GCP

FINANCIAL RESULTS PRESENTATION 9M 2024

Nov 2024

Dresden

HIGHLIGHTS

9M 2024 KEY RESULTS SUMMARY

KEY FINANCIAL RESULTS

P&L	9M 2024	change	9M 2023
Net Rental Income	€317	3%	€307m
Adjusted EBITDA	€250	5%	€240m
FFO I	€141	-	€141m
FFO I per share	€0.82	-	€0.82

GUIDANCE CONFIRMED
FFO I of 180M-190M

Balance Sheet	Sep 2024	change	Dec 2023
Cash and liquid assets	€1,458	18%	€1,230m
Total equity	€5,130	-2%	€5,230m
EPRA NTA	€3,985	-1%	€4,014m
EPRA NTA per share	€23.1	-	€23.2

FINANCIAL PROFILE

	Sep 2024	Dec 2023
LTV	36%	37%
EPRA LTV	48%	48%
Net debt/ EBITDA	9.1x	10.0x
ICR	5.8x	5.6x

S&P Global Ratings **BBB+**
Negative Outlook
Affirmed in Dec 23

	Sep 2024	Dec 2023
Cost of debt	2.1%	1.9%
Ø debt maturity	5.1 years	5.3 years
Unencumbered Assets (€bn)	€6.2	€6.6bn
Unencumbered Assets (%)	72%	75%

PORTFOLIO

	Sep 2024	Dec 2023
Annualised net rent	€413m	€406m
Units	62,014	63,303
Vacancy	3.9%	3.8%
In-place rent	€9.0/sqm	€8.6/sqm
Portfolio value	€8.5bn	€8.6bn
Rental yield	5.0%	4.8%
Value per sqm	€2,113/sqm	€2,109/sqm

+3.5%
L-F-L
Total net rent growth
September 2024

+3.3%
L-F-L
Total net rent growth
Dec 2023

GCP

KEY TRENDS AND HIGHLIGHTS

STRONG OPERATIONS WITH POSITIVE MOMENTUM

- GCP recorded like-for-like rental growth of 3.5% YoY, driven mostly by in-place rental growth.
- Rental increases are now beginning to reflect the inflationary pressures of the past few years, and going forward, rental growth is expected to outpace inflation.
- The acceleration in reversionary rent potential, now increased to 24%, is being driven by the continued strong rise in market rents, driven by the expanding supply-demand imbalance in key metropolitan areas.

PROPERTY VALUES BOTTOMED

- No revaluations were done in Q3 2024; however, market indications show good signs that bottom has been reached based on the revaluations done in H1 2024.
- Yields more attractive, with GCP's current rental yield at 5%, especially considering growth momentum and rental upside potential.
- Potentially slight ongoing yield expansion mainly because of strong operational growth, expected to result in stable to positive revaluation from 2025 onwards.

CAPITAL MARKETS ARE OPEN AND TRANSACTION MARKET CONDITIONS ARE IMPROVING

- Sentiment in the capital markets is improving in recent months, reflected in increased capital market activity in the real estate sector.
- GCP successfully completed the perpetual exchanges in 2024 and issued its first bond in 3 years in July 2024, issuing €500m 5.5y bond at a 4.375% coupon (7x oversubscribed) to repay nearer term debt. These transactions illustrate GCP's access to diverse funding sources and proactive approach to managing its upcoming maturities. Since the bond issuance spreads have reduced further.
- Additionally, GCP has a sizeable pipeline of disposals, but has adopted a more selective approach. Transaction activity in the market expected to increase.

OPERATIONAL & FINANCIAL RESULTS

MARKET FUNDAMENTALS REMAIN HIGHLY SUPPORTIVE

Consistently widening supply/demand gap and German market fundamentals provide significant tailwind to continuous operational achievements resulting in higher rents, lower vacancies, and supporting valuations

Germany

- ❖ Tight German labor market continues to drive immigration, and the influx of refugees further widen the demand-supply gap.
- ❖ Asking rates continue to increase, while vacancy rates continue to decline.
- ❖ Household size to decrease further in the long term.
- ❖ Rent increase at a high rate permitted by regulations.

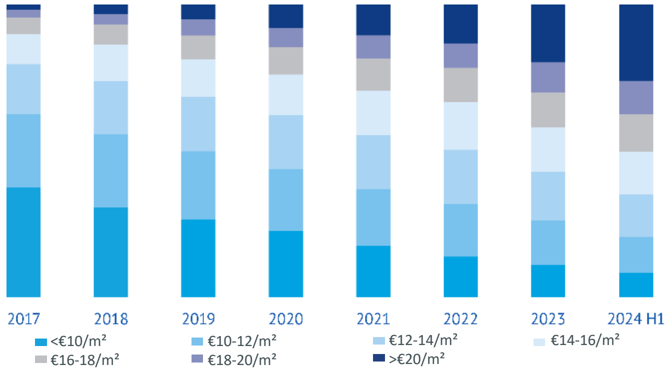
Strong city-specific fundamentals

- ❖ **Berlin:** -7.8% YoY flats completions, and -6.3% YoY building permits granted in 2023, absolute number well under the 20k political target. Number of arrivals in 2023 was the 3rd highest since 1991.
- ❖ **Cologne:** continuous population growth driven by immigrants and people under 30, with one of the lowest numbers of building permits per inhabitants among the Big 8 German cities.
- ❖ **Leipzig:** +5.4% population growth over the past 5 years. -3.8% YoY house completions, and -27% YoY building permits issued in 2023.

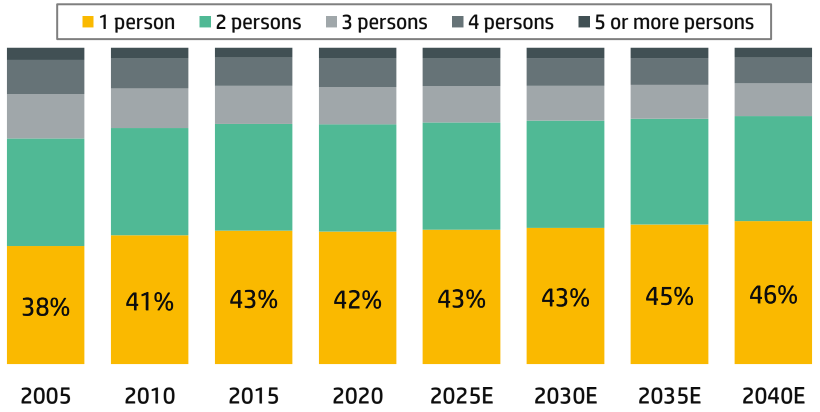
Source: JLL

Limited supply reflected in higher rental price per sqm, while demand is driven by positive net migration and decreasing household size

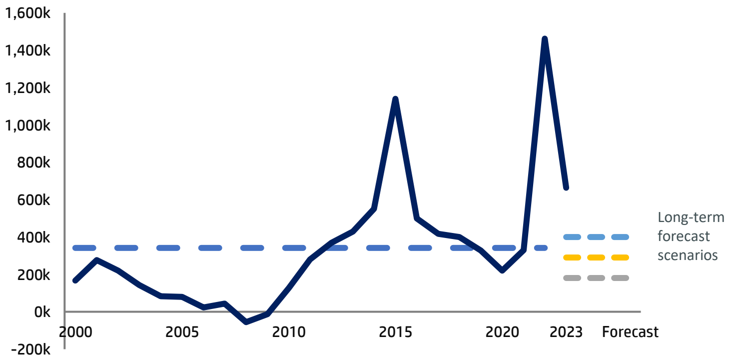
Share of each rental rate segment in total rental offerings per annum[1)]



Smaller Household Size[2)]



Positive Net migration trends[2)]

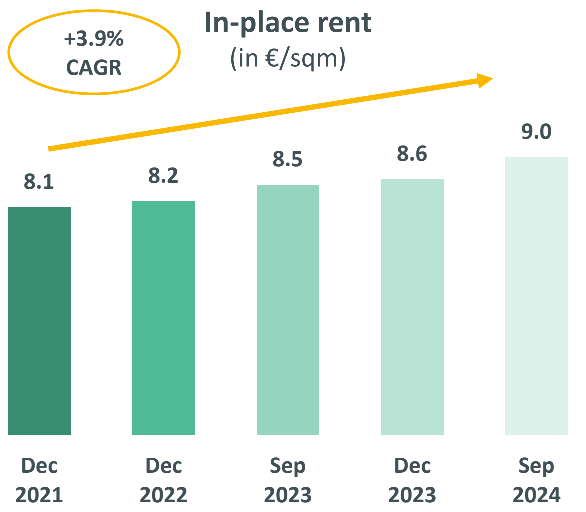


1) Colliers, Top 7 Cities in Germany
2) Destatis, Forecast scenarios are based on high, low or moderate migration balance

GCP

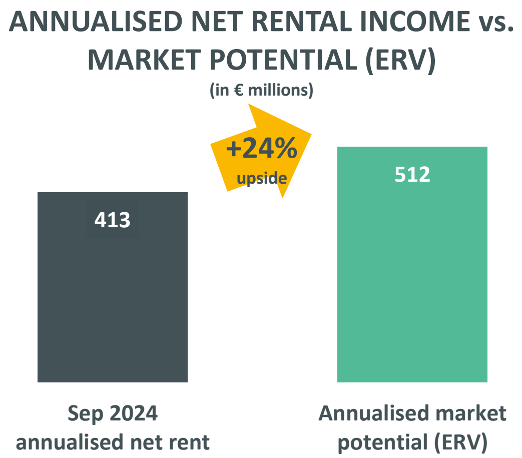
STRONG OPERATIONAL DYNAMICS

CONTINOUSLY DELIVERING OPERATIONAL PERFORMANCE SUPPORTED BY FAVOURABLE MARKET FUNDAMENTALS



+3.5%
L-F-L
Total net rent growth
Sept 2024

+3.3%
L-F-L
Total net rent growth
Dec 2023

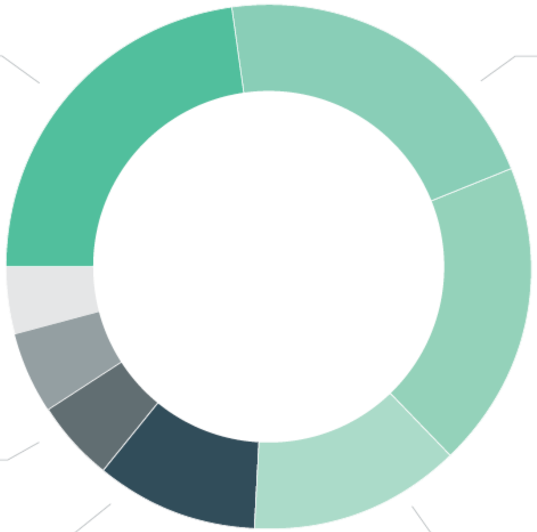


- The demand-supply imbalance in the market is driving up market rental prices at an accelerated pace.
- GCP's portfolio is well positioned to take advantage of this imbalance, evidenced by a like-for-like rental growth of 3.5% and a low vacancy rate of 3.9%. London shows the strongest rental growth at ca. 5%, supported by the absence of rent restrictions. In Germany, rental growth is anticipated to remain elevated, fueled by the delayed effects of regulatory framework.
- GCP's in-place rent continues to increase, reaching €9.0/sqm as of September 2024 with further upside to extract with significant upside relative to market potential, currently at 24%[1)], which is expected to support GCP's organic rental growth in the mid-to-long term.
- Future like-for-like rental growth is expected to be primarily driven by in-place rent increase as the operational focus has been shifted towards capturing higher rents.

