GCP

FINANCIAL RESULTS PRESENTATION H1 2024

Aug 2024

Hamburg

HIGHLIGHTS

H1 2024 KEY RESULTS SUMMARY

KEY FINANCIAL RESULTS

P&L	H1 2024	change	H1 2023
Net Rental Income	€212m	3%	€204m
Adjusted EBITDA	€166m	4%	€160m
FFO I	€94m	-	€94m
FFO I per share	€0.54	-	€0.54

GUIDANCE RAISED TO FFO I of 180M-190M

Balance Sheet	Jun 2024	change	Dec 2023
Cash and liquid assets	€1,122m	-9%	€1,230m
Total equity	€5,090m	-3%	€5,230m
EPRA NTA	€3,944m	-2%	€4,014m
EPRA NTA per share	€22.8	-2%	€23.2

FINANCIAL PROFILE

	Jun 2024	Dec 2023
LTV	37%	37%
EPRA LTV	48%	48%
Net debt/ EBITDA	9.4x	10.0x
ICR	6.0x	5.6x

S&P Global Ratings

BBB+

Negative Outlook

Affirmed in Dec 23

	Jun 2024	Dec 2023
Cost of debt	1.9%	1.9%
Ø debt maturity	5.1 years	5.3 years
Unencumbered Assets (€bn)	€6.1bn	€6.6bn
Unencumbered Assets (%)	72%	75%

PORTFOLIO

	Jun 2024	Dec 2023
Annualised net rent	€406m	€406m
Units	61,923	63,303
Vacancy	3.9%	3.8%
In-place rent	€8.9/sqm	€8.6/sqm
Portfolio value	€8.4bn	€8.6bn
Rental yield	5.0%	4.8%
Value per sqm	€2,092/sqm	€2,109/sqm

	Jun 2024	Jun 2023
L-F-L revaluation (excl. Capex)	-2%	-5%

+3.4%
L-F-L
Total net rent growth
Jun 2024

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

KEY TRENDS AND HIGHLIGHTS

STRONG OPERATIONS WITH POSITIVE MOMENTUM

- GCP recorded like-for-like rental growth of 3.4% YoY, driven mostly by in-place rental growth.
- Reversionary rent potential acceleration and increased to 24%.
- Market rents continue to increase strongly driven by the expanding supply demand imbalance in key metropolitan areas.

PROPERTY VALUES BOTTOMING

- GCP recorded like-for-like revaluation of –2% in H1 2024, showing reduced negative momentum and with signs of valuations bottoming out.
- Yields more attractive, with GCP’s current rental yield at 5%, especially considering growth momentum and rental upside potential.
- Ongoing yield expansion mainly as a result of strong operational growth expected.

CAPITAL MARKETS ARE OPEN AND TRANSACTION MARKET CONDITIONS ARE IMPROVING

- Sentiment in the capital markets has improved in recent months, reflected in increased capital market activity in the real estate sector.
- GCP successfully completed the perpetual exchange in April 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.
- Additionally, GCP signed €220 million of properties for disposal 2024 YTD, with €100m to be closed in the coming periods.

FURTHER ENHANCED GOVERNANCE THROUGH BOARD EXPANSION

- The Board of Directors of the Company was expanded to five members at the AGM in June 2024, with the addition of two highly experienced Independent Directors, Mr. Scot Wardlaw and Ms. Monica Porfilio, receiving strong shareholder support and bringing the share of independent and non-executive directors to 80%. Three members are male and two are female.
- The Expansion of the Board of Directors further enhances the governance of GCP and adds depth of experience on which the Company can draw for strategic guidance.

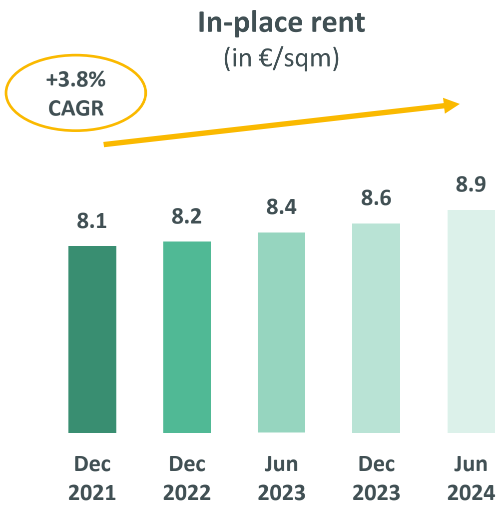
OPERATIONAL & FINANCIAL RESULTS

STRONG OPERATIONAL DYNAMICS

CONTINOUSLY DELIVERING OPERATIONAL PERFORMANCE

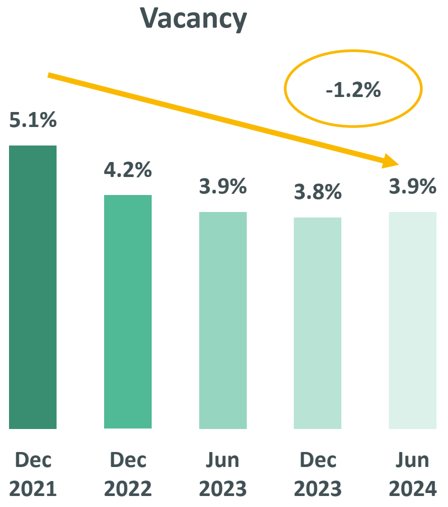
+3.4%
L-F-L
Total net rent growth
Jun 2024

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



In-place rental growth continued, reaching €8.9/sqm as of June 2024 and further upside to catch up to current market rents.
Demand remains very strong in key metropolitan areas, while supply is drying up further.

Vacancy rate remains at low level at 3.9% as of June 2024. GCP has seen significant reduction in vacancy in recent years, as a result of GCP's strong operating performance and strong market demand.



VALUATION UPDATE:

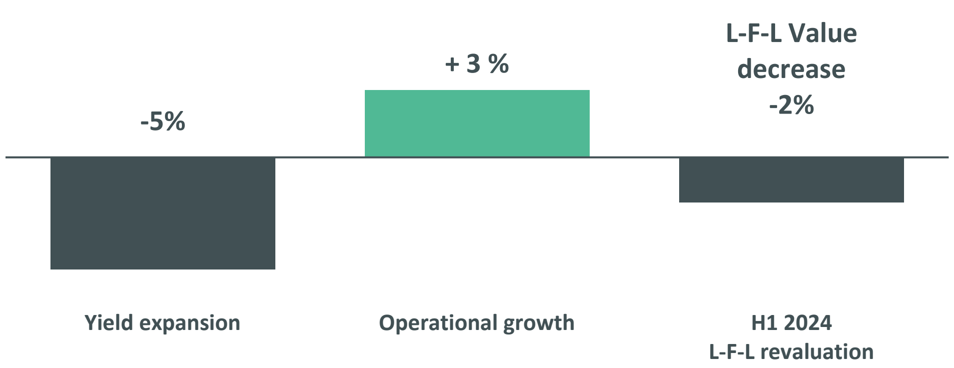
VALUES REACHING BOTTOM AS GROWTH OFFSETS YIELD EXPANSION

- GCP recorded like-for-like revaluation of –2% excluding capex, with strong operational growth offsetting much of the yield expansion
- Favorable market fundamentals support operational growth momentum, which is expected to be the main driver of further potential yield expansion. Potential pickup in transaction markets in coming periods will provide additional clarity on remaining value movements for H2 2024.
- GCP is cautiously optimistic that the momentum is turning, and that with the H1 2024 revaluation the bottom has been reached.

VALUATION PARAMETERS

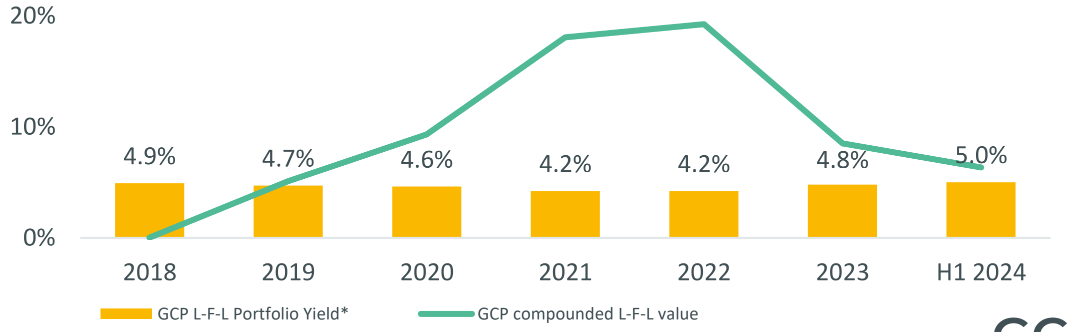
	Jun 2024	Dec 2023
Rent Multiple	20.2x	20.9x
Value per sqm	€2,092	€2,109
Average Discount rate	5.5%	5.4%
Average Capitalization rate	4.2%	4.1%

