
Leipzig

2022

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended June 30, 2022

Berlin

CONTENTS

IMPRINT

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KEY FINANCIALS

BALANCE SHEET HIGHLIGHTS

in €'000 unless otherwise indicated	Jun 2022	Change	Dec 2021
Total Assets	11,305,789	-2%	11,561,992
Investment Property	9,800,622	5%	9,339,489
Total Equity	5,984,855	3%	5,802,586
Loan-to-Value	35%	-1%	36%
Equity Ratio	53%	3%	50%

P&L HIGHLIGHTS

in €'000 unless otherwise indicated	6M 2022	Change	6M 2021
Net Rental Income	194,586	6%	183,131
Adjusted EBITDA	152,264	3%	147,410
FFO I	97,155	3%	94,232
FFO I per share (in €)	0.59	5%	0.56
EBITDA	385,418	17%	328,404
Profit for the period	233,892	49%	157,084
EPS (basic) (in €)	1.21	68%	0.72
EPS (diluted) (in €)	1.17	72%	0.68

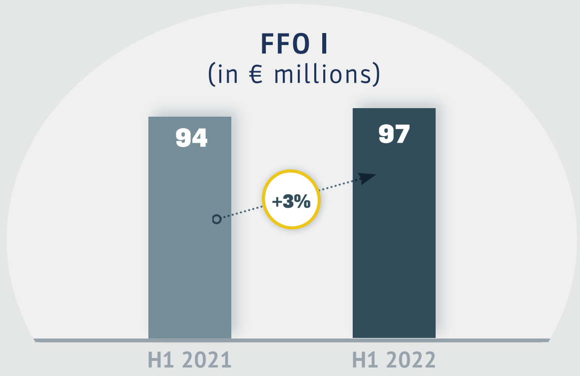
NAV HIGHLIGHTS

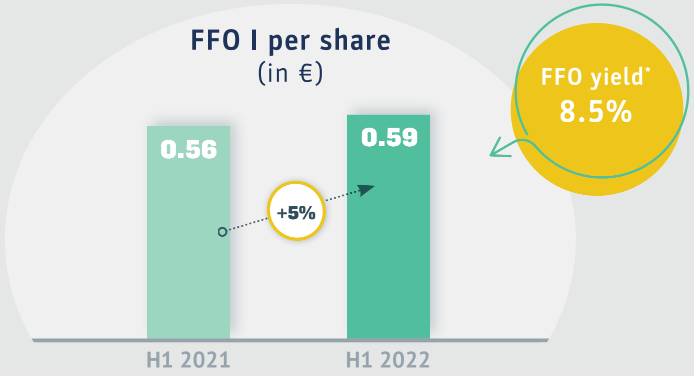
in €'000 unless otherwise indicated	EPRA NRV	EPRA NTA	EPRA NDV
Jun 2022	5,442,680	5,233,687	4,482,346
Jun 2022 per share (in €)	31.8	30.6	26.2
Per share growth (dividend adjusted)	**3%**	**3%**	**16%**
Per share growth	0%	1%	12%
Dec 2021	5,228,882	5,020,190	3,853,263
Dec 2021 per share (in €)	31.7	30.4	23.3

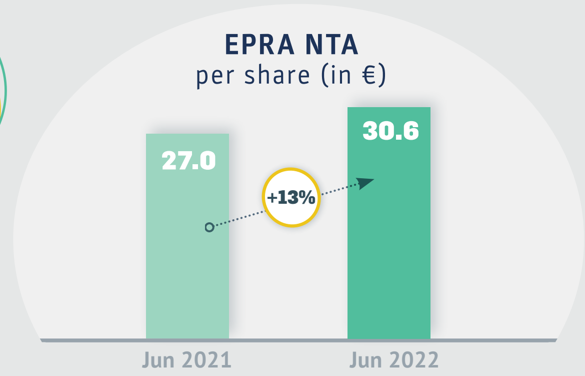
Cologne

HIGHLIGHTS

STRONG RECURRING OPERATIONAL PROFITS AND VALUE CREATION







* based on H1 2022 annualised and on a share price of €13.9

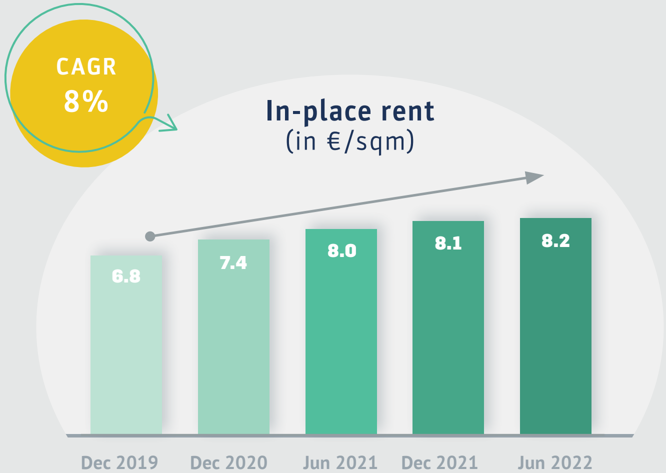
SOLID LIKE-FOR-LIKE RENTAL GROWTH

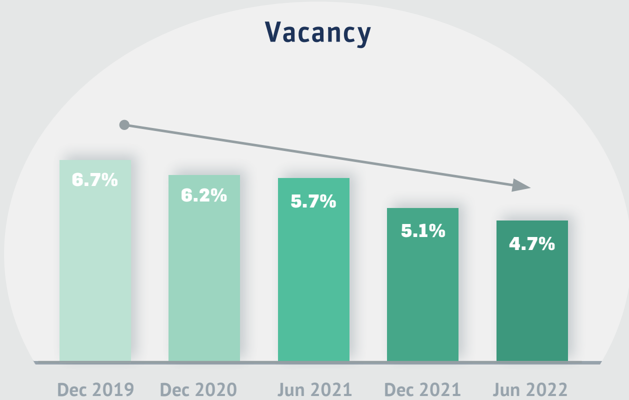
+2.2% L-F-L
IN-PLACE RENT GROWTH
JUN 2022

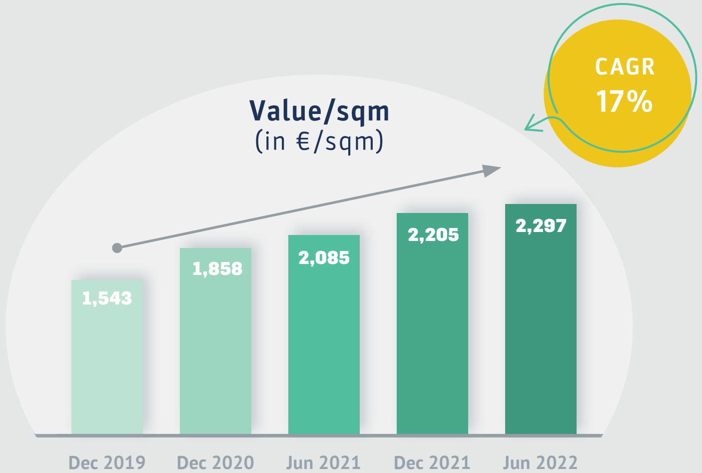
+3.0% L-F-L
TOTAL NET RENT GROWTH
JUN 2022

+0.8% L-F-L
OCCUPANCY GROWTH
JUN 2022

ROBUST PORTFOLIO FUNDAMENTALS







WELL POSITIONED IN CURRENT ENVIRONMENT

LONG AVERAGE DEBT MATURITY

6.4 years
JUN 2022

No debt maturities until Q2 2024, 95% of debt is fixed or interest hedged

PROACTIVE DEBT MANAGEMENT

€615m
H1 2022

Redemption and repayment of near-term maturing debt, resulting in clean maturity schedule

STRONG LIQUIDITY POSITION

~€450m
CASH AND LIQUID ASSETS

€300m
UNDRAWN RCF
JUN 2022

Cash and liquid assets cover debt maturities until Q2 2025 and amounts to 12% of total debt

UNENCUMBERED ASSETS

€9bn

91% of value
JUN 2022

Large pool of high quality unencumbered assets provides access to relatively attractive bank financing

STRONG FINANCIAL PROFILE MAINTAINED

LOW COST OF DEBT
1.1%
JUN 2022

ICR
6.6x
H1 2022
6.5x
H1 2021

LOW LEVERAGE (LOAN-TO-VALUE)
35%
JUN 2022

CREDIT RATING
BBB+
STABLE
by S&P

London

THE COMPANY

Grand City Properties S.A. and its investees (the “Company”, “GCP” or the “Group”) Board of Directors (the “Board”) hereby submits the consolidated interim report as of June 30, 2022.

The figures presented in this Board of Director’s Report are based on the condensed interim consolidated financial statements as of June 30, 2022, unless stated otherwise.

GCP is a specialist in residential real estate, investing in value-add opportunities in densely populated areas predominantly in Germany as well as in London. The Group’s portfolio, excluding assets held-for-sale and properties under development, as of June 2022 consists of 66k units (hereinafter “GCP portfolio” or “the Portfolio”) located in densely populated areas with a focus on North Rhine-Westphalia, Germany’s most populous federal state, Berlin, Germany’s capital, the metropolitan regions of Dresden, Leipzig and Halle and other densely populated areas as well as London.

GCP is focused on assets in densely populated urban locations with robust and sustainable economic and demographic fundamentals, and with multiple value-add drivers that it can pursue using its skills and capabilities such as vacancy reduction, increasing rents to market levels, improving operating cost efficiency, increasing market visibility, identifying potential for high-return capex investments, and spotting potential for significant benefits from the Company’s scale. GCP’s management has vast experience in the German real estate market with a long track record of success in repositioning properties using its tenant management capabilities, tenant service reputation, and highly professional and specialised employees.

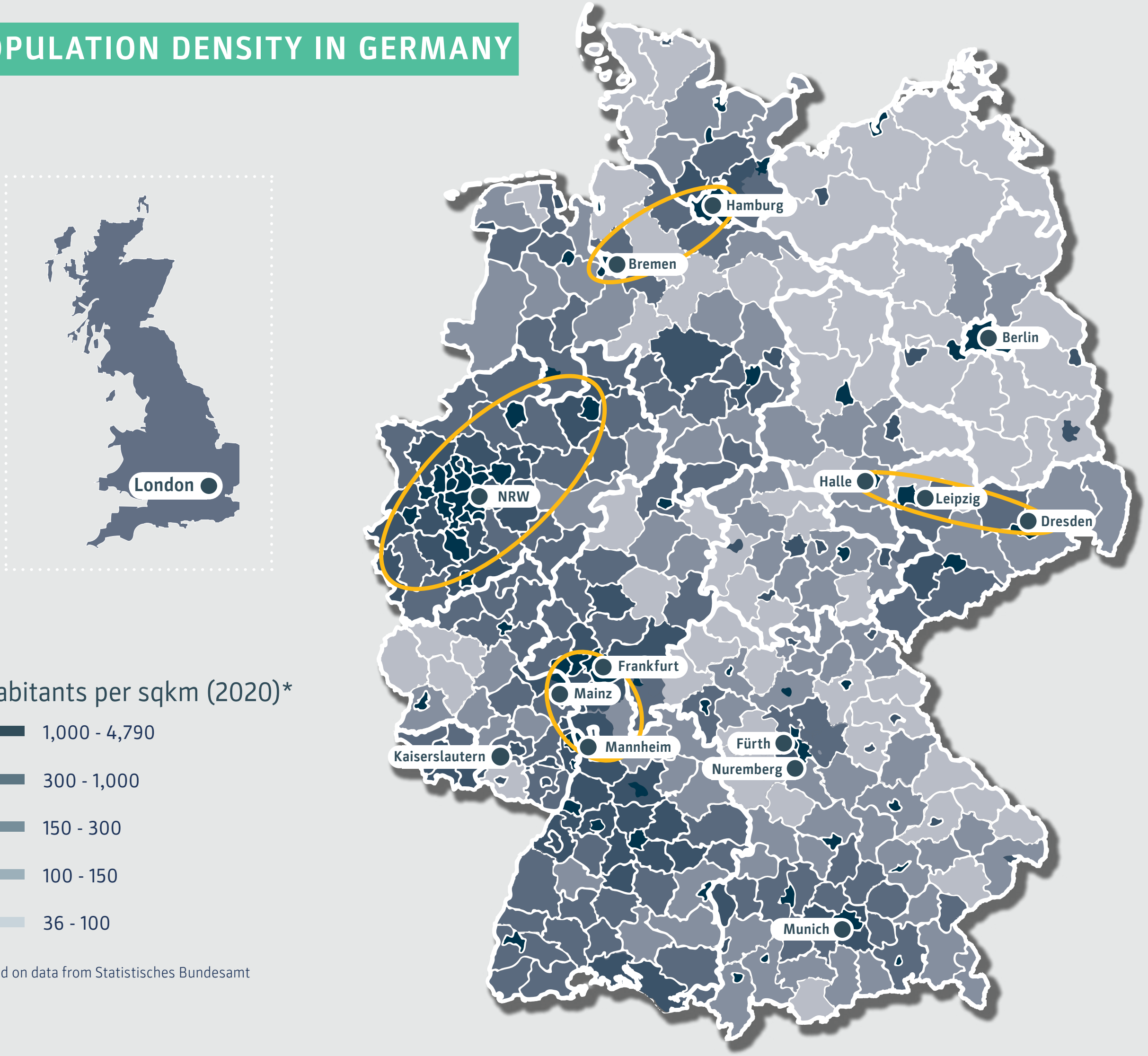
In addition, GCP’s economies of scale allow for considerable benefits of a strong bargaining position, a centralised management platform supported by centralised IT/software systems, and a network of professional connections.