1) including vacancy reduction

PORTFOLIO OVERVIEW

- In 9M 2024, GCP signed €230 million of disposals.
- In 9M 2024, GCP completed €170 million of asset disposals around book value (slight discount of <2%). The closed disposals include properties signed in 2023. These properties are primarily located in London, NRW, Berlin and Hessen at an average in-place rent multiple of 17x.
- As of September 2024, GCP has assets held-for-sale amounting to €204 million, of which ca. €100m has been signed but not yet completed.

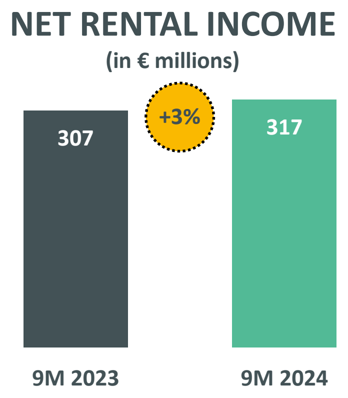


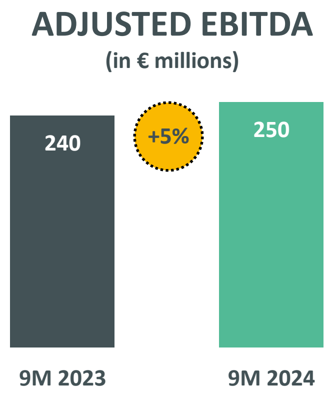
September 2024	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
Berlin	1,896	620	3.9%	72	9.7	8,395	3,060	3.8%
NRW	1,721	1,140	4.5%	91	6.7	16,674	1,509	5.3%
Dresden/Leipzig/Halle	1,111	794	3.4%	56	6.0	13,827	1,400	5.0%
Mannheim/KL/Frankfurt/Mainz	384	177	3.2%	19	9.1	3,013	2,162	5.0%
Nuremberg/Fürth/Munich	286	80	4.5%	11	12.4	1,430	3,587	3.9%
Hamburg/Bremen	383	264	4.4%	22	7.3	3,996	1,447	5.8%
London	1,644	181	3.1%	88	41.5	3,469	9,077	5.3%
Others	855	662	4.6%	54	7.1	11,210	1,293	6.3%
Development rights & Invest	184							
Total	**8,464**	**3,918**	**3.9%**	**413**	**9.0**	**62,014**	**2,113**	**5.0%**
Total December 2023	**8,629**	**4,020**	**3.8%**	**406**	**8.6**	**63,303**	**2,109**	**4.8%**

GCP

P&L RESULTS

Selected consolidated statement of profit or loss	9M 2024	9M 2023
in € '000 unless otherwise indicated		
Revenue	447,046	455,862
Net rental income	**316,931**	**307,492**
Property revaluations and capital losses	(197,478)	(569,422)
Property operating expenses	(190,274)	(208,939)
Administrative and other expenses	(8,222)	(8,541)
EBITDA	**51,072**	**(331,040)**
Adjusted EBITDA	**250,491**	**239,584**
Depreciation and amortization	(4,747)	(7,186)
Finance expenses	(43,154)	(42,093)
Other financial results	(14,213)	(63,448)
Current tax expenses	(30,910)	(29,757)
Deferred tax income	25,437	75,573
Loss for the period	**(16,515)**	**(397,951)**
Basic loss per share in €	**(0.13)**	**(2.00)**
Diluted loss per share in €	**(0.13)**	**(2.00)**





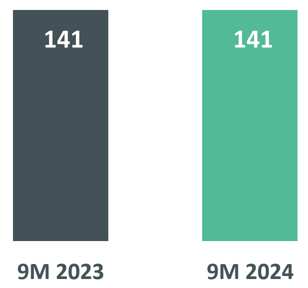
- Net rental income rose, driven by a strong like-for-like rental growth of 3.5%, despite the impact of net disposals.
- Operating costs decreased in 9M 2024 compared to 9M 2023, primarily due to lower heating costs resulting from reduced energy prices after recent volatility.
- Adjusted EBITDA increased by 5%, as the Company was able to benefit from its efficient operating platform.

GCP

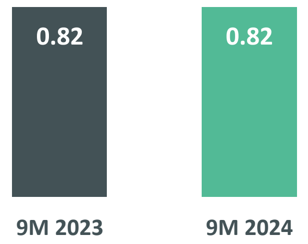
FFO I + II

in € '000 unless otherwise indicated	9M 2024	9M 2023
Adjusted EBITDA	**250,491**	**239,584**
Finance expenses	(43,154)	(42,093)
Current tax expenses	(30,910)	(29,757)
Contribution to minorities	(3,559)	(3,265)
Adjustment for perpetual notes attribution	(31,898)	(23,438)
FFO I	**140,970**	**141,031**
FFO I per share (in €)	**0.82**	**0.82**
FFO I	**140,970**	**141,031**
Result from disposal of properties	830	36,132
FFO II	**141,800**	**177,163**

FFO I
(in € millions)



FFO I per share
(in €)



- EBITDA growth was offset by increased higher perpetual notes attribution following the reset of two perpetual note series in 2023, as well as slightly higher finance expenses.
- In April and September 2024, GCP launched an exchange offer and tender for its two perpetual notes, reducing annual coupon payments by €2 million.
- By proactively managing interest exposure through variable and cap-to-fix hedging agreements, along with interest income on its cash position, GCP maintained broadly stable finance expenses year-over-year.

GCP

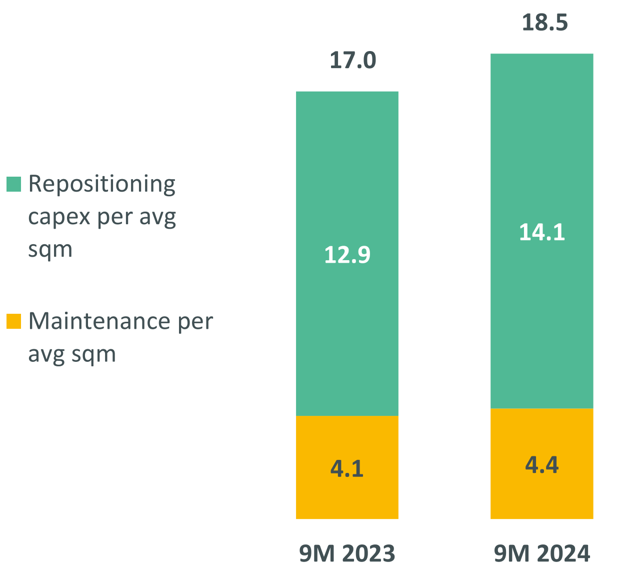
MAINTENANCE & CAPEX

REPOSITIONING CAPEX

- Focus remains on improving asset quality, value creation and increasing rental income
- Other value-add measures include:
  - Upgrading apartments for new rentals
  - Enhancing staircases and public areas
  - Installing playgrounds
  - Installing elevators and ramps
  - Other similar measures
- In 9M 2024, GCP invested €14.1/avg sqm into repositioning capex, higher compared to 9M 2023
- Additionally, in 9M 2024, GCP invested around €2 million in modernization, lower compared to 9M 2023 and €18 million in pre-letting modifications, higher compared to 9M 2023
- Investments related to energy efficiency and CO_2 reduction, such as replacing windows and heating systems, are attributed to the above category's depending on the project specifics

REPOSITIONING CAPEX & MAINTENANCE

(in € per average sqm)



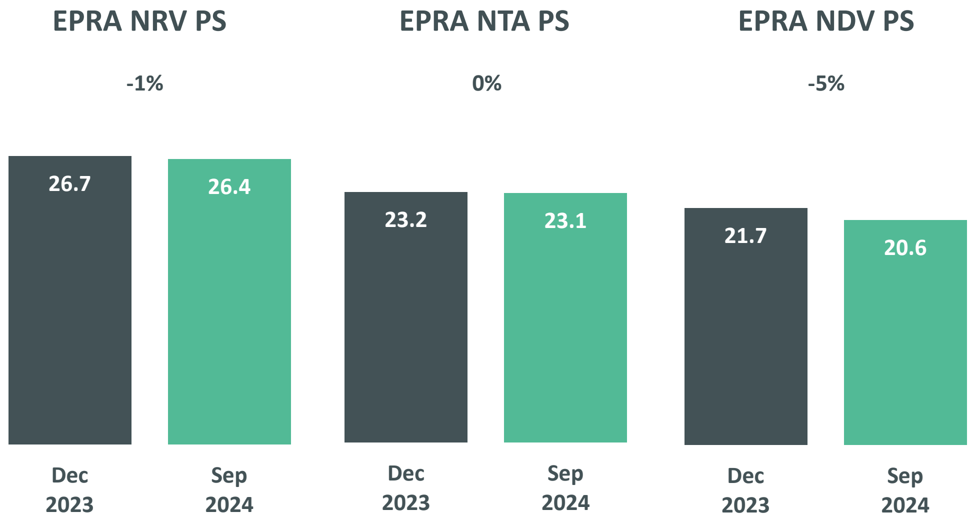
ADJUSTED FUNDS FROM OPERATIONS (AFFO)

in € '000 unless otherwise indicated	9M 2024	9M 2023
FFO I	**140,970**	**141,031**
Repositioning Capex	(57,930)	(53,760)
AFFO	**83,040**	**87,271**