INTERNAL GROWTH OFFSETING MUCH OF THE IMPACT OF YIELD EXPANSION



GCP'S VALUATIONS REMAIN CONSERVATIVE

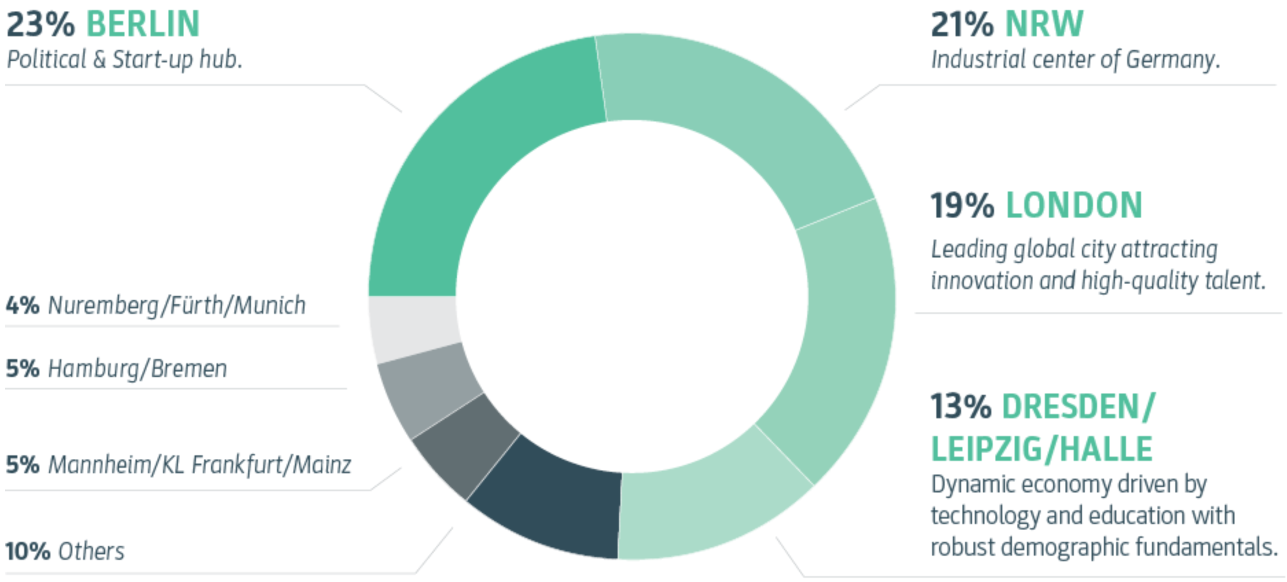
GCP's conservative valuation approach has resulted in lower valuation volatility, showing moderate increases in time of growth as well as moderate declines in time of pressure. Accordingly, and with the support of the rental growth in the last years, **GCP rental yields are higher than 2018 levels**, well positioning the portfolio going forward.



* the like-for-like portfolio represents the assets held throughout the period between 2018 and 2023, removing the impact of disposals (at relatively higher yield) and acquisitions (at relatively lower yield) on the yield of the full portfolio as reported for the respective periods

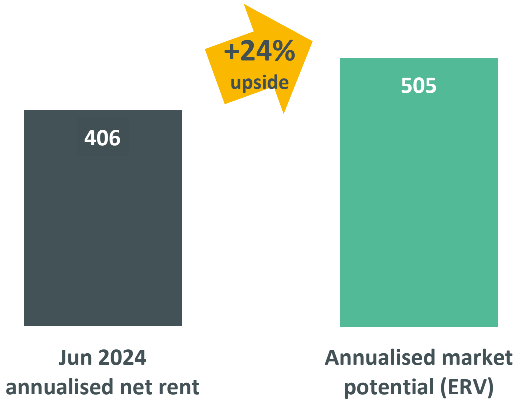
PORTFOLIO OVERVIEW

- The annualized net rental income is significantly below market rent, indicating a **market upside potential of 24%.**
- In 2024 YTD, GCP signed over €220 million of disposals.
- In H1 2024, GCP completed €160 million of asset disposals at a 2% discount to book value. 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 June 2024, GCP has assets held-for-sale amounting to €207 million, of which ca. €100m has been signed but not completed.



ANNUALISED NET RENTAL INCOME vs. MARKET POTENTIAL (ERV)

(in € millions)



June 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
NRW	1,715	1,140	4.3%	91	6.7	16,674	1,504	5.3%
Berlin	1,885	619	3.9%	71	9.5	8,392	3,045	3.8%
Dresden/Leipzig/Halle	1,106	794	3.4%	55	6.0	13,827	1,393	5.0%
Mannheim/KL/Frankfurt/Mainz	382	177	3.6%	19	9.0	3,013	2,152	5.0%
Nuremberg/Fürth/Munich	285	80	4.8%	11	12.3	1,430	3,580	3.9%
Hamburg/Bremen	380	264	3.8%	22	7.3	3,996	1,437	5.9%
London	1,583	176	3.1%	83	40.6	3,364	8,998	5.3%
Others	852	663	4.4%	54	7.1	11,227	1,286	6.3%
Development rights & Invest	182							
Total June 2024	**8,370**	**3,913**	**3.9%**	**406**	**8.9**	**61,923**	**2,092**	**5.0%**
Total December 2023	**8,629**	**4,020**	**3.8%**	**406**	**8.6**	**63,303**	**2,109**	**4.8%**

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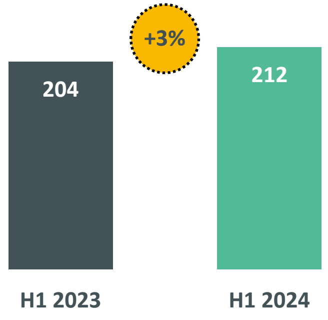
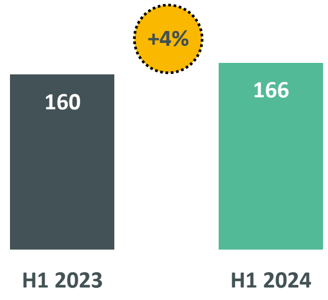
P&L RESULTS

Selected consolidated statement of profit or loss	H1 2024	H1 2023
in € '000 unless otherwise indicated		
Revenue	298,156	309,401
Net rental income	**211,536**	**204,403**
Property revaluations and capital losses	(197,990)	(538,848)
Property operating expenses	(127,982)	(144,705)
Administrative and other expenses	(5,502)	(5,802)
EBITDA	**(33,318)**	**(379,954)**
Adjusted EBITDA	**166,113**	**159,596**
Depreciation and amortization	(3,227)	(4,605)
Finance expenses	(27,882)	(27,342)
Other financial results	(17,223)	(40,427)
Current tax expenses	(20,835)	(20,294)
Deferred tax income	28,726	70,880
Loss for the period	**(73,759)**	**(401,742)**
Basic loss per share in €	**(0.38)**	**(2.02)**
Diluted loss per share in €	**(0.38)**	**(2.01)**

NET RENTAL INCOME
(in € millions)



ADJUSTED EBITDA
(in € millions)



- ❖ Net rental income and adjusted EBITDA increased primarily due to the solid like-for-like rental growth of 3.4% and despite the negative impact of net disposals.
- ❖ Operating costs reduced in H1 2024 compared to H1 2023, due to lower utility costs related mainly to heating expenses which are recoverable from tenants, which is the main driver for the revenue decrease.

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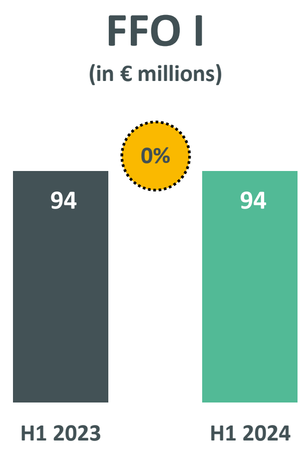
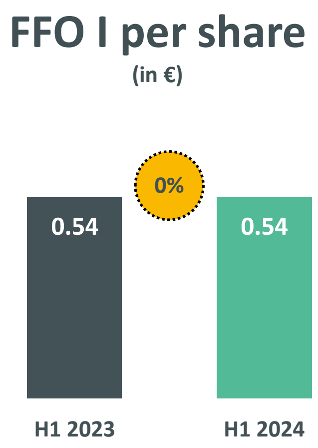
FFO I + II

in € '000 unless otherwise indicated	H1 2024	H1 2023
Adjusted EBITDA	**166,113**	**159,596**
Finance expenses	(27,882)	(27,342)
Current tax expenses	(20,835)	(20,294)
Contribution to minorities	(2,292)	(2,536)
Adjustment for perpetual notes attribution	(21,377)	(15,394)
FFO I	**93,727**	**94,030**
FFO I per share (in €)	**0.54**	**0.54**
FFO I	**93,727**	**94,030**
Result from disposal of properties	(3,041)	33,765
FFO II	**90,686**	**127,795**





- EBITDA growth has offset the negative impact of higher perpetual notes attribution due to the reset of the coupons of two of GCP's perpetual note series in 2023, leading to a flat FFO I.
- In April of 2024, GCP launched an exchange offer and tender to the holders of its two perpetual notes which reset in 2023. The transaction managed to reduce coupon payments by €2 million on an annualised basis compared to the annualised coupon prior to the transaction.
- Through pro-active management of its interest exposure, mainly through the execution of variable and cap-to-fix hedging agreements, as well as through interest income on its cash position, GCP was able to keep finance expenses broadly stable year-over-year.