This strategy enables the Company to create significant value in its portfolio and generate stable and increasing cash flows.

Nuremberg / Fürth

PORTFOLIO

POPULATION DENSITY IN GERMANY



inhabitants per sqkm (2020)*

- 1,000 - 4,790
- 300 - 1,000
- 150 - 300
- 100 - 150
- 36 - 100

* based on data from Statistisches Bundesamt

ATTRACTIVE PORTFOLIO CONCENTRATED IN DENSELY POPULATED METROPOLITAN AREAS WITH VALUE-ADD POTENTIAL

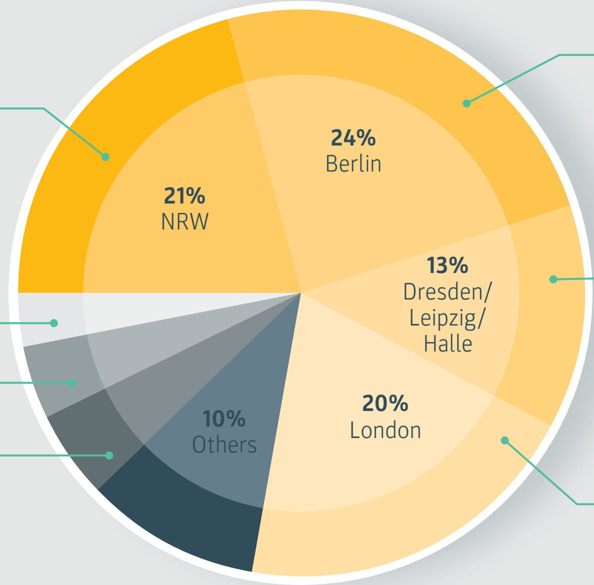
GCP's well-balanced and diversified portfolio is composed of properties in attractive micro-locations with identified value creation potential primarily located in major German cities and urban centres as well as in London.

The Group's well-allocated portfolio provides for strong geographic and tenant diversification and benefits from economies of scale, supporting the risk-averse portfolio approach. GCP's focus on densely populated areas is mirrored by 24% of its Portfolio being located in Berlin, 21% in NRW, 13% in the metropolitan region of Dresden, Leipzig and Halle, and 20% in London, four clusters with their own distinct economic drivers. The portfolio also includes additional holdings in other major urban centres with strong fundamentals such as Nuremberg, Munich, Mannheim, Frankfurt, Hamburg, and Bremen.

DIVERSIFIED PORTFOLIO WITH DISTINCT ECONOMIC DRIVERS

PORTFOLIO OVERVIEW

GCP has assembled a portfolio of high-quality assets in densely populated metropolitan regions, benefiting from diversification among dynamic markets with positive economic fundamentals and demographic developments.

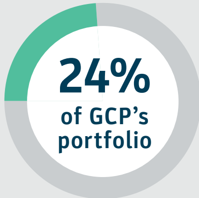


JUNE 2022	Value (in €M)	Area (in k sqm)	EPRA vacancy	Annualised net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,997	1,226	5.0%	90	6.2	17,918	1,629	4.5%
Berlin	2,177	620	3.8%	65	8.6	8,662	3,510	3.0%
Dresden/Leipzig/Halle	1,245	815	3.9%	53	5.6	13,997	1,527	4.2%
Mannheim/KL/Frankfurt/Mainz	483	194	3.3%	20	8.7	3,292	2,492	4.2%
Nuremberg/Fürth/Munich	289	80	5.9%	9	10.0	1,430	3,627	3.2%
Hamburg/Bremen	434	269	5.6%	20	6.6	4,051	1,613	4.7%
London	1,871	222	5.2%	84	33.6	4,345	8,435	4.5%
Others	1,008	712	4.9%	55	6.9	12,077	1,415	5.5%
Development rights and new buildings *	297							
Total	**9,801**	**4,138**	**4.7%**	**396**	**8.2**	**65,772**	**2,297**	**4.2%**

*of which pre marketed buildings in London amount to €61m

BERLIN - BEST IN CLASS

QUALITY LOCATIONS IN TOP TIER BERLIN NEIGHBORHOODS



70%

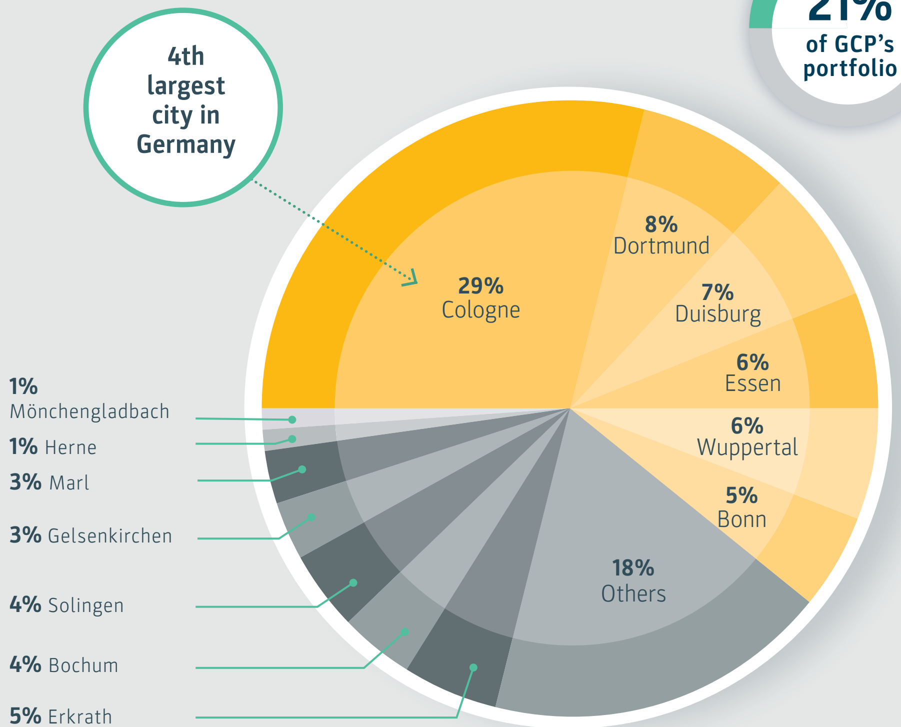
of the Berlin portfolio is located in top tier neighbourhoods: Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Friedrichshain, Lichtenberg, Neukölln, Schöneberg, Steglitz and Potsdam.

30%

is well located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

NORTH RHINE-WESTPHALIA (NRW)

WELL POSITIONED IN THE LARGEST METROPOLITAN AREA IN GERMANY



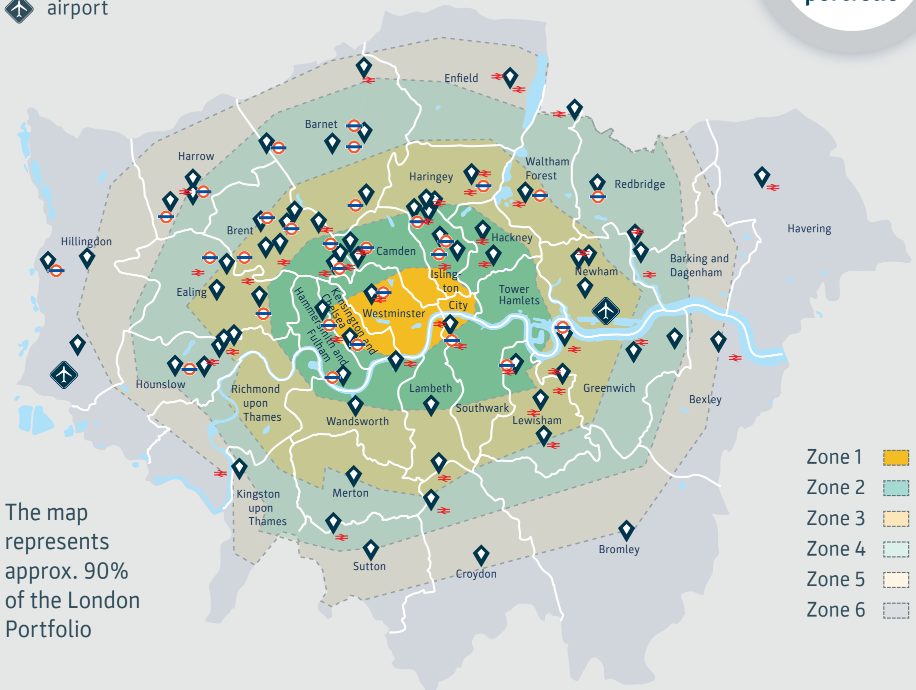
The portfolio distribution in NRW is focused on cities with strong fundamentals within the region. 29% of the NRW portfolio is located in Cologne, the largest city in NRW, 8% in Dortmund, 7% in Duisburg, 6% in Essen, 6% in Wuppertal and 5% in Bonn.

LONDON PORTOLIO

LOCATED IN STRONG MIDDLE CLASS NEIGHBORHOODS

- asset location
- underground station
- overground/train station
- airport

20% of GCP's portfolio



The map represents approx. 90% of the London Portfolio

The total London portfolio, including high quality assets, social housing as well as pre-marketed units, amounts to approx. 4,500 units and approx. €1.9 billion in value.

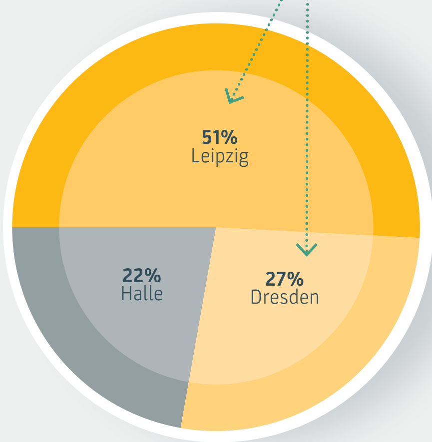
Over 80% of the portfolio is situated within a short walking distance to an underground/ overground station.

QUALITY EAST & NORTH PORTFOLIO

13% of GCP's portfolio

Located in the growing and dynamic cities of Dresden, Leipzig and Halle.

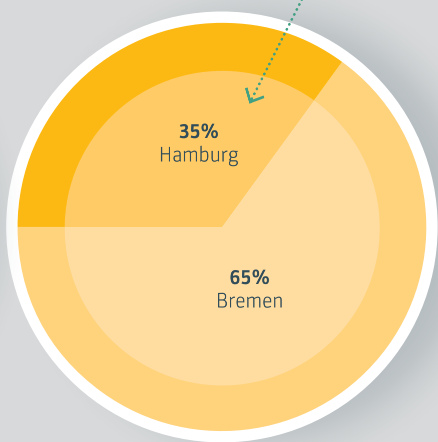
Leipzig & Dresden are the largest cities in eastern Germany after Berlin



4% of GCP's portfolio

The North portfolio is focused on the major urban centres of Hamburg and Bremen – the largest cities in the north of Germany.