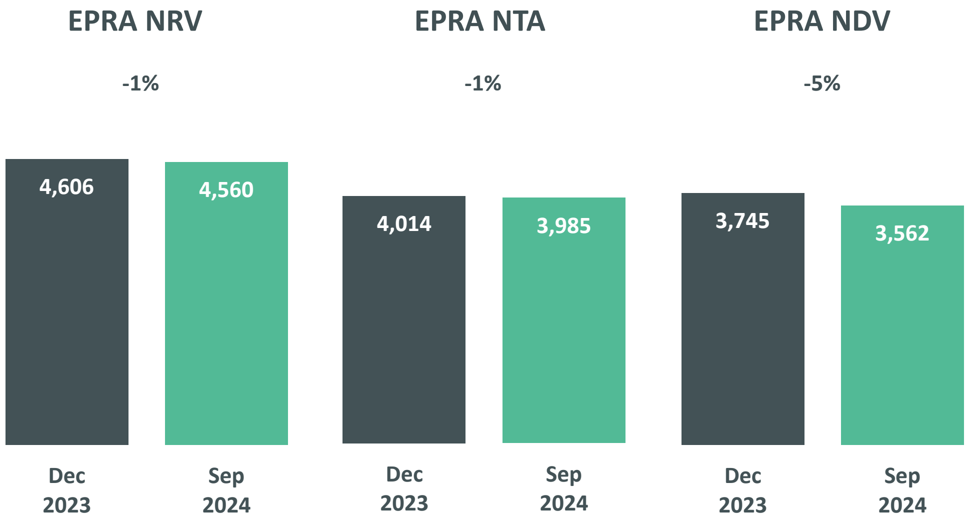
REPOSITIONING CAPEX PROJECTS

EPRA NAV METRICS

EPRA NAV PER SHARE METRICS (in €)



EPRA NAV METRICS (in € millions)



- The decline in EPRA NTA is primarily due to negative revaluations in H1 2024, though this was partially offset by the Company's strong operational performance, as indicated by FFO I of €141 million.
- The EPRA NDV is additionally negatively affected by the recovery of the Company's debt securities in the capital markets, leading to an increase in the fair value of its outstanding bonds. While this impacts the EPRA NDV metric, the Company considers it a positive development.

FINANCIAL PROFILE

STRONG FINANCIAL PROFILE

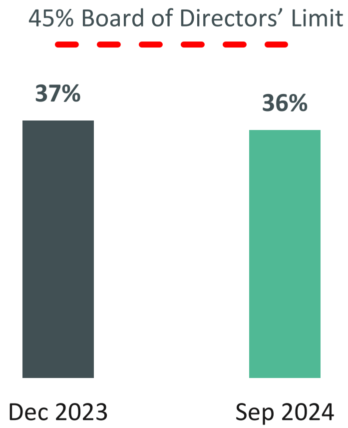
LIQUIDITY POSITION

€1.5b
Sep 2024 cash and liquid assets

Liquidity cover debt maturities until the end of 2027

LOW LEVERAGE

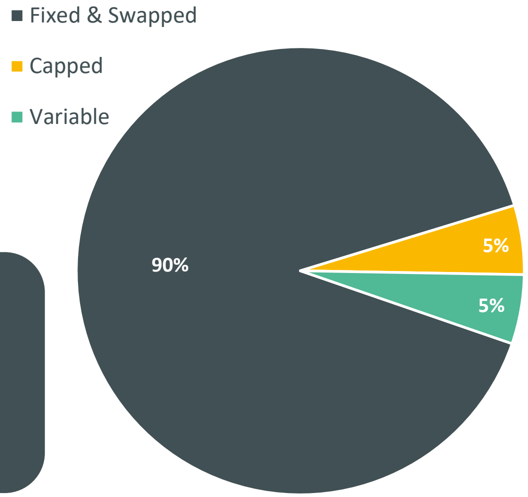
LOW AND STABLE LTV



EPRA LTV (including perpetual notes as 100% debt)	NET DEBT/ EBITDA
48%	9.1x

INTEREST HEDGING RATIO

95% hedged



Potential decrease in interest rates will positively impact debt which is variable and capped

INTEREST COVER RATIO*

9M 2024
5.8x

9M 2023
5.7x

*Adjusted EBITDA/ Finance expenses

UNENCUMBERED INVESTMENT PROPERTIES

€6.2 billion

72% of value

Significantly high pool of unencumbered assets, provide flexibility to the Company.

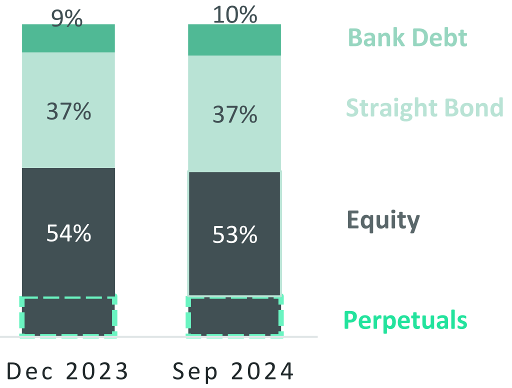
CORPORATE CREDIT RATING

Investment grade credit rating by S&P

BBB+
Negative Outlook

December 2023

FINANCING SOURCES MIX



GCP

DEBT MATURITY SCHEDULE

COST OF DEBT
2.1%
Sep 2024

AVERAGE DEBT MATURITY
5.1 years
Sep 2024

GCP

GUIDANCE

GUIDANCE

	FY 2024
FFO I	€180M – €190M
FFO I per share	€1.04 - €1.10
Dividend per share*	€0.78 - €0.83
Total net rent like-for-like growth	>3%
LTV	<45%

* The dividend will be subject to market condition and AGM approval

GUIDANCE CONFIRMED

Key drivers:

- Low single digit adj. EBITDA increase as a result of the positive like for like rental growth partially offset by disposal impacts.
- Increasing efficiency and cost saving, supported by reduced inflation.
- Full year impact from higher perpetual notes coupon payments and higher financing costs (partial impact already in 2023) to offset adj. EBITDA increase.

APPENDIX

HIGH HEADROOM FOR ALL COVENANT TYPES

- **GCP remains committed to maintain a conservative financial profile**
- Covenants are calculated based on IFRS reported figures. Perpetuals are treated as 100% Equity. Thus, **perpetuals are not part of covenants, whether called or not called**
- The classification of the equity content of the perpetual notes by rating agencies has no impact here.

COVENANT	GCP COVENANT LIMIT	9M 2024 RESULTS
TOTAL NET DEBT / TOTAL NET ASSETS	<=60% (1)	32%

REMAINING COVENANT TYPES		
SECURED NET DEBT / TOTAL NET ASSETS	<=45% (1)	N/A (Liquidity is larger than secured debt)
NET UNENCUMBERED ASSETS / NET UNSECURED DEBT	>= 125% (2)	329%
ADJUSTED EBITDA / NET CASH INTEREST	>=2.0x (3)	5.8x
CHANGE OF CONTROL PROTECTION	✓	

Notes: 1) Secured Net Debt / Total Net Assets
2) Net Unencumbered Assets / Net Unsecured Indebtedness
3) All issuances under the EMTN programme require min. coverage of 1.8x

STRESS CASE 1) (value decrease until covenant breach)	
-41% (Additional total asset value loss and assuming no further disposals)	Implies **€4.5bn** further value loss absorption before triggering the covenant

OVERVIEW OF THE COVENANT PACKAGE

- Each of the bond covenants is met with a significant headroom. Internal financial policy is set at stricter levels.
- Covenant headroom to be supported by expected disposals proceeds.
- The bonds are unsecured and have the covenant packages as described to the left. In addition to these financial covenants, there is also change of control provision.

GCP

SUCCESSFUL PERPETUAL NOTES TRANSACTIONS

	Nominal Amount outstanding before	Coupon	First call date	% and absolute accepting the offers	Exchange Ratio[1)]	Amount repurchased via tenders	**Nominal Amount outstanding after**
6.332% Perpetual Notes	€200m	6.332%	Jan 2023	76% / €152m	100%/94%	€13.2m	**€48.4m**
5.901% Perpetual Notes	€350m	5.901%	Oct 2023	92% / €323m	98%/94%	€22.5m	**€27.2m**
Total:	€550m				Reduction: €7m	Reduction: €36m	**€75.6m**

1) Left % relates to April exchange; right % relates to September follow-up exchange.

EXCHANGED FOR

6.125% Perpetual Notes	-	6.125%	Jan 2030				€431.7m

RESULT AND BENEFITS

- **With the high combined acceptance rate and issuance of a new large note, GCP reestablished itself in the Capital market.**
- The offer supports credit metrics as S&P **equity content was regained**, with only little cash usage.
- **Savings of €2m of coupon per annum**, due to the reduction of the outstanding balance. Accretive impact starting Q2 2024, following the completion of the initial transaction.
- New perpetual notes have first call date in January 2030. Next perpetual call date for existing series is in mid-2026.

MAIN CHARACTERISTICS OF PERPETUAL NOTES

- Perpetual notes have **no maturity date**. On specified dates GCP can call the notes. There is **no requirement to call**. Noteholders don't have a put option on the call date.
- Perpetual notes are ranked junior to debt securities and have **no covenants**.
- Coupons are deferable at GCP's discretion.
- Under IFRS Perpetual Notes are **100% equity instruments**. Under S&P methodology Perpetual Notes are considered 50% equity / 50% debt until the first call date.
- The nature and use of perpetual notes has a positive corporate credit rating impact.