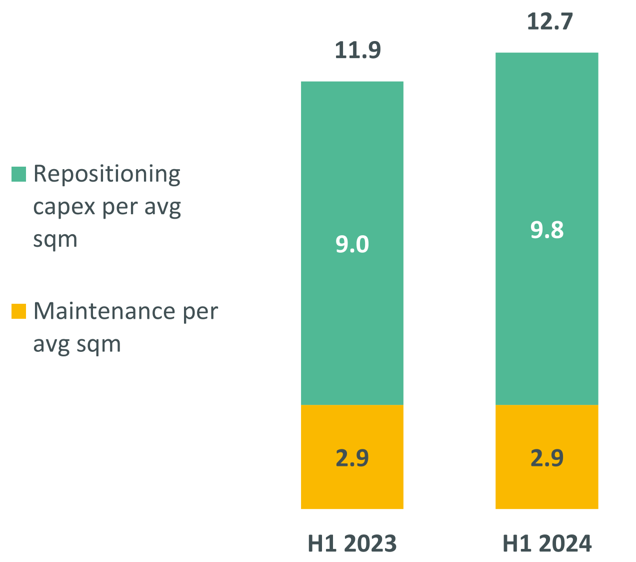
MAINTENANCE & CAPEX

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 H1 2024, GCP invested €9.8/avg sqm into repositioning capex, higher compared to H1 2023
- Additionally, in H1 2024, GCP invested around €1 million in modernisation and €8 million in pre-letting modifications, both lower compared to H1 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	H1 2024	H1 2023
FFO I	**93,727**	**94,030**
Repositioning Capex	(40,479)	(37,638)
AFFO	**53,248**	**56,392**

NEW FACADE, ROOF + BALCONY RENOVATION


Göttingen (before)


Göttingen (after)


Göttingen (after)

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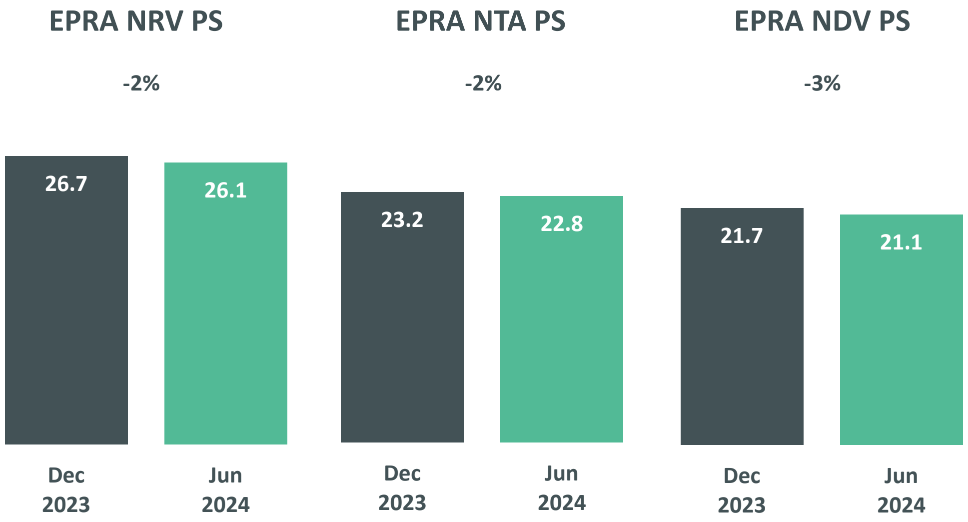
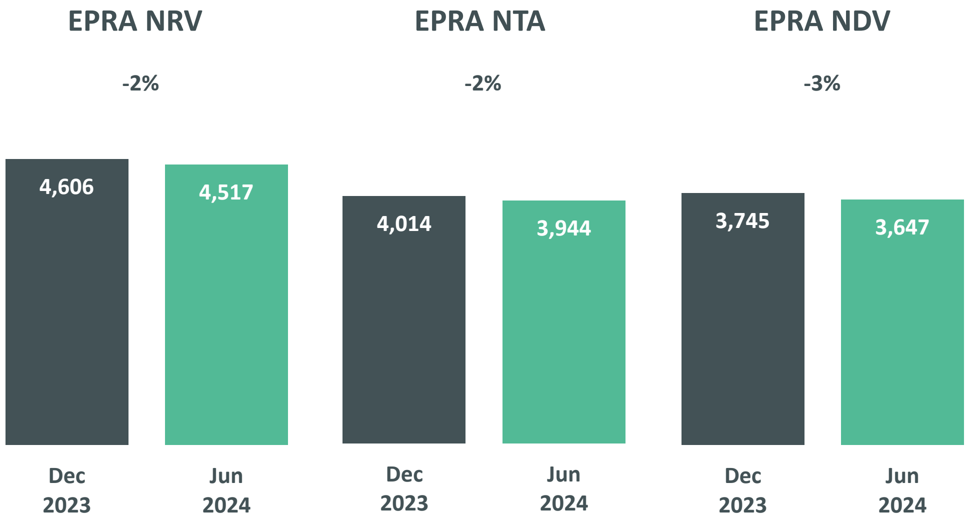
EPRA NAV METRICS

EPRA NAV PER SHARE METRICS (in €)



EPRA NAV METRICS (in € millions)



- The decrease of the EPRA NTA was primarily driven by the effects of negative revaluations, partially offset by the strong operational performance of the Company, reflected by FFO I of €94 million.
- The EPRA NDV is additionally negatively impacted by the recovery of the Company's debt securities in the capital markets, reflected in the increase in fair value of its outstanding bonds. While this has a negative impact on the EPRA NDV metric, the Company views this as a positive development.

GCP

FINANCIAL PROFILE

STRONG FINANCIAL PROFILE

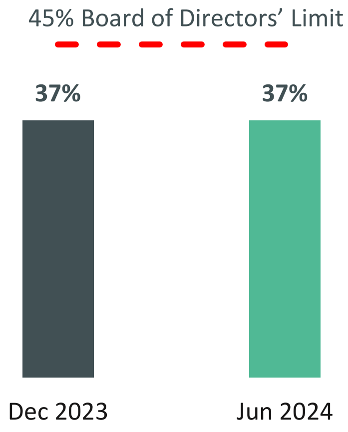
LIQUIDITY POSITION

€1.1b
Jun 2024 cash and liquid assets

Liquidity cover debt maturities into 2027

LOW LEVERAGE

LOW AND STABLE LTV

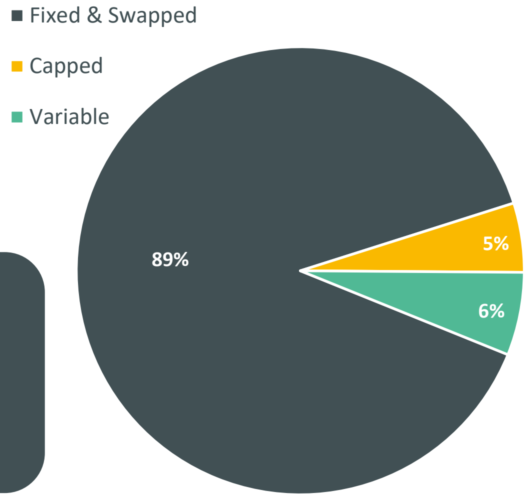


EPRA LTV (including perpetual notes as 100% debt)	NET DEBT/ EBITDA
48%	9.4x

INTEREST HEDGING RATIO

94% hedged

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



INTEREST COVER RATIO

ICR* 6.0x

*Adjusted EBITDA/ Finance expenses

UNENCUMBERED INVESTMENT PROPERTIES

€6.1 billion

72% of value

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

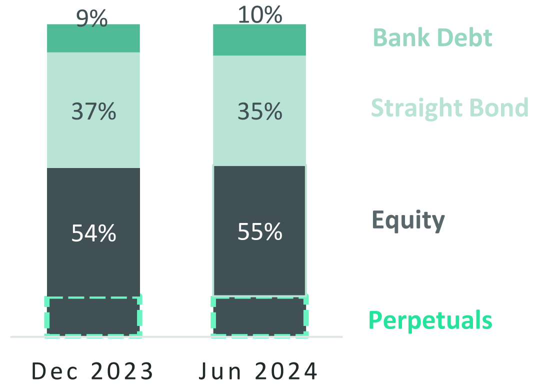
CORPORATE CREDIT RATING

Investment grade credit rating by S&P

BBB+
Negative Outlook

December 2023

FINANCING SOURCES MIX



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SUCCESSFUL CAPITAL MARKET TRANSACTIONS

GCP RETURNED TO CAPITAL MARKETS IN 2024 WITH HIGHLY SUCCESSFUL TRANSACTIONS, RECEIVING STRONG INVESTOR SUPPORT, VALIDATING THE STRONG ACCESS TO CAPITAL MARKETS

FIRST BOND ISSUANCE SINCE 2021

- In July 2024 GCP issued a senior unsecured bond for the first time since January 2021.
- The Company issued its benchmark Series Y 2030, €500 million bond at a 5.5y maturity and 4.375% coupon, rated BBB+ by S&P.
- The issuance received strong support from leading global investors, reflected in a large book of over €3.5 billion, **more than 7x the issue amount**.
- The proceeds target the repayment of short-term debt, including through the liability management exercise which was launched in conjunction with the issuance, as well as maturities in 2025.
- **Through the issuance GCP validates its access to the bond market and the high demand underlines the strong investor support.**