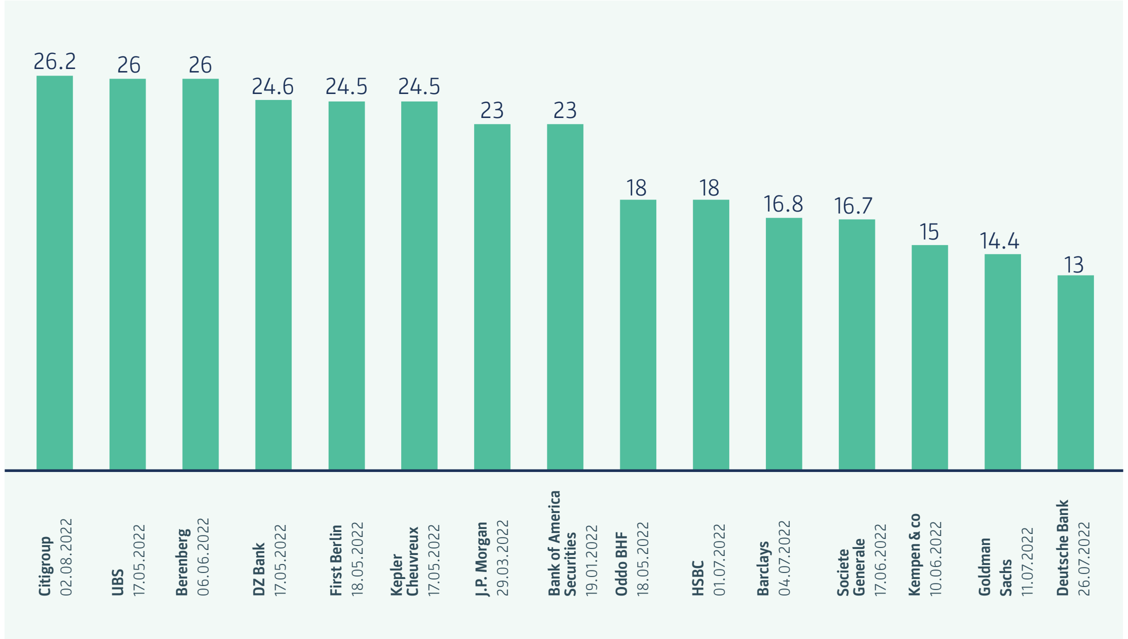
2nd largest city in Germany



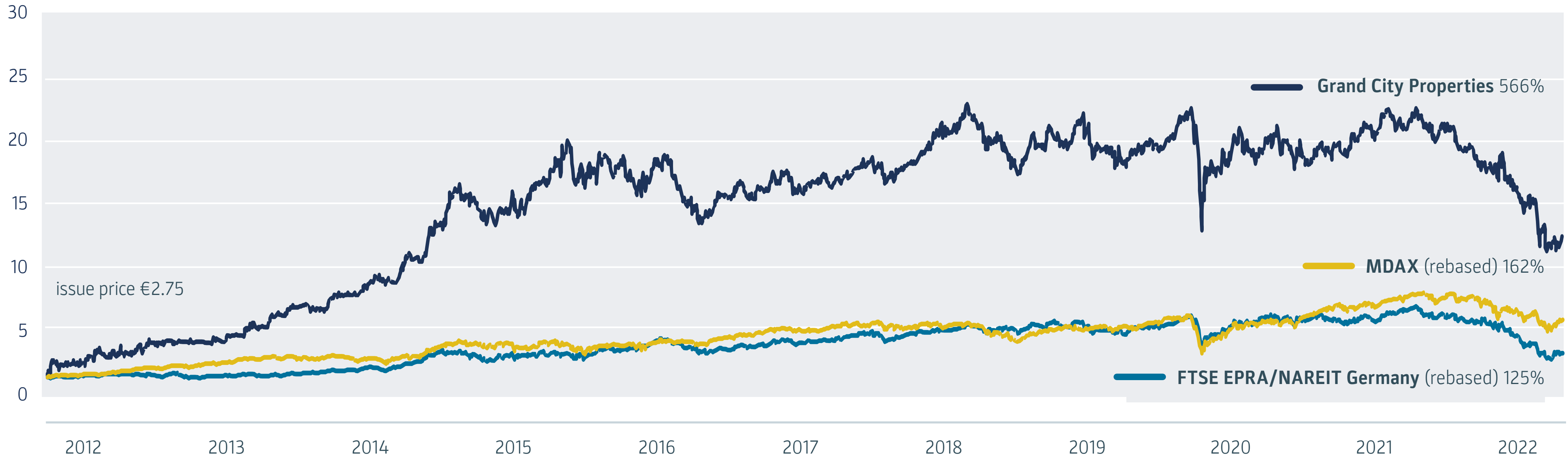
CAPITAL MARKETS

Placement	Frankfurt Stock Exchange
Market segment	Prime Standard
First listing	Q2 2012
Number of shares (as of 30 June 2022)	176,187,899 ordinary shares with a par value of EUR 0.10 per share
Number of shares, excluding suspended voting rights, base for KPI calculations	164,963,450 **(as of 30 June 2022)**
	172,323,757 **(as of the date of this report)**
Shareholder structure (as of 30 June 2022)	Freefloat: 40% Edolaxia Group 54% Treasury Shares 6%
Nominal share capital (as of 30 June 2022)	17,618,789.90 EUR
ISIN	LU0775917882
WKN	A1JXCV
Symbol	GYC
Key index memberships	MDAX FTSE EPRA/NAREIT Index Series MSCI Index Series GPR 250 DIMAX
Market capitalisation (as of 12/08/2022)	2.5 bn EUR

ANALYST RECOMMENDATIONS



SHARE PRICE PERFORMANCE AND TOTAL RETURN COMPARISON SINCE FIRST EQUITY PLACEMENT (19.07.2012)



SELECTED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period of six months ended 30 June	2022	2021
	€'000	
Net rental income (a)	194,586	183,131
Operating and other income (b)	77,506	76,317
Revenue (a)	**272,092**	**259,448**
Property revaluations and capital gains (d)	234,412	179,662
Share of profit from investments in equity-accounted investees	-	3,060
Property operating expenses (b)	(115,430)	(108,358)
Administrative and other expenses (c)	(5,656)	(5,408)
Depreciation and amortisation	(5,148)	(2,606)
Operating profit	**380,270**	**325,798**

(a) In the first half of 2022, GCP recorded total revenue of €272 million, increasing 5% as compared to €259 million recorded during the first half of 2021. Total revenue is comprised of the net rental income and operating and other income items.

Net rental income is the largest component of revenue and amounted to €195 million for H1 2022. This represents a 6% increase as compared to €183 million for the first six months of 2021. The increase in net rental income is primarily the result of the strong operational result of the portfolio and the combined impact of net acquisitions made in past periods. Organic rental growth between the periods resulted in like-for-like rental growth of 3.0% of which 2.2% came from in-place rent growth and 0.8% from occupancy increases. Vacancy in the portfolio reduced further from its historic lows, and stands at 4.7% in June 2022. The portfolio's in-place rent stood at €8.2/sqm as of June 2022, increasing further as compared to year-end 2021.

The accretive acquisitions executed in the previous year, offset by disposals, had a positive impact on the net rental income recorded in the first half of 2022. In 2021, GCP made €700 million of acquisitions, located primarily in NRW, London, Berlin, Dresden and Munich. These acquisitions were mostly executed in the second half of 2021 and therefore only had a limited impact on the net rental income recorded in the first half of 2021. In 2021, GCP disposed approx. €360 million of non-core and mature properties primarily located in eastern German cities and in secondary cities in NRW, and also included development rights. Additionally, approx. €250 million in acquisitions mainly located in London and Berlin were closed at the end of Q2 2022 and thus had no material impact on current operating results but will have a full impact in coming periods. The annualized net rent of the portfolio as of June 2022 amounted to €396 million.

+2.2% L-F-L
IN-PLACE RENT GROWTH
JUN 2022

+3.0% L-F-L
TOTAL NET RENT GROWTH
JUN 2022

+0.8% L-F-L
OCCUPANCY GROWTH
JUN 2022

(b) The Company recorded operating and other income during H1 2022 amounting to €78 million, increasing by 2%, from the €76 million recorded in the same period of 2021. Operating and other income increased primarily due to the impact of cost inflation on expenses recoverable from tenants as well as an increase in the portfolio size between the two periods and vacancy reduction. The increase was offset by disposals and platform optimization efforts, through which the Company disposed properties with a relatively higher cost structure while acquiring higher quality properties with a more efficient cost structure, leading to an overall leaner cost structure for the portfolio and offsetting some of the impacts of the portfolio growth. In the first six months of 2022, property operating expenses amounted to €115 million, increasing by 7%, as compared to €108 million in the same period of 2021. Property operating expenses are primarily made up of expenses which are recoverable from tenants and include the costs for various utilities and services provided, such as - heating, water, waste management, snow removal, and property cleaning services among other expenses. Property operating expenses additionally include expenses related to operational personnel expenses, maintenance and refurbishment and other property related expenses. Property operating expenses increased mainly as a result of two. Firstly, a result of cost inflation but this remained in line with the increase in net rental income and the growth in the portfolio, offset by a leaner cost structure as a result of capital recycling activity over the previous periods. Secondly, the Company conservatively recorded a provision for utility expenses which may potentially not be recovered as part of the tenant prepayments due to the significant increase in energy and heating costs in recent months. To support its tenants with understanding how they can better control their energy consumption and thus energy costs, the Company has recently launched an integrated all-channel info campaign on the subject. The campaign includes a large variety of informative content, including info videos, flyers, posters, a social media campaign and information through GCP's service center.

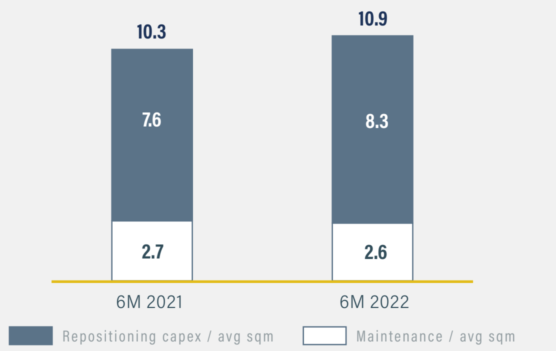
The Company continuously improves the quality of its portfolio and carries out a variety of maintenance and refurbishment projects to achieve this goal. Furthermore, GCP addresses property specific needs through targeted action that delivers a higher quality living environment for tenants which maximises satisfaction and results in lower tenant turnover, vacancies, and higher rents.

Maintenance and refurbishment expenses comprise primarily of expenses related to maintaining the quality of the portfolio and thus help maintain living standards for tenants. In the first half of 2022, maintenance and refurbishment expenses amounted to €11 million and €2.6 per average sqm, as compared to €11 million and €2.7 per average sqm in H1 2021. Tenants can place maintenance requests and receive support through several channels which includes GCP's 24/7 service center which offers help in various languages. Through the Company's tenant app, tenants can monitor their maintenance and service requests and provide supporting documentation. This enhanced level of transparency increased the efficiency of the process and increases tenant satisfaction. GCP's scale and improved platform increased efficiencies which has offset some of the cost inflation of materials and the cost of external subcontractors. This is the case for both maintenance and capex works.

Repositioning capex refers to capital expenditures aimed at improving the asset quality of the portfolio through measures such as apartment renovations, façade refits, improvements to corridors and staircases, among others. Furthermore, repositioning capex also includes measures aimed at increasing the value proposition of the area surrounding the property through projects that include the addition of playgrounds, barbeque pits, common meeting areas, and more. Repositioning capex increases the value proposition of the portfolio and thus supports the letting progress, reducing tenant turnover and vacancy while increasing the rent potential. Repositioning capex amounting to €34 million, or €8.3 per average sqm, which compares to €30 million and €7.6 per average sqm in H1 2021. The increase is primarily the result of an increase in the volume of capex projects undertaken in the period as cost inflation was mostly mitigated through long-term contracts and further offset by increased efficiencies. The Company additionally invests into modernisation measures on a small scale which include energetic modernisation projects such as the replacement of windows, heating systems and insulation, as well as adding balconies and installing elevators, which further enhance the quality of the portfolio. In H1 2022, GCP invested approximately €2.5 million in modernisation.

During the first half of 2022, GCP invested approximately €29.6 million in pre-letting modifications as compared to €22 million in the first half of 2021. These investments relate mainly to the completion of properties, mostly in London and Berlin, that are in the final stages of being finished. Such investments have been considered and were included in the cost analysis conducted prior to the completion of the acquisition. This item additionally includes extensive refurbishment projects and creation of new lettable areas which are outside the scope of repositioning capex. The Company was able to catch up on some of the delays seen in recent periods and, due to strong demand, accelerated some projects that were planned for the coming periods. GCP expects these units to be completed and leased in the upcoming periods and help support future rental growth.

Maintenance & capex development (€/sqm)



(c) In H1 2022, GCP reported administrative and other expenses amounting to €5.7 million, increasing by 5% as compared to €5.4 million in the comparable period of 2021. These expenses are largely comprised of overhead expenses such as administrative personnel expenses, legal and professional fees, marketing expenses, and other overhead expenses. The increase of this item is due to cost inflation carried on personnel and IT costs as well increased cost on professional services provided to the Company.

(d) During the six-month period ending June 2022, GCP recorded property revaluations and capital gains in the amount of €234 million, higher as compared to the €180 million in the first six months of 2021. GCP, at least once a year, engages external, professional, independent, and certified valuators to assess the valuation of each of its investment properties. During the first six months of 2022 GCP revaluated approximately 2/3 of the portfolio, validating the resilience of the portfolio. Revaluation gains were driven by operational improvements and the quality of the portfolio's locations, supported by a small level of yield compression. As of June 2022, the portfolio was valued at an average €2,297/sqm, representing a rental yield of 4.2%, as compared to €2,205/sqm and 4.2% as at year-end 2021. The portfolio valuation on average is below recent markets transaction values as well as below replacement costs, which highlights the defensive position of the portfolio. Throughout H1 2022, GCP recorded a small scale of €14 million in disposals completed at a premium of 17% over net book values, reflecting a gain of 116% over total costs, including capex. Disposals consisted primarily of development rights and condominiums in Berlin.