FOCUS ON CENTRAL LOCATIONS IN BERLIN AND NRW*

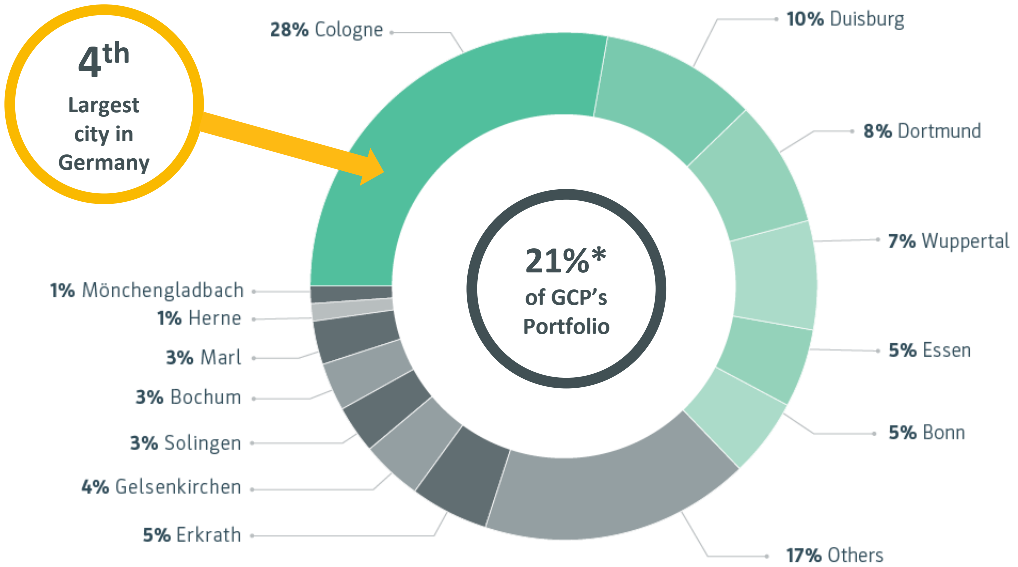
BEST IN CLASS BERLIN PORTFOLIO

23% of GCP's Portfolio Value

70% of the Berlin portfolio is located in top tier neighborhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam.

30% is well located in affordable locations located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

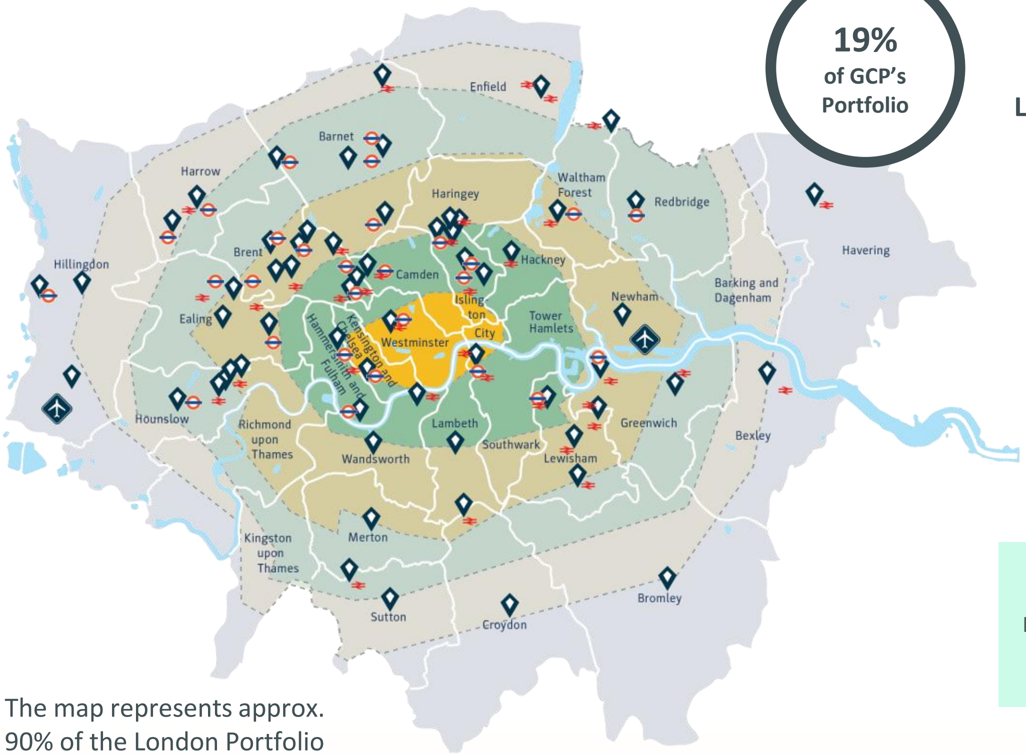
WELL DISTRIBUTED NRW PORTFOLIO



Strategically positioned in Germany's largest metropolitan area

* all breakdowns are by values, unless otherwise indicated

HIGH QUALITY LONDON PORTFOLIO*



The map represents approx. 90% of the London Portfolio

19% of GCP's Portfolio

WELL CONNECTED LONDON PORTFOLIO

UNDERGROUND

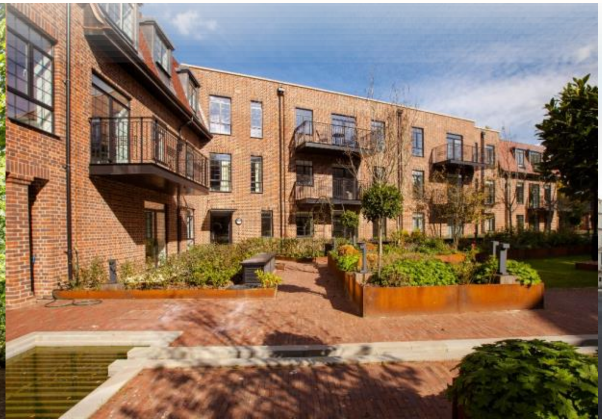
The London portfolio is well dispersed within London, with a focus on affordable housing outside the inner city.

- The total London portfolio, including pre-marketed units, consists of **approx. 3,600 units**
- Approx. **80% of the portfolio** is situated within a **short walking distance** to an underground/overground station
- Through strong letting performance from double digit vacancy to **occupancy of 97%** as of September 2024
- Short term contracts ensure that the London portfolio is **benefitting from inflation**
- The London rental market displays **strong fundamentals supportive to its growth** and **provides the overall portfolio with valuable diversification, also in terms of regulatory risk diversification**

* all breakdowns are by values

LONDON



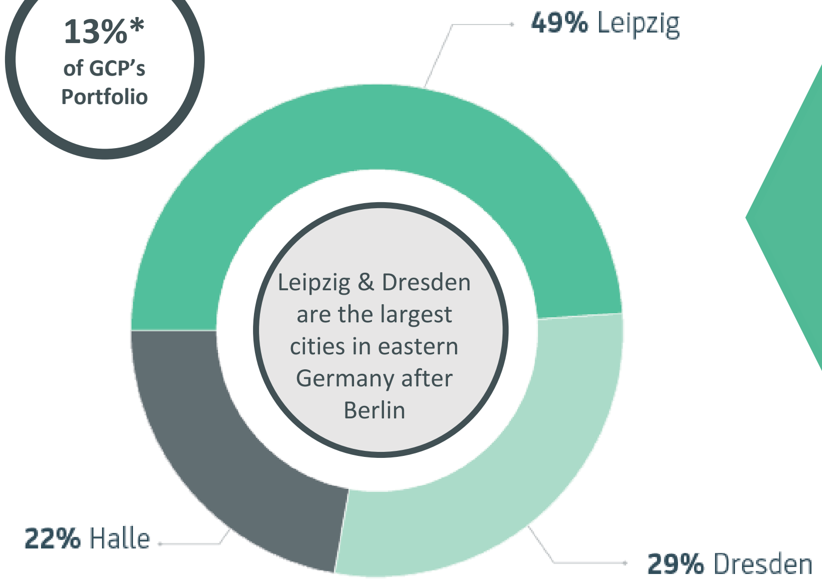




GCP

QUALITY EAST AND NORTH PORTFOLIO

QUALITY EAST PORTFOLIO
DRESDEN/LEIPZIG/HALLE

13%*
of GCP's Portfolio



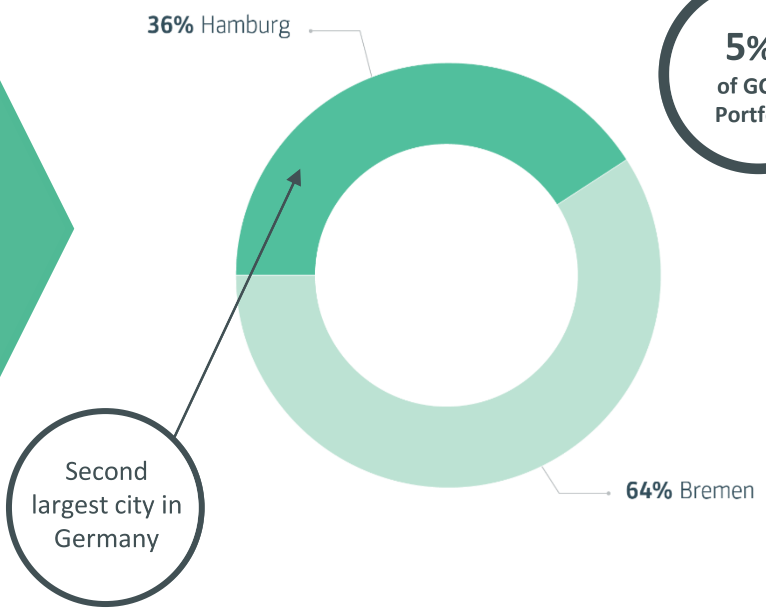
DIVERSIFICATION INTO GERMANY'S DYNAMIC EASTERN CITIES WITH STRONG DEMOGRAPHIC FUNDAMENTALS

WELL POSITIONED IN GERMANY'S LARGEST NORTHERN CITIES

RESILIENT AND DEFENSIVE PORTFOLIO WITH UPSIDE POTENTIAL

QUALITY NORTH PORTFOLIO
HAMBURG / BREMEN

5%*
of GCP's Portfolio



*all breakdowns are by values

LONDON RENTAL MARKET
SIGNIFICANT SUPPLY – DEMAND IMBALANCE

INCREASING DEMAND RESULTING IN HIGHER RENTS

- No rent regulation in London allows to capture inflation at a fast rate.
- London has witnessed the highest rent increase as compared to other English regions as seen below.
- Demand is supported by international students and expats.
- According to the ONS, London's population is estimated to reach 10M by 2036 from just over 9M in mid 2020.