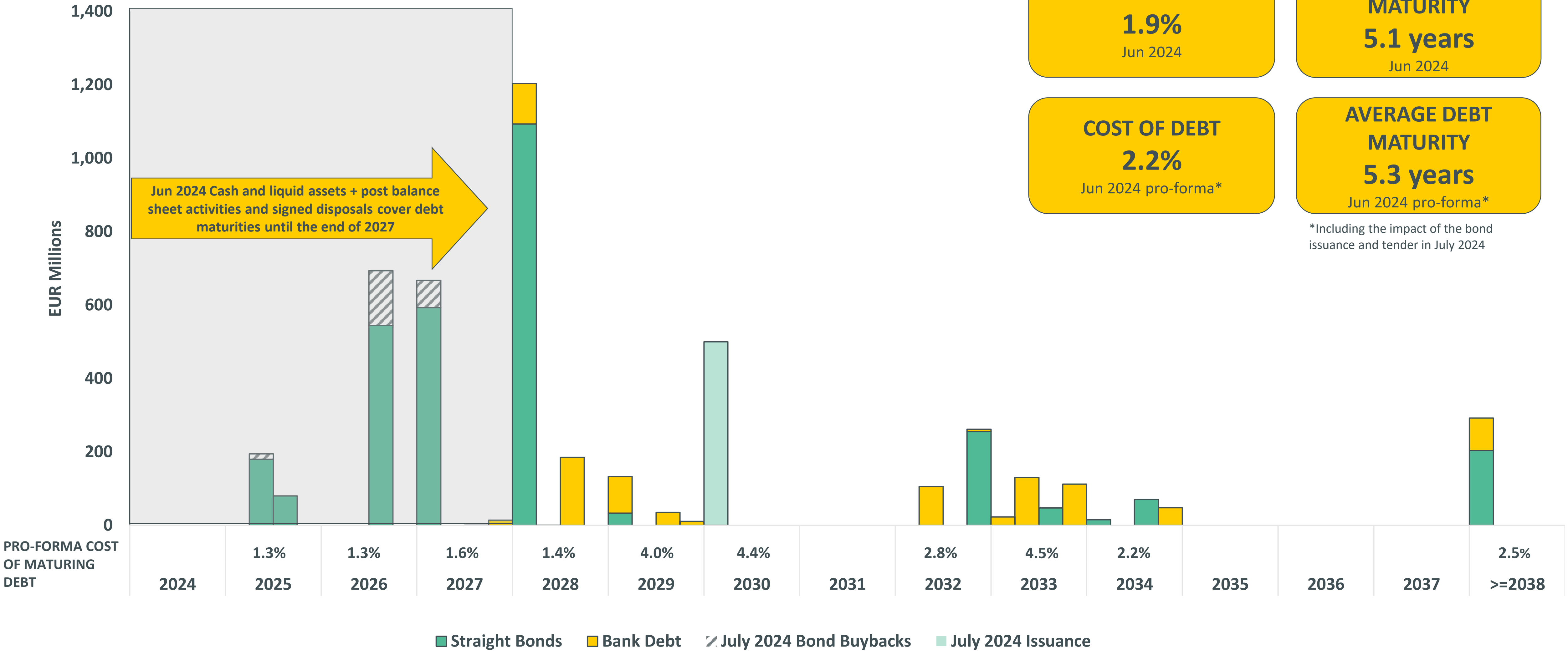
SUCCESSFUL LIABILITY MANAGEMENT

- GCP launched a tender offer for three of its near-term bonds in conjunction with the issuance of its Series Y 2030 bond.
- Through the tender GCP bought back **€238 million** nominal value of bonds at an average discount of ca. **6%**.
- The liability management is in addition to ca. **€270 million** of bond repayments in Q2 2024. Bringing the total amount of **debt repaid YTD to over €500 million**.
- Remaining proceeds of the new bond are sufficient to cover the remaining debt maturities in 2025 and total pro-forma liquidity position, including disposal proceeds, covers debt maturities until the end of 2027.
- As a result of the transaction GCP further extended its debt maturity profile and reduced refinancing risk, while the discount to the nominal value strengthens the balance sheet.

PERPETUAL EXCHANGE AND TENDER OFFER

- In April 2024, **GCP launched an exchange and tender offer** to the holders of two of its perpetual notes with aggregate nominal amount of €550m.
- The transaction was **highly successful with high acceptance rate over 80%** and resulted in the issuance of a new €409m perpetual note and ca. €40m reduction in perpetual notes balance.
- The exchange 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 transaction.
- New perpetual notes have first call date in January 2030. Next perpetual call date for existing series is in mid-2026.

DEBT MATURITY SCHEDULE



COST OF DEBT
1.9%
Jun 2024

AVERAGE DEBT MATURITY
5.1 years
Jun 2024

COST OF DEBT
2.2%
Jun 2024 pro-forma*

AVERAGE DEBT MATURITY
5.3 years
Jun 2024 pro-forma*

*Including the impact of the bond issuance and tender in July 2024

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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	H1 2024 RESULTS
TOTAL NET DEBT / TOTAL NET ASSETS	<=60%	33%

REMAINING COVENANT TYPES		
SECURED NET DEBT / TOTAL NET ASSETS	<=45%	N/A (Liquidity is larger than secured debt)
NET UNENCUMBERED ASSETS / NET UNSECURED DEBT	>= 125%	316%
ADJUSTED EBITDA / NET CASH INTEREST	>=2.0x (1)	6.0x
CHANGE OF CONTROL PROTECTION	✓	

Notes: 1) 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 **€4.3bn** 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.

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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 INCREASED

Key drivers:

- Low single digit adj. EBITDA increase as a result of the positive like for like rental growth partially offset by disposal impacts.
- Full year impact from higher perpetual notes coupon payments and higher financing costs (partial impact already in 2023) to offset adj. EBITDA increase.
- Increase in guidance driven by stronger operational result, while negative impact from perpetual notes and finance expenses is softer than initially expected.

APPENDIX

SUCCESSFUL PERPETUAL NOTES TRANSACTION

RESULT AND BENEFITS

- **With the high 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 transaction.
- New perpetual notes have first call date in January 2030. Next perpetual call date for existing series is in mid-2026.

	Nominal Amount outstanding before	Coupon	First call date	% and absolute accepting the offer	Exchange Ratio	Amount repurchased via tender	**Nominal Amount outstanding after**
6.332% Perpetual Notes	€200m	6.332%	Jan 2023	76% / €152m	100%	€13m	**€48.4m**
5.901% Perpetual Notes	€350m	5.901%	Oct 2023	85% / €298m	98%	€21m	**€52.5m**
New 6.125% Perpetual Notes	-	6.125%	Jan 2030				**€409.5m**
Total Perpetual Notes:	€550m				Reduction: €6m	Reduction: €34m	**€510m**

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

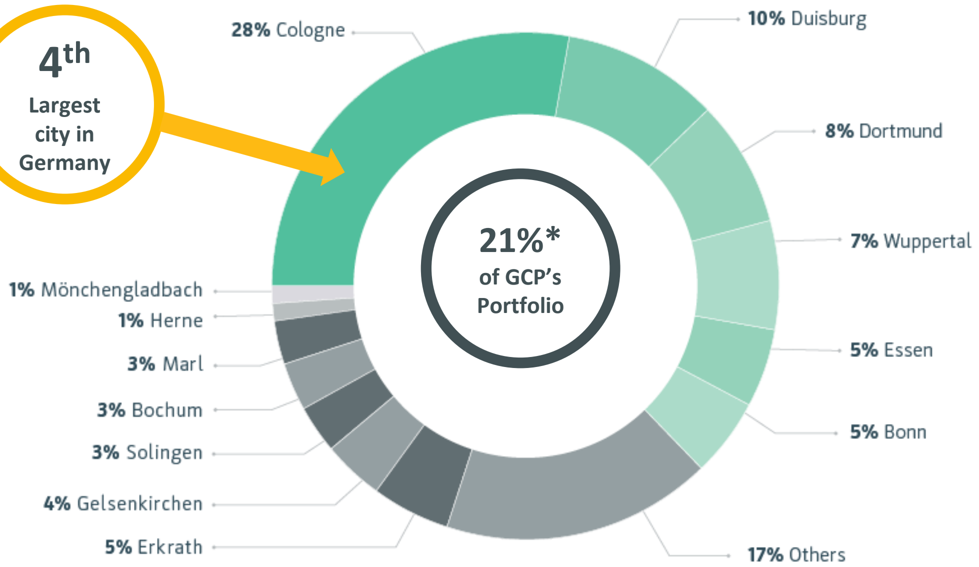
23% of GCP's Portfolio Value

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

4th Largest city in Germany

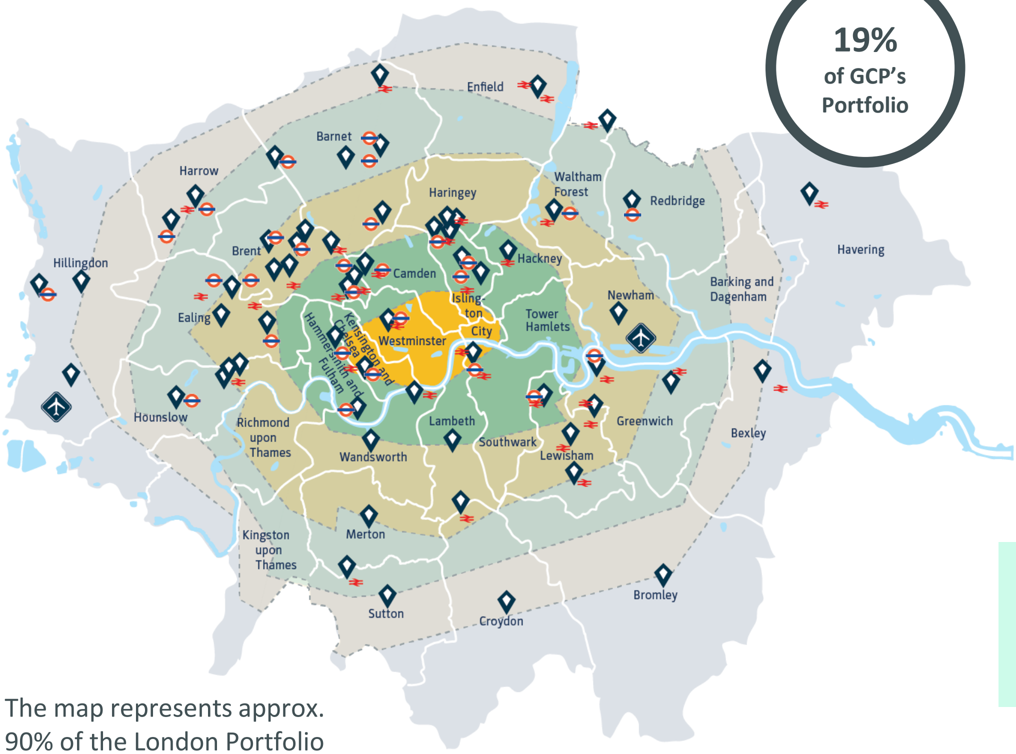


Strategically positioned in Germany's largest metropolitan area

* all breakdowns are by values, unless otherwise indicated

GCP

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. 3,500 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 June 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