PROFIT FOR THE PERIOD

For the period of six months ended 30 June	2022	2021
	€'000	
Operating profit	**380,270**	**325,798**
Finance expenses (a)	(23,006)	(22,702)
Other financial results (b)	(64,743)	(89,265)
Current tax expenses (c)	(18,530)	(17,629)
Deferred tax expenses (c)	(40,099)	(39,118)
Profit for the period (d)	**233,892**	**157,084**
Profit attributable to the owners of the company	199,861	120,726
Profit attributable to the perpetual notes investors	12,274	12,565
Profit attributable to non-controlling interests	21,757	23,793
Basic earnings per share (in €)	1.21	0.72
Diluted earnings per share (in €)	1.17	0.68
Weighted average number of ordinary shares (basic) in thousands	164,962	168,179
Weighted average number of ordinary shares (diluted) in thousands	171,688	180,353
Profit for the period (d)	**233,892**	**157,084**
Total other Comprehensive income for the period, net of tax (e)	6,398	14,467
Total comprehensive income for the period (e)	**240,290**	**171,551**

(a) GCP recorded €23 million of finance expenses in the first half of 2022, as compared to €23 million recorded in the period in 2021. Lower interest expenses as a result of the debt repayments were offset by slightly higher leasehold expenses, primarily from the London portfolio. Throughout H1 2022, the company repaid €615 million of debt through the redemption of €450 million of its Series F convertible bond at maturity in March and the pre-payment of over €165 million of bank loans which carried a relatively high interest rate and a near-term maturity. The Company also secured over €60 million in new bank loan financing at a 10-year maturity in May 2022 at a margin of 1% + 6 month EURIBOR. As of the end of June 2022, the Company's cost of debt was 1.1% while the average debt maturity was 6.4 years. Furthermore, GCP's current high proportion of 95% interest hedged debt, all of which is either fixed or swapped, provides a strong hedge against rising interest rates.

(b) In the first half of 2022 GCP recorded negative other financial results amounting to €65 million, lower as compared to a negative result of €89 million in the first half of 2021. The other financial results were mainly the combined result of one-off costs and non-cash negative revaluations during the period. Other financial results mainly comprise of the net change in fair value of financial assets and liabilities and derivative instruments and are affected by changes in interest rates yields as well as the high volatility in capital markets. Other financial results additionally include one-off cost related to the early repayment of debt, which enables the company to further reduce future financial costs, prolong the debt maturity schedule and optimize the unencumbered ratio, supporting GCP's conservative financial profile and protecting the company from the need to refinance and issue expensive debt securities in more volatile times. This financial flexibility has one-off costs in the short term but strengthens the financial profile and resilience in the mid-to-long term.

(c) During the first half of 2022, the Company reported total tax expenses of €59 million, which compares to €57 million reported during the corresponding period in 2021. Total tax expenses are made up of current tax expenses as well as deferred tax expenses.

Current tax consists primarily of corporate and property taxes and trend in-line with the Company's underlying business and portfolio distribution. In H1 2022, current tax expenses amounted to €19 million as compared to €18 million in H1 2021.

Deferred tax expenses are non-cash expenses linked mainly to revaluation gains and are predominantly related to the theoretical disposal of investment properties with a tax rate applied based on the location of the asset. Deferred tax expenses amounted to €40 million during the first six months of 2022 as compared to €39 million in the comparable period of 2021. The increase in deferred taxes was a result of the higher revaluation gains and was offset by deferred tax income as a result of revaluation of derivatives.

(d) GCP recorded a profit of €234 million in H1 2022, increasing by 49% as compared to the €157 million of profit for the comparable period in 2021. This increase is primarily due to the higher property revaluations and capital gains results in the current period. The increase in profit was further driven by the result of stronger operational earnings, as compared to the first half of 2021.

In the six-month period ending June 2022, GCP posted a basic earnings per share of €1.21 and a diluted earnings per share of €1.17 increasing 68% and 72% as compared to €0.72 and €0.68, respectively for the corresponding period in 2021. Per share basis earnings were impacted by the accretive share buyback executed in 2021 and the higher profit attributable to the owners of the Company, offset slightly by the impact of the scrip dividend issued in 2021.

(e) GCP generated total comprehensive income in the first half of 2022 in the amount of €240 million, 40% higher as compared to the first half of 2021. The increase in total comprehensive income is primarily the result of the higher net profit for H1 2022 as compared to the comparable period of 2021, offset by lower other comprehensive income, which amounted to €6.4 million in the first half of 2022 as compared to €14.5 million in the first half of 2021. Other comprehensive income include a positive €14 million result in net change in cost of hedging, and an expense of €7 million in foreign currency translation, net of investment hedges of foreign operations.


Berlin

ADJUSTED EBITDA, FUNDS FROM OPERATIONS (FFO I, FFO II)

For the period of six months ended 30 June	2022	2021
	€'000	
Operating profit	380,270	325,798
Depreciation and amortisation	5,148	2,606
EBITDA	**385,418**	**328,404**
Property revaluations and capital gains	(234,412)	(179,662)
Share of profit from investments in equity-accounted investees	-	(3,060)
Equity settled share-based payments and other adjustments	1,258	1,728
Adjusted EBITDA (a)	**152,264**	**147,410**
Finance expenses	(23,006)	(22,702)
Current tax expenses	(18,530)	(17,629)
Contribution from / (to) joint ventures and minorities, net	(1,299)	(282)
Adjustment for Perpetual notes attribution	(12,274)	(12,565)
FFO I (b)	**97,155**	**94,232**
Weighted average number of ordinary shares (basic) in thousands*	164,962	168,179
FFO I per share (in €)	**0.59**	**0.56**
Result from disposal of properties	7,318	71,434
FFO II (c)	**104,473**	**165,666**

* not considering the dilution effect of the management share plan as it is immaterial


Halle

(a) The adjusted EBITDA is an industry standard figure displaying the Company's recurring operational profits before interest, tax expenses, depreciation, and amortisation, excluding the effects of property revaluations, capital gains, and other non-operational income statement items such as share of non-recurring profits from investment in equity-accounted investees, equity settled share-based payments and other adjustments. In the first half of 2022, GCP generated adjusted EBITDA amounting to €152 million, an increase of 3% as compared to €147 million generated in the same period in 2021. The increase in adjusted EBITDA is primarily the result of the full impact of net acquisitions in 2021 as well as strong rental growth, offset by disposals and cost inflation that counteracted operational growth. In 2021, the Company acquired over €700 million while disposing approx. €360 million of mainly non-core properties above book value. Furthermore, the Company made approx. €250 million in acquisitions at the end of H1 2022, mainly in London and Berlin, which will have a full impact in the coming periods. Adjusted EBITDA was also impacted by like-for-like rental growth of 3.0% driven by 0.8% occupancy increase and 2.2% in-place rent growth.

(b) Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key bottom line industry performance indicator. FFO I is calculated by deducting from the adjusted EBITDA, finance expenses, current tax expenses, the contribution to minorities, and the share of profit attributable to the Company's perpetual notes investors, while adding to the FFO I the operational contributions from joint ventures. During the first six months of 2022, FFO I amounted to €97 million, increasing 3% as compared to the €94 million recorded in the comparable period of 2021. This increase was driven mostly by the operational growth and higher rental income. The operational growth has also been impacted by the higher current tax expenses that trend in-line with the Company's underlying business.

FFO I per share amounted to €0.59 per share in the first six months of 2022, an increase of 5% as compared to the €0.56 recorded in the comparable period in 2021. The relative stronger increase on a per share basis is the result of the full effect of the accretive share buybacks executed in 2021 and was slightly offset by the shares issued under the scrip dividend in July 2021.

(c) FFO II is a supplementary performance measure that includes the disposal effects on top of FFO I. The result from disposal of properties refers to the excess amount of the sale price to the cost price plus capex of disposed properties. In the first half of 2022, GCP reported an FFO II of €104 million as compared to €166 million reported for the corresponding period in 2021. The FFO II generated during the first half of 2022, was driven by minor disposals amounting to €14 million, executed at a profit over total costs (including capex) of 116%, reflecting total crystallised gains of €7 million. The decline in the FFO II is due to the significantly higher amount disposals in the first half of 2021 which amounted to over €300 million.

ADJUSTED FUNDS FROM OPERATIONS (AFFO)

For the period of six months ended 30 June	2022	2021
	€'000	
FFO I	**97,155**	**94,232**
Repositioning capex	(34,001)	(29,821)
AFFO	**63,154**	**64,411**

Adjusted Funds from Operations (AFFO) is another indicator for the Company's recurring operational cash flow and is derived by subtracting the repositioning capex from the Company's FFO I. GCP includes in the AFFO calculation repositioning capex which is targeted at value creation and improving the asset quality of the portfolio, which GCP deems as being relevant for its AFFO calculation. During the first half of 2022, the Company reported an AFFO of €63 million as compared to €64 million reported for the comparable period in 2021. The slight decrease in AFFO between the two periods is the result of comparatively stronger increase in repositioning capex resulting from an increase in volume of capex projects undertaken between the two periods, which offset the increase in FFO and is expected to create future internal growth.

Mönchengladbach

CASH FLOW

For the period of six months ended 30 June	2022	2021
	€'000	
Net cash provided by operating activities	110,181	105,020
Net cash provided by investing activities	(90,607)	(115,534)
Net cash used in financing activities	(598,064)	(332,843)
Net decrease in cash and cash equivalents	**(578,490)**	**(343,357)**
Other changes*	(349)	870
Cash and cash equivalents as on 1 January	895,486	1,412,199
Cash and cash equivalents as on 30 June	**316,647**	**1,069,712**

* including changes in balance of cash and cash equivalents held-for-sale and effects of foreign exchange rate changes

Net cash provided by operating activities amounted to €110 million in H1 2022 as compared to €105 million in H1 2021. The increase in net cash provided by operating activities was primarily the result of the operational growth of the company, exemplified by the like-for-like rental growth of 3.0% of which 2.2% came from in-place rent growth and 0.8% from occupancy increases. Furthermore, operating cash flow was positively impacted by the full-period effect of acquisitions completed prior to the reporting period. Operating cash flow was negatively impacted by cost inflation that offset operational growth and disposals. Due to the recent surge in energy prices, the effect of the timing between the actual consumption cost of the heating expenses recoverable from tenants to the settlement of the payments by tenants, led to an increased working capital, net of lower tax payments in H1 2022 compared to H1 2021, impacting negatively on the operating cash flow in the first half of 2022.

Net cash used in investing activities amounted to €91 million in the first six months of 2022, as compared to €116 million in the comparable period in 2021. The net cash used in investing activities in the period is primarily the result of acquisitions and capex projects executed in the period, offset primarily by the net repayment of loans-to-own assets as well as a relatively immaterial amount of disposals. GCP acquired approx. €250 million of assets, a large part of which was acquired through a completed loan-to-own project, where the company decided to use its option to acquire the property at attractive pricing. As a result, this transaction had only a limited impact on the cashflow.

Net cash used in financing activities amounted to €598 million in the first half of 2022, as compared to €333 million in the comparable period of 2021. Throughout the first 6 months of 2022, GCP used its strong liquidity position to optimize its debt profile and repay over €615 million of debt. GCP redeemed €450 million of its Series F convertible bonds in March of 2022 and additionally pre-paid over €165 million of short-term bank loans. The repayments were offset by new bank financing in the period. The company secured over €60 million in 10-year bank loan financing at attractive terms in May 2022, which remains comfortably below public debt market rates. As of June 2022, the Company's cost of debt remains low at 1.1% with an average debt maturity of 6.4 years.

Frankfurt

ASSETS

	Jun 2022	Dec 2021
	€'000	
Non-current assets	**10,289,167**	**9,882,834**
Investment property	9,800,622	9,339,489
Current assets	**1,016,622**	**1,679,158**
Cash and liquid assets*	454,185	1,108,004
Total Assets	**11,305,789**	**11,561,992**

* including cash and cash equivalents held-for-sale

GCP's total assets as of the end of June 2022 amounted to €11.3 billion, decreasing slightly as compared to year-end 2021. This decrease was primarily the result of the lower balance of current assets, mainly of cash and liquid assets that were used to repay over €615 million of debt in H1 2022. An increase in non-current assets through strong property revaluation gains and acquisitions offset the decrease from current assets.

GCP reported non-current assets of €10.3 billion as of June 2022, 4% higher as compared to the end of December 2021. Non-current assets were mainly impacted by positive revaluation gains and capex, which resulted in an increase in the investment property item to €9.8 billion at the end of June 2022 from €9.3 billion in Dec 2021. The increase was further mainly driven by approx. €250 million in acquisitions closed in June 2022. The acquisitions included approx. 1,000 units mainly located in London and Berlin. The increase in non-current assets was offset by disposals as well as by the movement of assets marked for disposal into assets held for sale, which the Company expects to dispose in the next 12 months. GCP disposed mainly development rights and condominiums in Berlin at a premium over net book values of 17% reflecting the conservative nature of GCP's valuations.

The asset balance further includes tenant deposits which are used as a security for rent payments had a balance of €40 million. Long term financial investments, which are held for an expectation for long term yield and co-investments in attractive deals which had a balance of approximately €50 million and investments which the Company holds a minority position in real estate portfolios amount to €30 million.

Loans-to-own assets are asset-backed interest bearing loans, which under specific circumstances, have the embedded option to acquire the underlying asset at a discount. These assets provide GCP with an alternative avenue for accretive acquisitions which complement GCP's existing deal sourcing network. The loans-to-own portfolio is located primarily in the UK and is secured by a first lien on the underlying asset. As at the end of June 2022, the balance of loans-to-own assets is approximately €100 million (including short term), lower as compared to December 2021 as a result of net repayments and a conversion into investment property.

Current assets at the end of June 2022 amounted to €1 billion, lower as compared to the €1.7 billion at the end of December 2021. The decrease is the result of a lower cash and liquid assets balance primarily as a consequence of the repayment of over €615 million of debt and acquisitions made over H1 2022. The decrease in current assets was offset by net cash provided by operating activities, over €60 million in new bank loan financing, and disposals during the period. GCP maintains a strong liquidity position with €454 million in cash and liquid assets.

