENT SUBJECT TO RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE COMPANY. ACTUAL RESULTS COULD DIFFER MATERIALLY, DEPENDING ON A NUMBER OF FACTORS.