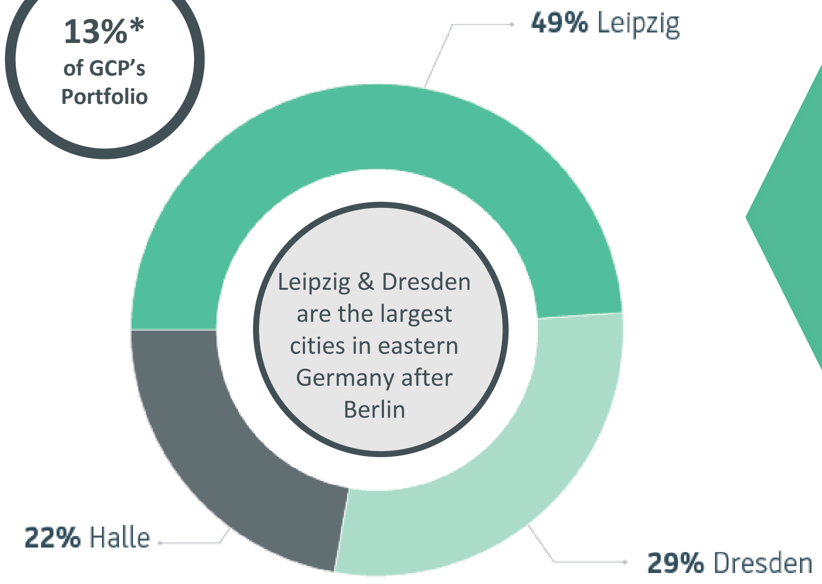
LONDON

GCP

QUALITY EAST AND NORTH PORTFOLIO

QUALITY EAST PORTFOLIO
DRESDEN/LEIPZIG/HALLE

13%*
of GCP's
Portfolio



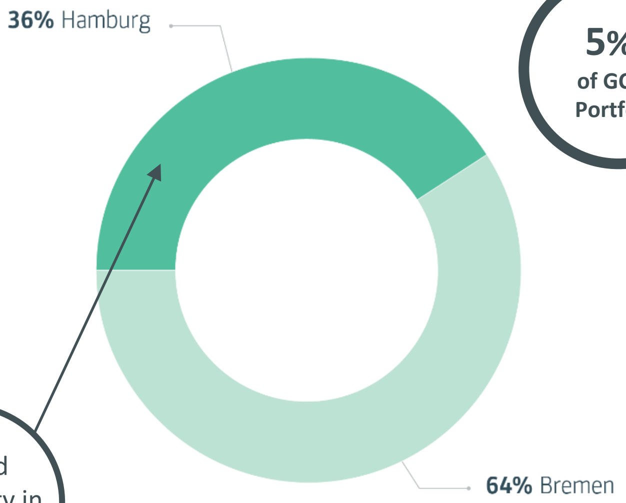
DIVERSIFICATION INTO GERMANY'S DYNAMIC EASTERN CITIES WITH STRONG DEMOGRAPHIC FUNDAMENTALS

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



Second largest city in Germany

*all breakdowns are by values

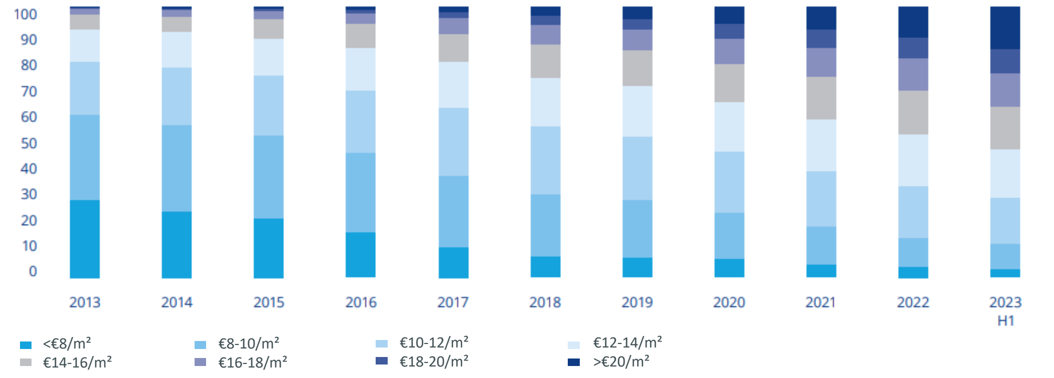
MARKET FUNDAMENTALS REMAIN HIGHLY SUPPORTIVE

Market fundamentals provide significant tailwind to continuous operational achievements resulting in higher rents, lower vacancies, supporting valuations

Germany

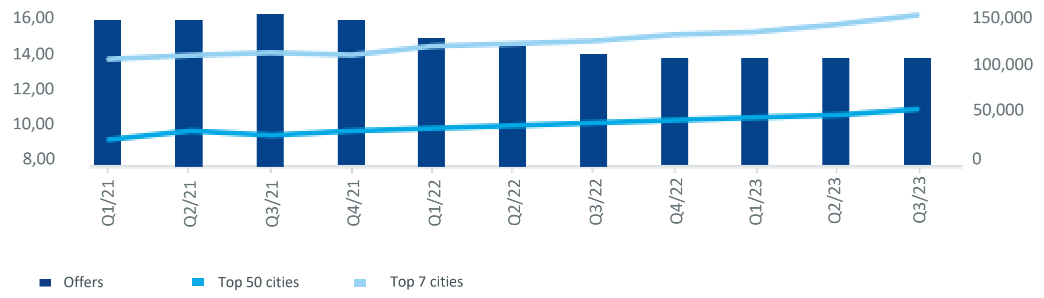
- Elevated net migration, urbanization and decreasing household size drive the strong demand in Germany.
- Influx of refugees further widen the demand-supply gap.
- Declining permits and high construction costs limit future supply.
- Asking rates continue to increase, while vacancy rates continue to decline.

Share of each rental rate segment in total rental offerings per annum

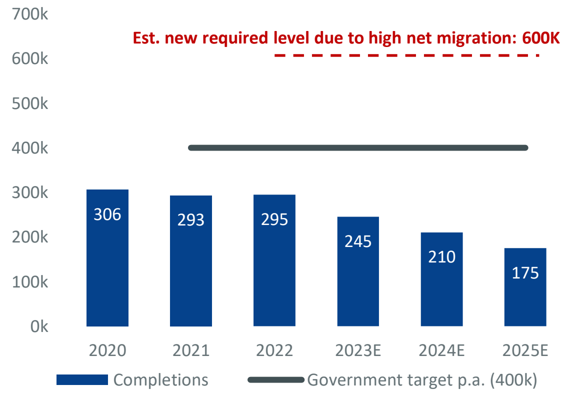


Limited supply reflected in lower numbers of rental offerings in major urban areas drive the increase in rental rates, while the demand is driven by positive net migration

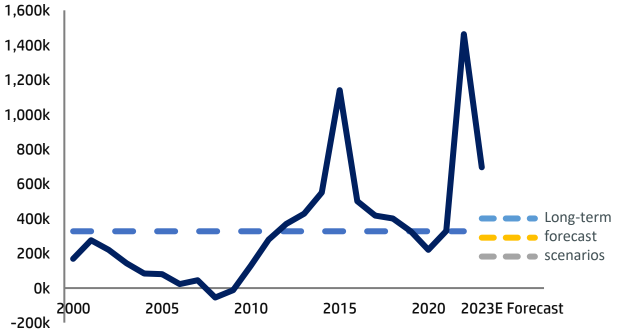
Development of offerings and rent/sqm (in €)



Residential Construction



Positive Net migration trends



Source: Colliers, Germany Outlook 2024, Destatis, Forecast scenarios are based on high, low or moderate migration balance

GCP

LONDON RENTAL MARKET

SIGNIFICANT SUPPLY – DEMAND IMBALANCE

INCREASING DEMAND RESULTING IN HIGHER RENTS

- 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.
- Since mid-2022 rental growth has accelerated significantly

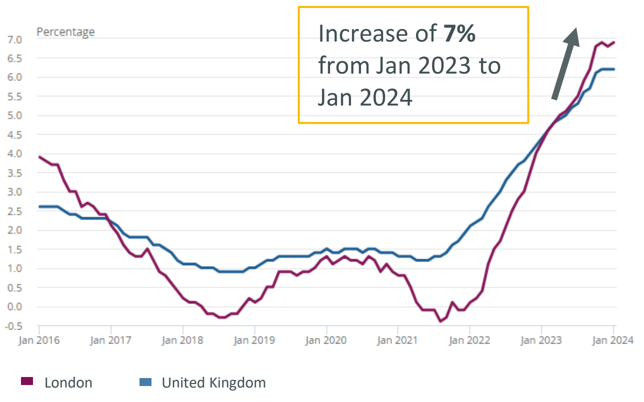
COSTS AND DELAYS REMAIN ELEVATED

- As per the most recent Construction Output Price Indices release, price growth for all construction work was 18% from January 2021 till December 2023.
- 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.