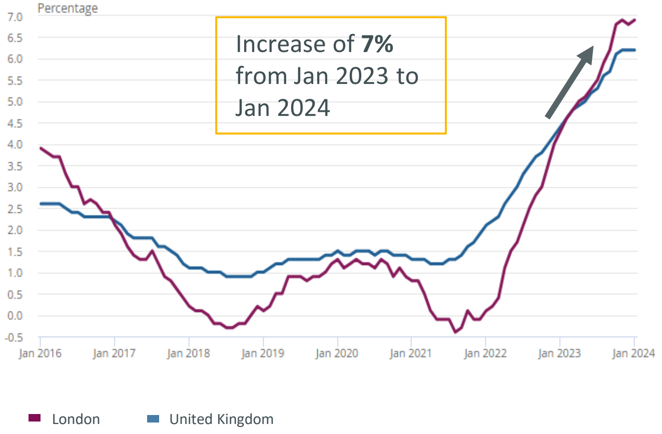
COSTS AND DELAYS REMAIN ELEVATED

- As per the most recent Construction Output Price Indices release, price growth for all construction work was 21% from January 2021 till June 2024.
- Sustained labor shortages and rapidly growing wages continue to drive prices higher.
- Although supply chain delays have eased, prices of input material remain elevated and continues to hamper construction.
- High interest rates further reduce new construction as funding for developers becomes constraint.

SUPPLY CONTINUES TO LAG

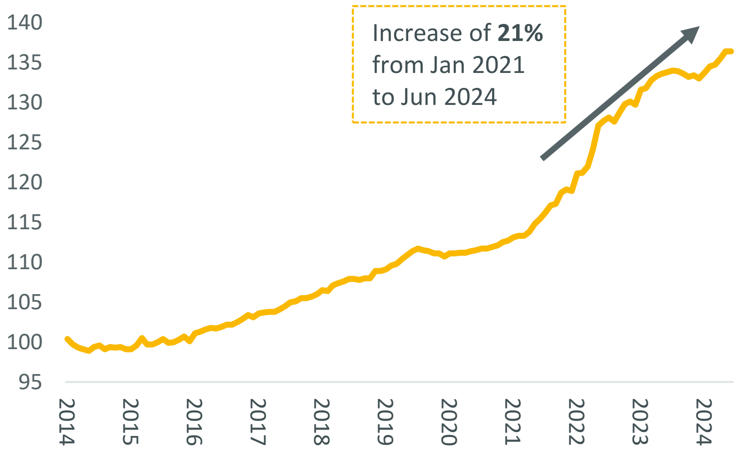
- New completions continue to lag the **required level of 66k units per year** according to the 2017 draft London Plan.
- According to official statistics, new completions in the 2022/23 fiscal year **were just over 35k units**.
- Per the Home Builders Federation, planning permission was granted for 50k new homes in London in 2023, **-24% compared to 2022.** In **H1 2024**, the number of permissions **decreased by 40% YoY**, with historical actual completion well below the permissions number.

Private rental price percentage change over 12 months, UK and London, January 2016 to January 2024



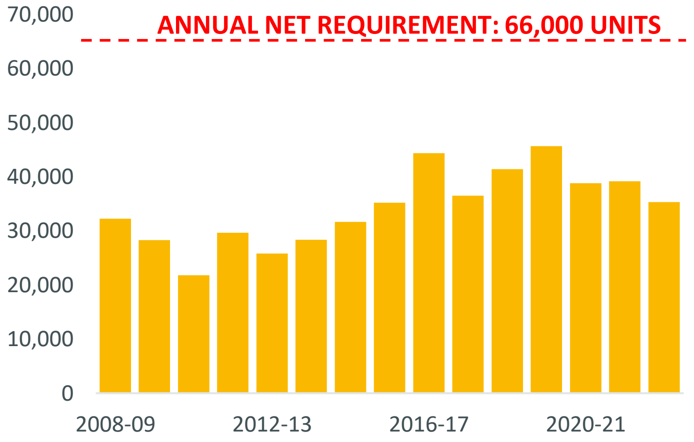
Source: ONS, Index of Private Housing Rental Prices.

Construction Output Prices



Source: ONS

Contribution to net change in dwellings in London

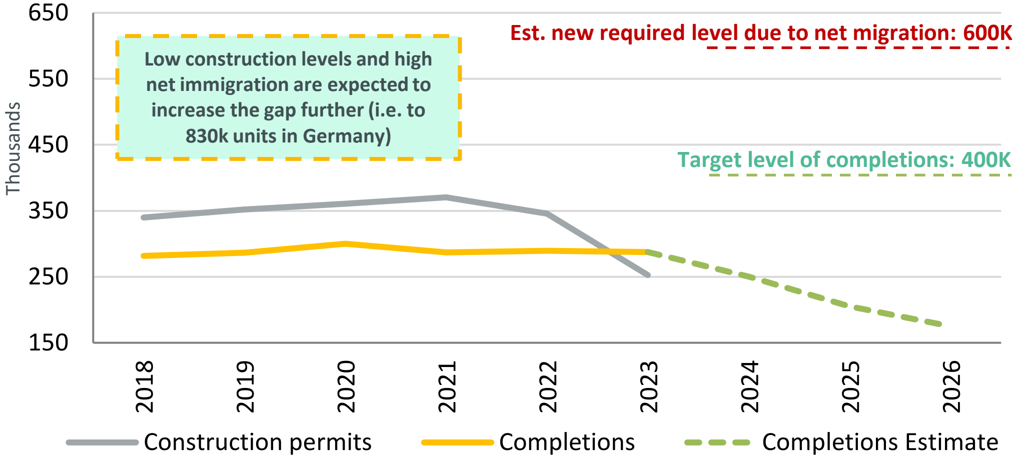


Source: UK GOVERNMENT

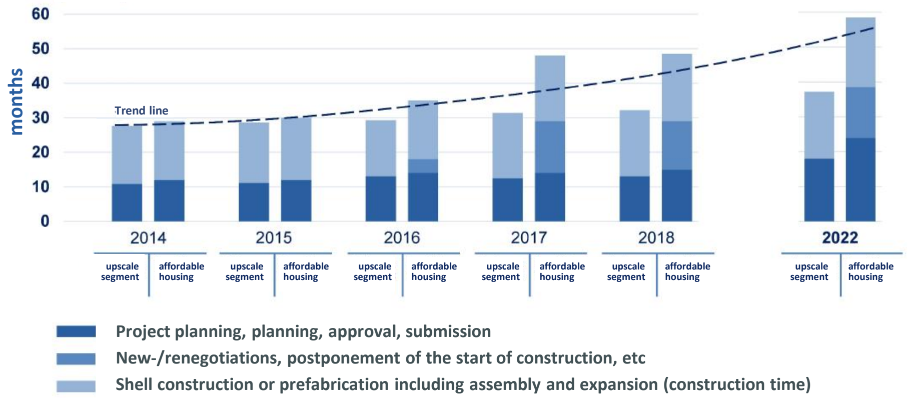
GERMAN HOUSING MARKET – SUPPLY FUNDAMENTALS

Strong increase in construction costs, additionally driven by more regulation[1]

Germany: Actual Completions vs. Required Completions[2] and Estimated Completions[3]



In addition to higher costs, additional requirements significantly slowed down projects, reflected in longer average time to complete new developments[1]



- **Continuously increasing construction costs**, driven by higher base costs, higher regulatory pressure and longer project times, combined with higher financing costs, make clear that **new construction at affordable levels has become impossible without larger subsidies**.
- This is likely to drive rent for new construction even higher.
- These impacts will continue to provide tailwinds for existing stock in the long-term keeping occupancy high and driving in-place rents higher.

1. ARGE//EV, In Deutschland: Kosten – Bedarf – Standards – Bauforschungsbericht Nr.88 – April 2024
2. Destatis (actuals), target level of completions of the German Government
3. Ifo institut (EUROCONSTRUCT)

GCP

LONDON RENTAL MARKET – RENTING FAVORABLE OVER OWNING

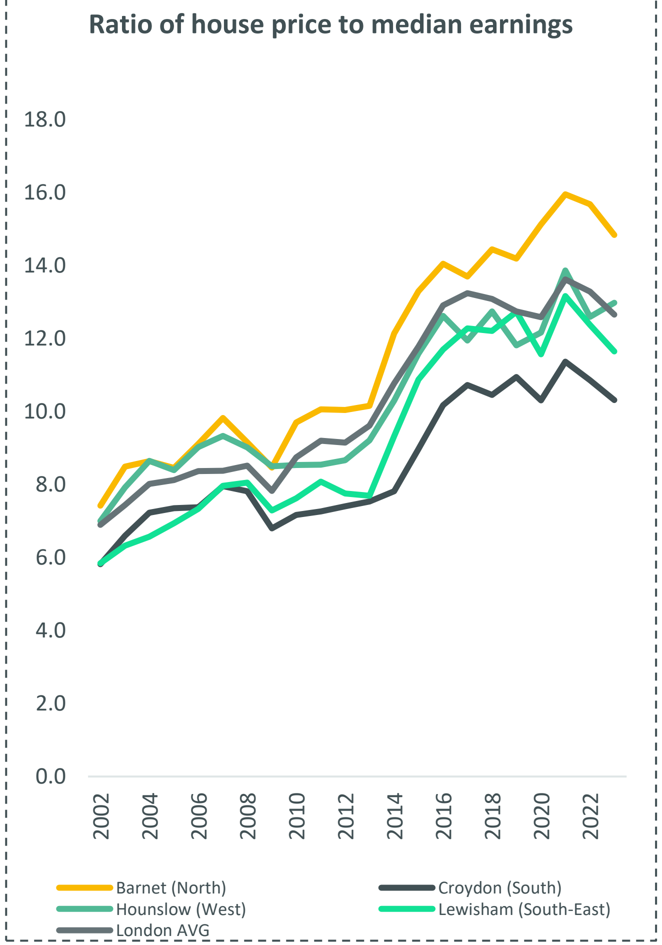
- Doubling of house price to household income ratio since early 2000s leading to the **decrease in affordability of home ownership and supporting rental demand**, especially in the affordable segment.

- This is reflected in the comparably lower home ownership rate in London, which has remained well below the UK as whole.