Current assets also include trade and other receivables and assets held for sale. As of June 2022, trade and other receivables amounted to €400 million, of which over €300 million comprises of operational receivables such as rent, operating costs and other receivables. The operating cost receivables are correlated to the prepayments for ancillary services received from tenants, which are presented in the short-term liabilities and are composed of services including mainly heating, cleaning services, insurance, winter services, waste and sewage. Operating costs receivables are settled once per year against the advances received from tenants. Due to strong increases in heating costs in recent months the Company provided tenants, where relevant, with the option to voluntarily increase ancillary prepayments to cover heating expenses, which was accepted by a large number of GCP's tenants. As of June 2022, assets held for sale amounted to €159 million and represent properties intended for disposal within the next 12 months.

LIABILITIES

	Jun 2022	Dec 2021
	€'000	
Loans and borrowings [1]	252,603	358,249
Straight & Convertible Bonds	3,623,184	4,091,880
Deferred tax liabilities[2]	815,595	766,142
Other long-term liabilities and derivative financial instruments[3]	228,099	261,221
Current Liabilities[4]	401,453	281,914
Total Liabilities	**5,320,934**	**5,759,406**

1 including short-term loans and borrowings
2 including deferred tax liabilities of assets held for sale
3 including short-term derivative financial instruments
4 excluding current liabilities included in the items above


London

Total liabilities as of the end of June 2022 amounted to €5.3 billion, a decrease of 8% as compared to the €5.8 billion as of December 2021. The decrease was primarily driven by the reduction in the balance of straight and convertible bonds and loans and borrowings as a result of debt repayments, offset by higher deferred tax liabilities driven by positive property revaluation gains and over €60 million in new bank loan financing. Total liabilities additionally include other long-term liabilities and derivative financial instruments.

Throughout H1 2022, GCP continued to take measures to further optimize its debt profile. The company made debt repayments of over €615 million which included redeeming its €450 million Series F convertible bonds at maturity in March 2022 and repaying €165 million in near-term maturity bank loans. Furthermore, GCP tapped its high ratio of unencumbered assets of 91%, representing a total value of €9 billion, to secure over €60 million in new bank loan financing for 10 years at attractive terms in May 2022, which remains comfortably below public debt market rates. The debt optimization measures have also resulted in no upcoming debt maturities until 2024. Furthermore, the Company maintains a strong liquidity position, which is sufficient to cover debt maturities until mid-2025, helping to shield the company from the current volatility in debt markets and rising interest rates. As of June 2022, the Company's cost of debt remains low at 1.1% with an average debt maturity of 6.4 years. GCP has no maturities until Q2 2024 and sufficient liquidity to cover maturities until mid-2025, providing protection from higher financing rates seen in the market across the reporting period.

Deferred tax liabilities amounted to €816 million as of the end of June 2022 and comprised of 15% of total liabilities. Deferred tax liabilities are primarily related to the revaluation gains achieved on the Company's investment property portfolio, considering the theoretical disposal of investment properties in the form of asset deals at the tax rate based on the property location.

EPRA NET ASSET VALUE METRICS

The Net Asset Value is a key performance measure used in the real estate industry. Due to the evolving nature of ownership structures, balance sheet financing as well as the inclusion of non-operating activities leading to entities being relatively more actively managed, EPRA has provided three different metrics to reflect this nature of property companies. The EPRA Net Asset Value Metrics are defined by EPRA and include the Net Reinstatement Value (NRV), Net Tangible Assets (NTA) and Net Disposal Value (NDV).

EPRA Net Reinstatement Value (NRV) assumes that entities never sell their assets and aims to represent the value required to rebuild the entity. The EPRA NRV measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected to materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

EPRA Net Tangible Assets (NTA) assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. Therefore, the EPRA NTA measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities.

EPRA Net Disposal Value (NDV) represents the shareholders' value under a disposal scenario, where deferred taxes, financial instruments and certain other adjustments are considered to the full extent of their liability, net of any resulting tax. Therefore, the EPRA NDV measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity.

in € '000 unless otherwise specified	EPRA NRV	EPRA NTA	EPRA NDV	EPRA NRV	EPRA NTA	EPRA NDV
		Jun 2022			Dec 2021	
Equity attributable to the owners of the Company	**4,097,493**	**4,097,493**	**4,097,493**	**3,960,034**	**3,960,034**	**3,960,034**
Deferred tax liabilities	805,600[1]	687,472[2]	-	754,069[1]	636,405[2]	-
Fair value measurements of derivative financial instruments[3]	(5,831)	(5,831)	-	(3,078)	(3,078)	-
Intangible assets and goodwill	-	(13,295)	-	-	(14,717)	-
Real estate transfer tax	545,418[1]	467,848[2]	-	517,857[1]	441,546[2]	-
Net fair value of debt	-	-	384,853	-	-	(106,771)
NAV	**5,442,680**	**5,233,687**	**4,482,346**	**5,228,882**	**5,020,190**	**3,853,263**
Basic number of shares including in-the-money dilution effects (in thousands)		171,312[4]			165,133	
NAV per share (in €)	**31.8**	**30.6**	**26.2**	**31.7**	**30.4**	**23.3**

1 including balances held-for-sale
2 excluding deferred tax liabilities / real estate transfer tax on assets held for sale, non-core assets and development rights in Germany
3 not including net change in fair value of derivative financial instruments related to currency effects
4 including a dilution impact from an irrevocable scrip dividend notification received prior to the end of the reporting period

EPRA NRV

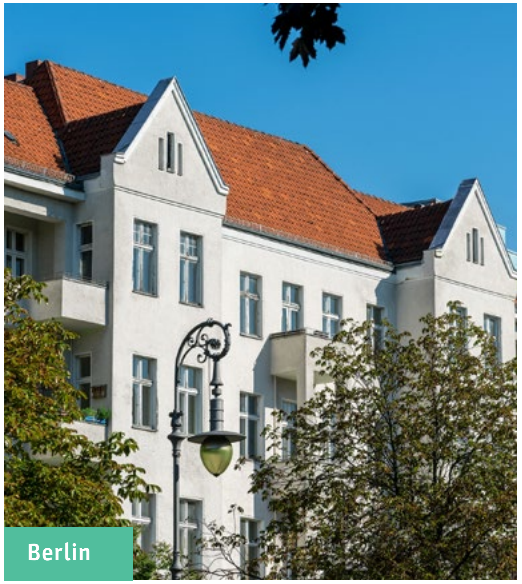
As of the end of June 2022, the Company reported an EPRA NRV of €5.4 billion and €31.8 per share, as compared to €5.2 billion and €31.7, respectively as of year-end 2021. The increase is mostly attributable to operational and revaluation gains which increased equity, a higher balance of deferred tax liabilities and the real estate transfer tax value driven by revaluation gains and acquisitions, offset by the impact of derivative financial instruments. The increase in EPRA NRV was further offset by the provision for the dividend which was paid following the end of the period. As EPRA NRV assumes that entities never sell assets and aims to represent the value required to rebuild the entity, the full amount of deferred tax and real estate transfer tax is added back.

EPRA NTA

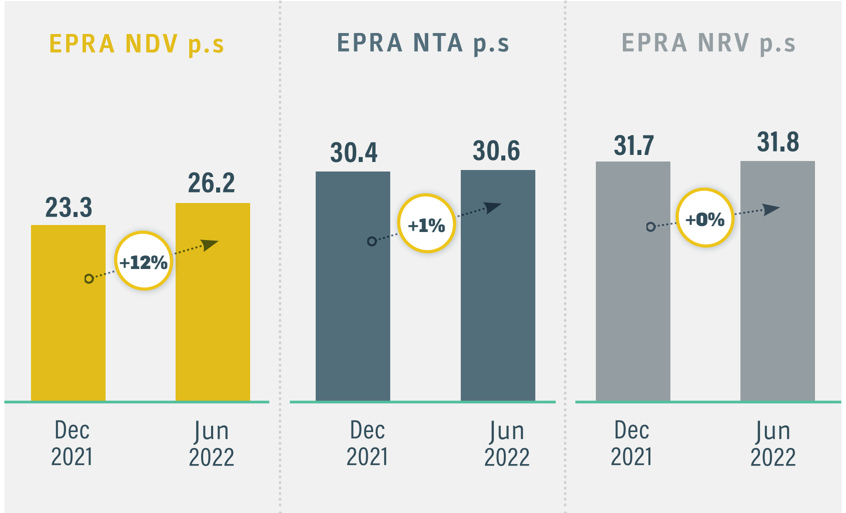
As of the end of June 2022, GCP reported an EPRA NTA of €5.2 billion and €30.6 per share, increasing by 4% and 1% respectively, as compared to €5 billion and €30.4 per share at year-end 2021. The growth in the NTA was driven by profits generated by the company as well as the increase in deferred tax liabilities and the real estate transfer tax offset by the provision for dividend. On a per share basis the NTA was impacted by a dilution impact from an irrevocable scrip dividend notification received prior to the end of the reporting period. EPRA NTA assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax and triggering the real estate transfer tax which reduces the net disposal price of the properties sold. GCP classifies properties into four different categories: Portfolio to be held long term, Investment properties held-for-sale, Portfolio classified in "Others" cities, and Development rights in Germany. As a conservative approach, GCP only adds back the deferred taxes and real estate transfer taxes on the Portfolio to be held long term.

EPRA NDV

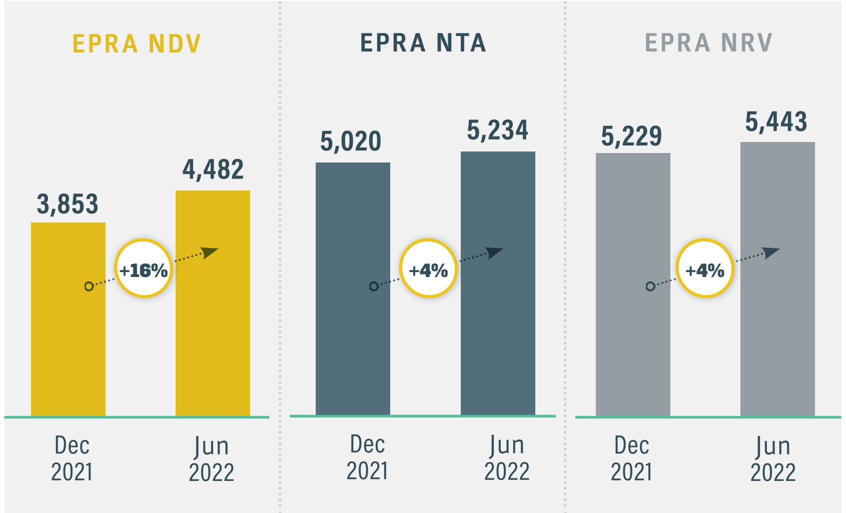
The EPRA NDV represents the Company's NAV under a theoretical scenario where all assets would be disposed, and all liabilities settled, and therefore does not add back any deferred tax liabilities or real estate transfer tax. At the end of June 2022, GCP reported an EPRA NDV of €4.5 billion and €26.2 on a per share basis, increasing by 16% and 12% respectively, compared to €3.9 billion and €23.3 per share at the end of December 2021. This change in EPRA NDV is primarily attributed to the current volatility in capital markets, which have resulted in a lower net fair value of debt. As the EPRA NDV reflects the difference between the book value and fair value of the Company's outstanding debt the lower fair value is added back. The value was further supported by operational and revaluation gains which increased the equity, offset by the provision for the dividend paid after the reporting period.


Berlin

EPRA NAV METRICS DEVELOPMENT (IN €)



EPRA NAV METRICS DEVELOPMENT (IN € MILLIONS)



DEBT FINANCING KPIS

LOAN-TO-VALUE

	Jun 2022	Dec 2021
	€'000	
Investment property [1]	9,764,504	9,305,042
Investment properties of assets held-for-sale [1]	144,797	99,329
Total value	**9,909,301**	**9,404,371**
Total debt	3,875,787	4,450,129
Cash and liquid assets [2]	454,185	1,108,004
Net debt	**3,421,602**	**3,342,125**
LTV	**35%**	**36%**

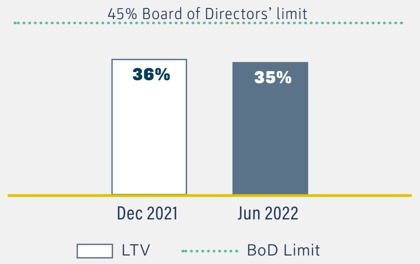
1 including advanced payments and deposits and excluding right-of-use assets
2 including cash and cash equivalents held-for-sale

GCP prioritizes maintaining a conservative financial profile, characterised by a low LTV, robust coverage ratios and a strong ratio of unencumbered assets. As of the end of June 2022, the Company had an LTV ratio of 35% decreasing slightly compared to 36% at the end of December 2021. This low leverage position provides significant headroom below bond covenant limits as well as the more stringent board-mandated limit of 45%.