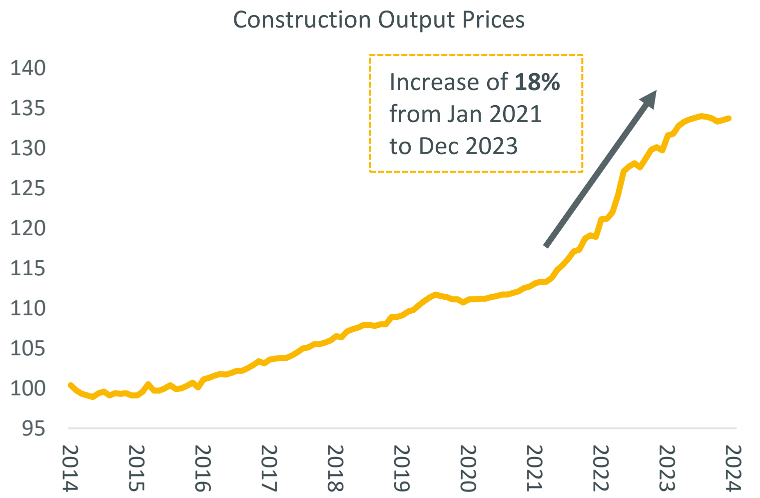
SUPPLY CONTINUES TO LAG

- New completions continue to lag the **required level of 66k units per year** according to the 2017 draft London Plan.
- According to the London housing market report, November 2022, new completions in the 2021/22 fiscal year **were just over 37k units**. While in 2023, recent data shows that the number of new homes completed is trending significantly lower compared to 2022 numbers.
- Per the Home Builders Federation, planning permission was granted for 66k new homes in London in 2021/22, broadly in-line with previous years, but actual completion remains well below this number.

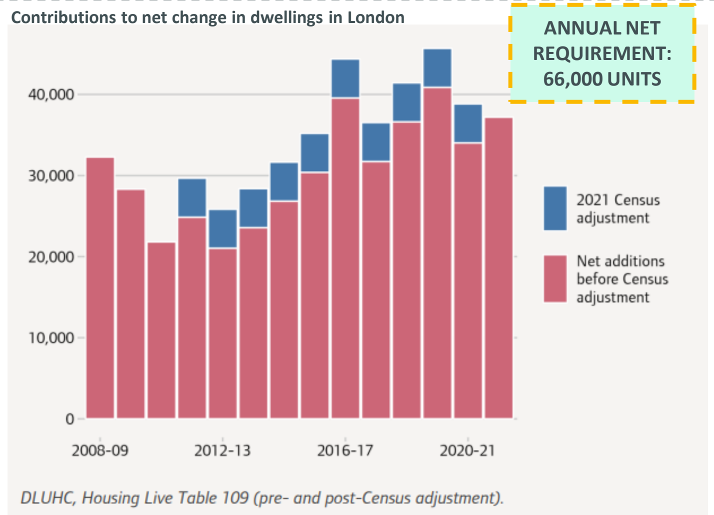
Private rental price percentage change over 12 months, UK and London, January 2016 to January 2024



Source: ONS, Index of Private Housing Rental Prices.



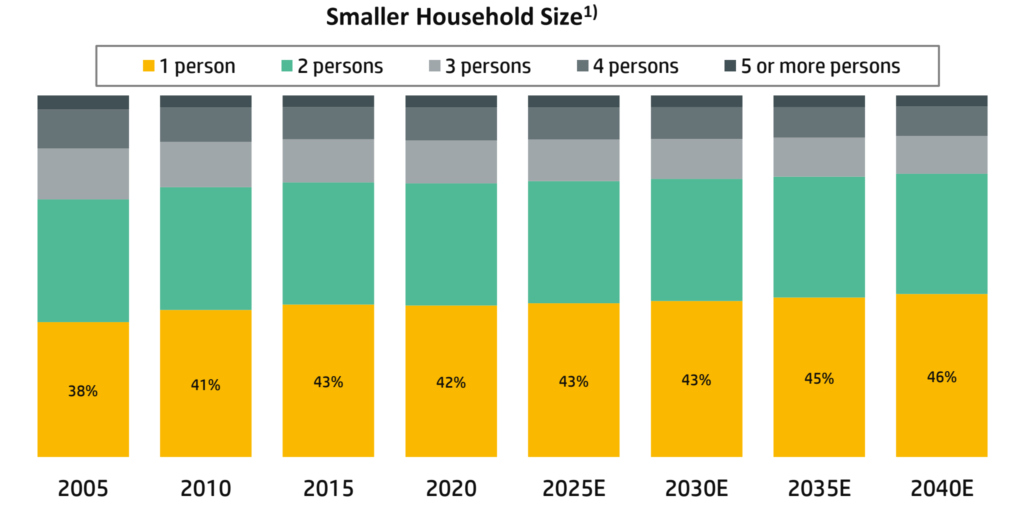
Source: ONS

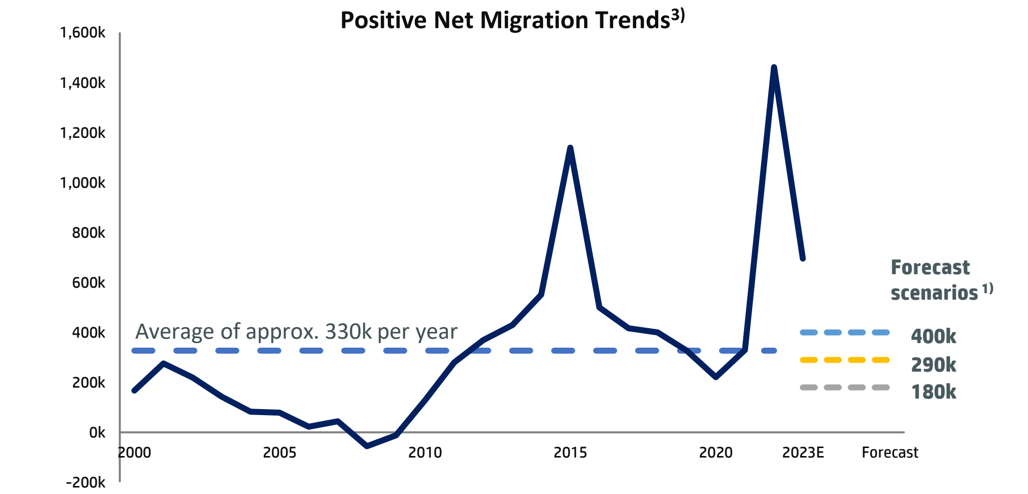


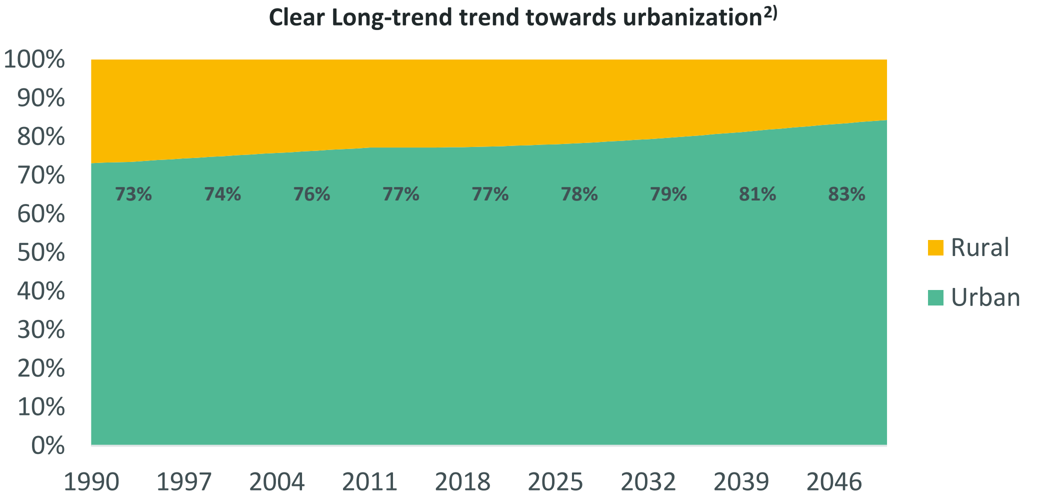
Source: Housing in London 2023, GLA Housing and Land

GCP

GERMAN HOUSING MARKET – DEMAND FUNDAMENTALS







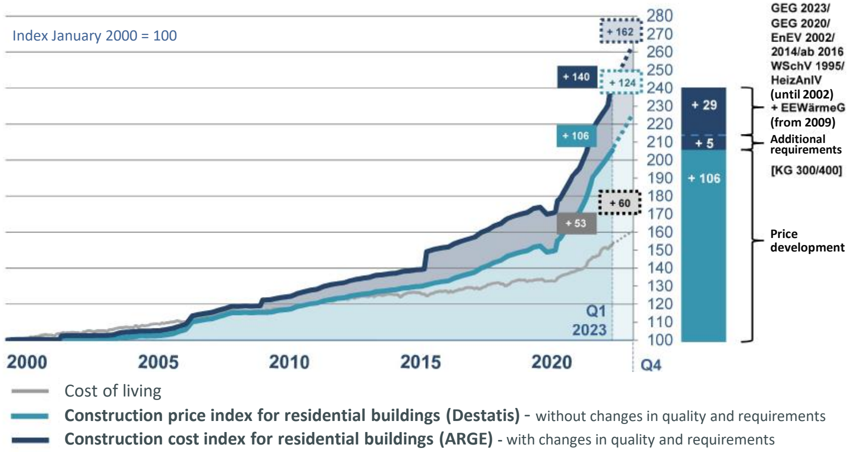
- Strong long-term trends of smaller household sizes and continued urbanization to continue driving demand for affordable German residential located in urban areas.
- Positive net migration trends with significant increase in 2022 and continuation in 2023 because of the Ukraine conflict further drive demand in GCP's markets.
- Tight German labor market expected to further drive immigration.