- The size of mortgage deposits put down by first-time home buyers in London has been growing consistently and significantly above the rest of the country, as the result of **rising prices and falling loan to value ratios, requiring first time buyers to add more equity.**

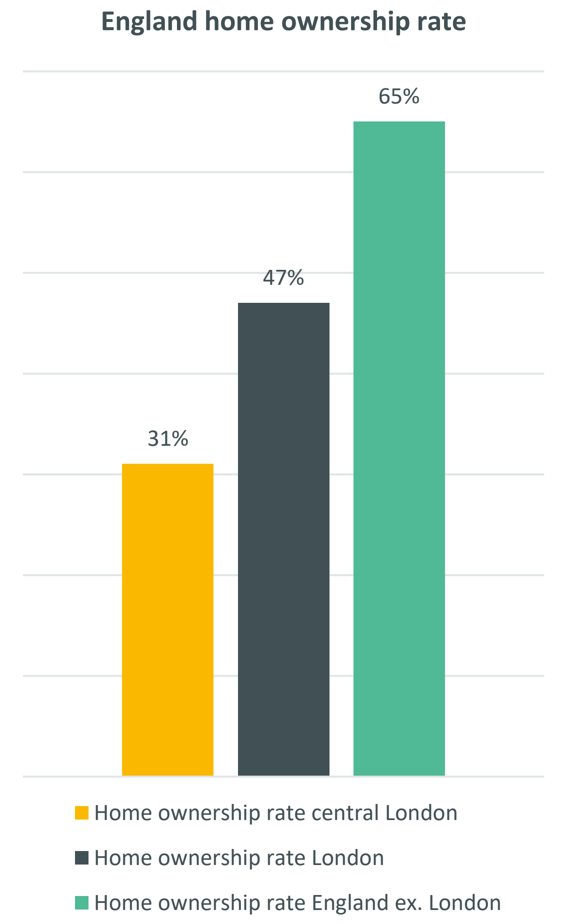
- The tendency suggests this number will continue to increase and will likely drive more people to choose to rent over buying, **as prices have started to rise again, and recent mortgages almost completely had Loan to value ratios under 85%.**

- Recent governmental data indicated a significantly lower proportion of people buying homes with mortgages in London as compared to the rest of England.



Source: GLA, Ratio house price earnings residence based

Source: GLA, London Housing Market Report



Source: 2021 Census

ESG AND SUSTAINABILITY

ENHANCED REPORTING

In order to effectively address the varied interests and priorities of our business partners, investors, tenants, employees and communities

2023 (NON-)FINANCIAL REPORT

GCP presents its performance measures in alignment with the European Public Real Estate Association (EPRA) sustainability Best Practice Recommendations (sBPR) standards throughout this report.
The non-financial report forms an integrated part of our Consolidated Annual Report for the year 2023

The non-financial report was reviewed with limited assurance by KPMG. It provides a description of how we manage GCP's material environmental, social and governance topics and is intended primarily for legislators and investors.

EPRA BPR GOLD

EPRA sBPR GOLD

For the 8th year in a row, GCP was awarded the **EPRA BPR Gold Award** for its Annual Financial Report for FY 2023 as well as the **EPRA sBPR Gold Award** for its EPRA sBPR reporting.

RECOGNITION FOR ESG & SUSTAINABILITY MEASURES

- **Top 6th percentile within real estate peer group** in Corporate Sustainability Assessment (S&P) and was rated industry-best in the sub-category "Customer Satisfaction Measurement", reflecting the strong focus on tenant satisfaction.
- One of the leading sustainability ratings, which inclusion in Dow Jones Sustainability Index is based on.

S&P Global Sustainable1

SUSTAINALYTICS

February 2024

GCP's ongoing commitment to sustainability was recognized in the recent Sustainalytics ESG Risk Rating Report <u>ranking GCP in the top 8th percentile of the global universe of companies</u>.
Sustainalytics, a Morningstar company is a leading ESG and Corporate Governance research and ratings firm.

Corporate ESG Performance
Prime
RATED BY ISS ESG

Bloomberg Gender-Equality Index 2023 Member

GCP

ESG GOALS AND CONTRIBUTION

Goal	Our contribution
3 GOOD HEALTH AND WELL-BEING	We contribute to Goal 3 by providing accommodation and building communities that support the health, safety and wellbeing of our residents. We also make a positive contribution to Goal 3 by protecting the health and wellbeing of our employees
4 QUALITY EDUCATION	We contribute to Goal 4 by investing in our people's knowledge, skills and development to support their personal growth. Secondly, we support organisations that deliver wider benefits to our residents such as services including educational support programmes to promote social mobility (see also Goal 10).
5 GENDER EQUALITY	Our commitment to Goal 5 is demonstrated by our support for the Charta der Vielfalt (German Diversity Charter) and our inclusion in the Bloomberg Gender Equality Index. Our zero-tolerance approach to discriminations is underpinned by our Anti-Discrimination Policy and Diversity Committee.
7 AFFORDABLE AND CLEAN ENERGY	We support Goal 7 by investing in a more decentralised, renewables-based energy model for our assets. We have committed to the installation of on-site renewables and have set a target to procure only PPA carbon-neutral energy for landlord areas by 2027.
10 REDUCED INEQUALITIES	We support Goal 10 through our business model which involves buying, optimising and repositioning previously under-managed and under-rented residential assets. Through this, we enhance tenants' quality of living. We also provide cash and/ or in-kind funding to local organisations which are well-placed to deliver additional social benefits to tenants and the wider community.
11 SUSTAINABLE CITIES AND COMMUNITIES	Many of our asset repositioning projects relate to previously neglected properties where we can significantly improve the residential environment and reduce the ecological impact. As well as improvements to the built environment, we contribute to Goal 11 by engaging with local authorities to improve existing community infrastructure, helping to make the neighbourhoods where we invest become more desirable.
13 CLIMATE ACTION	By up-grading existing buildings to ensure high standards of energy efficiency and low or zero carbon status we make a positive contribution to Goal 13. We have set a target to achieve a 40% reduction in CO_2 emissions by 2030 against a 2019 baseline, and our energy strategy supports this target by prioritising building upgrades and investments in energy efficiency, renewable energy generation and storage systems.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	We contribute to Goal 16 by promoting robust corporate governance practices and high standards of business ethics across our operations and supply chain.
17 PARTNERSHIP FOR THE GOALS	We contribute to Goal 17 by participating in global and national cross-sector initiatives, and support industry organisations to positively influence the property sector.

SUSTAINABLE DEVELOPMENT GOALS

ENVIRONMENT

GOING FORWARD

- Create and deliver a portfolio wide CO2 reduction pathway report by energy auditing **the environmental performance** of buildings such as the use of energy, waste and water.
- Continue to switch the electricity supply of all common areas to **PPA** (Power Purchase Agreement) of **certified renewable electricity** generated from wind, hydroelectric, and solar PV sources.
- Preserve **biodiversity** by limiting large green field developments and working on biodiversity-enhancing plantations while setting up insect hotels and bird houses.
- Reduction of 40% in CO2 emissions by 2030 from the 2019 baseline.

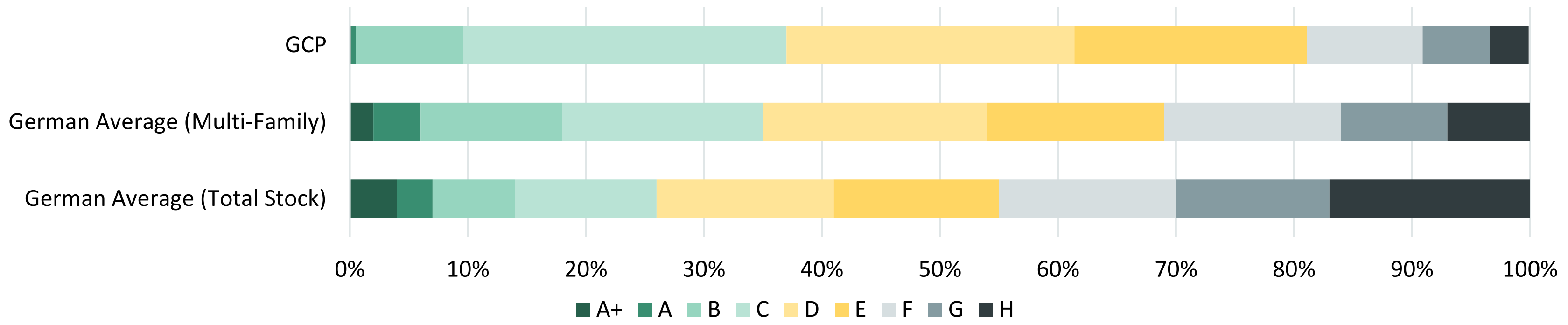
GCP is undertaking measures to improve efficiency and reduce emissions by 40% as part of its 2030 environment goals

GCP

REGULATORY ENVIRONMENT – MODERNISATION

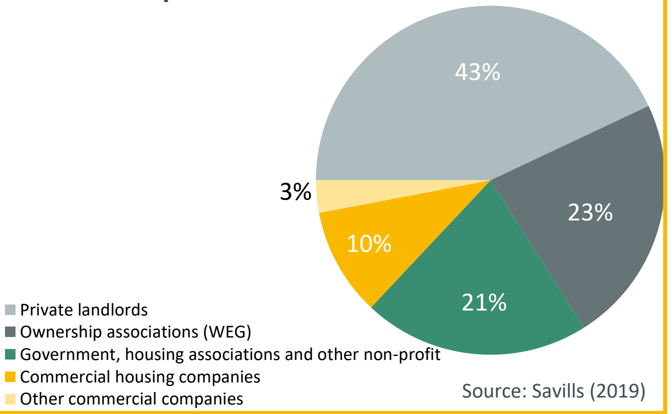
- GCP continues to monitor the changes with regards to the modernization and sustainability investments. The German government recently rolled out a new subsidy and tax incentive scheme – however, these have changed continuously in recent years, and, in our opinion, more certainty is required for materially more investment.
- The German government recently announced several measures for boosting the new housing supply in Germany, **which have implications for energetic modernisations.**
  - Speed bonus subsidy for new heating now applies to landlords
  - **Avoiding binding modernization obligations for buildings with regards to the EU Energy Performance of Buildings Directive (EPBD)**
- **Due to the ownership structure of the German rental market*, which comprises overwhelmingly small private landlords, the question of funding the modernisation of the housing stock remains a significant issue, as many private landlords do not have the financial means to modernise their properties or scale to do so cost effectively. GCP therefore expects additional government subsidies to support the transition to a more energy efficient housing stock.**

GCP's German portfolio EPC distribution compared to German National Averages



Source: German Government (BMWK); Langfristige Renovierungsstrategie der Bundesregierung, 2020

Ownership structure German rental market*



Source: Savills (2019)

* The German rental market represents ~52% of the total housing market, with the remaining ~48% owner occupiers

SOCIAL

TENANTS

Entertaining, diverse, convincing: GCP creates attractive digital alternatives to prior at-site-events