GCP's strong operational profitability and proactive approach to optimizing the company's financial profile has resulted in a strong ICR of 6.6x and a DSCR of 6.2x at the end of June 2022 compared to 6.5x and 5.8x respectively for the comparable period in 2021. Furthermore, GCP's high proportion of 95% interest rate hedged debt, all of which are fixed and swapped, provides a strong hedge against rising interest rates. GCP also maintains financial flexibility through its large balance of cash and liquid assets amounting to €454 million as of June 2022, further supported by €300 million of undrawn credit facilities and a high ratio of unencumbered assets in its portfolio of 91% of value, reflecting €9 billion in value, both as of June 2022.

The Company's low leverage and conservative financial platform continues to allow it to benefit from broad access to both public and private capital markets, further supported by its investment grade credit ratings from S&P (BBB+/Stable) and Moody's (Baa1/Stable, unsolicited).

LOW LEVERAGE WITH ROBUST PROFITABILITY



UNENCUMBERED ASSETS

	Jun 2022	Dec 2021
	€'000	
Unencumbered Assets	9,004,359	8,352,924
Total Investment properties *	9,948,688	9,442,026
Unencumbered Assets Ratio	**91%**	**88%**

* including investment property held-for-sale

INTEREST COVERAGE RATIO (ICR)

For the period of six months ended 30 June	2022	2021
	€'000	
Adjusted EBITDA	152,264	147,410
Finance Expenses	23,006	22,702
Interest Coverage Ratio	**6.6x**	**6.5x**

DEBT SERVICE COVERAGE RATIO (DSCR)

For the period of six months ended 30 June	2022	2021
	€'000	
Adjusted EBITDA	152,264	147,410
Finance Expenses	23,006	22,702
Amortisation of loans from financial institutions	1,655	2,558
Debt Service Coverage Ratio	**6.2x**	**5.8x**

ALTERNATIVE PERFORMANCE MEASURES

In this section, GCP provides an overview of the use of its alternative performance measures.
For enhanced transparency and more industry specific comparative basis, the Company provides market and industry standard performance indicators. GCP provides a set of measures that can be utilised to assess the Company's operational earnings, net asset value of the Company, leverage position, debt and interest coverage abilities as well as liquidity headroom. The following measurements apply to the real estate industry's specifications and include adjustments where necessary that are in compliance with the standards.

RECONCILIATION OF ADJUSTED EBITDA

The adjusted EBITDA is an industry standard figure indicative of the Company's recurring operational profits before interest and tax expenses, excluding the effects of capital gains, revaluations, and other non-operational income statement items such as profits from disposal of buildings, share of profit from investment in equity-accounted investees and other adjustments. GCP starts from its *Operating profit* and adds back the item *Depreciation and amortisation* to arrive at the *EBITDA* value. Non-recurring and non-operational items are deducted such as the *Property revaluations and capital gains, Result on the disposal of buildings* and *Share of profit from investment in equity-accounted investees*. Further adjustments are labelled as *Equity settled share-based payment* and *other adjustments,* which are subtracted since these are non-cash expenses.

Adjusted EBITDA reconciliation
Operating Profit
(+) Depreciation and amortisation
(=) EBITDA
(+/-) Property revaluations and capital gains
(+/-) Result on the disposal of buildings
(+/-) Share of profit from investment in equity-accounted investees
(+/-) Equity settled share-based payments and other adjustments
(=) Adjusted EBITDA

RECONCILIATION OF FUNDS FROM OPERATIONS I (FFO I)

Funds From Operations I (FFO I) is an industry-wide standard measure of the recurring operational cash flow of a real estate company, often utilised as a key industry performance indicator. It is calculated by deducting the *Finance expenses*, *Current tax expenses, Contribution to minorities, Adjustment for perpetual notes attribution* and *adding the Contribution from joint ventures,* to the *Adjusted EBITDA.*

FFO I reconciliation
Adjusted EBITDA
(-) Finance expenses
(-) Current tax expenses
(-) Contribution from/(to) joint ventures and minorities, Net
(-) Adjustment for perpetual notes attribution
(=) FFO I

RECONCILIATION OF FUNDS FROM OPERATIONS II (FFO II)

FFO II additionally incorporates on top of the *FFO I* the r*esults from asset disposals*, calculated as the difference between the disposal values and the property acquisition costs plus capex, reflecting the economic profit generated on the sale of the assets. Although, property disposals are non-recurring, disposal activities provide further cash inflow that increase the liquidity levels. As a result, this measure is an indicator to evaluate operational cash flow of a company including the effects of disposals.

FFO II Reconciliation
FFO I
(+/-) Result from disposal of properties
(=) FFO II

RECONCILIATION OF ADJUSTED FUNDS FROM OPERATIONS (AFFO)

The Adjusted Funds From Operations (AFFO) is an additional measure of comparison which factors into the FFO I, the Company's repositioning capex, which targets value enhancement and quality increase in the portfolio. Modernisation and pre-letting capex are not included in the AFFO as it is considered as an additional investment program, similar to the property acquisitions, which is conducted at the Company's discretion. Therefore, in line with the industry practices, GCP deducts the *Repositioning capex* from the *FFO I* to arrive at the *AFFO*. As a result, AFFO is another widely used indicator which tries to assess residual cash flow for the shareholders by adjusting FFO I for recurring expenditures that are capitalised.

AFFO reconciliation
FFO I
(-) Repositioning capex
(=) AFFO

RECONCILIATION OF THE NET REINSTATEMENT VALUE ACCORDING TO EPRA (EPRA NRV)

The Net Reinstatement Value measure provides stakeholders with the value of net assets on a long-term basis and excludes assets and liabilities that are not expected materialise. Furthermore, real estate transfer taxes are added back, since the intention of this metric is to reflect what would be required to reinstate the Company through existing investment markets and the Company's current capital and financing structures.

The reconciliation of the EPRA NRV starts from the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property, fair value measurements of derivative financial instruments.* Further, the EPRA NRV includes *real estate transfer tax* in order to derive the *EPRA NRV* and provide the reader with a perspective of what would be required to reinstate the Company at a given point of time.

EPRA NRV Reconciliation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities(1)
(+/-) Fair value measurements of derivative financial instruments, net(2)
(+) Real Estate Transfer Tax(1)
(=) EPRA NRV

(1) including balances held-for-sale
(2) not including net change in fair value of derivative financial instruments related to currency effect

RECONCILIATION OF THE NET TANGIBLE ASSETS ACCORDING TO EPRA (EPRA NTA)

The Net Tangible Assets measure excludes the value of intangible assets while also taking into consideration the fact that companies acquire and dispose assets and, in the process, realise certain levels of deferred tax liabilities. Additionally, to the extent that tax optimisation is demonstrable, a corresponding portion of real estate transfer taxes are excluded to arrive at the Net Tangible Assets.

The reconciliation of the EPRA NTA begins at the *Equity attributable to the owners of the Company* and adds back *Deferred tax liabilities on investment property* excluding deferred tax liabilities related to the assets which are considered non-core, assets expected to be disposed within the following 12 months and the development rights in Germany. In addition, *intangible assets as per the IFRS Balance sheet* is subtracted and *fair value measurements of derivative financial instruments* are considered for this measure of valuation by EPRA. Further, the EPRA NTA adds back a portion of the *real estate transfer* tax excluding real estate transfer tax related to assets which are considered non-core, assets expected to be disposed within the following 12 months and development rights in Germany.

EPRA NTA Reconciliation
Equity attributable to the owners of the Company
(+) Deferred tax liabilities(1)
(+/-) Fair value measurements of derivative financial instruments, net(2)
(-) Intangible assets and goodwill
(+) Real Estate Transfer Tax(1)
(=) EPRA NTA

(1) excluding deferred tax liabilities / real estate transfer tax on non-core assets, assets held for sale and development rights in Germany
(2) not including net change in fair value of derivative financial instruments related to currency effect

RECONCILIATION OF THE NET DISPOSAL VALUE ACCORDING TO EPRA (EPRA NDV)

The Net Disposal Value measure is meant to provide stakeholders with the net asset value in the scenario that all assets are disposed and/or liabilities are not held until maturity. In this measure of net asset value, deferred tax liabilities, fair value measurements of financial instruments and certain other adjustments are considered to the full extent of their liabilities, without including any optimisation of real estate transfer tax.

Accordingly, to arrive at the EPRA NDV the starting point is the *Equity attributable to the owners of the Company* and includes the *Net fair value of debt.* The adjustment is the difference between the market value of debt and book value of debt.

EPRA NDV Reconciliation
Equity attributable to the owners of the Company
(+/-) Net fair value of debt
(=) EPRA NDV

RECONCILIATION OF LOAN-TO-VALUE (LTV)

LTV ratio is an acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights to which extent financial liabilities are covered by the Company's real estate asset value as well as how much headroom of the fair value of real estate portfolio is available compared to the net debt. Following the industry specifications, GCP calculates the LTV ratio by dividing the total net debt to the total value at the balance sheet date. Total value of the portfolio is a combination of the *Investment property* which includes the *Advanced payments and deposits* and the *Investment properties of assets held for sale* and *excludes right-of-use assets.* For the calculation of net debt, total *Cash and liquid assets* are deducted from the *Straight bonds, Convertible Bonds* and *Total loan and borrowings.* Total loan and borrowings include the *Short-term loans and borrowings, debt redemption,* and *Financial debt held for sale* while Straight bonds and Convertible bonds include *Bond redemption.* Cash and liquid assets is the sum of *Cash and cash equivalents, Financial assets at fair value through profit and loss,* and *Cash and cash equivalents held for sale.*

LOAN-TO-VALUE Reconciliation
(+) Investment property(1)
(+) Investment properties of assets held for sale(1)
(=) (A) Total value
(+) Total debt(2)
(-) Cash and liquid assets(3)
(=) (B) Net debt
(=) (B/A) LTV

(1) including advanced payments and deposits and excluding right-of-use assets excluding right-of-use assets
(2) including loans and borrowings held for sale
(3) including cash and cash equivalents held for sale

RECONCILIATION OF UNENCUMBERED ASSETS RATIO

The unencumbered assets ratio is a liquidity measure as it reflects the Company's ability to raise secure debt over these assets and thus provides an additional layer of financial flexibility and liquidity. Moreover, the unencumbered assets ratio is important for unsecured bondholders, providing them with an asset backed security. Hence, the larger the ratio is, the more flexibility a firm has in terms of headroom and comfort to its debtholders. Unencumbered assets ratio is calculated by dividing the *Unencumbered investment property* of the portfolio by the *Total investment properties* which is the sum of *Investment property* and *Investment properties of assets held for sale.*

Unencumbered Assets Ratio reconciliation
(A) Unencumbered assets
(B) Total investment properties*
(=) (A/B) Unencumbered Assets Ratio

* including investment properties and investment properties of assets held for sale

RECONCILIATION OF ICR AND DSCR

Two widely recognised debt metrics Interest Coverage Ratio (ICR) and Debt Service Coverage Ratio (DSCR) are utilised to demonstrate the strength of GCP's credit profile. These metrics are often used to see the extent to which interest and debt servicing are covered by recurring operational profits and provides implications on how much of cash flow is available after debt obligations. Therefore, ICR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* and DSCR is calculated by dividing the *Adjusted EBITDA* by the *Finance expenses* plus the *Amortisation of loans from financial institutions.* With these ratios, GCP is able to show that with its high profitability and long-term oriented conservative financial structure, GCP consistently exhibits high debt cover ratios.

ICR Reconciliation
(A) Adjusted EBITDA
(B) Finance expenses
(=) (A/B) ICR

DSCR Reconciliation
(A) Adjusted EBITDA
(B) Finance expenses
(C) Amortisation of loans from financial institutions
(=) [A/(B+C)] DSCR

RECONCILIATION OF NET DEBT-TO-EBITDA AND NET DEBT-TO-EBITDA INCLUDING PERPETUAL NOTES

The Net debt-to-EBITDA is another acknowledged measurement of the leverage position of a given firm in the real estate industry. This ratio highlights the ratio of financial liabilities to the Company's recurring operational profits and thereby indicates how much of the Company's recurring operational profits are available to debt holders. Therefore, GCP calculates the *Net debt-to-EBITDA* ratio by dividing the total *Net debt* as at the balance sheet date by the *adjusted EBITDA (annualised)* for the period. The *adjusted EBITDA (annualised)* is computed by adjusting the adjusted EBITDA to reflect a theoretical full year figure, based on the periods result, this is done by dividing the figure by ¼ in the first three-month period, ½ in the first six-month period and ¾ in the nine-month period. For the full year figure no adjustment is made.

NET DEBT-TO-EBITDA Reconciliation
(A) Net debt
(B) Adjusted EBITDA (annualised)
(=) (A/B) Net debt-to-EBITDA

GCP additionally provides the *Net debt-to-EBITDA* ratio by adding *its Equity attributable to perpetual notes investors* as at the balance sheet date to the *Net Debt*. While GCP's perpetual notes are 100% equity instruments under IFRS, credit rating agencies, including S&P, generally apply an adjustment to such instruments and consider these as 50% equity and 50% debt. Furthermore, some equity holders may find an adjustment that adds the full balance of perpetual notes to the net debt as relevant. For enhanced transparency GCP therefore additionally provides this metric including the full balance sheet amount of Equity attributable to perpetual notes investors.