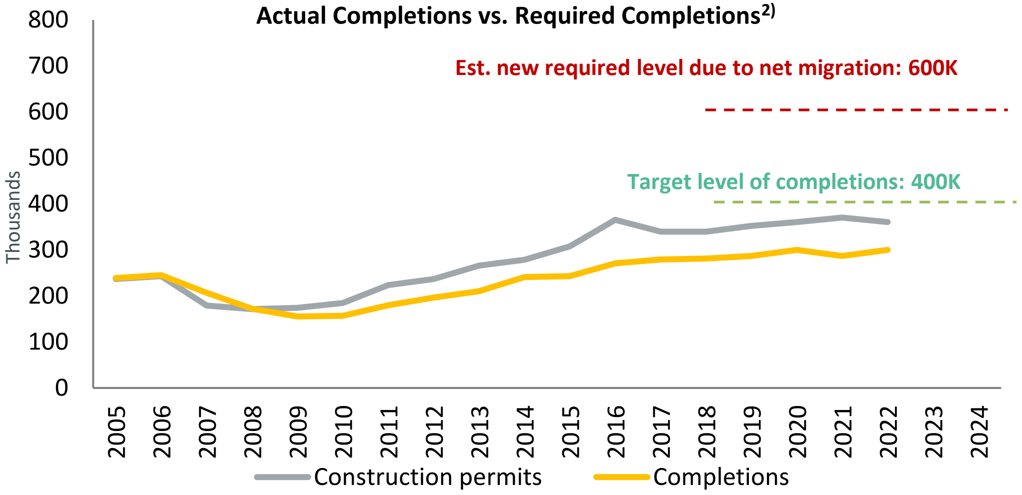
1. Destatis
2. United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision
3. Destatis. Forecast scenarios are based on high, low or moderate migration balance

GCP

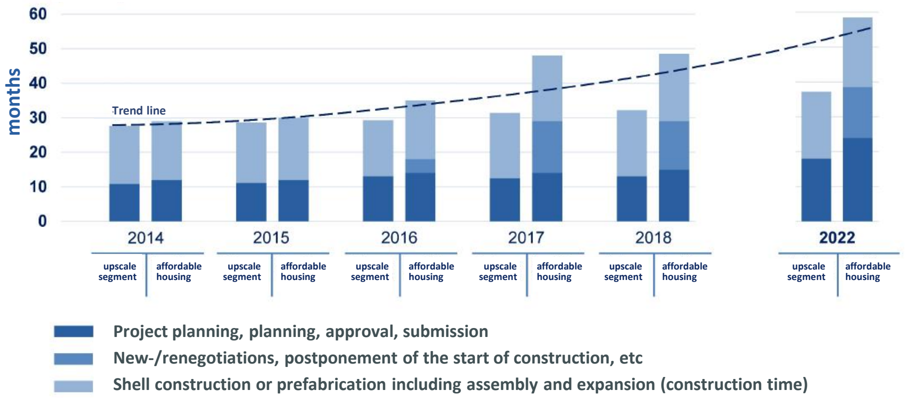
GERMAN HOUSING MARKET – SUPPLY FUNDAMENTALS

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





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



- As construction costs continue to increase, driven by higher base costs, higher regulatory pressure and longer project times combined with higher costs of capital, it is clear that new construction at affordable levels has become impossible without generous 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.

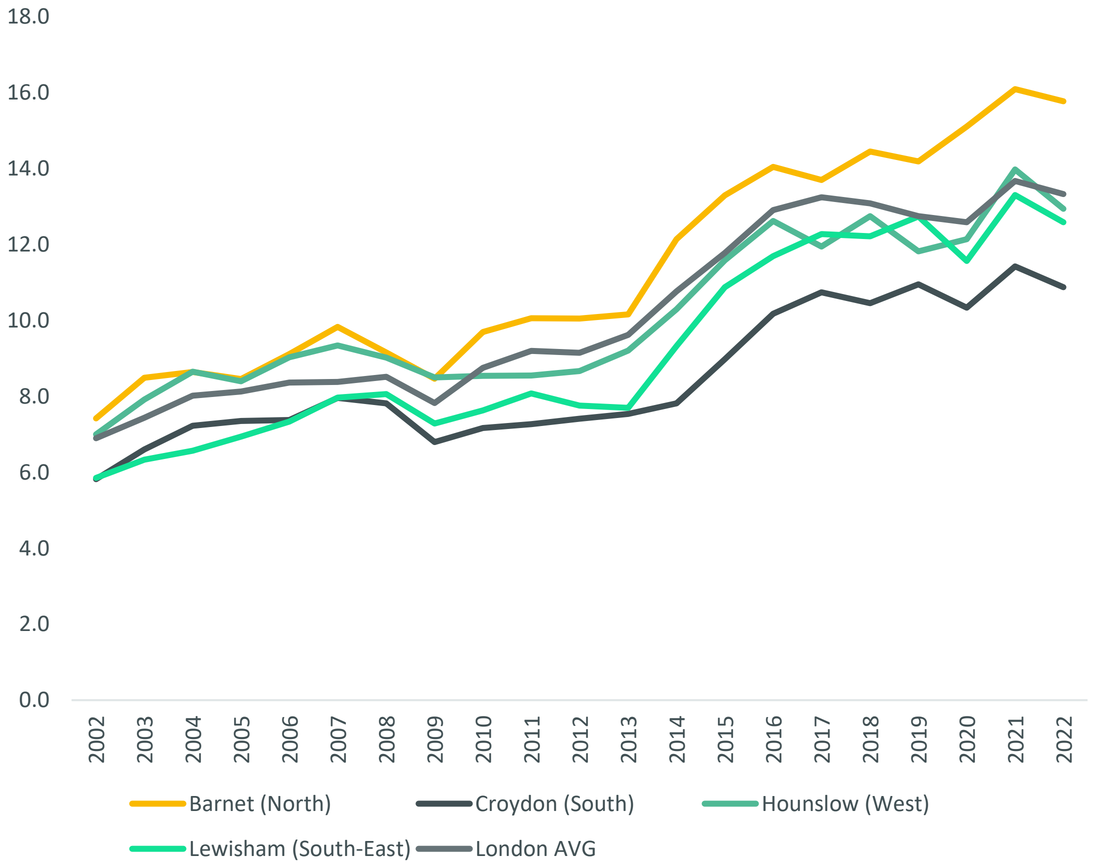
1. ARGE//EV, So baut Deutschland, so wohnt Deutschland – Bauforschungsbericht Nr.86 – April 2023
2. Destatis (actuals), target level of completions of the German Government

GCP

LONDON RENTAL MARKET – RENTING FAVORABLE OVER OWNING

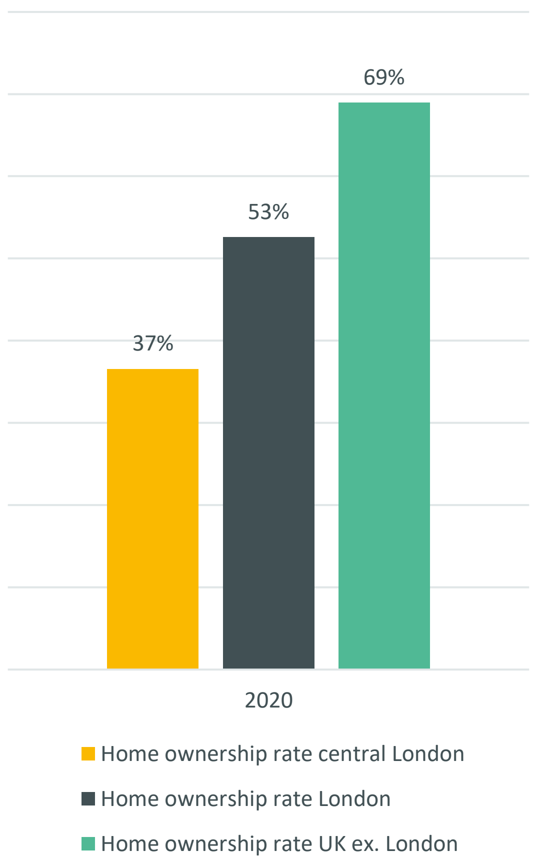
- Doubling of house price to household income ratio since early 2000s leading to the **decrease in affordability of home ownership and supporting rental demand**, especially in the affordable segment.
- This is reflected in the comparably lower home ownership rate in London, which has remained well below the UK as whole.

Ratio of house price to median earnings



Source: GLA, Ratio house price earnings residence based

UK home ownership rate



Source: ONS

GCP

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.

For the 7th year in a row, GCP was awarded the **EPRA BPR Gold Award** for its Annual Financial Report for FY 2022 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 ranking GCP in the top 8th percentile of the global universe of companies.
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

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.