Seasonal GCP digital tenant events keep up tenant interaction and satisfaction (Advent Calendar, Easter/ Summer/ Halloween Event)

GCP develops lighthouse digital services for (prospective) tenants: Service App, Loyalty Program, digital flat search, virtual flat viewings and digital signature

GCP ensures a consistently high tenant satisfaction through a comprehensive tenant service, including our 24/7 service center

GCP FOUNDATION

From Dortmund to Halle, from Bremen to Mainz: Support for charitable projects across Germany

Wide range of beneficiaries, e.g. social facilities, day care centers for children, creative centers, micro-local community initiatives, sports teams, and many more

Strong network, also through repeated engagements - among others:

EMPLOYEES

GCP values diversity – a fact that is also underlined with almost 40 nations represented among all GCP employees

GCP offers a wide range of online and at-site trainings for personal and professional development - including a leadership program to promote and retain young talents

GCP provides the team at the operational HQ in Berlin with a free gym - with exercise equipment, trainers and numerous sports courses

GCP cooperates with an external and renowned partner to offer holiday care and virtual childcare for children of all our employees

LOOKING FORWARD

We want to...
... further improve tenant satisfaction by continuously enhancing the digital customer service experience for tenants and further reducing response times
... further improve and enhance employee training & development and provide more opportunities for advancement to internal employees
... Support more charitable projects in GCP communities to foster a sense of togetherness and build strong community bonds
... further explore our digital tenant events in terms of variety (e.g. hybrid events) and participant numbers - and also regarding potential abstract effects towards other (digital) company-owned tools, programs and initiatives




GOVERNANCE

1

BEST-IN-CLASS REPORTING LEADING TO HIGH STANDARDS OF TRANSPARENCY

- For the EIGHT CONSECUTIVE year in September 2024, GCP received the EPRA BPR and sBPR gold awards for its financial reporting and sustainability reporting, respectively.

2

EXPERIENCED LEADERSHIP WITH STRONG AND INDEPENDENT BOARD OF DIRECTORS

- GCP benefits greatly from a strong Board of Directors composed primarily of independent directors. At the 2024 AGM the Board of Directors was expanded to five members, of which 80% are independent and non-executive directors. Three members are male and two are female.
- Additionally, the Audit, Risk, Nomination & Remuneration committee members are majority independent directors providing strong governance to the organization.

3

INTEGRATED SUSTAINABLE BUSINESS STRATEGY

- Sustainability goals further entrenched into the core business with GCP's integrated sustainable business strategy.

- Milestones and targets alligned with the relevant United Nations' Sustainable Development Goals.

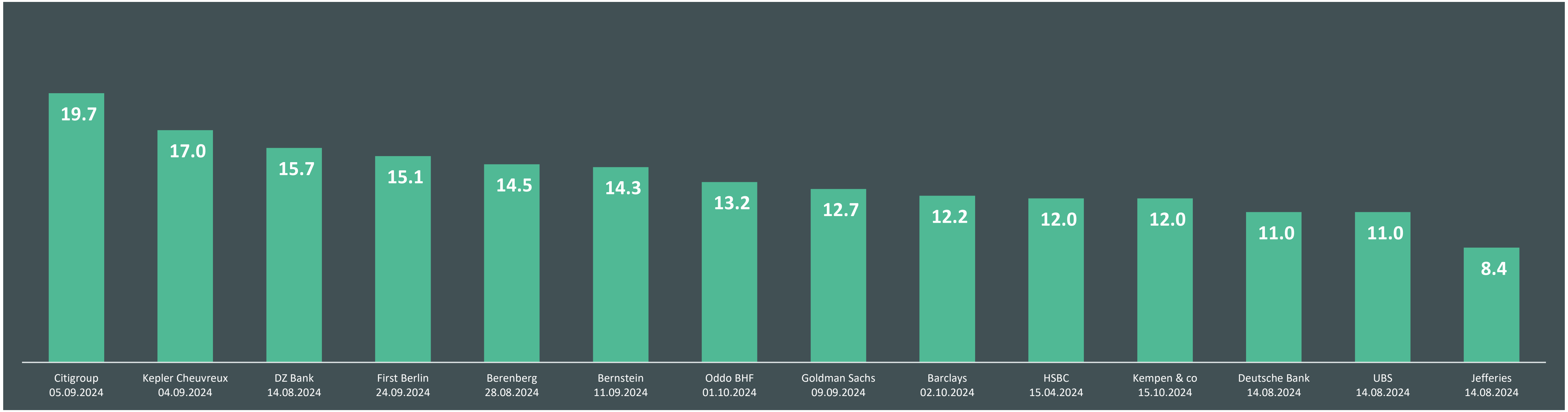
FINANCIAL POLICY

GCP FINANCIAL POLICY
LTV limit at 45%
Debt to debt plus equity ratio at 45% (or lower) on a sustainable basis
Maintaining conservative financial ratios with a strong ICR
Unencumbered assets above 50% of total assets
Long debt maturity profile
Good mix of long-term unsecured bonds & non-recourse bank loans
Dividend distribution of 75% of FFO I per share*

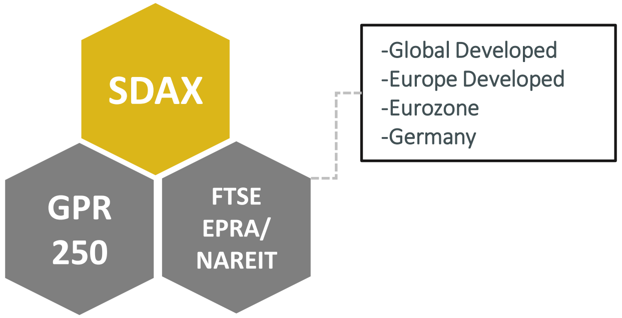
* the Company has decided not to distribute a dividend for the year 2023, due to the current market uncertainties. Dividend distributions remain subject to market conditions.

GCP REMAINS COMMITTED TO MAINTAINING A CONSERVATIVE FINANCIAL POLICY

ANALYST COVERAGE

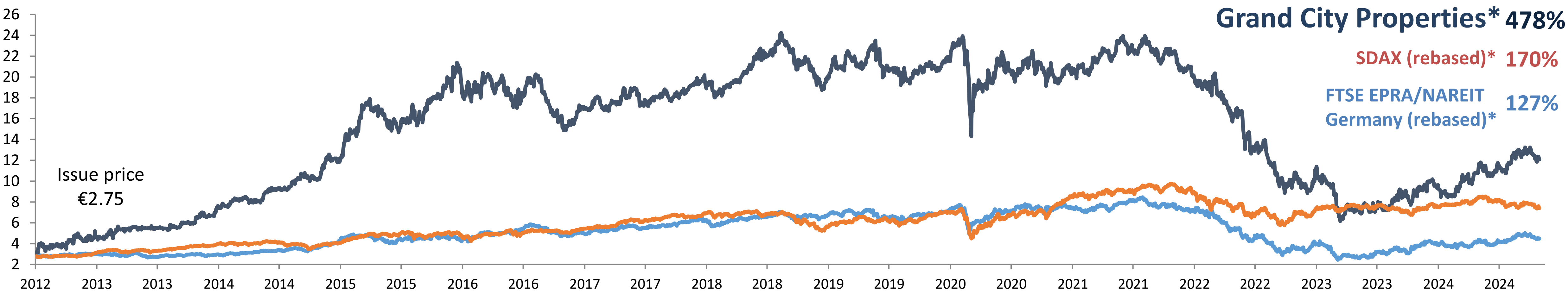


KEY INDEX INCLUSIONS



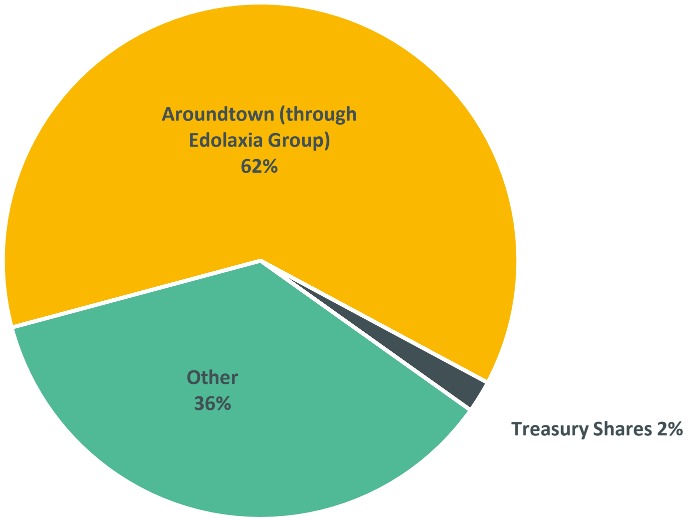
SHARE DEVELOPMENT & OWNERSHIP STRUCTURE

GCP - SHARE PRICE AND TOTAL RETURN* SINCE FIRST EQUITY PLACEMENT (19.7.2012)



* percentages reflect total return, including dividends reinvested

OWNERSHIP STRUCTURE (September 2024)



Placement	Frankfurt Stock Exchange (Prime Standard)
First equity issuance	19.07.2012 (€2.75 per share)
Number of shares (as of 30 September 2024)	176,187,899
Number of shares, excluding suspended voting rights, base for share KPI calculations	172,385,839 (as of 30 September 2024)
Symbol (Xetra)	GYC

GCP

MANAGEMENT – CEO & CFO

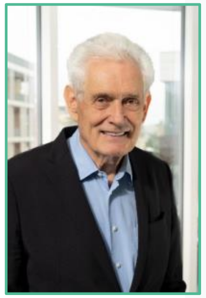
REFAEL ZAMIR – CHIEF EXECUTIVE OFFICER

Mr. Zamir is the Chief Executive Officer of Grand City Properties since 2020 (and Daily Manager (administrateur-délégué)). Mr. Zamir has been working for the Group since 2013. He served as Chief Financial Officer from 2014 to 2023 and as Chairman of the Board from 2017- 2020. Mr. Zamir has more than 15 years of international professional experience in management, capital markets, Finance, M&A, and corporate matters. As part of his CEO position, he leads the global operations of €10 billion of real estate assets value. located mainly in Germany and London. Prior joining GCP, he worked for several years as an external auditor in the real-estate, construction, and financial sectors at BDO and Ernst & Young. Mr. Zamir is Certified Public Accountants in Israel since 2009 and holds a BA and MBA in Finance and business administration.