NET DEBT-TO-EBITDA including perpetual notes Reconciliation
(A) Net debt
(B) Equity attributable to perpetual notes investors
(C) Adjusted EBITDA (annualised)
(=) [(A+B)/C)] NET DEBT-TO-EBITDA including perpetual notes

RECONCILIATION OF EQUITY RATIO

Equity Ratio is the ratio of Total Equity divided by Total Assets, each as indicated in the consolidated financial statements. GCP believes that the Equity Ratio is useful for investors primarily to indicate the long-term solvency position of the Company. The Equity Ratio is calculated by dividing the *Total Equity* by the *Total Assets*, both as per the consolidated financial statements of the Company.

Equity Ratio Reconciliation
(A) Total Equity
(B) Total Assets
(=) (A/B) Equity Ratio

Berlin

RESPONSIBILITY STATEMENT

To the best of our knowledge, the condensed interim consolidated financial statements of Grand City Properties S.A., prepared in accordance with the applicable reporting principles for financial statements, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and the management report of the Group includes a fair view of the development of the business, and describes the main opportunities, risks, and uncertainties associated with the Group.

DISCLAIMER

The financial data and results of the Group are affected by financial and operating results of its subsidiaries. Significance of the information presented in this report is examined from the perspective of the Company including its portfolio with the joint ventures. In several cases, additional information and details are provided in order to present a comprehensive representation of the subject described, which in the Group's view is essential to this report.

Luxembourg, 15 Aug 2022

Christian Windfuhr
Chairman and member
of the Board of Directors

Simone Runge-Brandner
Member of the
Board of Directors

Daniel Malkin
Member of the
Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the period of six months ended 30 June		For the period of three months ended 30 June	
		2022	2021	2022	2021
		Unaudited			
	Notes	€'000			
Revenue	5	**272,092**	**259,448**	**138,594**	**131,125**
Property revaluations and capital gains		234,412	179,662	189,131	107,255
Share of profit from investments in equity-accounted investees		-	3,060	-	1,063
Property operating expenses		(115,430)	(108,358)	(60,645)	(54,275)
Administrative and other expenses		(5,656)	(5,408)	(2,741)	(2,799)
Depreciation and amortisation		(5,148)	(2,606)	(2,374)	(1,248)
Operating profit		**380,270**	**325,798**	**261,965**	**181,121**
Finance expenses		(23,006)	(22,702)	(11,588)	(10,978)
Other financial results		(64,743)	(89,265)	(22,987)	(24,882)
Profit before tax		**292,521**	**213,831**	**227,390**	**145,261**
Current tax expenses		(18,530)	(17,629)	(8,987)	(9,760)
Deferred tax expenses		(40,099)	(39,118)	(31,050)	(29,640)
Profit for the period		**233,892**	**157,084**	**187,353**	**105,861**
Profit attributable to:					
Owners of the Company		199,861	120,726	169,719	87,363
Perpetual notes investors		12,274	12,565	6,171	6,170
Non-controlling interests		21,757	23,793	11,463	12,328
		233,892	**157,084**	**187,353**	**105,861**
Net earnings per share attributable to the owners of the Company (in euro):					
Basic earnings per share		1.21	0.72	1.03	0.53
Diluted earnings per share		1.17	0.68	1.03	0.50

The notes on pages 40 to 47 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the period of six months ended 30 June		For the period of three months ended 30 June	
		2022	2021	2022	2021
		Unaudited			
	Notes	€'000			
Profit for the period		**233,892**	**157,084**	**187,353**	**105,861**
Other comprehensive income					
Items that may be reclassified to profit or loss in subsequent periods, net of tax:					
Foreign currency translation, net of investment hedges of foreign operations		(7,468)	(1,851)	(7,425)	2,870
Net change in cost of hedging		13,866	16,318	1,714	741
Total other comprehensive income (loss) for the period, net of tax		**6,398**	**14,467**	**(5,711)**	**3,611**
Total comprehensive income		**240,290**	**171,551**	**181,642**	**109,472**
Total comprehensive income attributable to:					
Owners of the Company		206,259	135,193	164,008	90,974
Perpetual notes investors		12,274	12,565	6,171	6,170
Non-controlling interests		21,757	23,793	11,463	12,328
		240,290	**171,551**	**181,642**	**109,472**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2022	As at 31 December 2021
		Unaudited	Audited
		€'000	
ASSETS			
Investment property	6	9,800,622	9,339,489
Property and equipment		54,741	55,626
Intangible assets and goodwill		13,295	14,717
Advance payment and deposits		23,293	24,255
Derivative financial assets		41,065	37,504
Other non-current assets		303,880	359,831
Deferred tax assets		52,271	51,412
Non-current assets		**10,289,167**	**9,882,834**
Cash and cash equivalents		316,647	895,486
Financial assets at fair value through profit or loss		136,605	211,913
Trade and other receivables		399,851	452,048
Derivative financial assets		4,438	6,129
Assets held-for-sale		159,081	113,582
Current assets		**1,016,622**	**1,679,158**
Total assets		**11,305,789**	**11,561,992**
EQUITY			
Share capital		17,619	17,619
Treasury shares		(247,979)	(248,009)
Share premium and other reserves		345,939	408,371
Retained earnings		3,981,914	3,782,053
Total equity attributable to the owners of the Company		**4,097,493**	**3,960,034**
Equity attributable to perpetual notes investors		1,224,016	1,227,743
Total equity attributable to the owners and perpetual notes investors		**5,321,509**	**5,187,777**
Non-controlling interests		663,346	614,809
Total equity		**5,984,855**	**5,802,586**

The notes on pages 40 to 47 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2022	As at 31 December 2021
		Unaudited	Audited
		€'000	
LIABILITIES			
Loans and borrowings		248,189	353,073
Straight bonds		3,623,184	3,642,285
Derivative financial liabilities		47,956	76,200
Other non-current liabilities		145,428	154,330
Deferred tax liabilities		808,865	760,472
Non-current liabilities		**4,873,622**	**4,986,360**
Current portion of long-term loans		4,414	5,176
Bond redemption		-	449,595
Trade and other payables		335,034	215,757
Derivative financial liabilities		34,715	30,691
Tax payable		21,962	18,541
Provisions for other liabilities and charges		36,062	39,778
Liabilities held-for-sale		15,125	13,508
Current liabilities		**447,312**	**773,046**
Total liabilities		**5,320,934**	**5,759,406**
Total equity and liabilities		**11,305,789**	**11,561,992**

The Board of Directors of Grand City Properties S.A. authorised these condensed interim consolidated financial statements to be issued on 15 August 2022.

Christian Windfuhr
Chairman and member of the Board of Directors

Simone Runge-Brandner
Member of the Board of Directors

Daniel Malkin
Member of the Board of Directors

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the Company												
For the period of six months ended 30 June 2022 €'000	Share capital	Treasury shares	Share premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained Earnings	Total equity attributable to owners of the Company	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and Perpetual notes investors	Non-controlling interests	Total equity
Balance as at 31 December 2021 (audited)	**17,619**	**(248,009)**	**443,779**	**16,157**	**11,103**	**(39,658)**	**(23,010)**	**3,782,053**	**3,960,034**	**1,227,743**	**5,187,777**	**614,809**	**5,802,586**
Profit for the period	-	-	-	-	-	-	-	199,861	199,861	12,274	212,135	21,757	233,892
Other comprehensive income (loss) for the period	-	-	-	-	13,866	(7,468)	-	-	6,398	-	6,398	-	6,398
Total Comprehensive Income (loss) for the period	**-**	**-**	**-**	**-**	**13,866**	**(7,468)**	**-**	**199,861**	**206,259**	**12,274**	**218,533**	**21,757**	**240,290**
Dividend distribution(*)	-	-	(137,580)	-	-	-	-	-	(137,580)	-	(137,580)	-	(137,580)
Scrip dividend(*)	-	-	-	-	-	-	67,588	-	67,588	-	67,588	-	67,588
Share-based payment	-	30	-	-	-	-	1,162	-	1,192	-	1,192	-	1,192
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	26,780	26,780
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	-	(16,001)	(16,001)	-	(16,001)
Repayment of convertible bond(**)	-	-	16,157	(16,157)	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022 (unaudited)	**17,619**	**(247,979)**	**322,356**	**-**	**24,969**	**(47,126)**	**45,740**	**3,981,914**	**4,097,493**	**1,224,016**	**5,321,509**	**663,346**	**5,984,855**

(*) for additional information see note 7
(**) for additional information see note 2

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period of six months ended 30 June 2021 €'000	Share capital	Treasury shares	Share premium	Equity component of convertible bond	Cost of hedging reserve	Foreign exchange translation reserves, net	Other reserves	Retained Earnings	Total equity attributable to owners of the Company	Equity attributable to perpetual notes investors	Equity attributable to owners of the Company and Perpetual notes investors	Non-controlling interests	Total Equity
	Equity attributable to the owners of the Company												
Balance as at December 31, 2020 (audited)	**17,186**	**-**	**497,187**	**12,657**	**(25,256)**	**(32,943)**	**(12,405)**	**3,257,423**	**3,713,849**	**1,306,092**	**5,019,941**	**534,987**	**5,554,928**
Profit for the period	-	-	-	-	-	-	-	120,726	120,726	12,565	133,291	23,793	157,084
Other comprehensive income (loss) for the period	-	-	-	-	16,318	(1,851)	-	-	14,467	-	14,467	-	14,467
Total Comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**16,318**	**(1,851)**	**-**	**120,726**	**135,193**	**12,565**	**147,758**	**23,793**	**171,551**
Dividend distribution	-	-	(136,433)	-	-	-	-	-	(136,433)	-	(136,433)	-	(136,433)
Scrip dividend	-	-	-	-	-	-	50,811	-	50,811	-	50,811	-	50,811
Share buy-back	-	(157,479)	-	-	-	-	-	-	(157,479)	-	(157,479)	-	(157,479)
Share-based payment	-	397	-	-	-	-	(518)	(365)	(486)	-	(486)	-	(486)
Capital increase	-	23,375	745	-	-	-	(7,017)	-	17,103	-	17,103	-	17,103
Initial consolidation, deconsolidation and transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,912)	(2,912)
Payment to perpetual notes investors	-	-	-	-	-	-	-	-	-	(10,735)	(10,735)	-	(10,735)
Repayment to perpetual notes investors	-	-	-	-	-	-	(4,502)	-	(4,502)	(83,906)	(88,408)	-	(88,408)
Balance as at 30 June 2021 (unaudited)	**17,186**	**(133,707)**	**361,499**	**12,657**	**(8,938)**	**(34,794)**	**26,369**	**3,377,784**	**3,618,056**	**1,224,016**	**4,842,072**	**555,868**	**5,397,940**

The notes on pages 40 to 47 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of six months ended 30 June	
	2022	2021
	Unaudited	
	€'000	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period	**233,892**	**157,084**
ADJUSTMENTS FOR THE PROFIT:		
Depreciation and amortisation	5,148	2,606
Property revaluations and capital gains	(234,412)	(179,662)
Share of profit from investments in equity-accounted investees	-	(3,060)
Net finance expenses	87,749	111,967
Tax and deferred tax expenses	58,629	56,747
Equity settled share-based payment	1,258	1,728
Change in working capital	(29,367)	(24,209)
	122,897	**123,201**
Tax paid	(12,716)	(18,181)
Net cash provided by operating activities	**110,181**	**105,020**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of equipment and intangible assets, net	(2,844)	(2,949)
Acquisitions of investment property, Capex and advances paid, net	(186,596)	(343,911)
Disposals of investment property, net	13,568	3,941
Acquisition of investees and loans, net of cash acquired	(3,667)	-
Disposal of investees, net of cash disposed	-	293,095
Investment in (disposal of) financial and other assets, net	88,932	(65,710)
Net cash used in investing activities	**(90,607)**	**(115,534)**

The notes on pages 40 to 47 form an integral part of these condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	For the period of six months ended 30 June	
	2022	2021
	Unaudited	
	€'000	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Amortisation of loans from financial institutions	(1,655)	(2,558)
Proceeds (repayment) of loans from financial institutions, net	(105,416)	(273,929)
Proceeds from straight and convertible bonds, net	-	976,294
Proceeds (payments) from (to) perpetual notes investors, net	(16,001)	(99,145)
Repayment and buy-back of straight and convertible bonds	(450,000)	(762,373)
Capital increase	-	17,103
Share buy back	-	(157,479)
Interest and other financial expenses, net	(24,992)	(30,756)
Net cash used in financing activities	**(598,064)**	**(332,843)**
Net decrease in cash and cash equivalents	**(578,490)**	**(343,357)**
Change in cash and cash equivalents held-for-sale	(329)	(186)
Cash and cash equivalents at the beginning of the period	895,486	1,412,199
Effect of foreign exchange rate changes	(20)	1,056
Cash and cash equivalents at the end of the period	**316,647**	**1,069,712**

The notes on pages 40 to 47 form an integral part of these condensed interim consolidated financial statements

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Grand City Properties S.A. ("the Company") was incorporated in Grand Duchy of Luxembourg on December 16, 2011 as a Société Anonyme (public limited liability company). Its registered office is at 40, Rue du Curé, L-1368 Luxembourg.