ENVIRONMENT

GOING FORWARD

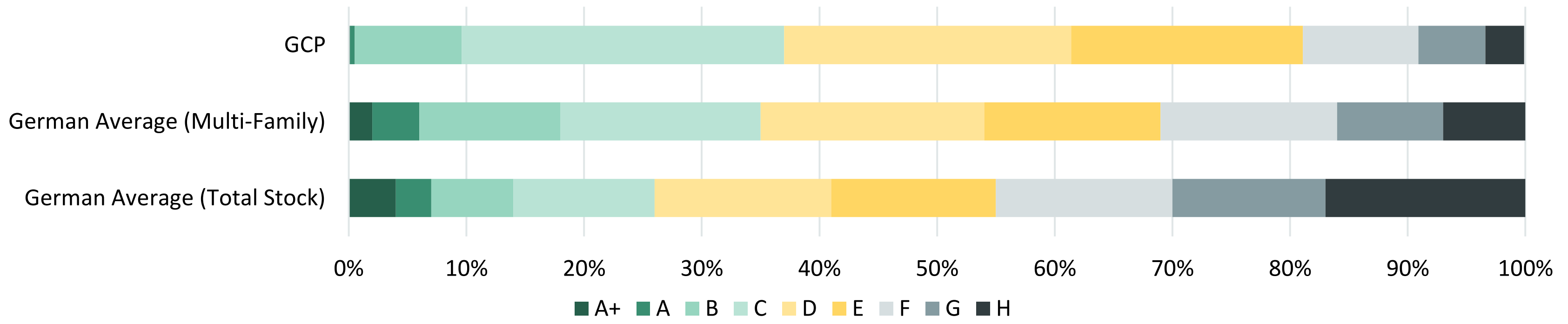
- Create and deliver a portfolio wide CO2 reduction pathway report by energy auditing **the environmental performance** of buildings such as the use of energy, waste and water.
- Continue to switch the electricity supply of all common areas to **PPA** (Power Purchase Agreement) of **certified renewable 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

REGULATORY ENVIRONMENT – MODERNISATION

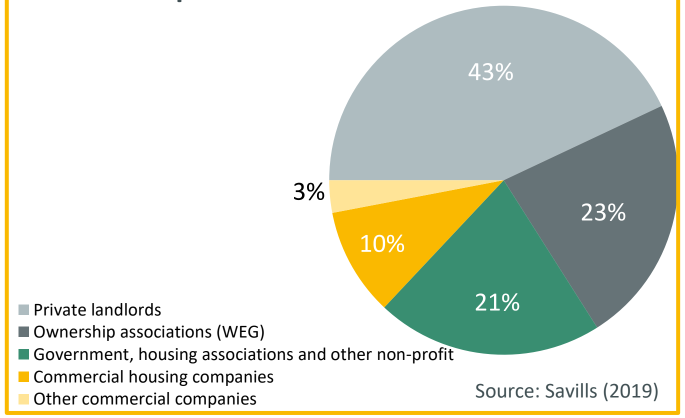
- GCP continues to monitor the changes with regards to the modernization and sustainability investments. The German government recently rolled out a new subsidy and tax incentive scheme – however, these have changed continuously in recent years, and, in our opinion, more certainty is required for materially 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 SEVENTH CONSECUTIVE year in September 2023, 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.

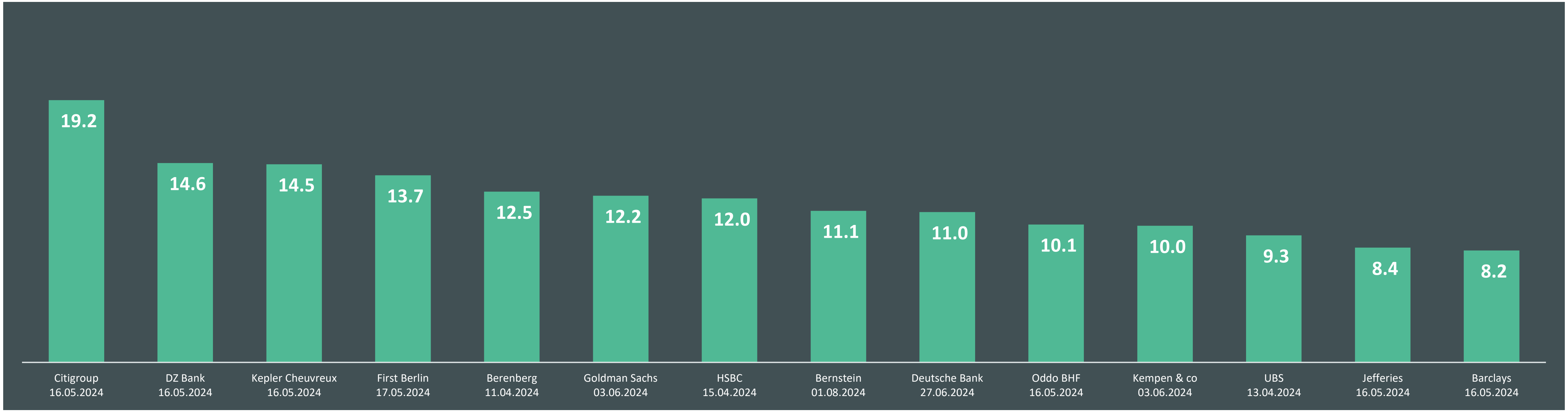
FINANCIAL POLICY

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*

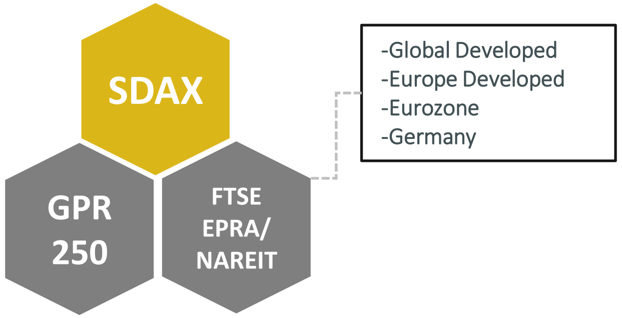
* the Company has decided not to distribute a dividend for the year 2023, due to the current market uncertainties. Dividend distributions remain subject to market conditions.

GCP REMAINS COMMITTED TO MAINTAINING A CONSERVATIVE FINANCIAL POLICY

ANALYST COVERAGE



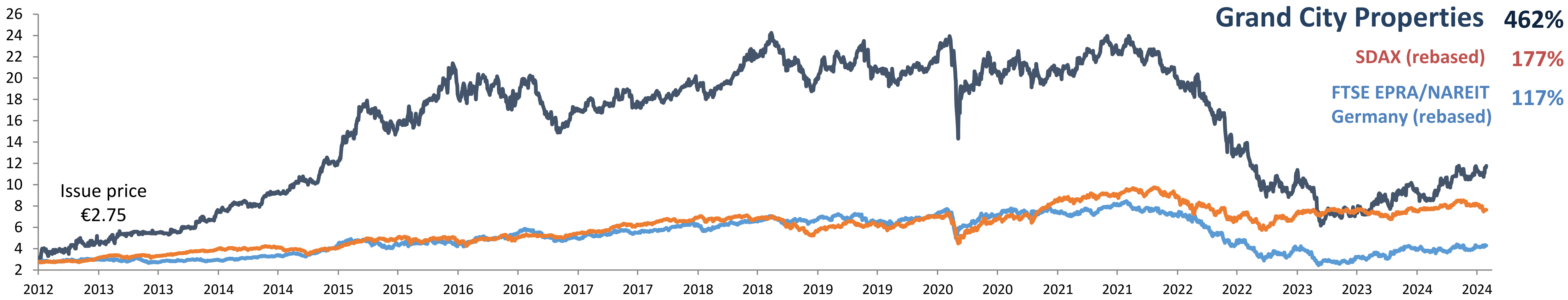
KEY INDEX INCLUSIONS



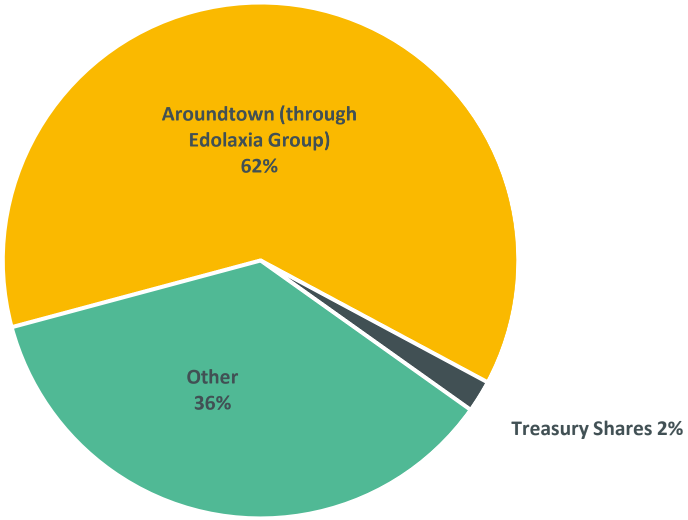
GCP

SHARE DEVELOPMENT & OWNERSHIP STRUCTURE

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



OWNERSHIP STRUCTURE (June 2024)



Placement	Frankfurt Stock Exchange (Prime Standard)
First equity issuance	19.07.2012 (€2.75 per share)
Number of shares (as of 31 March 2024)	176,187,899
Number of shares, excluding suspended voting rights, base for share KPI calculations	172,371,757 (as of 30 June 2024)
Symbol (Xetra)	GYC

GCP

MANAGEMENT

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.

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.

Ms. Monica Porfilio
Independent director

Ms. Monica Porfilio is an Independent Director. Ms. Porfilio seats as Independent director in some private companies in Luxembourg. She currently 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 of financial companies and management roles focused 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.

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).

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 Remmert-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).

Advisory Board

Yakir Gabay

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.

Dr. Johannes Beermann

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

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.

David Maimon

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.

Strong Board of Directors and senior management structure

- Majority of the board of directors is independent
- Audit committee members are independent or non-executive
- 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

CREDIT RATING MATRIX

FINANCIAL RISK PROFILE

BUSINESS RISK PROFILE

GCP will continue strengthening its position within the business 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	(GCP) (Aroundtown) A- BBB+ (Covivio)	BBB	bb+ (Heimstaden- BBB-)[2]	bb
3 SATISFACTORY	a/a-	bbb+	BBB/BBB-	BBB-/bb+ (TAG) (Akelius)	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-

1 rating anchor of Vonovia is A-, after the effects of modifiers, is BBB+
2 rating anchor for Heimstaden is bb+, after the effects of modifiers, is BBB-

Strong position within the investment grade scaling with a long-term rating of BBB+ (A-2 short term) S&P rating

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Investor Relations Team

E-mail: gcp-ir@grandcity.lu

www.grandcityproperties.com

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