IDAN HADAD – CHIEF FINANCIAL OFFICER

Mr. Hadad is the Chief Financial Officer of Grand City Properties as of January 2023 (and also Daily Manager (administrateur-délégué) of the Company). Mr. Hadad joined the group in 2015 as the corporate controller and led the group’s accounting and financial reporting department. Mr. Hadad brings with him a decade of experience in the field of financial management, including accounting and taxes, compliance and risk management, cash and budget management, payments control and collection. Before joining the group, Mr. Hadad served as a senior auditor at Deloitte. Mr. Hadad is a Certified Public Accountant in Israel and holds a BA in business administration and accounting from the Hebrew University of Jerusalem.

MANAGEMENT – BOARD OF DIRECTORS



MR. CHRISTIAN WINDFUHR – CHAIRMAN, DIRECTOR

Mr. Windfuhr is the Chairman of the Board of Grand City Properties. Before joining Grand City Mr. Windfuhr served as CEO of Maritim Hotels, with 40 hotels in Germany. Prior to this he served as CEO of Mövenpick. He achieved the financial turnaround of Mövenpick, drove international expansion, publicly listed the company, and worked out a strategic partnership with Kingdom Holding (HRH Prince Alwaleed) and JP Morgan. Served as Director of TUI, Europe’s largest tour operator. He served high positions in Holiday Inn, Kempinski, & Southern Sun. Graduated at Cornell University.

MS. SIMONE RUNGE-BRANDNER – NON-EXECUTIVE DIRECTOR

Ms. Runge-Brandner is a Non-Executive Director and member of the audit-, remuneration- and nomination committee. Her past positions include Deal Manager (Director) at UBS Deutschland AG, Vice President Real Estate Finance/ Investment Funds, Credit Manager at Dekabank Frankfurt and Credit Manager Real Estate Finance at Helaba Frankfurt. Ms. Runge-Brandner has a Diploma in International business administration.

MR. MARKUS LEININGER – INDEPENDENT DIRECTOR

Mr. Leininger is an Independent Director. Before joining Grand City Properties, he was a senior banker with a focus on financing, private equity and real estate. He served as head of operations with Eurohypo AG (Hypothekenbank Frankfurt) and Rheinhyp AG (Commerzbank) and is a member of the advisory board and investment committee of Revetas Capital Advisors. He holds a diploma in Business Administration.

MR. SCOT WARDLAW – INDEPENDENT DIRECTOR

Mr. Scot Wardlaw is an Independent Director. He currently serves as owner and managing director of a consulting company and has 20 years of experience working in the real estate industry, including real estate finance, business development and strategy and real estate asset management. He has a B.F.A. from the Savannah College of Art & Design and is a qualified real estate broker (Geprüfter Immobilienmakler EIA) and a qualified real estate asset manager (Diplom Immobilienverwalter EIA).

MS. MONICA PORFILIO – INDEPENDENT DIRECTOR

Ms. Monica Porfilio is an Independent Director. Ms. Porfilio seats as Independent director in some private companies in Luxembourg and serves as chief financial and administrative officer and executive director of a holding company investing in a listed international pharmaceutical group. She has experience as a CFO and COO with focus on strategy, financial and operations areas across a variety of industries. Ms. Porfilio has a Master in Business Administration from Luxembourg School of Business, a degree cum laude in Political Science with specialization in Economics from University La Sapienza, Rome. She is IDP-C certified director at INSEAD, and certified director of the Institut Luxembourgeois des Administrateurs Luxembourg.

Strong Board of Directors

- Majority of the board of directors is independent
- Audit committee members are independent or non-executive
- Incentivized to align with the Company’s long-term goals

Board of Directors’ committees

The Board of Directors is supported by five committees of the Board, consisting principally of independent directors, these being the ESG, Audit, Risk, Remuneration and Nomination Committees. Additional support is provided by the Advisory Board. The Audit Committee, Risk Committee and Remuneration Committee consist of two independent and one non-executive board member. The Nomination Committee consists of three independent Directors.

MANAGEMENT – SENIOR MANAGEMENT

SEBASTIAN REMMER-FALTIN - COO

Mr. Remmert-Faltin has more than 20 years professional experience in the real estate industry. He covered positions ranging from property and asset management, letting, marketing and other operational aspects

MICHAEL BAR-YOSEF – HEAD OF INVESTOR RELATIONS AND CAPITAL MARKETS

Mr. Bar-Yosef is responsible for investor relations, capital markets and credit ratings with more than 15 years of experience. Before joining GCP he served as a financial and corporate analyst for a financial advisory and was an economist. Mr. Bar-Yosef holds an MBA in economics

MANDY KUEBSCHOLL – HEAD OF QUALITY ASSURANCE & CUSTOMER CARE

With over 10 years of experience in the hotel industry in Revenue Management, as well as leading the central reservation office at GCH, Ms. Kübscholl has brought her extensive expertise to GCP since 2014. She has been at the forefront of ensuring tenant satisfaction and operational excellence within GCP's Service Center. She oversees and continuously refines GCP's standards in tenant communication and operational processes.

KATHRIN LAMPEN – HEAD OF LEGAL

Ms. Lampen has more than 15 years experience in the field and advises the senior management in the fields of legal corporate as well as contract and compliance. Prior to joining GCP she served as a legal counsel at Sirius Real Estate. Ms. Lampen holds a law degree from the University of Marburg (Germany) and Université de Lausanne (Switzerland).

Strong senior management structure
- Longevity in the company with high and stable retention rate
- Incentivized to align with the Company’s long-term goals – like-for-like occupancy and rent increase, operational efficiency, increase in adjusted EBITDA, FFO per share, EPS and NAV per share, keeping conservative financial ratios

ADVISORY BOARD

The Advisory Board is an important source of guidance for the Board of Directors when making strategic decisions and has been established by The Board of Directors to provide expert advice and assistance. The Advisory Board has no statutory powers under Luxembourg law or the articles of incorporation of the Company but applies rules adopted by the Board of Directors.

YAKIR GABAY - CHAIRMAN

Mr. Gabay is the chairman of the Advisory Board. Before GCP, Mr. Gabay was chairman & managing partner of an investment company which managed over $30 billion of assets, before that he was the CEO of the investment banking of Bank Leumi. Mr. Gabay holds an MBA and BA in Accounting/Economics and is a CPA.

DAVID MAIMON - MEMBER

Mr. Maimon was the President and CEO of EL AL Israel Airlines. Prior to that, Mr. Maimon was EVP of Customer Service, Commerce & Industry Affairs Sales & Marketing in EL AL Airlines and also served as a Director in various Israeli commercial companies such as Leumi Gemel Ltd, Hever and Sun D'Or International Airlines. Mr. Maimon holds an MBA.

DR. JOHANNES BEERMANN - MEMBER

Prof. Dr Johannes Beermann was a Board Member of the Deutsche Bundesbank and is currently an honorary professor for public finance and public affairs at the University of Applied Sciences of Mittweida (Germany). Prior to that, Prof. Dr Johannes Beermann had a long and distinguished political career, including Staatsminister in Saxony as well as State Secretary in the Hessian State Chancellery, among others. Dr Johannes joined the Advisory board of GCP in 2023.

CLAUDIO JARCZYK - MEMBER

Advisory Board member. Prior to GCP, Mr. Jarczyk served as an Executive Director at BerlinHyp Bank specializing in real estate financing with a focus on international clients, as a Chief International Executive at Landesbank Berlin and as an International Division-Department Manager at Bayerische Vereinsbank Munich. Mr. Jarczyk holds a Dipl.Kfm. / MBA at Munich University.

GCP

CREDIT RATING MATRIX

FINANCIAL RISK PROFILE

BUSINESS RISK PROFILE

S&P Global	1 MINIMAL	2 MODEST	3 INTERMEDIATE	4 SIGNIFICANT	5 AGGRESSIVE	6 HIGH LEVER-AGED
1 EXCELLENT	aaa/ aa+	aa	a+/a	a- (Vonovia- BBB+)[1]	bbb	bbb-/bb+
2 STRONG	aa/ aa-	a+/a	(DW)[2] A- (GCP) (Aroundtown) BBB+ (Covivio)	BBB	bb+ (Heimstaden- BBB-)[3]	bb
3 SATISFACTORY	a/a-	bbb+	BBB/BBB-	BBB-/bb+ (TAG)	bb	b+
4 FAIR	bbb/ bbb-	bbb-	bb+	bb	bb-	b
5 WEAK	bb+	bb+	bb	bb-	b+	b/b-
6 VULNERABLE	bb-	bb-	bb-	b+	b	b-

GCP continuously strengthens its position within the business profile

1 Rating anchor of Vonovia is A-, after the effects of modifiers, is BBB+
2 Rating refers to the stand-alone credit profile (SACP) rating. Deutsche Wohnen has long-term issuer credit rating of BBB+
3 rating anchor for Heimstaden is bb+, after the effects of modifiers, is BBB-

GCP has a **business risk profile that has proven its resilience** and a **long track record of maintaining a steady and secure financial risk profile.**

GCP

DISCLAIMER

IMPORTANT:

This presentation has been provided for information purposes only and is being circulated on a confidential basis. This presentation shall be used only in accordance with applicable law, e.g. regarding national and international insider dealing rules, and must not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by the recipient to any other person. Receipt of this presentation constitutes an express agreement to be bound by such confidentiality and the other terms set out herein. This presentation includes statements, estimates, opinions and projections with respect to anticipated future performance of the Group ("forward-looking statements"). All forward-looking statements contained in this document and all views expressed and all projections, forecasts or statements relating to expectations regarding future events or the possible future performance of Grand City Properties S.A. or any corporation affiliated with Grand City Properties S.A. (the “Group”) only represent the own assessments and interpretation by Grand City Properties S.A. of information available to it as of the date of this document. They have not been independently verified or assessed and may or may not prove to be correct. Any forward-looking statements may involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. No representation is made or assurance given that such statements, views, projections or forecasts are correct or that they will be achieved as described. Tables and diagrams may include rounding effects. This presentation is intended to provide a general overview of the Group's business and does not purport to deal with all aspects and details regarding the Group. Accordingly, neither the Group nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither the Group nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith. Grand City Properties S.A. does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this presentation.

THANK YOU

Investor Relations Team

E-mail: gcp-ir@grandcity.lu

www.grandcityproperties.com

GCP