The Company is a specialist in residential real estate, investing in value-add opportunities in densely populated areas, predominantly in Germany and is complimented by a portfolio in London. The Company's strategy is to improve its properties through targeted modernization and intensive tenant management, and create value by subsequently raising occupancy and rental levels.

These condensed interim consolidated financial statements for the six months ended 30 June 2022 ("the reporting period") consist of the financial statements of the Company and its investees ("the Group").

2. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The financial position and performance of the Group was affected by the following events and transactions during the reporting period:

- The Group repaid debt in total amount of euro 616 million, of which euro 450 million for the repayment of convertible bond F with 0.25% coupon (due March 2022) of which euro 186.7 million of principal amount were held by subsidiaries of Aroundtown S.A ("the ultimate controlling party"). In addition, the Group repaid euro 166 million bank loan and secured euro 62 million in new bank loan financing at a 10-year maturity in May 2022 at a margin of 1% + 6 months EURIBOR.
- The Group acquired approximately euro 250 million of investment property in Berlin and London.
- At the annual general meeting held on 29 June 2022, it was resolved upon a distribution of dividend in total amount of euro 137.6 million (0.8340 euro per share). For additional information see note 7.
- For additional information about changes in the Group's financial position and performance, see the "Notes on business performance" section in the Board of Directors' report.
- Geopolitical situation around Russia - Ukraine

  On 24 February 2022, following several months of increasing escalation, the Russian Federation (Russia) announced the beginning of a "special military operation" in Ukraine. Following the announcement, Russia started moving military forces into Ukraine and launched missile strikes and air-strikes at targets in across Ukraine, initiating a full-scale invasion of Ukraine (the "Invasion" or the "Conflict"). The invasion received wide-spread international condemnation and on 2 March 2022 the General Assembly of the United Nations, under an Emergency Special Sessions, adopted resolution A/RES/ES-11/1, among others, condemning the Invasion by Russia and demanding immediate ceasing of hostilities and withdrawal of military forces from the territory of Ukraine. As of the date of this report hostilities continue. In a reaction to Russian hostilities many nations and organisations, including Germany and the European Union (EU), have announced sanctions against Russia, Russian companies, and individuals in and from Russia. These sanctions, as well as increased uncertainty resulting from the conflict, have so far resulted in increased volatility in financial markets and increases in prices for a range of commodities, particularly in energy prices, among others. A large number of Ukrainian refugees have fled the country since the start of the conflict, seeking asylum in the EU. In response to this the EU invoked the Temporary Protection Directive (the "Directive"), granting expanded rights to Ukrainian citizens in the EU, granting such citizens residence permits in the EU for the duration of the directive as well as, among others, access to employment, accommodation, social welfare or means of subsistence, access to medical treatment, access to education for minors, and more.

  Group's operations are not directly impacted by the conflict, as neither its portfolio nor its operations have direct exposure to Ukraine or Russia. However, the Company has been impacted by the indirect consequences of the conflict. Firstly, as a result of the conflict inflationary pressures have increased, specifically heating and energy costs, which have an impact on the operating costs of the Company. Such pressures may also have an impact on the ability of the Company's tenants to pay rent and/or for the Company to recover expenses related to recoverable expenses from tenants in the future. Furthermore, higher levels of inflation have impacted interest rates, which have risen and increased the cost of obtaining new financing, while increased volatility in the capital markets have reduced the Company's ability to raise capital at attractive prices, resulting in an increase in its cost of capital and potentially limiting its growth opportunities.

  As a result of the large number of refugees that have entered and are expected to enter the EU. The Company expects large numbers of refugees to continue to enter Germany as the conflict continues. The large numbers of refugees are likely to result in increased strain on the residential real estate market in Germany, similar to what has been seen as a result of the height of the refugee crisis in relation to the Syrian civil war in 2015. This may further exacerbate the supply and demand mismatch, increase political pressure for home construction and higher utilization of already limited construction capacity, which may result in increased construction costs and delays, particularly in the event that the crisis will be prolonged. The full effects are currently still unclear and will depend significantly on the duration and final outcome of the conflict as well as the distribution of refugees across the EU.

- Inflation and interest rates

  The Coronavirus pandemic, the high amount of cash injected into the market as a monetary response and the geopolitical situation around Russia – Ukraine, and the subsequent disruption of the global economy have resulted in significant supply and demand shocks, which have further resulted in higher inflationary pressures and supply shortages in much of 2021 and into 2022. Inflationary pressure has been particularly strong in energy prices and material prices and there is much uncertainty as to the development of prices in the coming periods. Higher levels of inflation particularly for energy and materials may have an impact on the Group's ability to acquire materials for capex measures at a reasonable price and increase utility costs or result in delays across the Company's operations. Furthermore, higher levels of inflation across the economy may result in higher personnel expenses and expenses related to external services, which could have a negative impact on Group's profitability. In addition, higher levels of inflation have resulted to increases in yields and volatility in capital markets, which has a negatively impact on the cost of new financing for the Company on one hand and may put upward pressure on discount rates and cap rates if prolonged, which may have an adverse impact on the fair value of Group's assets.

  Increases in material costs have an impact on the cost of capex projects for the Group, however, material costs generally form a relatively smaller component of total capex and maintenance expenses and a large share of capex projects are executed at the Company's discretion. These projects can usually be deferred if costs increase to such an extent that they become uneconomical. The Company is able to offset some of these expenses due to its economies of scale. The Company believes that, while increases in personnel expenses are likely to have an impact on its cost structure, efficiency gains and internal growth, as well as cost recovery from tenants, will be able to offset such higher expenses. Regarding higher interest rates, the Company has a high interest hedge ratio, with 95% of its debt protected against interest rate increases. Furthermore, due to balanced and long maturity schedule with no maturities in 2022 and 2023, combined with a strong liquidity position, the Company does not face material refinancing risk at higher rates in the near term. Furthermore, Group's low leverage of 35%, well below the Company's conservative Board of Directors' limit of 45% and higher bond covenant levels, leaves significant headroom in the event of downward portfolio value revisions.

3. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as applicable in the European Union ("EU").

The condensed interim consolidated financial statements do not include all the information required for a complete set of IFRS financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at 31 December 2021.

However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021.

The accounting policies adopted in the preparation of these condensed consolidated financial statements, including the judgments, estimates and special assumptions that affect the application of those accounting policies, are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new standards, amendments to standards and interpretations as described in note 4 below.

These condensed interim consolidated financial statements have not been reviewed by the auditor, unless written "audited".

4. CHANGES IN ACCOUNTING POLICIES

The following amendments were adopted for the first time in these condensed interim consolidated financial statements, with effective date of 1 January 2022:

- **Amendments to IFRS 3 Business Combinations**
  The amendments replace a reference to a previous version of the IASB's Conceptual Framework with a reference to the current version issued in March 2018 without significantly changing its requirements. The amendments add an exception to the recognition principle of IFRS 3 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

  These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the period.

- **Amendments to IAS 16 Property, Plant and Equipment**
  The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets**
  An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

  The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  These amendments had no impact on the interim condensed consolidated financial statements of the Group.

- **Annual Improvements to IFRSs 2018-2020 Cycle**

  - **IFRS 1 First-time Adoption of International Financial Reporting Standards**
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it is not a first-time adopter.

  - **IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**
    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for IAS 39 Financial Instruments: Recognition and Measurement.
    These amendments had no impact on the interim condensed consolidated financial statements of the Group as there were no modifications of the Group's financial instruments during the period.

- **IAS 41 Agriculture – Taxation in fair value measurements**
  The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. These amendments had no impact on the interim condensed consolidated financial statements of the Group as it did not have assets in scope of IAS 41 as at the reporting date.

The following amendments were adopted by the EU, with effective date of 1 January 2023:

» **Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates**

» **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies**

» **Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

These amendments are not expected to have a material impact on the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.


Hannover

5. REVENUE

	For the period of six months ended 30 June	
	2022	2021
	€'000	
Net rental income	194,586	183,131
Operating and other income	77,506	76,317
	272,092	**259,448**

6. INVESTMENT PROPERTY

	For the period of six months ended 30 June 2022	For the year ended 31 December 2021
	Level 3(*)	Level 3(*)
	Unaudited	Audited
	€'000	
As at 1 January	**9,339,489**	**8,005,893**
Plus: investment property classified as held for sale	102,537	150,207
Total investment property	**9,442,026**	**8,156,100**
Acquisitions of investment property	260,487	757,738
Capital expenditure on investment property	66,033	105,424
Disposals of investment property	(11,683)	(294,222)
Fair value adjustment	232,481	631,152
Effect of foreign currency exchange differences	(40,656)	112,348
Transfers (from)/to investment property, net	-	(26,514)
Total investment property	**9,948,688**	**9,442,026**
Less: investment property classified as held for sale	(148,066)	(102,537)
As at 30 June / 31 December	**9,800,622**	**9,339,489**

(*) classified in accordance with the fair value hierarchy (see note 8). Since one or more of the significant inputs is not based on observable market data, the fair value measurement is included in level 3.

7. DIVIDEND

	2022	2021
Dividend per share (in €)	0.8340	0.8232
Total dividend amount (in €'000)	137,580	136,433

On 29 June 2022, the annual general meeting of the shareholders of the Company has resolved upon a dividend distribution of euro 0.8340 (gross) per share for the year 2021 (2021: euro 0.8232 (gross) per share for the year 2020). The total gross amount of the dividend amounted to euro 137,580 thousand (2021: euro 136,433 thousand) and deducted from the share premium account.

The Company has also provided shareholders with the option to receive their dividend through a scrip dividend. Shareholders of the company could elect to receive up to 85% of their dividend in the form of shares of the Company, with the reminder paid in cash. For additional information after the reporting period see note 11.

8. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual consolidated financial statements.

8.1 FAIR VALUE HIERARCHY

The following table presents the Group's financial assets and financial liabilities measured and recognised at fair value as at 30 June 2022 and 31 December 2021 on a recurring basis:

	As at 30 June 2022					As at 31 December 2021				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL ASSETS										
Financial assets at fair value through profit or loss(*)	204,804	204,804	107,116	75,371	22,317	410,570	410,570	175,638	77,163	157,769
Derivative financial assets	45,503	45,503	-	45,503	-	43,633	43,633	-	43,633	-
Total financial assets	**250,307**	**250,307**	**107,116**	**120,874**	**22,317**	**454,203**	**454,203**	**175,638**	**120,796**	**157,769**
FINANCIAL LIABILITIES										
Derivative financial liabilities	82,671	82,671	-	82,671	-	106,891	106,891	-	106,891	-
Total financial liabilities	**82,671**	**82,671**	**-**	**82671**	**-**	**106,891**	**106,891**	**-**	**106,891**	**-**

(*) including non-current financial assets at fair value through profit or loss

FAIR VALUE HIERARCHY

The Group also has a number of financial instruments which are not measured at fair value in the consolidated statement of financial position. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following instruments as at 30 June 2022 and 31 December 2021:

	As at 30 June 2022					As at 31 December 2021				
			Fair value measurement using					Fair value measurement using		
	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount	Total fair value	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	€'000									
FINANCIAL LIABILITIES										
Straight bonds	3,623,184	3,140,989	2,979,569	161,420	-	3,642,285	3,779,314	3,599,216	180,098	-
Convertible bond (*)	-	-	-	-	-	449,595	451,283	451,283	-	-
Total financial liabilities	**3,623,184**	**3,140,989**	**2,979,569**	**161,420**	**-**	**4,091,880**	**4,230,597**	**4,050,499**	**180,098**	**-**

(*) including bond redemption.

Level 1: the fair value of financial instruments traded in active markets (such as debt and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: the fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant input required to fair value of financial instrument are observable, the instrument is included in level 2.

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

When the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flows (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of input such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments and is discussed further below.

8.2 VALUATION TECHNIQUES USED TO DETERMINE FAIR VALUES

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted bonds are based on price quotations at the reporting date. The fair value of unquoted bonds is measured using the discounted cash flows method with observable inputs.
- There's an active market for the Group's listed equity investments and quoted debt instruments.
- For the fair value measurement of investments in unlisted funds, the net asset value is used as a valuation input and an adjustment is applied for lack of marketability and restrictions on redemptions as necessary. This adjustment is based on management judgment after considering the period of restrictions and the nature of the underlying investments.
- The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate and foreign exchange swap and forward, collar and cap contracts are valued using valuation techniques, which employ the use of market observable inputs. The most frequently applied valuation technique includes forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves.

There were no transfers between level 1, level 2 and level 3 during the reporting period.

9. COMMITMENTS

As at the reporting date, the Group does not have significant commitments.

10. CONTINGENT ASSETS AND LIABILITIES

The Group does not have significant contingent assets and liabilities as at 30 June 2022 and as at 31 December 2021.

11. EVENTS AFTER THE REPORTING PERIOD

On 15 July 2022, the Company announced that the shareholders of approximately 115 million shares opted to receive their dividend in the form of new ordinary shares of the Company. Accordingly, 7,360,307 treasury shares have been delivered to shareholders in connection with the scrip dividend, and the reminder of the dividend in total amount of approximately euro 56.3 million has been paid.

12. AUTHORISATION OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These condensed interim consolidated financial statements were authorised for issuance by the Company's Board of Directors on 15 August 2022.

Hamburg


GCP
Essen (NRW)